

purposes indicated, to be available for the fiscal years ending June 30 in the years indicated.

Subd. 2. TO COMMISSIONER OF FINANCE. To the commissioner of finance for payment of the state's obligation prescribed in Minnesota Statutes, sections 354.43, 354.55, subdivision 5, 354A.12, subdivision 2, 355.46, and 355.49, there is appropriated:

\$216,227,200.....1986,

\$ 500.....1987.

Subd. 3. TO DEPARTMENT OF EDUCATION. To the department of education to make the aid payments required by section 2, there is appropriated:

\$195,462,000.....1987.

This appropriation is for aid for fiscal year 1987 payable in fiscal year 1987. The appropriation is based on an aid entitlement of \$229,955,300 for fiscal year 1987.

Subd. 4. PRORATION. Except as provided in section 124.14, subdivision 7, the amount appropriated in subdivision 3 shall not be expended for a purpose other than the purpose indicated. If the appropriation amount in subdivision 3 plus the amount of any transfers made according to section 124.14, subdivision 7, is insufficient, the aid for that year shall be prorated among all qualifying districts.

Sec. 22. REPEALER; JULY 1, 1986.

Minnesota Statutes 1984, sections 354.43, subdivisions 1, 4, and 5; 354A.12, subdivision 3; 355.46, subdivisions 1, 2, and 5; and 355.47, are repealed.

Sec. 23. EFFECTIVE DATES.

Subdivision 1. Sections 4 to 18 are effective July 1, 1985, for covered employees of area vocational technical institutes and July 1, 1986, for all other covered employees of school districts and other employing units.

Subd. 2. Section 13 is effective July 1, 1986.

Approved June 27, 1985

CHAPTER 13 — H.F.No. 16

An act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government with certain conditions; providing for the transfer of certain money in the state treasury; authorizing land acquisition; fixing and limiting fees; creating, modifying, transferring, and abolishing agencies and functions; amending Minnesota Statutes 1984, sections 2.722,

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

subdivision 1, and by adding a subdivision; 3.099, subdivision 1; 3.21; 3.302, subdivision 3; 3.303, by adding a subdivision; 3.351, subdivision 3; 3.736, subdivision 3; 3.85, subdivision 11; 3.9223, subdivision 1; 3C.12, subdivision 7; 11A.07, by adding a subdivision; 11A.20, subdivision 1; 13.68, subdivision 1; 14.07, subdivisions 1 and 2; 14.08; 14.26; 14.32; 14.40; 14.47, subdivision 8; 14.48; 14.51; 14.55; 15.0597, subdivision 1; 15.50, subdivision 3; 15A.081, subdivisions 1 and 7; 15A.082, subdivisions 2 and 3; 16A.055, subdivision 1; 16A.123, subdivision 3; 16A.127, subdivisions 1, 3, and 5, and by adding a subdivision; 16A.128; 16A.1281; 16A.275; 16A.40; 16A.42, subdivision 2; 16A.45, subdivision 2; 16A.47; 16A.58; 16A.641, subdivision 10, and by adding a subdivision; 16A.672, subdivisions 1, 2, and 3; 16B.08, subdivision 7; 16B.09, by adding a subdivision; 16B.21, subdivision 1; 16B.22, as amended; 16B.24, subdivision 5; 16B.29; 16B.36, subdivision 1; 16B.42, subdivision 4; 16B.48, subdivision 2; 16B.54, subdivision 2; 16B.70; 40A.01, subdivision 1; 40A.02, subdivisions 3, 11, and 15; 40A.03, subdivision 2; 40A.04; 40A.05, subdivisions 1 and 2; 40A.06; 40A.07, subdivision 2, and by adding a subdivision; 40A.13, subdivision 1; 40A.15, subdivision 4; 41A.01; 41A.02, subdivisions 5, 7, 8, and 11, and by adding a subdivision; 41A.03, subdivisions 1 and 3, and by adding a subdivision; 41A.04, subdivisions 1, 3, and 4; 41A.05, subdivisions 1, 2, and 3, and by adding a subdivision; 41A.06, subdivisions 1 and 5; 43A.04, subdivision 3; 43A.07, subdivision 2; 43A.08, subdivision 1; 43A.10, subdivision 8; 43A.15, by adding a subdivision; 43A.18, subdivision 5; 43A.19, subdivision 1; 43A.30, subdivision 4, and by adding a subdivision; 46.07, subdivision 2, and by adding a subdivision; 47.015, subdivision 1; 47.0151, subdivision 3; 47.0152; 48.13; 49.05, by adding subdivisions; 52.02, subdivision 3; 52.24, subdivisions 1 and 2; 53.04, by adding a subdivision; 53.10; 55.095; 65B.49, subdivision 4, as amended; 69.031, subdivision 1; 84.86, subdivision 1; 84B.03, subdivision 4; 85.05, subdivisions 1 and 2; 85.22, subdivision 2a; 85.43; 85A.01, subdivisions 1 and 2; 85A.02, subdivisions 3, 4, 5, 7, 12, and 16, and by adding subdivisions; 85A.04, subdivision 1; 97.4841, subdivision 3; 97.4842, subdivision 2; 98.45, by adding a subdivision; 98.46, subdivisions 2, 14, and 15; 100.271, subdivision 2; 105.42, by adding a subdivision; 115.03, by adding a subdivision; 115A.904; 115A.908, subdivision 2; 115A.914, subdivision 1; 116.07, subdivision 4d; 116.12, subdivision 1; 116C.69, subdivision 3; 116C.71, by adding a subdivision; 116C.723; 116C.724; 116J.36, subdivision 6, as amended; 116J.76; 116M.03, subdivision 17, and by adding a subdivision; 116M.04, subdivisions 8a and 9; 116M.05, subdivision 8; 116M.06, subdivisions 2 and 5; 116M.07, subdivisions 2, 4, 8, 9, 11, and 13; 116M.08, subdivisions 11, 12, 14, and 15; 116M.10, subdivision 8; 116M.11; 116M.12, subdivisions 3 and 4; 176.102, by adding a subdivision; 177.23, subdivisions 4 and 7; 177.24, subdivisions 3, 4, and 5; 177.27; 177.28, subdivision 4; 177.32, subdivision 1; 180.03, subdivisions 2, 3, and 4; 180.10; 181.79, subdivision 1; 181A.04, subdivision 3; 181A.12, subdivision 1; 183.545, by adding a subdivision; 192.51, subdivision 2; 196.051, by adding a subdivision; 268.05, subdivision 2; 268.38, subdivisions 1, 2, 6, 7, and 8; 270.75, by adding a subdivision; 270A.07, subdivision 1; 290.50, subdivision 6; 296.421, subdivision 4, and by adding a subdivision; 297.13, subdivision 1; 298.2211, by adding a subdivision; 326.52; 331A.02, subdivision 1; 334.021; 352.01, subdivision 2B; 361.03, subdivision 5; 361.27; 363.01, subdivision 24, and by adding subdivisions; 363.05, subdivision 2; 363.06, subdivision 8; 363.116; 403.11, subdivision 1; 422A.101, subdivision 3, and by adding a subdivision; 462A.03, subdivision 14; 462A.05, subdivisions 11, 12, and 15a, and by adding subdivisions; 462A.07, subdivisions 14 and 15; 462A.08, subdivision 3; 462A.20, subdivision 3; 462A.21, subdivision 6, and by adding a subdivision; 462C.09, by adding a subdivision; 466.03, by adding a subdivision; 471.345, by adding a subdivision; 472.03, subdivision 9; 472.11, subdivisions 3 and 9; 472.125; 472.13; 473.123, subdivision 5; 473.141, subdivision 7;

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473.605, subdivision 2; 473.606, subdivision 1; 473.714; 477A.014, by adding a subdivision; 486.05, subdivision 1, as amended; 487.01, subdivision 5; 494.01, by adding a subdivision; 609.101; 611.216, subdivision 1, and by adding a subdivision; and 626.861, by adding a subdivision; Laws 1984, chapter 502, article 5, section 19, subdivision 1; Laws 1985, chapter 4, section 6, subdivision 3, as amended; chapter 221, sections 1 and 12; and chapter 258, section 1, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 3; 3C; 5; 8; 16A; 40A; 41A; 43A; 47; 84; 85; 85A; 88; 97; 116; 116C; 116J; 116M; 139; 179; 181; 198; 270; 363; 473; and 480; repealing Minnesota Statutes, sections 7.01; 7.013; 7.02; 7.03; 7.04; 7.05; 7.13; 7.14; 7.15; 7.16; 7.17; 7.18; 10.18; 10.19; 10.20; 10.21; 10.22; 10.23; 16A.42, subdivision 3; 40.19, subdivisions 3, 4, 10, 12, 14, and 15; 40A.13, subdivisions 2, 3, 4, and 5; 43A.19, subdivision 2; 46.15; 47.20, subdivisions 11 and 12; 48.19; 48.57; 48.58; 48.87; 69.031, subdivision 2; 84.088; 85A.01, subdivision 1a; 85A.03; 85A.04, subdivision 3; 124.471; 296.10; 349.212, subdivision 3, as amended; 360.301; 360.302; 360.304; 360.306; 360.388; and 360.389; and Laws 1982, chapter 489, section 11; Laws 1984, chapter 502, article 10, section 12; and chapter 654, article 2, section 151.

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

Section 1. STATE DEPARTMENTS; APPROPRIATIONS.

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another fund named, to the agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures "1985," "1986," and "1987," where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1985, June 30, 1986, or June 30, 1987, respectively.

SUMMARY BY FUND

	1985	1986	1987	TOTAL
General	\$5,485,300	\$461,690,300	\$483,625,000	\$950,800,600
Special		38,055,500	40,797,600	78,853,100
State Airports		54,600	104,500	159,100
Game and Fish		33,928,700	34,667,100	68,595,800
Trunk Highway	983,000	10,008,100	15,501,500	26,492,600
Highway User		1,688,800	1,965,000	3,653,800
Workers' Comp.		8,504,800	8,538,400	17,043,200
Environmental		3,058,600	3,320,200	6,378,800
Metro Landfill				
Abatement		834,000	834,000	1,668,000
Metro Landfill				
Contingency		1,312,300	1,317,500	2,629,800
Minnesota Resources		8,573,500	7,408,200	15,981,700
Motor Vehicle				
Transfer		2,288,700	2,712,700	5,001,400

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

Water Pollution Control		430,400	352,300	782,700
Transfers to Other				
	(4,747,-			
Direct	300)	(3,585,900)	(3,459,800)	(11,793,000)
TOTAL	\$1,721,000	\$566,842,400	\$597,684,200	\$1,166,247,600

APPROPRIATIONS

Available for the Year
Ending June 30

1986 1987

Sec. 2. LEGISLATURE

Subdivision 1. Total for			\$32,380,900	\$33,221,200
this section				
	Summary by Fund			
General	\$32,361,400	\$33,201,700		
Trunk Highway	\$ 19,500	\$ 19,500		
Subd. 2. Senate			10,124,000	11,276,000
Subd. 3. House of Representatives			15,946,300	15,194,400

\$1,236,300 is to reimburse the house of representatives for expenses related to the rehabilitation and renovation of the state office building.

Subd. 4. Legislative Coordinating Commission			3,448,500	3,871,200
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The amounts that may be spent from this appropriation for each activity are as follows:

(a) Legislative Reference Library				
	1986	1987		
	\$ 758,900	\$ 787,000		
(b) Revisor of Statutes				
	\$ 1,208,200	\$ 1,566,100		
(c) Legislative Commission on the Economic Status of Women				
	\$ 110,400	\$ 114,700		
(d) Legislative Commission on Economic Development Strategy				
	\$ 85,000	\$ 85,000		

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

(e) Legislative Commission on Employee Relations

. \$ 86,200	\$ 88,800
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(f) Legislative Commission on Energy

\$ 25,000	\$ 25,000
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(g) Great Lakes Commission

\$ 34,500	\$ 38,600
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The appropriation for the second year is available for expenditure only with the approval of the governor after consultation with the chairmen of the senate finance committee and house of representatives appropriations committee and after completion of a study, to be carried out jointly by the Great Lakes Commission and the Council of Great Lakes Governors, concerning the proper roles of these two agencies.

(h) Legislative Commission on Pensions and Retirement

\$ 592,500	\$ 612,500
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(i) Legislative Commission on Public Education

\$ 50,000	\$ 50,000
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(j) Legislative Commission to Review Administrative Rules

\$ 98,500	\$ 101,300
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(k) Legislative Commission on Waste Management

\$ 104,800	\$ 109,800
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(l) Mississippi River Parkway Commission

\$ 19,500	\$ 19,500
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This appropriation is from the trunk highway fund.

(m) Legislative Coordinating Commission - General Support

\$ 245,000	\$ 242,900
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Changes or additions are indicated by underline, deletions by ~~strikeout~~.

\$50,000 the first year and \$50,000 the second year is reserved for unanticipated costs of agencies in this subdivision and subdivision 5. The legislative coordinating commission may transfer necessary amounts from this appropriation to the appropriations of the agencies concerned, and the amounts transferred are appropriated to those agencies to be spent by them. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$62,400 the first year and \$64,900 the second year is for the state contribution to the national conference of state legislatures.

(n) Visitor Services

\$ 30,000 \$ 30,000

Subd. 5. Legislative Audit

Commission	2,862,100	2,879,600
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The amounts that may be spent from this appropriation for each activity are as follows:

(a) Legislative Audit Commission

\$ 12,200 \$ 12,600

(b) Legislative Auditor

\$ 2,849,900 \$ 2,867,000

Sec. 3. SUPREME COURT

Subdivision 1. Total

Appropriation	7,111,800	7,104,600
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Summary by Fund

General	\$5,907,700	\$5,900,500
Special	\$1,204,100	\$1,204,100

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Supreme Court Operations

\$ 3,597,000 \$ 3,585,700

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

\$1,204,100 the first year and \$1,204,100 the second year is from the legal services account in the special revenue fund for legal services to low-income clients. Any unencumbered balance remaining of the legal services appropriation in the first year does not cancel but is available for the second year of the biennium.

During the biennium, all legal services surcharges collected under Minnesota Statutes, section 480.241 shall be spent only upon programs and clients stipulated by Minnesota Statutes, sections 480.242 and 480.243.

The supreme court shall prepare and submit to the legislature by September 1, 1985, a supplement to its report on the legal services surcharge required by Laws 1982, chapter 489, section 7.

\$2,100 the first year and \$2,200 the second year is for a contingent account for expenses necessary for the normal operation of the court for which no other reimbursement is provided.

Subd. 3. State Court Administrator

\$ 2,892,700 \$ 2,892,000

Of this amount \$273,000 the first year and \$290,000 the second year is available for the costs associated with the installation and operation of automated trial court information systems within a second judicial district.

The proceeds, fees, and royalties from licensing or sale of the trial court information system application software are appropriated to the supreme court for purposes of the trial court information system during the biennium ending June 30, 1987. The supreme court shall report to the chairmen of the senate finance committee and the house appropriations committee on the amounts received and the uses to which they are put.

\$196,000 the first year and \$183,600 the second year is for allocated costs of the revisor of statutes.

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

Subd. 4. State Law Library

\$ 622,100	\$ 626,900		
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Sec. 4. COURT OF APPEALS	2,963,300	2,948,600	
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Sec. 5. TRIAL COURTS

Subdivision 1. Total

Appropriation	15,996,700	15,990,400	
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The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. District and County Court Judges

\$15,387,500	\$15,427,700		
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Subd. 3. District Judges Executive Secretary

\$ 13,500	\$ 13,800		
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Subd. 4. District Court Administrators

\$ 595,700	\$ 548,900		
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During the biennium, current state employees in judicial districts five and eight who transfer to county employment shall have all accumulated vacation and sick leave and all pension rights transferred with them to their county employment.

Sec. 6. BOARD ON JUDICIAL STANDARDS	149,700	150,800	
Approved Complement - 2			

Sec. 7. BOARD OF PUBLIC DEFENSE	529,600	557,300	
Approved Complement - 1			

Sec. 8. PUBLIC DEFENDER	1,280,800	1,334,200	
Approved Complement - 28			

During the biennium, legal assistance to Minnesota prisoners shall serve the civil legal needs of persons confined to state institutions.

None of this appropriation shall be used to pay for lawsuits against public agencies or

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public officials to change social or public policy.

Sec. 9. GOVERNOR

Subdivision 1. Total

Appropriation	2,088,900	2,102,200
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The amounts that may be spent for each activity are as follows:

(a) Committee on Appointments

\$ 92,600	\$ 93,200
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(b) Governor's Residence

\$ 258,700	\$ 261,600
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\$10,000 each year is to provide part-time staff assistance to the governor's residence council established in Minnesota Statutes, section 16B.27.

(c) Executive Operations in Washington, D.C.

\$ 160,300	\$ 163,100
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(d) General Support

\$ 14,700	\$ 14,500
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\$14,700 the first year and \$14,500 the second year is for personal expenses connected with the office of the governor.

For 1985 - \$88,000

\$88,000 for fiscal year 1985 is for costs of hearing a complaint filed against the Scott county attorney, to be available until June 30, 1986.

(e) Interstate Representation and Cooperation

\$ 66,500	\$ 72,500
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This appropriation is for membership dues of the national governors association.

Sec. 10. LIEUTENANT GOVERNOR

252,300	253,200
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Sec. 11. SECRETARY OF STATE

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

Subdivision 1. Total Appropriation	1,570,500	1,686,300
Approved Complement - 42		

Four data entry positions are in the unclassified service to convert corporate and Uniform Commercial Code records from a paper format to a computerized format.

The appropriations in this section are from the special revenue fund.

The amounts that may be spent from this appropriation for each activity are specified in the following subdivisions.

Subd. 2. Elections and Publications

\$ 263,800	\$ 449,000
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Subd. 3. Uniform Commercial Code

\$ 130,700	\$ 128,300
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Subd. 4. Business Services

\$ 534,900	\$ 526,400
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Subd. 5. Administration

\$ 315,600	\$ 314,400
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Subd. 6. Fiscal Operations

\$ 109,500	\$ 109,000
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Subd. 7. Data Services

\$ 216,000	\$ 159,200
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Sec. 12. STATE AUDITOR

434,800	437,200
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Approved Complement - 121.5

General - 7.5

Revolving - 114

\$74,700 the first year and \$77,300 the second year is for an account the auditor may bill for costs associated with conducting single audits of federal funds. During the biennium, this account may be used only when no other billing mechanism is feasible.

During the biennium ending June 30, 1987, the commissioner of finance shall not approve any rate increase for the state auditor beyond those in effect on January 1, 1985,

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

except for adjustments necessitated by salary increases, indirect cost assessments, and other verifiably escalating expenses associated with performing their reimbursable audits.

\$176,000 the first year and \$178,000 the second year must be subtracted from the amount that would otherwise be payable as local government aid under Minnesota Statutes, chapter 477A, in order to fund the government information division.

Sec. 13. STATE TREASURER

162,600

163,700

Approved Complement - 4

Seven positions in the office of the state treasurer are abolished, effective June 30, 1985.

The commissioner of employee relations shall assist in the placement of the incumbents of abolished positions in suitable classifications in state employment where vacancies exist during the year ending June 30, 1986.

Except as provided in the Minnesota Constitution, article V; article XI, sections 7 and 8; and Minnesota Statutes, sections 9.011; 11A.03; and 16A.27, subdivision 2, the responsibilities of the state treasurer are transferred to the commissioner of finance under Minnesota Statutes, section 15.039.

The purpose of this reorganization is to increase the efficiency of state government while maintaining the system of checks and balances provided for in the Minnesota Constitution. This reorganization and transfer effects increased efficiency through elimination of duplicative functions and integration of similar financial duties while maintaining the constitutional responsibilities of the treasurer and the integrity of the accounting system. Internal control is maintained by the separation within the department of finance of the handling of cash and other assets from the accounting records, the daily review by the treasurer of reconciliation reports from the commissioner of finance of state balances on deposit in financial institutions, and audits by the legislative auditor of

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both the records kept by the treasurer and the records kept by the commissioner of finance.

Sec. 14. ATTORNEY GENERAL

Subdivision 1. Total

Appropriation	16,324,600	16,821,300
Approved Complement - 338		
General - 327		
Federal - 11		

Summary by Fund

General	\$15,243,000	\$15,663,900
Game and Fish	\$ 200,000	\$ 225,000
Trunk Highway	\$ 600,000	\$ 625,000

For 1985 - \$ 333,000

Highway User	\$ 125,000	\$ 150,000
Environmental	\$ 156,600	\$ 157,400

The amounts that may be spent from this appropriation for each activity are specified in the following subdivisions.

Subd. 2. Public Administration

\$ 1,280,800	\$ 1,314,800
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Subd. 3. Public Resources

\$ 3,678,300	\$ 3,774,800
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Subd. 4. Public Assistance

\$ 2,035,200	\$ 2,075,200
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Subd. 5. Public Protection

\$ 4,353,000	\$ 4,521,700
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Subd. 6. Legal Policy and Administration

\$ 3,895,700	\$ 3,977,400
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\$50,000 the first year and \$50,000 the second year is for a special account for unanticipated legal expenses. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 7. Legal Services to Dedicated Funds

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

\$ 1,081,600

\$ 1,157,400

(a) The following amounts are appropriated to the agencies indicated to pay for legal services billed to them by the attorney general. Amounts not needed for legal services may be transferred and added to other appropriations to the agencies.

Natural Resources

Game and Fish	\$ 200,000	\$ 225,000
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Public Safety

Trunk Highway	\$ 600,000	\$ 625,000
Highway User	\$ 125,000	\$ 150,000

Pollution Control

Environmental	\$ 156,600	\$ 157,400
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(b) The sum of \$333,000 is appropriated from the trunk highway fund for transfer by the commissioner of finance to the general fund on June 30, 1985, in order to reimburse the general fund for expenses not related to the fund. These represent amounts appropriated out of the general fund for legal services to trunk highway fund purposes in fiscal year 1983 and fiscal year 1984.

Sec. 15. INVESTMENT BOARD	1,484,100	1,491,100
Approved Complement - 25		

Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

Sec. 16. ADMINISTRATIVE HEARINGS	1,781,600	1,802,400
Approved Complement - 54.5		

Revolving - 18.5

Workers' Compensation - 36

This appropriation is from the workers' compensation special compensation fund for considering workers' compensation claims.

Sec. 17. ADMINISTRATION

Subdivision 1. Total

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

Appropriation		24,290,300	18,883,200
	1986	1987	
Approved Complement -	819.1	826.1	
General -	185.6	184.6	
Special -	28.6	30.6	
Dedicated -	603.9	609.9	
Gift -	1	1	

Summary by Fund

General	\$22,610,500	\$16,185,600
Special	\$ 979,800	\$ 2,697,600
Trunk Highway	\$ 700,000	

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Agency Services

\$ 4,260,900 \$ 3,620,400

\$250,000 the first year is for transfer to the central motor pool fund as contributed capital.

\$1,412,000 the first year and \$1,002,800 the second year is for allocated costs of the revisor of statutes.

During the biennium ending June 30, 1987, the general fund complement of 40 in central purchasing must not be reduced or transferred to any other activity.

Subd. 3. Information Services

\$ 9,426,200 \$ 5,940,900

Summary by Fund

General	\$8,726,200	\$4,135,100
Special		\$1,805,800
Trunk highway	\$ 700,000	

\$250,000 is for transfer to the telecommunications fund as contributed capital.

\$1,200,000 the first year is for transfer to the computer services fund as contributed capital, \$500,000 from the general fund and \$700,000 from the trunk highway fund.

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

\$25,000 the first year and \$25,000 the second year is for the cable communications activity. The responsibilities of the cable communications board are transferred to the commissioner of commerce on June 30, 1985, as provided in Minnesota Statutes, section 15.039, except that the positions for board members and staff are abolished. No positions are transferred.

\$2,748,800 the first year and \$1,805,700 the second year is from the general fund and \$1,805,800 the second year is from the special revenue fund for recurring costs of 911 emergency telephone service. Two general fund positions cancel on January 1, 1987.

Subd. 4. General Services

\$ 6,503,900 \$ 5,303,600

Summary by Fund

General	\$ 5,524,100	\$ 4,411,800
Special	\$ 979,800	\$ 891,800

The department of administration shall develop a plan to include cost benefit and effectiveness analysis of co-locating the central and regional offices of the Pollution Control Agency and the Department of Natural Resources. The commissioner shall consult with the Pollution Control Agency and the Department of Natural Resources in preparing the plan. The plan shall include specific provisions for co-locating the Rochester offices of these two agencies. The commissioner shall provide the chairs of the senate finance committee and the house of representatives appropriations committee with a preliminary report on findings and conclusions by January 15, 1986.

During the biennium the master lease, as defined by the department of finance, may only be used to finance large equipment with a capital value of more than \$100,000 and a useful life of more than ten years, and for equipment already purchased under an existing lease/purchase agreement. The commissioner of finance must consult with the chairs of the house appropriations and

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

senate finance committees before entering into any lease/purchases of equipment by any state agency. This requirement does not apply to purchases by the commissioner of administration made with money from an internal services fund.

\$1,250,000 the first year is for transfer to the general services fund as contributed capital.

\$2,914,300 the first year and \$3,047,500 the second year is for office space costs of the legislature and veterans organizations.

The approved complement is increased by one unclassified position from the state building fund for each \$20,000,000 of building fund appropriations made by the 1985-1986 legislature.

The cost of energy audits performed on buildings housing activities that are paid for from a dedicated fund must be reimbursed to the general fund from the dedicated fund, and the amounts necessary to make the reimbursements are appropriated from the dedicated fund.

\$979,800 the first year and \$891,800 the second year is from the special revenue fund for the building code division.

The commissioner of administration shall report to the house and senate committees on governmental operations by September 1, 1985, on the effect of Minnesota Rules, chapter 1340, in insuring that buildings and related facilities adequately provide for the handicapped. The report must include information on the extent that state and local governments enforce, and public and private owners of new or recently remodeled facilities comply with, Minnesota Rules, chapter 1340.

Subd. 5. Administrative Services

\$ 3,171,900 \$ 3,041,800

The commissioner of administration shall develop a plan for establishing a citizen suggestion system to be administered in con-

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

junction with the suggestion program for state employees described in Minnesota Statutes, section 16B.39. The plan must explore similar programs in other states, a fund for remuneration for cost-saving ideas and oversight provisions for the fund, a 24-hour statewide toll-free telephone line to receive citizen suggestions, proposed legislation to implement the plan, and estimates of the costs of implementing the citizen suggestion system. The plan must be submitted to the legislature by January 1, 1986.

\$2,000 the first year and \$2,000 the second year is for the state employees' band.

\$220,300 the first year and \$229,300 the second year is for block grants to public television stations.

\$388,400 the first year and \$404,100 the second year is for matching grants to public television stations.

\$1,092,000 the first year and \$1,136,000 the second year is for public television equipment needs.

\$202,900 the first year and \$211,100 the second year is for grants to public educational radio stations under Minnesota Statutes, section 139.19.

\$104,000 the first year and \$108,200 the second year is for public educational radio equipment needs.

\$15,000 the first year is to conduct a survey to determine the number and listening pattern of listeners to each public educational radio station that receives state money under this section. The results of the survey must be submitted to the senate finance committee and house of representatives appropriations committee.

If an appropriation for either year for grants to public television or radio stations is not sufficient, the appropriation for the other year is available for it.

\$200,000 the first year is for a grant to the World Theater Corporation of Minnesota, to be paid only if the following criteria are

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met: the World Theater Corporation must document to the commissioner it is a non-profit corporation; before matching state money may be disbursed, \$200,000 of verified private nontax generated contributions must have been received or pledged and an additional match of \$1 of verified private nontax-generated contributions must be received or pledged for each \$1 of state money that is disbursed, so that the total match is 2 for 1. The World Theater Corporation of Minnesota may use this grant money for the costs of completing the planned renovation of the World Theater in St. Paul. The World Theater Corporation must document that this grant money was used on renovation expenses and not operating expenses.

Subd. 6. Commissioner's Office

\$ 927,400 \$ 976,500

Sec. 18. CAPITOL AREA
ARCHITECTURAL AND PLANNING
BOARD

132,100 133,100

	1986	1987
Approved Complement -	3	3

\$24,000 and one position in 1987 is available only with the approval of the governor upon recommendation of the chairs of the senate finance committee and house appropriations committee.

Sec. 19. FINANCE

Subdivision 1. Total

Appropriation	7,246,200	7,111,400
Approved Complement - 131		

The approved complement includes nine positions transferred from the office of the state treasurer to the department of finance under Minnesota Statutes, section 15.039.

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Accounting Operations	\$4,334,200	\$4,122,200
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Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 3. Budget Analysis and Operations

\$ 1,382,400	\$ 1,441,600
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Subd. 4. Fiscal Management and Administration

\$ 1,529,600	\$ 1,547,600
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Subd. 5. Tax Study Commission

Notwithstanding any law or compensation plan to the contrary, \$1,200 is appropriated from tax study commission cancellations for previously approved relocation expenses.

Subd. 6. Exchange of Certain Outstanding Bonds

The commissioner of finance may purchase from their holders \$6,300,000 principal amount of general obligation bonds of the state dated August 1, 1981, maturing on August 1, 2000, and August 1, 2001. The purchase may be made with money on hand in the state bond fund, or by the delivery to the holders of outstanding state general obligation bonds of like principal amount, maturity and interest rate, and cash in an amount not exceeding two percent of the principal amount of the bonds. The commissioner may issue state general obligation bonds for this purpose, and \$126,000 of the money appropriated for transfer from the state general fund to the state bond fund by Laws 1983, chapter 301, section 47, is appropriated for this purpose. Except as specified in this subdivision, bonds issued under this subdivision must contain the terms provided by the commissioner's order authorizing their issuance. Outstanding bonds purchased under this section must be canceled, and money previously appropriated and required to be transferred to the state bond fund for payment of the outstanding bonds must, after the date of purchase, be used to pay the principal of and interest on bonds issued under this subdivision and are appropriated to the state bond fund for this purpose.

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

Subd. 7. Metropolitan Council

The commissioner of finance shall review the budget and tax levy of the metropolitan council and each metropolitan commission or board. The commissioner of finance, in cooperation with the commissioner of employee relations, shall review the personnel practices and the number of managerial employees of the council and each metropolitan commission or board and the reasonableness of their compensation packages. The commissioner of finance shall report the results of these reviews to the legislature by January 1, 1986, and January 1, 1987.

Subd. 8. State-Local Relations

The governor's advisory council on state-local and inter-agency relations, working with the commissioner of finance, shall examine the issue of apportionment of governmental costs between the state and local units of government. The commissioner of finance shall, as part of this study, review and recommend ways state agencies should reflect the appropriate costs to the federal government, local governments, or other revenue producers or service users. The commissioner of finance shall also review and recommend ways state agencies should reflect the appropriate costs among the agencies. These reports are intended to enhance government accountability and must be submitted to the governor and the chairmen of the senate finance and house appropriations committees by July 1, 1986.

Sec. 20. EMPLOYEE RELATIONS

Subdivision 1. Total

Appropriation		4,000,500	3,979,100
	1986	1987	
Approved Complement -	105	114	
General -	99	99	
Special -	6	6	
Revolving -	0	9	

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

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

Subd. 2. Administration

\$ 1,171,900	\$ 1,171,900
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Subd. 3. Equal Opportunity

\$ 155,800	\$ 156,200
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Subd. 4. Labor Relations

\$ 427,500	\$ 428,700
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Subd. 5. Personnel

\$ 2,245,300	\$ 2,222,300
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The management analysis division of the department of administration, in consultation with the commissioner of employee relations and heads of affected agencies, shall report to the legislature by January 15, 1986, on methods for speeding up the process of examining, certifying, and hiring people to fill vacancies in state employment and methods for dismissing state employees who are not performing up to standards set by their agencies, within the framework of collective bargaining agreements.

Sec. 21. REVENUE

Subdivision 1. Total

Appropriation		39,336,500	39,921,000
	1986	1987	
Approved Complement -	1001.2	1005.2	
General -	910.2	914.2	
Highway User -	39	39	
Special Revenue	52	52	

The complement number includes ten unfunded positions.

Summary by Fund

General	\$36,180,200	\$36,731,500
Special	\$ 1,849,900	\$ 1,869,000
Highway User	\$ 1,306,400	\$ 1,320,500

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Revenue Management

\$15,140,700	\$15,592,300
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Changes or additions are indicated by underline, deletions by ~~strikeout~~.

\$1,400,000 the first year and \$1,784,000 the second year is for actual detailed systems design and programming of automated tax systems and functions. None of the appropriation for the second year may be spent until the commissioner has submitted a report to the chairs of the committee on finance of the senate and the committee on appropriations of the house of representatives detailing the progress made and the money spent.

The commissioner shall report to the chair of the senate finance committee and the chair of the house of representatives appropriations committee by January 15, 1986 on alternative methods for reducing the costs incurred in paying unemployment compensation to seasonal employees of the department.

On July 1, 1985, the commissioner of revenue shall submit to the computer development steering committee, composed of the commissioners of revenue, finance, and administration, an information systems strategic plan that details the systems, projects, and developments to be implemented in the next six years. The plan should include a cost benefit analysis that shows the potential for department wide savings.

\$850,000 the first year and \$1,040,000 the second year for information systems development is available for expenditure upon completion of each phase of development and upon review and approval by the computer development steering committee.

Subd. 3. Income, Sales, and Use Tax Management

\$19,457,100 \$19,562,000

Summary by Fund

General	\$17,607,200	\$17,693,000
Special	\$ 1,849,900	\$ 1,869,000

The first \$1,849,900 of corporate income tax receipts in the first year and the first \$1,869,000 of corporate income tax receipts

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

in the second year must be credited to the special revenue fund.

Subd. 4. Property and Special Taxes Management

\$ 4,657,800 \$ 4,684,100

Summary by Fund

General	\$ 3,351,400	\$ 3,363,600
Highway User	\$ 1,306,400	\$ 1,320,500

Subd. 5. Assessors Board

\$ 80,900 \$ 82,600

\$36,800 the first year and \$37,900 the second year is for state paid tuition for required assessor training.

Sec. 22. TAX COURT	391,100	379,400
Approved Complement - 6		

Sec. 23. NATURAL RESOURCES

Subdivision 1. Total

Appropriation	96,488,700	94,487,700
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	1986	1987
Approved Complement -	1,601	1,595
General -	953	943
Special -	82	89
Game and Fish -	519	519
Federal -	47	44

Funding Summary

General	\$45,101,400	\$42,746,600
Con. Con.	\$ 500,000	\$ 500,000
Cross Country	\$ 251,800	\$ 253,700
Ski		
Forest Management	\$ 5,178,300	\$ 4,944,100
Non-Game Wildlife	\$ 706,800	\$ 696,900
Snowmobile	\$ 3,243,600	\$ 3,082,700
State Park M. & O.	\$ 3,755,300	\$ 3,894,400
Three Wheeler	\$ 94,100	\$ 95,500
Water Recreation	\$ 5,099,800	\$ 5,645,200
Wildlife Acquis.	\$ 1,145,600	\$ 1,144,700
Game and Fish	\$31,412,000	\$31,483,900

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

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Administrative Management Services

\$ 6,051,100 \$ 5,574,800

Funding Summary

General	\$ 3,231,500	\$ 2,418,700
Snowmobile	\$ 260,800	\$ 272,700
Water Recreation	\$ 205,000	\$ 521,200
Game and Fish	\$ 2,353,800	\$ 2,362,200

\$325,000 the first year is to pay severance costs and unemployment compensation. The commissioner of natural resources shall report to the chairmen of the senate finance committee and house appropriations committee by September 1, 1986, on the amounts spent from this appropriation.

The commissioner of natural resources shall study the feasibility of providing for a multi-year or lifetime stamp for cross country skiing upon payment of an appropriate fee and in lieu of an annual cross country ski license. The commissioner shall report to the chairs of the senate finance committee and house appropriations committee by January 15, 1986 on the findings of the study.

\$190,000 the first year is to pay the costs of acquiring the lands in Voyageurs National Park described in this act, to the same extent that the costs are authorized under Minnesota Statutes, section 84B.08. This appropriation is available until June 30, 1987.

Subd. 3. Regional Administration

\$ 3,938,500 \$ 3,943,700

Funding Summary

General	\$ 3,094,200	\$ 3,099,200
Game and Fish	\$ 844,300	\$ 844,500

Subd. 4. Field Services Support

\$ 5,728,900 \$ 5,767,900

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

Funding Summary

General	\$ 4,166,600	\$ 4,205,600
Game and Fish	\$ 1,562,300	\$ 1,562,300

Subd. 5. Water Resources Management

\$ 3,715,600	\$ 3,636,000
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Funding Summary

General	\$ 3,622,300	\$ 3,567,700
Water Recreation	\$ 93,300	\$ 68,300

\$500,000 the first year is added to the appropriation in Laws 1984, chapter 597, section 5, subdivision 4, item (d), to construct the Winger dam on the Sand Hill River, Polk county.

\$25,000 the first year is for the aeration and cleanup of Crooked Lake, in the city of Coon Rapids. The money is available only if matched by \$1 of nonstate money for each \$1 of state money. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

Subd. 6. Mineral Resources Management

\$ 3,901,800	\$ 3,955,800
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The amounts that may be spent from this appropriation for each activity are as follows:

(a) General Operations and Management

\$ 2,954,700	\$ 2,996,600
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\$200,000 the first year and \$200,000 the second year is for copper-nickel test drilling. One position for this purpose is in the unclassified civil service and its continued employment is contingent upon the availability of money from the appropriation. When the appropriation has been spent, the position shall be canceled and the approved complement of the agency reduced accordingly. Part-time employment of persons is authorized.

\$160,000 the first year and \$160,000 the second year is for minerals research. Any

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unencumbered balance remaining in the first year does not cancel but is available for the second year.

\$550,000 the first year and \$550,000 the second year is for direct reduction research, of which \$450,000 the first year and \$450,000 the second year is available only as matched by \$1 of nonstate money for each \$1 of state money. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

(b) Mineland Reclamation

\$ 301,400 \$ 301,500

The commissioner of natural resources, with the assistance of the commissioner of the iron range resources and rehabilitation board and county mine inspectors, shall study the adequacy of existing laws relating to the protection of the public from hazards arising from the existence of excavations, open pits, shafts, or caves created by mining other than mining of sand, crushed rock, or gravel, and shall report findings, conclusions, and recommendations to the 1987 session of the legislature. The commissioner shall consult with private owners and operators of active and inactive mines in the study.

(c) Peat Management

\$ 645,700 \$ 657,700

\$175,000 the first year and \$175,000 the second year is for peat development. The commissioner may match this state money with money from non-state sources. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

\$170,000 the first year and \$175,000 the second year is for a detailed peat survey, environmental monitoring, and reclamation field work.

Two positions in peat development and four positions in peat survey, environmental monitoring, and reclamation are in the un-

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classified civil service and their continued employment is contingent upon the availability of money from the appropriation. When the appropriation has been spent, their positions shall be canceled and the approved complement of the agency reduced accordingly. Part-time employment of persons is authorized.

The commissioner shall report to the legislature by January 1, 1986, and January 1, 1987, on the progress of peat development projects funded by this appropriation.

Subd. 7. Forest Management

\$19,510,900 \$18,332,600

Funding Summary

General	\$13,917,600	\$12,973,500
Con. Con.	\$ 500,000	\$ 500,000
Forest Manage- ment	\$ 5,093,300	\$ 4,859,100

\$750,000 the first year and \$750,000 the second year is for emergency fire fighting and is not subject to transfer. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. No more than \$400,000 the first year and \$410,000 the second year is available for presuppression costs.

\$1,250,000 the first year and \$250,000 the second year is for contracts with counties or groups of counties for county forestry assistance programs. At least \$1,000,000 the first year is reserved for St. Louis county. Any amounts in either year that the commissioner of natural resources determines will not be needed by counties other than St. Louis county may be spent under the contract with St. Louis county.

The commissioner shall establish a pilot project to develop methods and practices to recycle at least 5,000 acres of aspen stands in the state. The commissioner may restrict bidding to loggers residing in the highest priority area for aspen recycling who are financially distressed. The commissioner may establish standards and procedures for

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awarding logging contracts under Minnesota Statutes, section 86.35, relating to eligibility for employment for conservation work projects. The commissioner shall report to the legislature by July 1, 1986, with the results of the pilot project and a plan to recycle the overmature aspen stands of the state.

Subd. 8. Fish Management

\$11,391,600 \$11,432,000

Funding Summary

Water Recreation	\$ 150,000	\$ 150,000
Game and Fish	\$11,241,600	\$11,282,000

(a) General Operations and Management

\$11,141,600 \$11,182,000

\$50,000 is for grants to a private nonprofit organization to develop, implement, and evaluate innovative techniques for the production of game fish fingerlings. No more than five percent may be expended for administrative purposes. A nonprofit organization funded shall submit a work program to the commissioner of natural resources for submission to the legislative commission on Minnesota resources detailing expenditure of the grant. Expenditure of the grant is contingent upon review and approval of the work program. The commissioner shall report to the legislature by February 1, 1986, on the expenditure of this appropriation.

\$150,000 each year is from the water recreation account in the special revenue fund for lake improvement.

(b) Trout and Salmon Management

\$ 250,000 \$ 250,000

Subd. 9. Wildlife Management

\$10,108,000 \$10,221,500

Funding Summary

General	\$ 142,200	\$ 143,100
Non-Game Wild- life	\$ 684,300	\$ 674,400

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

Wildlife Acquis.	\$ 1,014,200	\$ 1,013,500
Game and Fish	\$ 8,267,300	\$ 8,390,500

\$674,300 in the first year and \$685,700 the second year is appropriated from the game and fish fund for payments to counties in lieu of taxes on acquired wildlife lands and is not subject to transfer.

Subd. 10. Ecological Services

\$ 1,022,300	\$ 1,027,900
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Funding Summary

General	\$ 437,400	\$ 442,600
Game and Fish	\$ 584,900	\$ 585,300

\$34,800 in the first year and \$35,000 the second year is for acid rain.

Subd. 11. Parks and Recreation Management

\$11,686,500	\$11,716,900
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Funding Summary

General	\$ 7,931,200	\$ 7,822,500
State Park Maintenance and Operation	\$ 3,755,300	\$ 3,894,400

\$20,800 the first year and \$21,700 the second year is for payments in lieu of taxes on lands in voyageurs national park and St. Croix wild river state park. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 12. Enforcement

\$9,537,800	\$8,935,700
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Funding Summary

General	\$ 1,438,000	\$ 923,200
Snowmobile	\$ 353,100	\$ 142,900
Water Recreation	\$ 1,257,200	\$ 1,485,200
Game and Fish	\$ 6,489,500	\$ 6,384,400

\$994,300 the first year and \$994,300 the second year is from the water recreation

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

account in the special revenue fund for grants to counties for boat and water safety.

The appropriation from the game and fish fund includes \$20,000 the first year and \$20,000 the second year for the purpose of controlling smelt fishing activities on the north shore, including development of parking facilities, traffic control, coordination of regulatory agencies, control of trespass and vandalism, control of littering and sanitation, and public information and education. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 13. Planning and Research

\$ 1,123,800 \$ 1,091,500

Funding Summary

General	\$ 1,037,100	\$ 1,004,800
Water Recreation	\$ 86,700	\$ 86,700

\$84,600 the first year and \$84,600 the second year is for a grant to the Mississippi headwaters board for up to 50 percent of the cost of implementing the comprehensive plan for the upper Mississippi within areas under its jurisdiction.

\$20,900 the first year and \$21,000 the second year is for department operating and administrative expenses associated with the Mississippi headwaters board grant and the implementation of the plan in areas along the river that are not included within the jurisdiction of the Mississippi headwaters board.

\$40,000 the first year is for a feasibility study for a region 7E historical center, to be available until June 30, 1987. This appropriation must be matched dollar for dollar with contributions from nonstate sources. The department of natural resources, the Minnesota historical society, the department of energy and economic development, and the county historical societies in region 7E shall cooperate in the study. The study shall address such themes as the history of travel, hydroelectric power, energy use and conser-

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

vation, sandstone quarries, historic military roads, and outdoor preservation and survival. The site may include the land on both sides of the Kettle River about one mile south of Sandstone and the old United States government road. The planning team shall report the results of the feasibility study to the legislature by January 15, 1986.

Subd. 14. Youth Programs

\$ 743,500 \$ 746,500

Funding Summary

General	\$ 416,300	\$ 419,400
Forest Manage- ment	\$ 85,000	\$ 85,000
Non-Game Wild- life	\$ 22,500	\$ 22,500
Snowmobile	\$ 60,700	\$ 60,800
Water Recreation	\$ 27,600	\$ 27,600
Wildlife Acquis.	\$ 131,400	\$ 131,200

\$22,500 the first year and \$22,500 the second year is from the nongame wildlife management account in the special revenue fund for the purpose of nongame wildlife management. Any unencumbered balance remaining in the first year does not cancel but is available the second year.

Subd. 15. Trails and Waterways

\$ 6,003,700 \$ 6,056,200

Funding Summary

General	\$ 612,000	\$ 616,800
Cross Country Ski	\$ 251,800	\$ 253,700
Snowmobile	\$ 2,569,000	\$ 2,606,300
Three Wheeler	\$ 94,100	\$ 95,500
Water Recreation	\$ 2,476,800	\$ 2,483,900

\$1,548,600 the first year and \$1,548,600 the second year is for snowmobile grants-in-aid.

The commissioners of natural resources, revenue, and transportation shall jointly study and determine the amount of unrefunded gasoline tax attributable to the operation of motor boats on the waters of this state. Their study must include, and their

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

determinations must be based on, in part, a representative sample of motor boat users. Their findings and determinations must be reported to the legislature by January 1, 1987, together with proposed amendments to Minnesota Statutes, section 296.421 that reflect their determinations.

Subd. 16. Special Services

\$ 1,749,800 \$ 1,772,200

Funding Summary

General	\$ 878,300	\$ 877,200
Water Recreation	\$ 803,200	\$ 822,300
Game and Fish	\$ 68,300	\$ 72,700

Subd. 17. Minnesota Environmental Education Board

\$ 274,900 \$ 276,500

Sec. 24. ZOOLOGICAL BOARD

4,548,600 4,754,000

This appropriation is for transfer by the commissioner of finance to the zoo fund. The approved complement is 160.

Notwithstanding Minnesota Statutes, section 85A.04, subdivision 4, the zoo board may spend money appropriated to the board, in addition to receipts from operation of the zoo ride, to settle its outstanding debt for purchase of the zoo ride. The amount spent must not be more than the net fair market value to a good faith purchaser of the used zoo ride, as determined by the commissioner of finance. The amount spent after July 1, 1985, must not be more than \$750,000, nor more than could be repaid, if repayment were required, within the useful life of the zoo ride, with interest at a rate comparable to that paid on state general obligation bonds, from net operating receipts of the zoo as a whole attributable to the zoo ride, all as determined by the commissioner of finance. Notwithstanding Minnesota Statutes, section 3.30, the commissioner of finance may transfer money from the general contingent account subject only to the review and advice of the chairs of the house committee on appropriations

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

and the senate committee on finance to the zoo board if needed to pay the amount authorized by this paragraph. The authority granted in this paragraph expires January 1, 1986.

The zoo board, with the participation of the state planning agency and the departments of administration, finance, and employee relations, shall develop recommendations for implementation of all structural and operational changes called for in this act to present to the legislature by February 3, 1986. All participants shall review and evaluate governance options that would best foster an effective public/private partnership to oversee zoo operations. The recommendations must also include an evaluation of the most appropriate status for zoo employees under any proposed governance structure, and must recommend a transition process to achieve that status. The participants shall establish an advisory committee to help achieve these ends.

Sec. 25. WATER RESOURCES BOARD		124,700	125,200
Approved Complement - 3			
Sec. 26. POLLUTION CONTROL AGENCY			
Subdivision 1. Total			
Appropriation		14,032,100	14,749,500
	1986	1987	
Approved Complement -	461	461	
General -	158.5	147.5	
Environmental -	46	46	
Metro Landfill			
Contingency -	4	4	
Motor Vehicle Transfer -	3	3	
Federal -	207.5	207.5	
Special -	30	41	
Water Pollution Control -	12	12	
Summary by Fund			
General	\$ 5,978,300	\$ 5,566,800	
For 1985 -	\$ 2,186,300		

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

Special	\$ 1,150,800	\$ 1,670,100
Environmental	\$ 2,902,000	\$ 3,162,800
Metro Landfill		
Abatement	\$ 834,000	\$ 834,000
Metro Landfill		
Contingency	\$ 1,312,300	\$ 1,317,500
Motor Vehicle		
Transfer	\$ 1,424,300	\$ 1,846,000
Water Pollution		
Control	\$ 430,400	\$ 352,300

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Water Pollution Control

\$ 2,604,100 \$ 2,538,700

Summary by Fund

General	\$ 1,798,700	\$ 1,436,400
Special	\$ 375,000	\$ 750,000
Water Pollution	\$ 430,400	\$ 352,300
Control		

\$80,000 the first year is from the water pollution control fund for a grant to the Moose Lake and Windemere area sanitary sewer district to discharge the costs of preparations for sewer works made useless by changes in the conditions for federal funding.

Subd. 3. Air Pollution Control

\$ 1,212,700 \$ 1,222,400

Summary by Fund

General	\$ 1,087,700	\$ 952,400
Special	\$ 125,000	\$ 270,000

Subd. 4. Solid Waste and Hazardous
Waste Pollution Control

\$ 9,060,400 \$ 9,817,800

Summary by Fund

General	\$ 2,025,300	\$ 2,099,600
For 1985 -	\$ 2,186,300	
Special	\$ 650,800	\$ 650,100
Environmental	\$ 2,813,700	\$ 3,070,600

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

Metro Landfill			
Abatement	\$	834,000	\$ 834,000
Metro Landfill			
Contingency	\$	1,312,300	\$ 1,317,500
Motor Vehicle			
Transfer	\$	1,424,300	\$ 1,846,000

(a) All money in the environmental response, compensation and compliance fund not otherwise appropriated, is appropriated to the pollution control agency for the purposes described in the environmental response and liability act, Minnesota Statutes, section 115B.20, subdivision 2, clauses (a), (b), and (c).

This appropriation is available until June 30, 1987.

Expenditure of the appropriation from the environmental fund in the second year of the biennium is contingent upon receipt of an agency report submitted to the chairs of the senate finance committee and house appropriations committee detailing agency expenditures in fiscal year 1986, as required by Minnesota Statutes, section 115B.20, subdivision 6.

(b) Until June 30, 1987, the balance in the metropolitan landfill abatement fund after the appropriations in Laws 1984, chapter 644, section 81, subdivisions 2 and 3; and Minnesota Statutes, sections 473.843, subdivision 7; and 473.844, subdivision 5, is appropriated to the pollution control agency for payment to the metropolitan council and may be used by the council only for the following purposes:

\$140,000 the first year and \$140,000 the second year is for grants and loans for market development for reusable and recyclable waste materials.

\$70,000 the first year and \$70,000 the second year is for technical assistance and administration of grants, loans, and municipal cost recovery payments.

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

\$122,000 the first year and \$122,000 the second year is for solid waste management planning assistance in the metropolitan area.

\$502,000 the first year and \$502,000 the second year is for grants and loans for resource recovery and public education.

Any unencumbered balances remaining in the first year do not cancel but are available for the second year of the biennium for the same purpose. If in any year the amount in the abatement fund is insufficient for these appropriations, the appropriation for grants and loans for resource recovery and public education is reduced accordingly. Each year the council shall submit to the legislative commission on waste management, in the form determined by the commission, a budget and work program showing planned expenditures from the metropolitan landfill abatement fund. The council may not spend the money until the commission has made its recommendations on the budget and work program. The recommendations are advisory only. The council shall report to the legislature by February 15 of each year on expenditures from this fund.

