

ments of section 13 was offered by the contributing member, and (2) the policy or contract has been terminated for reasons other than (a) nonpayment of premium; (b) failure to make copayments required by the health care plan; (c) moving out of the area served; or (d) a materially false statement or misrepresentation by the enrollee in the application for membership; and, provided further, that the option to enroll in the plan is exercised within 30 days of termination of the existing policy or contract.

Coverage allowed under this section is effective ~~on the date of termination~~, when the contract or policy is terminated and the enrollee has completed the proper application and paid the required premium or fee.

Expenses incurred from the preexisting conditions of individuals enrolled in the state plan under this subdivision must be paid by the contributing member canceling coverage as set forth in section 62E.11, subdivision 10.

The application must include evidence of termination of the existing policy or certificate as required in subdivision 1.

Sec. 32. REPEALER.

Minnesota Statutes 1986, section 62D.041, subdivisions 5, 6, and 8, are repealed.

Sec. 33. EFFECTIVE DATE.

Sections 1 to 15 and 17 to 32 are effective the day following final enactment. Section 16 is effective January 1, 1990.

Approved April 24, 1988

CHAPTER 613—H.F.No. 2291

An act relating to state agencies; amending, enacting, and repealing certain laws administered by the department of administration; requiring the commissioner of administration to consider the provision of child care facilities in new state office space; requiring state agencies to adopt policies regulating smoking in space under their control; increasing the powers of the state board for community colleges; changing the criteria for board membership; amending Minnesota Statutes 1986, sections 15.0591, subdivision 2; 16A.41, subdivision 1; 16B.07, subdivisions 2 and 3; 16B.08, subdivision 4; 16B.09, subdivision 3; 16B.24, by adding subdivisions; 16B.28; 16B.42, subdivision 1; 16B.48, subdivision 2; 16B.55, subdivisions 3 and 6; 16B.65, subdivision 3; 16B.85; 94.12; 136.61, subdivision 1; 136.622; 136.67, subdivision 2; 214.07, subdivision 1; and 382.153; Minnesota Statutes 1987 Supplement, sections 16B.09, subdivision 1; 16B.67; 115A.15, subdivision 6; and 168.012, subdivision 1; Laws 1987, chapter 365, section 24; proposing coding for new law in Minnesota Statutes, chapters 16B; and 136.

New language is indicated by underline, deletions by ~~strikeout~~.

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

Section 1. Minnesota Statutes 1986, section 15.0591, subdivision 2, is amended to read:

Subd. 2. **BODIES AFFECTED.** A member meeting the qualifications in subdivision 1 ~~shall~~ must be appointed to the following boards, commissions, advisory councils, task forces, or committees:

- (1) advisory council on battered women;
- (2) advisory task force on the use of state facilities;
- (3) alcohol and other drug abuse advisory council;
- (4) ~~board for community colleges;~~
- (~~5~~) board of examiners for nursing home administrators;
- (~~6~~) (5) board on aging;
- (~~7~~) (6) chiropractic examiners board;
- (~~8~~) (7) consumer advisory council on vocational rehabilitation;
- (~~9~~) (8) council for the handicapped;
- (~~10~~) (9) council on affairs of Spanish-speaking people;
- (~~11~~) (10) council on black Minnesotans;
- (~~12~~) (11) dentistry board;
- (~~13~~) (12) department of jobs and training advisory council;
- (~~14~~) (13) higher education coordinating board;
- (~~15~~) (14) housing finance agency;
- (~~16~~) (15) Indian advisory council on chemical dependency;
- (~~17~~) (16) medical examiners board;
- (~~18~~) (17) medical policy directional task force on mental health;
- (~~19~~) (18) Minnesota employment and economic development task force;
- (~~20~~) (19) Minnesota office of volunteer services advisory committee;
- (~~21~~) (20) Minnesota state arts board;
- (~~22~~) (21) mortuary sciences advisory council;

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- (23) (22) nursing board;
- (24) (23) optometry board;
- (25) (24) pharmacy board;
- (26) (25) physical therapists council;
- (27) (26) podiatry board;
- (28) (27) psychology board;
- (29) (28) veterans advisory committee.

Sec. 2. Minnesota Statutes 1986, section 16A.41, subdivision 1, is amended to read:

Subdivision 1. **CERTIFIED.** Except as provided in subdivision 1a, when claims against the state are made for which there is an appropriation available, an official with authority to pay a claim shall approve the claim by certifying that the service was performed ~~of~~, the goods or material furnished, or monthly telephone service is in effect. The claim must be sent to the commissioner accompanied by a transmittal form as prescribed by the commissioner.

Sec. 3. [16B.052] AUTHORITY TO TRANSFER FUNDS.

The commissioner may, with the approval of the commissioner of finance, transfer from an internal service or enterprise fund account to another internal service or enterprise fund account, any contributed capital appropriated by the legislature. The transfer may be made only to provide working capital or positive cash flow in the account to which the money is transferred. The transfer must be repaid within 18 months.

