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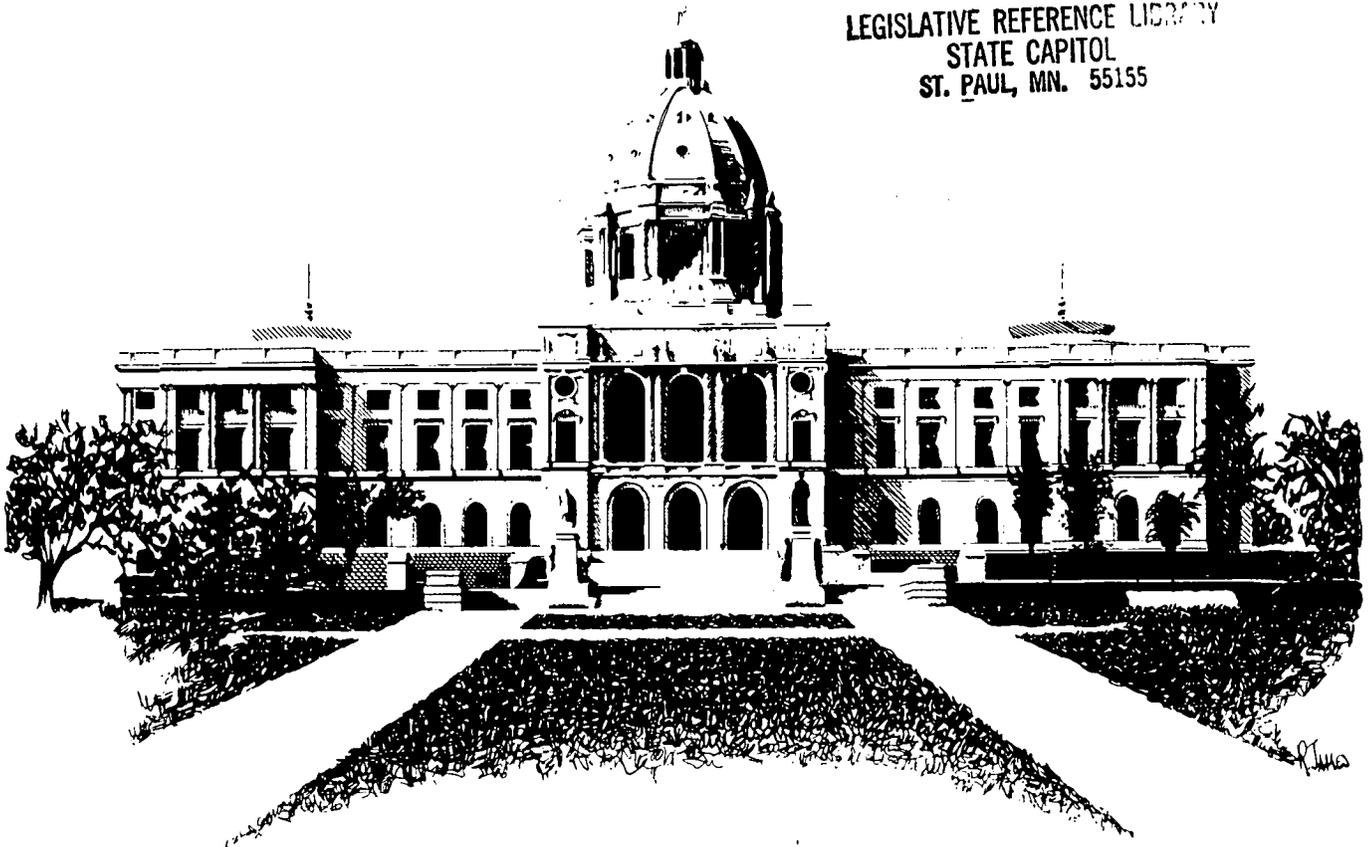
# STATE REGISTER

STATE OF MINNESOTA

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VOLUME 10, NUMBER 1

July 1, 1985

Pages 1-36



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### Printing Schedule for Agencies

Issue Number	*Submission deadline for Executive Orders, Adopted Rules and **Proposed Rules	*Submission deadline for State Contract Notices and other **Official Notices	Issue Date
SCHEDULE FOR VOLUME, 10			
2	Monday June 24	Friday June 28	Monday July 8
3	Friday June 28	Monday July 8	Monday July 15
4	Monday July 8	Monday July 15	Monday July 22
5	Monday July 15	Monday July 22	Monday July 29

\*Deadline extensions may be possible at the editor's discretion; however, none will be made beyond the second Wednesday (12 calendar days) preceding the issue date for rules, proposed rules and executive orders, or beyond the Wednesday (5 calendar days) preceding the issue date for official notices. Requests for deadline extensions should be made only in valid emergency situations.