(c) \$2,186,300 is appropriated from the general fund to the commissioner of finance for transfer on June 30, 1985, to the motor vehicle transfer fund.

(d) \$1,424,300 the first year and \$1,846,000 the second year is from the motor vehicle transfer fund for use in cleanup of waste tire dumps, as prioritized by the agency. Any unencumbered balance remaining in the fiscal year does not cancel but is available for the second year.

(e) The appropriations in Laws 1984, chapter 654, article 2, section 13, items (g) and (h), are available until expended.

Subd. 5. General Support

\$ 1,154,900 \$ 1,170,600

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

Summary by Fund

General	\$ 1,066,600	\$ 1,078,400
Environmental	\$ 88,300	\$ 92,200

Sec. 27. WASTE MANAGEMENT BOARD			1,832,400	1,836,400
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	1986	1987
Approved Complement -	31	31
General -	22	22
Building -	9	9

Any unencumbered balance remaining the first year does not cancel but is available for the second year.

If the appropriation for grants for either year is insufficient, the appropriation for the other year is available for it.

Sec. 28. ENERGY AND ECONOMIC DEVELOPMENT				
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Subdivision 1. Total				
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Appropriation			32,253,500	28,648,100
	1986	1987		
Approved Complement -	229	227.5		
General -	170.5	169		
Special -	1.5	1.5		
Federal -	52	52		
Rural -	5	5		

Summary by Fund

General	\$31,522,600	\$27,915,400
Special	\$ 54,700	\$ 57,500
Motor Vehicle		
Transfer	\$ 676,200	\$ 675,200

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Energy

\$ 1,509,000	\$ 1,457,900
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\$60,000 the first year is for a demonstration project at the Mankato vocational technical institute involving butanol and ethanol production from sweet sorghum.

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

Subd. 3. Economic Development

\$ 3,016,600	\$ 3,072,200
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\$200,000 the first year and \$200,000 the second year is for community development corporations. This appropriation is available for expenditure only to the extent that it is matched by a community development corporation with \$2 of private money for each \$3 of state money.

The commissioner of energy and economic development, in consultation with the commissioner of agriculture, shall give consideration to doing a feasibility study for a beef-packing plant in Minnesota.

Subd. 4. Tourism

\$ 5,181,300	\$ 5,236,900
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During the biennium, the office of tourism may market tourism related publications and media promotional materials to businesses and organizations. The proceeds from the marketing are to be placed in a fund to be used for the preparation and distribution of the office's publications and media promotional materials. This fund shall not cancel to the general fund at the end of the biennium. The director shall report to the Legislature by January 15, 1987 on this fund.

In order to develop maximum private sector involvement in tourism marketing activities, \$1,500,000 the first year and \$1,500,000 the second year shall be placed in a separate account for tourism marketing activities by the office of tourism. Expenditure of the monies in the account is contingent upon receipt of an equal match with nonstate contributions that have been verified and documented. Up to one-third of the required nonstate match may be given in in-kind contributions.

Money appropriated for the purchase of computer equipment is available in either year of the biennium.

The director shall submit a work program and semiannual progress reports, including the amount of nonstate contributions re-

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

ceived, to the chairman of the senate finance committee and the chairman of the house of representatives appropriations committee.

\$150,000 the first year and \$150,000 the second year is to market Minnesota's health care resources and is available only to the extent matched by \$2 of nonstate money for each \$1 of state money.

Subd. 5. Administration

\$ 848,600 \$ 650,500

Subd. 6. Community Development

\$ 8,404,000 \$ 8,406,800

\$5,664,700 the first year and \$5,664,700 the second year is for economic recovery grants.

\$2,000,000 the first year and \$2,000,000 the second year is for payment of a grant to the metropolitan council for metropolitan area regional parks maintenance and operation money.

The appropriation in Laws 1984, chapter 597, section 8, for regional solid waste disposal is reduced by \$1,000,000. The remaining \$400,000 of that appropriation may be paid as grants to one or more counties or groups of counties among the seven counties formerly involved in that project, to be used to deal with solid waste disposal. A grant may not be paid until the commissioner of energy and economic development has determined that the additional financing necessary to complete the project has been committed by other sources.

\$500,000 the first year is for payment of a grant to Hubbard county for construction of the Viking Epic Drama amphitheater. The appropriation is available only upon a determination by the commissioner of energy and economic development that the additional financing necessary to complete the project has been committed by the commissioner and nonstate sources. Hubbard county shall repay \$300,000 to the state within ten years from the date this grant is paid to the county. Repayments must be made in

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equal installments deposited in the state treasury and credited to the state general fund before November 1 each year.

Subd. 7. Science and Technology

\$ 1,376,900 \$ 1,405,400

\$96,700 the first year and \$96,700 the second year is for the council on biotechnology.

\$75,000 the first year and \$100,000 the second year is for a grant to the Minnesota Inventors' Congress. The purposes of this grant include establishment of a focal point for development of an invention support system including an advisory council comprised of representatives from the public and private sectors; coordination of an invention support system, primarily in the form of semi-autonomous regional centers, while protecting, enriching, and promoting existing activities such as the Minnesota Inventors' Congress, the Minnesota Inventors' Hall of Fame, the Inventions and Technology Transfer Corporation, the Inventors' Club, and the Young Inventors' Fair; promotion of invention research, with resultant knowledge to be disseminated to Minnesota educational systems; and development of a fiscal design for the statewide invention support system. The Inventors' Congress shall report to the commissioner of energy and economic development by June 30 of each year on its activities in carrying out the purposes of this grant.

Subd. 8. Financial Management

\$11,246,700 \$ 7,752,800

Summary by Fund

General	\$10,570,500	\$ 7,077,600
Motor Vehicle		
Transfer	\$ 676,200	\$ 675,200

\$676,200 the first year and \$675,200 the second year is for transfer from the motor vehicle transfer fund to the waste tire recycling account in the economic development fund for the purpose of funding waste tire recycling loans and grants. None of the

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

appropriation for the second year shall be expended until the commissioner submits a report to the chairs of the senate finance committee and house appropriations committee detailing the use of the account during the first year of the biennium.

\$5,450,000 the first year and \$5,550,000 the second year is for transfer by the commissioner of finance to the economic development fund.

\$3,600,000 the first year is for transfer by the commissioner of finance to the agricultural resource loan guarantee fund, to be available until expended.

\$300,000 the first year and \$300,000 the second year is for matching grants to conduct building energy audits.

\$250,000 of the money in the economic development fund established by Minnesota Statutes, section 116M.06, must be used for a matching grant to the city of Duluth for planning, design, and site improvements to the Duluth Zoo. The city of Duluth match may be from any nonstate source.

Subd. 9. Policy Analysis

\$ 670,400 \$ 665,600

Summary by Fund

General	\$ 615,700	\$ 608,100
Special	\$ 54,700	\$ 57,500

Sec. 29. WORLD TRADE CENTER BOARD

807,500

995,100

Approved Complement - 9

The unexpended balance of the appropriation made in Laws 1984, chapter 654, section 17 for the world trade center board shall not cancel as provided in Minnesota Statutes, section 16A.28 but shall remain available until expended.

\$100,000 the first year and \$100,000 the second year is available only to the extent matched by an equal amount contributed by private sources, which may include in-kind contributions. The value of in-kind contri-

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

butions must be determined by the commis-
sioner of finance.

Sec. 30. STATE	PLANNING				
AGENCY			4,939,000		4,934,000
	1986	1987			
Approved Complement -	122	121			
General -	78.5	78.5			
Special -	4.5	4.5			
Motor Vehicle Transfer -	3	3			
Revolving -	22	22			
Federal -	13	13			
Gift -	1	—			

Summary by Fund

General	\$ 4,417,100	\$ 4,405,600
Special	\$ 333,700	\$ 336,900
Motor Vehicle		
Transfer	\$ 188,200	\$ 191,500

Two positions paid from the motor vehicle transfer fund are in the unclassified service.

\$418,400 the first year and \$418,400 the second year is for regional planning grants to regional development commissions organized under Minnesota Statutes, sections 462.381 to 462.396.

Until June 30, 1987, for state and federal grants distributed by state agencies to regions of the state not having a regional development commission, the state agency administering the grant program may assess the program for administrative costs incurred by the agency that normally are incurred by the commission.

\$20,700 the first year and \$21,600 the second year is for the Council of Great Lakes Governors. The appropriation for the second year is available for expenditure only with the approval of the governor after consultation with the chairmen of the senate finance committee and house of representatives appropriations committee and after completion of a study, to be carried out jointly by the Great Lakes Commission and the Council of Great Lakes Governors, concerning the proper roles of these two agencies.

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

\$25,000 the first year is to prepare a report to the legislature by January 15, 1986, on the likely effect that current or emerging petroleum marketing practices in Minnesota will have on consumers, on franchisees, on other retailers, and on other segments of the gasoline marketing industry in Minnesota. The state planning director shall consult with all segments of the industry and recommend solutions to any problems or inequities that are occurring or likely to occur because of current or emerging gasoline marketing trends in this state. The state planning director may commission a competent outside consultant to assist in the preparation of the report if the consultant has no direct or indirect connection with any entity engaged in the production, refining, or marketing of gasoline or other petroleum products.

Sec. 31. NATURAL RE-
SOURCES ACCELERATION

Subdivision 1. General Operations and Management	9,240,200	8,074,900
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Summary by Fund

General

For 1985 - \$ 2,561,000

Minnesota sources	Re-	\$ 8,573,500	\$ 7,408,200
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Water Recreation	\$ 666,700	\$ 666,700
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Approved complement - 67

\$2,561,000 for fiscal year 1985 is from the general fund for transfer by the commissioner of finance on June 30, 1985, to the Minnesota resources fund. In addition to this amount, \$400,000 is carried over from the fiscal year 1985 natural resource minerals program and transferred to the Minnesota resources fund.

The amounts that may be spent from this appropriation for each activity are more specifically described in the following subdivisions.

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

For all appropriations in this section, if the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 2. Legislative Commission on Minnesota Resources	334,100	261,000
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\$80,000 the first year is for the development of reports and for consultants as part of the biennial review of Minnesota resource issues by the commission members.

For the biennium ending June 30, 1987, the commission shall review the work programs and progress reports required under this section, and report its findings and recommendations to the committee on finance of the senate, committee on appropriations of the house of representatives, and other appropriate committees. During the biennium, the commission shall establish oversight committees to continue review of a variety of natural resource subject areas as it believes necessary to carry out its legislative charge.

Subd. 3. Department of Natural Resources	4,802,500	3,802,500
Approved complement - 41		

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Water Allocation and Management

\$ 800,000	\$ 800,000
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Approved complement - 4

The appropriation is to develop a plan and program including management information systems and related tools that will guide the allocation and management of water considering various economic, environmental, and social values. This is a joint effort with the University of Minnesota natural resources research institute and the water resources research center.

During the biennium, the data collected by this activity that has common value for natural resource planning must be provided

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

and integrated into the Minnesota land management information system's geographic and summary data bases according to published data compatibility guidelines. Costs associated with this data delivery must be borne by this activity.

(b) Lakeshore Development Capacity

\$ 50,000 \$ 50,000

Approved complement - 1

The appropriation is to establish the criteria for determining the environmental, social, and economic carrying capacity for Minnesota lakes.

During the biennium, the data collected by this activity that has common value for natural resource planning must be provided and integrated into the Minnesota land management information system's geographic and summary data bases according to published data compatibility guidelines. Costs associated with this data delivery must be borne by this activity.

(c) Groundwater Investigations and Data Automation

\$ 400,000 \$ 400,000

Approved complement - 4

The appropriation is to develop new methods for evaluation of groundwater quantity and quality, to provide a computer search capability for water data, and automate data not already in acceptable format. This is a joint effort with the pollution control agency, the state planning agency, the Minnesota geologic survey and the United States geologic survey.

During the biennium, the data collected by this activity that has common value for natural resource planning must be provided and integrated into the Minnesota land management information system's geographic and summary data bases according to published data compatibility guidelines. Costs associated with this data delivery must be borne by this activity.

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

(d) Glacial Drift Geochemistry

\$ 100,000 \$ 100,000

Approved complement - 3

The appropriation is to determine the effectiveness of new methods for understanding the mineral potential of the state.

During the biennium, the data collected by this activity that has common value for natural resource planning must be provided and integrated into the Minnesota land management information system's geographic and summary data bases according to published data compatibility guidelines. Costs associated with this data delivery must be borne by this activity.

(e) Hibbing Core Repository

\$ 75,000 \$ 75,000

Approved complement - 1

The appropriation is to conduct accelerated analysis and classification as an aid to understanding the mineral potential, and if available, incorporate federal drill core into the state repository at Hibbing.

During the biennium, the data collected by this activity that has common value for natural resource planning must be provided and integrated into the Minnesota land management information system's geographic and summary data bases according to published data compatibility guidelines. Costs associated with this data delivery must be borne by this activity.

(f) Forest Management Information Systems

\$ 200,000 \$ 200,000

Approved complement - 4

The appropriation is to continue to accelerate development and begin incorporation of the programs and staff into the regular budget as appropriate.

During the biennium, the data collected by this activity that has common value for natural resource planning must be provided and integrated into the Minnesota land

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

management information system's geographic and summary data bases according to published data compatibility guidelines. Costs associated with this data delivery must be borne by this activity.

(g) Comprehensive Planning for Fish and Wildlife Resources

\$ 100,000 \$ 100,000

Approved complement - 3

The appropriation is for developing strategic plans, policies, and budget recommendations.

During the biennium, the data collected by this activity that has common value for natural resource planning must be provided and integrated into the Minnesota land management information system's geographic and summary data bases according to published data compatibility guidelines. Costs associated with this data delivery must be borne by this activity.

(h) Scientific and Natural Areas Planning

\$ 45,000 \$ 45,000

Approved complement - 1

The appropriation is to complete at least nine comprehensive plans according to Minnesota Statutes, chapter 86A, the Outdoor Recreation Act of 1975.

(i) State Park Development

\$ 1,080,000 \$ 1,080,000

Approved complement - 7

The appropriation is for major rehabilitation and new development in state parks. All project costs are included in this appropriation. \$666,700 for the first year and \$666,700 the second year is from the water recreation account in the special revenue fund. During the biennium, the commissioner shall make every effort to secure federal match or reimbursement for the state expenditures.

(j) Water Access Acquisition and Development and Fishing Piers

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

\$ 400,000 \$ 400,000
Approved complement - 4

The appropriation is to acquire, develop, or rehabilitate access sites according to the statewide priorities list. This activity includes the canoe and boating route rivers and fishing piers on lakes and rivers. All project costs are included in this appropriation. During the biennium, the commissioner shall make every effort to maximize local effort and finances and to secure federal match or reimbursement for the state expenditures.

(k) Forest Recreation

\$ 237,500 \$ 237,500
Approved complement - 2

The appropriation is for rehabilitation of recreation facilities. All project costs are included in this appropriation. During the biennium, the commissioner shall make every effort to secure federal match or reimbursement for the state expenditures.

(l) Accelerated Land Exchange and Improved Land Management

\$ 217,500 \$ 217,500
Approved complement - 5

The appropriation is to accelerate land exchange through use of automated processes; to develop various interagency agreements; to develop innovative leasing practices; to evaluate submerged land issues and report on policy needs; and to determine the appropriate management of islands transferred from federal ownership.

(m) Volunteer Management Intensification

\$ 97,500 \$ 97,500
Approved complement - 2

The appropriation is to continue the coordination of volunteers in all disciplines, and to develop a proposal for inclusion in regular agency operations, and report the findings to the committees on finance and appropriations.

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

(n) KORF Direct Reduction

\$ 1,000,000

This appropriation is for the continuation of the KORF direct reduction demonstration program to reestablish iron making in Minnesota. This appropriation is contingent upon receipt by the commissioner of natural resources of \$1,000,000 in matching money from the iron range resources and rehabilitation board. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

Subd. 4. Pollution Control Agency
Approved complement - 15

749,600

705,400

Two positions are for contractual work with the department of natural resources in the groundwater investigation and data automation programs.

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Soil and Watershed Acidification

\$ 80,000 \$ 80,000

Approved complement - 1

The appropriation is for the final phase of a four-year evaluation of the sensitivity of soils to acid deposition.

During the biennium, the data collected by this activity that has common value for natural resource planning must be provided and integrated into the Minnesota land management information system's geographic and summary data bases according to published data compatibility guidelines. Costs associated with this data delivery must be borne by this activity.

(b) Lake Improvement Grant Program

\$ 35,000 \$ 35,000

Approved complement - 1

The appropriation is to provide one position to administer the federal clean lakes grant program.

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

(c) Groundwater Monitoring Techniques

\$ 83,300 \$ 66,700
Approved complement - 1

The appropriation is to determine whether current sampling techniques are adequate and representative of the aquifers being monitored.

(d) Leaking Underground Storage Tank Study

\$ 109,400 \$ 90,600
Approved complement - 2

The appropriation is to determine the nature and extent of environmental problems related to underground storage tanks.

During the biennium, the data collected by this activity that has common value for natural resource planning must be provided and integrated into the Minnesota land management information system's geographic and summary data bases according to published data compatibility guidelines. Costs associated with this data delivery must be borne by this activity.

(e) A Study of Septic Tank and Drainfield Systems

\$ 124,600 \$ 65,400
Approved complement - 2

The appropriation is to determine the impact from toxic organic compounds and to study the design criteria adequacy to prevent overloads.

(f) Mercury in Northern Minnesota

\$ 67,500 \$ 67,500
Approved complement - 1

The appropriation is to determine the nature, extent, and potential sources of mercury contamination in lakes.

During the biennium, the data collected by this activity that has common value for natural resource planning must be provided and integrated into the Minnesota land

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

management information system's geographic and summary data bases according to published data compatibility guidelines. Costs associated with this data delivery must be borne by this activity.

(g) Household Hazardous Waste Collection Pilot Project

\$ 88,600 \$ 111,400
Approved complement - 2

The appropriation is for collection, analysis, and disposal of household generated hazardous wastes as a pilot project to determine future directions. During the biennium, the PCA may administer and supervise these efforts; any state department or agency, county, or local unit of government may assist the PCA in administering, planning, and evaluating collection efforts; and the PCA may arrange with properly permitted or registered waste transporters or facilities to accomplish portions of this program.

(h) Municipal Solid Waste Incinerator Evaluation

\$ 161,200 \$ 188,800
Approved complement - 3

The appropriation is to determine potential environmental problems, including air emissions and ash composition, and alternative disposal options.

Subd. 5. Department of Energy and Economic Development
Approved complement - 6

1,967,000 1,933,000

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Recreation Grants Program

\$ 1,700,000 \$ 1,700,000
Approved complement - 5

The appropriation is for acquisition and development of recreation open space projects requested by local units of government. Priority is for projects that receive federal

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

grants. The cost of administration is included in this appropriation. This appropriation is for grants of up to 50 percent of the total cost, or 50 percent of the local share if federal money is used. The per project limit for state grants is \$400,000. During the biennium, notwithstanding any other law to the contrary, grants are not contingent upon the matching of federal grants. State grants are limited to one per local unit for the biennium.

\$1,000,000 the first year and \$1,000,000 the second year is for projects outside the metropolitan area.

As a one-biennium effort, up to \$1,000,000 of this appropriation is for outdoor athletic field development grants. The per project limit for athletic field grants is \$40,000 if no federal money is used, and \$20,000 where federal money is used. Grants are limited to field construction, fencing, lighting, gravel entry roads, and gravel parking lots. Priority consideration must be given where more extensive financial cooperation is demonstrated. \$250,000 the first year and \$250,000 the second year is reserved for projects outside the metropolitan area.

This appropriation must be spent with the approval of the governor after consultation with the legislative advisory commission. The legislative commission on Minnesota resources shall make recommendations to the legislative advisory commission regarding the expenditures.

(b) Biomass Energy Cash Crop Project

\$ 192,000	\$ 158,000
Approved complement - 1	

The appropriation is to demonstrate the commercial, farm-scale viability of a special woody biomass energy crop.

(c) Demonstration Project for Heat Extraction from Groundwater for Public Buildings

\$ 75,000	\$ 75,000
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Changes or additions are indicated by underline, deletions by ~~strikeout~~.

The appropriation is for a research and demonstration public building that employs various innovative energy systems. This project will be conducted in cooperation with the University of Minnesota building energy research center. This appropriation is contingent on a local share of at least \$100,000 from the city of Blaine.

Subd. 6. State Planning Agency

Approved complement - 1

This position is for contractual work with the department of natural resources in the groundwater investigation and data automation program.

Subd. 7. Department of Health	498,000	402,000
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The amounts that may be spent from this appropriation for each activity are as follows:

(a) Organic Chemicals Survey

\$ 378,000	\$ 322,000
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The appropriation is to survey groundwater aquifers and drinking water supplies for the presence and extent of volatile and synthetic organic chemicals.

The data collected by this activity that has common value for natural resource planning must be provided and integrated into the Minnesota land management information system's geographic and summary data bases according to published data compatibility guidelines. Costs associated with this data delivery must be borne by this activity.

(b) Indoor Air Quality and Moisture Control in Buildings

\$ 120,000	\$ 80,000
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The appropriation is for a statewide sample survey and assessment of radon and organic chemicals in homes, and an assessment and report on indoor moisture and other gas problems.

Subd. 8. Department of Agriculture	47,500	47,500
Approved complement - 4		

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

Three positions are for contractual work with the health department organic chemical surveys.

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Evaluation of Soil and Water Conservation Information Assistance Programs

\$ 22,500 \$ 22,500

Approved complement - 1

The appropriation is to measure the impact of information assistance strategies on landowner acceptance of conservation practices in selected areas.

(b) Soil and Water Conservation Exhibit at FARMAMERICA

\$ 25,000 \$ 25,000

The appropriation is to develop an exhibit at the interpretive center for live action simulation of soil and water movement, to demonstrate the erosion potentials and the use of proven conservation measures. During the biennium, technical and cost share assistance will be provided by the soil conservation service.

Subd. 9. University of Minnesota

2,749,000

2,751,000

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Effects of Copper Sulfate Treatments

\$ 37,000 \$ 38,000

The appropriation is for the Gray Freshwater Biological Institute to study the environmental effects of treating lakes with copper sulfate. The money is only available if at least an equal amount is provided by private sources.

(b) Research on River and Lake Management

\$ 95,000 \$ 95,000

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

The appropriation is for the St. Anthony Falls hydraulics laboratory to complete the study of lake water quality simulations, river oxygen dynamics, and river scour and fill effects.

During the biennium, the data collected by this activity that has common value for natural resource planning must be provided and integrated into the Minnesota land management information system's geographic and summary data bases according to published data compatibility guidelines. Costs associated with this data delivery must be borne by this activity.

(c) Lanesboro Watershed Management Techniques

\$ 127,000 \$ 128,000

The appropriation is for the Minnesota geologic survey for an interdisciplinary approach to understand and implement solutions to groundwater pollution problems in cooperation with the college of forestry, agricultural experiment station, and the Minnesota department of agriculture.

During the biennium, the data collected by this activity that has common value for natural resource planning must be provided and integrated into the Minnesota land management information system's geographic and summary data bases according to published data compatibility guidelines. Costs associated with this data delivery must be borne by this activity.

(d) Age, Residence Times, and Recharge Rates of Groundwater

\$ 50,000 \$ 50,000

The appropriation is for the Minnesota geologic survey to determine the age and residence time in selected aquifers and understand the recharge rates.

During the biennium, the data collected by this activity that has common value for natural resource planning must be provided and integrated into the Minnesota land

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

management information system's geographic and summary data bases according to published data compatibility guidelines. Costs associated with this data delivery must be borne by this activity.

(e) Aeromagnetic Mapping

\$ 400,000 \$ 400,000

The appropriation is for the fourth biennium of a six-biennium effort to electronically acquire geologic data, including minimal groundtruth drilling.

During the biennium, the data collected by this activity that has common value for natural resource planning must be provided and integrated into the Minnesota land management information system's geographic and summary data bases according to published data compatibility guidelines. Costs associated with this data delivery must be borne by this activity.

(f) Computer Models of Contaminant Spreading

\$ 100,000 \$ 100,000

The appropriation is for the civil and mineral engineering department to develop, test, and implement interactive models to simulate groundwater transport of chemicals in the twin city metropolitan area.

During the biennium, the data collected by this activity that has common value for natural resource planning must be provided and integrated into the Minnesota land management information system's geographic and summary data bases according to published data compatibility guidelines. Costs associated with this data delivery must be borne by this activity.

(g) Quantitative Estimation of Minerals

\$ 195,000 \$ 195,000

The appropriation is for the mineral resources research center to provide matching money for the installation of prototype analytical equipment in conjunction with the

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

heavy ion probe facility, and to research the characteristics of taconite separation and concentration.

During the biennium, the data collected by this activity that has common value for natural resource planning must be provided and integrated into the Minnesota land management information system's geographic and summary data bases according to published data compatibility guidelines. Costs associated with this data delivery must be borne by this activity.

(h) Assessment of Forest Product Development Opportunities

\$ 100,000 \$ 100,000

The appropriation is for the natural resources research institute to examine potentials for increased primary and secondary forest product manufacturing as a guide to research and economic development efforts in cooperation with the department of natural resources.

(i) Biotechnology Applications in Forestry

\$ 125,000 \$ 125,000

The appropriation is for the college of forestry to develop high technology applications for forest regeneration and utilization.

(j) Anaplasmosis Study

\$ 50,000 \$ 50,000

The appropriation is for the college of veterinary medicine to conduct a study of the reservoirs, transmission, and control of this disease in cattle and wildlife. This is the only natural resource acceleration money to be provided for such a study.

(k) Accelerated Soils Survey

\$ 1,225,000 \$ 1,225,000

The appropriation is for the agricultural experiment station for the fifth biennium of a seven-biennium effort to provide the appropriate detailed survey based on the adopted federal, state, and local cost share,

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

and to automate the data for selected counties on a cost share basis. Up to \$300,000 is for a computer work station for soils automation at the land management information center.

During the biennium, the data collected by this activity that has common value for natural resource planning must be provided and integrated into the Minnesota land management information system's geographic and summary data bases according to published data compatibility guidelines. Costs associated with this data delivery must be borne by this activity.

(l) Underground Grain Storage

\$ 75,000 \$ 75,000

The appropriation is to develop and test innovative storage, including remote monitoring and evaluation of grain conditions and bin design.

(m) Compost and Co-compost Research

\$ 100,000 \$ 100,000

The appropriation is for the soils department to determine biological specifications and material changes during composting to improve municipal waste management.

(n) Development of Biological Approaches to Lake Restoration

\$ 70,000 \$ 70,000

The appropriation is for the limnological research center to develop low-cost environmentally sound lake restoration techniques.

Subd. 10. Minnesota Historical Society 172,500 172,500

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Comprehensive Historic Preservation Planning

\$ 22,500 \$ 22,500

The appropriation is to develop a comprehensive plan for preservation. Federal

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

money received is appropriated for this purpose.

(b) Conservation of Historic Collections

\$ 50,000 \$ 50,000

The appropriation is to continue the joint state and private effort to repair, restore, and stabilize the collections. The match money is appropriated.

(c) Environmental Oral History Series

\$ 50,000 \$ 50,000

The appropriation is to develop a program that brings together research and various information, including conducting oral interviews, to create a collection on environmental issues.

(d) Historic Site Craft Program

\$ 50,000 \$ 50,000

The appropriation is to produce authentic craft items for sale at historic sites and evaluate the potential for site income and broader program implementation.

Subd. 11. General Reduction

(\$ 2,500,000) (\$ 2,500,000)

The commissioner of finance, upon recommendation of the legislative commission on Minnesota resources, shall allocate this reduction among the programs and activities in this section.

As the cash flow of the Minnesota resources fund permits, the commissioner of finance shall transfer \$5,000,000 from the unencumbered balance in the Minnesota resources fund and credit it to the general fund.

Subd. 12. Work Programs

It is a condition of acceptance of the appropriations made by this section that the agency or entity receiving the appropriation must submit work programs and semi-annual progress reports in the form determined by the legislative commission on Minnesota resources. None of the money provided in

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

this subdivision may be spent unless the commission has approved the pertinent work program. Upon request from the commission, the agency head shall submit an evaluation by July 1, 1986, as to whether the program should be incorporated in the next agency budget.

Subd. 13. Complement Temporary

Persons employed by a state agency and paid by an appropriation in this section are in the unclassified civil service, and their continued employment is contingent upon the availability of money from the appropriation. When the appropriation has been spent, their positions shall be canceled and the approved complement of the agency reduced accordingly. Part-time employment of persons is authorized.

Subd. 14. Federal Reimbursement
Account

420,000 500,000

This appropriation is for the spending purposes in the natural resources federal reimbursement account in Minnesota Statutes, section 86.72.

Sec. 32. LABOR AND INDUSTRY

Subdivision 1. Total

Appropriation 14,307,600 14,278,800

	1986	1987
Approved Complement -	350	346
General -	93	93
Special -	33	33
Federal -	44.5	44.5
Workers' Compensation -	179.5	175.5

Summary by Fund

General	\$ 6,865,600	\$ 6,840,200
Special	\$ 1,185,800	\$ 1,172,400
Workers' Comp.	\$ 6,256,200	\$ 6,266,200

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Employment Standards

\$ 859,700 \$ 856,300

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

Subd. 3. Workers' Compensation Regulation and Enforcement

\$ 3,143,800	\$ 3,113,400
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This appropriation is from the special compensation fund.

Subd. 4. Workers' Compensation State Employee Claims

\$ 1,798,600	\$ 1,820,400
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\$310,500 the first year and \$322,900 the second year is for payment of peace officer survivor benefits under Minnesota Statutes, section 352E.04. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 5. Workers' Compensation Special Compensation Fund

\$ 3,188,600	\$ 3,229,500
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Of this appropriation \$1,188,600 the first year and \$1,229,500 the second year is from the special compensation fund.

\$2,000,000 the first year and \$2,000,000 the second year is for reimbursement of the special compensation fund under Minnesota Statutes, section 176.183, subdivision 2.

Subd. 6. Code Enforcement

\$ 1,140,400	\$ 1,126,500
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This appropriation is from the special revenue fund.

Subd. 7. OSHA

\$ 1,134,200	\$ 1,142,900
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Summary by Fund

General	\$ 1,088,800	\$ 1,097,000
Special	\$ 45,400	\$ 45,900

\$45,400 the first year and \$45,900 the second year is from the special revenue fund for passenger elevator inspection.

This appropriation includes money to pay for the study of construction elevator safety inspections required by this act.

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

Subd. 8. General Support

\$ 2,075,600	\$ 2,035,100
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Summary by Fund

General	\$ 816,200	\$ 767,400
Workers' Comp.	\$ 1,259,400	\$ 1,267,700

\$10,000 the first year is for the commissioner of labor and industry to conduct a study to determine the value of specially designed vests in reducing the incidence of back injury, reducing chronic back pain, and speeding recovery from back strain. The commissioner shall report the results of the study to the chairmen of the senate finance committee and house appropriations committee. If the results of the study are favorable, \$30,000 is appropriated to purchase additional vests.

Subd. 9. Information Management Services

\$ 966,700	\$ 954,700
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Summary by Fund

General	\$ 302,300	\$ 299,100
Workers' Comp.	\$ 664,400	\$ 655,600

Sec. 33. WORKERS' COMPEN- SATION COURT OF APPEALS	467,000	469,800
Approved Complement - 9		

This appropriation is from the workers' compensation special compensation fund.

Sec. 34. MEDIATION SERVICES	1,254,200	1,229,700
Approved Complement - 24		

\$50,000 the first year and \$50,000 the second year is for grants to area labor-management committees. The unencumbered balance remaining in the first year does not cancel but is available for the second year.

Sec. 35. PUBLIC EMPLOYMENT RELATIONS BOARD	56,200	56,600
Approved Complement - 1		

Sec. 36. MILITARY AFFAIRS

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

Subdivision 1. Total

Appropriation	5,668,200	5,669,500
Approved Complement - 301.8		
General - 136.8		
Federal - 165		

The department of military affairs in cooperation with the management analysis unit of the department of administration shall prepare a report for the Legislature by January 15, 1986, on the operating costs incurred by the state for each national guard armory and the income generated by local units of government from use of each armory. Also to be included in the report are costs the state incurs due to assessments levied by local units of government on each national guard armory.

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Maintenance of Military Training Facilities

\$ 4,413,400	\$ 4,426,900
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\$100,000 the first year and \$100,000 the second year is for six general fund positions to support the federal construction program.

Subd. 3. General Support

\$ 1,254,800	\$ 1,242,600
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\$75,000 the first year and \$75,000 the second year is for expenses of military forces ordered to active duty under Minnesota Statutes, chapter 192. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 37. VETERANS AFFAIRS

Subdivision 1. Total

Appropriation	12,739,700	12,667,600
Approved Complement - 366.5		

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

General - 74.8

Special - 291.7

Summary by Fund

General	\$ 6,095,800	\$ 5,802,900
Special	\$10,229,800	\$10,324,500
Transfers to		
Other Direct	(\$ 3,585,900)	(\$ 3,459,800)

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Veterans Benefits and Services

\$ 2,509,900	\$ 2,343,100
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During the biennium, in administering veterans benefits programs the commissioner shall ensure that veterans participate in all federally funded benefit programs to the maximum extent possible before receiving assistance under state funded programs. The appropriation for fiscal year 1987 is contingent upon the department's submission of a report to the legislature by January 15, 1986, detailing the efforts taken to assure maximum participation in federal programs.

\$988,100 the first year and \$988,100 the second year is for emergency financial and medical needs of veterans. For the biennium ending June 30, 1987, the commissioner shall limit financial assistance to veterans and dependents to six months, unless recipients have been certified as ineligible for other benefit programs. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$38,500 the first year and \$38,500 the second year is for war veterans and war orphans education aid, to be spent under Minnesota Statutes, section 197.75.

\$29,500 the first year and \$29,500 the second year is for the veterans affairs office in Duluth, which the commissioner shall continue during the biennium ending June 30, 1987.

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

Subd. 3. Veterans Home - Minneapolis

\$ 7,990,900	\$ 8,056,000
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Summary by Fund

General	\$ 2,169,700	\$ 2,037,300
Transfers to Oth- er Direct	(\$ 2,169,700)	(\$ 2,037,300)
Special	\$ 7,990,900	\$ 8,056,000

The appropriation from the general fund is for transfer by the commissioner of finance to the special revenue fund to support appropriations from the special revenue fund that are not fully supported by income from the federal government and charges to residents.

Subd. 4. Veterans Home - Hastings

\$ 2,238,900	\$ 2,268,500
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Summary by Fund

General	\$ 1,416,200	\$ 1,422,500
Transfers to Oth- er Direct	(\$ 1,416,200)	(\$ 1,422,500)
Special	\$ 2,238,500	\$ 2,268,500

The appropriation from the general fund is for transfer by the commissioner of finance to the special revenue fund to support appropriations from the special revenue fund that are not fully supported by income from the federal government and charges to residents.

Sec. 38. INDIAN AFFAIRS
COUNCIL

258,100

258,900

Approved Complement - 7

Ten percent of the appropriation for each year is available for allotment only upon demonstration of dollar for dollar match with nonstate contributions. During the biennium, up to one-third of the nonstate match requirement may be met with in-kind contributions. All funds not receiving a nonstate match shall cancel to the general fund. Nonstate contributions raised by the council in fiscal year 1985 or fiscal year 1986 in excess of the nonstate match re-

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

quirement shall be credited to the 10 percent nonstate match requirement in the subsequent fiscal year.

Sec. 39. COUNCIL ON AFFAIRS OF SPANISH-SPEAKING PEOPLE

121,700 121,700

Approved Complement - 3

Ten percent of the appropriation for each year is available for allotment only upon demonstration of dollar for dollar match with nonstate contributions. During the biennium, up to one-third of the nonstate match requirement may be met with in-kind contributions. All funds not receiving a nonstate match shall cancel to the general fund. Nonstate contributions raised by the council in fiscal year 1985 or fiscal year 1986 in excess of the nonstate match requirement shall be credited to the 10 percent nonstate match requirement in the subsequent fiscal year.

The council shall seek broad-based input from Minnesota's Spanish-speaking community in preparing a report on the council's governance, goals, and community development plans to be presented to the legislature by January 15, 1986.

Sec. 40. COUNCIL ON BLACK MINNESOTANS

121,800 122,200

Approved Complement - 3.5

Ten percent of the appropriation for each year is available for allotment only upon demonstration of dollar for dollar match with nonstate contributions. During the biennium, up to one-third of the nonstate match requirement may be met with in-kind contributions. All funds not receiving a nonstate match shall cancel to the general fund. Nonstate contributions raised by the council in fiscal year 1985 or fiscal year 1986 in excess of the nonstate match requirement shall be credited to the 10 percent nonstate match requirement in the subsequent fiscal year.

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

Sec. 41. COUNCIL ON ASIAN-PACIFIC MINNESOTANS Approved Complement - 3	75,000 75,000
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Ten percent of the appropriation for each year is available for allotment only upon demonstration of dollar for dollar match with nonstate contributions. During the biennium, up to one-third of the nonstate match requirement may be met with in-kind contributions. All funds not receiving a nonstate match shall cancel to the general fund. Nonstate contributions raised by the council in fiscal year 1986 in excess of the nonstate match requirement shall be credited to the 10 percent nonstate match requirement in the subsequent fiscal year.

Sec. 42. COUNCIL FOR THE HANDICAPPED Approved Complement - 10	376,400 378,200
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Ten percent of the appropriation for each year is available for allotment only upon demonstration of dollar for dollar match with nonstate contributions. During the biennium, up to one-third of the nonstate match requirement may be met with in-kind contributions. All funds not receiving a nonstate match shall cancel to the general fund. Nonstate contributions raised by the council in fiscal year 1985 or fiscal year 1986 in excess of the nonstate match requirement shall be credited to the 10 percent nonstate match requirement in the subsequent fiscal year.

Sec. 43. HUMAN RIGHTS

Subdivision 1. Total

Appropriation Approved Complement -	2,322,000 1986 1987 67 65	2,251,800
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Two positions from the backlog reduction unit shall cancel on July 1, 1986 and the approved complement of the department for fiscal year 1987 shall be reduced accordingly.

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

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Enforcement

\$ 1,659,600 \$ 1,588,500

The department's mobile unit must give high priority to investigating human rights complaints and conducting intake, fact-finding mediation, and educational outreach services in the Duluth area.

Subd. 3. Administration

\$ 662,400 \$ 663,300

Sec. 44. HOUSING FINANCE
AGENCY

Subdivision 1. Total

Appropriation	\$12,115,000	\$11,891,700
Approved Complement - 129		

Spending limit on cost of general administration of agency programs:

1986	1987
\$ 5,372,600	\$ 5,484,200

This appropriation is for transfer to the housing development fund for the programs specified in subdivisions 2 to 5.

Subd. 2. Multifamily Housing

\$ 550,000 \$ 550,000

\$550,000 the first year and \$550,000 the second year is for a shared residence demonstration program.

Subd. 3. Single Family Housing

\$ 5,125,000 \$ 5,125,000

\$1,500,000 the first year and \$1,500,000 the second year is for home ownership assistance under Minnesota Statutes, section 462A.21, subdivision 8.

\$1,250,000 the first year and \$1,250,000 the second year is for single family interest rate writedowns under Minnesota Statutes, section 462A.21, subdivision 4b.

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

\$500,000 the first year and \$500,000 the second year is for the tribal Indian mortgage loan program under Minnesota Statutes, section 462A.07, subdivision 14.

\$1,500,000 the first year and \$1,500,000 the second year is for other tribal Indian housing programs under Minnesota Statutes, section 462A.07, subdivision 14.

\$375,000 the first year and \$375,000 the second year is for urban Indian housing programs under Minnesota Statutes, section 462A.07, subdivision 15.

Subd. 4. Housing Rehabilitation

\$ 6,390,000 \$ 6,216,700

\$150,000 is to make deferred loans to enrolled members of the Minnesota Chippewa tribe and the Red Lake band of Chippewa Indians to rehabilitate single family homes under Minnesota Statutes, section 462A.05, subdivision 14a. The housing finance agency shall report to the legislature by March 1, 1986, on the progress of this loan program.

\$3,490,000 the first year and \$3,466,700 the second year is for rehabilitation loans under Minnesota Statutes, section 462A.05, subdivision 15.

\$2,500,000 the first year and \$2,500,000 the second year is for home improvement interest rate writedowns under Minnesota Statutes, section 462A.05, subdivision 23.

\$250,000 the first year and \$250,000 the second year is for improving accessibility to housing under Minnesota Statutes, section 462A.05, subdivision 15a.

Subd. 5. Housing Research

\$ 50,000

This appropriation is for a home equity study.

Subd. 6. Department of Economic Security

\$ 170,000 \$ 170,000

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

This appropriation is to the department of economic security for operating expenses of temporary housing demonstration program facilities, including but not limited to those four temporary housing demonstration program facilities for which operating expenses were disbursed in fiscal year 1985 by the department of economic security and for which rehabilitation or acquisition money was also disbursed in fiscal year 1985 by the Minnesota Housing Finance Authority.

\$140,000 of the balance in the innovative multifamily housing fund created by Minnesota Statutes, section 462A.05, subdivision 18a, is canceled to the general fund.

Sec. 45. GENERAL CONTINGENT ACCOUNTS	1,575,000	1,575,000
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The appropriations in this section must be spent with the approval of the governor after consultation with the legislative advisory commission under Minnesota Statutes, section 3.30.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Summary by Fund

General	\$ 1,500,000	\$ 1,500,000
Game and Fish	\$ 75,000	\$ 75,000

Part of the appropriation from the general fund may be transferred to the special revenue fund and is appropriated to meet the general contingent needs of appropriations formerly made from the general fund.

Sec. 46. TORT CLAIMS	468,200	25,000
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To be spent by the commissioner of finance.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Summary by Fund

General	\$ 443,200	
Game and Fish	\$ 25,000	\$ 25,000

Sec. 47. DEBT SERVICE	137,283,000	150,517,000
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Changes or additions are indicated by underline, deletions by ~~strikeout~~.

The appropriation is for transfer by the commissioner of finance to the state bond fund.

If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of finance shall notify the committee on finance of the senate and the committee on appropriations of the house of representatives of the amount of the deficiency and shall then transfer that amount under the statutory open appropriation.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 48. MINNESOTA STATE
RETIREMENT SYSTEM

4,348,000 4,739,000

The amounts estimated to be needed for each program are as follows:

(a) Legislators

\$ 1,970,000 \$ 2,168,000

Under Minnesota Statutes, sections 3A.03, subdivision 2; 3A.04, subdivisions 3 and 4; and 3A.11.

(b) Judges

\$ 2,224,000 \$ 2,405,000

Under Minnesota Statutes, sections 490.106; and 490.123, subdivision 1.

(c) Constitutional Officers

\$ 116,000 \$ 128,000

Under Minnesota Statutes, sections 352C.031, subdivision 5; 352C.04, subdivision 3; and 352C.09, subdivision 2.

(d) State Employee Supplemental Benefits

\$ 38,000 \$ 38,000

Under Minnesota Statutes, section 352.73.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

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

Sec. 49. PUBLIC EMPLOYEES		
RETIREMENT ASSOCIATION	30,000	30,000

This appropriation is for supplemental benefits under Minnesota Statutes, section 353.83.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Sec. 50. MINNEAPOLIS EM-		
PLOYEES RETIREMENT FUND	8,286,000	11,911,700

The appropriation is to the commissioner of finance for payment to the Minneapolis employees retirement fund under Minnesota Statutes, section 422A.101, subdivision 3.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

The legislative commission on pensions and retirement shall have the commission's actuary review all the assumptions used by the actuary for the Minneapolis employees retirement fund for 1985 and recalculate the amount of the state payment to the fund for the fiscal year ending June 30, 1987. The appropriation for that year is reduced to the amount of the recalculated payment.

Sec. 51. POLICE AND FIRE		
AMORTIZATION AID	7,537,000	7,537,000

The appropriation is to the commissioner of finance for state aid to amortize the unfunded liability of local police and salaried firefighters' relief associations, under Minnesota Statutes, section 423A.02. If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Sec. 52. SALARY SUPPLE-		
MENT	32,921,700	56,631,400

Subdivision 1. Appropriations

Except as limited by the direct appropriations made in this section, the amounts necessary to pay compensation and econom-

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

ic benefit increases covered by this section are appropriated from the various funds in the state treasury from which salaries are paid to the commissioner of finance for the fiscal years ending June 30, 1986, and June 30, 1987. In the case of salaries that are paid from one fund, but that fund is reimbursed by another fund, the amounts necessary to make these reimbursements are also appropriated.

(a) General Fund

\$22,850,000 \$39,461,900

For 1985 - \$ 650,000

\$3,500,000 the first year and \$7,000,000 the second year is for comparability adjustments.

\$650,000 for 1985, \$4,250,000 the first year, and \$3,750,000 the second year is for Fair Labor Standards Act adjustments.

The appropriation for the second year for the Fair Labor Standards Act is available only with the approval of the governor after consultation with the legislative advisory commission, under Minnesota Statutes, section 3.30. By January 15, 1986, the commissioner of employee relations must submit to the chairmen of the senate finance committee and house of representatives appropriations committee a report that outlines the efforts made by appointing authorities to reduce the number of assigned overtime hours. Reductions in overtime must be consistent with cost-effective staffing levels and with negotiated labor contracts.

Part of the appropriation from the general fund may be transferred to the special revenue fund and is appropriated to meet the salary supplement needs of positions formerly paid from the general fund.

(b) State Airports Fund

\$ 54,600 \$ 104,500

\$3,000 the first year and \$7,000 the second year is for comparability adjustments.

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

(c) Game and Fish Fund

\$ 1,071,100	\$ 1,713,500
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\$25,000 the first year and \$50,000 the second year is for comparability adjustments.

\$350,000 the first year and \$350,000 the second year is for Fair Labor Standards Act adjustments.

(d) Trunk Highway Fund

\$ 8,688,600	\$14,857,000
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For 1985 - \$650,000

\$325,000 the first year and \$650,000 the second year is for comparability adjustments.

\$650,000 for 1985, \$1,900,000 the first year, and \$1,900,000 the second year is for Fair Labor Standards Act adjustments.

(e) Highway User Tax Distribution Fund

\$ 257,400	\$ 494,500
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\$75,000 the first year and \$150,000 the second year is for comparability adjustments.

Subd. 2. Increases Covered

The compensation and economic benefit increases covered by this section are those paid to classified and unclassified employees and officers in the executive, judicial, and legislative branches of state government, and to employees of the Minnesota historical society who are paid from state appropriations, if the increases are required by existing law or authorized by law during the 1985 session of the legislature or by appropriate resolutions for employees of the legislature, or are given interim approval by the legislative commission on employee relations under Minnesota Statutes, sections 3.855 and 43A.18 or 179A.22, subdivision 4, or have been recommended by the compensation council.

The salary increases recommended by the compensation council on December 31, 1984, for legislators, judges, and constitu-

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

tional officers are ratified, except that the rate of increase that goes into effect on January 1, 1986, January 1, 1987, and January 1, 1988, must not be more than the lowest comparable rate of increase in an approved negotiated agreement or arbitration award covering state employees, as determined by the commissioner of employee relations.

The salaries for positions listed, in Minnesota Statutes, section 15A.081, subdivision 1, which were given interim approval by the legislative commission on employee relations after adjournment of the 1984 legislature, are ratified, retroactive to the effective date for each salary approved by the legislative commission on employee relations.

Within the provisions of the managerial plan approved under Minnesota Statutes, section 43A.18, an agency may not authorize aggregate performance increases for its managers that exceed an average of five percent in each year of the biennium ending June 30, 1987. An agency that granted increases less than the average increases authorized by all state agencies during the biennium ending June 30, 1985, may exceed this limit by the amount that its increases were less than the average increases authorized by all state agencies during the biennium ending June 30, 1985.

Subd. 3. Comparability Adjustments

The amounts appropriated for comparability adjustments must be distributed under Minnesota Statutes, section 43A.05, according to the list of job classes approved by the legislative commission on employee relations.

Subd. 4. Notice

During the biennium, the commissioner of finance shall transfer the necessary amounts to the proper accounts and shall promptly notify the committee on finance of the senate and the committee on appropriations of the house of representatives of the amount transferred to each appropriation account.

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

Sec. 53. PUBLIC SAFETY 40,000 -0-

This appropriation is to enable the department of public safety to assume responsibility for maintaining and operating the Minnesota automated fingerprint identification network.

Sec. 54. AGRICULTURE 125,000 -0-

This appropriation is for the commissioner of agriculture to make grants to Minnesota nonprofit organizations to buy agricultural commodities and food produced in the state and to ship the commodities and food to areas of Africa in need of famine relief. The commissioner shall solicit and accept proposals for grants until January 1, 1986. By March 15, 1986, the commissioner shall allocate the money available for grants to the nonprofit organizations, giving priority to the organizations that will buy the largest amount of agricultural commodities and food from supplies produced in the state. Each grant must be matched by the nonprofit organization in an amount at least two times the grant amount. The commissioner shall require the nonprofit organization to report to the commissioner within six months after receiving the grant on how the money was spent and the relief it provided. The commissioner shall report to the legislature by April 1, 1986, on the famine relief provided by this appropriation.

This appropriation is available only if there is clear indication that distribution problems in Africa will not be an impediment to effective use of the money. The state planning agency, in cooperation with the University of Minnesota and the department of agriculture, shall devise a program of supplying seed and agricultural expertise to move toward a more long-range solution for African famine relief.

Sec. 55. TRANSFERS.

Subdivision 1. GENERAL PROCEDURE. If the appropriation in this act to an agency in the executive branch is specified by program, the agency may transfer unencumbered balances among the programs specified in that section

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

after getting the approval of the commissioner of finance. The commissioner shall not approve a transfer unless the commissioner believes that it will carry out the intention of the legislature. The transfer must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives. If the appropriation in this act to an agency in the executive branch is specified by activity, the agency may transfer unencumbered balances among the activities specified in that section using the same procedure as for transfers among programs.

Subd. 2. CONSTITUTIONAL OFFICERS. A constitutional officer need not get the approval of the commissioner of finance but must notify the committee on finance of the senate and the committee on appropriations of the house of representatives before making a transfer under subdivision 1.

Subd. 3. TRANSFER PROHIBITED. If an amount is specified in this act for an item within an activity, that amount must not be transferred or used for any other purpose.

Sec. 56. STUDY OF ELEVATOR SAFETY INSPECTIONS.

Subdivision 1. STUDY ESTABLISHED. The commissioner of labor and industry shall direct a study to establish a statewide, annual construction elevator inspection program by the commissioner of labor and industry. The study must be so designed and conducted as to constitute a survey of construction elevator safety, regulatory compliance, and inspection needs throughout the state.

Subd. 2. STUDY GUIDELINES. The commissioner of labor and industry shall establish guidelines for the study including:

(1) a survey of the number and condition of construction elevators, which for purposes of this section include dumbwaiters, material lifts, powered platform man lifts, and hoists;

(2) a survey of present construction elevator compliance with rules of the commissioner of labor and industry;

(3) recommendations of the manpower necessary to field qualified state construction elevator inspectors to be able to inspect elevators on an annual basis;

(4) recommendations of suggested fees to fund on a self-supporting basis the cost of statewide, annual construction elevator inspections;

(5) an assessment of the adequacy of municipal construction elevator inspection programs; and

(6) recommended changes in the laws of the state as a result of the survey and investigation to secure greater safety and efficiency and to eliminate duplication of function, effort, or activity.

Subd. 3. REPORT. The commissioner of labor and industry shall report to the legislature findings of fact, initial conclusions, and recommendations by January 1, 1986, and if requested by the legislature, further findings and recommendations by March 1, 1986.

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

Subd. 4. ASSISTANCE. The commissioner may appoint, consult, or contract with persons, firms, corporations, applicable labor organizations, and governmental subdivisions to aid in the study.