Sec. 4. Minnesota Statutes 1986, section 16B.07, subdivision 2, is amended to read:

Subd. 2. **REQUIREMENT CONTRACTS.** Standard requirement price contracts for supplies or services to be purchased by the state must be established by competitive bids as provided in subdivision 1. The standard requirement price contracts may contain escalation clauses and may provide for a negotiated price increase or decrease based upon a demonstrable industrywide or regional increase or decrease in the vendor's costs or for the addition of similar products or replacement items not significant to the total value of existing contracts. The term of these contracts may not exceed ~~two years with an option on the part of the state to renew for an additional two~~ five years including all extensions.

Sec. 5. Minnesota Statutes 1986, section 16B.07, subdivision 3, is amended to read:

Subd. 3. **PUBLICATION OF NOTICE; EXPENDITURES OVER \$15,000 AND REQUESTS FOR PROPOSAL.** If the amount of an expenditure or sale is

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estimated to exceed \$15,000, sealed bids or requests for proposal as provided in section 16B.08, subdivision 4, clause (b), must be solicited by public notice inserted at least once in a newspaper or trade journal not less than seven days before the final date of submitting bids. The commissioner shall designate the newspaper or trade journal for that publication, and may designate different newspapers or journals according to the nature of the purchase or contract. The commissioner shall also solicit sealed bids by sending notices by mail to all prospective bidders known to the commissioner, and by posting notice on a public bulletin board in the commissioner's office at least five days before the final date of submitting bids. All bids must be sealed when they are received and must be opened in public at the hour stated in the notice. All original bids and all documents pertaining to the award of a contract must be retained and made a part of a permanent file or record and remain open to public inspection.

Sec. 6. Minnesota Statutes 1986, section 16B.08, subdivision 4, is amended to read:

Subd. 4. **NEGOTIATED CONTRACTS.** (a) In lieu of any of the other requirements of this chapter, the commissioner may negotiate a contract for public work to be performed at a state-owned institution or installation if the cost does not exceed \$15,000 and if the head of the affected state agency requests the commissioner to do so. The commissioner shall have prepared whatever plans and specifications for the public work deemed necessary by the commissioner to protect the public interest. Contractor's bonds or security pursuant to chapter 574 are not required for contracts entered into pursuant to this subdivision.

(b) In lieu of the requirement for competitive bidding in section 16B.07, subdivision 1, purchases and contracts may be negotiated in those circumstances determined by the commissioner, and in any of those circumstances the commissioner shall advertise for a request for proposal as a basis for negotiation.

Sec. 7. Minnesota Statutes 1987 Supplement, section 16B.09, subdivision 1, is amended to read:

Subdivision 1. **LOWEST RESPONSIBLE BIDDER.** All state contracts and purchases made by or under the supervision of the commissioner or an agency for which competitive bids are required must be awarded to the lowest responsible bidder, taking into consideration conformity with the specifications, terms of delivery, the purpose for which the contract or purchase is intended, the status and capability of the vendor, and other ~~conditions~~ considerations imposed in the call for bids. The commissioner may decide which is the lowest responsible bidder for all purchases and may use the principles of life cycle costing, where appropriate, in determining the lowest overall bid. As to contracts other than for purchases, the head of the interested agency shall make the decision, subject to the approval of the commissioner. Any or all bids may be rejected. In a case where competitive bids are required and where all bids are rejected, new bids, if solicited, must be called for as in the first instance, unless otherwise provided by law.

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Sec. 8. Minnesota Statutes 1986, section 16B.09, subdivision 3, is amended to read:

Subd. 3. SPECIAL CIRCUMSTANCES. The commissioner may reject the bid of any bidder who has failed to perform a previous contract with the state. In the case of identical low bids from two or more bidders, the commissioner may use negotiated procurement methods with the tied low bidders for that particular transaction, so long as the price paid does not exceed the low tied bid price. The commissioner may award contracts to more than one bidder in accordance with section 16B.09, subdivision 1, if doing so does not decrease the service level or diminish the effect of competition.

Sec. 9. Minnesota Statutes 1986, section 16B.24, is amended by adding a subdivision to read:

Subd. 9. SMOKING IN STATE BUILDINGS. (a) To protect the public health, comfort, and environment and to protect the nonsmoker's right to a smoke-free environment, smoking in all buildings managed or leased by the commissioner under subdivisions 1 and 6 is prohibited except where smoking areas have been designated under a policy adopted in accordance with paragraph (b).

(b) Except as provided in paragraph (c), each state agency shall adopt a smoking policy for the space it occupies. Before placing a policy in effect, the agency shall submit the policy and a plan for implementing it to the commissioner of employee relations. The policy must:

(1) prohibit smoking entirely; or

(2) permit smoking only in designated areas, providing that existing physical barriers and ventilation systems can be used to prevent or substantially minimize the toxic effect of smoke in adjacent nonsmoking areas.

(c) An agency need not adopt a new policy governing an area in which smoking is prohibited under a policy in effect on the effective date of this subdivision.

No employee complaining of a smoke-induced discomfort to a lessor, lessee, manager, or supervisor may be subjected to any disciplinary action as a result of making the complaint.