\*\*Notices of public hearings on proposed rules and notices of intent to adopt rules without a public hearing are published in the Proposed Rules section and must be submitted two weeks prior to the issue date.

Instructions for submission of documents may be obtained from the Office of the State Register, 506 Rice Street, St. Paul, Minnesota 55103, (612) 296-0930.

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The *State Register* is published by the State of Minnesota, State Register and Public Documents Division, 117 University Avenue, St. Paul, Minnesota 55155, pursuant to Minn. Stat. § 14.46. Publication is weekly, on Mondays, with an index issue in September. In accordance with expressed legislative intent that the *State Register* be self-supporting, the subscription rate has been established at \$130.00 per year, postpaid to points in the United States. Second class postage paid at St. Paul, Minnesota. Publication Number 326630. (ISSN 0146-7751) No refunds will be made in the event of subscription cancellation. Single issues may be obtained at \$3.25 per copy.

Subscribers who do not receive a copy of an issue should notify the *State Register* Circulation Manager immediately at (612) 296-0931. Copies of back issues may not be available more than two weeks after publication.

The *State Register* is the official publication of the State of Minnesota, containing executive orders of the governor, proposed and adopted rules of state agencies, and official notices to the public. Judicial notice shall be taken of material published in the *State Register*.

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State agencies must publish notice of their rulemaking action in the State Register. If an agency seeks outside opinion before promulgating new rules or rule amendments, it must publish a NOTICE OF INTENT TO SOLICIT OUTSIDE OPINION also.

The PROPOSED RULES section contains:

- Calendar of public hearings on proposed rules.
• Proposed new rules (including notice of hearing and/or notice of intent to adopt rules without a hearing).
• Proposed amendments to rules already in existence in the Minnesota Rules.
• Proposed emergency rules.
• Withdrawal of proposed rules (option; not required).

The ADOPTED RULES section contains:

- Notice of adoption of new rules and rule amendments adopted without change from the previously published proposed rules. (Unchanged adopted rules are not republished in full in the State Register unless an agency requests this.)
• Adopted amendments to new rules or rule amendments (adopted changes from the previously published proposed rules).
• Notice of adoption of emergency rules.
• Adopted amendments to emergency rules (changes made since the proposed version was published).
• Extensions of emergency rules beyond their original effective date.

The OFFICIAL NOTICES section includes (but is not limited to):

- Notice of intent to solicit outside opinion before promulgating rules.
• Additional hearings on proposed rules not listed in original proposed rules calendar.

ALL ADOPTED RULES and ADOPTED AMENDMENTS TO EXISTING RULES published in the State Register and filed with the Secretary of State before July 31, 1983 are published in the Minnesota Rules 1983. ADOPTED RULES and ADOPTED AMENDMENTS TO EXISTING RULES filed after July 31, 1983 will be included in a supplement scheduled for publication in mid-1984. Proposed and adopted EMERGENCY (formerly called TEMPORARY) RULES appear in the State Register but are generally not published in the Minnesota Rules 1983 due to the short-term nature of their legal effectiveness. Those that are long-term may be published.

The State Register publishes partial and cumulative listings of rule in the MINNESOTA RULES AMENDMENTS AND ADDITIONS list on the following schedule:

Table with 2 columns: Issue/Rule Number and Description. Includes: Issues 1-13, inclusive; Issues 14-25, inclusive; Issue 26, cumulative for 1-26; Issues 27-38, inclusive; Issue 39, cumulative for 1-39; Issues 40-51, inclusive; Issue 52, cumulative for 1-52.

The listings are arranged in the same order as the table of contents of the Minnesota Rules 1983.

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# PROPOSED RULES

Pursuant to Minn. Stat. of 1982, §§ 14.22, an agency may propose to adopt, amend, suspend or repeal rules without first holding a public hearing, as long as the agency determines that the rules will be noncontroversial in nature. The agency must first publish a notice of intent to adopt rules without a public hearing, together with the proposed rules, in the *State Register*. The notice must advise the public:

1. that they have 30 days in which to submit comment on the proposed rules;
2. that no public hearing will be held unless 25 or more persons make a written request for a hearing within the 30-day comment period;
3. of the manner in which persons shall request a hearing on the proposed rules; and
4. that the rule may be modified if the modifications are supported by the data and views submitted.