Sec. 57. Minnesota Statutes 1984, section 2.722, subdivision 1, is amended to read:

Subdivision 1. **DESCRIPTION.** Effective July 1, 1959, the state is divided into ten judicial districts composed of the following named counties, respectively, in each of which districts ~~two or more~~ judges shall be chosen as hereinafter specified:

1. Goodhue, Dakota, Carver, LeSueur, McLeod, Scott, and Sibley; ~~seven~~ nine judges; and four permanent chambers shall be maintained in Red Wing, Hastings, Shakopee, and Glencoe and one other shall be maintained at the place designated by the chief judge of the district;

2. Ramsey; 13 judges;

3. Wabasha, Winona, Houston, Rice, Olmsted, Dodge, Steele, Waseca, Freeborn, Mower, and Fillmore; ~~six~~ 22 judges; and permanent chambers shall be maintained in Faribault, Albert Lea, Austin, Rochester, and Winona;

4. Hennepin; 24 judges;

5. Blue Earth, Watonwan, Lyon, Redwood, Brown, Nicollet, Lincoln, Cottonwood, Murray, Nobles, Pipestone, Rock, Faribault, Martin, and Jackson; five judges; and permanent chambers shall be maintained in Marshall, Windom, Fairmont, New Ulm, and Mankato;

6. Carlton, St. Louis, Lake, and Cook; six judges;

7. Benton, Douglas, Mille Lacs, Morrison, Otter Tail, Stearns, Todd, Clay, Becker, and Wadena; ~~four~~ 19 judges; and permanent chambers shall be maintained in Moorhead, Fergus Falls, Little Falls, and St. Cloud;

8. Chippewa, Kandiyohi, Lac qui Parle, Meeker, Renville, Swift, Yellow Medicine, Big Stone, Grant, Pope, Stevens, Traverse, and Wilkin; three judges; and permanent chambers shall be maintained in Morris, Montevideo, and Willmar;

9. Norman, Polk, Marshall, Kittson, Red Lake, Roseau, Mahnomen, Pennington, Aitkin, Itasca, Crow Wing, Hubbard, Beltrami, Lake of the Woods, Clearwater, Cass and Koochiching; six judges; and permanent chambers shall be maintained in Crookston, Thief River Falls, Bemidji, Brainerd, Grand Rapids, and International Falls;

10. Anoka, Isanti, Wright, Sherburne, Kanabec, Pine, Chisago, and Washington; ~~ten~~ 24 judges; and permanent chambers shall be maintained in Anoka, Stillwater, and other places designated by the chief judge of the district.

Sec. 58. Minnesota Statutes 1984, section 2.722, is amended by adding a subdivision to read:

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

Subd. 4. DETERMINATION OF A JUDICIAL VACANCY. When a judge of the district, county, or county municipal court dies, resigns, retires, or is removed from office, the supreme court, in consultation with judges and attorneys in the affected district, shall determine within 90 days of receiving notice of a vacancy from the governor whether the vacant office is necessary for effective judicial administration. The supreme court may continue the position, may order the position abolished, or may transfer the position to a judicial district where need for additional judges exists, designating the position as either a county, county/municipal or district court judgeship. The supreme court shall certify any vacancy to the governor, who shall fill it in the manner provided by law.

Sec. 59. Minnesota Statutes 1984, section 3.099, subdivision 1, is amended to read:

Subdivision 1. The compensation of each member of the legislature shall be due on the first day of the regular legislative session of the term and payable in equal parts on the fifteenth day of January in the first month of each term and on the first day of each month, ~~February to December~~, inclusive thereafter, during the term for which he was elected. The compensation of each member of the legislature elected at a special election is due on the day the member takes the oath of office and payable within ten days of taking the oath, for the remaining part of the month in which the oath was taken, and in equal parts thereafter on the first day of each month during the term for which he was elected.

Each member shall receive mileage for necessary travel in going to and returning from the place of meeting to his place of residence in such amount and for such trips as may be authorized by the senate as to senate members, and by the house of representatives as to house members.

Each member shall receive in addition to the foregoing, such per diem living expenses during a regular or special session of the legislature in such amounts and for such purposes as may be determined by the senate as to senate members and by the house of representatives as to house members; provided, that because of the salary increases provided in subdivision 2, the amount of the per diem living expenses payable pursuant to this section during the 71st legislative session shall be set at a level not to exceed \$27 for each member who has moved from his usual place of lodging during a substantial part of the session and not to exceed \$17 for each member who has not so changed his place of lodging.

On the fifteenth day of January in the first month of each term and on the first day of each month, ~~February to December~~, inclusive thereafter, the secretary of the senate and the chief clerk of the house of representatives, shall certify to

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the commissioner of finance, in duplicate, the amount of compensation then payable to each member of their respective houses, and the aggregate thereof.

Sec. 60. Minnesota Statutes 1984, section 3.21, is amended to read:

3.21 NOTICE.

At least four months preceding the election, the attorney general shall furnish to the secretary of state a statement of the purpose and effect of all amendments proposed showing clearly the form of the existing sections, and of the same as they will read if amended, except that when any section to which an amendment is proposed exceeds 150 words in length, the statement shall show that part of the section in which a change is proposed, both in its existing form and as it will read when amended, together with portions of the context as the attorney general deems necessary to an understanding of the proposed amendment. In the month of October prior to the election, the secretary of state shall ~~give two weeks published notice of~~ publish the statement once in all qualified newspapers of the state. The secretary of state shall furnish the statement to the newspapers in reproducible form approved by the secretary of state, set in 7-1/2 point type on an eight point body. The maximum rate for publication shall be as provided in section 331A.06 ~~for the two publications or 18 cents per standard line, whichever is less.~~ If any newspaper shall refuse the publication of the amendments, this refusal and failure of the publication shall have no effect on the validity of the amendments. The secretary of state shall also forward to each county auditor copies of the statement, in poster form, in quantities sufficient to supply each election district of his county with two copies thereof. The auditor shall cause two copies to be conspicuously posted at or near each polling place on election day. Wilful or negligent failure by any official named to perform any duty imposed upon him by this section shall be deemed a misdemeanor.

Sec. 61. Minnesota Statutes 1984, section 3.302, subdivision 3, is amended to read:

Subd. 3. The legislative reference library is a depository of all documents published by the state and shall receive such materials automatically without cost. As used in this chapter, "document" shall include any publication issued by the state, constitutional officers, departments, commissions, councils, bureaus, research centers, societies, task forces, including advisory task forces created under section 15.014 or 15.0593, or other agencies supported by state funds, or any publication prepared for the state by private individuals or organizations and issued in print, including all forms of duplicating other than by the use of carbon paper, considered to be of interest or value to the legislative reference library. Intraoffice or interoffice memos and forms and information concerning only the internal operation of an agency are not included.

Sec. 62. Minnesota Statutes 1984, section 3.303, is amended by adding a subdivision to read:

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Subd. 5. The commission shall assist state agencies in making arrangements for the accommodation and appropriate recognition of individuals or groups visiting Minnesota as direct or indirect representatives of foreign governments, other states, or any of the subdivisions or agencies of foreign governments or other states; and provide other services determined by the commission. The commission may make grants, employ staff and obtain office space, equipment, and supplies necessary to perform the designated duties.

Sec. 63. Minnesota Statutes 1984, section 3.351, subdivision 3, is amended to read:

Subd. 3. REVIEW OF PLANS TO RECEIVE AND SPEND FEDERAL ENERGY MONEY. The plan for receipt and expenditure of money resulting from litigation or settlements of alleged violations of federal petroleum pricing regulations shall be submitted to the commission for review and comment prior to submission to the federal government; provided that, if the commission fails to review and comment within 30 days, the plan may be submitted without commission review. If the use of the money is not governed by federal requirements or restrictions, the commission shall develop its own plan for the expenditure of the money. A plan developed by the commission must provide that, to the extent feasible, the money will be expended for energy projects or other public projects that provide direct benefit to classes of consumers affected by the petroleum pricing violations. The plan must allocate the money to projects that benefit classes of consumers in proportion to their consumption of petroleum products. The plan may also provide for expenditure of the money for programs of the commission. The commission shall submit its plan to the governor or the state agency eligible to receive the money from the federal government. The plan is advisory only. The commission by resolution may request the governor or any state agency eligible to receive money from the federal government for other energy programs to submit a plan for expenditure to the commission for review and comment prior to submission to the federal government. If the governor or the agency is required to submit a request to spend the money to the legislative advisory commission under section 3.3005, the commission shall forward its comments to the legislative advisory commission for consideration during its preparation of a recommendation.

Sec. 64. Minnesota Statutes 1984, section 3.736, subdivision 3, is amended to read:

Subd. 3. EXCLUSIONS. Without intent to preclude the courts from finding additional cases where the state and its employees should not, in equity and good conscience, pay compensation for personal injuries or property losses, the legislature declares that the state and its employees are not liable for the following losses:

(a) Any loss caused by an act or omission of a state employee exercising due care in the execution of a valid or invalid statute or regulation;

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(b) Any loss caused by the performance or failure to perform a discretionary duty, whether or not the discretion is abused;

(c) Any loss in connection with the assessment and collection of taxes;

(d) Any loss caused by snow or ice conditions on any highway or other public place, except when the condition is affirmatively caused by the negligent acts of a state employee;

(e) Any loss caused by wild animals in their natural state;

(f) Any loss other than injury to or loss of property or personal injury or death;

(g) Any loss caused by the condition of unimproved real property owned by the state, which means land that the state has not improved, and appurtenances, fixtures and attachments to land that the state has neither affixed nor improved;

(h) Any loss arising from the construction, operation, or maintenance of the outdoor recreation system, as defined in section 86A.04, or from the clearing of land, removal of refuse, and creation of trails or paths without artificial surfaces, or from the construction, operation, or maintenance of a water access site created by the iron range resources and rehabilitation board, except that the state is liable for conduct that would entitle a trespasser to damages against a private person.

(i) Any loss of benefits or compensation due under a program of public assistance or public welfare, except where state compensation for loss is expressly required by federal law in order for the state to receive federal grants-in-aid;

(j) Any loss based on the failure of any person to meet the standards needed for a license, permit, or other authorization issued by the state or its agents;

(k) Any loss based on the usual care and treatment, or lack of care and treatment, of any person at a state hospital or state corrections facility where reasonable use of available appropriations has been made to provide care;

(l) Any loss, damage, or destruction of property of a patient or inmate of a state institution;

(m) Any loss for which recovery is prohibited by section 169.121, subdivision 9.

The state will not pay punitive damages.

Sec. 65. Minnesota Statutes 1984, section 3.85, subdivision 11, is amended to read:

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

Subd. 11. **RULES FOR PENSION VALUATIONS AND COST ESTIMATES.** The commission shall by June 30, 1985, adopt rules prescribing specific detailed methods of calculating, evaluating, and displaying current and proposed law liabilities, costs, and actuarial equivalents of all public employee pension plans in Minnesota. These rules shall be consistent with the general direction prescribed in chapter 356.

~~There is appropriated from the general fund to the commission not to exceed \$75,000 in fiscal year 1985, and \$25,000 in each fiscal year thereafter for developing, implementing, and annually updating the rules adopted pursuant to this section.~~

Sec. 66. [3.875] **LEGISLATIVE COMMISSION ON ECONOMIC DEVELOPMENT STRATEGY.**

Subdivision 1. COMMISSION CREATED. A legislative commission on economic development strategy is created to review state economic development efforts and recommend a strategy for state economic development activities.

Subd. 2. MEMBERSHIP. The commission consists of ten members: five members of the senate appointed by the subcommittee on committees of the committee on rules and administration and five members of the house of representatives appointed by the speaker. The members shall elect the chair.

Subd. 3. COMPENSATION. Members of the commission shall be compensated in the manner provided by section 3.101.

Subd. 4. STAFF ASSISTANCE. The commission may appoint an executive director in the unclassified service and hire staff who may request and shall receive reasonable assistance from other state agencies. The director of state planning, the commissioner of energy and economic development, and the commissioner of agriculture shall provide, to the extent requested by the commission, necessary office space, equipment, and staff assistance to the commission to enable the commission to carry out its duties. These agencies shall share the costs of the executive director and support staff. The legislative coordinating commission shall also provide office space and administrative support to the commission.

Subd. 5. DUTIES. The commission shall:

(1) review existing data and collect additional data when needed regarding existing, proposed, and potential economic development programs;

(2) review existing economic development programs and assess their effectiveness and appropriateness;

(3) study state economic development options and develop a long-term strategy for state economic development efforts, including suggested goals and measurable objectives; and

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(4) report on the results of those matters specified by clauses (1), (2), and (3) to the legislature by February 1, 1987. The report shall include but is not limited to the strategy required by clause (3), and proposed legislation to repeal, revise, or create new or existing economic development programs.

Subd. 6. POWERS. The commission may:

(1) contract for consulting or research services;

(2) establish advisory task forces consisting of individuals including agency heads or their designees, University of Minnesota personnel or their designees, and persons in the private sector having knowledge in commerce and economic development; and

(3) vote to discontinue its work if it reasonably concludes that it has complied with subdivision 1 and that there is nothing remaining for the commission or its staff to accomplish.

Subd. 7. FACTUAL CONSIDERATIONS. In carrying out the duties required by subdivision 6, the commission shall consider:

(1) the economic and noneconomic strengths and weaknesses of the state;

(2) economic and noneconomic costs and benefits of development, including effects on people, communities, and businesses;

(3) the proper role and limitations of government efforts to aid economic development, including any necessary reorganization of state government and any necessary interagency coordination and communication;

(4) the effect of past and present economic development policies and programs, as well as the possibility and results of cooperation with the federal government and other midwestern states;

(5) the proper role of local government, including coordination of local programs;

(6) the industries or segments of industry and types of businesses that should be the focus of state economic development efforts;

(7) whether the focus of state decision makers should be on new firms or businesses, or limited to expansion of existing firms or businesses, and what guidelines should be established to assure that the development or expansion would not occur without state assistance;

(8) the effectiveness, including cost effectiveness, considering the state's kind and number of resources, of current economic development tools, such as job training, grants, loans, loan guarantees, tax incentives, subsidies, venture capital, technical support, and project incubation;

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(9) the potential effectiveness of other policies or tools not currently provided for;

(10) the importance to economic development of state educational programs, tax structures, infrastructure, and regulation;

(11) the effects of existing and potential international trade activities and federal fiscal and monetary policy on economic development within the state; and

(12) the extent to which economic development programs should be directed to industries in which Minnesota has a comparative advantage or directed to maintaining a diversified economy.

Subd. 8. SUNSET. This section is repealed July 1, 1987.

Sec. 67. Minnesota Statutes 1984, section 3.9223, subdivision 1, is amended to read:

Subdivision 1. **MEMBERSHIP.** There is created a state council on affairs of Spanish-speaking people to consist of seven members appointed by the governor. The members of the council shall be broadly representative of the Spanish-speaking community of the state. The demographic composition of the council members shall accurately reflect the demographic composition of Minnesota's Spanish-speaking community, including migrant workers, as determined by the state demographer. Membership, terms, compensation, removal of members and filling of vacancies shall be as provided in Minnesota Statutes, section 15.0575. The council shall annually elect from its membership a chairperson and other officers it deems necessary. The council shall expire on the date provided by section 15.059, subdivision 5.

Sec. 68. **[3.9226] COUNCIL ON ASIAN-PACIFIC MINNESOTANS.**

Subdivision 1. CREATION. The state council on Asian-Pacific Minnesotans consists of 13 members. Nine members are appointed by the governor and shall be broadly representative of the Asian-Pacific community of the state. Terms, compensation, removal, and filling of vacancies for these members are as provided in section 15.059. In addition, two members of the house of representatives appointed under the rules of the house of representatives and two members of the senate appointed under the rules of the senate shall serve as nonvoting members of the council. The council shall annually elect from its membership a chairperson and other officers it deems necessary.

Subd. 2. DEFINITION. For the purpose of this section, the term Asian-Pacific means a person from any of the countries in Asia or the Pacific Islands.

Subd. 3. DUTIES. The council shall:

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

(1) advise the governor and the legislature on issues confronting Asian-Pacific people in this state, including the unique problems of non-English-speaking immigrants and refugees;

(2) advise the governor and the legislature of administrative and legislative changes necessary to ensure Asian-Pacific people access to benefits and services provided to people in this state;

(3) recommend to the governor and the legislature any revisions in the state's affirmative action program and other steps that are necessary to eliminate underutilization of Asian-Pacific people in the state's work force;

(4) recommend to the governor and the legislature legislation designed to improve the economic and social condition of Asian-Pacific people in this state;

(5) serve as a conduit to state government for organizations of Asian-Pacific people in the state;

(6) serve as a referral agency to assist Asian-Pacific people in securing access to state agencies and programs;

(7) serve as a liaison with the federal government, local government units, and private organizations on matters relating to the Asian-Pacific people of this state;

(8) perform or contract for the performance of studies designed to suggest solutions to the problems of Asian-Pacific people in the areas of education, employment, human rights, health, housing, social welfare, and other related areas;

(9) implement programs designed to solve the problems of Asian-Pacific people when authorized by other law;

(10) publicize the accomplishments of Asian-Pacific people and their contributions to this state;

(11) work with other state and federal agencies and organizations to develop small business opportunities and promote economic development for Asian-Pacific Minnesotans;

(12) supervise development of an Asian-Pacific trade primer, outlining Asian and Pacific customs, cultural traditions, and business practices, including language usage, for use by Minnesota's export community; and

(13) cooperate with other state and federal agencies and organizations to develop improved state trade relations with Asian and Pacific countries.

Subd. 4. REVIEW OF GRANT APPLICATIONS AND BUDGET REQUESTS. State departments and agencies shall consult with the council concerning any application for federal money that will have its primary effect on Asian-Pacific Minnesotans before development of the application. The council

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shall advise the governor and the commissioner of finance concerning any state agency request that will have its primary effect on Asian-Pacific Minnesotans.

Subd. 5. POWERS. (a) The council may contract in its own name but may not accept or receive a loan or incur indebtedness except as otherwise provided by law. Contracts must be approved by a majority of the members of the council and executed by the chairperson and the executive director. The council may apply for, receive, and expend in its own name grants and gifts of money consistent with the powers and duties specified in this section.

(b) The council shall appoint an executive director who is experienced in administrative activities and familiar with the problems and needs of Asian-Pacific people. The council may delegate to the executive director any powers and duties under this section that do not require council approval. The executive director serves in the unclassified service and may be removed at any time by the council. The executive director shall recommend to the council, and the council may appoint, the appropriate staff necessary to carry out the duties of the council. All staff members serve in the unclassified service. The commissioner of administration shall provide the council with necessary administrative services, for which the council shall reimburse the commissioner.

Subd. 6. STATE AGENCY ASSISTANCE. On the request of the council, state agencies shall supply the council with advisory staff services on matters relating to the jurisdiction of the council. The council shall cooperate and coordinate its activities with other state agencies to the highest possible degree.

Subd. 7. REPORT. The council shall prepare and distribute a report to the governor and legislature by November 15 of each even-numbered year. The report shall summarize the activities of the council since its last report, list receipts and expenditures, identify the major problems and issues confronting Asian-Pacific people, and list the specific objectives that the council seeks to attain during the next biennium.

Subd. 8. REPEALER. This section is repealed June 30, 1988.

Sec. 69. [3C.035] DRAFTING FOR EXECUTIVE BRANCH.

Subdivision 1. DEADLINES. A department or agency intending to urge the legislature to adopt a bill shall deliver the drafting request for the bill to the revisor of statutes by December 1 before the regular session of the legislature at which adoption will be urged. A commissioner or agency head, however, may deliver a drafting request later by certifying to the revisor, with supporting facts, that the request is an emergency, relates to a matter that could not reasonably have been foreseen before December 1, or for which there is other reasonable justification for delay. The completed bill draft, in a form ready for introduction, must be delivered by the revisor to a senator or representative as directed by the department or agency. If the draft was requested after December 1, it must be accompanied by a copy of the commissioner's certification to the revisor.

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Subd. 2. COSTS. Agencies shall include in their budgets amounts to pay for bill drafting services provided by the revisor of statutes. The revisor shall assess agencies for the actual cost of bill drafting services rendered to them on requests delivered to the revisor by December 1. The revisor shall assess agencies for 120 percent of the actual cost of bill drafting services rendered to them on requests delivered to the revisor after December 1. The revisor shall also assess an agency for the actual cost or 120 percent of actual cost, as appropriate, for drafting a request that a senator or representative submits to the revisor's office on behalf of the agency. The revisor may not assess a department or agency for the costs related to drafting affecting an agency if the request for drafting originated from within the legislature. Receipts from the assessment must be deposited in the state treasury and credited to the revisor's account.

Subd. 3. RESTRICTIONS ON OUTSIDE DRAFTING. A department or agency may not contract with an attorney, consultant, or other person either to provide drafting services to the department or agency or to advise on drafting unless the revisor determines that special expertise is required for the drafting and the expertise is not available from the revisor or the revisor's staff. A department or agency may not request legislative staff, other than the revisor of statutes, to provide drafting services to the department or agency.

Sec. 70. [3C.055] ALLOCATION OF EDITING, PUBLICATION, AND MISCELLANEOUS COSTS OTHER THAN DRAFTING COSTS; APPROPRIATIONS.

Subdivision 1. BUDGET PREPARATION. In preparing a budget for the office of the revisor of statutes, the revisor shall allocate to the executive branch the costs of editing and publishing Minnesota Rules and its supplement, preparing printer's copy for the printing of extracts of statutes and rules, editing and publishing a rule drafting guide, editing and publishing the copies of Minnesota Statutes, Minnesota Statutes supplement, and session laws that are delivered free to executive officers and agencies and to county or city libraries and the Minnesota historical society, and editing the copies of Minnesota Statutes, Minnesota Statutes supplement, and session laws that are sold to the public. The revisor shall allocate to the judicial branch the costs of editing and publishing the copies of Minnesota Statutes and its supplement, Minnesota Rules and its supplement, and session laws that are delivered free to the judicial branch. The revisor shall allocate to the legislative branch the costs of all other services not either allocated to the other two branches or reimbursed by assessments for services or receipts from sales.

Subd. 2. TRANSFER. The portion of the revisor's total costs allocated to the executive branch and appropriated to the department of administration must be transferred on July 1 of each year from the department's appropriation to the revisor's account. The portion of the revisor's total costs allocated to the judicial branch and appropriated to the supreme court must be transferred on

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July 1 of each year from the court's appropriation to the revisor's account. The portion of the revisor's total costs allocated to the legislative branch and appropriated to the legislative coordinating commission must be transferred on July 1 of each year from the commission's appropriation to the revisor's account.

Sec. 71. [3C.056] DRAFTING COSTS ASSESSMENT.

Those authorized by section 3C.03 to use the the revisor's drafting services, other than members of the legislature and commissions or committees appointed by the legislature, shall pay their proportionate share of the costs of drafting services actually furnished them. The revisor shall calculate and allocate costs and bill for drafting services by whatever system the revisor determines to be most fair and most practical for the revisor and for those being served. In billing for drafting services, the revisor shall use the statewide accounting system and the allotment and encumbrance system, but only to the extent necessary to facilitate the use of those systems by those being billed.

Sec. 72. [3C.057] REVISOR'S ACCOUNT.

Money received by the revisor from transfers from other agencies and receipts from assessments and sales must be deposited in the state treasury and credited to a revisor's account. Money in the account is appropriated to the revisor of statutes for the operation and maintenance of the revisor's office. This appropriation does not lapse and must not be canceled.

Sec. 73. Minnesota Statutes 1984, section 3C.12, subdivision 7, is amended to read:

Subd. 7. **SALE PRICE.** The revisor shall fix the sale price of an edition of Minnesota Statutes, supplement to Minnesota Statutes, or edition of Laws of Minnesota according to the limits of this subdivision. The sale price for ~~an~~ a newly published edition of Minnesota Statutes is the actual cost of composition, printing, binding, and distribution of all books ordered, but not less than \$75. The sale prices of each newly published edition of the Laws of Minnesota and supplement to Minnesota³Statutes are not less than the actual cost of composition, printing, binding, and distribution of all books ordered, but not less than \$10. Revenue from the sale of the Minnesota Statutes, supplements to Minnesota Statutes, and Laws of Minnesota must be deposited in the general fund revisor's account.

Sec. 74. [5.13] DEPOSIT OF FEES.

Fees collected by the secretary of state must be deposited in the state treasury and credited to the special revenue fund.

Sec. 75. [8.15] ATTORNEY GENERAL COSTS.

The attorney general in consultation with the commissioner of finance shall assess executive branch agencies the cost of legal services rendered to them.

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The assessment against appropriations from other than the general fund must be the full amount of the cost. The assessment against appropriations supported by fees must be included in the fee calculation. Unless appropriations are made for these costs, no payment by the agency is required. The assessment against appropriations from the general fund not supported by fees must be one-fourth of the cost. Receipts from assessments must be deposited in the state treasury and credited to the general fund.

Sec. 76. Minnesota Statutes 1984, section 11A.07, is amended by adding a subdivision to read:

Subd. 5. APPORTIONMENT OF EXPENSES. The executive director shall apportion the actual expenses incurred by the board on an accrual basis among the several funds whose assets are invested by the board based on the weighted average assets under management during each quarter. The charge to each retirement fund must be calculated, billed, and paid on a quarterly basis in accordance with procedures for interdepartmental payments established by the commissioner of finance. The amounts necessary to pay these charges are appropriated from the investment earnings of each retirement fund. Receipts must be credited to the general fund as nondedicated receipts. Funds other than retirement funds must not be billed; their portion of the expenses will be borne by the general fund.

Sec. 77. Minnesota Statutes 1984, section 11A.20, subdivision 1, is amended to read:

Subdivision 1. CERTIFICATION OF STATE TREASURY FUNDS NOT CURRENTLY NEEDED. The state treasurer shall make a report to the commissioner of finance daily or at other times as the commissioner of finance shall determine of the funds in the state treasury together with any other information which the commissioner may prescribe. When there are funds in the state treasury over and above the amount that the commissioner of finance has advised the treasurer is determined are currently needed, the state treasurer commissioner shall certify to the state board the amount thereof.

Sec. 78. Minnesota Statutes 1984, section 13.68, subdivision 1, is amended to read:

Subdivision 1. Energy and financial data, statistics, and information furnished to the commissioner of energy and economic development by a coal supplier or petroleum supplier, or information on individual business customers of a public utility pursuant to section 116J.16 or 116J.17, either directly or through a federal department or agency are classified as nonpublic data as defined by section 13.02, subdivision 9.

Sec. 79. Minnesota Statutes 1984, section 14.07, subdivision 1, is amended to read:

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Subdivision 1. **RULE DRAFTING ASSISTANCE PROVIDED.** (a) The revisor of statutes shall:

(1) maintain an agency rules drafting department to draft or aid in the drafting of rules or amendments to rules for any agency in accordance with subdivision 3 and the objective or other instructions which the agency shall give the revisor; and,

(2) prepare and publish an agency rules drafting guide which shall set out the form and method for drafting rules and amendments to rules, and to which all rules shall comply.

(b) The revisor shall assess an agency for the actual cost of providing aid in drafting rules or amendments to rules. The agency shall pay the assessment using the procedures of section 71. Each agency shall include in its budget money to pay the revisor's assessment. Receipts from the assessment must be deposited in the state treasury and credited to the revisor's account.

(c) An agency may not contract with an attorney, consultant, or other person either to provide rule drafting services to the agency or to advise on drafting unless the revisor determines that special expertise is required for the drafting and the expertise is not available from the revisor or the revisor's staff.

Sec. 80. Minnesota Statutes 1984, section 14.07, subdivision 2, is amended to read:

Subd. 2. **APPROVAL OF FORM.** No agency decision to adopt a rule or emergency rule, including a decision to amend or modify a proposed rule or proposed emergency rule, shall be effective unless the agency has presented the rule to the revisor of statutes and the revisor has certified that its form is approved. The revisor shall assess an agency for the actual cost of processing rules for consideration for approval of form. The assessments must include necessary costs to create or modify the computer data base of the text of a rule and the cost of putting the rule into the form established by the drafting guide provided for in subdivision 1. The agency shall pay the assessments using the procedures of section 3C.056. Each agency shall include in its budget money to pay revisor's assessments. Receipts from the assessments must be deposited in the state treasury and credited to the revisor's account.

Sec. 81. Minnesota Statutes 1984, section 14.08, is amended to read:

14.08 REVISOR OF STATUTE'S APPROVAL OF RULE FORM.

(a) Two copies of a rule adopted pursuant to the provisions of section 14.26 or 14.32 shall be submitted by the agency to the attorney general. The attorney general shall send one copy of the rule to the revisor on the same day as it is submitted by the agency under section 14.26 or 14.32. Within five days after receipt of the rule, excluding weekends and holidays, the revisor shall either return the rule with a certificate of approval of the form of the rule to the

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attorney general or notify the attorney general and the agency that the form of the rule will not be approved.

If the attorney general disapproves a rule, the agency may modify it and the agency shall submit two copies of the modified rule to the attorney general who shall send a copy to the revisor for approval as to form as described in this paragraph.

(b) One copy of a rule adopted after a public hearing shall be submitted by the agency to the revisor for approval of the form of the rule. Within five working days after receipt of the rule, the revisor shall either return the rule with a certificate of approval to the agency or notify the agency that the form of the rule will not be approved.

(c) If the revisor refuses to approve the form of the rule, the revisor's notice shall indicate the reason for the refusal and specify the modifications necessary so the form of the rule will be approved revise the rule so it is in the correct form.

(d) The attorney general and the revisor of statutes shall assess an agency for the actual cost of processing rules under this section. The agency shall pay the revisor's assessments using the procedures of section 71. Each agency shall include in its budget money to pay the revisor's and the attorney general's assessments. Receipts from the assessment must be deposited in the state treasury and credited to the revisor's account or the general fund as appropriate.

Sec. 82. Minnesota Statutes 1984, section 14.26, is amended to read:

14.26 ADOPTION OF PROPOSED RULE; SUBMISSION TO ATTORNEY GENERAL.

If no hearing is required, the agency shall submit to the attorney general the proposed rule and notice as published, the rule as proposed for adoption, any written comments received by the agency, and a statement of need and reasonableness for the rule. The agency shall give notice to all persons who requested to be informed that these materials have been submitted to the attorney general. This notice shall be given on the same day that the record is submitted. If the proposed rule has been modified, the notice shall state that fact, and shall state that a free copy of the proposed rule, as modified, is available upon request from the agency. The rule and these materials shall be submitted to the attorney general within 180 days of the day that the comment period for the rule is over or the rule is automatically withdrawn. The agency shall report its failure to adopt the rules and the reasons for that failure to the legislative commission to review administrative rules, other appropriate legislative committees, and the governor.

Even if the 180-day period expires while the attorney general reviews the rule, if the attorney general rejects the rule, the agency may resubmit it after taking corrective action. The resubmission must occur within 30 days of when

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the agency receives written notice of the disapproval. If the rule is again disapproved, the rule is withdrawn. An agency may resubmit at any time before the expiration of the 180-day period. If the agency withholds some of the proposed rule, it may not adopt the withheld portion without again following the procedures of sections 14.14 to 14.28, or 14.29 to 14.36.

The attorney general shall approve or disapprove the rule as to its legality and its form to the extent the form relates to legality, including the issue of substantial change, and determine whether the agency has the authority to adopt the rule and whether the record demonstrates a rational basis for the need for and reasonableness of the proposed rule within 14 days. If the rule is approved, the attorney general shall promptly file two copies of it in the office of the secretary of state. The secretary of state shall forward one copy of each rule to the revisor of statutes. If the rule is disapproved, the attorney general shall state in writing the reasons and make recommendations to overcome the deficiencies, and the rule shall not be filed in the office of the secretary of state, nor published until the deficiencies have been overcome. The attorney general shall send a statement of reasons for disapproval of the rule to the agency, the chief administrative law judge, the legislative commission to review administrative rules, and to the revisor of statutes.

The attorney general shall assess an agency for the actual cost of processing rules under this section. Each agency shall include in its budget money to pay the attorney general's assessment. Receipts from the assessment must be deposited in the state treasury and credited to the general fund.

Sec. 83. Minnesota Statutes 1984, section 14.32, is amended to read:

14.32 SUBMISSION OF PROPOSED EMERGENCY RULE TO ATTORNEY GENERAL.

Subdivision 1. SUBMISSION. The agency shall submit to the attorney general the proposed emergency rule as published, with any modifications. On the same day that it is submitted, the agency shall mail notice of the submission to all persons who requested to be informed that the proposed emergency rule has been submitted to the attorney general. If the proposed emergency rule has been modified, the notice shall state that fact, and shall state that a free copy of the proposed emergency rule, as modified, is available upon request from the agency. The attorney general shall review the proposed emergency rule as to its legality, review its form to the extent the form relates to legality, and shall approve or disapprove the proposed emergency rule and any modifications on the tenth working day following the date of receipt of the proposed emergency rule from the agency. The attorney general shall send a statement of reasons for disapproval of the rule to the agency, the chief administrative law judge, the legislative commission to review administrative rules, and to the revisor of statutes.

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Subd. 2. COSTS. The attorney general shall assess an agency for the actual cost of processing rules under this section. Each agency shall include in its budget money to pay the attorney general's assessment. Receipts from the assessment must be deposited in the state treasury and credited to the general fund.

Sec. 84. Minnesota Statutes 1984, section 14.40, is amended to read:

14.40 REVIEW OF RULES BY COMMISSION.

The commission shall promote adequate and proper rules by agencies and an understanding upon the part of the public respecting them. The jurisdiction of the commission includes all rules as defined in section 14.02, subdivision 4. The commission also has jurisdiction of rules which are filed with the secretary of state in accordance with section 14.38, subdivisions 5, 6, 7, 8, 9, and 11 or were filed with the secretary of state in accordance with the provisions of section 14.38, subdivisions 5 to 9, which were in effect on the date the rules were filed. It may hold public hearings to investigate complaints with respect to rules if it considers the complaints meritorious and worthy of attention. It if the rules that are the subject of the public hearing were adopted without a rulemaking hearing, it may request the office of administrative hearings to hold the public hearing and prepare a report summarizing the testimony received at the hearing. The office of administrative hearings shall assess the costs of the public hearing to the agency whose rules are the subject of the hearing. The commission may, on the basis of the testimony received at the public hearings, suspend any rule complained of by the affirmative vote of at least six members provided the provisions of section 14.42 have been met. If any rule is suspended, the commission shall as soon as possible place before the legislature, at the next year's session, a bill to repeal the suspended rule. If the bill is not enacted in that year's session, the rule is effective upon adjournment of the session unless the agency has repealed it. If the bill is enacted, the rule is repealed. The commission shall make a biennial report to the legislature and governor of its activities and include its recommendations to promote adequate and proper rules and public understanding of the rules.

Sec. 85. Minnesota Statutes 1984, section 14.47, subdivision 8, is amended to read:

Subd. 8. SALES AND DISTRIBUTION OF COMPILATION. Any compilation, reissue, or supplement published by the revisor shall be sold by the revisor for a reasonable fee and its proceeds deposited in the general fund revisor's account. An agency shall purchase from the revisor the number of copies of the compilation or supplement needed by the agency. The revisor shall provide one copy of any compilation or supplement to each county library maintained pursuant to section 134.12 or 375.33 upon its request, except in counties containing cities of the first class. If a county has not established a

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county library pursuant to section 134.12 or 375.33, the copy will be provided to any public library in the county upon its request.

Sec. 86. Minnesota Statutes 1984, section 14.48, is amended to read:

**14.48 CREATION OF OFFICE OF ADMINISTRATIVE HEARINGS;
CHIEF ADMINISTRATIVE LAW JUDGE APPOINTED; OTHER ADMIN-
ISTRATIVE LAW JUDGES APPOINTED.**

A state office of administrative hearings is created. The office shall be under the direction of a chief administrative law judge who shall be learned in the law and appointed by the governor, with the advice and consent of the senate, for a term ending on June 30 of the sixth calendar year after appointment. Senate confirmation of the chief administrative law judge shall be as provided by section 15.066. The chief administrative law judge shall appoint additional administrative law judges and compensation judges to serve in his office as necessary to fulfill the duties prescribed in sections 14.48 to 14.56. The chief administrative law judge may delegate to a subordinate employee the exercise of a specified statutory power or duty as deemed advisable, subject to the control of the chief administrative law judge. Every delegation must be by written order filed with the secretary of state. All administrative law judges and compensation judges shall be in the classified service except that the chief administrative law judge shall be in the unclassified service, but may be removed from his position only for cause. All administrative law judges shall have demonstrated knowledge of administrative procedures and shall be free of any political or economic association that would impair their ability to function officially in a fair and objective manner. All workers' compensation judges shall be learned in the law, shall have demonstrated knowledge of workers' compensation laws and shall be free of any political or economic association that would impair their ability to function officially in a fair and objective manner.

Sec. 87. Minnesota Statutes 1984, section 14.51, is amended to read:

14.51 PROCEDURAL RULES FOR HEARINGS.

The chief administrative law judge shall adopt rules to govern the procedural conduct of all hearings, relating to both rule adoption, amendment, suspension or repeal hearings, contested case hearings, and workers' compensation hearings, and to govern the conduct of voluntary mediation sessions for rulemaking and contested cases other than those within the jurisdiction of the bureau of mediation services. Temporary rulemaking authority is granted to the chief administrative law judge for the purpose of implementing Laws 1981, Chapter 346, Sections 2 to 6, 103 to 122, 127 to 135, and 141. The procedural rules for hearings shall be binding upon all agencies and shall supersede any other agency procedural rules with which they may be in conflict. The procedural rules for hearings shall include in addition to normal procedural matters provisions relating to recessing and reconvening new hearings when the proposed final

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rule of an agency is substantially different from that which was proposed at the public hearing. The procedural rules shall establish a procedure whereby the proposed final rule of an agency shall be reviewed by the chief administrative law judge to determine whether or not a new hearing is required because of substantial changes or failure of the agency to meet the requirements of sections 14.13 to 14.18. Upon his own initiative or upon written request of an interested party, the chief administrative law judge may issue a subpoena for the attendance of a witness or the production of books, papers, records or other documents as are material to the matter being heard. The subpoenas shall be enforceable through the district court in the district in which the subpoena is issued.

Sec. 88. Minnesota Statutes 1984, section 14.55, is amended to read:

14.55 CONTRACTS WITH POLITICAL SUBDIVISIONS.

The chief administrative law judge may enter into contracts with political subdivisions of the state and such political subdivisions of the state may contract with the chief administrative law judge for the purpose of providing administrative law judges and reporters for administrative proceedings or informal dispute resolution. The contract may define the scope of the administrative law judge's duties, which may include the preparation of findings, conclusions, or a recommendation for action by the political subdivision. For such services there shall be an assessment in the manner provided in section 14.53.

Sec. 89. Minnesota Statutes 1984, section 15.0597, subdivision 1, is amended to read:

Subdivision 1. **DEFINITIONS.** As used in this section, the following terms shall have the meanings given them.

(a) "Agency" means (1) a state board, commission, council, committee, authority, task force, including an advisory task force created under section 15.014 or 15.0593, or other similar multi-member agency created by statute and having statewide jurisdiction; and (2) the metropolitan council, regional transit board, metropolitan airports commission, metropolitan parks and open space commission, metropolitan sports facilities commission, metropolitan waste control commission, capitol area architectural and planning board, and any agency with a regional jurisdiction created in this state pursuant to an interstate compact.

(b) "Vacancy" or "vacant agency position" means (1) a vacancy in an existing agency, or (2) a new, unfilled agency position; provided that "agency" shall not mean (1) a vacant position on an agency composed exclusively of persons employed by a political subdivision or another agency, or (2) a vacancy to be filled by a person required to have a specific title or position.

(c) "Secretary" means the secretary of state.

Sec. 90. Minnesota Statutes 1984, section 15.50, subdivision 3, is amended to read:

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Subd. 3. **ADMINISTRATIVE AND PLANNING EXPENSES.** With the exception of the administrative and planning expenses of the board for federally funded capital expenditures, the board's administrative and planning expenses shall be borne by the state. If federal money is available for capital expenditures, the board's administrative and planning expenses must be reimbursed to the state upon receipt of that money. The expenses of the board for competition premiums, land acquisition or improvement or any other capital expenditures in or upon properties owned or to be owned by the state shall be borne by the state. The expenses of any other public body for such expenditures shall be borne by the body concerned. The city of Saint Paul may expend moneys currently in the city of Saint Paul Capitol Approach Improvement Fund established by Laws 1945, Chapter 315, and acts amendatory thereof for capital improvements contained in the city's approved capital improvement budget. The budget is to be adopted in accordance with provisions contained in the city charter.

Sec. 91. Minnesota Statutes 1984, section 15A.081, subdivision 1, is amended to read:

Subdivision 1. The governor shall set the salary rate within the ranges listed below for positions specified in this subdivision, upon approval of the legislative commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:

	Salary Range Effective July 1, 1983
Commissioner of education; Commissioner of finance; Commissioner of transportation; Commissioner of human services; Chancellor, community college system; Chancellor, state university system; Director, vocational technical education Executive director, state board of investment;	\$57,500-\$70,000
Commissioner of administration; Commissioner of agriculture; Commissioner of commerce; Commissioner of corrections; Commissioner of economic security; Commissioner of employee relations; Commissioner of energy and economic development; Commissioner of health; Commissioner of labor and industry; Commissioner of natural resources;	\$50,000-\$60,000

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Commissioner of revenue;
 Commissioner of public safety;
 Chairperson, waste management board
 Chief administrative law judge; office of
 administrative hearings;
 Director, pollution control agency;
 Director, state planning agency;
 Executive director, higher education
 coordinating board;
 Executive director, housing finance agency;
 Executive director, teacher's retirement
 association;
 Executive director, state retirement system;

 Commissioner of human rights; \$40,000-\$52,500
 Director, department of public service;
 Commissioner of veterans' affairs;
 Director, bureau of mediation services;
 Commissioner, public utilities commission;
 Member, transportation regulation board;

 Director, zoological gardens.

Sec. 92. Minnesota Statutes 1984, section 15A.081, subdivision 7, is amended to read:

Subd. 7. The following salaries are provided for officers of metropolitan agencies:

	Effective July 1 1983	Effective July 1 1984
Chairman, metropolitan council	\$47,000	50,000
Chairman, metropolitan airports commission	14,000	16,000
Chairman, metropolitan transit commission	42,000	-0-
Chairman, regional transit board	-0-	46,000
Chairman, metropolitan waste control commission	18,500	20,000

The governor shall set the salary rate within the range set forth below for the following part-time position, upon approval of the legislative commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:

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Effective
July 1, 1985

Chair, metropolitan waste control
commission

\$15,000-\$25,000

Fringe benefits for unclassified employees of the metropolitan waste control commission shall not exceed those fringe benefits received by unclassified employees of the metropolitan council.

Sec. 93. Minnesota Statutes 1984, section 15A.082, subdivision 2, is amended to read:

Subd. 2. **MEMBERSHIP.** The compensation council consists of 16 members: two members of the house of representatives appointed by the speaker of the house of representatives; two members of the senate appointed by the majority leader of the senate; one member of the house of representatives appointed by the minority leader of the house of representatives; one member of the senate appointed by the minority leader of the senate; two nonjudges appointed by the chief justice of the supreme court; and one member from each congressional district appointed by the governor, of whom no more than four may belong to the same political party. Appointments must be made by October 1. The compensation and removal of members appointed by the governor or the chief justice shall be as provided in section 15.059, subdivisions 3 and 4. The legislative coordinating commission shall provide the council with administrative and support services.

Sec. 94. Minnesota Statutes 1984, section 15A.082, subdivision 3, is amended to read:

Subd. 3. **SUBMISSION OF RECOMMENDATIONS.** By January 1 in each odd-numbered year, the compensation council shall submit to the speaker of the house of representatives and the president of the senate salary recommendations for constitutional officers, legislators, justices of the supreme court, and judges of the court of appeals, district court, county court, and county municipal court. The recommended salary adjustments must occur only once, on the effective date of the plan. They may not include periodic adjustments for each office must be a fixed amount per year, to take effect on the first Monday in January of the next odd-numbered year, with no more than one adjustment, to take effect on January 1 of the year after that. The salary recommendations for legislators, judges, and constitutional officers take effect ~~on the first Monday in January of the next odd-numbered year,~~ if an appropriation of money to pay the recommended salaries is enacted after the recommendations are submitted and before their effective date. Recommendations may be expressly modified or rejected by a bill enacted into law. The salary recommendations for legislators are subject to additional terms that may be adopted according to section 3.099, subdivisions 1 and 3.

Sec. 95. Minnesota Statutes 1984, section 16A.055, subdivision 1, is amended to read:

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

(1) ~~exercise the rights, powers, and duties of the office~~ receive and record all money paid into the state treasury and safely keep it until lawfully paid out;

(2) manage the state's financial affairs;

(3) keep the state's general account books according to generally accepted government accounting principles;

(4) keep expenditure and revenue accounts according to generally accepted government accounting principles;

(5) develop, provide instructions for, prescribe, and manage a state uniform accounting system; and

(6) provide to the state the expertise to ensure that all state funds are accounted for under generally accepted government accounting principles.

Sec. 96. Minnesota Statutes 1984, section 16A.123, subdivision 3, is amended to read:

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;

(7) repair or construction project employees;

(8) employees in the department of military affairs paid entirely by federal money.

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

Sec. 97. Minnesota Statutes 1984, section 16A.127, subdivision 1, is amended to read:

Subdivision 1. **STATEWIDE AND AGENCY INDIRECT COSTS. (a)** As used in this section and in section 16A.128, "statewide indirect costs" means all operating costs incurred by the treasurer and all agencies attributable to

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providing services to any other agency except as prohibited by federal law. These operating costs include their proportionate share of costs incurred by the legislative and judicial branches.

(b) As used in this section, "agency indirect costs" means all general support costs within the agency that are not directly charged to agency programs.

Sec. 98. Minnesota Statutes 1984, section 16A.127, subdivision 3, is amended to read:

Subd. 3. **TRANSFER REIMBURSEMENT.** Under the plan, the commissioner shall make and record the ~~transfer reimbursement~~ to the general fund of the statewide indirect costs attributable to an executive agency's nongeneral fund receipts for the last fiscal year. Unless the commissioner determines that agency indirect cost receipts are a reimbursement for general fund expenditures, the receipts are appropriated to the agency to pay administrative expenses. However, the commissioner may, for reasons of sound financial management, waive the ~~transfer to the general fund of the indirect costs reimbursement under this subdivision~~ for certain nongeneral fund receipts. The commissioner shall report a ~~waiver~~ all waivers in the next statewide indirect cost plan.

Sec. 99. Minnesota Statutes 1984, section 16A.127, subdivision 5, is amended to read:

Subd. 5. **FEDERAL SHARE.** ~~The commissioner executive agency shall transfer reimburse the general fund for federal money received by an executive agency for statewide indirect costs to the general fund.~~ Unless the commissioner determines that agency indirect cost receipts are a reimbursement for general fund expenditures, the receipts are appropriated to the agency to pay administrative expenses. If less than the entire executive agency proposal is federally approved, the commissioner may ~~transfer~~ accept reimbursement of less than all of the federal receipts. If no federal funds are approved for indirect costs, the executive agency must document that fact to the commissioner.

Sec. 100. Minnesota Statutes 1984, section 16A.127, is amended by adding a subdivision to read:

Subd. 8. **EXEMPTION.** This section does not apply to the community college system, state universities, or the state board of vocational technical education.

Sec. 101. Minnesota Statutes 1984, section 16A.128, is amended to read:

16A.128 FEE ADJUSTMENTS SETTING.

Subdivision 1. **APPROVAL.** ~~Fixed Fees~~ Fees for accounts for which appropriations are made may not be ~~established~~ or adjusted without the approval of the commissioner. If the fee or fee adjustment is required by law to be fixed by rule, the commissioner's approval must be in the statement of need and reasonableness.

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These fees must be reviewed each six months fiscal year. Except as determined by the commissioner, Unless the commissioner determines that the fee must be lower, fees must be set or fee adjustments must be made so the total fees nearly equal the sum of the appropriation for the accounts plus the agency's general support costs and, statewide indirect costs, and attorney general costs attributable to the fee function.

Subd. 2. **NO RULEMAKING.** 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.** Other fees not fixed by law must be fixed by rule. The procedure for noncontroversial rules in sections 14.21 to 14.28 may be used except that no public hearing may need be held unless 20 percent of the persons who will be required to pay the fee submit to the agency during the 30-day period allowed for comment a written request for a public hearing on the proposed rule. The notice of intention to adopt the rules must state that no whether a hearing will be held if not required. This procedure may be used only when the total fees estimated for the biennium do not exceed the sum of direct appropriations, indirect costs, transfers in, and salary supplements for that purpose. A public hearing is required for adjustments of to fix fees spent under open appropriations of dedicated receipts.

Sec. 102. Minnesota Statutes 1984, section 16A.1281, is amended to read:

16A.1281 REPORT ON LOW OR HIGH FEES.

In even-numbered years, Each biennium the commissioner shall review fees collected by agencies. By November 15, The commissioner shall report on the fees to the appropriation and finance committees not later than the date the governor submits the biennial budget to the legislature. The report must analyze the fees that the commissioner believes are will be too low or too high in the next biennium for the service provided. The analysis must take into account the cost of collecting the fee.

Sec. 103. Minnesota Statutes 1984, section 16A.275, is amended to read:

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16A.275 DAILY RECEIPTS DEPOSITED WITH STATE TREASURER.

Except as otherwise provided by law, an agency shall deposit receipts totaling \$250 or more ~~with the treasurer in the state treasury~~ daily. 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 next month.~~

Sec. 104. [16A.283] APPROPRIATIONS TO COURTS.

If an appropriation for the courts or for an agency in the judicial branch for either fiscal year of a biennium is insufficient, the appropriation for the other fiscal year of the biennium is available for it.

Sec. 105. Minnesota Statutes 1984, section 16A.40, is amended to read:

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

Money must not be paid out of the state treasury except upon the warrant of the commissioner. Warrants must be drawn on printed blanks that are in numerical order. The commissioner shall enter, in numerical order in a warrant register, the number, amount, date, and payee for every warrant issued.

Sec. 106. Minnesota Statutes 1984, section 16A.42, subdivision 2, is amended to read:

Subd. 2. **APPROVAL.** If the claim is approved, the commissioner shall complete and sign a warrant in the amount of the claim. ~~The treasurer shall then accept and make the warrant negotiable by signing it.~~

Sec. 107. Minnesota Statutes 1984, section 16A.45, subdivision 2, is amended to read:

Subd. 2. **PRESENTMENT OF CANCELED WARRANT.** When a canceled warrant is presented for payment it shall be paid by ~~the treasurer~~ and charged by the commissioner to the fund credited with the amount of the canceled warrant.

Sec. 108. Minnesota Statutes 1984, section 16A.47, is amended to read:

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

The commissioner shall make and keep in the department's office a record of all accounts and documents required by law to be returned to or filed with the commissioner. The commissioner shall file and keep all official receipts and vouchers. ~~The commissioner shall keep an account with the treasurer. The commissioner shall charge the treasurer for all money paid into the treasury and~~

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credit the treasurer for all warrants redeemed by the treasurer and returned to the commissioner. The commissioner shall also keep an account for each appropriation, showing the disbursements. The commissioner shall keep other accounts needed to show the daily condition of state finances.

Sec. 109. Minnesota Statutes 1984, section 16A.58, is amended to read:

16A.58 COMMISSIONER CUSTODIAN OF PAYMENT DOCUMENTS.

The commissioner is the custodian of original documents on which money has been or may be paid by ~~the treasurer~~ out of the state treasury.

Sec. 110. **[16A.625] SPECIAL REVENUE BALANCE CANCELED.**

The unencumbered balance of nondedicated revenue in the special revenue fund on June 30 each year must be canceled and transferred to the general fund.