Sec. 10. Minnesota Statutes 1986, section 16B.24, is amended by adding a subdivision to read:

Subd. 10. CHILD CARE SERVICES SPACE. For state office space that is leased, purchased, or substantially remodeled after August 1, 1988, the commissioner shall consider including space usable for child care services. Child care space must be included if the commissioner determines that it is needed and that it could be provided at reasonable cost.

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Sec. 11. Minnesota Statutes 1986, section 16B.28, is amended to read:

16B.28 ~~SURPLUS FEDERAL PROPERTY MATERIALS DISTRIBUTION.~~

Subdivision 1. **DEFINITIONS.** For purposes of this section the following terms have the meanings given them:

(a) "Surplus property" means commodities, equipment, materials, supplies, books, printed matter, and other property made available by ~~the federal government~~ a governmental unit or nonprofit organization to ~~a~~ another governmental unit or nonprofit organization.

(b) "Governmental unit or nonprofit organization" means ~~the state of Minnesota; its departments, agencies, political subdivisions, and other instrumentalities~~ a governmental unit as defined in section 471.59, subdivision 1, an Indian tribal government, and any nonprofit and tax-exempt medical institution, hospital, clinic, health center, school, school system, college, university, or other institution organized and existing for any purpose authorized by federal law to accept surplus federal property.

Subd. 2. **AUTHORIZATION.** (a) The commissioner is the state agency designated to purchase ~~or~~ accept or dispose of federal surplus property for the state and for the benefit of any other governmental unit or nonprofit organization for any purpose authorized by state and federal law and in accordance with federal rules and regulations. Any governmental unit or nonprofit organization may designate the commissioner to purchase or accept surplus property for it upon mutually agreeable terms and conditions. The commissioner may ~~store~~ acquire, accept, warehouse, and distribute surplus property until it is needed and any expenses incurred in connection with ~~the storage~~ any of these acts shall be paid from the ~~surplus property materials~~ materials distribution revolving fund.

(b) To dispose of surplus property or other property that is obsolete or unused that belongs to the state or any other governmental unit or nonprofit organization, the commissioner may transfer or sell it to a governmental unit or nonprofit organization or sell it to any other person. Federal surplus property that has been transferred to the state for donation to public agencies and nonprofit organizations must be transferred or sold in accordance with the plan developed under paragraph (d). Expenses incurred in connection with the disposal of surplus property or other property that is obsolete or unused must be paid from the materials distribution revolving fund. If the commissioner sells the property, the proceeds of the sale, minus any expenses of providing the service set by the commissioner, are appropriated to the governmental unit or nonprofit organization for whose account the sale was made, to be used and expended by the organization for the purposes it determines.

(c) The commissioner may centrally acquire, warehouse, and distribute supplies, materials, and equipment for governmental units or nonprofit organizations. Expenses incurred in connection with acquiring, warehousing, and distributing must be paid from the materials distribution revolving fund.

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(d) The commissioner shall develop a detailed plan for disposal of donated federal property in conformance with state law and federal regulations. The plan must be submitted to the governor for certification and submission to the federal administrator of general services.

Subd. 3. **REVOLVING FUND.** (a) **CREATION.** ~~To pay for surplus property received from the federal government for governmental or nonprofit organizations, including the expense of accepting and distributing that property, there is a surplus property revolving fund in the state treasury.~~ The materials distribution revolving fund is a separate fund in the state treasury. All money relating to the resource recovery program established under section 115A.15, subdivision 1, all money resulting from the acquisition, acceptance, warehousing, distribution, and public sale of surplus property, all money resulting from the sale of centrally acquired, warehoused, and distributed supplies, materials, and equipment, and all money relating to the cooperative purchasing venture established under section 421.59 must be deposited in the fund. Money paid into the surplus property materials distribution revolving fund is appropriated to the commissioner for the purposes of the programs and services referred to in this section.

(b) **ADVANCES.** ~~No more than \$1,000 from the surplus property revolving fund may be advanced to the commissioner or a state employee engaged in performing duties under this section to pay the expenses of travel, subsistence, toll charges, and similar expenses, in accordance with requirements prescribed by the commissioner of finance. When money which was advanced is repaid, it must be deposited in the state treasury to the credit of the surplus property revolving fund.~~

(e) **TRANSFER OR SALE TO STATE AGENCY.** When the state or an agency operating under a legislative appropriation obtains surplus property from the commissioner, the commissioner of finance must, at the commissioner's request, transfer the cost of the surplus property, including any expenses of acquiring, accepting, warehousing, and distributing the surplus property, from the appropriation of the state agency receiving the surplus property to the surplus property materials distribution revolving fund. The determination of the commissioner is final as to the cost of the surplus property to the state agency receiving the property.