If, during the 30-day comment period, 25 or more persons submit to the agency a written request for a hearing of the proposed rules, the agency must proceed under the provisions of §§ 14.14-14.20, which state that if an agency decides to hold a public hearing, it must publish a notice of intent in the *State Register*.

Pursuant to Minn. Stat. §§ 14.29 and 14.30, agencies may propose emergency rules under certain circumstances. Proposed emergency rules are published in the *State Register* and, for at least 25 days thereafter, interested persons may submit data and views in writing to the proposing agency.

## Department of Energy and Economic Development

### Proposed Rules Governing Design and Construction Loans; District Heating; Authority

#### Notice of Intent to Adopt Rules without a Public Hearing

Notice is hereby given that the Minnesota Energy and Economic Development Authority proposes to adopt the above-entitled rule without a public hearing following the procedures set forth in Minnesota Statutes, sections 14.22 to 14.28. The specific statutory authority to adopt the rules is Minnesota Statutes section 116J.37, subd. 11.

Persons interested in this rule shall have 30 days in which to submit comment in support of or in opposition to the proposed rule or any part or subpart of the rule and comment is encouraged. Each comment should identify the portion of the proposed rules addressed, the reason for the comment, and any change proposed.

Any person may make a written request for a public hearing on the rule within the 30-day comment period. If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient number withdraw their request. Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and any change proposed. If a public hearing is required, the agency will proceed pursuant to Minnesota Statutes, sections 14.131 to 14.20.

Persons who wish to submit comments or a written request for a public hearing must submit such comments or requests to:

Mary Lesch-Gormley  
Manager, District Heating Programs  
900 American Center Building  
150 East Kellogg Boulevard  
St. Paul, Minnesota 55101  
Telephone: 612/297-2324

The proposed rule may be modified if the modifications are supported by data and views and do not result in a substantial change in the proposed rules.

These rules amend existing rules and govern procedures for the Department's administration of the Energy and Economic Development Authority's district heating design and construction loan programs. Proposed rules of the Minnesota Energy and Economic Development Authority relating to the loan application procedures for the district heating loan programs are being concurrently proposed. See July 1, 1985 *State Register*, pages 8 to 12 [10 SR 8].

A copy of the rule is available for review from Mary Lesch-Gormley at the above address upon request.

A Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rule and identified the data and information relied upon to support the proposed rule has been prepared and is available from Mary Lesch-Gormley.

**KEY: PROPOSED RULES SECTION** — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." **ADOPTED RULES SECTION** — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

# PROPOSED RULES

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If no hearing is required, upon adoption of the noncontroversial rule, the rule and the required supporting noncontroversial rule, the rule and the required supporting documents will be delivered to the Attorney General for review as to legality and form to the extent the form relates to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the final rules as proposed for adoption, must submit the written request to Mary Lesch-Gormely.

June 14, 1985

Mark B. Dayton  
Commissioner  
Energy and Economic Development

## Rules as Proposed (all new material)

### DISTRICT HEATING LOAN RULES

#### 4200.4500 DEFINITIONS.

**Subpart 1. Applicability.** The definitions in Minnesota Statutes, section 116J.36 and part 8300.0100 and the definitions in this part apply to parts 4200.4500 to 4200.5000.

**Subp. 2. Construction loan.** "Construction loan" means a loan to fund all construction costs as defined in Minnesota Statutes, section 116J.36, subdivision 2.

**Subp. 3. Design loan.** "Design loan" means a loan made to fund those activities required to be completed during the final design phase of a district heating system in order to finance and construct the system. These activities include conducting economic feasibility analyses, obtaining heat source commitments and customer contracts, structure financing, and related district heating project tasks.

**Subp. 4. District heating project.** "District heating project" means a district heating design or construction project for a new or existing system.

**Subp. 5. Existing system.** "Existing system" means a district heating system that has a minimum of one customer and which has been operational for more than one year.

**Subp. 6. Financial consultant.** "Financial consultant" means a reputable person or firm experienced in working with complex revenue-supported financial plans and qualified to assess the financial condition and operation of the district heating project.