Sec. 111. Minnesota Statutes 1984, section 16A.641, subdivision 10, is amended to read:

Subd. 10. **APPROPRIATION FROM GENERAL FUND.** There is annually appropriated to the state bond fund from the general fund the amount that, added to the amount in the state bond fund on November 1 each year for state bonds issued by January 1, 1985, and the amount that added to the amount in the state bond fund on December 1 each year for state bonds issued after January 1, 1985, is needed to pay the principal of and interest on all state bonds due and to become due through July 1 in the second ensuing year. The money appropriated must be available in the state bond fund each year before the tax otherwise required by the Constitution, article XI, section 7, is levied.

Sec. 112. Minnesota Statutes 1984, section 16A.641, is amended by adding a subdivision to read:

Subd. 13. APPLICATION. This section applies to all state bonds issued after January 1, 1985, notwithstanding other laws relating to specific bonding programs.

Sec. 113. Minnesota Statutes 1984, section 16A.672, subdivision 1, is amended to read:

Subdivision 1. **AUTHORITY.** The commissioner ~~and treasurer~~ may issue, execute, deliver, register, and pay bonds and certificates of indebtedness in the form and manner provided in this section, when authorized under section 16A.641 or 16A.671.

Sec. 114. Minnesota Statutes 1984, section 16A.672, subdivision 2, is amended to read:

Subd. 2. **APPLICATION OF COMMERCIAL CODE.** All bonds and certificates are securities under sections 336.8-101 to 336.8-408. The commis-

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sioner and treasurer may do for the state whatever may or must be done under those sections to comply with the orders authorizing them. The bonds or certificates may be issued:

- (1) in one or more denominations;
- (2) in bearer form, with interest coupons attached; and
- (3) with provision for registration as to principal only; or
- (4) in fully registered form; and
- (5) with provision for registration of conversion and exchange of forms and denominations, transfer of ownership, and replacement of lost or damaged bonds.

Sec. 115. Minnesota Statutes 1984, section 16A.672, subdivision 3, is amended to read:

Subd. 3. **PREPARATION AND EXECUTION.** (a) Bonds and certificates of indebtedness may be printed or otherwise reproduced in the style and form the commissioner prescribes. They may state in a general way the purpose for which they are issued and the security provided for their payment or may incorporate the authorizing order by reference.

(b) They must be executed by the commissioner and the treasurer under their the commissioner's official seals seal. The signatures and seals signature may be a reproduced facsimiles facsimile, but no bond or certificate is valid for any purpose unless it is manually signed on its face by the commissioner or treasurer or by a duly authorized representative of a bank or trust company named by the commissioner as an agent of the state to authenticate it.

Sec. 116. [16A.85] MASTER LEASE.

Subdivision 1. AUTHORIZATION. The commissioner of administration may determine, in conjunction with the commissioner of finance, the personal property needs of the various state departments, agencies, boards, and commissions that may be economically funded through a master lease program and request the commissioner of finance to execute a master lease and to authorize the sale and issuance of certificates of participation relative to it in an amount sufficient to fund these personal property needs. The commissioner of administration may use the proceeds from the sale of the certificates of participation to acquire the personal property through the appropriate procurement procedure in chapter 16B. Money appropriated for the lease or acquisition of this personal property is appropriated to the commissioner of finance to pay principal and interest coming due on the certificates of participation.

Subd. 2. COVENANTS. The commissioner of finance may covenant in a master lease that the state will abide by the terms and provisions that are

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

customary in net lease or lease-purchase transactions including, but not limited to, covenants providing that the state:

(1) will maintain rental interruption, liability, and casualty insurance notwithstanding section 15.38;

(2) is responsible to the lessor for any public liability or property damage claims or costs related to the selection, use, or maintenance of the leased equipment, to the extent of insurance or self-insurance maintained by the lessee, and for costs and expenses incurred by the lessor as a result of any default by the lessee;

(3) authorizes the lessor to exercise the rights of a secured party with respect to the equipment subject to the lease in the event of default by the lessee and, in addition, for the present recovery of lease rentals due during the current term of the lease as liquidated damages.

Subd. 3. MASTER LEASES NOT DEBT. The commissioner of finance may not enter into a master lease unless the commissioner of finance determines that money has been appropriated and allotted for the payment of the maximum amount of rentals that are payable from state money and that are due or to become due during the appropriation period in which the lease contract is entered into. A master lease does not constitute or create a general or moral obligation or indebtedness of the state in excess of the money from time to time appropriated or otherwise available for the payment of rent coming due under the lease, and the state has no continuing obligation to appropriate money for the payment of rent or other obligations under the lease. Rent due under a master lease during a current lease term for which money has been appropriated is a current expense of the state.

Subd. 4. TAX EXEMPTION. Property subject to a master lease is not subject to personal property taxes. Property purchased by a lessor for lease to the state under a valid master lease and rent due under the lease are not subject to sales tax.

Subd. 5. INVESTMENT INCOME. The net income from investment of the proceeds of the certificates of participation, as estimated by the commissioner of finance, must be credited to the fund whose assets will be used to pay off the certificates of participation.

Sec. 117. Minnesota Statutes 1984, section 16B.08, subdivision 7, is amended to read:

Subd. 7. SPECIFIC PURCHASES. (a) The following may be purchased without regard to the competitive bidding requirements of this chapter:

(1) fiber used in the manufacture of binder twine, ply twines, and rope at the state correctional facilities;

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- (2) merchandise for resale at state park refectories or facility operations;
- (3) farm and garden products, which may be sold at the prevailing market price on the date of the sale;
- (4) meat for other state institutions from the vocational school maintained at Pipestone by Independent School District No. 583; and
- (5) furniture from the Minnesota correctional facility-St. Cloud.

(b) Supplies, materials, or equipment to be used in the operation of a hospital licensed under sections 144.50 to 144.56 that are purchased under a shared service purchasing arrangement whereby more than one hospital purchases supplies, materials, or equipment with one or more other hospitals, either through one of the hospitals or through another entity, may be purchased without regard to the competitive bidding requirements of this chapter if the following conditions are met:

- (1) the hospital's governing authority authorizes the arrangement;
- (2) the shared services purchasing program purchases items available from more than one source on the basis of competitive bids or competitive quotations of prices; and
- (3) the arrangement authorizes the hospital's governing authority or its representatives to review the purchasing procedures to determine compliance with these requirements.

Sec. 118. Minnesota Statutes 1984, section 16B.09, is amended by adding a subdivision to read:

Subd. 5. COOPERATIVE AGREEMENTS. The commissioner may charge a fee to cover the commissioner's administrative expenses to government units that have joint or cooperative purchasing agreements with the state under section 471.59.

Sec. 119. Minnesota Statutes 1984, section 16B.21, subdivision 1, is amended to read:

Subdivision 1. **COMMISSIONER OF ADMINISTRATION.** The commissioner shall submit an annual report pursuant to section 3.195 to the governor and the legislature with a copy to the commissioner of energy and economic development indicating the progress being made toward the objectives and goals of sections 16B.19 to 16B.22 during the preceding fiscal year. The commissioner shall also submit a quarterly report to the small business procurement advisory council. These reports shall include the following information:

- (1) the total dollar value and number of potential set-aside awards identified during this period and the percentage of total state procurement this figure reflects;

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(2) the number of small businesses identified by and responding to the set-aside program, the total dollar value and number of set-aside contracts actually awarded to small businesses with appropriate designation as to the total number and value of set-aside contracts awarded to each small business, and the total number of small businesses that were awarded set-aside contracts;

(3) the total dollar value and number of set-aside contracts awarded to small businesses owned and operated by economically or socially disadvantaged persons with appropriate designation as to the total number and value of set-aside contracts awarded to each small business and to each category of economically or socially disadvantaged persons as defined by section 645.445 and agency rules, and the percentages of the total state procurements the figures of total dollar value and the number of set-asides reflect; and

(4) for each set-aside or preference contract awarded to a small business, the estimated additional cost to the state of awarding the contract; and

(5) the number of contracts which were designated and set aside pursuant to section 16B.19 but which were not awarded to a small business, the estimated total dollar value of these awards, the lowest offer or bid on each of these awards made by the small business, and the price at which these contracts were awarded pursuant to the normal procurement procedures.

The information required by paragraphs (1) and (2) must be presented on a statewide basis and also broken down by geographic regions within the state.

Sec. 120. Minnesota Statutes 1984, section 16B.22, as amended by Laws 1985, chapter 296, section 7, is amended to read:

16B.22 ELIGIBILITY; RULES.

Subdivision 1. ELIGIBILITY. A small business owned and operated by socially or economically disadvantaged persons is eligible to participate under the requirements of sections 16B.19 to 16B.22 for a maximum of five years from the date of receipt of the first set-aside award and after that period is not eligible to participate for another five years. A small business that received its first set-aside award more than five years before the effective date of this subdivision is not eligible to participate for five years after the effective date of this subdivision. The five-year maximum does not apply to sheltered workshops and work activity programs.

Subd. 2. RULES. (a) The commissioner shall adopt by rule additional standards and procedures for certifying that small businesses and small businesses owned and operated by socially or economically disadvantaged persons are eligible to participate under the requirements of sections 16B.19 to 16B.22. The rules shall provide that, except for sheltered workshops and work activity programs, certification as a small business owned and operated by socially or economically disadvantaged persons will be for a maximum of five years from the

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date of receipt of the first set-aside award, and that after the expiration of the certification period the business may not again be certified for a five-year period. The commissioner shall adopt by rule standards and procedures for hearing appeals and grievances and other rules necessary to carry out the duties set forth in sections 16B.19 to 16B.22.

(b) The commissioner may make rules which exclude or limit the participation of nonmanufacturing business, including third-party lessors, jobbers, manufacturers' representatives, and others from eligibility under sections 16B.19 to 16B.22.

Sec. 121. Minnesota Statutes 1984, section 16B.24, subdivision 5, is amended to read:

Subd. 5. **RENTING OUT STATE PROPERTY.** (a) **AUTHORITY.** The commissioner may rent out state property, real or personal, that is not needed for public use, if the rental is not otherwise provided for or prohibited by law. The property may not be rented out for more than two years at a time without the approval of the state executive council, and may never be rented out for more than 25 years.

(b) **RESTRICTIONS.** Paragraph (a) does not apply to state trust fund lands, other state lands under the jurisdiction of the department of natural resources, lands forfeited for delinquent taxes, lands acquired under section 298.22, or lands acquired under section 41.56 which are under the jurisdiction of the department of agriculture.

(c) **FORT SNELLING CHAPEL; RENTAL.** The Fort Snelling Chapel, located within the boundaries of Fort Snelling State Park, is available for use only on payment of a rental fee. The commissioner shall establish rental fees for both public and private use. The rental fee for private use by an organization or individual must reflect the reasonable value of equivalent rental space. Rental fees collected under this section must be deposited in the general fund.

(d) **RENTAL OF LIVING ACCOMMODATIONS.** The commissioner shall establish rental rates for all living accommodations provided by the state for its employees. Money collected as rent by state agencies pursuant to this paragraph must be deposited in the state treasury and credited to the general fund.

(e) **LEASE OF SPACE IN CERTAIN STATE BUILDINGS TO STATE AGENCIES.** The commissioner may lease portions of the state owned buildings in the capitol complex, the capitol square building, the health building, and the building at 1246 University Avenue, St. Paul, Minnesota, to state agencies and charge rent on the basis of space occupied. Notwithstanding any law to the contrary, all money collected as rent pursuant to the terms of this section shall be deposited in the state treasury. Money collected as rent to recover the depreciation cost of a building built with state dedicated funds shall be credited to the

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dedicated fund which funded the original acquisition or construction. All other money received shall be credited to the general services revolving fund.

Sec. 122. Minnesota Statutes 1984, section 16B.29, is amended to read:

16B.29 STATE SURPLUS PROPERTY; DISPOSAL.

The commissioner may do any of the following to dispose of supplies, materials, and equipment which are surplus, obsolete, or unused: (1) transfer it to or between state agencies; (2) transfer it to local government units in Minnesota and charge a fee to cover expenses incurred by the commissioner in making the property available to these units; or (3) sell it. The commissioner must make proper adjustments in the accounts and appropriations of the agencies concerned. When the commissioner sells the supplies, materials and equipment, the proceeds of the sale are appropriated to the agency for whose account the sale was made, to be used and expended by the agency to purchase similar needed supplies, materials and equipment at any time during the biennium in which the sale occurred.

Sec. 123. Minnesota Statutes 1984, section 16B.36, subdivision 1, is amended to read:

Subdivision 1. **AUTHORITY.** The commissioner may examine, investigate, or make a survey of the organization, administration, and management of state agencies and institutions under their control, and may assist state agencies by providing analytical, statistical, and organizational development services to them in order to secure greater efficiency and economy through reorganization or consolidation of agencies or functions and to eliminate duplication of function, effort, or activity, so far as possible.

Sec. 124. Minnesota Statutes 1984, section 16B.42, subdivision 4, is amended to read:

Subd. 4. **FUNDING.** Appropriations and other funds made available to the council for staff, operational expenses, and grants must be administered through the department of administration. Revenues derived from royalties, reimbursements, or other fees from software programs, systems, or technical services arising out of activities funded by current or prior state appropriations is must be credited to an account in the special revenue fund and are appropriated to the council for the purposes enumerated in subdivision 2. The unencumbered balance of an appropriation for grants in the first year of a biennium does not cancel but is available for the second year of the biennium.

Sec. 125. Minnesota Statutes 1984, section 16B.48, subdivision 2, is amended to read:

Subd. 2. **PURPOSE OF FUNDS.** Money in the state treasury credited to the general services revolving fund and money which is deposited in the fund is appropriated annually to the commissioner for the following purposes:

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- (1) to operate a central store and equipment service;
- (2) to operate a central duplication and printing service;
- (3) to purchase postage and related items and to refund postage deposits as necessary to operate the central mailing service;
- (4) to operate a documents service as prescribed by section 16B.51; and
- (5) to provide services for the maintenance, operation, and upkeep of buildings and grounds managed by the commissioner of administration;
- (6) to provide analytical, statistical, and organizational development services to state agencies;
- (7) to provide capitol security services through the department of public safety; and

(8) to perform services for any other agency. Money shall be expended for this purpose only when directed by the governor. The agency receiving the services shall reimburse the fund for their cost, and the commissioner shall make the appropriate transfers when requested. The term "services" as used in this clause means compensation paid officers and employees of the state government; supplies, materials, equipment, and other articles and things used by or furnished to an agency; and utility services, and other services for the maintenance, operation, and upkeep of buildings and offices of the state government.

Sec. 126. Minnesota Statutes 1984, section 16B.54, subdivision 2, is amended to read:

Subd. 2. **VEHICLES.** (a) **ACQUISITION FROM AGENCY; APPROPRIATION.** The commissioner may direct an agency to transfer to him a passenger motor vehicle or truck presently assigned to it for the central motor pool. The commissioner shall reimburse an agency whose motor vehicles have been paid for with funds dedicated by the constitution for a special purpose and which are assigned to the central motor pool. The amount of reimbursement for a motor vehicle is its average wholesale price as determined from the midwest edition of the national automobile dealers association official used car guide.

(b) **PURCHASE.** To the extent that funds are available for the purpose, the commissioner may purchase or otherwise acquire additional passenger motor vehicles and trucks necessary for the central motor pool. The title to all motor vehicles assigned to or purchased or acquired for the central motor pool is in the name of the department of administration.

(c) **TRANSFER AT AGENCY REQUEST.** On the request of an agency, the commissioner may transfer to the central motor pool any passenger motor vehicle or truck for the purpose of disposing of it. The department or agency transferring the vehicle or truck shall be paid for it from the motor pool revolving account established by this section in an amount equal to two-thirds of the

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average wholesale price of the vehicle or truck as determined from the midwest edition of the National Automobile Dealers Association official used car guide.

(d) **VEHICLES; MARKING.** The commissioner shall provide for the uniform marking of all motor vehicles. Motor vehicle colors must be selected from the regular color chart provided by the manufacturer each year. The commissioner may further provide by rule for the use of motor vehicles without uniform coloring or marking by the governor, the lieutenant governor, the division of criminal apprehension, arson investigators of the division of fire marshal in the department of public safety, financial institutions division of the department of commerce, and the office of the attorney general.

Sec. 127. Minnesota Statutes 1984, section 16B.70, is amended to read:

16B.70 SURCHARGE.

Subdivision 1. **COMPUTATION.** To defray the costs of administering sections 16B.59 to 16B.73, a surcharge is imposed on all permits issued by municipalities in connection with the construction of or addition or alteration to buildings and equipment or appurtenances after June 30, 1971, as follows:

If the fee for the permit issued is fixed in amount the surcharge is equivalent to 1/2 mill (.0005) of the fee or 50 cents, whichever amount is greater. For all other permits, the surcharge is as follows: (a) if the valuation of the structure, addition, or alteration is \$1,000,000 or less, the surcharge is equivalent to 1/2 mill (.0005) of the valuation of the structure, addition, or alteration; (b) if the valuation is greater than \$1,000,000, the surcharge is \$500 plus two-fifths mill (.0004) of the value between \$1,000,000 and \$2,000,000; (c) if the valuation is greater than \$2,000,000 the surcharge is \$900 plus three-tenths mill (.0003) of the value between \$2,000,000 and \$3,000,000; (d) if the valuation is greater than \$3,000,000 the surcharge is \$1,200 plus one-fifth mill (.0002) of the value between \$3,000,000 and \$4,000,000; (e) if the valuation is greater than \$4,000,000 the surcharge is \$1,400 plus one-tenth mill (.0001) of the value between \$4,000,000 and \$5,000,000; and (f) if the valuation exceeds \$5,000,000 the surcharge is \$1,500 plus one-twentieth mill (.00005) of the value which exceeds \$5,000,000.

By September 1 of each odd-numbered year, the commissioner shall rebate to municipalities any money received under this section and section 16B.62 in the previous biennium in excess of the cost to the building code division and the passenger elevator inspector in the department of labor and industry in that biennium of carrying out their duties under sections 16B.59 to 16B.73. The rebate to each municipality must be in proportion to the amount of the surcharges collected by that municipality and remitted to the state. The amount necessary to meet the commissioner's rebate obligations under this subdivision is appropriated to the commissioner from the general special revenue fund.

Subd. 2. **COLLECTION AND REPORTS.** All permit surcharges must be collected by each municipality and a portion of them remitted to the state.

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Each municipality having a population greater than 20,000 people shall prepare and submit to the commissioner once a month a report of fees and surcharges on fees collected during the previous month, but shall retain two percent of the surcharges collected to apply against the administrative expenses the municipality incurs in collecting the surcharges. All other municipalities shall submit the report and surcharges on fees once a quarter, but shall retain four percent of the surcharges collected to apply against the administrative expenses the municipalities incur in collecting the surcharges. The report, which must be in a form prescribed by the commissioner, must be submitted together with a remittance covering the surcharges collected by the 15th day following the month or quarter in which the surcharges are collected. All surcharges and other fees prescribed by sections 16B.59 to 16B.71, which are payable to the state, must be paid to the commissioner who shall deposit them in the state treasury for credit to the general special revenue fund.

Sec. 128. Minnesota Statutes 1984, section 40A.01, subdivision 1, is amended to read:

Subdivision 1. **GOALS.** The goals of this chapter are to:

(1) preserve and conserve agricultural land, including forest land, for long-term agricultural use in order to protect the productive natural resources of the state, maintain the farm and farm-related economy of the state, and assure continued production of food and timber and ~~other agricultural products uses~~;

(2) preserve and conserve soil and water resources; and

(3) encourage the orderly development of rural and urban land uses.

Sec. 129. Minnesota Statutes 1984, section 40A.02, subdivision 3, is amended to read:

Subd. 3. **AGRICULTURAL USE.** "Agricultural use" means the production of livestock, dairy animals, dairy products, poultry or poultry products, fur bearing animals, horticultural or nursery stock, fruit, vegetables, forage, grains, timber, trees, or bees and apiary products. "Agricultural use" also includes wetlands, pasture, forest land, wildlife land, and other uses that depend on the inherent productivity of the land.

Sec. 130. Minnesota Statutes 1984, section 40A.02, subdivision 11, is amended to read:

Subd. 11. **FOREST LAND.** "Forest land" ~~has the meaning given in section 88.01, subdivision 7~~ means land that is at least ten percent stocked by trees of any size and capable of producing timber, or of exerting an influence on the climate or on the water regime; land that the trees described above have been removed from to less than ten percent stocking and that has not been developed for other use; and afforested areas.

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Sec. 131. Minnesota Statutes 1984, section 40A.02, subdivision 15, is amended to read:

Subd. 15. **OFFICIAL CONTROLS.** "Official controls" or "controls" has the meaning given in section ~~462.352~~ 394.22, subdivision ~~15~~ 6.

Sec. 132. Minnesota Statutes 1984, section 40A.03, subdivision 2, is amended to read:

Subd. 2. **PLANS AND OFFICIAL CONTROLS.** By ~~January~~ July 1, 1987, each pilot county selected under subdivision 1 shall submit to the commissioner and to the regional development commission in which it is located, if one exists, a proposed agricultural land preservation plan and proposed official controls implementing the plan. The commissioner, in consultation with the regional development commission, shall review the plan and controls for consistency with the elements in this chapter and shall submit written comments to the county within 90 days of receipt of the proposal. The comments must include a determination of whether the plan and controls are consistent with the elements in this chapter. The commissioner shall notify the county of its determination. If the commissioner determines that the plan and controls are consistent, the county shall adopt the controls within 60 days of completion of the commissioner's review.

Sec. 133. Minnesota Statutes 1984, section 40A.04, is amended to read:

40A.04 STATEWIDE AGRICULTURAL LAND PRESERVATION.

Subdivision 1. **COUNTIES.** ~~Each county with a completed county soil survey, except for counties in~~ After January 1, 1987, a county located outside of the metropolitan area, may submit to the commissioner and to the regional development commission in which it is located, if one exists, a proposed agricultural land preservation plan and proposed official controls implementing the plan. ~~The remaining counties located outside of the metropolitan area may submit a proposed plan and proposed controls.~~ To the extent practicable, submission of the proposal must coincide with the completion of the county soil survey. The commissioner, in consultation with the regional development commission, shall review the plan and controls for consistency with the elements in this chapter and shall submit written comments to the county within 90 days of receipt of the proposal. The comments must include a determination of whether the plan and controls are consistent with the elements in this chapter. The commissioner shall notify the county of its determination. If the commissioner determines that the plan and controls are consistent, the county shall adopt the controls within 60 days of completion of the commissioner's review. If the commissioner determines that the plan and controls are not consistent, the comments must include the additional elements that must be addressed by the county. The county shall amend its plan and controls to include the additional

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elements and adopt the amended controls within 90 days of completion of the commissioner's review.

Subd. 2. **NONMETROPOLITAN CITY.** A city that is located partially within a county in the metropolitan area but is not included in the definition of the metropolitan area may elect to be governed by this section. The city may:

(1) request the county outside of the metropolitan area where it is partially located to include the city in the agricultural land preservation plan and official controls of the county, ~~using the joint planning board process~~ under section ~~462.3585~~ 394.32; or

(2) perform the duties of a county independently under this section.

If the city does not elect to be governed by this section, the city ~~shall~~ may perform the duties of an authority under chapter 473H.

Sec. 134. Minnesota Statutes 1984, section 40A.05, subdivision 1, is amended to read:

Subdivision 1. **GENERAL.** The plans and official controls prepared under this chapter must be adopted in accordance with the provisions of chapters 394 or 462 that apply to comprehensive plans and official controls and must address the elements contained in this section.

Sec. 135. Minnesota Statutes 1984, section 40A.05, subdivision 2, is amended to read:

Subd. 2. **PLAN.** A plan must address at least the following elements:

(1) integration with comprehensive county and municipal plans;

(2) relationship with shoreland, surface water, and other land use management plans;

(3) identification of land currently in agricultural use, including the type of agricultural use, the relative productive value of the land based on the crop equivalent rating, and the existing level of investment in buildings and equipment;

(4) identification of forest land;

(3) (5) identification of areas in which development is occurring or is likely to occur during the next 20 years;

(4) (6) identification of existing and proposed public sanitary sewer and water systems;

(5) (7) classification of land suitable for long-term agricultural use and its current and future development;

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(6) (8) determination of present and future housing needs representing a variety of price and rental levels and an identification of areas adequate to meet the demonstrated or projected needs; and

(7) (9) a general statement of policy as to how the county will achieve the goals of this chapter.

Sec. 136. Minnesota Statutes 1984, section 40A.06, is amended to read:

40A.06 CONTESTED CASE HEARINGS; JUDICIAL REVIEW.

If a county or a municipality in the county disputes the determination of the commissioner relating to whether the plan and controls address the elements under this chapter, the county or municipality may request that the commissioner initiate a contested case proceeding under chapter 14 within 30 days after receiving the determination. In addition, ten or more eligible voters of the county who own real estate within the county may request a contested case proceeding. The commissioner shall initiate the proceeding within 30 days after receiving the request. Judicial review of the contested case decision is as provided in chapter 14.

Sec. 137. Minnesota Statutes 1984, section 40A.07, subdivision 2, is amended to read:

Subd. 2. **RELATIONSHIP TO OTHER LAWS.** Nothing in this chapter limits a municipality's power to plan or ~~zone~~ adopt official controls under other laws or to adopt official controls that are consistent with or more restrictive than those enacted by the county.

Sec. 138. Minnesota Statutes 1984, section 40A.07, is amended by adding a subdivision to read:

Subd. 3. CONSISTENCY OF MUNICIPAL PLANS AND CONTROLS WITH COUNTY PLAN. Municipalities shall revise existing plans and official controls to conform with the county approved agricultural land preservation plan and official controls and shall initiate implementation of the revised plans and controls within one year after receiving the county approved agricultural land preservation plan and controls.

Sec. 139. **[40A.071] AMENDED PLAN AND CONTROLS.**

A county or municipality that has adopted a plan and official controls under this chapter may amend the plan and controls under the initial review procedure contained in section 40A.04.

Sec. 140. **[40A.121] ANNEXATION PROCEEDINGS.**

Subdivision 1. ANNEXATION PROHIBITED. Land within an exclusive agricultural use zone that is within a township may not be annexed to a

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municipality under chapter 414, unless the Minnesota municipal board finds that either:

(1) the owner or the county has initiated termination of the zone under section 40A.11;

(2) because of size, tax base, population or other relevant factors, the township would not be able to provide normal governmental functions and services; or

(3) the zone would be completely surrounded by lands within a municipality.

Subd. 2. EXCEPTION. This section does not apply to annexation agreements approved by the Minnesota municipal board prior to creation of the zone.

Sec. 141. [40A.122] EMINENT DOMAIN ACTIONS.

Subdivision 1. APPLICABILITY. An agency of the state, a public benefit corporation, a local government, or any other entity with the power of eminent domain under chapter 117, except a public utility as defined in section 216B.02, a municipal electric or gas utility, a municipal power agency, a cooperative electric association organized under chapter 308, or a pipeline operating under the authority of the Natural Gas Act, United States Code, title 15, sections 717 to 717z, shall follow the procedures in this section before:

(1) acquiring land or an easement in land with a total area over ten acres within an exclusive agricultural use zone; or

(2) advancing a grant, loan, interest subsidy, or other funds for the construction of dwellings, commercial or industrial facilities, or water or sewer facilities that could be used to serve structures in areas that are not for agricultural use, that require an acquisition of land or an easement in an exclusive agricultural zone.

Subd. 2. NOTICE OF INTENT. At least 60 days before an action described in subdivision 1, notice of intent must be filed with the environmental quality board containing information and in the manner and form required by the environmental quality board. The notice of intent must contain a report justifying the proposed action, including an evaluation of alternatives that would not affect land within an exclusive agricultural use zone.

Subd. 3. REVIEW AND ORDER. The environmental quality board, in consultation with affected local governments, shall review the proposed action to determine its effect on the preservation and enhancement of agriculture and agricultural uses within the zone and the relationship to local and regional comprehensive plans. If the environmental quality board finds that the proposed action might have an unreasonable effect on a zone, the environmental quality

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board shall issue an order within the 60-day period under subdivision 2 for the party to refrain from the proposed action for an additional 60 days.

Subd. 4. PUBLIC HEARING. During the additional 60 days, the environmental quality board shall hold a public hearing concerning the proposed action at a place within the affected zone or easily accessible to the zone. Notice of the hearing must be published in a newspaper having a general circulation within the area of the zone. Individual written notice must be given to the local governments with jurisdiction over the zone, the agency, corporation or government proposing to take the action, the owner of land in the zone, and any public agency having the power of review or approval of the action.

Subd. 5. JOINT REVIEW. The review process required in this section may be conducted jointly with any other environmental impact review by the environmental quality board.

Subd. 6. SUSPENSION OF ACTION. The environmental quality board may suspend an eminent domain action for up to one year if it determines that the action is contrary to the purposes of this chapter and that there are feasible and prudent alternatives that may have a less negative impact on a zone.

Subd. 7. TERMINATION OF ZONE. Designation as an exclusive agricultural use zone and all benefits and limitations under this chapter, including the restrictive covenant for the portion of the zone taken, ends on the date the final certificate is filed with the clerk of district court under section 117.205.

Subd. 8. ACTION BY ATTORNEY GENERAL. The environmental quality board may request the attorney general to bring an action to enjoin an agency, corporation or government from violating this section.

Subd. 9. EXCEPTION. This section does not apply to an emergency project that is immediately necessary for the protection of life and property.

Sec. 142. [40A.123] LIMITATION ON CERTAIN PUBLIC PROJECTS.

Subdivision 1. PROJECTS AND ASSESSMENTS PROHIBITED; EXCEPTION. Notwithstanding any other law, construction projects for public sanitary sewer systems, public water systems, and public drainage systems are prohibited in exclusive agricultural use zones. New connections between land or buildings in a zone and public projects are prohibited. Land in a zone may not be assessed for public projects built in the vicinity of the zone.

Subd. 2. EXCEPTION; OWNER OPTION. Subdivision 1 does not apply to public projects necessary to serve land primarily in agricultural use or if the owner of land in an exclusive agricultural use zone elects to use and benefit from a public project.

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Subd. 3. RECAPTURE OF DEFERRED ASSESSMENT. If assessments are not levied against property under subdivision 1, the local government shall file a certificate with the county recorder containing a legal description of the property and the amount deferred. If the property is terminated as an exclusive agricultural use zone under section 40A.11, the deferred assessments plus interest are payable within 90 days after termination of the zone. If the deferred assessment is not paid within 90 days, the county auditor shall include the deferred assessment plus a ten percent penalty on the tax list for the current year.

Sec. 143. Minnesota Statutes 1984, section 40A.13, subdivision 1, is amended to read:

Subdivision 1. CONSERVATION PRACTICES TO PREVENT SOIL LOSS REQUIRED. An owner of agricultural land in an exclusive agricultural use zone shall manage the land with sound soil conservation practices that prevent excessive soil loss. Soil loss is excessive if it is greater than the soil loss tolerance for each soil type described in the United States soil conservation service field office technical guide or if the soil loss is greater than the soil loss allowed in an ordinance of the county according to the model ordinance adopted by the commissioner. The model ordinance and sections 40.19 to 40.28 and sections adopted under chapter 40 relating to soil loss apply to all land in an exclusive agricultural zone. A sound soil conservation practice prevents excessive soil loss or reduces soil loss to the most practicable extent. ~~The county shall enforce this subdivision.~~

Sec. 144. Minnesota Statutes 1984, section 40A.15, subdivision 4, is amended to read:

Subd. 4. FINANCIAL ASSISTANCE. The commissioner shall administer grants for up to 50 percent of the cost of the activity to be funded, except that grants to the pilot counties shall be for 100 percent of the cost up to \$30,000 of preparing new plans and official controls required under this chapter. Grants may not be used to reimburse the recipient for activities that are already completed. Grants may be used to employ and train staff, contract with other units of government or private consultants, and pay other expenses related to promoting and implementing agricultural land preservation and conservation activities. The commissioner shall prepare and publish an inventory of sources of financial assistance. To the extent practicable, the commissioner shall assist recipients in obtaining matching grants from other sources.

Sec. 145. Minnesota Statutes 1984, section 41A.01, is amended to read:

41A.01 PURPOSE.

Sections 41A.01 to 41A.06 provide a framework for an agricultural resource loan guaranty program, the purposes of which are to further the development of the state's agricultural resources and improve the market for its

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agricultural products. ~~Public debt is authorized by the constitution to be incurred for developing agricultural resources by extending credit on real estate security. The program contemplates the use of this power not to finance projects of the kind described herein, but to provide financial guaranties for a portion of the cost of viable projects to the extent necessary to enable qualified developers and operators to secure private financing which would not otherwise be available. All credit advanced pursuant to loan guaranty commitments is to be secured by subrogation of the state to mortgage security and other security interests granted to the private lender, in proportion to the amount advanced by the state. A loan guaranty board is established to investigate the feasibility of each project, its conformity to the above policies public policy and to environmental standards, the qualifications of the owners, operators, and lenders, and the nature and extent of the security, prior to commitment, and. The board shall also seek to secure maximum financial participation by private persons, not supported by the guaranty, to assure that in these respects each project satisfies and will continue to satisfy criteria which are adequate in the judgment of the board.~~

Sec. 146. Minnesota Statutes 1984, section 41A.02, subdivision 5, is amended to read:

Subd. 5. **AGRICULTURAL RESOURCE LOAN GUARANTY PROGRAM; PROGRAM.** "Agricultural resource loan guaranty program" or "program" includes all projects ~~and~~ loan guaranties approved and bonds approved or issued pursuant to sections 41A.03 and 41A.04 this chapter.

Sec. 147. Minnesota Statutes 1984, section 41A.02, subdivision 7, is amended to read:

Subd. 7. **APPLICANT.** "Applicant" means any borrower or lender acting on behalf of a borrower or any rural development finance authority organized, or any county exercising the powers of such an authority, pursuant to chapter 362A, which applies to the state for approval of a guaranty of a loan to a borrower or issuance of bonds for a project.

Sec. 148. Minnesota Statutes 1984, section 41A.02, is amended by adding a subdivision to read:

Subd. 7a. **BONDS.** "Bonds" means bonds, notes, or other obligations issued by the board pursuant to this chapter.

Sec. 149. Minnesota Statutes 1984, section 41A.02, subdivision 8, is amended to read:

Subd. 8. **BORROWER.** "Borrower" means ~~any applicant or~~ any private individual, company, cooperative, partnership, corporation, association, consortium, or other entity organized for a common business purpose, which is obligated or to be obligated to pay a guaranteed loan or receives a loan of bond proceeds.

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

Sec. 150. Minnesota Statutes 1984, section 41A.02, subdivision 11, is amended to read:

Subd. 11. **LENDER.** "Lender" means any ~~holder or holders of bonds, notes, or other obligations evidencing a guaranteed loan, any trustee representing those holders, and~~ any investment or commercial banking institution, savings and loan institution, insurance company, investment company, or other financial institution or institutional investor making, purchasing, or participating in a loan or any part of a loan.

Sec. 151. Minnesota Statutes 1984, section 41A.03, subdivision 1, is amended to read:

Subdivision 1. **AUTHORITY FOR AND LIMITATION OF GUARANTY.** Subject to the provisions of sections 41A.01 to 41A.06 ~~and subject to section 16A.80~~ and upon determination that a loan will serve the public purposes and satisfy the conditions set forth in sections 41A.01 to 41A.06, the state may guarantee and commit to guarantee against loss an amount not exceeding 90 percent, with exclusive of accrued interest, of a loan for the construction cost of an agricultural resource project (or the refunding or refinancing of a loan). The loan must be secured by a first mortgage lien the best available collateral including but not limited to a mortgage on and security interest in all real and personal property comprising the project and other collateral as provided in the loan agreement.

Sec. 152. Minnesota Statutes 1984, section 41A.03, subdivision 3, is amended to read:

Subd. 3. **REQUIRED PROVISIONS.** A loan guaranty or loan agreement pertaining to any loan guaranteed by the state ~~must~~ may provide that:

(a) Payments of principal and interest made by the borrower under the loan shall be applied by the lender to reduce the guaranteed and nonguaranteed portion of the loan on a proportionate basis, and the nonguaranteed portion shall not in any event receive preferential treatment over the guaranteed portion.

(b) A period of grace shall be allowed of not less than 60 days from a date a principal or interest payment is due, prior to the making of demand for payment pursuant to the loan guaranty, to permit adequate time for a decision on behalf of the state regarding principal and interest assistance in accordance with subdivision 4. Payment as required by the loan guaranty shall be made within 60 days after receipt by the state of written demand complying with the terms and conditions of the guaranty.

(c) The lender may not accelerate repayment of the loan or exercise other remedies available to the lender if the borrower defaults, unless (i) the borrower fails to pay a required payment of principal or interest, or (ii) the state consents in writing, or (iii) as otherwise permitted in the loan guaranty. In the event of a

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default, the lender may not make demand for payment pursuant to the guaranty unless the state agrees in writing that such default has materially affected the rights or security of the parties, and finds that the lender should be entitled to receive payment pursuant to the loan guaranty.

(d) If a payment of principal or interest is made by the state upon default of the borrower, the state shall be subrogated to the rights of the lender with respect to the payment.

(e) The borrower shall have promptly prepared and delivered to the state annual audited or reviewed financial statements of the project prepared by a certified public accountant according to generally accepted accounting principles.

(f) Duly authorized representatives of the state shall have access to the project site at reasonable times during construction and operation of the project.

(g) The borrower shall maintain adequate records and documents concerning the construction and operation of the project in order that representatives of the state may determine its technical and financial conditions and its compliance with environmental requirements. The records shall include the amounts of all sales and use taxes paid on personal property and services purchased for the construction and operation of the project, with tax receipts furnished by the sellers or other supporting documentation determined by the board to be satisfactory. The amounts of those taxes shall be reported to the board in the manner and at the times required by the board.

(h) The borrower shall protect and preserve at all times the project assets and other collateral securing the loan and shall assist in liquidation of collateral to minimize loss in the event of default.

(i) Orderly liquidation of assets of the project shall be provided for in the event of default, with an option on the part of the state to acquire from the lender the lender's interest in the assets pursuant to the nonguaranteed portion of the loan.

(j) The state shall be paid at or prior to the closing of the guaranteed loan a fee or fees for the loan guaranty or the commitment to guarantee the loan. The aggregate fee may not exceed one percent of the total principal amount of the guaranteed portion of the loan.

(k) The lender shall perfect and maintain the mortgage lien on the real estate and the security interest in personal property and collateral granted as security for the loan, and shall cause all other loan servicing functions to be performed which are normally required or performed by a reasonable and prudent lender with respect to a loan without a guaranty.

(l) The state shall be notified in writing without delay of (i) the date and amount of and basis for each disbursement of loan proceeds; (ii) any nonpayment of principal or interest due ~~(within ten days after the due date and with evidence~~

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of notification to the borrower); (iii) any failure to honor a commitment by any person of an intended source of capital for the project; and (iv) any significant adverse changes from original cash flow projections as evidenced by reports from the borrower, or any other known evidence that the borrower might be unable to meet a future scheduled payment of principal or interest.

(m) The loan agreement shall require the borrower to establish a reserve, from the proceeds of the loan or otherwise, to be maintained with the lender or with a trustee for the holders of the borrower's obligations in cash or securities of a specified market value not less than one-half of the annual amount which would be required to amortize the entire amount of the loan over the term and at the interest rate (or at the rate of yield resulting from the interest rates) provided in the loan agreement.

(n) The agreement shall contain other terms and conditions that the board in its sole discretion determines necessary and appropriate to carry out the purposes of this chapter.

Sec. 153. Minnesota Statutes 1984, section 41A.03, is amended by adding a subdivision to read:

Subd. 5. LIMITATION ON LIABILITY. The liability of the state for loan guaranties or bonds authorized under this chapter is limited to the amount of funds appropriated to the guaranty fund pursuant to section 41A.06. The loan guaranties or bonds are not a general obligation or debt of the state.

Sec. 154. Minnesota Statutes 1984, section 41A.04, subdivision 1, is amended to read:

Subdivision 1. **REQUIREMENTS.** (a) ~~Any rural development finance authority, or county exercising the powers of such an authority, applicant~~ may file a written application with the state commissioner of finance energy and economic development on behalf of the board, to be considered by the agricultural resource loan guaranty board, for a guaranty by the state of a portion of a loan or for issuance of bonds for an agricultural resource project. In general, the application must provide information similar to that required by an investment banking or other financial institution considering such a project for debt financing. Specifically, each application must include in brief but precise form the following information, as supplied by the applicant, the borrower, or the lender:

(1) a description of the scope, nature, extent, and location of the proposed project, including the identity of the borrower and a preliminary or conceptual design of the project;

(2) a description of the technology to be used in the project and the prior construction and operating experience of the borrower with such projects;

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(3) a detailed estimate of the items comprising the total cost of the project, including escalation and contingencies, with explanation of the assumptions underlying the estimate;

(4) a general description of the financial plan for the project, including the mortgage and security interests to be granted for the security of the guaranteed loan or the bonds, and all sources of equity, grants, or contributions or of borrowing the repayment of which is not to be secured by the mortgage and security interests, or, if so secured, is expressly subordinated to the guaranteed loan;

(5) an environmental report analyzing potential environmental effects of the project, any necessary or proposed mitigation measures, and other relevant data available to the applicant to enable the board to make an environmental assessment;

(6) a list of applications to be filed and estimated dates of approvals of permits required by federal, state, and local government agencies as conditions for construction and commencement of operation of the project;

(7) an estimated construction schedule;

(8) an analysis of the estimated cost of production of and market for the product, including economic factors justifying the analysis and proposed and actual marketing contracts, letters of intent, and contracts for the supply of feedstock;

(9) a description of the management experience of the borrower in organizing and undertaking similar projects;

(10) pro forma cash flow statements for the first five years of project operation including income statements and balance sheets;

(11) a description of the borrower's organization and, where applicable, a copy of its articles of incorporation or partnership agreement and bylaws;

(12) the estimated amount of the loan or bonds and percentage of the guaranty requested, the proposed repayment schedule, and other terms and conditions and security provisions of the loan;

(13) an estimate of the amounts and times of receipt of guaranty fees, sales and use taxes, property tax increments, and any other governmental charges which may be available for the support of the state guaranty fund as a result of the construction of the project, with an analysis of the assumptions on which the estimate is based;

(14) a copy of any lending commitment issued by a lender to the borrower;

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(15) a statement from the lender, if identified, as to its general experience in financing and servicing debt incurred for projects of the size and general type of the project, and its proposed servicing and monitoring plan; and

(16) additional information required by the board.

(b) The applicant shall pay upon filing of the application a fee equal to .25 percent of the amount of the loan guaranty or bond requested. The fee shall be paid to the commissioner of finance and deposited in the general fund. If the board determines not to issue a commitment for the project, the fee shall be refunded to the applicant, less the board's cost of processing, reviewing, and evaluating the application. If the board issues a commitment for the project and the application fee exceeds the board's cost of processing, reviewing, and evaluating the application, the balance shall be transferred from the general fund to the project account in the guaranty fund and credited against the amount of the commitment fee required in section 3, subdivision 3, clause (j). The county or rural development finance authority may require the proposed borrower under the project to pay the application fee.

(c) If the application is made by an applicant other than the county or rural development finance authority and tax increment financing is to be used for the project, the application must include a copy of a resolution adopted by the governing body of the county or rural development finance authority in which the project is located. The resolution must authorize the use of tax increment financing for the project as required by section 41A.06, subdivision 5.

Sec. 155. Minnesota Statutes 1984, section 41A.04, subdivision 3, is amended to read:

Subd. 3. **COMMITMENT.** The board commissioner of energy and economic development on behalf of the board shall determine as to each project for which an application is submitted whether it appears in the board's commissioner's judgment to conform to the purposes and policies stated in section 4 to an extent measured by criteria which in the board's judgment are satisfactory requirements of this chapter. The board may waive any of the application requirements in subdivision 1 if it determines in its sole discretion that the waiver of the requirements is necessary or appropriate to carry out the purposes of this chapter. The board may not waive the requirements of subdivision 1, paragraph (c). In evaluating applications the board shall consider the extent to which the public subsidies sought by the applicant under the program would provide the project with an unfair advantage in competing with other products produced or processed in Minnesota. It may but need not adopt rules setting forth criteria for evaluating applications for loan guaranties. Upon determination by the board that a project conforms to the purposes and policies in section 4 requirements of this chapter, it may by resolution make on behalf of the state a conditional commitment to guarantee a portion of the proposed loan or to issue bonds as it ~~shall determine~~ determines, not exceeding the limitations set forth in section

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41A.03. No action is allowable under section 116B.03, subdivision 1, with respect to acts of any person authorized or required in order to execute the resolution. The commitment is not binding upon the state ~~until and unless the following conditions are satisfied.~~

~~(1) the board has created a project account for the project in the guaranty fund and has allocated to the account, from funds previously appropriated by the legislature or from the proceeds of bonds issued or to be issued for purposes of the guaranty fund pursuant to authorization previously enacted by the legislature, and not previously allocated to any other project account, in an aggregate amount sufficient, with any other amount then on hand in the project account, to pay the entire guaranteed principal amount of the proposed loan, plus interest on that amount for one year. The bonds authorized by the legislature need not be issued until and unless the proceeds allocated to a project account must be deposited in the account to comply with clause (2) or (3).~~

~~(2) the board has deposited in the project account bond proceeds or other funds in an amount not less than the annual amount which would be required to amortize the guaranteed portion of the principal of the loan over the term and at the interest rate (or at the rate of yield resulting from the interest rates) provided in the loan agreement.~~

~~(3) the board has executed on behalf of the state a final loan guaranty instrument in conformity with section 41A.03, which binds the state to offer state bonds for sale at the times and in the amounts required, with amounts on hand in the project account, to pay all amounts to become due and payable under the loan guaranty, within the authorization and allocation referred to in clause (1), and when sold, to issue the bonds and apply the proceeds to make these payments or has issued bonds.~~

Sec. 156. Minnesota Statutes 1984, section 41A.04, subdivision 4, is amended to read:

Subd. 4. **RULE-MAKING AUTHORITY.** In order to effectuate the purposes of sections 41A.01 to 41A.07, the board shall adopt rules which are subject to the provisions of chapter 14. The board may adopt emergency rules which may be effective until December 31, 1985 and permanent rules.

Sec. 157. Minnesota Statutes 1984, section 41A.05, subdivision 1, is amended to read:

Subdivision 1. **ESTABLISHMENT OF FUND.** For the purpose of developing the state's agricultural resources by extending credit on real estate security, the agricultural resource loan guaranty fund is established as a special and dedicated fund to be held and invested separately from all other funds of the state. All proceeds of state bonds authorized and issued for the purposes of money appropriated to the fund, and all guaranty fees, retail sales taxes, property tax increments, and other money from any source which may be credited to the

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fund pursuant to law or pursuant to the terms of grants, contributions, or contracts are appropriated and shall remain available for the purposes of the fund until those purposes have been fully accomplished. The board may establish within the guaranty fund reserve funds, project accounts, or other restrictions it determines necessary or appropriate to carry out the purposes of this chapter. Except as otherwise provided in this section, the fund may be used only for paying amounts due under loan guaranties and principal and interest assistance contracts entered into by the state, pursuant to the agricultural resource loan guaranty program.

Sec. 158. Minnesota Statutes 1984, section 41A.05, subdivision 2, is amended to read:

Subd. 2. **ISSUANCE OF BONDS.** To provide money appropriated to the agricultural resource loan guaranty fund for the purposes of the program, when authorized by law and requested by the board, the commissioner of finance shall issue and sell bonds of the state. The state irrevocably pledges the full faith, credit, and taxing powers of the state to the prompt and full payment of these bonds. The proceeds of the bonds when issued, except accrued interest and any premium received upon sale, shall be credited to the guaranty fund. All the bonds shall be sold and issued and shall be secured in the manner, upon the terms, and with the effect prescribed for state building bonds in chapter 16A, and with the security provisions set forth in chapter 16A and in article XI, sections 4 to 7 of the constitution (a) Subject to section 16A.80, upon application pursuant to section 41A.04, the board by resolution may exercise the powers of a rural development authority under sections 362A.01 to 362A.05 and the powers of a municipality under chapter 474 for the purposes of providing money to pay the costs of a project, including the issuance of bonds and the loan of the bond proceeds pursuant to a lease or other agreement. The bonds must be issued, sold, and secured on the terms and conditions and in the manner determined by resolution of the board. Sections 16A.80 and 474.23 do not apply to the bonds. Notwithstanding subdivision 1, a reserve established for the bonds provided by the borrower, including out of bond proceeds, may be deposited and held in a separate account in the guaranty fund and applied to the last installments of principal or interest on the bonds, subject to the reserves being withdrawn for any purpose permitted by subdivision 1. The board may by resolution or indenture pledge any or all amounts in the guaranty fund, including any reserves and investment income on amounts in the fund, to secure the payment of principal and interest on any or all series of bonds, upon the terms and conditions as provided in the resolution or indenture. To the extent the board deems necessary or desirable to prevent interest on bonds from becoming subject to federal income taxation, (1) the amounts in the guaranty fund shall be invested in obligations or securities with restricted yields and (2) the investment income on the amounts are released from the pledge securing the bonds or loan guaranty and appropriately applied to prevent taxation.

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(b) Bonds issued pursuant to this chapter are not general obligations of the state or the board. The full faith and credit and taxing powers of the state and the board are not and may not be pledged for the payment of the bonds. No person may compel the levy of a tax for the payment or compel the appropriation of money of the state or the board for the payment of the bonds, except as specifically provided in this chapter.

(c) The issuance of bonds pursuant to this subdivision is subject to sections 474.18 to 474.25. For purposes of sections 474.16 to 474.20, the board is a local issuer and may apply for allocations of authority to issue private activity obligations and may enter into an agreement for the issuance of obligations by another issuer.

Sec. 159. Minnesota Statutes 1984, section 41A.05, subdivision 3, is amended to read:

Subd. 3. **COVENANT.** In fulfillment of the state's covenant with the beneficiary of each loan guaranty executed by the board on behalf of the state pursuant to the agricultural resource loan guaranty program, in accordance with section 41A.04, subdivision 3, the state will not limit or alter the rights vested in the board to comply with the terms of the loan guaranties. ~~The state agrees not to rescind or cancel any authorization of an amount of bonds, or the appropriation of the proceeds of bonds for the purposes of the program, which, with the sum of the amounts then held in each project account in the guaranty fund, would be required, in the event of an immediate default on each guaranteed loan, to pay the balance of the guaranteed portion of the principal of all guaranteed loans with interest accrued and to accrue thereon for one year.~~

Sec. 160. Minnesota Statutes 1984, section 41A.05, is amended by adding a subdivision to read:

Subd. 5. **GUARANTY FUND; REDUCTION.** Amounts in the guaranty fund may be transferred to the general fund if the remaining amount in the fund exceeds the principal amount and one year's interest on the outstanding bonds and the guaranteed portion of outstanding guaranteed loans.

Sec. 161. Minnesota Statutes 1984, section 41A.06, subdivision 1, is amended to read:

Subdivision 1. **APPROPRIATION.** The payments, taxes, and governmental charges described in this section which are received as a consequence of the undertaking, completion, and operation of each agricultural resource loan project for which a loan guaranty is made by the state are appropriated to the loan guaranty fund. This appropriation shall not lapse at the close of any fiscal year under the provisions of section 16A.28, and the receipts from the appropriation shall remain available as provided in section 41A.05, subdivision 1. The state is not obligated, however, to continue the appropriation with respect to charges not yet collected, except to the extent determined to be necessary for

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compliance with the covenant contained in section 41A.05, subdivision 3 terms of the loan guaranty agreement.