~~(d)~~ (c) **TRANSFER OR SALE TO OTHER AGENCIES GOVERNMENTAL UNITS OR NONPROFIT ORGANIZATIONS.** When any governmental unit or nonprofit organization other than a state agency receives surplus property, supplies, materials, or equipment from the commissioner, the governmental unit or nonprofit organization must reimburse the surplus property materials distribution revolving fund for the cost of the property, including the expenses of acquiring, accepting, warehousing, and distributing it, in an amount the commissioner sets. The commissioner may, however, require the governmental unit or nonprofit organization to deposit in advance in the surplus property materials distribution revolving fund the cost of the surplus property, supplies, materials, and equipment upon mutually agreeable terms and conditions. The

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commissioner may charge a fee to political subdivisions and nonprofit organizations to establish their eligibility for receiving the property and to pay for costs of storage and distribution.

Sec. 12. Minnesota Statutes 1986, section 16B.42, subdivision 1, is amended to read:

Subdivision 1. **COMPOSITION.** The commissioner of administration shall appoint an intergovernmental information systems advisory council, to serve at the pleasure of the commissioner of administration, consisting of 25 members. Fourteen members shall be appointed or elected officials of local governments, seven shall be representatives of state agencies, and four shall be selected from the community at large. Further, the council shall be composed of (1) two members from each of the following groups: counties outside of the seven county metropolitan area, cities of the second and third class outside the metropolitan area, cities of the second and third class within the metropolitan area, and cities of the fourth class; (2) one member from each of the following groups: the metropolitan council, an outstate regional body, counties within the metropolitan area, cities of the first class, school districts in the metropolitan area, and school districts outside the metropolitan area; (3) one member each from the state departments of administration, education, human services, revenue, planning and the legislative auditor; (4) one member from the office of the state auditor; and (5) four members from the state community at large. To the extent permitted by available resources the commissioner shall furnish staff and other assistance as requested by the council. ~~The council shall expire and the terms, compensation, and removal of members of the advisory council shall be as provided in section 15.059,~~ but the council does not expire until June 30, 1993.

Sec. 13. Minnesota Statutes 1986, 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:

- (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;
- (5) to provide advice and other services to political subdivisions for the management of their records, information, and telecommunication systems;
- (6) to provide services for the maintenance, operation, and upkeep of buildings and grounds managed by the commissioner of administration;

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(7) to provide analytical, statistical, and organizational development services to state agencies, local units of government, metropolitan and regional agencies, and school districts;

(8) to provide capitol security services through the department of public safety; and

(9) 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. 14. Minnesota Statutes 1986, section 16B.55, subdivision 3, is amended to read:

Subd. 3. **PERMITTED USES.** A state vehicle may be used by a state employee to travel to or from the employee's residence:

(1) on a day on which it may be necessary for the employee to respond to a work-related emergency during hours when the employee is not normally working;

(2) if the employee has been assigned the use of a state vehicle for authorized state business on an extended basis, and the employee's primary place of work is not the state work station to which the employee is permanently assigned;

(3) if the employee has been assigned the use of a state vehicle for authorized state business away from the work station to which the employee is permanently assigned, and the number of miles traveled, or the time needed to conduct the business, will be minimized if the employee uses a state vehicle to travel to the employee's residence before or after traveling to the place of state business.

~~Use of a state vehicle pursuant to this subdivision requires the prior approval of the agency head or the designee of the agency head. Within 15 days of the end of each three-month period, the head of each agency shall report to the commissioner on each case in which a state vehicle is used by an employee of that agency to travel to or from the employee's residence. The commissioner shall specify the form of this report and the information to be included. If no state vehicles have been used for this travel, the head of the state agency shall report this to the commissioner; or~~

(4) if the employee is authorized to participate in a ridesharing program established by the commissioner pursuant to section 174.257.

Use of a state vehicle under this subdivision requires the prior approval of the agency head or the designee of the agency head.

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Sec. 15. Minnesota Statutes 1986, section 16B.55, subdivision 6, is amended to read:

Subd. 6. ADMINISTRATIVE POLICIES VEHICLE OPERATING PROCEDURES. ~~The commissioner shall determine when an employee must reimburse the state for use of a state vehicle and the rates of reimbursement. Rates of reimbursement shall cover the full cost to the state for the travel for which reimbursement is required. The commissioner shall also set operating procedures for use of state vehicles. These rules, rates, and operating procedures are not subject to the administrative procedure act. Money received under these rules shall be deposited as nondedicated receipts to the credit of the fund from which the costs of operating the individual vehicles are paid.~~

Sec. 16. Minnesota Statutes 1986, section 16B.65, subdivision 3, is amended to read:

Subd. 3. CERTIFICATION. ~~The department of employee relations, with the approval of the commissioner, shall either:~~

(1) ~~prepare and conduct oral, written, and practical examinations to determine if a person is qualified pursuant to subdivision 2 to be a building official, or~~

(2) ~~accept documentation of successful completion of testing programs of training developed by public nationally recognized testing agencies, as proof of qualification pursuant to subdivision 2; or~~

(3) determine qualifications by both clauses (1) and (2).