**Subp. 7. Gross revenues.** "Gross revenues" means all revenues, fees, user charges, rents, franchise fees, special assessments, and other income and receipts derived from the ownership or operation of the district heating project, the proceeds of any insurance that insures against the loss of gross revenues, any investment income from money or securities derived from the state loan under Minnesota Statutes, section 116J.36, and any other income and receipts attributable to the ownership or operation of the project from whatever source derived, calculated on an annual basis.

**Subp. 8. New system.** "New system" means a district heating system that has a minimum of one customer and has been operational for less than one year.

**Subp. 9. Operating expenses.** "Operating expenses" means the expenses directly and properly attributable to the operation of the project on an annual basis including: expenses for operation, maintenance, repairs, ordinary replacement, ordinary acquisition of equipment, fuel and heat, labor and fringe benefits, lease rental payments, insurance premiums, administration, legal services, engineering services, payments of all indebtedness, and any other current expenses or obligations required to be paid by the municipality or owner of the district heating project, all to the extent properly and directly attributable to the operation of the district heating project. Operating expenses do not include any costs or expenses for new construction or any allowance for depreciation.

#### 4200.4600 PURPOSE.

Parts 4200.4500 to 4200.5000 are adopted for the purpose of allowing prompt and proper applications for design and construction loans after comprehensive preliminary engineering, economic, and, when applying for a construction loan, design studies have been completed. Applications to the authority must be submitted to the commissioner on behalf of the authority. The commissioner shall review applications to determine the eligibility of the municipality, eligibility of the district heating project, and application completeness. If the commissioner determines that an application is incomplete, the procedures in parts 4200.2750 and 4200.4300 apply.

#### 4200.4700 CONTENTS OF APPLICATION FOR NEW SYSTEM.

A completed application for a loan for a new system shall contain:

- A. The name, address, and telephone number of the responsible official of the municipality.
- B. Complete engineering design of the district heating project, including:

(1) an analysis of the proposed piping layout which must address optimum service to the total designated area; reliability of service; system temperatures and pressure requirements; thermal and hydraulic operability for normal and emergency conditions; optimum piping configuration to provide service; and flexibility for future expansion;

(2) an analysis of the proposed piping design which must address reliability of service; ease of construction; ease of maintenance; installation methods; specifications and standards; and

(3) an analysis of the heat source design which must define the proposed roles of the following heat sources in the development and future operation of the system: base load heating plant; peaking plants; large boiler plants in existing buildings; mobile boilers; accumulators; and future heat sources such as solid waste, solar, and industrial waste heat.

C. A market study of customers who represent 90 percent of the proposed thermal load of the district heating system. This study must show detailed information on present fuel consumption or heating demand and the present heating system in each building.

D. A preliminary expansion plan showing how the system could be expanded to serve other parts of the community.

E. A complete economic analysis which must include a preliminary financing and development plan for the district heating system prepared by a financial consultant, and also cash flow, income, and balance sheets for the time period of the loan. This analysis must also contain a cost estimate and expenditure schedule for all transmission and distribution piping, heat source conversion, purchase or rental, operating and maintenance costs excluding fuel costs, and building heating conversion costs.

F. For construction loans, a certification by the municipality that a bid package for the construction of the project has been completed and is available to the department if requested.

G. A copy of the standard contract entered into with customers of the project and a list of customers already under contract, listing the thermal load of each customer presently under contract and comparing the total of the thermal load already contracted with the total load of the district heating project.

H. Where applicable, a copy of any contract for the furnishing of heat and fuel for the district heating project.

I. A resolution in support of the project from the governing body of the municipality which must include the pledges the municipality proposes to make to guarantee repayment of the loan and evidence of the municipality's capability to sponsor the district heating project.

J. Identification of all licenses, permits, zoning regulations, and other requirements of federal, state, or local governments with which the project would be expected to comply and the present status of compliance with each.

K. A list of key personnel and their qualifications as they relate to the district heating project.

L. An estimate of the type and amount of fuel to be saved per year from the full operation of the district heating system compared to the type and amount of fuel used by the existing system.

M. A copy of a completed environmental impact statement, or a negative declaration of the need for an environmental impact statement from a completed environmental assessment worksheet, or in those cases where no environmental assessment worksheet is required, a statement as to the environmental effects of the project.

#### **4200.4800 CONTENTS OF APPLICATION FOR EXISTING SYSTEM.**

A completed application for a loan to an existing system shall contain:

A. The name, address, and telephone number of the responsible official of the municipality.

B. Background information on the existing system including ownership; type and size of heat source; heat source capacity; back-up boilers; customer base including information on process loads.