Sec. 162. Minnesota Statutes 1984, section 41A.06, subdivision 5, is amended to read:

Subd. 5. **PROPERTY TAX INCREMENTS.** If tax increment financing is to be used for the project, the applicant for a loan guaranty or bonds for any project, and the county in which the project is situated, shall do all acts and things necessary for the computation and segregation of property tax increments resulting from the construction of the project in accordance with the provisions of section 362A.05, and for the remittance to the commissioner of finance, for deposit in the loan guaranty fund, of all tax increments received from and after the date of the conditional commitment for the loan guaranty. The board may agree to accept a pledge of only a portion of the tax increment. If the project account contains the minimum balance required by section 41A.04, subdivision 3 an amount equal to the average annual payment of principal and interest on the bonds or for the guaranteed portion of a guaranteed loan, the board may must annually return the excess tax increment to be distributed as provided by section 273.75, subdivision 2, clause (d), until the increment has been discharged under the agreement or section 362A.05.

Sec. 163. **[41A.08] STAFF.**

Subject to all other applicable laws governing employees of or employment by a department or agency of the state, the commissioner of energy and economic development, on behalf of the board, may retain or employ the officers, employees, agents, contractors, and consultants the commissioner determines necessary or appropriate to discharge the functions of the board in respect to the agricultural resource loan program. The commissioner shall define their duties and responsibilities.

Sec. 164. Minnesota Statutes 1984, section 43A.04, subdivision 3, is amended to read:

Subd. 3. **RULES.** The commissioner shall promulgate rules pursuant to the administrative procedure act to implement the provisions of chapter 43A which directly affect the rights of or processes available to the general public. The rules shall have the force and effect of law and shall include but are not limited to:

(a) The processes for determining the extent of competition for filling vacancies, for recruiting applicants, for conducting competitive open examinations, for ranking candidates and maintaining competitive open eligible lists, and for certification and appointment of eligibles from competitive open eligible lists;

(b) The process for effecting noncompetitive and qualifying appointments;

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(c) The process for temporary designation of positions in the unclassified service and for effecting appointments to the unclassified service;

(d) A statewide affirmative action program to include requirements for agency affirmative action plans, statewide policies and procedures, reporting requirements, accountability and responsibility of employees in the executive branch, and overall objectives of the program;

(e) Conditions under which moving and other expenses may be authorized and paid prior to appointment to persons who have accepted state employment; and

(f) Procedures for administration of the code of ethics for employees of the executive branch; and

(g) Examination procedures for candidates with handicaps as described in section 43A.10, subdivision 8.

Sec. 165. Minnesota Statutes 1984, section 43A.07, subdivision 2, is amended to read:

Subd. 2. **JOB CLASSES AND TITLES.** An appointing authority shall notify the commissioner when a new position is to be established in the classified service. The commissioner shall allocate the position to an appropriate class in the classification plan or if the position cannot be allocated to an existing class, establish a new class. The commissioner shall assign an appropriate salary rate or range to the class. If the class is in a bargaining unit under the provisions of section 179A.10, and there is an applicable provision in the collective bargaining agreement the commissioner shall establish the salary rate or range pursuant to the agreement.

The commissioner may independently conduct classification studies or, upon request of an appointing authority or a permanent employee, shall may investigate the duties of a classified position. If a request is denied, the employee must be given a written explanation. The commissioner shall investigate the duties of a classified position upon request of an appointing authority. The commissioner may reclassify the position, change the title of the position or establish a new class. The commissioner shall assign an appropriate salary rate or range to the class. If the class is in a collective bargaining unit under the provisions of section 179A.10, and there is an applicable provision in the collective bargaining agreement, the commissioner shall establish the salary rate or range pursuant to the agreement.

Sec. 166. Minnesota Statutes 1984, section 43A.08, subdivision 1, is amended to read:

Subdivision 1. **UNCLASSIFIED POSITIONS.** Unclassified positions are held by employees who are:

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- (a) Chosen by election or appointed to fill an elective office;
- (b) Heads of agencies required by law to be appointed by the governor or other elective officers, and the executive or administrative heads of departments, bureaus, divisions and institutions specifically established by law in the unclassified service;
- (c) Deputy and assistant agency heads, and one confidential secretary in the agencies listed in subdivision 1a;
- (d) The confidential secretary to each of the elective officers of this state and, for the secretary of state, state auditor, and state treasurer, an additional deputy, clerk, or employee;
- (e) Intermittent help employed by the commissioner of public safety to assist in the issuance of vehicle licenses;
- (f) Employees in the offices of the governor and of the lieutenant governor, and one confidential employee for the governor in the office of the adjutant general;
- (g) Employees of the legislature and of legislative committees or commissions; provided that employees of the legislative audit commission, except for the legislative auditor, the deputy legislative auditors, and their confidential secretaries, shall be employees in the classified service;
- (h) Presidents, vice presidents, deans, other managers and professionals in academic and academic support programs, administrative or service faculty, teachers, research assistants and student employees eligible under terms of the federal economic opportunity act work study program in the state universities and community colleges. This paragraph shall not be construed to include the custodial, clerical or maintenance employees, or any professional or managerial employee performing duties in connection with the business administration of these institutions.
- (i) Officers and enlisted persons in the national guard;
- (j) Attorneys, legal assistants, examiners, and three confidential employees appointed by the attorney general or employed with his authorization;
- (k) Judges and all employees of the judicial branch, referees, receivers, jurors, and notaries public, except referees and adjusters employed by the department of labor and industry;
- (l) Members of the state patrol; provided that selection and appointment of state patrol troopers shall be made in accordance with applicable laws governing the classified service;
- (m) Seasonal help employed by the department of revenue;
- (n) Chaplains employed by the state;

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(n) Examination monitors and intermittent training instructors employed by the departments of employee relations and commerce;

(o) Student workers; and

(p) Employees unclassified pursuant to other statutory authority.

Sec. 167. Minnesota Statutes 1984, section 43A.10, subdivision 8, is amended to read:

Subd. 8. **ELIGIBILITY FOR QUALIFIED HANDICAPPED EXAMINATIONS.** The commissioner shall establish examination procedures for candidates whose handicaps are of such a severe nature that the candidates are unable to demonstrate their abilities in competitive examination processes. The examination procedures shall consist of up to 700 hours on-the-job trial work experience which will be in lieu of a competitive examination and for which the disabled person will be paid or unpaid at his or her option. This work experience shall be limited to candidates for appointment, promotion, or transfer who have a physical or mental impairment for which there is no reasonable accommodation in the examination process. Implementation of provisions of this subdivision shall not be deemed a violation of other provisions of Laws 1981, chapter 210 or chapter 363.

Sec. 168. Minnesota Statutes 1984, section 43A.15, is amended by adding a subdivision to read:

Subd. 13. **REVENUE SEASONAL EMPLOYEES.** The commissioner may authorize the administration of a qualifying selection process for the filling of seasonal positions in the department of revenue used in the processing of returns and providing information during the tax season. The commissioner of revenue may consider any candidate found qualified through this process for probationary appointment.

Sec. 169. **TRANSITION FOR CURRENT EMPLOYEES.**

The commissioner of revenue shall appoint to the classified service, without a probationary period, people who were seasonal employees of the department of revenue on April 15, 1985, who have worked a total of at least six months for the department since January 1, 1982. The commissioner shall appoint to the classified service, with a probationary period, people who were seasonal employees of the department of revenue on April 15, 1985, who have not worked a total of six months for the department since January 1, 1982.

Sec. 170. Minnesota Statutes 1984, section 43A.18, subdivision 5, is amended to read:

Subd. 5. **GOVERNOR TO RECOMMEND CERTAIN SALARIES.** The governor shall, on or before July 1 of each odd numbered year, submit to the legislative commission on employee relations recommendations for salaries within

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the salary range for the positions listed in section 15A.081, subdivision subdivisions 1 and 7. The governor may also propose additions or deletions of positions from those listed.

(a) Before submitting the recommendations, the governor shall consult with the commissioner of administration, the commissioner of finance, and the commissioner of employee relations concerning the recommendations.

(b) In making recommendations, the governor shall consider only those criteria established in subdivision 8 and shall not take into account performance of individual incumbents. The governor shall establish an objective system for quantifying knowledge, abilities, duties, responsibilities and accountabilities and in determining recommendations rate each position by this system.

(c) Before the governor's recommended salaries take effect, the recommendations shall be reviewed and approved, rejected or modified by the legislative commission on employee relations and the legislature in the same manner as provided for the commissioner's plan in subdivision 2. The governor may also at any time propose changes in the salary rate of any positions covered by this subdivision, which shall be submitted and approved in the same manner as provided in this subdivision.

(d) The initial salary of a head of an agency or a chair of a metropolitan board or commission hereafter established whose salary is not specifically prescribed by law shall be fixed by the governor, after consultation with the commissioner, whose recommendation shall be advisory only, in an amount comparable to the salary of an agency head or commission chair having similar duties and responsibilities.

Sec. 171. Minnesota Statutes 1984, section 43A.19, subdivision 1, is amended to read:

Subdivision 1. **STATEWIDE AFFIRMATIVE ACTION PROGRAM.**

(a) To assure that positions in the executive branch of the civil service are equally accessible to all qualified persons, and to eliminate the underutilization of qualified members of protected groups, the commissioner shall adopt and periodically revise, if necessary, a statewide affirmative action program. The statewide affirmative action program shall consist of at least the following:

(a) (1) objectives, long-range and interim goals and policies;

(b) (2) procedures, standards and assumptions to be used by agencies in the preparation of agency affirmative action plans, including methods by which goals and timetables shall be established; and

(c) (3) requirements for the periodic annual submission of affirmative action progress reports from heads of agencies.

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(b) The commissioner shall base interim goals on at least the following factors:

(1) the percentage of members of each protected class in the recruiting area population who have the necessary skills;

(2) the availability for promotion or transfer of members of protected classes in the recruiting area population;

(3) the extent of unemployment of members of protected classes in the recruiting area population;

(4) the existence of training programs in needed skill areas offered by employing agencies and other institutions; and

(5) the expected number of available positions to be filled.

(c) The commissioner shall designate a state director of equal employment opportunity who may be delegated the preparation, revision, implementation and administration of the program. The commissioner of employee relations may place the director's position in the unclassified service if the position meets the criteria established in section 43A.08, subdivision 1a.

Sec. 172. [43A.191] AGENCY AFFIRMATIVE ACTION PROGRAMS.

Subdivision 1. AFFIRMATIVE ACTION OFFICERS. (a) Each agency with an approved complement over 1,000 shall have at least one affirmative action officer, who shall have primary responsibility for developing and maintaining the agency's affirmative action plan. The officer shall devote full time to affirmative action activities. The affirmative action officer shall report administratively and on policy issues directly to the agency head.

(b) The commissioner shall assign affirmative action officers for agencies with approved complements of less than 1,000.

Subd. 2. AGENCY AFFIRMATIVE ACTION PLANS. (a) The head of each agency in the executive branch shall prepare and implement an agency affirmative action plan consistent with this section and rules issued under section 43A.04, subdivision 3.

(b) The agency plan must include a plan for the provision of reasonable accommodation in the hiring and promotion of qualified handicapped persons. The reasonable accommodation plan shall consist of at least the following:

(1) procedures for compliance with section 363.03 and, where appropriate, regulations implementing United States Code, title 29, section 794, as amended through December 31, 1984, which is section 504 of the Rehabilitation Act of 1973, as amended;

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(2) methods and procedures for providing reasonable accommodation for handicapped job applicants, current employees, and employees seeking promotion; and

(3) provisions for funding reasonable accommodations.

(c) The agency plan must be prepared by the agency head with the assistance of the agency affirmative action officer and the director of equal employment opportunity. The council for the handicapped shall provide assistance with the agency reasonable accommodation plan.

(d) An agency affirmative action plan may not be implemented without the commissioner's approval.

Subd. 3. SANCTIONS AND INCENTIVES. (a) The director of equal employment opportunity shall annually audit the record of each agency to determine the rate of compliance with annual hiring goals of each goal unit and to evaluate the agency's overall progress toward its affirmative action goals and objectives.

(b) By January 1 of each year, the commissioner shall submit a report on affirmative action progress of each agency and the state as a whole to the governor and to the finance committee of the senate, the appropriations committee of the house of representatives, and the governmental operations committees of both houses of the legislature. The report must include each agency's rate of compliance with annual hiring goals. Any agency in which less than 75 percent of the interim hiring goals in any goal unit were unmet must be designated in the report as an agency not in compliance with affirmative action requirements.

(c) The commissioner shall study methods to improve the performance of agencies not in compliance with affirmative action requirements. By January 15, 1986, the commissioner shall submit to the legislature a proposal for improving compliance rates. This proposal must include penalties for noncompliance.

(d) The commissioner shall establish a program to recognize agencies that have made significant and measurable progress toward achieving affirmative action objectives.

Sec. 173. [43A.192] TRANSITION.

An agency that has a majority of its approved staff complement assigned to campuses or institutions separate from its administrative offices and that is not in compliance with section 172, subdivision 1, on January 1, 1985, shall come into compliance by July 1, 1987. Until it comes into compliance, the agency shall provide the equivalent of one full-time affirmative action officer by assigning part-time affirmative action duties to employees on each campus or at each institution.

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

Sec. 174. Minnesota Statutes 1984, section 43A.30, subdivision 4, is amended to read:

Subd. 4. **EMPLOYEE INSURANCE TRUST FUND.** The commissioner of employee relations may direct that all or a part of the amounts paid for life insurance and, hospital, medical, and dental benefits coverage, and optional coverages authorized for eligible employees and other eligible persons be deposited by the state in a separate an employee insurance trust fund in the state treasury, from which the approved claims of eligibles are to be paid. Investment income and investment losses attributable to the investment of the separate fund shall be credited to the fund. There is appropriated from the separate fund to the commissioner of finance amounts needed to pay the approved claims of eligibles, related service charges, insurance premiums, and refunds. The commissioner shall not market or self-insure life insurance or optional coverages.

Sec. 175. Minnesota Statutes 1984, section 43A.30, is amended by adding a subdivision to read:

Subd. 5. **ADMINISTRATION.** The commissioner of employee relations may administer the employee insurance program. The commissioner may assess agencies the cost of these administrative services and include it in the amounts billed for life insurance, hospital, medical, and dental benefits, and optional coverages authorized. Receipts from the assessments must be deposited in the state treasury and credited to a special account in the employee insurance trust fund and are appropriated to the commissioner to pay these administrative costs.

Sec. 176. Minnesota Statutes 1984, section 46.07, subdivision 2, is amended to read:

Subd. 2. **CONFIDENTIAL RECORDS.** The commissioner shall divulge facts and information obtained in the course of examining financial institutions under his supervision only when and to the extent that he is required or permitted by law to report upon or take special action regarding the affairs of an institution, or ordered by a court of law to testify or produce evidence in a civil or criminal proceeding or in a court of justice, except that he may, in his discretion, furnish information as to matters of mutual interest to an official or examiner of the federal reserve system, the federal deposit insurance corporation, the federal savings and loan insurance corporation, the national credit union administration, a legally constituted state credit union share insurance corporation approved under section 52.24, ~~or~~ the issuer of a commitment for insurance or guarantee of the certificates of an industrial loan and thrift company approved under section 53.10, or state and federal law enforcement agencies. The commissioner shall not be required to disclose the name of a debtor of a financial institution under his supervision, or anything relative to the private accounts, ownership, or transactions of an institution, or any fact obtained in the course of an examination thereof, except as herein provided. For purposes of this subdivision, a subpoena is not an order of a court of law. These records are classified

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confidential or protected nonpublic for purposes of the Minnesota government data practices act and their destruction, as prescribed in section 46.21, is exempt from the provisions of chapter 138 and Laws 1971, chapter 529, so far as their deposit with the state archives.

Sec. 177. Minnesota Statutes 1984, section 46.07, is amended by adding a subdivision to read:

Subd. 3. COMPLAINT FILES. Notwithstanding the provisions of subdivision 2 to the contrary, data gathered and maintained in relation to a complaint filed with the commissioner is private or nonpublic pursuant to the Minnesota government data practices act.

Sec. 178. Minnesota Statutes 1984, section 47.015, subdivision 1, is amended to read:

Subdivision 1. **FINANCIAL INSTITUTIONS.** As used in this section the term "financial institution" shall include banks, trust companies, banks and trust companies, mutual savings banks, industrial loan and thrift companies having outstanding certificates of indebtedness for investment other than those pledged as security for a loan made contemporaneous therewith, savings and loan associations, building and loan associations, national banking associations, federal reserve banks and federal savings and loan associations doing business in this state, and includes any branch or detached facility of any of them.

Sec. 179. Minnesota Statutes 1984, section 47.0151, subdivision 3, is amended to read:

Subd. 3. "Financial institution" includes a bank, a savings bank, a trust company, any branch or agency of a foreign banking organization, a person or association of persons lawfully carrying on the business of banking, a savings and loan association, and, so far as the provisions of sections 47.0151 to 47.0155 are consistent with federal law, national banks and federal savings and loan associations, and includes any branch or detached facility of any of them.

Sec. 180. Minnesota Statutes 1984, section 47.0152, is amended to read:
47.0152 POWER OF COMMISSIONER.

Whenever the commissioner is of the opinion that an emergency exists, or is impending, in the state or in a part of it, he may, by proclamation, authorize financial institutions located in the affected area to close any or all of their offices. In addition, if the commissioner is of the opinion that an emergency exists, or is impending, which affects, or may affect, a particular financial institution or a particular office of it, but not financial institutions located in the area generally, he may authorize the particular financial institution or office affected, to close or to temporarily relocate. The office closed shall remain closed until the commissioner proclaims that the emergency has ended, or until an earlier time when the officers of the financial institution determine that an

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office, closed because of the emergency, should reopen, and, in either event, for the further time reasonably necessary to reopen. The provisions of section 47.101 shall be waived for a temporary location established due to an emergency.

Sec. 181. [47.0156] CLOSING EFFECTING A PERMANENT CESSATION OF BUSINESS.

The permanent closing of a financial institution as defined in section 47.015 or 47.0151 for purposes, or with a result, other than authorized in sections 47.015 to 47.0155 is unlawful unless at least 60 days' written notice is given to the commissioner.

Sec. 182. Minnesota Statutes 1984, section 48.13, is amended to read:

48.13 CONDITIONS OF BONDS.

Subdivision 1. SECURITIES. If a bond is given, it shall be in favor of the bank and shall have one corporate surety, which shall be a solvent insurance corporation in good standing authorized to do business in Minnesota, or at least five individual sureties, not one of whom shall be an officer, director, or stockholder of the bank, and each of whom shall justify in a sum equal to the penalty of the bond and, in addition thereto, each individual surety shall furnish to the bank, in connection with the bond, a verified financial statement showing his solvency and responsibility, which statement shall be renewed and revised annually by each surety. If a contract of insurance is secured, it shall be in favor of the bank and shall be executed by some insurance company possessing the qualifications heretofore specified. No cancellation or termination at the request of the underwriter of a bond or contract of insurance required by section 48.12 shall be effective unless the underwriter gives in advance at least 60 days written notice by registered mail to the commissioner of commerce.

Subd. 2. SECURITIES IN LIEU OF BOND. With the prior written approval of the commissioner and in lieu of the corporate surety or five individual sureties, there may be posted a deposit in securities of a form and amount acceptable to the commissioner. These funds are under the control of the commissioner for the purposes of section 48.12. All deposits must remain in the custody of the commissioner of finance and pursuant to sections 7.19 and 46.15 may be released only upon order from the commissioner. These control and custody requirements must not prevent any interest or dividend earnings accruing on the funds posted to be paid over to pledgor.

Sec. 183. Minnesota Statutes 1984, section 49.05, is amended by adding a subdivision to read:

Subd. 5. FEDERAL DEPOSIT INSURANCE CORPORATION AS RECEIVER OR LIQUIDATOR. The Federal Deposit Insurance Corporation created by Section 12B of the Federal Reserve Act, as amended, upon appointment by the commissioner, may act without bond as receiver or liquidator of a

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financial institution, the deposits in which are to any extent insured by this corporation, and that has been closed pursuant to section 49.04, subdivision 1.

Notwithstanding any other provision of law the appropriate state authority having the right to appoint a receiver or liquidator of a financial institution may, in the event of the closing, tender to the corporation the appointment as receiver or liquidator of the financial institution; and, if the corporation accepts the appointment, the corporation shall have and possess all the powers and privileges provided by the laws of this state with respect to a receiver or liquidator, respectively, of a financial institution, its depositors, and other creditors.

Sec. 184. Minnesota Statutes 1984, section 49.05, is amended by adding a subdivision to read:

Subd. 6. RIGHT OF SUBROGATION. When a financial institution has been closed, and the federal deposit insurance corporation has paid or made available for payment the insured deposit liabilities of the closed institution, the corporation, whether or not it has or shall thereafter become a liquidating agent of the closed institution is subrogated, by operation of law with like force and effect as if the closed institution were a national bank, to all rights of the owners of these deposits against the closed financial institution in the same manner and to the same extent as now or hereafter necessary to enable the federal deposit insurance corporation under federal law to make insurance payments available to depositors of closed insured financial institutions; provided, that the rights of depositors and other creditors of the closed institution shall be determined in accordance with the laws of this state. The commissioner may, in the event of the closing of any financial institution pursuant to section 49.04, subdivision 1, the deposits of which financial institution are to any extent insured by the corporation, tender to the corporation the appointment as liquidating agent of this financial institution and, if the corporation accepts the appointment, it shall have and possess all the powers and privileges provided by the laws of this state with respect to a special deputy examiner of the department of commerce in the management and liquidation of this institution, and be subject to all of the duties of the special deputy examiner; provided, that nothing contained in this subdivision shall be construed as a surrender of the right of the commissioner to liquidate financial institutions under his or her supervision pursuant to the statute in such case made and provided; and the commissioner may waive the filing of a bond by the corporation as the special deputy examiner.

Sec. 185. Minnesota Statutes 1984, section 52.02, subdivision 3, is amended to read:

Subd. 3. APPROVAL. Amendments to the certificate of organization or bylaws must be approved by the commissioner of commerce before they become operative. The commissioner shall not unreasonably withhold approval if the amendments do not violate any provision of this chapter or other state law. In

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any event, the commissioner shall approve or disapprove the proposed amendment within 60 days of the date the proposed amendment is submitted to the commissioner by the credit union. In case of disapproval the credit union shall have the right to appeal to a court of competent jurisdiction within the time limits stated in section 52.01, clause (5). In case any amendment to the certificate of organization is adopted, the resolution, containing a full text of the amendment and verified by its president and or treasurer and approved by the commissioner of commerce, shall be recorded in the office of the county recorder ~~in the county in which the credit union is located.~~ If the amendment proposes to change the place of business from one county to another, it shall be recorded in the office of the county recorder of the county of the place of business immediately prior to the amendment and a certified copy of the original certificate of organization and all amendments to it shall be recorded in the office of the county recorder in the county in which the credit union desires to do business secretary of state.

Sec. 186. Minnesota Statutes 1984, section 52.24, subdivision 1, is amended to read:

Subdivision 1. **INSURANCE ACCOUNTS.** Every credit union under the supervision of the commissioner of commerce shall at all times maintain in effect insurance of member share and deposit accounts under the provisions of title II of the national credit union act, ~~or a legally constituted state credit union share insurance corporation.~~ A credit union which fails to meet this requirement for insurance of its share and deposit accounts shall either dissolve, or merge with another credit union which is insured under title II of the national credit union act ~~or a legally constituted share insurance corporation.~~

Sec. 187. Minnesota Statutes 1984, section 52.24, subdivision 2, is amended to read:

Subd. 2. **CERTIFICATE OF APPROVAL.** No credit union shall be granted a certificate of approval by the commissioner of commerce unless the credit union has obtained a commitment for insurance of its member share and deposit accounts under the provisions of title II of the national credit union act ~~or a legally constituted state credit union share insurance corporation.~~

Sec. 188. Minnesota Statutes 1984, section 53.04, is amended by adding a subdivision to read:

Subd. 4a. **DISCLOSURE, AUTHORIZED INTEREST, AND OTHER CHARGES.** The documentation of loans made pursuant to this section must include in the promissory note clear reference to the provisions of Minnesota Statutes under which the rate of interest and other charges are authorized. The references must be to the chapter number in the case of chapter 53 or chapter 56, or to the particular section or sections in the case of chapter 47 or chapter 334. On loans made under the authority of subdivision 3a and not under the authority

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of chapter 334, other charges including discount points, fees, late payment charges, and insurance premiums not specifically authorized by chapter 53 or any other state statute are controlled by chapter 56.

Sec. 189. Minnesota Statutes 1984, section 53.10, is amended to read:

53.10 MANDATORY INSURANCE OR GUARANTEE OF ACCOUNTS.

Subdivision 1. **REQUIREMENT.** Not later than July 1, ~~1983~~ 1987, every industrial loan and thrift company operating under this chapter with consent or holding a certificate of authorization, which includes the right to sell and issue for investment certificates of indebtedness, savings accounts, and savings deposits, ~~other than those to be pledged as security for a loan made contemporaneously therewith,~~ shall obtain a commitment for insurance or guarantee of the certificates, accounts, or deposits by ~~or through an insurance company or guarantee fund acceptable to the commissioner of commerce.~~ The insurance or guarantee shall provide for the redemption of the investment of certificate, account, or deposit holders in the event of liquidation, insolvency or bankruptcy of the industrial loan and thrift company. The amount of insurance or guarantee benefit to each certificate, account, or deposit holder, as an individual or multiparty account, shall at all times be in full force and equal to the lesser of the industrial loan and thrift company's liability under a certificate, account, or deposit or \$100,000. For purposes of this section, an insurance company or guarantee fund includes an insurance company authorized to do business in this state, an insurance or guarantee fund organized under the laws of the United States, this state or any other state with the expressed purpose or authority to guarantee the accounts of industrial loan and thrift companies or any other person who contracts with industrial loan and thrift companies to guarantee accounts the federal deposit insurance corporation, an agency of this state, or a federal agency established for the purpose of insuring deposits in banks or otherwise eligible to insure the savings accounts and savings deposits in industrial loan and thrift companies operating pursuant to this chapter.

Subd. 2. The commissioner of commerce shall grant additional time or times to obtain the commitment for insurance or guarantee upon satisfactory evidence that the industrial loan and thrift company has made or is making a substantial effort to achieve the conditions precedent to issuance of the commitment. Additional time or times shall not extend later than July 1, ~~1985~~ 1988.

Subd. 3. No industrial loan and thrift company shall hereafter be granted consent, or issued a certificate of authorization which includes the right to issue for investment certificates of indebtedness, savings accounts, and savings deposits, ~~other than those to be pledged as security for a loan made contemporaneously therewith,~~ unless the industrial loan and thrift company has obtained a commitment for insurance or guarantee of such certificates which meets the conditions of subdivision 1.

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Subd. 4. TRANSITIONAL REQUIREMENT; CONTINUING REQUIREMENT. Until the time the requirements of subdivisions 1 and 2 are fully satisfied, any existing insurance or guarantee approved by the commissioner of commerce pursuant to Laws 1980, chapter 503, section 3, must be maintained as a condition to continued operations. Thereafter every industrial loan and thrift company shall at all times maintain in effect insurance of its accounts by the federal deposit insurance corporation, an agency of this state or a federal agency established for the purpose of insuring deposits in banks or otherwise eligible to insure the accounts of industrial loan and thrift companies operating pursuant to this chapter. If it appears to the commissioner that an industrial loan and thrift company has failed to meet the requirements of this section, the commissioner shall issue an order pursuant to sections 46.24 to 46.33 requiring compliance or the noncompliant industrial loan and thrift company to cease and desist from accepting savings or deposit accounts and submit a plan to the commissioner for the orderly and timely divestiture of all existing savings and deposit accounts.

Sec. 190. Minnesota Statutes 1984, section 55.095, is amended to read:
55.095 DUTIES OF COMMISSIONER OF COMMERCE.

Every safe deposit company is at all times under the supervision and subject to the control of the commissioner of commerce. He shall, through his examiners, visit at least once each year each safe deposit company licensed by him to ascertain whether the safe deposit company is complying with the provisions of this chapter and whether its methods and systems are in accordance with law and designed to protect the property of persons doing business with it. For each examination he shall charge the actual expenses of examination. If the commissioner of commerce determines that the safe deposit company is violating the provisions of this chapter, or any law of the state, or has engaged or the commissioner has reason to believe that a licensee is about to engage in an unlawful, unsafe, or unsound practice in the conduct of its business, he may proceed pursuant to sections 46.24 to 46.33 or serve notice on the safe deposit company of his intention to revoke the license, stating in general the grounds therefor and giving reasonable opportunity to be heard. If for a period of 15 days after the notice, the violation continues, the commissioner of commerce may revoke the license and take possession of the business and property of the safe deposit company and maintain possession until the time the commissioner permits it to continue business, or its affairs are finally liquidated. The liquidation must proceed pursuant to sections 49.04 to 49.32.

Sec. 191. Minnesota Statutes 1984, section 65B.49, subdivision 4, as amended by Laws 1985, chapter 168, section 11, is amended to read:

Subd. 4. UNINSURED AND UNDERINSURED MOTORIST COVERAGES. (1) No plan of reparation security may be renewed, delivered or issued for delivery, or executed in this state with respect to any motor vehicle registered or principally garaged in this state unless uninsured and underinsured

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motorist coverages are provided therein. The coverages combined, at a minimum, must provide limits of \$25,000 because of injury to or the death of one person in any accident and \$50,000 because of injury to or the death of two or more persons in any accident. In the case of injury to, or the death of, two or more persons in any accident, the amount available to any one person must not exceed the coverage limit provided for injury to, or the death of, one person in any accident. For purposes of this subdivision, uninsured motorist coverage and underinsured motorist coverage shall be a single coverage.

(2) Every owner of a motor vehicle registered or principally garaged in this state shall maintain uninsured and underinsured motorist coverages as provided in this subdivision.

(3) No reparation obligor is required to provide limits of uninsured and underinsured motorist coverages in excess of the bodily injury limit provided by the applicable plan of reparation security.

(4) No recovery shall be permitted under the uninsured and underinsured motorist coverages of this section for basic economic loss benefits paid or payable, or which would be payable but for any applicable deductible.

(5) Unless the language of the policy provides otherwise, if at the time of the accident the injured person is occupying a motor vehicle, the limit of liability for uninsured and underinsured motorist coverages available to the injured person is the limit specified for that motor vehicle. However, if the injured person is occupying a motor vehicle of which the injured person is not a named insured, the injured person may be entitled to excess insurance protection afforded by a policy in which the injured party is a named insured. The excess insurance protection is limited to the extent of covered damages sustained, and further is available only to the extent by which the limit of liability for like coverage applicable to any one motor vehicle listed on the automobile insurance policy of which the injured person is named insured exceeds the limit of liability of the coverage available to the injured person from the occupied motor vehicle.

If at the time of the accident the injured person is not occupying a motor vehicle, the injured person is entitled to select any one limit of liability for any one vehicle afforded by a policy under which the injured person is named insured.

(6) ~~Regardless of the number of policies involved, vehicles involved, persons covered, claims made, vehicles or premiums shown on the policy, or premiums paid, in no event shall~~ Unless a policyholder makes a specific election to have two or more policies added together, the limit of liability for uninsured and underinsured motorist coverages for two or more motor vehicles may not be added together to determine the limit of insurance coverage available to an injured person for any one accident. An insurer shall notify policyholders that they may elect to have two or more policies added together.

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(7) The uninsured and underinsured motorist coverages required by this subdivision do not apply to bodily injury of the insured while occupying a motor vehicle owned by the insured, unless the occupied vehicle is an insured motor vehicle.

(8) The uninsured and underinsured motorist coverages required by this subdivision do not apply to any bodily injury until the limits of bodily injury liability policies applicable to all insured motor vehicles causing the injury have been exhausted by payment of judgments or settlements and proof of such is submitted to the insurer providing the uninsured and underinsured motorist coverages.

Sec. 192. Minnesota Statutes 1984, section 69.031, subdivision 1, is amended to read:

Subdivision 1. **COMMISSIONER OF FINANCE'S WARRANT.** The commissioner of finance shall issue to the auditor of each county certified to him by the commissioner his warrant for an amount equal to the amount certified to by the commissioner pursuant to section 69.021. The amount due to a county and not paid by September 1 accrues interest at the rate of one percent for each month or part of a month the amount remains unpaid, beginning the preceding June 1.

Sec. 193. **[84.0885] YOUTH PROGRAMS.**

Subdivision 1. **PROGRAM CONTENT.** The commissioner shall operate a Minnesota conservation corps, a summer youth program, and a year-round young adult program. The commissioner shall insure that youths in all parts of the state have an equal opportunity for employment and that equal numbers of male and female youth are selected for the summer residential program. Youth corps members must be 16 to 18 years old and young adult corps members must be 18 to 26 years old. A corps member in the Minnesota conservation corps is not a public employee under chapter 43A or 179A. The Minnesota conservation corps shall provide service for the various department of natural resources disciplines including parks, forestry and wildlife habitat improvement, and trails and waterways, and other public land managers as appropriate.

Subd. 2. **EXPENDITURES FROM SPECIAL FUNDS.** An appropriation from a special revenue fund or account to the commissioner for youth programs must be spent for projects that are consistent with the purposes of the fund or account from which the appropriation was made.

Sec. 194. Minnesota Statutes 1984, section 84.86, subdivision 1, is amended to read:

Subdivision 1. With a view of achieving maximum use of snowmobiles consistent with protection of the environment the commissioner of natural

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resources shall adopt rules and regulations in the manner provided by chapter 14, for the following purposes:

- (1) Registration of snowmobiles and display of registration numbers.
- (2) Use of snowmobiles insofar as game and fish resources are affected.
- (3) Use of snowmobiles on public lands and waters under the jurisdiction of the commissioner of natural resources.
- (4) Uniform signs to be used by the state, counties, and cities, which are necessary or desirable to control, direct, or regulate the operation and use of snowmobiles.

(5) Specifications relating to snowmobile mufflers.

(6) A comprehensive snowmobile information and safety education and training program, including but not limited to the preparation and dissemination of snowmobile information and safety advice to the public, the training of snowmobile operators, and the issuance of snowmobile safety certificates to snowmobile operators who successfully complete the snowmobile safety education and training course. For the purpose of administering such program and to defray a portion of the expenses of training and certifying snowmobile operators, the commissioner shall collect a fee of not to exceed \$5 from each person who receives the training and shall deposit the fee in the general fund snowmobile trails and enforcement account and the amount thereof is appropriated annually to the commissioner of natural resources for the administration of such programs. The commissioner shall cooperate with private organizations and associations, private and public corporations, and local governmental units in furtherance of the program established under this clause. The commissioner shall consult with the commissioner of public safety in regard to training program subject matter and performance testing that leads to the certification of snowmobile operators.

(7) The operator of any snowmobile involved in an accident resulting in injury requiring medical attention or hospitalization to or death of any person or total damage to an extent of \$100 or more, shall promptly forward a written report of the accident to the commissioner on such form as he shall prescribe.

Sec. 195. Minnesota Statutes 1984, section 84B.03, subdivision 4, is amended to read:

Subd. 4. **CONVEYANCE.** In furtherance of boundary adjustments to Voyageurs National Park authorized by Congress in Public Law 97-405, and notwithstanding any other law to the contrary, the governor, after consulting the commissioner of natural resources, shall donate and convey to the United States of America, for Voyageurs National Park, the state's interest in the following described lands:

- (1) Lot 7, Section 4, Township 68 North, Range 18 West;

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(2) the area of land commonly referred to as the Kabetogama Forestry Station, consisting of approximately 18.45 acres, and located in Section 21, Township 69 North, Range 21 West; and

(3) land not exceeding 120 acres consisting of a strip of land through that portion of Section 1, Township 68 North, Range 20 West, which is roughly parallel to and 400 feet on each side of the unimproved road extending northward from a point of beginning at the Ash River Trail in the Southeast Quarter of the Southeast Quarter of Section 1 to a point of termination in the Northeast Quarter of the Northwest Quarter in Section 1.

The Lands described in clause (1) shall be donated and conveyed only after \$30,000 has been paid by the commissioner of natural resources to the city of Tower in return for a conveyance to the state of all right, title, and interest of the city of Tower in the land. Lands described in clauses (2) and (3) shall be donated and conveyed only after the lands have been condemned by the commissioner of natural resources in the manner required by subdivision 2, and the time to appeal from the condemnation award has expired. All conveyances required by this subdivision shall comply with subdivision 1, except for the provision required by clause (1)(a) of that subdivision.

Sec. 196. [85.012] [Subd. 2.] BANNING STATE PARK. The following area is added to Banning State Park:

The Southwest 1/4 of the Southwest 1/4, and the Southeast 1/4 of the Southwest 1/4 of Section 12; The Northwest 1/4, the Northwest 1/4 of the Southwest 1/4, the Northeast 1/4 of the Southwest 1/4, and the Southwest 1/4 of the Southwest 1/4 in Section 13; all in Township 43 North, Range 20 West.

Sec. 197. Minnesota Statutes 1984, section 85.05, subdivision 1, is amended to read:

Subdivision 1. **RULES, FEES.** The commissioner may make rules for the use of state parks, and charge appropriate fees for these uses, as hereinafter specified; and for related services and facilities, including but not limited to the following:

(1) ~~Provide~~ Special parking space for automobile or other motor-driven vehicle in any state park or state recreation area;

(2) ~~Provide~~ Special parking spurs and camp grounds for automobiles and sites for tent camping and special auto trailer coach parking spaces for the use of the individual charged for the space according to the daily rates which shall be determined and fixed by the commissioner consistent with the type of facility provided for the accommodation of guests in any particular park and with similar facilities offered for tourist camping in the area;

(3) Improve and maintain golf courses already established in state parks, and charge reasonable fees for the use thereof;

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(4) Charge a fee for entrance to any pageant grounds which may be created in any state park for the purpose of having historical or other pageants conducted by the commissioner of any other authorized agency.

When deemed necessary the commissioner, for the purpose of better carrying out state park pageants, may stage the pageants in any municipal park or other lands near or adjoining any state park, and all receipts from the pageants shall be used in the same manner as though the pageants were carried on in a state park;

(5) Provide water, sewer, and electric service to trailer or tent camp sites and charge a reasonable fee therefor.

Any individual age 65 or over who is a resident of the state of Minnesota who furnishes satisfactory proof of age and residence, a physically handicapped person with a motor vehicle that has special plates issued under section 168.021, subdivision 1, or a physically handicapped person who possesses a certificate issued under section 169.345, subdivision 3, shall be exempt from payment of one-half of the fees set pursuant to clause 2 on ~~Monday~~ Sunday through Thursday of each week. Fees paid pursuant to this section shall be deposited in the state park maintenance and operation account in the state treasury. Gross receipts derived from sales, rentals, or leases of natural resources within state parks, recreation areas, and waysides, other than those on trust fund lands, must be deposited in the state treasury and be credited to the state park maintenance and operation account.

Sec. 198. Minnesota Statutes 1984, section 85.05, subdivision 2, is amended to read:

Subd. 2. **PERMITS FOR MOTOR VEHICLES.** (a) Except as provided in clauses (b), (c), (d) and (e), no motor vehicle shall enter or be permitted to enter any state park, state recreation area or state wayside over 50 acres in area unless it has affixed to its windshield in the lower right corner thereof a permit which is provided for hereinafter. The permit shall be totally affixed by its own adhesive to the windshield. The commissioner shall procure permits for each calendar year which by appropriate language shall grant permission to use any state park, state recreation area or state wayside over 50 acres in area. Permits for each calendar year shall be provided and placed on sale before ~~October~~ November 1 next preceding, and may be affixed and used on or at any time after that date until the end of the calendar year for which issued. Permits in each category shall be numbered consecutively for each year of issue. A fee of \$10 \$15 shall be charged for each vehicle permit issued for a vehicle licensed in Minnesota and \$15 for a vehicle licensed outside of Minnesota, except that for the following: (1) permits of appropriate special design may be sold individually at \$3 for a vehicle licensed in Minnesota and \$4 for a vehicle licensed outside of Minnesota covering the use of state parks, state recreation areas or state waysides under such conditions as the commissioner may prescribe for a designated period

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of not more than two days, and (2) special daily vehicle permits for groups, as may be authorized by rule adopted by the commissioner at a fee prescribed by the commissioner. The fee collected shall be deposited in the state park maintenance and operation account in the state treasury. Appropriations from this account shall be for state park maintenance and operation. Permits shall be issued by employees of the division of parks and recreation as the commissioner of natural resources may designate in writing and as hereinbefore provided.

(b) The commissioner shall issue without charge an employee's motor vehicle permit to any state employee, peace officer, or contractor who, for the purpose of performing official duties, must enter places where park stickers permits are required. The peace officer, employee, or contractor shall display the permit on the motor vehicle in the same manner as state park stickers permits are displayed. A motor vehicle displaying only an employee's permit may not enter a place where park stickers permits are required if the vehicle is used for purposes other than performing official duties.

(c) The commissioner shall issue for one-half of the fees provided in clause (a) a motor vehicle permit to any individual of the age of 65 years or over who furnishes satisfactory proof of age and who is a resident of the state of Minnesota, to a physically handicapped person with a motor vehicle that has special plates issued under section 168.021, subdivision 1, or a daily permit for a physically handicapped person who possesses a certificate issued under section 169.345, subdivision 3. The permit or the decal evidencing its issuance shall be valid only when displayed upon the vehicle owned and occupied by the person to whom issued.

(d) No state park permit is necessary for entry of a motor vehicle into a state park, state monument, state recreation area, or state wayside, on one day each calendar year which the commissioner may designate as state park open house day for the purpose of acquainting the public with state parks, recreation areas, and waysides, or two days each year, if the open house is held in conjunction with a special pageant as described in subdivision 1. The commissioner shall announce the date of state park open house day at least 30 days in advance of the open house.

(e) No state park permit is necessary, nor shall any fee, including a parking fee, be charged, for entry of a motor vehicle into that part of Fort Snelling state park commonly known as Fort Snelling Memorial Chapel Island.

Sec. 199. Minnesota Statutes 1984, section 85.22, subdivision 2a, is amended to read:

Subd. 2a. **RECEIPTS, APPROPRIATION.** All receipts derived from the rental or sale of items in state parks shall be deposited in the state treasury and be credited to the state parks working capital fund, which fund is annually appropriated solely for the purchase of merchandise and payment of expenses

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attributable to items for resale or rental. Annually, as of the close of business on June 30, the unencumbered balance in excess of \$100,000 shall be cancelled into the general fund state park maintenance and operation account.

Sec. 200. Minnesota Statutes 1984, section 85.43, is amended to read:

85.43 DISPOSITION OF RECEIPTS; PURPOSE.

Fees from cross country ski licenses and permits shall be deposited in the state treasury and credited to a cross country ski account and may be expended only as appropriated by law for:

(a) grants-in-aid for cross country ski trails sponsored by local units of government and special park districts as provided in section 85.44; and

(b) maintenance, winter grooming, and associated administrative costs for cross country ski trails under the jurisdiction of the commissioner.

Sec. 201. [85A.001] PURPOSE.

It is the intent of the legislature to foster a partnership between the private sector and the state for the purpose of operating a zoological garden. The legislature seeks to enable the Minnesota zoological garden to operate independently, efficiently, and economically and to be active in soliciting nonstate contributions.

Sec. 202. Minnesota Statutes 1984, section 85A.01, subdivision 1, is amended to read:

Subdivision 1. The Minnesota zoological garden is ~~hereby~~ established under the supervision and control of the state zoological board ~~which is hereby created.~~ The board shall consist consists of 14 15 public and private sector members appointed by the governor having a background or interest in zoological societies or zoo management or an ability to generate community interest in the Minnesota zoological garden. Members shall be appointed by the governor after consideration of a list supplied by board members serving on a nominating committee. Terms, compensation, and removal of members and filling of vacancies are as provided in section 15.0575. In making appointments, the governor shall consider, among other factors, the ability of members to garner support for the Minnesota zoological garden. In consultation with the Dakota county board the ~~governor board~~ shall nominate and the governor shall appoint as a ~~twelfth member~~ one of the 15 members of the zoo board a resident of Dakota county ~~who shall not vote and who may be a member of the county board.~~

A member of the board may not be an employee of or have a direct or immediate family financial interest in a business that provides goods or services to the zoo. A member of the board may not be an employee of the zoo.

Sec. 203. Minnesota Statutes 1984, section 85A.01, subdivision 2, is amended to read:

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Subd. 2. The board shall annually elect a ~~chairman~~ from among its members a chairman and ~~such~~ other officers as it may deem necessary for the performance of its duties. It shall ~~appoint a director to serve at its pleasure who is in the unclassified service of the state and who shall be chosen solely on the basis of his training, experience and other qualifications appropriate to the field of zoo management.~~ The director shall act as executive secretary and appoint administrative officers and employees of the board with the approval of the board. ~~With the approval of the board, he shall exercise the powers and duties set forth in section 85A.03.~~

Sec. 204. Minnesota Statutes 1984, section 85A.02, subdivision 3, is amended to read:

Subd. 3. The board may conduct research studies and programs, collect and analyze data and prepare reports, maps, charts and other information relating to the zoological garden or any wild or domestic animals or may contract for any of such services without complying with the requirements of chapter 16 16B.

Sec. 205. Minnesota Statutes 1984, section 85A.02, subdivision 4, is amended to read:

Subd. 4. The board may appoint an advisory committee consisting of persons who are members of zoological societies or who have shown a background or interest in such societies or zoo management or an ability to generate community support for the Minnesota zoological garden.

Sec. 206. Minnesota Statutes 1984, section 85A.02, subdivision 5, is amended to read:

Subd. 5. The board may accept and use gifts, grants or contributions from any nonstate source or appropriations made by the legislature for the purpose of the establishment and operation of the zoological garden or for the establishment, improvement or operation of facilities related thereto and necessary therefor at the sites of other zoological gardens owned by governmental subdivisions of the state of Minnesota. Unless otherwise restricted by the terms of a gift or bequest, the board may sell, exchange, or otherwise dispose of, and invest or reinvest the money, securities, or other property given or bequeathed to it from nonstate sources. The principal of these funds, the income from them, and all other revenues received by it from any nonstate source must be placed in the depositories the board determines and is subject to expenditure for the board's purposes. Any additional operating expenses incurred by virtue of capital development projects must be paid for with funds other than state appropriations.

Sec. 207. Minnesota Statutes 1984, section 85A.02, is amended by adding a subdivision to read:

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Subd. 5a. EMPLOYEES. (a) The board shall appoint an administrator who shall serve as the executive secretary and principal administrative officer of the board and, subject to its approval, the administrator shall operate the Minnesota zoological garden and enforce all regulations and policy decisions of the board. The administrator must be chosen solely on the basis of training, experience, and other qualifications appropriate to the field of zoo management and development. The board shall set the compensation for the administrator within the limits established for the commissioner of human rights in section 15A.081, subdivision 1. The administrator shall perform duties assigned by the board and shall serve in the unclassified service at the pleasure of the board. The board, with the participation of the private sector, shall appoint a development director in the unclassified service or contract with a development consultant to establish mechanisms to foster community participation in and community support for the Minnesota zoological garden. The board may employ other necessary professional, technical, and clerical personnel.

(b) The board may contract with individuals to perform professional services and may contract for the purchases of necessary species exhibits, supplies, services, and equipment.

Sec. 208. Minnesota Statutes 1984, section 85A.02, is amended by adding a subdivision to read:

Subd. 5b. EXEMPTIONS. Except as it determines, and except as provided in subdivisions 16 and 17, the board is not subject to chapters 15, 15A, 16A, and 16B concerning budgeting, payroll, and the purchase of goods or services. The board is not subject to chapter 14 concerning administrative procedures except sections 14.38, subdivision 7, and 14.39 to 14.43 relating to the legal status of rules and the legislative review of rules.

Sec. 209. Minnesota Statutes 1984, section 85A.02, is amended by adding a subdivision to read:

Subd. 5c. FINANCIAL REPORT. The board shall employ a certified public accountant to audit and examine its financial records each year. The board shall submit to the legislative auditor a report of the accountant's examination or audit. The legislative auditor shall review the report and accept it or make additional examinations if these would be in the public interest. The working papers of the certified public accountant relating to the board must be made available to the legislative auditor on request.

Sec. 210. Minnesota Statutes 1984, section 85A.02, subdivision 7, is amended to read:

Subd. 7. The board may enact rules governing the efficient protection of the Minnesota zoological garden and the related facilities and the conduct of persons entering therein. Notwithstanding subdivision 5b, rules shall become effective in the manner provided by law for the promulgation of rules by state

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departments and agencies. The violation of a rule promulgated by the board under this section is a petty misdemeanor. The board may specify that violation of a designated rule shall be sufficient cause for ejection from the grounds of the zoological garden.

Sec. 211. Minnesota Statutes 1984, section 85A.02, subdivision 12, is amended to read:

Subd. 12. The board shall report to the legislature by ~~January 4~~ September 15 of each year on the activities of the board and the operation of the zoological garden. The report must summarize the activities of the board and the Minnesota zoological garden over the preceding fiscal year ending June 30. The report must be submitted together with the financial report required by subdivision 5c.

Sec. 212. Minnesota Statutes 1984, section 85A.02, subdivision 16, is amended to read:

Subd. 16. The board may acquire by lease-purchase or installment purchase contract, transportation systems, facilities and equipment that it determines will substantially enhance the public's opportunity to view, study or derive information concerning the animals to be located in the zoological garden, and will increase attendance at the garden. The contracts may provide for: (1) the payment of moneys over a twelve year period, or over a longer period not exceeding 25 years if approved by the ~~commissioner of administration~~ board; (2) the payment of money from any funds of the board not pledged or appropriated for another purpose; (3) indemnification of the lessor or seller for damage to property or injury to persons due primarily to the actions of the board or its employees; (4) the transfer of title to the property to the board upon execution of the contract or upon payment of specified amounts; (5) the reservation to the lessor or seller of a security interest in the property; and (6) any other terms that the board determines to be commercially reasonable. Property so acquired by the board, and its purchase or use by the board, or by any non-profit corporation having a concession from the board requiring its purchase, shall not be subject to taxation by the state or its political subdivisions. Each contract shall be subject to the provisions of chapter 46 ~~16B~~, relating to competitive bidding, provided that the board is not required to readvertise for competitive proposals for any transportation system, facilities and equipment heretofore selected from competitive proposals taken pursuant to ~~section 85A.03, subdivisions 4 and 4a~~ subdivision 18.

Sec. 213. Minnesota Statutes 1984, section 85A.02, is amended by adding a subdivision to read:

Subd. 17. ADDITIONAL POWERS. The board may establish a schedule of charges for admission to or the use of the Minnesota zoological garden or any related facility. The board shall have a policy encouraging the admission of

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elementary school children at no charge when part of an organized school activity. The board may provide for the purchase, reproduction, and sale of gifts, souvenirs, publications, informational materials, food and beverages, and grant concessions for the sale of these items.

Sec. 214. Minnesota Statutes 1984, section 85A.02, is amended by adding a subdivision to read:

Subd. 18. PURCHASING. The board may contract for supplies, materials, purchase or rental of equipment, and utility services. Chapter 16B does not apply to these contracts. However, contracts shall be awarded on the basis of competitive bids to the lowest responsible bidder, taking into consideration conformity with the specifications, terms of delivery, and other conditions imposed in the call for bids. Competitive bidding is not required for purchases clearly and legitimately limited to a single source of supply; the purchase price may then be established by direct negotiation. Competitive bids are not required for utility services if no competition exists or if rates are fixed by law or ordinance. The board may contract for consultant, professional, and technical services without regard to sections 16B.17 and 16B.19.

Sec. 215. Minnesota Statutes 1984, section 85A.04, subdivision 1, is amended to read:

Subdivision 1. **DEPOSIT.** All receipts from the operation of the Minnesota zoological garden shall be deposited in the state treasury and credited to the credit of the general a zoo fund, except as provided in subdivision 3 and are appropriated to the board for the operation of the Minnesota zoological garden.