Upon a determination of qualification under ~~either clause (1) or (2), or both of them,~~ the commissioner shall issue a certificate to the building official stating that the official is certified. Each person applying for examination and certification pursuant to this section shall pay a fee of ~~\$20~~ \$70. ~~The department of employee relations and the commissioner or a designee may establish classes of certification that will recognize the varying complexities of code enforcement in the municipalities within the state. Except as provided by subdivision 2, no person may act as a building official for a municipality unless the department of employee relations and the commissioner determine~~ determines that the official is qualified. ~~The department of employee relations may, with the approval of the commissioner, prepare and conduct~~ shall provide educational programs designed to train and assist building officials in carrying out their responsibilities.

The department of employee relations may, at the request of the commissioner, provide statewide testing services.

Sec. 17. Minnesota Statutes 1987 Supplement, section 16B.67, is amended to read:

16B.67 APPEALS.

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A person aggrieved by the final decision of any municipality as to the application of the code, including any rules adopted under sections 471.465 to 471.469, may, within 180 days of the decision, appeal to the commissioner. Appellant shall submit a fee of ~~\$20~~ \$70, payable to the commissioner, with the request for appeal. ~~The final decision of the involved municipality is subject to review de novo by the commissioner or a designee~~ An appeal must be heard as a contested case under chapter 14. The commissioner shall submit written findings to the parties. The party not prevailing shall pay the costs of the contested case hearing, including fees charged by the office of administrative hearings and the expense of transcript preparation. Costs under this section do not include attorney fees. Any person aggrieved by a ruling of the commissioner may appeal in accordance with chapter 14. For the purpose of this section "any person aggrieved" includes the council on disability. No fee or costs shall be required when the council on disability is the appellant.

Sec. 18. Minnesota Statutes 1986, section 16B.85, is amended to read:

16B.85 RISK MANAGEMENT.

Subdivision 1. **ALTERNATIVES TO CONVENTIONAL INSURANCE.** ~~In the event that the state is unable to obtain certain types of insurance, or the commissioner determines insurance to be unreasonably costly,~~ The commissioner may implement programs of insurance or alternatives to the purchase of conventional insurance for areas of risk not subject to collective bargaining agreements, plans established under section 43A.18, or programs established under sections 176.540 to 176.611. ~~A~~ The mechanism for implementing possible alternatives to conventional insurance is the risk management fund created in subdivision 2.

Subd. 2. **RISK MANAGEMENT FUND.** ~~A state risk management fund is created. All state agencies which have had or may have casualty claims against them with respect to the risks for which the commissioner has implemented conventional insurance alternatives shall contribute to the fund a portion of the money appropriated to them. The commissioner shall determine the proportionate share of each agency on the basis of the agency's casualty claim experience as compared to other affected agencies. The money in the fund to pay casualty claims arising from state activities and for administrative costs, including costs for the adjustment and defense of the claims, is appropriated to the commissioner. Interest earned from the investment of money in the fund shall be credited to the fund and be available to the commissioner for the expenditures authorized in this subdivision. The fund is exempt from the provisions of section 16A.15, subdivision 1. In the event that proceeds in the fund are insufficient to pay outstanding claims and associated administrative costs, the commissioner, in consultation with the commissioner of finance, may assess state agencies participating in the fund amounts sufficient to pay the costs. The commissioner shall determine the proportionate share of the assessment of each agency on the basis of the agency's casualty claim experience as compared to other affected agencies.~~

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(a) All state agencies may, in cooperation with the commissioner, participate in insurance programs and other funding alternative programs provided by the risk management fund.

(b) When an agency or agencies enter into an insurance or self-insurance program, each agency shall contribute the appropriate share of its costs as determined by the commissioner.

(c) The money in the fund to pay claims arising from state activities and for administrative costs, including costs for the adjustment and defense of the claims, is appropriated to the commissioner.

(d) Interest earned from the investment of money in the fund shall be credited to the fund and be available to the commissioner for the expenditures authorized in this subdivision.

(e) The fund is exempt from the provisions of section 16A.15, subdivision 1. In the event that proceeds in the fund are insufficient to pay outstanding claims and associated administrative costs, the commissioner, in consultation with the commissioner of finance, may assess state agencies participating in the fund amounts sufficient to pay the costs. The commissioner shall determine the proportionate share of the assessment of each agency.

Subd. 3. RESPONSIBILITIES. The commissioner shall:

(1) review the state's exposure to various types of potential risks in consultation with affected agencies and advise state agencies as to the reduction of risk and fiscal management of those losses;

(2) be responsible for statewide risk management coordination, evaluation of funding and insuring alternatives, and the approval of all insurance purchases in consultation with affected agencies;

(3) identify ways to eliminate redundant efforts in the management of state risk management and insurance programs;

(4) maintain the state risk management information system; and

(5) administer and maintain the state risk management fund.

Subd. 4. COMPETITIVE BIDDING. The commissioner may request bids from insurance carriers or negotiate with insurance carriers and may enter into contracts of insurance carriers that in the judgment of the division are best qualified to underwrite and service the insurance programs.