C. A complete engineering design of the expansion project including:

(1) an analysis of the proposed piping layout; system temperatures and pressure requirements; and flexibility for future expansion; and

(2) an analysis of the heat source including the capacity available and information concerning the back-up heat source.

**KEY: PROPOSED RULES SECTION** — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." **ADOPTED RULES SECTION** — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

## PROPOSED RULES

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D. A discussion of proposed customer load including information on present fuel consumption or heating demand and the present heating system in each building for new customers.

E. A complete discussion of how the loan is to be secured, the current outstanding debt of the applicant, and the cash flow for the term of the loan. This discussion must also contain a cost estimate and expenditure schedule for all transmission and distribution piping, heat source conversion, purchase or rental, operating and maintenance costs excluding fuel costs, and building heating conversion costs.

F. For construction loans, a certification by the municipality that a bid package for the construction of the project has been completed and is available to the department if requested.

G. A copy of the standard contract entered into with the customers of the project and a list of customers already under contract and the total load it represents.

H. A copy of any contract for the furnishing of heat.

I. A copy of any contract for the furnishing of fuel for the district heating project if this is a waste-to-energy project.

J. A resolution in support of the project from the governing body of the municipality which must include the pledges the municipality proposes to make to guarantee repayment of the construction loan and evidence of the municipality's capability to sponsor the district heating project.

K. Identification of all licenses, permits, zoning regulations, and other requirements of federal, state, or local governments with which the district heating project would be expected to comply and the present status of compliance with each.

### 4200.4900 APPLICATION PROCEDURE.

**Subpart 1. Submitting.** The applicant shall submit a complete application to the commissioner by the first business day of a month in order for the authority to consider it in that month. If an application is received after the first business day of the month and can be reviewed by the commissioner for eligibility and financial feasibility prior to the authority agenda deadline, the commissioner shall submit the application to the authority for consideration and the authority may consider the application at the meeting in that month.

**Subp. 2. Acceptance of applications.** Applications will be accepted beginning on the date parts 4200.4500 to 4200.5000 become effective.

**Subp. 3. Number of copies.** Ten copies of an application shall be submitted to the commissioner.

### 4200.5000 AUTHORITY EVALUATION PROCEDURE.

Applications approved for processing by the commissioner and those applications rejected by the commissioner but appealed to the authority under parts 4200.2750, subpart 7 and 4200.4300, subpart 7 must be presented to the authority for approval or disapproval under the criteria contained in this part. The authority shall review each application presented to it as it is received according to the eligibility and priority criteria of Minnesota Statutes, section 116J.36; the sophistication and reasonableness of the technical approach as detailed in the application; the experience and qualifications of the applicant as they relate to the project; the project organization and personnel assignment; and the estimated cost of the project. If the authority approves the application the commissioner shall forward the application to the commissioner of finance who may make loans to the municipality. If the authority disapproves the application, the commissioner shall notify the applicant in writing.

## Department of Energy and Economic Development

### Proposed Rules Governing Design and Construction Loans; District Heating; Commissioner

#### Notice of Intent to Adopt Rules without a Public Hearing

Notice is hereby given that the Minnesota Energy and Economic Development Authority proposes to adopt the above-entitled rule without a public hearing following the procedures set forth in Minnesota Statutes, sections 14.22 to 14.28. The specific statutory authority to adopt the rules is Minnesota Statutes section 116M.10, subd. 7.

Persons interested in this rule shall have 30 days in which to submit comment in support of or in opposition to the proposed rule or any part or subpart of the rule and comment is encouraged. Each comment should identify the portion of the proposed rules addressed, the reason for the comment, and any change proposed.

Any person may make a written request for a public hearing on the rule within the 30-day comment period. If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient

number withdraw their request. Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and any change proposed. If a public hearing is required, the agency will proceed pursuant to Minnesota Statutes, sections 14.131 to 14.20.

Persons who wish to submit comments or a written request for a public hearing must submit such comments or requests to:

Mary Lesch-Gormley  
Manager, District Heating Programs  
900 American Center Building  
150 East Kellogg Boulevard  
St. Paul, Minnesota 55101  
Telephone: 612/297-2324

The proposed rule may be modified if the modifications are supported by data and views and do not result in a substantial change in the proposed rules.