Sec. 216. **TRANSITIONS.**

The terms of all members of the state zoological board, except the chair of the board, terminate on the effective date of this section. The chair of the board immediately before the effective date of this section shall be a member of the newly constituted board and shall serve a term expiring four years from the effective date of this section. Members of the board before the effective date of this section shall nominate candidates for the governor to appoint to the newly constituted board.

Sec. 217. **SUMMER YOUTH PROGRAM.**

The zoological board may employ students to work exclusively between June 1 and September 30 of each year. All federal and state minimum wage laws apply, but these workers are not considered employees of the state of Minnesota within the meaning of section 43A.02, subdivision 21, nor are they public employees under chapter 179A. This employment is not to exceed 40 hours per week per individual nor 12 weeks in duration. This section is repealed September 30, 1986.

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Sec. 218. [88.80] ASPEN RECYCLING PROGRAM.

The commissioner may establish and accelerate an aspen recycling program to assure that marketable stands of aspen are available on state lands and may designate priority areas on state lands for aspen recycling.

Sec. 219. EMERGENCY ASSISTANCE FOR LOGGERS OF STATE TIMBER.

Subdivision 1. LEGISLATIVE FINDINGS. The legislature finds as follows that the permanent closing in 1984, without advance warning, of Minnesota and Wisconsin plants that processed aspen, spruce, and tamarack timber, has caused severe distress and hardship to those loggers who depended on those plants to purchase timber from them; and that action by the state is necessary to prevent loggers affected by these plant closings from being forced out of business with consequent loss of tax revenues, loss of future income for the permanent school fund and other trust funds, increased unemployment, reduced competition, and deterioration of the public health and welfare.

Subd. 2. LOGGERS WHO MAY APPLY. A purchaser of a state timber permit issued before January 1, 1985, in regard to permits covering aspen or spruce timber, or issued before July 1, 1984, in regard to permits covering tamarack timber, who, on the effective date of this section, has not cut all or any portion of the aspen or spruce or tamarack timber from the lands covered by the permit and who has been adversely affected by the permanent closing in 1984 of any Minnesota or Wisconsin plant that processed aspen, spruce, or tamarack timber, may make written application to the commissioner of natural resources for cancellation of any or all obligations to cut and remove any aspen, spruce, or tamarack timber or any other timber species covered by the permit.

Subd. 3. TERMS OF APPLICATION. The application to the commissioner, which shall be in the form of an affidavit, must show:

(1) the quantity and timber species covered by the permit for which the permittee seeks release from permit obligations;

(2) the permittee has not cut the timber for which the permittee is requesting release from permit obligations;

(3) the permittee is independent from any company that may have permanently closed a timber processing plant in Minnesota or Wisconsin during 1984;

(4) the permittee had a contract with the company operating the plant or had a history of selling timber to that company;

(5) the permittee has no reasonable prospect that the company will purchase aspen, spruce, or tamarack from the permittee during the life of the permit; and

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(6) the permittee has no other profitable market for aspen, spruce, or tamarack.

Subd. 4. CANCELLATION OF PERMITS. If the application meets the requirements of subdivision 2, the commissioner shall grant the application under the following conditions:

(a) If there has been no cutting of any timber whatsoever, and the permittee agrees, as a condition of cancellation, to forfeit the 25 percent payment made at the time of sale in the case of a state timber permit acquired at an auction sale under Minnesota Statutes, section 90.151 or 90.121, or, in the case of an informal sale, to forfeit 25 percent of the cash payment made on a permit acquired at an informal sale under section 90.191, with the balance to be refunded as provided by law for refunds on informal permits, the commissioner shall grant the application and cancel the permit.

(b) If there has been cutting of some but not all of the timber covered by the permit, regardless of the type of permit, and the permittee agrees, as a condition of cancellation, to forfeit 25 percent of the appraised price of the uncut timber, the commissioner shall grant the application and cancel the permit.

Subd. 5. DEADLINE FOR APPLICATION TO CANCEL. No obligations on any permit may be canceled by the commissioner if the application is not received by the commissioner within 90 days from the effective date of this section.

Sec. 220. Minnesota Statutes 1984, section 97.4841, subdivision 3, is amended to read:

Subd. 3. FEE. A stamp shall be issued to each small game hunting license applicant or other person interested in waterfowl conservation upon the payment of a fee of \$3 \$5. Stamps shall be issued annually and shall be valid from March 1 through the last day of the following February.

Sec. 221. Minnesota Statutes 1984, section 97.4842, subdivision 2, is amended to read:

Subd. 2. FEE. A stamp shall be issued to each fishing license applicant or other person interested in improvement of trout and salmon streams and lakes upon the payment of a fee of \$3 \$5. Stamps shall be issued annually and shall be valid from March 1 through the last day of the following February.

Sec. 222. [97.851] FEES FOR ADVANCED HUNTER EDUCATION COURSES.

The commissioner of natural resources, with the approval of the commissioner of finance, may impose a fee not to exceed \$10 for each person attending an advanced education course of instruction for hunters or trappers. The commissioner shall establish the fee under section 16A.128. Fees collected under

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this section must be deposited in the state treasury and credited to the game and fish fund.

Sec. 223. Minnesota Statutes 1984, section 98.45, is amended by adding a subdivision to read:

Subd. 9. Resident parents, legal guardians, or other resident adults may take fish by angling without procuring a license during the first Saturday and Sunday next following the opening weekend of the angling season beginning in 1986 only when in the presence of their child or ward or another child who is under the age of 16 years. The commissioner shall take actions feasible to publicize this second weekend of the angling season as "Take a Kid Fishing Weekend."

Sec. 224. Minnesota Statutes 1984, section 98.46, subdivision 2, is amended to read:

Subd. 2. Fees for the following licenses, to be issued to residents only, shall be:

- (1) to take small game, \$7;
- (2) to take deer with firearms, \$15;
- (3) to take deer with bow and arrow, \$15;
- (4) to take fish by angling, \$6.50;
- (5) combination husband and wife, to take fish by angling, \$10.50;
- (6) to take moose, ~~\$140~~ \$200 for an individual or for a party of not to exceed four persons;
- (7) to take bear only, ~~\$15~~ \$25;
- (8) to take turkeys, \$10, in addition to a small game license.

Sec. 225. Minnesota Statutes 1984, section 98.46, subdivision 14, is amended to read:

Subd. 14. Fees for the following licenses, to be issued to nonresidents, shall be:

- (1) to take small game and unprotected quadrupeds with firearms and bow and arrows, ~~\$35~~ \$46;
- (2) to take deer and unprotected quadrupeds with firearms, ~~\$75~~ \$100;
- (3) to take deer and unprotected quadrupeds with a bow and arrows only, ~~\$75~~ \$100;
- (4) to take bear, ~~\$100~~ \$150;

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(5) to take turkeys, \$30, in addition to a small game license;

(6) to hunt raccoon, bobcat, fox, coyote, or Canada lynx, with or without dogs, \$100, in addition to nonresident small game license.

Sec. 226. Minnesota Statutes 1984, section 98.46, subdivision 15, is amended to read:

Subd. 15. Fees for the following licenses, to be issued to nonresidents, shall be:

(1) to take fish by angling, ~~\$15~~ \$16;

(2) a short term individual license to take fish by angling for seven consecutive days, ~~\$10.50~~ \$13;

(3) a short term individual license to take fish by angling for ~~one day~~ three days, ~~\$5~~ \$10;

(4) combination ~~husband and wife~~ family, to take fish by angling, ~~\$20~~ \$27.50;

(5) for any fish house used during the winter fishing season, \$15. A fish house licensed pursuant to this subdivision shall be identified as prescribed in subdivision 5. The house shall be collapsible and portable, and shall at no time be left unattended while on the ice. The provisions of section 101.42 not inconsistent herewith shall also apply to fish houses licensed pursuant to this subdivision.

Sec. 227. Minnesota Statutes 1984, section 100.271, subdivision 2, is amended to read:

Subd. 2. Application shall be on a form provided by the commissioner. The commissioner shall charge a fee of \$3 for each person who makes application for a turkey license and \$1 for each person who makes application for a moose license.

Sec. 228. Minnesota Statutes 1984, section 105.42, is amended by adding a subdivision to read:

Subd. 4. Where prescribed in an approved storm water management plan under section 473.879, the commissioner shall issue permits to establish control elevations for landlocked lakes up to three feet below the ordinary high water level for the lake, if the commissioner finds that the control is necessary to prevent flooding of homesteads and that no other reasonable or cost-effective alternative is available.

Sec. 229. Minnesota Statutes 1984, section 115.03, is amended by adding a subdivision to read:

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

Subd. 5a. **PUBLIC NOTICE FOR NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM PERMIT APPLICATION.** The director must give public notice of a completed national pollutant discharge elimination system permit application for new municipal discharges in the official county newspaper of the county where the discharge is proposed.

Sec. 230. Minnesota Statutes 1984, section 115A.904, is amended to read:

115A.904 LAND DISPOSAL PROHIBITED.

The disposal of waste tires in the land is prohibited after July 1, ~~1985~~ 1986. This does not prohibit the storage of unprocessed waste tires at a collection or processing facility.

Sec. 231. Minnesota Statutes 1984, section 115A.908, subdivision 2, is amended to read:

Subd. 2. **DEPOSIT OF REVENUE.** Revenue collected shall be credited to ~~the general~~ a motor vehicle transfer fund.

Sec. 232. Minnesota Statutes 1984, section 115A.914, subdivision 1, is amended to read:

Subdivision 1. **AGENCY RULES.** The agency shall adopt rules for administration of waste tire collector and processor permits, waste tire nuisance abatement, and waste tire collection. Until December 31, 1985, the agency may adopt emergency rules for these purposes.

Sec. 233. Minnesota Statutes 1984, section 116.07, subdivision 4d, is amended to read:

Subd. 4d. **PERMIT FEES.** The agency may collect permit fees in amounts not greater than those necessary to cover the reasonable costs of reviewing and acting upon applications for agency permits and implementing and enforcing the conditions of the permits pursuant to agency rules. Permit fees shall not include the costs of litigation. The agency shall adopt rules under section 16A.128 establishing the amounts and methods of collection of any permit fees collected under this subdivision. Any money collected under this subdivision shall be deposited in the general special revenue fund.

Sec. 234. Minnesota Statutes 1984, section 116.12, subdivision 1, is amended to read:

Subdivision 1. **FEE SCHEDULES.** The agency shall establish the fees provided in subdivisions 2 and 3 in the manner provided in section 16A.128 to cover the amount appropriated from the general special revenue fund to the agency ~~for that year~~ for permitting, monitoring, inspection and enforcement expenses of the hazardous waste activities of the agency.

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The legislature may appropriate additional amounts from the general fund that need not be covered by fees or may provide that the fees shall cover only a portion of the general fund appropriation for the hazardous waste activities of the agency, in order to assure adequate funding for the regulatory and enforcement functions of the agency related to hazardous waste. All fees collected by the agency under this section shall be deposited in the general special revenue fund.

Sec. 235. **[116.46] DEFINITIONS.**

Subdivision 1. SCOPE. As used in sections 236 to 239, the terms defined in this section have the meanings given them.

Subd. 2. AGENCY. "Agency" means the pollution control agency.

Subd. 3. OPERATOR. "Operator" means a person in control of, or having responsibility for, the daily operation of an underground storage tank.

Subd. 4. OWNER. "Owner" means a person who owns an underground storage tank and a person who owned it immediately before discontinuation of its use.

Subd. 5. PERSON. "Person" has the meaning given it in section 116.06, subdivision 8.

Subd. 6. REGULATED SUBSTANCE. "Regulated substance" means:

(1) a hazardous material listed in Code of Federal Regulations, title 49, section 172.101; or

(2) petroleum, including crude oil or a fraction of crude oil that is liquid at a temperature of 60 degrees Fahrenheit and pressure of 14.7 pounds per square inch absolute.

Subd. 7. RELEASE. "Release" means a spilling, leaking, emitting, discharging, escaping, leaching, or disposing from an underground storage tank into the environment. Release does not include designed venting consistent with the agency's air quality rules.

Subd. 8. UNDERGROUND STORAGE TANK. "Underground storage tank" means any one or a combination of containers including tanks, vessels, enclosures, or structures and underground appurtenances connected to them, that is used to contain or dispense an accumulation of regulated substances and the volume of which, including the volume of the underground pipes connected to them, is ten percent or more beneath the surface of the ground.

Sec. 236. **[116.47] EXEMPTIONS.**

Sections 237 and 238 do not apply to:

(1) farm or residential tanks of 1,100 gallons or less capacity used for storing motor fuel for noncommercial purposes; tanks of 1,100 gallons or less

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capacity used for storing heating oil for consumptive use on the premises where stored;

(2) pipeline facilities, including gathering lines, regulated under the Natural Gas Pipeline Safety Act of 1968, United States Code, title 49, chapter 24, or the Hazardous Liquid Pipeline Safety Act of 1979, United States Code, title 49, chapter 29;

(3) surface impoundments, pits, ponds, or lagoons;

(4) storm water or waste water collection systems;

(5) flow-through process tanks;

(6) tanks located in an underground area, including basements, cellars, mineworkings, drifts, shafts, or tunnels, if the storage tank is located upon or above the surface of the floor; or

(7) septic tanks.

Sec. 237. [116.48] NOTIFICATION REQUIREMENTS.

Subdivision 1. TANK STATUS. An owner of an underground storage tank must notify the agency by June 1, 1986, or within 30 days after installation, whichever is later, of the tank's existence and specify the age, size, type, location, uses, and contents of the tank on forms prescribed by the agency.

Subd. 2. ABANDONED TANKS. An owner of an underground storage tank permanently taken out of service on or after January 1, 1974, must notify the agency by June 1, 1986, of the existence of the tank and specify or estimate to the best of the owner's knowledge on forms prescribed by the agency, the date the tank was taken out of service, the age, size, type, and location of the tank, and the type and quantity of substance remaining in the tank.

Subd. 3. CHANGE IN STATUS. An owner must notify the agency within 30 days of a permanent removal from service or a change in the reported uses, contents, or ownership of the underground storage tank.

Subd. 4. DEPOSIT INFORMATION. Beginning January 1, 1986, and until July 1, 1987, a person who deposits regulated substances in an underground storage tank must inform the owner or operator in writing of the notification requirement of this section.

Subd. 5. SELLER'S RESPONSIBILITY. A person who sells a tank intended to be used as an underground storage tank or property that the seller knows contains an underground storage tank must inform the purchaser in writing of the owner's notification requirements of this section.

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

Sec. 238. [116.49] ENVIRONMENTAL PROTECTION REQUIREMENTS.

Subdivision 1. RULES. The agency must adopt rules applicable to all owners and operators of underground storage tanks. The rules must establish the safeguards necessary to protect human health and the environment. The agency may delay adopting the rules until the United States Environmental Protection Agency proposes regulations for regulated substances, as defined in section 235, subdivision 6, clause (1). The agency shall delay adopting the rules for regulated substances, as defined in section 235, subdivision 6, clause (2), until the United States Environmental Protection Agency publishes final regulations for underground storage tanks, or February 8, 1987, whichever is earlier.

Subd. 2. INTERIM STANDARDS. Until the rules required by subdivision 1 become effective, a person may not install an underground storage tank unless the tank:

(1) is installed according to requirements of the American Petroleum Institute Bulletin 1615 (November 1979) and all manufacturer's recommendations;

(2) is cathodically protected against corrosion, constructed of noncorrosive material, steel clad with a noncorrosive material, or designed in a manner to prevent the release of any stored substance; and

(3) is constructed to be compatible with the substance to be stored.

Sec. 239. [116.50] PREEMPTION.

Sections 235 to 238 preempt conflicting local and municipal rules or ordinances requiring notification or establishing environmental protection requirements for underground storage tanks.

Sec. 240. Minnesota Statutes 1984, section 116C.69, subdivision 3, is amended to read:

Subd. 3. FUNDING; ASSESSMENT. The board shall finance its base line studies, general environmental studies, development of criteria, inventory preparation, monitoring of conditions placed on site certificates and construction permits, and all other work, other than specific site and route designation, from an assessment made quarterly, at least 30 days before the start of each quarter, by the board against all utilities. The assessment shall also include an amount sufficient to cover 60 percent of the costs to the pollution control agency of developing the acid deposition control plan required by sections 116.42 to 116.45; this amount shall be certified to the board by the executive director of the pollution control agency. Each share shall be determined as follows: (1) the ratio that the annual retail kilowatt-hour sales in the state of each utility bears to the annual total retail kilowatt-hour sales in the state of all such utilities, multiplied by 0.667, plus (2) the ratio that the annual gross revenue from retail kilowatt-hour sales in the state of each utility bears to the annual total gross revenues from retail kilowatt-hour sales in the state of all such utilities, multiplied

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by 0.333, as determined by the board. The assessment shall be credited to the general special revenue fund and shall be paid to the state treasury within 30 days after receipt of the bill, which shall constitute notice of said assessment and demand of payment thereof. The total amount which may be assessed to the several utilities under authority of this subdivision shall not exceed the sum of the annual budget of the board for carrying out the purposes of this subdivision plus 60 percent of the annual budget of the pollution control agency for developing the plan required by sections 116.42 to 116.45. The assessment for the second quarter of each fiscal year shall be adjusted to compensate for the amount by which actual expenditures by the board and the pollution control agency for the preceding fiscal year were more or less than the estimated expenditures previously assessed.

Sec. 241. Minnesota Statutes 1984, section 116C.71, is amended by adding a subdivision to read:

Subd. 14a. COUNCIL. "Council" means the governor's nuclear waste council.

Sec. 242. **[116C.711] NUCLEAR WASTE COUNCIL.**

Subdivision 1. ESTABLISHMENT. The governor's nuclear waste council is established.

Subd. 2. MEMBERSHIP. The council shall have at least 9 members, consisting of:

(1) the commissioners of health, transportation, and natural resources, and the director of the pollution control agency;

(2) four citizen members appointed by the governor;

(3) the director of the Minnesota geological survey;

(4) one additional citizen from each potentially impacted area may be appointed by the governor if potentially impacted areas are designated in Minnesota; and

(5) one Indian who is an enrolled member of a federally recognized Minnesota Indian tribe or band may be appointed by the governor if potentially impacted areas are designated in Minnesota and if those areas include Indian country as defined in United States Code, title 18, section 11.54.

At least two members of the council must have expertise in the earth sciences.

Subd. 3. CHAIRPERSON. A chairperson shall be appointed by the governor from the members of the council.

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Subd. 4. ADVISORY TASK FORCE. The council may create advisory task forces under section 15.014, as are necessary to carry out its responsibilities under chapter 116C.

Subd. 5. MEMBERSHIP REGULATION. Section 15.059 governs terms, compensation, removal, and filling of vacancies of members appointed by the governor. Section 15.059, subdivision 5, does not govern the expiration date of the council.

Sec. 243. **[116C.712] POWERS AND DUTIES.**

Subdivision 1. DUTY. The council's duty is to monitor the federal high-level radioactive waste disposal program under the Nuclear Waste Policy Act, Public Law Number 97-425 and advise the governor and the legislature on all policy issues relating to the federal high-level radioactive waste disposal program.

Subd. 2. EXPIRATION DATE. The council terminates when the department of energy eliminates Minnesota from further siting consideration for disposal of high-level radioactive waste.

Subd. 3. COUNCIL STAFF. Staff support for council activities must be provided by the state planning agency. State departments and agencies must cooperate with the council in the performance of its duties. Upon the request of the chairperson of the council, the governor may, by order, require a state department or agency to furnish assistance necessary to carry out the council's functions under chapter 116C.

Subd. 4. FEDERAL AND OTHER FUNDS. The chairperson of the council may apply for, receive, and expend money made available from federal sources or other sources for the purpose of carrying out the council's responsibilities under chapter 116C.

Sec. 244. Minnesota Statutes 1984, section 116C.723, is amended to read:

116C.723. DISPOSAL STUDIES CONSULTATION AND COOPERATION AGREEMENT.

Subdivision 1. REQUIREMENT. Upon notice from the department of energy that Minnesota contains a potentially impacted area, the chairperson of the council shall negotiate a consultation and cooperation agreement with the federal government.

Subd. 2. DISPOSAL STUDIES. Unless the state has executed a consultation and cooperation agreement, a person may not make a study or test of a specific area or site related to disposal including an exploratory drilling, a land survey, an aerial mapping, a field mapping, a waste suitability study, or other surface or subsurface geologic, hydrologic, or environmental testing or mapping.

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

Sec. 245. Minnesota Statutes 1984, section 116C.724, is amended to read:

**116C.724 CONSULTATION AND COOPERATION AGREEMENT
FIELD INVESTIGATIONS, TESTS, AND STUDIES.**

Subdivision 1. REQUIREMENT. Upon notice from the department of energy that Minnesota contains a potentially impacted area, the board shall negotiate a consultation and cooperation agreement with the federal government.

Subd. 2. CONDITIONS DRILLING. (a) The consultation and cooperation agreement shall include but not be limited to the conditions specified in this subdivision.

(b) A permit shall be required obtained from the environmental quality board, in accordance with chapter 14, for all any geologic and hydrologic drilling related to disposal. Conditions of obtaining and retaining the permit shall require must be specified by rule and must include:

(1) compliance with state drilling and drill hole restoration regulations as an exploratory boring under chapter 156A;

(2) proof that access to the test site has been obtained by a negotiated agreement or other legal process;

(3) payment by the permittee to pay of a fee covering the costs of processing and monitoring drilling activities;

(4) unrestricted access by the commissioner of health, the commissioner of natural resources, the director of the pollution control agency, the director of the Minnesota geological survey, the county health officer, and their employees and agents to the drilling sites to inspect and monitor the drill holes, drilling operations, and abandoned sites, and to sample air and water that may be affected by drilling;

(5) submission of splits or portions of a core sample, requested by the commissioner of natural resources or director of the Minnesota geological survey, except that the commissioner or director may accept certified data on the sample in lieu of a sample if certain samples are required in their entirety by the permittee; and

(6) that a sample submitted may become property of the state.

(e) Subd. 3. OTHER REQUIREMENTS. (a) A person who conducts geologic, hydrologic, or geophysical testing or studies shall provide unrestricted access to both raw and interpretive data to the chairman and the director of the Minnesota geological survey or their designated representatives. The raw and interpretive data includes core samples, well logs, water samples and chemical analyses, survey charts and graphs, and predecisional reports. Studies and data shall be made available within 90 30 days of a formal request by the chairman.

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(d) (b) A person proposing to investigate shall hold at least one public meeting before a required permit is issued, and during the investigation at least once every ~~six~~ three months, during the investigation within the potentially impacted area. The meetings shall provide the public with current information on the progress of the investigation. The person investigating shall respond in writing to the environmental quality board about concerns and issues raised at the public meetings.

(e) (c) Before a person engages in negotiations regarding property interests in land or water, or permitting activities, the person shall notify the chairman in writing. Copies of terms and agreements shall also be provided to the chairman.

Sec. 246. Minnesota Statutes 1984, section 116J.36, subdivision 6, as amended by Laws 1985, chapter 289, section 8, is amended to read:

Subd. 6. **LOANS, DISTRICT HEATING AND QUALIFIED ENERGY IMPROVEMENTS.** Upon the recommendation of the authority pursuant to subdivision 8, the commissioner of finance shall make loans to municipalities on the following terms:

(a) In the case of loans for design costs, the maximum amount of the loan shall be limited by the provisions of this clause. For cities of the first class and counties containing a city of the first class, individually or through the exercise of joint powers agreements, the amount of the loan shall not exceed 40 percent of the design costs. For counties containing one city of the first class not exceeding 100,000 inhabitants, the amount of the loan for that portion of the county excluding the city of the first class shall not exceed ~~80~~ 90 percent of the design costs. For cities of the second, third and fourth class, and other municipalities, the amount of the loan shall not exceed 90 percent of the design costs;

(b) In the case for loans for construction costs, a municipality must demonstrate that all design activities have been completed; that the project or improvement is economically and technologically feasible; that the district heating system or qualified energy improvement will be constructed, and that it has made adequate provisions to assure proper and efficient operation and maintenance of the project or improvement. For cities of the first class and counties containing a city of the first class, individually or through the exercise of joint powers agreements, the amount of the loan shall be up to 50 percent of the construction costs. For counties containing one city of the first class not exceeding 100,000 inhabitants, the amount of the loan for that portion of the county excluding the city of the first class shall not exceed ~~80~~ 90 percent of the construction costs. For cities of the second class, the amount of the loan shall be up to 80 percent of the construction costs. For cities of the third or fourth class, and other municipalities, the amount of the loan shall be up to 90 percent of the construction costs.

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(c) A loan made pursuant to this section is repayable over a period of not more than 20 years from the date the loan is made. Interest shall accrue from the date of the loan at a rate of interest assigned at the date of loan commitment, but the first payment of interest shall not be due until one year after the loan was made. Principal payments shall begin not more than five years after receipt of the loan on a level payment schedule. The loan may be amortized in accordance with repayment schedules not exceeding 25 years in length. Any outstanding balance of the principal at the end of the repayment period must be repaid along with the final scheduled payment. Interest attributable to the first year of deferred payment shall be amortized in equal periodic payments over the remainder of the term of the loan. For each loan, the initial deposit to the state bond fund required by section 16A.65, subdivision 1, shall be made by the commissioner of finance, and no loan may be refused solely because the municipality does not provide the initial deposit.

(d) The authority may also pledge a segregated portion of the energy development fund to guarantee or insure bonds and notes, or the interest rate thereon, issued by the commissioner of finance on behalf of the state of Minnesota for purposes of section 116J.36 or 116J.37.

Sec. 247. Minnesota Statutes 1984, section 116J.76, is amended to read:

116J.76 GENERAL FUNCTIONS; POWERS AND DUTIES.

The bureau, by and through the director or his duly authorized employees, shall have the following functions, powers, and duties:

(a) Providing comprehensive information on licenses required for business undertakings, projects, and activities in the state and making the information available to applicants and other persons;

(b) Providing interested persons with an opinion as to the number, kind, and source of required licenses and potential difficulties in obtaining the licenses, based on a review of a potential applicant's business concept at an early stage in its planning;

(c) Developing with the assistance of other departments a master application procedure to expedite the identification and processing of these licenses;

(d) Facilitating or recommending consolidation of hearings required pursuant to licensing applications when feasible and advantageous;

(e) Encouraging and facilitating the participation of federal and local government agencies in licensing coordination;

(f) Making recommendations for eliminating, consolidating, simplifying, expediting, or otherwise improving licensing procedures affecting business undertakings; and

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(g) Serving as an advocate for small business license applicants with state, federal, and local agencies in the process of applying for licenses and complying with licensing standards and requirements; and

(h) Adopting rules, procedures, instructions, and forms as are required to carry out the functions, powers, and duties imposed upon the bureau by sections 116J.73 to 116J.86.

Sec. 248. **[116J.94] COUNCIL ON BIOTECHNOLOGY.**

Subdivision 1. MEMBERSHIP. The council on biotechnology consists of 15 voting members appointed by the commissioner of energy and economic development as follows: six members representing public and private post-secondary education, seven members of the business or financial community, and two members representing state agencies.

Subd. 2. TERMS, COMPENSATION, EXPIRATION. Terms, compensation, and removal of members and expiration of the council are governed by section 15.059.

Subd. 3. STAFF. The council shall hire an executive director in the unclassified service. The commissioner of energy and economic development shall provide the council with administrative staff and other administrative support.

Subd. 4. DUTIES. (a) The council shall develop a strategic plan to facilitate economic expansion in the state by encouraging biotechnology-related developments. The plan must include recommendations for legislation required to encourage biotechnology-related development and must be submitted to the legislature by December 1, 1986.

(b) The council shall advise the governor, legislature, other governmental units, and institutions of higher education on matters relating to biotechnology that may affect the state and its citizens.

(c) The council shall develop a long-range biotechnology strategy for the state.

(d) The council shall recommend activities needed to promote economic development through biotechnology, including the needs of higher education and business.

(e) The council shall facilitate the interaction and information exchange on biotechnology among the business and financial communities and the state's higher education institutions.

(f) The council may accept gifts and grants in furtherance of its duties.

Sec. 249. Minnesota Statutes 1984, section 116M.03, subdivision 17, is amended to read:

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Subd. 17. **FUNDS.** "Funds" means the group of funds controlled by the authority, including the economic development fund created by section 116M.06, subdivision 4, the energy loan insurance fund account created by section 116M.11, and the energy development fund account created by section 116M.12, and other accounts created to reflect the money deposited in the state treasury and under the control of the authority.

Sec. 250. Minnesota Statutes 1984, section 116M.03, is amended by adding a subdivision to read:

Subd. 27. COST EFFECTIVE. Except for qualified energy projects for conservation of energy, "cost effective" means that the present value of a project's benefits exceeds the present value of its costs over the life of the project. Only the costs and benefits that can be quantified in dollars may be included in determining whether a project is cost-effective. The discount rate used in determining present value must include the time value and incremental carrying cost of money. For qualified energy projects for conservation of energy, a project is cost-effective when it has a payback period of ten years or less and the payback period is less than the useful life of the project.

Sec. 251. Minnesota Statutes 1984, section 116M.04, subdivision 8a, is amended to read:

Subd. 8a. The energy and economic development authority shall be named as an assignee of the rights of a state funded community development corporation on any loan or other evidence of debt provided by a community development corporation to a private enterprise. The assignment of rights shall provide that it will be effective upon the dormancy or cessation of existence of the community development corporation. "Dormancy" for the purpose of this section means the continuation of the corporation in name only without any functioning officers or activities. Upon the cessation of the activities of a state funded community development corporation, any assigned moneys paid to the energy and economic development authority shall be deposited into the ~~community development corporation~~ economic development fund to be used for the purposes as set out in chapter 116M.

Sec. 252. Minnesota Statutes 1984, section 116M.04, subdivision 9, is amended to read:

Subd. 9. Factors considered by the authority in approving a grant to a community development corporation should include the creation of employment opportunities, the maximization of profit and the effect on securing funds money from sources other than the state.

Sec. 253. Minnesota Statutes 1984, section 116M.05, subdivision 8, is amended to read:

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Subd. 8. **REVOLVING FUND ACCOUNT.** The certified state development company may charge a one time processing fee up to the maximum allowed by the small business administration on a debenture issued for loan purposes. In addition, a fee for servicing loans may be imposed up to the maximum allowed by the small business administration based on the unpaid balance of each debenture. There is created in the state treasury a dedicated account in the economic development fund to receive these fees and into which these fees shall be deposited. Moneys in the dedicated ~~fund~~ account are appropriated to the energy and economic development authority to pay the costs of administration of the program, compensate members of the board of directors pursuant to section 15.0575, subdivision 3, and to create and operate a pool of funds money for investment in projects which further the purposes of this section.

Sec. 254. Minnesota Statutes 1984, section 116M.06, subdivision 2, is amended to read:

Subd. 2. **USE OF FUNDS.** The authority may use the energy loan insurance ~~fund~~ account as provided in section 116M.11. The authority may use the economic development fund in connection with small business loans, pollution control loans, and farm loans to provide financial assistance to eligible small businesses; it may use the economic development fund in connection with business loans when the loans are made as a part of the special assistance program under section 116M.07, subdivision 11; and the authority may use the energy development ~~fund~~ account in connection with energy loans to provide financial assistance to businesses; as follows:

(a) to provide loan guarantees or insurance, in whole or in part, to businesses in connection with business loans, small business loans, energy loans, farm loans, or pollution control loans;

(b) to provide direct loans to businesses in connection with business loans, small business loans, energy loans, farm loans, or pollution control loans;

(c) to participate in other investment programs as appropriate under the terms of this chapter and chapters 472 and 474;

(d) to purchase loan packages made to businesses by financial institutions in the state in connection with business loans, small business loans, energy loans, farm loans, or pollution control loans;

(e) to enter into or to pay fees on insurance contracts, letters of credit, municipal bond insurance, surety bonds, or similar obligations and other agreements or contracts with financial institutions or providers of similar services;

(f) to guarantee or insure bonds and notes issued by the authority, in whole or in part;

(g) to make interest subsidy payments on behalf of eligible small businesses to be applied to the payment of interest on bonds or notes of the authority equal

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to the difference in interest payable on loans and the interest payable on bonds or notes of the authority where the proceeds of these bonds or notes are used to make or participate in making these loans;

(h) for any legal purpose or program of the authority, including without limitation the payment of the cost of issuing authority bonds and notes and authority administrative costs and expenses, but not for personnel costs of positions in the approved complement of the department or the authority.

In addition, the authority may use the economic development fund to purchase, lease, or license technology-related products for education or training or to participate in programs where technology-related products are purchased, leased, or licensed.

The authority may create separate accounts within any of the funds for use in accordance with the separate purposes listed in this section and may irrevocably pledge and allocate moneys on deposit in any of the funds to the accounts for the purposes. The authority may make contracts with note and bond holders, trustees for them, financial institutions, or other persons interested in the disposition of moneys in the funds or their accounts with respect to the conditions upon which money in any fund or its accounts is to be held, invested, applied, and disposed of and the use of the fund and its accounts and the termination of accounts. The authority may determine to leverage amounts in accounts to be used to guarantee or insure bonds and notes of the authority or loans to businesses and may covenant as to the rate of leveraging with holders of the authority's bonds and notes or any trustee for them, financial institutions, or other persons. Money in the funds and their accounts shall, consistent with contracts with holders of the authority's bonds and notes or any trustee for them, financial institutions, or other interested persons, be invested in accordance with section 116M.08, subdivision 15, and the investment income from them, absent contractual provisions to the contrary, shall be added to and retained in the funds or their accounts if provided by the authority. The repayments to the authority of any direct loans made by the authority from money in the funds or their accounts shall be paid by the authority into the particular fund that was used in conjunction with the loan being repaid, or, as provided by the authority, into ~~an~~ another account. The authority may collect fees, initially or from time to time, or both, with respect to any direct loan it extends or any insurance or guarantee it grants. The authority may enter into contracts and security instruments with businesses, with bond and note holders or any trustee for them, or financial institutions or other persons to provide for and secure the repayment to the authority of money provided by the authority from the funds or their accounts for direct loans or which have been paid by the authority from ~~the~~ a fund or ~~accounts~~ account pursuant to an authority guarantee or insurance.

The state covenants with all holders of the authority's bonds and notes, financial institutions, and other persons interested in the disposition of money in

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the funds or their accounts, which money the authority has irrevocably pledged and allocated for any authorized purpose described in this subdivision, that the state will not take any action to limit the effect of the pledge and allocation and will not take any action to limit the effect of contracts entered into as authorized in this subdivision with respect to the pledge and allocation and will not limit or alter the rights vested in the authority or the state to administer the application of money pursuant to the pledge and allocation and to perform its obligations under the contracts. The authority may include and recite this covenant of the state in any of its bonds or notes benefitting from the pledge and allocation or contracts or related documents or resolutions.

Sec. 255. Minnesota Statutes 1984, section 116M.06, subdivision 5, is amended to read:

Subd. 5. **WASTE TIRE RECYCLING ACCOUNT.** There is created within the economic development fund a waste tire recycling account. Money in the account is appropriated to the authority for the purpose of making waste tire recycling loans and grants.

Sec. 256. Minnesota Statutes 1984, section 116M.07, subdivision 2, is amended to read:

Subd. 2. **LOANS; LIMITATIONS.** The authority may make or purchase or participate with financial institutions in making or purchasing small business loans not exceeding \$1,000,000 in principal amount with respect to small business loans made or purchased by the authority and not exceeding \$1,000,000 principal amount with respect to the authority's share thereof when the authority participates in making or purchasing small business loans.

With respect to loans that the authority makes or purchases or participates with, the authority may determine or provide for their servicing, the percentage of authority participation, if any, the times the loans or participations shall be payable and the amounts of payment, their amount and interest rates, their security, if any, and other terms, conditions, and provisions necessary or convenient in connection with them and may enter into all necessary contracts and security instruments in connection with them. The authority shall obtain the best available security for all loans. The authority may provide for or require the insurance or guaranteeing of the loans or authority participations in whole or in part by the federal government or a department, agency, or instrumentality of it, by an appropriate account created with respect to the economic development fund in connection with business loans, small business loans, pollution control loans, and farm loans, and with respect to the energy development ~~fund~~ account in connection with energy loans, or by a private insurer. In connection with making or purchasing business loans or participations in them, the authority may enter into commitments to purchase or participate with financial institutions or other persons upon the terms, conditions, and provisions determined by it. Loans or participations may be serviced by financial institutions or other persons

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designated by the authority. The dollar limitations contained in this subdivision do not apply to energy loans and loans insured under sections 116M.11 and 116M.12.

Sec. 257. Minnesota Statutes 1984, section 116M.07, subdivision 4, is amended to read:

Subd. 4. **DIRECT FARM LOANS; LIMITATIONS.** The authority may make farm loans not exceeding \$100,000 in principal amount, at interest rates and subject to terms determined by the authority, provided that each loan shall be made only from the proceeds of a bond or note payable in whole or part from the repayments of principal and interest on the loan. The loans may also be guaranteed or insured by money on deposit in the economic development fund or any special account of it, and may be secured by reserve funds accounts and other collateral and available money as determined by the authority. The authority may enter into all necessary contracts and security instruments in connection with them. The limitation on loan amounts in this subdivision does not apply to any other loan authorized under the Minnesota Energy and Economic Development Authority Act.

Sec. 258. Minnesota Statutes 1984, section 116M.07, subdivision 8, is amended to read:

Subd. 8. **POLLUTION CONTROL LOANS.** The authority may make or purchase or participate in making or purchasing pollution control loans in any amount, which may be secured in whole or part by the guarantee or insurance of the federal government or any federal department, agency, or instrumentality, by a private insurer, from guarantees or insurance provided by the economic development fund or any special account of it, by reserves, moneys, funds, or other collateral required by the authority or any combination of the foregoing. To the extent consistent with this subdivision, the authority may make or purchase or participate in the making or purchasing of pollution control loans in the manner provided in subdivision 2 or 4 with respect to business loans.

Sec. 259. Minnesota Statutes 1984, section 116M.07, subdivision 9, is amended to read:

Subd. 9. **HAZARDOUS WASTE PROCESSING FACILITY LOANS.** The authority may make, purchase, or participate in making or purchasing hazardous waste processing facility loans in any amount, and may enter into commitments therefor. A private person proposing to develop and operate a hazardous waste processing facility is eligible to apply for a loan under this subdivision. Applications must be made to the authority. The authority shall forward the applications to the waste management board for review pursuant to section 115A.162. If the waste management board does not certify the application, the authority may not approve the application nor make the loan. If the waste management board certifies the application, the authority shall approve the

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application and make the loan if ~~funds are~~ money is available for it and if the authority finds that:

- (1) development and operation of the facility as proposed by the applicant is economically feasible;
- (2) there is a reasonable expectation that the principal and interest on the loan will be fully repaid; and
- (3) the facility is unlikely to be developed and operated without a loan from the authority.

The authority and the waste management board shall establish coordinated procedures for loan application, certification, and approval.

The authority may use the economic development fund to provide financial assistance to any person whose hazardous waste processing facility loan application has been certified by the waste management board and approved by the authority, and for this purpose may exercise the powers granted in section 116M.06, subdivision 2, with respect to any loans made or bonds issued under this subdivision regardless of whether the applicant is an eligible small business.

The authority may issue bonds and notes in the aggregate principal amount of \$10,000,000 for the purpose of making, purchasing, or participating in making or purchasing hazardous waste processing facility loans. This amount is in addition to any other authority to issue bonds and notes under this chapter.

The authority may adopt emergency rules under sections 14.29 to 14.36 to implement the loan program under this subdivision. Emergency rules adopted by the authority remain in effect for 360 days or until permanent rules are adopted, whichever occurs first.

Sec. 260. Minnesota Statutes 1984, section 116M.07, subdivision 11, is amended to read:

Subd. 11. **SPECIAL ASSISTANCE PROGRAM.** (a) The authority may operate a special assistance program and may designate certain businesses as being in need of special assistance. In connection with the special assistance program the authority may borrow money and may issue negotiable bonds and notes in accordance with section 116M.08, subdivisions 11 and 12. Notwithstanding any provision to the contrary in section 116M.08, subdivision 11, the aggregate principal amount of the authority's bonds and notes outstanding at any one time and issued in connection with the special assistance program, excluding the amount satisfied and discharged by payment and deducting amounts held in debt service reserve funds accounts and amounts used to make loans guaranteed or insured by the federal government or a department, agency, or instrumentality of the federal government or by a private insurer or guarantor authorized to do business in the state of Minnesota and acceptable to the authority, shall not exceed \$10,000,000.

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(b) No business shall be eligible to receive special assistance unless the authority has first passed a resolution designating the business as being in need of special assistance. The resolution shall include findings that the designation and receipt of the special assistance will be of exceptional benefit to the state of Minnesota in that at least three of the following criteria are met:

(1) in order to expand or remain in Minnesota, the business has demonstrated that it is unable to obtain suitable financing from other sources;

(2) special assistance will enable a business not currently located in Minnesota to locate a facility within Minnesota which directly increases the number of jobs within the state;

(3) the business will create or retain significant numbers of jobs within a community in Minnesota;

(4) the business has a significant potential for growth in jobs or economic activities within Minnesota within the ensuing five-year period; and

(5) the business will maintain a significant level of productivity within Minnesota within the ensuing five-year period.

(c) Special assistance may include:

(1) a business loan;

(2) a small business loan; or

(3) use of moneys in the economic development fund to provide financial assistance to businesses in accordance with section 116M.06, subdivision 2, except that section 116M.06, subdivision 2, clause (g), shall apply only to eligible small businesses.

Sec. 261. Minnesota Statutes 1984, section 116M.07, subdivision 13, is amended to read:

Subd. 13. **LOANS TO LENDERS OF FARM LOANS.** The authority may make to financial institutions loans-to-lenders to provide funds money to lenders to make or participate in making, or to reimburse lenders for having made or participating in having made, farm loans of a nature and for purposes as may be approved by the authority. In connection with a loan to a lender, the authority may adopt a plan for the various loan-to-lender programs it may determine to pursue. In connection with a loan-to-lender program, in addition to any other powers the authority has, the authority has the following powers:

(a) The authority may limit the type of loan to be included within a loan-to-lender program and may specify the necessary characteristics of loans to be included in the program.

(b) The authority may specify the type of lenders that may participate in a loan-to-lender program.

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(c) The authority may invest in, purchase, participate in the purchase, make commitments for the purchase or participation in the purchase, and take assignments from lenders of loans.

(d) The authority may make loans and commitments for loans-to-lenders.

(e) The authority may require that no loan or interest in a loan purchased from a lender is eligible for purchase or commitment to purchase by the authority unless, at or before the time of transfer of the loan to the authority, the lender certifies that in its judgment the loan would in all respects be a prudent investment at the purchase price paid.

(f) The authority may require, as a condition of a loan to a lender, that the lender invests the proceeds of the loan to a lender in loans of a given type, nature, and purpose and upon the terms and conditions and secured as the authority may require.

(g) The authority may require, as a condition of purchase or commitment to purchase loans or interest in loans, that these loans are made upon the terms and conditions and secured as the authority may require, and that the proceeds of the purchase, or their equivalent, be invested in loans upon the terms and conditions and secured as the authority may require.

(h) In conjunction with the purchase of these loans or interest in these loans from lenders, the authority may require the lender to furnish collateral security in an amount as the authority shall determine to be necessary to assure the payment of these loans and interest in these loans as the loans become due. This collateral security may consist of obligations, mortgages, or security interests satisfactory to the authority.

(i) The authority may require that each loan to a lender is a general obligation of the lender and may be additionally secured as to payment of both principal and interest by a pledge of and lien upon collateral security in an amount and of the types as the authority determines to be necessary to assure the payment of these loans and the interest on these loans as the loans become due and payable.

(j) Subject to any agreement with holders of bonds, the authority may collect, enforce the collection of, and foreclose on any collateral required by (h) and (i) of this subdivision and acquire or take possession of the collateral and sell it at public or private sale, with or without public bidding, and otherwise deal with the collateral as may be necessary to protect the interest of the authority in the collateral.

(k) In addition to the other powers granted by (j), the authority may, with respect to loan purchases and loans-to-lenders, collect and pay reasonable fees and charges and establish the terms and conditions of loan purchases and loans-to-lenders, including, without limitation, terms and conditions as to:

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(1) reinvestment and commitments to reinvest by lenders of the proceeds of loan purchase or loans;

(2) the type, term, interest rate, purchase price, and conditions of loans to be purchased by the authority and of loans to be made by lenders;

(3) the warranties, representations, and services of lenders;

(4) restrictions as to the interest rates of loans or the return realized from loans to protect against the realization by lenders of excessive financial returns or benefits as determined by prevailing market conditions;

(5) consent to the modification of the rate of interest, time of payment of an installment of principal or interest, or other terms of a loan, loan-to-lender, or agreement of any kind to which the authority is a party;

(6) include in a loan or loan-to-lender the amounts necessary to pay financing charges, consultant, advisory, and legal fees, and other expenses, including interest charges, as are necessary or incidental to the loan or loan-to-lender;

(7) make and execute agreements, contracts, and other instruments necessary or convenient in accordance with the provisions of this subdivision, including contracts with any person, firm, public corporation, governmental agency, or other entity; and

(8) other matters related to the purchases of loans and loans-to-lenders deemed necessary by the authority to accomplish the purposes of this subdivision.

(1) The authority may require in the case of a lender that any required collateral is lodged with a bank or trust company, located either within or outside the state, designated by the authority as custodian for the collateral. In the absence of this requirement, the authority may require that each lender enters into an agreement with the authority, that contains provisions as the authority deems necessary to identify, maintain, and service the collateral, and that provides that the lender holds the collateral as trustee for the benefit of the authority and is held accountable as the trustee of an express trust for the application and disposition of the collateral, including the income and proceeds from the collateral, solely for the uses and purposes as provided in the agreement. A copy of the agreement and any revisions or supplements to it, which revisions or supplements may, among other things, add to, delete from, or substitute items of collateral pledged by the agreement, must be filed with the secretary of state to perfect the security interest of the authority in the collateral. No filing, recording, possession, or other action under article 9 of the uniform commercial code, or any other law of this state may be required to perfect the security interest of the authority in the collateral. The security interest of the authority in the collateral is deemed perfected, and the trust for the benefit of the authority so created is binding on and after the time of the filing with the secretary of state

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against all parties having prior unperfected or subsequent security interests or claims of any kind in tort, in contract, or otherwise against the lender. The authority may also establish additional requirements as it deems necessary with respect to the pledging, assigning, setting aside, or holding of collateral and the making of substitutions for the collateral or additions to the collateral and the disposition of income and receipts from the collateral.

Sec. 262. Minnesota Statutes 1984, section 116M.08, subdivision 11, is amended to read:

Subd. 11. It may borrow money to carry out and effectuate its purposes and may issue its negotiable bonds or notes as evidence of any such borrowing in accordance with sections 462A.08 to 462A.13, 462A.16 and 462A.17, all with the force and effect stated and the incidental powers granted and duties imposed in those sections. The bonds and notes may be issued pursuant to a trust indenture that is substantially identical to a resolution pursuant to which the authority issues bonds and notes as provided in sections 462A.08 to 462A.13, 462A.16, and 462A.17, except that the authority may pledge money and securities to a trustee for the security of the holders of bonds and notes. The authority may refund bonds and notes and may guarantee or insure its bonds and notes in whole or in part with money from the funds or an account created by the authority for that purpose. The aggregate principal amount of the authority's bonds and notes outstanding at any one time, excluding the amount satisfied and discharged by payment or provision for payment in accordance with their terms, and deducting amounts held in debt service reserve ~~funds accounts~~ therefor and amounts used to make loans guaranteed or insured by the federal government or a department, an agency or instrumentality of the federal government or by a private insurer or guarantor authorized to do business in the state of Minnesota and acceptable to the authority, shall not exceed \$30,000,000 unless authorized by another law.

Sec. 263. Minnesota Statutes 1984, section 116M.08, subdivision 12, is amended to read:

Subd. 12. It may issue and sell bonds, notes, and other obligations payable solely from particular moneys, assets, or revenues derived from its programs, or any loan, notwithstanding section 462A.08, subdivision 3. Obligations issued to participate in making or purchasing loans shall be payable solely from revenues derived by the authority from repayments of these loans and from enforcement of the security therefor, or from a debt service reserve ~~fund~~ account or ~~funds accounts~~, or from a general reserve ~~fund~~ account or from a segregated portion thereof, or from other ~~funds~~ money or security specifically pledged by the authority, irrevocably pledged and appropriated to pay principal and interest due, for which other ~~funds~~ are money is not available. A general reserve ~~fund~~ account is created and is eligible to receive direct appropriations from the state treasury or a transfer from any of the ~~funds accounts~~ as the authority may provide by resolution. The authority may irrevocably pledge and appropriate all

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or a segregated portion of the general reserve fund account to pay principal and interest due on all or one or more series of its obligations for which other funds are money is not available, pursuant to the terms and conditions that the authority shall determine. Until so pledged and appropriated by the authority the general reserve fund account shall not be available to pay principal and interest on the authority's obligations. The authority may at its option provide by resolution that obligations issued to participate in making or purchasing loans be secured at the time of issuance in whole or in part by a debt service reserve fund account or funds accounts, a portion of the general reserve fund account segregated to secure one or more series of bonds, or the portion of the general reserve fund account not segregated to secure one or more series of bonds. The operation of the debt service reserve fund account or funds accounts or a segregated portion of the general reserve fund account and other relevant terms or provisions shall be determined by resolution or indenture of the authority. Obligations issued to make or purchase loans may be issued pursuant to an indenture of trust or a resolution of the authority. It may pledge to holders of obligations, or to a trustee, repayments from the loans, any security or collateral for them, contract rights with respect to them, and any other funds money or security specifically pledged by the authority for them.

Sec. 264. Minnesota Statutes 1984, section 116M.08, subdivision 14, is amended to read:

Subd. 14. It may establish and collect reasonable interest and amortization payments on loans, and in connection therewith may establish and collect or authorize the collection of reasonable fees and charges or require funds money to be placed in escrow, sufficient to provide for the payment and security of its bonds, notes, commitments and other obligations and for the servicing thereof, to provide reasonable allowances for or insurance against losses which may be incurred and to cover the cost of issuance of obligations and technical, consultative, and project assistance services.

Sec. 265. Minnesota Statutes 1984, section 116M.08, subdivision 15, is amended to read:

Subd. 15. It may cause any funds money not required for immediate disbursement, including the general reserve fund account, to be invested in direct obligations of or obligations guaranteed as to principal and interest by the United States, or in insured savings accounts, up to the amount of the insurance, in any institution the accounts of which are insured by the federal savings and loan insurance corporation or to be deposited in a savings or other account in a bank insured by the federal deposit insurance corporation or to be invested in time certificates of deposit issued by a bank insured by the federal deposit insurance corporation and maturing within one year or less and in the investments described in section 11A.24, subdivision 4, except clause (d) of subdivision 4. It may deposit funds money in excess of the amount insured with security as

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provided in chapter 118. Notwithstanding the foregoing, it may invest and deposit funds money into accounts established pursuant to resolutions or indentures securing its bonds or notes in such investments and deposit accounts or certificates, and with such security, as may be agreed therein with the holders or a trustee for the holders.

Sec. 266. Minnesota Statutes 1984, section 116M.10, subdivision 8, is amended to read:

Subd. 8. **PLANNING AND REPORTS.** (a) The authority shall adopt a plan to use as the basis for its investment decisions.

(b) ~~By the start of the 1984 legislative session, the authority shall have (1) identified various nongovernmental funding sources; (2) provided for the efficient administration of its affairs; (3) solicited public comment on its plans; and (4) prepared recommendations as to appropriate reserve and guarantee fund levels required by sections 116M.09 to 116M.13.~~

(c) The authority shall annually report not later than February 1 to the legislature. The report should contain recommendations for legislation as necessary to better coordinate its activities and the energy activities of state government.

