

All that part of the CMC Real Estate Corporation's (the former Chicago, Milwaukee, St. Paul and Pacific Railroad Company) real property in Government Lot 2, Section 25, Township 102 North, Range 4 West, Houston county, Minnesota, lying northwesterly of a line parallel with and 50 feet perpendicularly distant northwesterly of the center line of the Soo Line Railroad Company's main track, and being a strip of land 40 feet in width, lying northerly of, adjacent and contiguous to the following described line:

Commencing at the southwest corner of said Government Lot 2 from which the northwest corner of said Government Lot 2 bears North 01 degree 37 minutes 43 seconds East, bearing based on the Houston County Coordinate System of 1983; thence North 14 degrees 32 minutes 00 seconds East 536.38 feet to the west line of said CMC Real Estate Corporation's real property and the point of beginning of the line to be described; thence South 66 degrees 33 minutes 17 seconds East 150.00 feet to a point on a line parallel with and 50 feet perpendicularly distant northwesterly of the center line of the said Soo Line Railroad Company's main track and there terminating.

(d) The commissioner of natural resources has determined that the land conveyance would have no impact on the adjacent public access site and that the land would be put to better use if returned to private use.

Sec. 14. **EFFECTIVE DATE.**

This act is effective the day following final enactment.

Presented to the governor May 20, 1997

Signed by the governor May 22, 1997, 12:08 p.m.

CHAPTER 208—S.F.No. 555

An act relating to telecommunications; authorizing creation of telecommunication services purchasing cooperatives; amending Minnesota Statutes 1996, section 237.065; proposing coding for new law in Minnesota Statutes, chapter 308A.

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

Section 1. Minnesota Statutes 1996, section 237.065, is amended to read:

237.065 RATES FOR SPECIAL SERVICE TO SCHOOLS AND TELECOMMUNICATION SERVICES PURCHASING COOPERATIVES.

Subdivision 1. **BASIC SERVICES.** Each telephone company, including a company that has developed an incentive plan under section 237.625, that provides local telephone service in a service area that includes a school that has classes within the range from kindergarten to 12th grade shall provide, upon request, additional service to the school that is sufficient to ensure access to basic telephone service from each classroom and other areas within the school, as determined by the school board. Each company shall set a flat rate for this additional service that is less than the company's flat rate for an access line for a business and the same as or greater than the company's flat rate for an access line for a residence in the same local telephone service exchange. When a company's

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flat rates for businesses and residences are the same, the company shall use the residential rate for service to schools under this section. The rate required under this section is available only for a school that installs additional service that includes access to basic telephone service from each classroom and other areas within the school, as determined by the school board.

Subd. 2. BASIC AND ADVANCED TELECOMMUNICATION SERVICES.

(a) Notwithstanding the provisions of sections 237.09, 237.14, 237.60, subdivision 3, and 237.74, each telephone company and telecommunications carrier that provides local telephone service in a service area that includes a school that has classes within the range from kindergarten to grade 12 ~~or that includes, a public library, or a telecommunication services purchasing cooperative~~ may provide, upon request, basic and advanced telecommunication services at reduced or no cost to that school or library, or may provide, upon request, advanced telecommunication services at reduced wholesale rates to the members of a telecommunication services purchasing cooperative. For purposes of this section, a "telecommunication services purchasing cooperative" means a cooperative organized under section 308A.210. A school or library receiving telecommunications services at reduced or no cost may not resell or sublease the discounted services. No members of a telecommunication services purchasing cooperative may resell or sublease the discounted services. A purchasing cooperative is not required to negotiate or provide a uniform rate for its members. Telecommunications services shall be provided in accordance with Public Law Number 104-104, and the regulations of the Federal Communications Commission adopted under the act.

(b) An agent that provides telecommunications services to a school or library may request the favorable rate on behalf of and for the exclusive benefit of the school or library. The school or library must authorize the agent to make the request of the local telephone company or telecommunications carrier. The telephone company or telecommunications carrier is not required to offer the same price discount to the agent that it would offer to the school district or library. An agent that receives a price discount for telecommunications services on behalf of a school or library may only resell or sublease the discounted services to that school or library.

(c) For the purposes of this subdivision, "school" includes a public school as defined in section 120.05, nonpublic, and church or religious organization schools that provide instruction in compliance with sections 120.101 to 120.102.

Sec. 2. [308A.210] TELECOMMUNICATION SERVICES PURCHASING COOPERATIVES.

Subdivision 1. PURPOSE; TERRITORY. A telecommunication services purchasing cooperative may be formed under this chapter for the sole purpose of purchasing advanced telecommunications services by aggregating demand and negotiating reduced rates for its members. Any such telecommunication services shall be provided and directly billed by a telephone company or a telecommunication carrier. A purchasing cooperative must declare in its articles of incorporation a contiguous area comprising less than the entire state in which it may operate.

Subd. 2. LOCAL GOVERNMENT UNITS. In addition to others that may form a cooperative, a political subdivision of the state, including a service cooperative created under section 123.582, may act to organize a telecommunication services purchasing cooperative within its jurisdiction for the benefit of its residents.

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

Subd. 3. **POWERS.** A purchasing cooperative has all of the powers described in section 308A.201, except that a purchasing cooperative does not have the power of eminent domain. A purchasing cooperative is not a telephone or electric cooperative as those terms are used in this chapter and chapters 216B and 237.

Subd. 4. **GOVERNING BOARD.** A board of directors of five to seven members shall govern a telecommunication services purchasing cooperative. The directors must be elected according to the requirements of section 308A.311, except that:

- (1) all of the directors must be members of the purchasing cooperative;
- (2) a director may not be a provider of services to the cooperative or an employee of the provider;
- (3) a director may not be a member of a governing body of a political subdivision;
and
- (4) a majority of the directors must be seeking to purchase some residential telecommunication services through the cooperative.

Subd. 5. **RESIDENTIAL MEMBERSHIP REQUIREMENT.** In order to ensure that residential customers experience the benefits of cooperative purchasing, at least 50 percent of the total number of entities or individuals who are members of the purchasing cooperative must be seeking to purchase residential telecommunication services through the cooperative. If the telecommunication services purchasing cooperative fails to comply with this subdivision, it shall notify the department of public service and shall have one year from the date of noncompliance to come into compliance. If it does not come into compliance, the telecommunication services purchasing cooperative shall be dissolved and its assets distributed to its members.

Subd. 6. **FILINGS WITH DEPARTMENT OF PUBLIC SERVICE.** A purchasing cooperative must immediately file a copy of its contracts with telecommunication services providers with the department of public service. A purchasing cooperative must file its annual financial statements with the department.

Subd. 7. **OPEN MEMBERSHIP.** Any person within the geographic operating area declared in a cooperative's articles of incorporation or any person within the exchange boundary or service area of a telephone company or telecommunication carrier that in whole or in part is included in the geographic operating area declared in the cooperative's articles of incorporation may become a member of the telecommunication services purchasing cooperative.

Subd. 8. **ADVANCED TELECOMMUNICATION SERVICES; DEFINED.** "Advanced telecommunications service" includes any service that would be classified as a flexibly priced service within the meaning of section 237.761, subdivision 4, or non-price regulated service within the meaning of section 237.761, subdivision 4, provided that a service may be an advanced telephone service whether or not the telephone company has adopted an alternative rate plan within the meaning of section 237.76.

Presented to the governor May 20, 1997

Became law without the governor's signature May 22, 1997

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