These rules govern loan application procedures for the Minnesota Energy and Economic Development Authority's district heating design and construction loan programs. Amendments to rules relating to the Department of Energy and Economic Development's administration of the district heating design and construction loan programs are being proposed concurrently. See July 1, 1985 *State Register*, pages 5 to 8 [10 SR 5].

A copy of the rule is available for review from Mary Lesch-Gormley at the above address upon request.

A Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rule and identified the data and information relied upon to support the proposed rule has been prepared and is available from Mary Lesch-Gormley.

If no hearing is required, upon adoption of the noncontroversial rule, the rule and the required supporting noncontroversial rule, the rule and the required supporting documents will be delivered to the Attorney General for review as to legality and form to the extent the form relates to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the final rules as proposed for adoption, must submit the written request to Mary Lesch-Gormley.

June 14, 1985

Mark B. Dayton  
Chairman, Minnesota  
Energy and Economic Development  
Authority.

## Rules as Proposed

### 4200.2100 DEFINITIONS.

**Subpart 1. Scope.** For the purposes of parts 4200.2100 to ~~4200.2700~~ 4200.2750 the terms defined in ~~subparts 2 to 7~~ this part have the meanings given them.

**Subp. 2. Act Applicability of statute.** "Act" means ~~Laws of Minnesota 1981, chapter 334~~ The definitions in Minnesota Statutes, section 116J.36 and part 8300.0100 apply to parts 4200.2100 to 4200.2750.

**Subp. 3.** [See Repealer.]

**Subp. 4 and 5.** [Unchanged.]

**Subp. 6.** [See Repealer.]

**Subp. 7. District heating project.** "District heating project" means a district heating design project.

### 4200.2200 AUTHORITY, PURPOSE, AND SCOPE.

**Subpart 1. Authority.** Parts 4200.2100 to ~~4200.2700~~ 4200.2750 are authorized by Minnesota Statutes, section 116J.36, subdivision 11.

**KEY: PROPOSED RULES SECTION** — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." **ADOPTED RULES SECTION** — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

## PROPOSED RULES

**Subp. 2. Purpose.** Parts 4200.2100 to ~~4200.2700~~ 4200.2750 are promulgated for the purpose of allowing prompt and proper applications for design loans after comprehensive preliminary engineering, economic, and design studies have been completed. Parts 4200.2100 to ~~4200.2700~~ 4200.2750 set forth the procedures that municipalities must follow to apply for loans and establish the criteria by which the applications are reviewed.

**Subp. 3.** [See Repealer.]

### **4200.2300 APPLICATION PROCEDURE.**

Applications for design loans under ~~the act~~ Minnesota Statutes, section 116J.36 and parts 4200.2100 to ~~4200.2700~~ 4200.2750 shall be submitted to the commissioner in the form required under parts 4300.4700 and 4300.4800. Ten complete copies shall be submitted. Applications will be accepted beginning on the date parts 4200.2100 to ~~4200.2700~~ 4200.2750 become effective.

### **4200.2350 DISTRICT HEATING ADVISORY TASK FORCE.**

**Subpart 1. Membership.** Under Minnesota Statutes, section 15.014, the commissioner shall appoint a district heating advisory task force consisting of at least four members in addition to the commissioner who shall act as chairperson.

Task force members must be knowledgeable in the area of district heating, but cannot be directly or indirectly involved in any district heating project under consideration by the commissioner.

The commissioner may from time to time add or delete task force members, subject only to the limitations in this subpart.

**Subp. 2. Task force duties.** The task force shall review each application for a loan under Minnesota Statutes, section 116J.36 and parts 4200.4500 to 4200.5000, and shall advise and assist the commissioner in carrying out his or her responsibilities. The commissioner shall retain final responsibility for all statutory and rule requirements.

### **4200.2750 PROCEDURES FOR APPLICATION PROCESSING.**

**Subpart 1. Deadline for submission.** The applicant shall submit a complete application to the commissioner by the first business day of any month in order for the commissioner to submit the application to the authority to consider it in that month. If an application is received after the first business day of the month and can be reviewed by the commissioner for eligibility and financial feasibility prior to the authority agenda deadline, the commissioner shall submit the application to the authority for consideration of the application at the meeting in that month.

**Subp. 2. Completed applications.** An application is complete when the commissioner receives all documentation and exhibits required under parts 4200.4500 to 4200.5000.

**Subp. 3. Incomplete applications.** If an incomplete application is received, the commissioner shall notify the applicant of specific deficiencies in the application. The applicant has 60 days from the date of mailing of the commissioner's notification to complete the application. If the application is not completed and received by the commissioner within 60 days, the application is considered to be rejected and the applicant must reapply to be further considered.