Sec. 267. **[116M.105] ENERGY FUND.**

An energy fund is created in the state treasury under the control of the authority. Money in the fund is appropriated to the authority to accomplish the authority's purposes.

Sec. 268. Minnesota Statutes 1984, section 116M.11, is amended to read:

116M.11 ENERGY LOAN INSURANCE PROGRAM.

Subdivision 1. **ENERGY LOAN INSURANCE FUND ACCOUNT.** An energy loan insurance ~~fund~~ account is created in the energy fund. The fund account shall be used by the authority as a revolving ~~fund~~ account, and all money in the ~~fund~~ account is appropriated to the authority, for carrying out the provisions of this section with respect to loans insured under subdivision 2.

Subd. 2. **INSURANCE OF LOANS.** (a) **AUTHORIZATION.** The authority is authorized, upon application by a financial institution, to insure loans for cost-effective qualified energy projects as provided in this section; and under terms as the authority may prescribe by rule, to make commitments for the insuring of loans prior to the date of their execution or disbursement. In the event the authority shall determine that the energy loan insurance ~~fund~~ account is or will be depleted in connection with the use of the ~~fund~~ account as authorized by the act which has been approved or given preliminary approval by the authority, then the authority may by resolution transfer money from the energy development ~~fund~~ account created pursuant to section 116M.12.

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(b) **ELIGIBILITY REQUIREMENTS.** The authority may by rule establish requirements for energy loans to be eligible for insurance under this section, relating to:

- (1) maximum principal amount, amortization schedule, interest rate, delinquency charges, and other terms;
- (2) the portion of the loan to be insured;
- (3) acceleration and other remedies;
- (4) covenants regarding insurance, repairs, and maintenance of the project;
- (5) conditions regarding subordination of the loan security, if any, of the project to other liens against the property;
- (6) the aggregate principal amount of loans to be insured in relation to the reserves from time to time on hand in the insurance ~~fund~~ account, and priorities as to the loans to be insured; and
- (7) any other matters determined by the authority.

The authority shall by rule establish criteria for analyzing the cost-effectiveness of projects.

(c) **CONCLUSIVE EVIDENCE OF INSURABILITY.** Any contract of insurance executed by the authority under this section shall be conclusive evidence of the eligibility of the loan for insurance, and the validity of any contract of insurance properly executed and in the hands of any approved lender shall not be contestable, except for fraud or misrepresentation on the part of the financial institution.

(d) **PREMIUMS.** The authority is authorized to fix premium charges for the insurance of loans under this section at levels which in its judgment, taking into ~~account~~ consideration other amounts available in the ~~fund~~ account, will be sufficient to cover and maintain a reserve for loan losses.

(e) **PROCEDURES UPON DEFAULT.** The authority may establish procedures to be followed by financial institutions and to be taken by the authority in the event of default upon an energy loan, including:

- (1) time for filing claims;
- (2) rights and interests to be assigned and documents to be furnished by the financial institution;
- (3) principal and interest to be included in the claim; and
- (4) conditions, if any, upon which the authority will pay the entire principal amount in default, after foreclosure and receipt of marketable title to the property.

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

Subd. 3. **INVESTMENT INTEREST.** All interest and profits accruing from investment of the ~~fund's account's~~ money shall be credited to and be a part of the ~~fund account~~, and any loss incurred in the principal of the investments of the ~~fund account~~ shall be borne by the ~~fund account~~.

Subd. 4. **MAXIMUM AUTHORIZED INSURANCE.** The authority may not at any time issue insurance under this section aggregating in excess of an amount equal to the current balance contained in the ~~fund account~~ multiplied by ten.

Sec. 269. Minnesota Statutes 1984, section 116M.12, subdivision 3, is amended to read:

Subd. 3. **ENERGY DEVELOPMENT FUND ACCOUNT.** An energy development ~~fund account~~ is created in the energy fund and is eligible to receive appropriations. The authority may irrevocably pledge and appropriate all or a segregated portion of the energy development ~~fund account~~ to make principal and interest payments when due on all or one or more series of its obligations for which other ~~funds are~~ money is not available, pursuant to the terms and conditions the authority shall prescribe. The authority may otherwise operate the ~~fund account~~ according to section 116M.06. In the event the authority shall determine that the energy development ~~fund account~~ is or will be depleted in connection with the use of the ~~fund account~~ as authorized by the act which has been approved or given preliminary approval by the authority, then the authority may by resolution transfer money from the energy loan insurance ~~fund account~~ created pursuant to section 116M.11.

Sec. 270. Minnesota Statutes 1984, section 116M.12, subdivision 4, is amended to read:

Subd. 4. **INVESTMENT INCOME.** All interest and profits accruing from investment of the energy development ~~fund's account's~~ moneys shall be credited to and be part of the energy development ~~fund account~~, and any loss incurred in the principal of the investment of the reserve ~~fund account~~ shall be borne by the ~~fund energy development account~~. Assets of the energy development ~~fund account~~ shall be invested only in direct obligations or obligations of agencies of the United States or in insured depository accounts, up to the amount of the insurance, in any institution insured by an agency of the United States government, or in other obligations or depository accounts referred to in section 11A.24, subdivision 4, except clause (d) of that subdivision. Other ~~funds and revenues~~ money of the authority shall be invested or deposited in the manner and with the security provided in bond or note resolutions or indentures under which obligations of the authority are issued for the program.

Sec. 271. **[139.20] EQUIPMENT GRANTS.**

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To be eligible for an equipment grant under sections 139.16 to 139.19, a public broadcasting station must meet the eligibility criteria set forth in sections 139.18 and 139.19.

Sec. 272. **[139.21] ADVISORY TASK FORCE.**

The commissioner of administration may appoint an advisory task force consisting of representatives of public broadcasting facilities to make recommendations on the distribution of money appropriated for grants to public television stations and noncommercial radio stations. The commissioner may establish a procedure to audit the expenditure of this money.

Sec. 273. Minnesota Statutes 1984, section 176.102, is amended by adding a subdivision to read:

Subd. 14. FEES. The commissioner shall impose fees under section 16A.128 sufficient to cover the cost of approving and monitoring qualified rehabilitation consultants, consultant firms, and vendors of rehabilitation services.

Sec. 274. Minnesota Statutes 1984, section 177.23, subdivision 4, is amended to read:

Subd. 4. "Wage" means compensation due to an employee by reason of employment, payable in legal tender of the United States or, check on banks convertible into cash on demand at full face value or, except for instances of written objection to the employer by the employee, direct deposit to the employee's choice of demand deposit account, subject to allowances permitted by rules of the department under section 177.28.

Sec. 275. Minnesota Statutes 1984, section 177.23, subdivision 7, is amended to read:

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

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

(2) any individual employed in agriculture on a farming unit or operation who is paid 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;

(3) an individual 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;

(4) for purposes of section 177.24, an individual under 18 who is employed as a corn detasseler;

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(5) any staff member employed ~~with~~ on a seasonal basis by a nonprofit organization for work in an organized children's resident or day camp licensed with the state operating under a permit issued under section 144.72;

(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;

(7) any individual who renders service gratuitously for a nonprofit organization;

(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;

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

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

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

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

(13) for the purpose of section 177.25, any individual employed on a seasonal basis in a carnival, circus, or fair;

(14) any individual under 18 ~~employed part-time by~~ working less than 20 hours per workweek for a municipality as part of a recreational program;

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

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

(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; ~~or~~

(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

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as part of his employment duties resides at the residence for the purpose of supervising children as defined by section 260.015, subdivision 2; or

(19) nuns, monks, priests, lay brothers, lay sisters, ministers, deacons, and other members of religious orders who serve pursuant to their religious obligations in schools, hospitals, and other nonprofit institutions operated by the church or religious order.

Sec. 276. Minnesota Statutes 1984, section 177.24, subdivision 3, is amended to read:

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 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. This section does not prevent an employee from voluntarily and individually sharing his gratuities with other employees. The agreement to share gratuities must be made by the employees free of any employer participation. The commissioner may require the employer to pay restitution in the amount of the gratuities diverted. If the records maintained by the employer do not provide sufficient information to determine the exact amount of gratuities diverted, the commissioner may make a determination of gratuities diverted based on available evidence and mediate a settlement with the employer.

Sec. 277. Minnesota Statutes 1984, section 177.24, subdivision 4, is amended to read:

Subd. 4. **UNREIMBURSED EXPENSES DEDUCTED.** Unreimbursed amounts which an employee is required to pay for the items listed below are subtracted from wages paid in calculating whether the wages meet the minimums set by subdivision 4. Deductions, direct or indirect, from wages or gratuities not authorized by this subdivision may only be taken as authorized by sections 177.28, subdivisions 3 and 4, 181.06, and 181.79. Deductions, direct or indirect, for up to the full cost of the uniform or equipment as listed below, may not exceed \$50. No deductions, direct or indirect, may be made for the items listed below which when subtracted from wages would reduce the wages below the minimum wage:

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

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

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(c) consumable supplies required in the course of that employment;

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

Sec. 278. Minnesota Statutes 1984, section 177.24, subdivision 5, is amended to read:

Subd. 5. **EXPENSE REIMBURSEMENT.** An employer, at the termination of an employee's employment, must reimburse the full cost to the employee of amount deducted, directly or indirectly, for any of the items listed in subdivision 4 which he had to buy during employment. When reimbursement is made, the employer may require the employee to surrender any existing items for which the employer provided reimbursement.

Sec. 279. Minnesota Statutes 1984, section 177.27, is amended to read:

177.27 POWERS AND DUTIES OF THE COMMISSIONER.

Subdivision 1. **EXAMINATION OF RECORDS.** The commissioner may enter during reasonable office hours or upon request and inspect the place of business or employment of any employer of employees working in the state, to examine and inspect books, registers, payrolls, and other records of any employer that in any way relate to 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 deems necessary or appropriate and may question the employees to ascertain compliance with sections 177.21 to 177.35. The commissioner may investigate wage claims or complaints by an employee against an employer if the failure to pay a wage may violate Minnesota law or an order or rule of the department.

Subd. 2. **SUBMISSION OF RECORDS; PENALTY.** The commissioner may require the employer of employees working in the state to submit to the commissioner photocopies, certified copies, or, if necessary, the originals of employment records which the commissioner deems necessary or appropriate. The records which may be required include 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 deems necessary or appropriate.

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

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Subd. 3. **ADEQUACY OF RECORDS.** If the records maintained by the employer do not provide sufficient information to determine the exact amount of back wages due an employee, the commissioner may make a determination of wages due based on available evidence and mediate a settlement with the employer.

Subd. 4. **COMPLIANCE ORDERS.** The commissioner may issue an order requiring an employer to comply with sections 177.21 to 177.35, 181.032, 181.101, 181.13, 181.14, 181.145, and 181.79, or with any rule promulgated under section 177.28. The department shall serve the order upon the employer or his authorized representative in person or by certified mail at the employer's place of business. An employer who wishes to contest the order must file written notice of his objection to the order with the commissioner within ten days after being served with the order. A public hearing must then be held in accordance with sections 14.57 to 14.70.

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, 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 the employee for appropriate relief with respect to a wage claim which the commissioner finds valid provided: (1) the failure to pay the wage would constitute a violation of Minnesota laws, rules, or department orders, and (2) the wage claim does not exceed \$300. The employer shall pay all costs and disbursements allowed by the court and shall 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 under this subdivision, no security for payment of costs may be required. This section does not prevent an employee from prosecuting his own claim for wages The commissioner may bring an action in the district court where an employer resides or where the commissioner maintains an office to enforce or require compliance with orders issued under subdivision 4.

Subd. 6. **ATTORNEY GENERAL TO COMMENCE ACTION EMPLOYER LIABILITY.** Upon the written request of the commissioner, the attorney general shall commence a civil action for appropriate relief against the employer as provided in subdivision 5 Employers are liable to employees for back wages and gratuities as computed by the department or, if contested by the employer, as awarded in a public hearing. The commissioner may establish escrow accounts for purposes of distributing back wages and gratuities. In addition, hearing costs of up to ten percent of any back wages and gratuities awarded may be assessed against the employer by the administrative law judge and paid to the commissioner if the administrative law judge finds that the employer had no meritorious defense against the claim. The penalty provided

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under this subdivision for failure to pay back wages and gratuities does not apply to compliance orders issued to an employer under this section before the effective date of this section. This subdivision does not prevent an employee from prosecuting a claim for wages or gratuities.

Sec. 280. Minnesota Statutes 1984, section 177.28, subdivision 4, is amended to read:

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; except that effective January 1, 1985, the credit is reduced to 15 percent; effective January 1, 1986, the credit is reduced to 10 percent; effective January 1, 1987, the credit is reduced to 5 percent; and effective January 1, 1988, the credit is eliminated. 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 the amount of gratuities received during that pay period 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. The employer may hold an employee's check until the signed statement for that period, stating the amount of gratuities, is received.

Sec. 281. Minnesota Statutes 1984, section 177.32, subdivision 1, is amended to read:

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

(1) hinders or delays the commissioner in the performance of duties required under sections 177.21 to 177.35;

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

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

(4) falsifies any record;

(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;

(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;

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

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(8) otherwise violates any provision of sections 177.21 to 177.35.

Sec. 282. [179.81] DEFINITIONS.

Subdivision 1. SCOPE. For the purposes of sections 282 to 286, the terms defined in this section have the meanings given them.

Subd. 2. AREA LABOR-MANAGEMENT COMMITTEE. "Area labor-management committee" or "committee" means a committee formed by and composed of multiple employers and multiple labor organizations, for the purpose of improving labor-management relations and enhancing economic development within the jurisdiction through labor-management cooperation.

Subd. 3. BUREAU. "Bureau" means the bureau of mediation services.

Subd. 4. DIRECTOR. "Director" means the director of the bureau of mediation services.

Sec. 283. [179.82] GRANT PROGRAM CREATED; APPLICATIONS.

Subdivision 1. CREATION. An area labor-management committee grant program is created within the bureau to be administered by the director.

Subd. 2. APPLICATIONS. (a) Applications for area labor-management committee grants must be submitted to the bureau by October 15 of each year on a form developed by the director.

(b) The application must include a description of the area labor-management committee formed or to be formed consistent with the purposes of the area labor-management grant program, including an identification of the committee members and a brief description of the committee's existing or proposed operating procedures. A copy of the committee bylaws or other written operating procedures must be submitted.

(c) The application must include a statement of the labor-management problem or issue existing in the committee's area of jurisdiction. Grant applicants must document the problem using as much relevant data as is reasonably available, and must discuss the full range of impacts that the problem or issue is having upon the area or upon industry within the area.

(d) The application must include a statement of the approach to be used by the committee in solving the problem or dealing with the issue identified in paragraph (c) and an implementation plan setting forth the major steps to be taken and objectives sought in dealing with the problem or issue identified in paragraph (c), as well as a time table indicating when those steps will be taken and those objectives reached.

(e) The application must include a four-year financial plan detailing the amount of both state grant money and local, federal, and private sector money

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necessary for the applicant's program. The plan must show the total amount of state funding necessary to carry out the committee's goals and objectives, and the total money from other sources expected to be raised each year. The plan must be accompanied by a proposed committee budget, covering the life of the plan, detailing how all money, including state grant money, is to be expended.

Sec. 284. [179.83] ACTION ON APPLICATION.

Subdivision 1. STANDARD FOR APPROVAL. After October 15 of each year, the director shall review the applications. Grants must be awarded on a competitive basis based on the appropriateness of the proposal, the attainability of the goals, the evidence of interest in the proposal among representatives of labor and management in the area within the committee's jurisdiction, and the thoroughness of the financial plan presented. Successful applicants shall be notified of the award no later than December 1 of each year.

Subd. 2. NUMBER OF GRANTS AWARDED. On the basis of the review conducted under subdivision 1, the director may award no more than three grants in each of the two years following the effective date of sections 282 to 286, provided that not more than five grants are awarded in the biennium following the effective date of those sections.

Sec. 285. [179.84] GENERAL CONDITIONS AND TERMS OF GRANTS.

Subdivision 1. REQUIREMENTS. For each grant awarded the director shall:

(1) require an approved work plan that establishes measurable goals and objectives for the committee within the committee's area of responsibility and that prohibits the committee from becoming involved in contract disputes, labor negotiations, or grievance procedures;

(2) establish a technical assistance delivery area outside the geographic area covered by the area labor-management committee;

(3) require the area labor-management committee to establish an approved technical assistance work plan for its external technical assistance delivery area; and

(4) annually review the operating performance of each area labor-management committee receiving state money under this program.

Subd. 2. WORK PLANS. Regular work plans for each area labor-management committee must be directed toward improving labor-management relations within the area serviced by the committee. Technical assistance work plans must provide for the establishment of new area labor-management committees within the committee's technical assistance delivery area. Both types of work plans must provide for the following:

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(1) information, resources, and materials on ways in which labor and management can work cooperatively to improve productivity and the quality of working life;

(2) educational programs such as seminars, workshops, and conferences on ways in which labor and management can work cooperatively to improve productivity and the quality of work life;

(3) technical assistance to individuals, groups of firms, unions, and governmental units that are interested in developing labor management committees; and

(4) promotion, support, and assistance in the organization, establishment, and operation of local or regional area labor-management committees.

Sec. 286. [179.85] FUNDING LIMITATIONS.

A new or existing area labor-management committee may apply for a maximum grant of \$100,000 per year. A new or existing area labor-management committee may be awarded state grant money, and must provide money from other nonstate sources, in each of the four years covered by the financial plan in the following ratio of state and nonstate money: in the first year, 90 percent state and 10 percent nonstate; in the second year, 80 percent state and 20 percent nonstate; in the third year, 50 percent state and 50 percent nonstate; and in the fourth year, 30 percent state and 70 percent nonstate. In a grant to an existing or proposed area labor-management committee, \$10,000 of the grant is designated and may only be used for technical assistance services within the technical assistance delivery area, both as specified by the director under section 285.

Sec. 287. Minnesota Statutes 1984, section 180.03, subdivision 2, is amended to read:

Subd. 2. Every person, firm or corporation that is or has been engaged in the business of mining or removing iron ore, taconite, semitaconite or other minerals except sand, crushed rock and gravel by the open pit method in any county which has appointed an inspector of mines pursuant to section 180.01 shall erect two inch by four inch mesh fencing a fence, barrier, appropriate signs, or combination of them, as directed by the inspector, along the outside perimeter of the excavation, open pit, or shaft of any mine in which mining operations have ceased for a period of six consecutive months or longer. However, in residential and developed areas, along major roads, and in areas of hazardous conditions, the following described fencing must be erected, unless exempted by the county mine inspector under subdivision 4. This fencing must consist of two-inch by four-inch mesh fencing; the top and bottom wire shall not be less than 9 gauge and the filler wire shall not be less than 11 gauge; the fencing shall be not less than five feet in height with two strands of barbed wire six inches apart affixed to the top of the fence; and the fence posts shall be no more than ten feet apart. In the case of open pit mines in which mining operations cease after November 1, 1979,

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and before March 1, 1980, the fencing fence, barrier, signs, or combination of them shall be erected as soon as possible after March 1, 1980. Where mining operations cease on or after March 1, 1980, the fencing fence, barrier, signs, or combination of them shall be erected forthwith. In the case of open pit mines in which mining operations had ceased for a period of six consecutive months or longer before November 1, 1979, and not resumed, the fencing fence, barrier, signs, or combination of them shall be erected within seven years after November 1, 1979 two years from the current date. Any fencing fence, barrier, signs, or combination of them, required by an inspector of mines pursuant to subdivision 3 or other applicable law, shall meet the standards of this section as a minimum. This subdivision does not apply to any excavation, open pit, or shaft, or any portion thereof, exempted from its application by the commissioner of natural resources pursuant to laws relating to mineland reclamation, exempted from its application by the iron range resources and rehabilitation board under actions taken by the board, or exempted from its application by the county mine inspector pursuant to subdivision 4.

Sec. 288. Minnesota Statutes 1984, section 180.03, subdivision 3, is amended to read:

Subd. 3. When any mine is idle or abandoned it shall be the duty of the inspector of mines to notify the person, firm, or corporation that is or has been engaged in the business of mining to erect and maintain around all the shafts, caves, and open pits of such mines a fence or railing, barrier, appropriate signs, or combination of them, suitable to prevent persons or domestic animals from accidentally falling into these shafts, caves or open pits. If the person, firm or corporation that has been engaged in the business of mining no longer exists, the fee owner shall erect the fencing fence, barrier, or signs required by this section. The notice shall be in writing and be served upon such person, firm, corporation or fee owner by certified mail.

Sec. 289. Minnesota Statutes 1984, section 180.03, subdivision 4, is amended to read:

Subd. 4. Upon written application, the county mine inspector may exempt from the requirements of subdivision 2, any abandoned excavation, open pit, or shaft which is fenced provided with fencing, barriers, appropriate signs, or combinations of them, in a manner that is reasonably similar to the standards set forth in subdivision 2, or which in his judgment does not constitute a safety hazard.

Sec. 290. Minnesota Statutes 1984, section 180.10, is amended to read:

180.10 REMOVAL OF FENCE; GUARD.

Any workman, employee, or other person who shall open, remove, or disturb any fence, guard, barrier, or rail and not close or replace or have the same closed or replaced again around or in front of any shaft, test pit, chute,

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excavation, cave, or land liable to cave, injure, or destroy, whereby accident, injury, or damage results, either to the mine or those at work therein, or to any other person, shall be guilty of a misdemeanor; and, upon conviction thereof, punished by a fine of not exceeding \$50 or imprisonment for not more than 60 days in the county jail for each and every such offense. A workman, employee, or other person who, in regard to any fence, guard, barrier, or rail, does any of the acts prohibited by section 609.52, commits theft of the fence, guard, barrier, or rail may be sentenced as provided in section 609.52.

Sec. 291. [181.032] REQUIRED STATEMENT OF EARNINGS BY EMPLOYER.

At the end of each pay period, the employer shall give each employee an earnings statement in writing covering that pay period. The earnings statement may be in any form determined by the employer but must include:

- (a) the name of the employee;
- (b) the hourly rate of pay (if applicable);
- (c) the total number of hours worked by the employee unless exempt from chapter 177;
- (d) the total amount of gross pay earned by the employee during that period;
- (e) a list of deductions made from the employee's pay;
- (f) the net amount of pay after all deductions are made; and
- (g) the date on which the pay period ends.

An employer, who for the purpose of depriving an employee of wages to which the employee is entitled and in order to mislead the employee, furnishes to the employee a statement that the employer knows to be false is guilty of a misdemeanor.

Sec. 292. [181.101] WAGES; HOW OFTEN PAID.

Every employer shall pay all wages due an employee at least once every 30 days on a regular pay day designated in advance by the employer, except that an employer may withhold an employee's check until the signed statement for that pay period stating the amount of gratuities is received, as provided in section 177.28, subdivision 4. If wages due are not paid, the commissioner of labor and industry or the commissioner's representative may demand payment on behalf of an employee. If payment is not made within ten days of demand, the commissioner may charge and collect the wages due and a penalty in the amount of the employee's average daily earnings at the rate agreed upon in the contract of employment, not exceeding 15 days in all, for each day beyond the ten day limit following the demand. Money collected by the commissioner must be paid to the

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employee concerned. This subdivision does not prevent an employee from prosecuting a claim for wages.

Sec. 293. Minnesota Statutes 1984, section 181.79, subdivision 1, is amended to read:

Subdivision 1. No employer shall make any deduction, directly or indirectly, from the wages due or earned by any employee, who is not an independent contractor, for lost or stolen property, damage to property, or to recover any other claimed indebtedness running from employee to employer, unless the employee, after the loss has occurred or the claimed indebtedness has arisen, voluntarily authorizes the employer in writing to make the deduction or unless the employee is held liable in a court of competent jurisdiction for the loss or indebtedness. Such authorization shall not be admissible as evidence in any civil or criminal proceeding. Any authorization for a deduction shall set forth the amount to be deducted from the employee's wages during each pay period.

A deduction, ~~unless authorized in writing by the employee~~, may not be in excess of the amount established by law as subject to garnishment or execution on wages.

Any agreement entered into between an employer and an employee contrary to this section shall be void. This section shall not apply to the following:

(a) in cases where a contrary provision in a collective bargaining agreement exists;

(b) any rules established by an employer for employees who are commissioned salespersons, where the rules are used for purposes of discipline, by fine or otherwise, in cases where errors or omissions in performing their duties exist; or

(c) in cases where an employee, prior to making a purchase or loan from the employer, voluntarily authorizes in writing that the cost of the purchase or loan shall be deducted from the employee's wages, at regular intervals or upon termination of employment.

Sec. 294. Minnesota Statutes 1984, section 181A.04, subdivision 3, is amended to read:

Subd. 3. No minor under the age of 16 shall be permitted to work any day before 7 a.m. or after ~~9:30~~ 9:00 p.m.

Sec. 295. Minnesota Statutes 1984, section 181A.12, subdivision 1, is amended to read:

Subdivision 1. **FINES; PENALTY.** Any employer who hinders or delays the department or its authorized representative in the performance of its duties under sections 181A.01 to 181A.12 or refuses to admit the commissioner or his authorized representative to any place of employment or refuses to make

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certificates or lists available as required by sections 181A.01 to 181A.12, or otherwise violates any provisions of sections 181A.01 to 181A.12 or any rules issued pursuant thereto shall be assessed a fine to be paid to the commissioner for deposit in the general fund. The fine may be recovered in a civil action in the name of the department brought in the district court of the county where the violation is alleged to have occurred or the district court where the commissioner has an office. Fines are in the amounts as follows:

- | | |
|--|-------|
| (a) employment of minors under the age of 14
(each employee) | \$ 50 |
| (b) employment of minors under the age of 16
during school hours while school is in session
(each employee) | 50 |
| (c) employment of minors under the age of 16
before 7:00 a.m. (each employee) | 50 |
| (d) employment of minors under the age of 16
after 9:30 9:00 p.m.
(each employee) | 50 |
| (e) employment of minors under the age of 16
over eight hours a day (each employee) | 50 |
| (f) employment of minors under the age of 16
over 40 hours a week (each employee) | 50 |
| (g) employment of minors under the age of 18
in hazardous occupations hazardous or
<u>detrimental to their well-being as defined</u>
<u>by rule</u> (each employee) | 100 |
| (h) employment of minors under the age of 16
in hazardous occupations hazardous or
<u>detrimental to their well-being as defined</u>
<u>by rule</u> (each employee) | 100 |
| (i) minors under the age of 18 injured in
hazardous employment (each employee) | 500 |
| (j) minors employed without proof of age
(each employee) | 5 |

An employer who refuses to make certificates or lists available as required by sections 181A.01 to 181A.12 shall be assessed a \$500 fine.

An employer who engages in a ~~consistent and repeated pattern~~ of violations of sections 181A.01 to 181A.12 is also guilty of a gross misdemeanor.

Sec. 296. Minnesota Statutes 1984, section 183.545, is amended by adding a subdivision to read:

Subd. 9. DEPOSIT OF FEES. Fees received under this section and section 183.57 must be deposited in the state treasury and credited to the special revenue fund.

Sec. 297. Minnesota Statutes 1984, section 192.51, subdivision 2, is amended to read:

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Subd. 2. **ACTIVE DUTY PAY.** When called into active service by the governor, other than for encampment or maneuvers, including the time necessarily consumed in travel, each enlisted person of the military forces shall be paid by the state the pay and the allowances, when not furnished in kind, provided by law for enlisted persons of similar grade, rating and length of service in the armed forces of the United States, or ~~\$50~~ \$65 a day, whichever is more.

Sec. 298. Minnesota Statutes 1984, section 196.051, is amended by adding a subdivision to read:

Subd. 4. **FEES.** When permitted by the court, the commissioner may charge a fee of up to five percent of the income of the estate of the person under guardianship to cover the expenses of providing the guardianship service.

Sec. 299. **[198.34] DEPOSIT OF RECEIPTS.**

Federal money received by the commissioner for the care of veterans in a veterans home, after being credited to a federal receipt account, must be transferred to the special revenue fund in the state treasury. Money paid to the commissioner by a veteran or by another person on behalf of a veteran for care in a veterans home must be deposited in the state treasury and credited to the special revenue fund.

Sec. 300. Minnesota Statutes 1984, section 268.05, subdivision 2, is amended to read:

Subd. 2. **STATE TREASURER COMMISSIONER OF FINANCE TO BE CUSTODIAN; SEPARATE ACCOUNTS; BONDS.** ~~The state treasurer~~ commissioner of finance shall be ex-officio the treasurer and custodian of the fund. He shall administer the fund in accordance with the directions of the commissioner, and issue his warrants upon it in accordance with such regulations as the commissioner shall prescribe. He shall maintain within the fund three separate accounts:

- (1) A clearing account;
- (2) An unemployment trust fund account; and
- (3) A benefit account.

All moneys payable to the fund, upon receipt thereof by the commissioner, shall be forwarded to the ~~treasurer~~ commissioner of finance who shall immediately deposit them in the clearing account. All moneys in the clearing account, after clearance thereof, shall, except as herein otherwise provided, be immediately deposited with the secretary of the treasury of the United States to the credit of the account of this state in the unemployment trust fund established and maintained pursuant to section 904 of the Social Security Act, as amended, any provisions of law in this state relating to the deposit, administration, release, or disbursement of moneys in the possession or custody of this state to the contrary

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notwithstanding. Refunds payable pursuant to section 268.16, subdivision 6, and section 268.04, subdivision 12, clause (8) (f), may be paid from the clearing account or the benefit account. The benefit account shall consist of all moneys requisitioned from this state's account in the unemployment trust fund in the United States Treasury for the payment of benefits. Except as herein otherwise provided, moneys in the clearing and benefit accounts may be deposited by the ~~treasurer~~ commissioner of finance, under the direction of the commissioner, in any depository bank in which general funds of the state may be deposited, but no public deposit insurance charge or premium shall be paid out of the fund. Moneys in the clearing and benefit accounts shall not be commingled with other state funds, but shall be maintained in separate accounts on the books of the depository bank. Such money shall be secured by the depository bank to the same extent and in the same manner as required by the general depository law of this state; and collateral pledged for this purpose shall be kept separate and distinct from any collateral pledged to secure other funds of the state. ~~The treasurer shall give a separate bond conditioned upon the faithful performance of his duties with respect to the fund in an amount not less than \$25,000. The bond shall be approved by the attorney general. Premiums for this bond shall be paid from the administration fund.~~ All sums recovered for losses sustained by the fund shall be deposited therein.

Sec. 301. Minnesota Statutes 1984, section 268.38, subdivision 1, is amended to read:

Subdivision 1. **DEFINITIONS.** For the purpose of this section the following terms have the meanings given:

(a) "Temporary housing" means housing provided for a limited duration not exceeding six months and available for occupancy on a 24-hour continuous basis designed for independent living and provided to a homeless person or family at a rental rate of at least 25 percent of the family income for a period of up to six months. If a temporary housing program is associated with a licensed facility or shelter, it must be located in a separate facility or a specified section of the main facility where residents can be responsible for their own meals and other daily needs.

(b) "Support services" means an assessment service that identifies the needs of individuals for independent living and arranges or provides for the appropriate educational, social, legal, advocacy, child care, employment, financial, health care, or information and referral services to meet these needs.

(c) "Commissioner" means the commissioner of economic security.

Sec. 302. Minnesota Statutes 1984, section 268.38, subdivision 2, is amended to read:

Subd. 2. **ESTABLISHMENT AND ADMINISTRATION.** A temporary housing demonstration program is established to be administered by the

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commissioner. The commissioner may make grants to eligible recipients or enter into agreements with community action agencies or other public or private nonprofit agencies to make grants to eligible recipients to initiate, maintain, or expand programs to provide temporary housing and support services for persons in need of temporary housing. The commissioner shall ensure that money appropriated to implement this section is distributed as soon as practicable. The commissioner may make grants directly to eligible recipients.

~~The program shall terminate on June 30, 1985.~~

Sec. 303. Minnesota Statutes 1984, section 268.38, subdivision 6, is amended to read:

Subd. 6. **PROGRAMS DESIGNATED.** At least two programs funded must be located in the seven-county metropolitan area and at least one program must be located outside of the metropolitan area. ~~At least one program must be designed primarily to serve families with children, at least one program must be designed primarily to serve single persons, and at least one program must be designed primarily to serve persons leaving a shelter for family abuse~~ The commissioner may fund programs designed primarily to serve families with children, single persons, and persons leaving a shelter for family abuse.

Sec. 304. Minnesota Statutes 1984, section 268.38, subdivision 7, is amended to read:

Subd. 7. **FUNDING COORDINATION.** ~~To the extent practicable,~~ Grant recipients shall combine funds awarded under this section with other funds from public and private sources. Programs receiving funds under this section are also eligible for assistance under section 462A.05, subdivision 20.

Sec. 305. Minnesota Statutes 1984, section 268.38, subdivision 8, is amended to read:

Subd. 8. **PROGRAM INFORMATION.** In order to collect uniform data to better measure the nature and extent of the need for temporary housing, grant recipients shall collect and make available to the commissioner the following information:

- (1) number of requests received for temporary housing, including the number of persons requiring assistance;
- (2) number of persons for whom services are provided, ~~including differentiation between adults and minor children listed by age;~~
- (3) reasons for seeking assistance;
- (4) length of stay;
- (5) reasons for leaving the housing program;
- (6) demand for support services;

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(7) follow-up information on status of persons assisted, if possible including source of income and whether living independently, employed, or in treatment, unless the information is not available; and

(8) source of income on entering the program, prior residence, race, and sex of persons assisted.

Sec. 306. Minnesota Statutes 1984, section 270.75, is amended by adding a subdivision to read:

Subd. 8. If a tax payable to the commissioner of revenue or the department of revenue is not paid within the time specified by law, in addition to the interest prescribed in subdivision 5, the unpaid tax bears an interest surcharge at the rate of one-half percent a year from the date it should have been paid to the date it is paid.

Sec. 307. **[270.77] SUBSTANTIAL UNDERSTATEMENT OF LIABILITY.**

(a) The commissioner of revenue shall impose a penalty for substantial understatement of liability of any tax payable to the commissioner. Except as otherwise provided in this section, the penalty must be determined under section 6661 of the Internal Revenue Code of 1954, as amended through December 31, 1984.

(b) The provisions of section 6661 (b)(3) of the Internal Revenue Code of 1954, as amended through December 31, 1984 do not apply.

(c) The penalty is not limited to taxes imposed by chapter 290.

(d) A substantial understatement of liability for a tax not imposed by chapter 290 is an understatement that exceeds ten percent of the tax required to be shown on the return or \$5,000, whichever is greater.

Sec. 308. Minnesota Statutes 1984, section 270A.07, subdivision 1, is amended to read:

Subdivision 1. **NOTIFICATION REQUIREMENT.** On or before December 15 any claimant agency, seeking collection of a debt through set-off against a refund due in the succeeding year, shall submit to the commissioner information indicating the amount of each debt and information identifying the debtor, as required by section 270A.04, subdivision 3. Subject to the notification deadline specified above, the notification shall be effective only to initiate set-off for claims against refunds that would be made in the calendar year subsequent to the year in which notification is made to the commissioner.

The claimant agency shall submit to the commissioner the amount of \$3 per certification. The payment must accompany the certification. The claimant agency shall increase the amount of each debt certified by \$3 and this total amount is subject to recapture. If the total debt is not recaptured by the

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commissioner, the \$3 addition to the debt may be collected by the claimant agency from the debtor and must be considered an obligation of the debtor. The \$3 will not be refunded if the recapture is not accomplished.

Sec. 309. Minnesota Statutes 1984, section 290.50, subdivision 6, is amended to read:

Subd. 6. **WITHHOLDING OF REFUNDS FROM CHILD SUPPORT DEBTORS.** Upon a finding by a court of this state that a person obligated to pay child support is delinquent in making payments, the amount of child support unpaid and owing including attorneys fees and costs incurred in ascertaining or collecting child support shall be withheld from a refund due the person under this section. The public agency responsible for child support enforcement or the parent or guardian of a child for whom the support, attorneys fees and costs are owed may petition the district or county court for an order providing for the withholding of the amount of child support, attorneys fees and costs unpaid and owing as determined by court order. The person from whom the refund may be withheld shall be notified of the petition pursuant to the rules of civil procedure prior to the issuance of an order pursuant to this subdivision. The order may be granted on a showing to the court that required support payments, attorneys fees and costs have not been made when they were due.

On order of the court and on payment of \$3 to the commissioner, the money shall be withheld by the commissioner from the refund due to the person obligated to pay and the amount withheld shall be remitted to the public agency responsible for child support enforcement or to the parent or guardian petitioning on behalf of the child, provided that any delinquent tax obligations of the taxpayer owed to the revenue department shall be satisfied first. Any amount received by the responsible public agency or the petitioning parent or guardian in excess of the amount of public assistance expended for the benefit of the child to be supported, or the amount of any support, attorneys fees and costs that had been the subject of the claim pursuant to this subdivision which has been paid by the taxpayer prior to the diversion of the refund, shall be remitted to the person entitled to the money. If the refund is based on a joint or combined return, the portion of the refund that shall be remitted to the petitioner shall be the proportion of the total refund that equals the proportion of the total federal adjusted gross income of the spouses that is the federal adjusted gross income of the spouse who is delinquent in making the child support payments. A petition filed pursuant to this subdivision shall be in effect with respect to any refunds due under this section until the support money, attorneys fees and costs have been paid in full or the court orders the commissioner to discontinue withholding the money from the refund due the person obligated to pay the support, attorneys fees and costs. If a petition is filed pursuant to this subdivision and a claim is made pursuant to chapter 270A with respect to the same individual's refund and notices of both are received prior to the time when payment of the refund is made on either claim, the claim relating to the liability that accrued first in time shall

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be paid first; any amount of the refund remaining shall then be applied to the other claim. The provisions of section 290.61 shall not prohibit the exchange of information among the department, the petitioner, and the court to the extent necessary to accomplish the intent of this subdivision.

Sec. 310. Minnesota Statutes 1984, section 296.421, subdivision 4, is amended to read:

Subd. 4. **DISTRIBUTION OF UNREFUNDED TAX FOR MOTOR BOAT PURPOSES.** The amount of unrefunded tax paid on gasoline used for motor boat purposes as computed in Minnesota Statutes 1961, Section 296.421, subdivision 5, shall be paid into the state treasury and 33 1/3 percent thereof shall be credited to the state park development account; 33 1/3 percent thereof shall be credited to the game and fish fund to be used to defray the cost and expense of the division of game and fish and the department of natural resources in the acquisition, improvement, development and maintenance of sites for public access to public waters of this state and for lake improvement; and the remaining 33 1/3 percent thereof shall be credited to the general fund for purposes of boat and water safety credited to a water recreation account in the special revenue fund for acquisition, development, maintenance, and rehabilitation of sites for public access and boating facilities on public waters; lake and river improvement; state park development; and boat and water safety.

Sec. 311. Minnesota Statutes 1984, section 296.421, is amended by adding a subdivision to read:

Subd. 5a. Notwithstanding subdivision 5, the amount of unrefunded tax paid on gasoline used for motor boat purposes is 1-1/2 percent from July 1, 1985, to June 30, 1987.

Sec. 312. Minnesota Statutes 1984, section 297.13, subdivision 1, is amended to read:

Subdivision 1. **CIGARETTE TAX APPORTIONMENT ACCOUNT.** Notwithstanding any other provisions of law, five and one-half percent of the Revenues received from taxes, penalties and interest under sections 297.01 to 297.13 and from license fees and miscellaneous sources of revenue shall be deposited by the commissioner of revenue in the general fund and credited to a special account to be known as the "natural resources account," which is hereby created. Expenditures shall be made from said account only as may be authorized by law to carry out the provisions of this act and in conformance with the provisions of chapter 16. Five and one-half percent shall be deposited in the general fund and credited to the "natural resources acceleration" account for the purposes provided in Laws 1969, Chapter 879, Section 4 state treasury. The revenue produced by one mill of the tax on cigarettes weighing not more than three pounds per thousand and two mills of the tax on cigarettes weighing more than three pounds per thousand must be credited to a Minnesota resources fund

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for purposes of natural resources acceleration as provided in chapter 86. The balance of the revenues derived from taxes, penalties, and interest under sections 297.01 to 297.13 and from license fees and miscellaneous sources of revenue shall be deposited by the commissioner in the general fund and credited to the general fund.

Sec. 313. Minnesota Statutes 1984, section 298.2211, is amended by adding a subdivision to read:

Subd. 6. FEE SETTING. Fees for admission to or use of facilities operated by the iron range resources and rehabilitation board that have been established according to prevailing market conditions and to recover operating costs need not be set by rule.

Sec. 314. Minnesota Statutes 1984, section 326.52, is amended to read:

326.52 DEPOSIT OF FEES.

All fees received under sections 326.46 to 326.52 shall be deposited by the department of labor and industry to the credit of the general special revenue fund in the state treasury. The salaries and per diem of the inspectors and examiners hereinbefore provided, their expenses, and all incidental expenses of the department in carrying out the provisions of sections 326.46 to 326.52 shall be paid from the appropriations made to the department of labor and industry.

Sec. 315. Minnesota Statutes 1984, section 331A.02, subdivision 1, is amended to read:

Subdivision 1. **QUALIFICATION.** No newspaper in this state shall be entitled to any compensation or fee for publishing any public notice unless it is qualified as a medium of official and legal publication. To be qualified as a medium of official and legal publication, a newspaper shall:

(a) Be printed in the English language in newspaper format and in column and sheet form equivalent in printed space to at least 1,000 square inches;

(b) If a daily, be distributed at least five days each week, or if not a daily, be distributed at least once each week, for 50 weeks each year. In any week in which a legal holiday is included, not more than four issues of a daily paper are necessary;

(c) In at least half of its issues each year, have no more than 75 percent of its printed space comprised of advertising material and paid public notices. In all of its issues each year, have 25 percent, if published more often than weekly, or 50 percent, if weekly, of its news columns devoted to news of local interest to the community which it purports to serve. Not more than 25 percent of its total nonadvertising column inches in any issue may wholly duplicate any other publication unless the duplicated material is from recognized general news services;

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(d) Be circulated in the local public corporation which it purports to serve, have at least 500 copies regularly delivered to paying subscribers and either have entry as second class matter in its local post office or have at least 500 copies regularly distributed without charge to local residents;

(e) Have its known office of issue established in either the county in which lies, in whole or in part, the local public corporation which the newspaper purports to serve, or in an adjoining county;

(f) File a copy of each issue immediately with the state historical society;

(g) Be made available at single or subscription prices to any person, corporation, partnership, or other unincorporated association requesting the newspaper and making the applicable payment, or be distributed without charge to local residents;

(h) Have complied with all the foregoing conditions of this subdivision for at least one year immediately preceding the date of the notice publication;

(i) The newspaper must before January 1 of each year publish and submit to the secretary of state, along with a filing fee of \$25, a sworn United States Post Office second-class statement of ownership and circulation or a statement of ownership and circulation verified by a recognized independent circulation auditing agency.

Sec. 316. Minnesota Statutes 1984, section 334.021, is amended to read:

334.021 CORPORATION PROHIBITED FROM INTERPOSING DEFENSE OF USURY.

No corporation shall hereafter interpose the defense of usury in any action. The term "corporation," as used in this section, includes any cooperative corporation, cooperative association, or limited partnership ~~organized under chapter 322A~~, and further includes any association or joint stock company having any of the powers and privileges of corporations not possessed by an individual or a partnership.

Sec. 317. Minnesota Statutes 1984, section 352.01, subdivision 2B, is amended to read:

Subd. 2B. **EXCLUDED EMPLOYEES.** The following persons are excluded from the meaning of state employee:

(1) elective state officers;

(2) students employed by the University of Minnesota, the state universities, and community colleges unless approved for coverage by the board of regents, the state university board or the state board for community colleges, as the case may be;

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(3) employees who are eligible to membership in the state teachers retirement association except employees of the department of education who have elected or may elect to be covered by the Minnesota state retirement system instead of the teachers retirement association;

(4) employees of the University of Minnesota who are excluded from coverage by action of the board of regents;

(5) officers and enlisted men in the national guard and the naval militia and such as are assigned to permanent peacetime duty who pursuant to federal law are or are required to be members of a federal retirement system;

(6) election officers;

(7) persons engaged in public work for the state but employed by contractors when the performance of the contract is authorized by the legislature or other competent authority;

(8) officers and employees of the senate and house of representatives or a legislative committee or commission who are temporarily employed;

(9) all courts and court employees, referees, receivers, jurors, and notaries public, except employees of the appellate courts and referees and adjusters employed by the department of labor and industry;

(10) patient and inmate help in state charitable, penal and correctional institutions including the Minnesota veterans home;

(11) persons employed for professional services where the service is incidental to regular professional duties and whose compensation is paid on a per diem basis;

(12) employees of the Sibley House Association;

(13) employees of the Grand Army of the Republic and employees of the ladies of the G.A.R.;

(14) operators and drivers employed pursuant to section 16.07, subdivision 4;

(15) the members of any state board or commission who serve the state intermittently and are paid on a per diem basis; the secretary, secretary-treasurer, and treasurer of those boards if their compensation is \$500 or less per year, or, if they are legally prohibited from serving more than two consecutive terms and their total service therefor is required by law to be less than ten years; and the board of managers of the state agricultural society and its treasurer unless he is also its full time secretary;

(16) state troopers;

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(17) temporary employees of the Minnesota state fair employed on or after July 1 for a period not to extend beyond October 15 of the same year; and persons employed at any time or times by the state fair administration for special events held on the fairgrounds;

(18) emergency employees in the classified service except emergency employees who within the same pay period become provisional or probationary employees on other than a temporary basis, shall be deemed "state employees" retroactively to the beginning of the pay period;

(19) persons described in section 352B.01, subdivision 2, clauses (b) and (c) formerly defined as state police officers;

(20) all temporary employees in the classified service, all temporary employees in the unclassified service appointed for a definite period of not more than six months and employed less than six months in any one year period and all seasonal help in the unclassified classified service employed by the department of revenue;

(21) trainees paid under budget classification number 41, and other trainee employees, except those listed in subdivision 2A, clause (10);

(22) persons whose compensation is paid on a fee basis;

(23) state employees who in any year have credit for 12 months service as teachers in the public schools of the state and as teachers are members of the teachers retirement association or a retirement system in St. Paul, Minneapolis, or Duluth;

(24) employees of the adjutant general employed on an unlimited intermittent or temporary basis in the classified and unclassified service for the support of army and air national guard training facilities;

(25) chaplains and nuns who have taken a vow of poverty as members of a religious order;

(26) labor service employees employed as a laborer 1 on an hourly basis;

(27) examination monitors employed by departments, agencies, commissions, and boards for the purpose of conducting examinations required by law;

(28) members of appeal tribunals, exclusive of the chairman to which reference is made in section 268.10, subdivision 4;

(29) persons appointed to serve as members of fact finding commissions, adjustment panels, arbitrators, or labor referees under the provisions of chapter 179;

(30) temporary employees employed for limited periods of time under any state or federal program for the purpose of training or rehabilitation including persons employed for limited periods of time from areas of economic distress

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except skilled and supervisory personnel and persons having civil service status covered by the system;

(31) full time students employed by the Minnesota historical society who are employed intermittently during part of the year and full time during the summer months;

(32) temporary employees, appointed for not more than six months, of the metropolitan council and of any of its statutory boards, the members of which board are appointed by the metropolitan council;

(33) persons employed in positions designated by the department of employee relations as student workers;

(34) any person who is 65 years of age or older when appointed and who does not have allowable service credit for previous employment, unless the employee gives notice to the director within 60 days following his appointment that he desires coverage;

(35) tradesmen employed by the metropolitan waste control commission with trade union pension plan coverage pursuant to a collective bargaining agreement first employed after June 1, 1977; and

(36) persons employed in subsidized on-the-job training, work experience or public service employment as enrollees under the federal comprehensive employment and training act from and after March 30, 1978, unless the person has as of the later of March 30, 1978 or the date of employment sufficient service credit in the retirement system to meet the minimum vesting requirements for a deferred annuity, or the employer agrees in writing on forms prescribed by the director to make the required employer contributions, including any employer additional contributions, on account of that person from revenue sources other than funds provided under the federal comprehensive employment and training act, or the person agrees in writing on forms prescribed by the director to make the required employer contribution in addition to the required employee contribution.

Sec. 318. Minnesota Statutes 1984, section 361.03, subdivision 5, is amended to read:

Subd. 5. **DISPOSITION OF RECEIPTS.** All money received by the commissioner shall be deposited with in the state treasurer treasury and shall be expended only as may be authorized by law for ~~administration and enforcement of this chapter, inspection of watercraft, and acquisition and development of sites for public access to the waters of this state~~ credited to the water recreation account.

Sec. 319. Minnesota Statutes 1984, section 361.27, is amended to read:

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

361.27 BOAT AND WATER SAFETY ACCOUNT; FINES AND FORFEITED BAIL MONEY.

Subdivision 1. **BOAT AND WATER SAFETY.** All license fees received under sections 361.01 to 361.29 shall be deposited in the state treasury and credited to the general fund. A portion of these funds the money in the water recreation account shall be utilized by the department of natural resources to carry out the provisions of sections 361.01 to 361.29 and a portion shall be paid to counties and in an amount the commissioner shall determine and be used to defray the expenses of enforcement of the provisions of sections 361.01 to 361.29 and the expenses of a county sponsored or administered watercraft and swimming safety instructional program. The commissioner may withhold up to \$25,000 per biennium of the allocation for the purpose of payments to counties and other political subdivisions for specific boat and water safety projects beyond the capability of previously allocated funds. Counties and other political subdivisions shall make application for payment of these funds on such forms and for such purposes as the commissioner shall prescribe.

Subd. 2. **DISPOSITION FINES, BAIL MONEY.** All fines, installment payments, and forfeited bail money collected from persons convicted of violations of sections 361.01 to 361.28 shall be paid to the county treasurer of the county where the violation occurred by the clerk of court or other person collecting the moneys within 15 days after the last day of the month in which they were collected. One-half of the receipts shall be credited to the general revenue fund of the county. The other one-half of the receipts shall be transmitted by the county treasurer to state treasurer the commissioner of natural resources to be deposited in the general fund water recreation account in the state treasury for the purpose of boat and water safety.

Sec. 320. Minnesota Statutes 1984, section 363.01, subdivision 24, is amended to read:

Subd. 24. **LOCAL COMMISSION.** "Local commission" means an agency of a city, county, or group of counties created pursuant to law, resolution of a county board, city charter, or municipal ordinance for the purpose of dealing with discrimination on the basis of race, color, creed, religion, national origin, sex, age, disability, marital status, status with regard to public assistance, or familial status.

Sec. 321. Minnesota Statutes 1984, section 363.01, is amended by adding a subdivision to read:

Subd. 35. HUMAN RIGHTS INVESTIGATIVE DATA. "Human rights investigative data" means written documents issued or gathered by the department for the purpose of investigating and prosecuting alleged or suspected discrimination.

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

Sec. 322. Minnesota Statutes 1984, section 363.01, is amended by adding a subdivision to read:

Subd. 36. CONFIDENTIAL, PRIVATE, AND PUBLIC DATA ON INDIVIDUALS AND PROTECTED NONPUBLIC DATA NOT ON INDIVIDUALS. “Confidential,” “private,” “public data on individuals,” “protected nonpublic data not on individuals,” and any other terms concerning the availability of human rights investigative data have the meanings given them by section 13.02 of the Minnesota government data practices act.

Sec. 323. Minnesota Statutes 1984, section 363.01, is amended by adding a subdivision to read:

Subd. 37. CLOSED CASE FILE. “Closed case file” means a file containing human rights investigative data in which an order or other decision resolving the alleged or suspected discrimination has been made or issued by the commissioner, a hearing officer, or a court, and the time for any reconsideration of or appeal from the order or decision has expired.