Subd. 5. RISK MANAGEMENT FUND NOT CONSIDERED INSURANCE. A state agency, including an entity defined as a part of the state in section 3.732, subdivision 1, clause (1), may procure insurance against liability of the agency and its employees for damages resulting from the torts of the agency and its employees. The procurement of this insurance constitutes a

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waiver of the limits or governmental liability to the extent of the liability stated in the policy but has no effect on the liability of the agency and its employees beyond the coverage as provided. Procurement of commercial insurance, participation in the risk management fund under section 16B.85, or provisions of an individual self-insurance plan with or without a reserve fund or reinsurance does not constitute a waiver of any of the governmental immunities or exclusions under section 3.736.

Sec. 19. Minnesota Statutes 1986, section 94.12, is amended to read:

94.12 CONTRACT FOR DEED AND QUITCLAIM DEED.

In the event a purchaser elects to purchase surplus real property on an installment basis, the commissioner of administration shall enter into a contract for deed with the purchaser thereof in which shall be set forth the description of the real property sold and the price thereof, the consideration paid and to be paid therefor, the rate of interest, and time and terms of payment. This contract for deed shall be made assignable and shall further set forth that in case of the nonpayment of the annual principal or interest payment due by the purchaser, or any person claiming under the purchaser, then the contract for deed, from the time of such failure, will be entirely void and of no effect and the state may be repossessed of the lot or tract and may resell the same as provided in sections 94.09 to 94.16. In the event the terms and conditions of a contract for deed are completely fulfilled or if a purchaser makes a lump sum payment for the subject property in lieu of entering into a contract for deed, ~~the governor, upon the recommendation of~~ the commissioner of administration, shall sign and cause to be issued a quitclaim deed on behalf of the state. Said quitclaim deed shall be in a form prescribed by the attorney general and shall vest in purchaser all of the state's interest in the subject property except as provided in section 94.14.

Sec. 20. Minnesota Statutes 1987 Supplement, section 115A.15, subdivision 6, is amended to read:

Subd. 6. **RESOURCE RECOVERY REVOLVING ACCOUNT USE OF MATERIALS DISTRIBUTION REVOLVING FUND.** ~~Upon the certification of the commissioner of administration, the commissioner of finance shall establish an account in the general services revolving fund, effective June 30, 1980, for the operation of the state government resource recovery program. The revolving account shall consist of~~ All funds appropriated by the state for the resource recovery program, all revenues resulting from the sale of recyclable and reusable commodities made available for sale as a result of the resource recovery program and all reimbursements to the commissioner of expenses incurred by the commissioner in developing and administering resource recovery systems for state agencies, ~~local governments, and regional agencies~~ governmental units, and nonprofit organizations must be deposited in the materials distribution revolving fund created in section 16B.28. ~~The account fund may be used for all activities associated with the program including payment of administrative and operating costs; except statewide and agency indirect costs.~~ The commissioner

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shall determine the waste disposal cost savings associated with recycling and reuse activities, collect those savings from the account responsible for disposing of wastes produced in state buildings, and credit the savings to the ~~resource recovery revolving account~~ materials distribution revolving fund.

Sec. 21. Minnesota Statutes 1986, section 136.61, subdivision 1, is amended to read:

Subdivision 1. The state board for community colleges ~~shall consist~~ consists of nine members appointed by the governor with the advice and consent of the senate. ~~They shall be selected for their knowledge of, and interest in community colleges of Minnesota.~~ One member shall be a full-time student at a community college at the time of appointment or shall have been a full-time student at a community college within one year before appointment to the state board for community colleges. Other than the student or recent graduate member, at least one member shall be a resident of each congressional district ~~and two members shall be graduates of a community college in this state.~~ In making appointments to the board, the governor shall recognize the mission of the community college system and attempt to reflect the groups served by the mission.

Sec. 22. Minnesota Statutes 1986, section 136.622, is amended to read:

136.622 COMPUTER SALES AND MAINTENANCE TECHNICAL EQUIPMENT.

Subdivision 1. PROPRIETARY PURCHASES. Technical educational equipment may be procured for the state community colleges on request of the state board for community colleges either by brand designation or in accordance with standards and specifications the board may promulgate, notwithstanding chapter 16B.

Subd. 2. COMPUTER SALES AND SUPPORT. The state board for community colleges may sell computers and related products to its staff and students to advance their instructional and research abilities. The board shall contract with a private vendor for service, maintenance, and support for computers and related products sold by the board.

Sec. 23. Minnesota Statutes 1986, section 136.67, subdivision 2, is amended to read:

Subd. 2. The state community college board may establish activity funds; ~~except for dormitory purposes,~~ and imprest cash funds, waive tuition charges, and act as agent and accept the benefits of Public Law Number 88-452, known as the Economic Opportunity Act of 1964, as amended, and Public Law Number 85-864, known as the National Defense Education Act of 1958, as amended, to the same extent and subject to the same conditions as this authority is vested in the state university board. Sections 136.045; 136.142; 136.143; 136.144; 136.171; 136.22; 136.56; 169.966; and 352.01, subdivision 2a, clause (6), also apply to the state community college board and the state community colleges in the same manner as to the state university board and the state universities.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 24. [136.71] **NONPROFIT FOUNDATION PAYROLL DEDUCTION.**

Subdivision 1. REQUEST; WARRANT. The commissioner of finance, upon the written request of an employee of a community college or the state board for community colleges, may deduct from an employee's salary or wages the amount requested for payment to a nonprofit community college foundation meeting the requirements in subdivision 2. The commissioner shall issue a warrant for the deducted amount to the nonprofit foundation.