**Subp. 4. Review of eligibility of project and applicant.** The commissioner shall review all completed applications to determine if the project and the applicant are eligible and meet the requirements of Minnesota Statutes, section 116J.36, and parts 4200.2100 to 4200.2750.

**Subp. 5. Ineligible project or applicant.** If the applicant or project is ineligible, the commissioner shall notify the applicant of that fact in writing. The applicant has 30 days from the date of the commissioner's notification to amend the application.

Upon receipt of an amended application, the commissioner shall review the amended application under subpart 4. The commissioner shall reject the amended application if the project or applicant is ineligible. If the project and applicant are eligible, the commissioner shall review the amended application for economic feasibility under subpart 6.

If the application is not amended within 30 days, the application must be rejected and will not receive any further consideration.

**Subp. 6. Economic and technical feasibility review.** The commissioner shall review the application in accordance with part 4200.2600 and this part. Submission of the application by the commissioner to the authority at a board meeting is conclusive evidence that the commissioner has made the determinations required pursuant to this part.

**Subp. 7. Rejection of application based on economic and technical unfeasibility.** If the application is rejected due to economic or technical unfeasibility, the commissioner shall notify the applicant in writing that the application is not economically or technically feasible and that the application has been rejected.

If the application is rejected due to economic or technical feasibility, the applicant may, within 30 days after receipt of the written notification of rejection, request that the commissioner submit the rejected application to the authority for review. The commissioner shall place the application on the agenda for evaluation by the authority under subpart 8 at the next regularly scheduled meeting of the authority for which the agenda has not been established. If the authority rejects the application, the commissioner shall so notify the applicant in writing.

**Subp. 8. Authority evaluation procedure.** Applications approved for processing by the commissioner must be presented to the authority for approval or disapproval under Minnesota Statutes, section 116J.36 and parts 4200.4500 to 4200.5000. If the authority approves the application the commissioner shall forward the application to the commissioner of finance who may make loans to the municipality. If the authority disapproves an application, the commissioner shall so notify the applicant in writing.

#### **4200.3000 DEFINITIONS.**

**Subp. 1.** [Unchanged.]

**Subp. 2. ~~Act~~ Applicability of statute.** ~~“Act” means~~ The definitions in Minnesota Statutes, section 116J.36 apply to parts 4200.3000 to 4200.4300 and 8300.0100.

**Subp. 3 and 4.** [See Repealer.]

**Subp. 4a. Construction loan.** “Construction loan” means a loan to fund all construction costs as defined in Minnesota Statutes, section 116J.36, subdivision 2.

**Subp. 5. to 8.** [Unchanged.]

**Subp. 9. and 10.** [See Repealer.]

**Subp. 11. District heating project.** “District heating project” means a district heating construction project as described by the business plan.

**Subp. 12.** [Unchanged]

#### **4200.3100 PURPOSE.**

The purpose of parts 4200.3000 to ~~4200.4200~~ 4200.4300 is to allow district heating projects that have already completed comprehensive engineering, economic, and design studies to make prompt and proper application for construction loans. These parts set forth the procedures that municipalities must follow to apply for loans and establish the criteria by which the applications are reviewed.

#### **4200.3200 SCOPE.**

Parts 4200.3000 to ~~4200.4200~~ 4200.4300 apply to the department and to any municipality applying for construction loans under ~~the~~ Minnesota Statutes, section 116J.36.

#### **4200.3900 APPLICATION PROCEDURES.**

**Subpart 1. Submitting.** Applications for construction loans under ~~the~~ Minnesota Statutes, section 116J.36 and parts 4200.3000 to ~~4200.4200~~ 4200.4300 must be submitted to the commissioner in the form prescribed under parts 4200.4500 to 4200.5000.

**Subp. 2. Effective date.** The period for accepting applications begins on the date parts 4200.3000 to ~~4200.4200~~ 4200.4300 become effective.

**Subp. 3.** [Unchanged.]

#### **4200.4000 DISTRICT HEATING ADVISORY TASK FORCE.**

**Subpart 1. Membership.** Under Minnesota Statutes, section 15.014, the ~~assistant~~ commissioner of ~~energy~~ shall appoint a district heating advisory task force consisting of at least four members in addition to the ~~assistant~~ commissioner of ~~energy~~ who shall act as chairperson.