Sec. 324. Minnesota Statutes 1984, section 363.01, is amended by adding a subdivision to read:

Subd. 38. OPEN CASE FILE. “Open case file” means a file containing human rights investigative data in which no order or other decision resolving the alleged or suspected discrimination has been made or issued by the commissioner, a hearing officer, or a court, or a file in which an order or other decision has been issued but the time for any reconsideration or appeal of the order or decision has either not yet expired or the reconsideration or appeal is then pending.

Sec. 325. Minnesota Statutes 1984, section 363.05, subdivision 2, is amended to read:

Subd. 2. ENFORCEMENT AND EFFECT OF SUBPOENA. (a) Disobedience of a subpoena issued by the commissioner pursuant to subdivision 1 shall be punishable in like manner as a contempt of the district court in proceedings instituted upon application of the commissioner made to the district court of the county where the alleged unfair discriminatory practice in connection with a charge made by a charging party or a complaint filed by the commissioner has occurred or where the respondent resides or has his principal place of business.

(b) It is not a violation of rights conferred by chapter 13 or any other statute related to the confidentiality of government data for an agency to provide data or information under a subpoena issued by the commissioner under this section.

Sec. 326. Minnesota Statutes 1984, section 363.06, subdivision 8, is amended to read:

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Subd. 8. **ACCESS TO DOCUMENTS.** The commissioner shall provide the respondent with a copy of the charge. The charging party or his representative may review the answer of the respondent to the charge submitted pursuant to subdivision 1. The department shall make these documents available to the charging party.

Sec. 327. [363.061] **ACCESS TO CASE FILES.**

Subdivision 1. GENERAL PROVISIONS. Notwithstanding section 13.39, and except as provided in section 363.06, subdivisions 6 and 8, the availability of human rights investigative data to persons other than department employees is governed by this section.

Subd. 2. ACCESS TO OPEN FILES. (a) Human rights investigative data on an individual, with the exception of the name and address of the charging party and respondent, factual basis of the allegations, and the statute under which the action is brought, contained in an open case file is classified as confidential. The name and address of the charging party and respondent, factual basis of the allegations, and the statute under which the action is brought are classified as public data unless the commissioner determines that release of the data would be detrimental to the investigative and enforcement process.

(b) Human rights investigative data not on an individual contained in an open case file is classified as protected nonpublic data.

(c) Notwithstanding this subdivision, the commissioner may make human rights investigative data contained in an open case file accessible to a person, government agency, or the public if access will aid the investigative and enforcement process.

Subd. 3. ACCESS TO CLOSED FILES. (a) Human rights investigative data on an individual contained in a closed case file is classified as private, with the exception of the following documents: the name and address of the charging party and respondent, factual basis of the allegations, and the statute under which the action is brought, the part of the summary of the investigation that does not contain identifying data on an individual other than the complainant or respondent, and the commissioner's memorandum determining whether probable cause has been shown.

(b) Human rights investigative data not on an individual contained in a closed case file is classified as nonpublic.

(c) Notwithstanding this subdivision, the commissioner may make human rights investigative data contained in a closed case file inaccessible to the charging party or the respondent in order to protect medical or other security interests of the parties or third persons.

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

Sec. 328. **[363.114] JURISDICTION OF COUNTY COMMISSIONS.**

If a county or group of counties creates a local commission, the commission does not have jurisdiction over any part of the county that is within the jurisdiction of a local commission created by city charter or municipal ordinance.

Sec. 329. Minnesota Statutes 1984, section 363.116, is amended to read:

363.116 TRANSFER TO COMMISSIONER.

A local commission may refer a matter under its jurisdiction to the commissioner.

The charging party has the option of filing a charge either with a local commission or the department. Notwithstanding the provisions of any ordinance or resolution to the contrary, a charge may be filed with a local commission within 300 days after the occurrence of the practice. The exercise of such choice in filing a charge with one agency shall preclude the option of filing the same charge with the other agency. At the time a charge comes to the attention of a local agency, the agency or its representative shall inform the charging party of this option, and of his rights under Laws 1967, Chapter 897.

The term "local commission" as used in this section has the same meaning given the term in section 363.115.

Sec. 330. Minnesota Statutes 1984, section 403.11, subdivision 1, is amended to read:

Subdivision 1. **ANNUAL RECURRING COSTS EMERGENCY TELEPHONE SERVICE FEE.** All annual recurring costs of a public utility incurred in the maintenance of trunking and central office outswitching equipment for minimum 911 service shall be paid from the general fund of the state treasury by appropriations for that purpose. (a) Each customer of a local exchange company is assessed a fee to cover the costs of ongoing maintenance and related improvements for trunking and central office switching equipment for minimum 911 emergency telephone service, plus administrative and staffing costs of the department of administration related to managing the 911 emergency telephone service program.

(b) The fee may not be less than eight cents nor more than 30 cents a month for each customer access line, including trunk equivalents as designated by the public utilities commission for access charge purposes. The fee must be the same for all customers.

(c) The fee must be collected by each utility providing local exchange telephone service. Fees are payable to and must be submitted to the commissioner of administration monthly before the 25th of each month following the month of collection, except that fees may be submitted quarterly if less than \$250 a month is due, or annually if less than \$25 a month is due. Receipts must be deposited in the state treasury and credited to the special revenue fund.

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(d) The commissioner of administration, with the approval of the commissioner of finance, shall establish the amount of the fee within the limits specified and inform the utilities of the amount to be collected. Utilities must be given a minimum of 45 days notice of fee changes.

Sec. 331. Minnesota Statutes 1984, section 422A.101, is amended by adding a subdivision to read:

Subd. 2a. CONTRIBUTIONS BY METROPOLITAN AIRPORT COMMISSION AND METROPOLITAN WASTE CONTROL COMMISSION. The metropolitan airport commission and the waste control commission shall pay to the Minneapolis employees retirement fund annually in installments as specified in subdivision 3 the share of the additional support rate required for full amortization of the unfunded liabilities by the year 2017 that is attributable to airport commission or waste control commission employees who are members of the fund. The amount of the payment is determined by the most recent actuarial valuation, as calculated by the actuary for the legislative commission on pensions and retirement.

Sec. 332. Minnesota Statutes 1984, section 422A.101, subdivision 3, is amended to read:

Subd. 3. STATE CONTRIBUTIONS. The state shall pay to the Minneapolis employees retirement fund annually an amount equal to the financial requirements of the Minneapolis employees retirement fund reported by the actuary in the actuarial valuation of the fund prepared pursuant to section 356.215 for the most recent year but based on a target date for full amortization of the unfunded liabilities by the year 2017 less the amount of employee contributions required pursuant to section 422A.10, and the amount of employer contributions required pursuant to subdivisions 1a and 2, and 2a. Payments shall be made in four equal installments on March 15, July 15, September 15, and November 15 annually.

Sec. 333. Minnesota Statutes 1984, section 462A.03, subdivision 14, is amended to read:

Subd. 14. “Federal housing assistance supplements” means and refers to all funds or certificates of tax credit or exemption, including mortgage credit certificates, made available to the state of Minnesota by the federal government or any agency or instrumentality thereof for the purpose of assisting in providing adequate and economic housing in the state of Minnesota.

Sec. 334. Minnesota Statutes 1984, section 462A.05, subdivision 11, is amended to read:

Subd. 11. It may receive federal housing assistance supplements from the federal government, or from agencies or instrumentalities thereof; may administer and distribute said funds supplements in accordance with the applica-

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ble provisions of federal law or regulations governing the administration and distribution of said supplements; and may make and publish such rules and regulations as are necessary to enable it to receive, administer, and distribute said supplements in accordance with said federal laws and regulations.

Sec. 335. Minnesota Statutes 1984, section 462A.05, subdivision 12, is amended to read:

Subd. 12. It may, from time to time, establish such funds as may be needed in order to receive, administer, and distribute federal housing assistance supplements. All federal housing assistance supplements supplement funds received by the agency are hereby appropriated to the agency.

Sec. 336. Minnesota Statutes 1984, section 462A.05, is amended by adding a subdivision to read:

Subd. 12a. It may participate in qualified mortgage certificate programs as provided by section 25 of the Internal Revenue Code of 1954, as amended through December 31, 1984.

Sec. 337. Minnesota Statutes 1984, section 462A.05, subdivision 15a, is amended to read:

Subd. 15a. It may make grants or loans to persons and families of low and moderate income to improve the accessibility of existing residential housing for handicapped occupants, or to assist in paying a loan made pursuant to subdivision 14 to improve the accessibility of existing residential housing for handicapped occupants. Grants may be in an amount up to \$10,000, based upon the cost of the improvements, the financial ability of the person or family receiving the grant, and other appropriate factors including extraordinary medical expenses. Grants may be made in connection with other agency loan or grant programs; provided that in no case may agency rehabilitation loans and any grants pursuant to this section total an amount exceeding \$15,000. The amount of an accessibility grant or loan must not exceed the lesser of the actual cost of the work performed or the part of the cost of rehabilitation the agency determines cannot otherwise be paid by the person or family without spending an unreasonable portion of the income of the person or family on it, based upon the cost of the improvements and other appropriate factors including extraordinary medical expenses. Grants or loans made pursuant to this section may include the payment of money for technical assistance for the design and construction of accessibility improvements. In making grants or loans under this subdivision, the agency shall determine the circumstances under which and the terms and conditions under which all or any portion thereof will be repaid and shall determine the appropriate security should repayment be required. The agency may gather data on available accessible housing financed under this program and make the information available to interested individuals and groups.

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

Sec. 338. Minnesota Statutes 1984, section 462A.05, is amended by adding a subdivision to read:

Subd. 24. It may engage in housing programs for low and moderate income elderly persons, as defined by the agency, to provide grants or loans, with or without interest, for

- (1) accessibility improvements to residences occupied by elderly persons;
- (2) housing sponsors, as defined by the agency, of home sharing programs to match existing elderly homeowners with prospective tenants who will contribute either rent or services to the homeowner;
- (3) the construction of or conversion of existing buildings into structures for occupancy by the elderly that contain from three to twelve private sleeping rooms with shared cooking facilities and common space; and
- (4) housing sponsors, as defined by the agency, to demonstrate the potential for home equity conversion in Minnesota for the elderly, in both rural and urban areas, and to determine the need in those equity conversions for consumer safeguards.

In making the grants or loans, the agency shall determine the terms and conditions of repayment and the appropriate security, if any, should repayment be required.

Sec. 339. Minnesota Statutes 1984, section 462A.07, subdivision 14, is amended to read:

Subd. 14. It may engage in housing programs for low and moderate income American Indians, as that term is defined in section 254A.02, subdivision 11, developed and administered separately or in combination by the Minnesota Chippewa tribe, the Red Lake band of Chippewa Indians, and the Sioux communities as determined by such tribe, band, or communities. In developing such housing programs the tribe, band, or communities shall take into account the housing needs of all American Indians residing both on and off reservations within the state. A plan for each such program, which specifically describes the program (a) content, (b) utilization of funds, (c) administration, (d) operation, (e) implementation and other matter, as determined by the agency, must be submitted to the agency for its review and approval prior to the making of eligible loans pursuant to section 462A.21. All such programs must conform to rules promulgated by the agency concerning program administration, including but not limited to rules concerning costs of administration; the quality of housing; interest rates, fees and charges in connection with making eligible loans; and other matters determined by the agency to be necessary in order to effectuate the purposes of this subdivision and section 462A.21, subdivisions 4b and 4c. All such programs must provide for a reasonable balance in the distribution of funds appropriated for the purpose of this section between American Indians residing

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on and off reservations within the state. Nothing in this section shall preclude such tribe, band, or communities from requesting and receiving cooperation, advice, and assistance from the agency as regards program development, operation, delivery, financing, or administration. As a condition to the making of such eligible loans, the Minnesota Chippewa tribe, the Red Lake band of Chippewa Indians and the Sioux communities shall:

(a) enter into a loan agreement and other contractual arrangements with the agency for the purpose of transferring the allocated portion of loan funds as set forth in section 462A.26 and to insure compliance with the provisions of this section and this chapter, and

(b) shall agree that all of their official books and records related to such housing programs shall be subjected to audit by the legislative auditor in the manner prescribed for agencies of state government.

The agency shall submit a biennial report concerning the various housing programs for American Indians, and related receipts and expenditures as provided in section 462A.22, subdivision 9, and such tribe, band, or communities to the extent that they administer such programs, shall be responsible for any costs and expenses related to such administration provided, however, they shall be eligible for payment for costs, expenses and services pursuant to section 462A.07, subdivision 12, and section 462A.21. The agency may provide or cause to be provided essential general technical services as set forth in section 462A.07, subdivision 2, and general consultative project assistance services, including, but not limited to, management training, and home ownership counseling as set forth in section 462A.07, subdivision 3. Members of boards, committees, or other governing bodies of the tribe, band, and communities administering the programs authorized by this subdivision must be compensated for those services as provided in section 15.0575. Rules promulgated under this subdivision may be promulgated as emergency rules under chapter 14.

Sec. 340. Minnesota Statutes 1984, section 462A.07, subdivision 15, is amended to read:

Subd. 15. It may engage in housing programs for low and moderate income American Indians as that term is defined in section 254A.02, subdivision 11, residing in the metropolitan area defined in section 473.121, subdivision 2, and cities with a population greater than 50,000 persons. The programs shall demonstrate innovative methods of providing housing for urban Indians, may involve the construction, purchase, and rehabilitation of residential housing, and may be administered through any other provision of this chapter. To the extent possible, the programs shall combine appropriated money with other money from both public and private sources, except that interest earned on the portion of an appropriation to be expended for Indian housing programs in the city of Duluth does not have to be combined with money from other sources. Effective June 30, 1985, all money allocated by the agency under this subdivision to programs for

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urban Indian housing that are not subject to active contracts shall be reallocated by the agency to programs to fulfill the purposes of this subdivision. Members of boards, committees, or other governing bodies of organizations administering the urban Indian programs authorized by this subdivision must be compensated for those services as provided in section 15.0575. The agency shall consult with the advisory council on urban Indians created pursuant to section 3.922, subdivision 8, in the development of programs pursuant to this subdivision.

Sec. 341. Minnesota Statutes 1984, section 462A.08, subdivision 3, is amended to read:

Subd. 3. All notes or bonds issued hereunder shall be negotiable investment securities within the meaning and for all purposes of the uniform commercial code, subject only to any provisions of the bonds and notes for registration. All notes and bonds so issued shall may be either general obligations of the agency, secured by its full faith and credit, and payable out of any moneys, assets, or revenues of the agency, subject to the provisions of resolutions or indentures pledging and appropriating particular moneys, assets, or revenues to particular notes or bonds, or limited obligations of the agency not secured by its full faith and credit, and payable solely from those moneys, assets, or revenues of the agency as may be authorized by resolution or indenture.

Sec. 342. Minnesota Statutes 1984, section 462A.20, subdivision 3, is amended to read:

Subd. 3. Whenever any moneys are appropriated by the state to the agency solely for a specified purpose or purposes, the agency shall establish a separate bookkeeping account or accounts in the housing development fund to record the receipt and disbursement of such moneys and of the income, gain, and loss from the investment and reinvestment thereof. The agency may transfer unencumbered balances from one appropriated account to another, provided that ~~(1) no moneys appropriated for the purpose of agency loan programs may be transferred to an account to be used for making grants, and (2) moneys appropriated for the purpose of section 462A.21, subdivisions 4a, 4f, and 4g, may only be transferred for the purpose of section 462A.21, subdivision 4i except that money appropriated for the purpose of section 462A.05, subdivision 14a, may be transferred for the purpose of section 462A.05, subdivision 15a.~~

Sec. 343. Minnesota Statutes 1984, section 462A.21, subdivision 6, is amended to read:

Subd. 6. Notwithstanding the provisions of subdivision 5, the agency shall not expend moneys in the fund for the purpose of making rehabilitation or accessibility grants except by specific appropriation by the legislature or by transfer of unencumbered account balances as provided by section 462A.20, subdivision 3.

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

Sec. 344. Minnesota Statutes 1984, section 462A.21, is amended by adding a subdivision to read:

Subd. 13. It may spend money for the purpose of section 462A.05, subdivision 24, and may pay the costs and expenses necessary and incidental to the development and operation of the programs authorized in that subdivision.

Sec. 345. Minnesota Statutes 1984, section 462C.09, is amended by adding a subdivision to read:

Subd. 5. STATE CERTIFICATION. The executive director of the Minnesota housing finance agency is designated as the state official to provide the pre-issuance certification required by section 103A(j) (4) (A) of the Internal Revenue Code of 1954, as amended through December 31, 1984.

Sec. 346. Minnesota Statutes 1984, section 466.03, is amended by adding a subdivision to read:

Subd. 6c. WATER ACCESS SITES. Any claim based upon the construction, operation, or maintenance by a municipality of a water access site created by the iron range resources and rehabilitation board.

Sec. 347. Minnesota Statutes 1984, section 471.345, is amended by adding a subdivision to read:

Subd. 10. HOSPITAL SHARED SERVICE PURCHASING. Supplies, materials, or equipment to be used in the operation of a hospital licensed under sections 144.50 to 144.56 that are purchased or leased under a shared service purchasing arrangement whereby more than one hospital purchases supplies, materials, or equipment with one or more other hospitals either through one of the hospitals or through another entity, may be purchased without regard to the competitive bidding requirements of this section, if the following conditions are met:

(1) the hospital's governing authority authorizes the arrangement;

(2) the shared services purchasing program purchases items available from more than one source on the basis of competitive bids or competitive quotations of prices; and

(3) the arrangement authorizes the hospital's governing authority or its representatives to review the purchasing procedures to determine compliance with these requirements.

Sec. 348. Minnesota Statutes 1984, section 472.03, subdivision 9, is amended to read:

Subd. 9. "Minnesota fund account" means the fund account appropriated to the state agency by section 472.13, to assist a local agency in financing or planning a redevelopment project.

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

Sec. 349. Minnesota Statutes 1984, section 472.11, subdivision 3, is amended to read:

Subd. 3. Moneys loaned by the state agency to the local agency shall be withdrawn from the Minnesota ~~fund~~ account established by section 472.13, and paid over to the local agency in such manner as shall be provided and prescribed by the rules and regulations of the state agency.

Sec. 350. Minnesota Statutes 1984, section 472.11, subdivision 9, is amended to read:

Subd. 9. The state agency is empowered to provide technical assistance loans from the Minnesota ~~fund~~ account for the development and planning of redevelopment projects. The technical assistance loans may be provided through the payment of ~~funds~~ money to: (a) other state agencies or departments; (b) the employment of private individuals; (c) the employment of public, private, or nonprofit firms; (d) state, area, district, or local organizations; or (e) other nonprofit institutions. ~~Funds~~ Money awarded pursuant to clauses (b) and (c) shall be in the form of loans and shall be repaid unless the project is deemed unfeasible by the state agency. The state agency shall require the repayment of some or all technical assistance ~~funds~~ money and shall prescribe the terms and conditions of the repayment. The amount of technical assistance loans is limited to an aggregate of ten percent of the ~~funds~~ money available in the Minnesota ~~fund~~ account. The technical assistance loans shall not be included when computing the 20 percent limitation provided in section 472.125. The state agency may loan technical assistance ~~funds~~ money in cooperation with the technical assistance grant programs of any agency of the federal government. The state agency may prescribe rules to carry out the purposes of this subdivision.

Sec. 351. Minnesota Statutes 1984, section 472.125, is amended to read:

472.125 PARTICIPATION IN FEDERAL LOANS OR GUARANTEES.

The state agency may participate with the appropriate federal agency under the Rural Development Act of 1972, the Public Works and Economic Development Act of 1965, or the Small Business Act in the financing of redevelopment projects. Such participation may take the form of loans or guarantees of any balance remaining after federal participation. The loans or guarantees shall be made subject to the conditions and limitations set forth in sections 472.11 and 472.12. In no event shall a loan or guarantee exceed 20 percent of the total cost of the project. In addition, the total guarantees outstanding at any time shall not exceed five times the balance in the Minnesota ~~fund~~ account.

Sec. 352. Minnesota Statutes 1984, section 472.13, is amended to read:

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

**472.13 APPROPRIATION TO ECONOMIC DEVELOPMENT FUND
MINNESOTA ACCOUNT.**

Subdivision 1. **APPROPRIATION ACCOUNT CREATED.** There is appropriated out of the general fund in the state treasury not otherwise appropriated the sum of \$1,500,000 to the authority to be used for the purposes set forth in sections 472.01 to 472.16 excluding the necessary cost of administration thereof. The sum appropriated shall be credited to a special account in the economic development fund created in section 116J.82, subdivision 1e 116M.06, subdivision 4, there is created a Minnesota account, to be drawn upon and used by the authority in the manner and for the purposes provided for in sections 472.01 to 472.16.

Subd. 2. **LOANS.** The authority shall have the power, from time to time, to draw upon the special Minnesota account in the economic development fund the amounts the authority determines for loans to local or area redevelopment agencies for the financing and planning of redevelopment projects. When the amounts so allocated by the authority as loans to local or area redevelopment agencies are repaid to the authority pursuant to the terms of its agreements with the local agency, the authority shall pay the amounts into the special Minnesota account in the economic development fund, it being the purpose and intent of this section that the account shall operate as a revolving account whereby all appropriations and payments made to it may be applied and reapplied to the purposes of sections 472.01 to 472.16 and shall not revert to the general fund of the state.

Subd. 3. **EXCESS FUNDS MONEY.** If the authority determines that funds money held for the credit of the special Minnesota account in the economic development fund are is in excess of the amounts needed by the authority to carry out the purposes of sections 472.01 to 472.16, the authority may by resolution release the excess from the account and transfer it to the general fund of the state treasury.

Subd. 4. **MATCHING FUNDS MONEY.** The authority may utilize any moneys in the special Minnesota account for the purpose of matching federal funds money available under the Public Works and Economic Development Act of 1965.

Sec. 353. Minnesota Statutes 1984, section 473.123, subdivision 5, is amended to read:

Subd. 5. **METROPOLITAN COUNCIL; DUTIES AND COMPENSATION.** The metropolitan council shall elect such officers as it deems necessary for the conduct of its affairs other than the chairman. A secretary and treasurer need not be members of the metropolitan council. Meeting times and places shall be fixed by the metropolitan council and special meetings may be called by a majority of the members of the metropolitan council or by the

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chairman thereof. Each metropolitan council member other than the chairman shall be paid a per diem compensation of \$50 for each meeting and for such other services as authorized by the metropolitan council, and shall be reimbursed for his reasonable expenses. The annual budget of the council shall provide as a separate account anticipated expenditures for per diem, travel and associated expenses for the chairman and members, and compensation or reimbursement shall be made to the chairman and members only when budgeted.

In the performance of its duties the metropolitan council may promulgate rules governing its operation, establish committees, divisions, departments and bureaus and staff the same as necessary to carry out its duties and when specifically authorized by law make appointments to other governmental agencies and districts. All officers and employees of the metropolitan council shall serve at the pleasure of the appointing authority in the unclassified service of the state civil service. Rules promulgated by the metropolitan council shall be in accordance with the administrative procedure provisions contained in chapter 14.

Sec. 354. Minnesota Statutes 1984, section 473.141, subdivision 7, is amended to read:

Subd. 7. **COMPENSATION.** Each commission member shall be paid a per diem compensation of \$50 for each meeting and for such other services as authorized by the commission, and shall be reimbursed for all actual and necessary expenses incurred in the performance of his duties in the same manner and amount as state employees. The chairman shall receive a salary in an amount fixed by section 15A.081 and shall be reimbursed for reasonable expenses to the same extent as a member; provided that the chairman of the metropolitan sports facilities commission shall receive, unless otherwise provided by other law, a salary in an amount fixed by the members of the commission and shall be reimbursed for reasonable expenses to the same extent as a member. The annual budget of each commission shall provide as a separate account anticipated expenditures for per diem, travel and associated expenses for the chairman and members, and compensation or reimbursement shall be made to the chairman and members only when budgeted.

Sec. 355. **[473.351] METROPOLITAN AREA REGIONAL PARKS FUNDING.**

Subdivision 1. DEFINITIONS. The definitions in this subdivision apply to this section.

(a) "Implementing agency" means the counties of Anoka, Washington, Ramsey, Scott, Carver, Dakota, the city of St. Paul, the city of Bloomington, the Minneapolis park and recreation board, and the Hennepin county park reserve district.

(b) "Operation and maintenance expenditures" means the cost of providing for the operation and maintenance of waters, lands, and facilities that are a

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part of the metropolitan area regional park and open space system, including but not limited to, the provision of fire, police, maintenance, forestry, rehabilitation expenses pertaining to routine care, and the allocation of the administrative overhead costs of the regional park and open space systems.

(c) "Operation and maintenance money" means money appropriated by the legislature to the commissioner of energy and economic development for distribution by the metropolitan council.

(d) "Regional recreation open space systems" means those parks that have been designated by the metropolitan council under section 473.145.

Subd. 2. METROPOLITAN COUNCIL OBLIGATION. Annually before August 1 the metropolitan council shall distribute grant money received from the commissioner of energy and economic development to fund the operation and maintenance expenditures of the implementing agencies for the operation and maintenance of regional park and open space systems. The metropolitan council shall annually report to the legislature the amount distributed to each implementing agency and its estimate of the percentage of operation and maintenance expenditures paid for with operation and maintenance money.

Subd. 3. ALLOCATION FORMULA. By July 1 of every year each implementing agency must submit to the metropolitan parks and open space commission a statement of the next annual anticipated operation and maintenance expenditures of the regional recreation open space parks systems within their respective jurisdictions and the previous year's actual expenditures. After reviewing the actual expenditures submitted and by July 15 of each year, the parks and open space commission shall forward to the metropolitan council the funding requests from the implementing agencies based on the actual expenditures made. The metropolitan council shall distribute the operation and maintenance money as follows:

(1) 40 percent based on the use that each implementing agency's regional recreation open space system has in proportion to the total use of the metropolitan regional recreation open space system;

(2) 40 percent based on the operation and maintenance expenditures made in the previous year by each implementing agency in proportion to the total operation and maintenance expenditures of all of the implementing agencies; and

(3) 20 percent based on the acreage that each implementing agency's regional recreation open space system has in proportion to the total acreage of the metropolitan regional recreation open space system. The 80 percent natural resource management land acreage of the park reserves must be divided by four in calculating the distribution under this clause.

Each implementing agency must receive no less than 40 percent of its actual operation and maintenance expenses to be incurred in the current calendar

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year budget as submitted to the parks and open space commission. If the available operation and maintenance money is less than the total amount determined by the formula including the preceding, the implementing agencies will share the available money in proportion to the amounts they would otherwise be entitled to under the formula.

Subd. 4. IMPLEMENTING AGENCY CONTROL. This section does not affect, change, alter, transfer, or modify the governance, administration, jurisdiction, or control of the implementing agencies over the parks, water, lands, and facilities they presently or in the future may administer, govern, or control, nor the employment relationship between the implementing agencies and their present and future employees.

Subd. 5. SUNSET. This section is repealed July 1, 1987.

Sec. 356. Minnesota Statutes 1984, section 473.605, subdivision 2, is amended to read:

Subd. 2. Each commission member shall be paid a per diem compensation of \$50 for each meeting of the commission, one of its committees, and attendance and participation at a meeting or hearing as a representative of the commission pursuant to state law or rule. Members shall be reimbursed for all actual and necessary expenses incurred in the performance of their duties in the same manner and amount as state employees. The chairman shall receive compensation as determined by the commission and shall be reimbursed for reasonable expenses to the same extent as a member. The mayors and members of the city councils of Minneapolis and St. Paul shall not be eligible for per diem compensation. The annual budget of the commission shall provide as a separate account anticipated expenditures for per diem, travel and associated expenses for the chairman and members, and compensation or reimbursement shall be made to the chairman and members only when budgeted.

Sec. 357. Minnesota Statutes 1984, section 473.606, subdivision 1, is amended to read:

Subdivision 1. The corporation shall elect from its membership a vice-chairman and shall elect a secretary and a treasurer, who may or may not be one of the commissioners. The vice-chairman ~~and~~, the secretary, and the treasurer shall hold office at the pleasure of the corporation, and the secretary and the treasurer, if not a commissioner, shall receive compensation as determined by the corporation. ~~The state treasurer shall be the treasurer of the corporation, ex officio.~~

Sec. 358. Minnesota Statutes 1984, section 473.714, is amended to read:
473.714 COMPENSATION OF COMMISSIONERS.

Each commissioner, including the officers of the commission shall be reimbursed for his actual and necessary expenses incurred in the performance of

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his duties. The chairman shall be paid a per diem for attending meetings, monthly, executive, and special, and each commissioner shall be paid a per diem for attending meetings, monthly, executive, and special, which per diem shall be established by the commission, such expense reimbursement and per diem notwithstanding any other funds which such commissioners may receive from any other public body. The annual budget of the commission shall provide as a separate account anticipated expenditures for per diem, travel and associated expenses for the chairman and members, and compensation or reimbursement shall be made to the chairman or members only when budgeted.

Sec. 359. Minnesota Statutes 1984, section 477A.014, is amended by adding a subdivision to read:

Subd. 4. The director of state planning shall annually bill the commissioner of revenue for one-half of the costs incurred by the state planning agency in the preparation of materials required by section 116K.04, subdivision 4, clause (10). The commissioner shall deduct these amounts from the next payments to be made to appropriate local units of government. Amounts deducted must be credited to the general fund.

Sec. 360. **[480.235] TRIAL COURT INFORMATION SYSTEM.**

The cost of operating the trial court information system in a judicial district must be shared between the state and the participating counties of a judicial district. The state share of operating costs is limited to the following categories: computer and terminal equipment hardware, computer and terminal equipment maintenance, software acquisition and maintenance, durable supplies, communications equipment acquisition and maintenance, data communications, and new judicial district systems personnel. The participating counties of a judicial district must pay all other operating costs, including but not limited to: space rental for computer equipment, utilities, consumable supplies, postage, off-site computer disk file storage, and all personnel-related expenses, other than salaries and fringe benefits for judicial district systems personnel.

Sec. 361. Minnesota Statutes 1984, section 486.05, subdivision 1, as amended by Laws 1985, chapter 273, section 2, is amended to read:

Subdivision 1. In all judicial districts a salary range for court reporters shall be established annually by the judicial district administrator with the approval of a majority of judges of the district. The salary for each court reporter shall be set within that range annually by the district administrator after consultation with the chief judge. Nothing in this subdivision changes the manner by which court reporters are paid, the proportions among the various counties of a judicial district by which the funds are allocated or any statutory provisions related to court reporter compensation other than the manner of setting salary. Each county shall be required by order to pay a specified amount of the salary in monthly installments, which shall be the proportion of the whole

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salary as the population in each county bears to the total population in the district in the most recent federal census. If a judge is temporarily transferred to hold court in a county outside of the judge's judicial district then that county shall pay a part of the monthly salary of the judge's reporter equal to the part of the month worked by the reporter in the county. The reporter, in addition to a salary, shall be paid necessary mileage, traveling, and hotel expenses incurred in the discharge of official duties while absent from the district home chambers where the judge the reporter serves is assigned. The expenses are to be paid by the county for which the expenses were incurred upon presentation of a verified itemized statement approved by the judge; and the auditor of the county, upon presentation of the approved statement, shall issue a warrant for payment.

This subdivision supersedes all laws relating to the salary of district court reporters inconsistent with this subdivision, except the manner of setting salary in this subdivision does not apply to the second and fourth judicial districts.

Sec. 362. Minnesota Statutes 1984, section 487.01, subdivision 5, is amended to read:

Subd. 5. Each county court district shall elect one county court judge except:

(1) The district consisting of St. Louis county shall elect six judges; two of the county court judges shall reside and serve in and be elected at large by the voters of St. Louis county; two of the county court judges shall reside and serve in and be elected by the voters in that part of St. Louis county south of the following described line: South of the south line of township 55; except the towns of Toivola, Cedar Valley, Kelsey, and Cotton, the area to be known as the south district; one county court judge shall reside and serve in and be elected by the voters of an area to be known as the northwest district, which area lies within the following described lines in St. Louis county: North of the south line of township 55 and west of the west line of range 18 and excluding that part of Portage township west of the west line of range 18; and including the towns of McDavitt, Toivola, and Cedar Valley; and one county court judge shall reside and serve in and be elected by the voters of an area to be known as the northeast district, which area lies within the following described lines in St. Louis county: North of the south line of township 55 and east of the west line of range 18 and including that part of Portage township west of the west line of range 18, and the towns of Kelsey and Cotton, and excluding the town of McDavitt.

(2) The district consisting of Dakota county, ~~the district consisting of Anoka county and the district consisting of Stearns, Sherburne and Benton~~ shall each elect five six judges;

(3) The following districts shall each elect three judges:

Olmsted and Dodge counties,

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~~Washington county,~~

Blue Earth county,

~~Pine, Isanti and Chisago~~ Scott and Carver counties;

(4) The following districts shall each elect two county court judges:

Clay county,

~~Carver county,~~

Cass and Hubbard counties,

Crow Wing county,

~~Douglas and Grant counties,~~

~~Freeborn county,~~

Marshall county,

Red Lake and Pennington counties,

~~Mower county,~~

~~Otter Tail county,~~

~~Rice county,~~

~~Scott county,~~

~~Winona county,~~

~~Wright county,~~

~~Kandiyohi county.~~

(5) The number of judges to be elected may be increased by the county board of the affected county or by the concurrence of the county boards of those affected counties combined into districts; provided that no new judge positions authorized pursuant to this section may be created without specific statutory authorization. Notwithstanding the other provisions of this subdivision, county judge positions created by county board action prior to April 23, 1977, shall be continued unless terminated pursuant to subdivision 6.

Sec. 363. Minnesota Statutes 1984, section 494.01, is amended by adding a subdivision to read:

Subd. 5. GUIDELINES PROMULGATION. Notwithstanding any law to the contrary, the state court administrator may promulgate the community dispute resolution guidelines.

Sec. 364. Laws 1985, chapter 221, section 1, is amended to read:

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Section 1. [527.21] DEFINITIONS.

For purposes of this chapter:

(1) "Adult" means an individual who has attained the age of 21 years, notwithstanding any law to the contrary.

(2) "Benefit plan" means an employer's plan for the benefit of an employee or partner.

(3) "Broker" means a person lawfully engaged in the business of effecting transactions in securities or commodities for the person's own account or for the account of others.

(4) "Conservator" means a person appointed or qualified by a court to act as general, limited, or temporary guardian of a minor's property or a person legally authorized to perform substantially the same functions.

(5) "Court" means a court that exercises probate jurisdiction.

(6) "Custodial property" means (i) any interest in property transferred to a custodian under this chapter and (ii) the income from and proceeds of that interest in property.

(7) "Custodian" means a person so designated under section 9 or a successor or substitute custodian designated under section 18.

(8) "Financial institution" means a bank, trust company, savings institution, or credit union, chartered and supervised under state or federal law.

(9) "Legal representative" means an individual's personal representative or conservator.

(10) "Member of the minor's family" means the minor's parent, stepparent, spouse, grandparent, brother, sister, uncle, or aunt, whether of the whole or half blood or by adoption.

(11) "Minor" means an individual who has not attained the age of 21 years, notwithstanding any law to the contrary.

(12) "Person" means an individual, corporation, organization, or other legal entity.

(13) "Personal representative" means an executor, administrator, successor personal representative, or special administrator of a decedent's estate or a person legally authorized to perform substantially the same functions.

(14) "State" includes any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession subject to the legislative authority of the United States.

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(15) “Street name or nominee name” means registration used by a broker or financial institution for holding securities when not registered in the name of the beneficial owner.

(16) “Transfer” means a transaction that creates custodial property under section 9.

(16) (17) “Transferor” means a person who makes a transfer under this chapter.

(17) (18) “Trust company” means a financial institution, corporation, or other legal entity, authorized to exercise general trust powers.

Sec. 365. Laws 1985, chapter 221, section 12, is amended to read:

Sec. 12. [527.32] **CARE OF CUSTODIAL PROPERTY.**

(a) A custodian shall:

- (1) take control of custodial property;
- (2) register or record title to custodial property if appropriate; and
- (3) collect, hold, manage, invest, and reinvest custodial property.

(b) In dealing with custodial property, a custodian shall observe the standard of care that would be observed by a prudent person dealing with property of another and is not limited by any other statute restricting investments by fiduciaries. If a custodian has a special skill or expertise or is named custodian on the basis of representations of a special skill or expertise, the custodian shall use that skill or expertise. However, a custodian, in the custodian's discretion and without liability to the minor or the minor's estate, may retain any custodial property received from a transferor.

(c) A custodian may invest in or pay premiums on life insurance or endowment policies on (i) the life of the minor only if the minor or the minor's estate is the sole beneficiary, or (ii) the life of another person in whom the minor has an insurable interest only to the extent that the minor, the minor's estate, or the custodian in the capacity of custodian, is the irrevocable beneficiary.

(d) A custodian at all times shall keep custodial property separate and distinct from all other property in a manner sufficient to identify it clearly as custodial property of the minor. Custodial property consisting of certificated securities may be held on deposit at a stock brokerage firm or financial institution registered in a street name or nominee name. Custodial property consisting of an undivided interest is so identified if the minor's interest is held as a tenant in common and is fixed. Custodial property subject to recordation is so identified if it is recorded, and custodial property subject to registration is so identified if it is either registered, or held in an account designated, in the name of the custodian,

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followed in substance by the words: "as a custodian for (name of minor) under the Minnesota uniform transfers to minors act."

(e) A custodian shall keep records of all transactions with respect to custodial property, including information necessary for the preparation of the minor's tax returns, and shall make them available for inspection at reasonable intervals by a parent or legal representative of the minor or by the minor if the minor has attained the age of 14 years.

Sec. 366. Minnesota Statutes 1984, section 609.101, is amended to read:

609.101 SURCHARGE ON FINES, ASSESSMENTS.

When a court sentences a person convicted of a felony, gross misdemeanor, or misdemeanor, other than a petty misdemeanor such as a traffic or parking violation, and if the sentence does not include payment of a fine, the court shall impose an assessment of not less than \$20 nor more than \$40. If the sentence for the felony, gross misdemeanor, or misdemeanor includes payment of a fine of any amount, including a fine of less than \$100, the court shall impose a surcharge on the fine of ten percent of the fine. This section applies whether or not the person is sentenced to imprisonment and when the sentence is suspended. The court may, upon a showing of indigency or undue hardship upon the convicted person or his immediate family, waive payment or authorize payment of the assessment or surcharge in installments.

The court shall collect and forward to the commissioner of finance the total amount of the assessment or surcharge to the state treasurer to be deposited in and the commissioner shall credit all money so forwarded to the general fund for the purposes of providing services, assistance, or reparations or a combination, to victims of crimes through programs established under sections 611A.21 to 611A.36, under chapter 256D, and chapter 299B. If the convicted person is sentenced to imprisonment, the chief executive officer of the correctional facility in which the convicted person is incarcerated may collect the assessment or surcharge from any earnings the inmate accrues for work performed in the correctional facility and forward the amount to the state treasurer. ~~The state treasurer shall identify and report to the commissioner of finance all amounts deposited in the general fund under this section~~ commissioner of finance.

Sec. 367. Minnesota Statutes 1984, section 611.216, subdivision 1, is amended to read:

Subdivision 1. **ELIGIBLE RECIPIENTS.** The board of public defense shall establish procedures for public defense corporations based in this state to apply for funding by the legislature. The applications must be submitted to the board. The board must review and prioritize them and include a recommended funding level for each corporation in the budget request the board submits to the legislature. Money appropriated to provide criminal and juvenile defense to indigent individuals must be distributed by the board of public defense to the

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nonprofit criminal and juvenile defense corporations included in the board's budget request or otherwise designated by law. Money may not be disbursed to a corporation in the Leech Lake reservation area or the White Earth reservation area without prior approval by the respective reservation business committee. Within its geographic area of responsibility each corporation shall accept cases involving felony, gross misdemeanor, and misdemeanor charges and juvenile cases if financial eligibility standards are met, unless there is a legal reason for rejecting a case. A corporation may accept cases arising outside its geographic area of responsibility, as appropriate. Each corporation, in order to ensure broad support, shall provide matching money received from nonstate sources, which may include money from federal agencies, local governments, private agencies, and community groups, equal to ten percent of its state appropriation. The board of public defense shall give notice 30 days in advance and conduct a hearing if it has reasonable grounds to believe money appropriated for this purpose is being improperly used, or if it has reasonable cause to believe criminal and juvenile defense of proper quality is not being supplied. Payment must cease from the date of notice until either the board of public defense determines that the money appropriated will be properly handled, or the board of public defense determines that criminal and juvenile defense of proper quality will be provided. A participating corporation may give notice at any time of its withdrawal from this program of financial assistance.

Sec. 368. Minnesota Statutes 1984, section 611.216, is amended by adding a subdivision to read:

Subd. 4. AUDITS. The legislative auditor may conduct periodic post-award audits of these grants as may be requested by the board of public defense and approved by the legislative audit commission.

Sec. 369. Minnesota Statutes 1984, section 626.861, is amended by adding a subdivision to read:

Subd. 4. PEACE OFFICERS TRAINING ACCOUNT. Receipts from penalty assessments must be credited to a peace officers training account in the special revenue fund. Money credited to the peace officers training account may be appropriated for the following purposes, among others:

(a) Up to ten percent may be provided for reimbursement to board approved skills courses in proportion to the number of students successfully completing the board's skills licensing examination.

(b) Assessments related to violations described in section 97.49, subdivision 5, are appropriated to provide peace officer training for persons employed by the commissioner of natural resources who are licensed under section 626.84, subdivision 1, clause (c), and who possess peace officer authority for the purpose of enforcing game and fish laws.

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(c) The balance may be used to pay each local unit of government an amount in proportion to the number of licensed peace officers and constables employed, at a rate to be determined by the board. The disbursed amount must be used exclusively for reimbursement of the cost of in-service training required under chapters 214 and 626.

Sec. 370. Laws 1984, chapter 502, article 5, section 19, subdivision 1, is amended to read:

Subdivision 1. **APPROPRIATION.** The sum of \$3,400,000 is appropriated from the general fund to the commissioner of energy and economic development for the purpose of providing grants to industrial operations that are substantially renovating their facilities, provided that the renovation enables the operation to continue to provide a substantial portion of the industrial employment of the community in which it is located. The grant is intended to help meet the cost of property tax increases due to plant expansion or renovation and the cost of sales tax or equipment purchased to replace obsolete, inadequate, or inefficient equipment in the plant.

Of the sum appropriated, up to \$1,000,000 may be granted to a meat processing and packing facility that, at the time when renovation or expansion of the facility begins, provides over 20 percent of the industrial employment in the city. The entire amount of this grant may be paid on or after July 1, 1984.

Up to \$2,400,000 may be granted to a manufacturer of internal combustion engines, generators, electrical generating sets, and switch gear that, at the time when renovation or expansion of the facility begins, provides over ten percent of the industrial employment in the city. This grant is to be disbursed as follows. The recipient must annually certify to the commissioner the following amounts paid during the year: (a) the additional property taxes paid as a result of the expansion and (b) one-third of the sales tax paid on replacement capital equipment that does not qualify for the four percent sales tax rate under Minnesota Statutes, section 297A.02, subdivision 2. The commissioner shall pay the lesser of the amount certified for the year or \$480,000. If in a year the amount certified is less than \$480,000, the excess shall carry forward and may be paid in a succeeding year. The commissioner may not pay an amount in excess of that certified. The appropriation for this grant does not cancel.

An additional sum of \$100,000 is appropriated to the commissioner of energy and economic development to provide a grant to a statutory or home rule charter city which is selected as the site for a foreign manufacturing development facility. This grant is not subject to the limitations contained in the first paragraph of this subdivision. A foreign manufacturing development project is a production and office facility financed, in whole or part, by an agency of a foreign government or a foreign corporation for the purpose of testing and developing the expertise of foreign firms in manufacturing products in the United States. The statutory or home rule charter city may use the grant moneys to provide

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assistance to the foreign manufacturing development facility in the manner it determines appropriate.

Designation of grant recipients is not subject to the provisions of chapter 14.

Sec. 371. Laws 1985, chapter 4, section 6, subdivision 3, as amended by Laws 1985, chapter 114, section 2, is amended to read:

Subd. 3. **LOAN SUBMISSION.** The lender must submit to the commissioner all farm operating loans made by the lender for which the lender requests the state to pay part of the interest, except that no loan or line of credit made by a lender to refinance credit on 1985 operating loans made by a lender may be approved by the commissioner. The commissioner must review the loan within five days after receipt. The commissioner may not pay interest on loans submitted after December 31, 1985.

Sec. 372. **NATURAL RESOURCES RESEARCH INSTITUTE.**

Notwithstanding any other law, the commissioner of iron range resources and rehabilitation may transfer ownership and convey title to any property or equipment under the commissioner's control to the natural resources research institute, a division of the University of Minnesota, at a price and under terms mutually agreed to by the commissioner and the institute.

Sec. 373. **DAKOTA COUNTY; RESOURCE RECOVERY.**

Subdivision 1. **NONMETROPOLITAN COUNTY POWERS.** Dakota county may exercise the powers of a county under Minnesota Statutes, section 400.08, in addition to the powers that Dakota county may exercise under other law. The county may expend money for resource recovery purposes under Minnesota Statutes, sections 473.801 to 473.845.

Subd. 2. **LEASE OR SALE OF PROPERTY.** Dakota county may sell or lease any facilities or property or property rights to accomplish the purposes specified by Minnesota Statutes, sections 473.149, 473.151, and 473.801 to 473.823, 473.831, 473.833, and 473.834. The property may be sold or leased in the manner provided by Minnesota Statutes, section 458.196 or may be sold or leased in the manner and on the terms and conditions determined by the county board. Each metropolitan county may convey to or permit the use of the property by a local government unit, with or without compensation, without submitting the matter to the voters of the county. Real property or property rights acquired under this section may not be disposed of in any manner unless and until the county has submitted to the agency and the metropolitan council for review and comment the terms on and the use for which the property will be disposed of. The agency and the council shall review and comment on the proposed disposition within 60 days after each has received the data relating thereto from the county.

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Sec. 374. INSTRUCTION TO REVISOR.

In Minnesota Statutes, the revisor of statutes is directed to change the words "state zoological board" to "Minnesota zoological board."

Sec. 375. APPLICATION.

Sections 353 to 358 apply to the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 376. REPEALER.

Subdivision 1. Minnesota Statutes 1984, sections 7.01; 7.013; 7.02; 7.03; 7.04; 7.05; 7.13; 7.14; 7.15; 7.16; 7.17; 7.18; 10.18; 10.19; 10.20; 10.21; 10.22; 10.23; 16A.42, subdivision 3; 40.19, subdivisions 3, 4, 10, 12, 14, and 15; 40A.13, subdivisions 2, 3, 4, and 5; 43A.19, subdivision 2; 46.15; 47.20, subdivisions 11 and 12; 48.19; 48.57; 48.58; 48.87; 69.031, subdivision 2; 84.088; 85A.03; 85A.04, subdivision 3; 124.471; 296.10; 349.212, subdivision 3, as amended by Laws 1985, chapter 3, section 2; 360.301; 360.302; 360.304; 360.306; 360.388; and 360.389; Laws 1984, chapter 502, article 10, section 12; and chapter 654, article 2, section 151, are repealed.

Subd. 2. Laws 1982, chapter 489, section 11, is repealed effective June 30, 1985.

Subd. 3. Minnesota Statutes 1984, section 85A.01, subdivision 1a, is repealed July 1, 1986.

Sec. 377. Laws 1985, chapter 258, section 1, subdivision 1, is amended to read:

Subdivision 1. DELAY BEFORE SLAUGHTER REQUIRED. Any livestock dealer, market operator, stockyard operator, commission company, buying station, or slaughtering establishment must identify the herd of origin, regardless of country of origin, of sows, bears, stags, and other swine for slaughter, except for sows, boars, and stags. Sows, bears, stags, or other Swine, except for sows, boars, and stags, delivered for slaughter in a United States Department of Agriculture sealed shipment may not be slaughtered for a period of (1) seven days after receipt for slaughter or (2) until the commissioner determines, based upon laboratory analysis results for 50 percent of the animals in the shipment, that the animals meet United States Department of Agriculture and the United States Food and Drug Administration standards, whichever is later.

Sec. 378. EFFECTIVE DATE.

Sections 370 and 377 are effective the day following final enactment. Section 199 is effective June 30, 1985. Section 366 is effective July 1, 1985, and applies to crimes committed on or after that date. Section 191 is effective October 1, 1985, and applies to insurance policies providing benefits for injuries

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arising out of the maintenance or use of a motor vehicle or motorcycle that are executed, issued, issued for delivery, delivered, continued, or renewed in this state after September 30, 1985. Section 188 is effective for promissory notes taken on and after January 1, 1986. Sections 291, 364, and 365 are effective January 1, 1986. Sections 220, 221, and 223 to 227 are effective for the licensing year beginning March 1, 1986, and for each licensing year thereafter. Sections 202, 208 to 211 and 216 are effective July 1, 1986. Section 330 is effective January 1, 1987. Section 369 is effective July 1, 1987.

Approved June 27, 1985

CHAPTER 14 — H.F.No. 10

An act relating to financing and operation of state and local government; simplifying Minnesota income tax law by increasing conformity to federal income tax law; changing income tax rates, rate brackets, credits, and deductions; providing for computation of interest on overpayments; reducing the estate tax; changing corporate income tax provisions; rescheduling payments and increasing the budget reserve; reducing sales tax rate on farm machinery and providing sales tax exemptions; changing taxation of agricultural gasoline; changing the tax credit on fermented malt beverages; changing motor vehicle excise taxes for certain automobiles; authorizing lodging taxes for towns and unorganized territories; recodifying property tax law; changing property tax exemptions, classes, classification ratios, and credits; changing the taxation of telephone companies; providing for the allocation of industrial revenue bonds; providing economic development incentives; establishing a jobs program; providing for retention of mortgage registration and deed taxes by counties; altering provisions relating to the iron range resources and rehabilitation board; changing mining taxes; authorizing reimbursement to local units of government for certain railroad property tax abatements; giving enforcement powers to the department of revenue; changing provisions relating to leased state lands; increasing cigarette taxes and allocating the proceeds; providing for studies; imposing duties on the commissioner of revenue, commissioner of natural resources, and the state auditor; changing property tax provisions relating to collection of property tax, confessions of judgment, special assessments, and sale of tax forfeit lands; changing property tax refund benefit schedules and definitions; changing local government aids; authorizing the issuance of bonds; changing computation of adjusted levy limit base; changing tax court jurisdiction; changing certain dates; changing and adding definitions; changing provisions relating to the Hennepin county park reserve district; updating income tax provisions to changes in the Internal Revenue Code; providing penalties; appropriating money; amending Minnesota Statutes 1984, sections 10A.31, subdivisions 1 and 3; 13.04, subdivision 2; 13.58; 15A.081, subdivisions 1 and 8; 16A.128, subdivision 2; 16A.15, subdivisions 1 and 6; 16A.641, subdivision 11; 16B.60, subdivision 5; 18.023, subdivision 7; 37.17, subdivision 1; 41.55; 47.58; subdivisions 2 and 3; 60A.15, subdivision 12; 60A.199, subdivision 8; 84B.08, subdivision 6; 85A.05, subdivision 5; 86.33; 92.46, subdivision 1; 93.55, subdivision 2; 97.488, subdivision 1a; 110A.28, subdivisions 11 and 12; 115A.58, subdivision 6; 116.16, subdivisions 1 and 2; 116.17, subdivision 6; 116.18, subdivisions 1, 2a, and 3a; 116C.63, subdivision 4; 116J.035, by adding a subdivision;

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