Subd. 2. FOUNDATION APPLICATION; APPROVAL. A nonprofit foundation that desires to receive contributions through payroll deductions shall apply to the state board for approval to participate in the payroll deduction plan. The board may approve the application for participation if the foundation:

(1) is tax exempt under section 501(c)3 of the Internal Revenue Code of 1986, as amended;

(2) qualifies for tax deductible contributions under section 170 of the Internal Revenue Code of 1986, as amended;

(3) secures funding solely for distribution to that community college; and

(4) has been incorporated according to chapter 317 for at least one calendar year before the date it applies to the state board for community colleges for approval.

Subd. 3. SOLICITATION. Efforts to secure payroll deductions authorized in subdivision 1 may not interfere with, require a modification of, nor be conducted during the period of a payroll deduction fund drive for employees authorized by section 309.501.

Sec. 25. [136.72] **CAPITAL PROJECTS BIDDING PROCEDURES.**

In awarding contracts for capital projects under section 16B.09, the state board for community colleges shall consider the documentation provided by the bidders regarding their qualifications, including evidence of having successfully completed similar work, or delivering services or products comparable to that being requested. The board shall set procedures to administer this section, which must include practices that will assist in the economic development of small businesses and small businesses owned and operated by socially or economically disadvantaged persons.

Sec. 26. Minnesota Statutes 1987 Supplement, section 168.012, subdivision 1, is amended to read:

Subdivision 1. (a) The following vehicles are exempt from the provisions of this chapter requiring payment of tax and registration fees, except as provided in subdivision 1c:

New language is indicated by underline, deletions by ~~strikeout~~.

(1) vehicles owned and used solely in the transaction of official business by representatives of foreign powers, by the federal government, the state, or any political subdivision;

(2) vehicles owned and used exclusively by educational institutions and used solely in the transportation of pupils to and from such institutions;

(3) vehicles owned by nonprofit charities and used exclusively to transport handicapped persons for educational purposes;

(4) vehicles owned and used by honorary consul or consul general of foreign governments.

(b) Vehicles owned by the federal government, municipal fire apparatus, police patrols and ambulances, the general appearance of which is unmistakable, shall not be required to register or display number plates.

(c) Unmarked vehicles used in general police work, arson investigations, and passenger vehicles, station wagons, and buses owned or operated by the department of corrections shall be registered and shall display passenger vehicle classification license number plates which shall be furnished by the registrar at cost. Original and renewal applications for these passenger vehicle license plates authorized for use in general police work and for use by the department of corrections must be accompanied by a certification signed by the appropriate chief of police if issued to a police vehicle, the appropriate sheriff if issued to a sheriff's vehicle, the commissioner of corrections if issued to a department of corrections vehicle, or the appropriate officer in charge if issued to a vehicle of any other law enforcement agency. The certification must be on a form prescribed by the commissioner and state that the vehicle will be used exclusively for a purpose authorized by this section.

(d) All other motor vehicles shall be registered and display tax exempt number plates which shall be furnished by the registrar at cost, except as provided in subdivision 1c. All vehicles required to display tax exempt number plates shall have the name of the state department or public subdivision on the vehicle plainly ~~printed~~ displayed on both sides thereof in letters not less than 2-1/2 inches high, ~~one and one-half~~ one and one-half inch wide ~~and of a three-eighths inch stroke~~; except that each state hospital and institution for the mentally ill and mentally retarded may have one vehicle without the required ~~printing~~ identification on the sides of the vehicle. Such ~~printing~~ identification shall be in a color giving a ~~marked~~ contrast with that of the part of the vehicle on which it is placed and shall be ~~done with a good quality of paint that will~~ endure throughout the term of the registration. The ~~printing~~ identification must be ~~on a part of the vehicle itself and not be~~ on a removable plate or placard ~~of any kind~~ and shall be kept clean and visible at all times; except that a removable plate or placard may be utilized on vehicles leased or loaned to a political subdivision.

Sec. 27. Minnesota Statutes 1986, section 214.07, subdivision 1, is amended to read:

New language is indicated by underline, deletions by ~~strikeout~~.

~~Subdivision 4. BOARD REPORTS.~~ The health-related licensing boards and the non-health-related licensing boards shall prepare reports by October 1 of each even-numbered year ~~on forms prepared by the commissioner of administration.~~ Copies of the reports shall be delivered to the legislature in accordance with section 3.195, and to the governor and the commissioner of administration. Copies of the reports of the health-related licensing boards shall also be delivered to the commissioner of health. The reports shall contain the following information relating to the two-year period ending the previous June 30:

- (a) a general statement of board activities;
- (b) the number of meetings and approximate total number of hours spent by all board members in meetings and on other board activities;
- (c) the receipts and disbursements of board funds;
- (d) the names of board members and their addresses, occupations, and dates of appointment and reappointment to the board;
- (e) the names and job classifications of board employees;
- (f) a brief summary of board rules proposed or adopted during the reporting period with appropriate citations to the State Register and published rules;
- (g) the number of persons having each type of license and registration issued by the board as of June 30 in the year of the report;
- (h) the locations and dates of the administration of examinations by the board;
- (i) the number of persons examined by the board with the persons subdivided into groups showing age categories, sex, and states of residency;
- (j) the number of persons licensed or registered by the board after taking the examinations referred to in clause (h) with the persons subdivided by age categories, sex, and states of residency;
- (k) the number of persons not licensed or registered by the board after taking the examinations referred to in clause (h) with the persons subdivided by age categories, sex, and states of residency;
- (l) the number of persons not taking the examinations referred to in clause (h) who were licensed or registered by the board or who were denied licensing or registration with the reasons for the licensing or registration or denial thereof and with the persons subdivided by age categories, sex, and states of residency;
- (m) the number of persons previously licensed or registered by the board whose licenses or registrations were revoked, suspended, or otherwise altered in status with brief statements of the reasons for the revocation, suspension or alteration;

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(n) the number of written and oral complaints and other communications received by the executive secretary of the board, a board member, or any other person performing services for the board (1) which allege or imply a violation of a statute or rule which the board is empowered to enforce and (2) which are forwarded to other agencies as required by section 214.10;

(o) a summary, by specific category, of the substance of the complaints and communications referred to in clause (n) and, for each specific category, the responses or dispositions thereof pursuant to section 214.10 or 214.11;

(p) any other objective information which the board members believe will be useful in reviewing board activities.

Sec. 28. Minnesota Statutes 1986, section 382.153, is amended to read:

382.153 BONDING OF COUNTY OFFICERS AND EMPLOYEES.

Subdivision 1. In counties now or hereafter having a population of more than 250,000, when a corporate surety bond has been furnished by any county officer or employee pursuant to statute or resolution of the county board, the premium therefor shall be paid by the county, provided that the county board may designate the surety.

The county board shall cause to be published in its official publication, a notice for bids for the furnishing of all such bonds and shall award a contract to the lowest responsible bidder.

Subd. 2. In any county, in lieu of the individual bonds required to be furnished by county officers or by county employees, a schedule or position bond or undertaking may be given by county officers or by the employees of each county office or department, or a single corporate surety fidelity, schedule or position bond or undertaking covering all the officers and employees of any such county including officers and employees required by law to furnish an individual bond or undertaking may be furnished, in the respective amounts fixed by law, or by the person or board authorized by law to fix the same, conditioned substantially as provided in section 574.13; ~~and upon a form to be prescribed by the commissioner of administration.~~

Sec. 29. INITIAL SMOKING POLICIES.

A state agency required to adopt a smoking policy under section 9 shall submit its initial policy and plan for implementation to the commissioners of administration, employee relations, and health by January 1, 1989.

Sec. 30. Laws 1987, chapter 365, section 24, is amended to read:

Sec. 24. INSTRUCTION TO REVISOR.

The revisor of statutes shall renumber Minnesota Statutes, section 4.31, subdivisions 1 ~~and~~ to 5, in chapter 16B.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 31. **EFFECTIVE DATE.**

Section 3 is effective the day following final enactment. Sections 2, 4 to 8, 10 to 28, and 30 are effective July 1, 1988. Sections 9 and 29 are effective January 1, 1989.

Approved April 24, 1988

CHAPTER 614—H.F.No. 2434

An act relating to the city of Duluth; authorizing the expenditure of previously appropriated funds for acquisition or construction of Duluth's Western Waterfront Trail.

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

Section 1. **DULUTH WATERFRONT TRAIL.**

The city of Duluth may spend up to \$236,859 of the sum appropriated for grants by Laws 1977, chapter 421, section 12, subdivision 2, for acquisition or construction or both for Duluth's Western Waterfront Trail subject to all other terms and conditions of the grants.

Sec. 2. **EFFECTIVE DATE.**

This act takes effect the day following final enactment.

Approved April 24, 1988

CHAPTER 615—H.F.No. 2568

An act relating to agriculture; providing for terms and compensation for members of the Minnesota agricultural and economic development board; changing and clarifying the small business development loan portion of the agricultural resource loan guarantee program; establishing requirements for revenues that can be used in a local revolving fund; amending Minnesota Statutes 1987 Supplement, sections 41A.02, subdivisions 3 and 16; 41A.036, by adding subdivisions; and 116N.08, subdivision 8.

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

Section 1. Minnesota Statutes 1987 Supplement, section 41A.02, subdivision 3, is amended to read:

Subd. 3. **MINNESOTA AGRICULTURAL AND ECONOMIC DEVELOPMENT BOARD; BOARD.** "Minnesota agricultural and economic development

New language is indicated by underline, deletions by ~~strikeout~~.