Task force members must be knowledgeable in the area of district heating, but cannot be directly or indirectly involved in any district heating project under consideration by the commissioner.

The ~~assistant~~ commissioner of ~~energy~~ may from time to time add or delete task force members, subject only to the limitations in this subpart.

**Subp. 2. Task force duties.** The task force shall review each application for a loan under ~~the~~ Minnesota Statutes, section 116J.36 and parts 4200.4500 to 4200.5000, and shall advise and assist the commissioner in carrying out ~~the requirements of the~~ and parts 4200.3000 to 4200.4200 his or her responsibilities. The commissioner shall retain final responsibility for all statutory and rule requirements.

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## PROPOSED RULES

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### 4200.4050 FEASIBILITY ASSESSMENT.

The commissioner shall review each application as received according to the following feasibility assessment parameters:

- A. [Unchanged.]
- B. the debt service coverage represented by the business plan parts 4200.4500 to 4200.5000;
- C. to G. [Unchanged.]

### Rules as Proposed (all new material)

### 4200.4300 PROCEDURES FOR APPLICATION PROCESSING.

**Subpart 1. Deadline for submission.** The applicant shall submit a complete application to the commissioner by the first business day of any month in order for the commissioner to submit the application to the authority for consideration in that month. If an application is received after the first business day of the month and can be reviewed by the commissioner for eligibility and financial feasibility prior to the authority agenda deadline, the commissioner shall submit the application to the authority for consideration of the application at the meeting in that month.

**Subp. 2. Completed applications.** An application is complete when the commissioner receives all documentation and exhibits required under Minnesota Statutes, section 116J.36, and parts 4200.4500 to 4200.5000.

**Subp. 3. Incomplete applications.** If an incomplete application is received, the commissioner shall notify the applicant of specific deficiencies in the application. The applicant has 60 days from the date of mailing of the commissioner's notification to complete the application. If the application is not completed and received by the commissioner within 60 days, the application is considered to be rejected and the applicant must reapply to be further considered.

**Subp. 4. Review of eligibility of project and applicant.** The commissioner shall review all completed applications to determine if the project and the applicant are eligible and meet the requirements of Minnesota Statutes, section 116J.36.

**Subp. 5. Ineligible project or applicant.** If the applicant or project is ineligible, the commissioner shall notify the applicant of that fact in writing. The applicant has 30 days from the date of the commissioner's notification to amend the application.

Upon receipt of an amended application, the commissioner shall review the amended application under subpart 4. The commissioner shall reject the amended application if the project or applicant is ineligible. If the project and applicant are eligible, the commissioner shall review the amended application for economic feasibility under subpart 6.

If the application is not amended within 30 days, the application must be rejected and will not receive any further consideration.

**Subp. 6. Economic and technical feasibility review.** The commissioner shall review the application in accordance with parts 4200.4050 and 4200.4100. Submission of the application by the commissioner to the authority at a board meeting is conclusive evidence that the commissioner has made the determinations required pursuant to parts 4200.3000 to 4200.4300.

**Subp. 7. Rejection of application based on economic and technical unfeasibility.** The commissioner shall notify the applicant in writing if the application is not economically or technically feasible and the application is rejected.

If the application is rejected due to economic or technical unfeasibility, the applicant may, within 30 days after receipt of the written notification of rejection, request that the commissioner submit the rejected application to the authority for review. The commissioner shall place the application on the agenda for evaluation by the authority under subpart 8 at the next regularly scheduled meeting of the authority for which the agenda has not been established. If the authority rejects the application, the commissioner shall so notify the applicant in writing.

**Subp. 8. Authority evaluation procedure.** Applications approved for processing by the commissioner must be presented to the authority for approval or disapproval under Minnesota Statutes, section 116J.36 and parts 4200.4500 to 4200.5000. If the authority approves the application the commissioner shall forward the application to the commissioner of finance who may make loans to the municipality. If the authority disapproves an application, the commissioner shall so notify the applicant in writing.

**REPEALER.** Minnesota Rules, parts 4200.2100, subparts 3 and 6; 4200.2200, subpart 3; 4200.2400; 4200.2500; 4200.2700; 4200.3000, subparts 3, 4, 9, and 10; 4200.3300; 4200.3400; 4200.3500; 4200.3600; 4200.3700; and 4200.3800 are repealed.

## Department of Labor and Industry Occupational Safety and Health Division

### Proposed Revisions to the Occupational Safety and Health Standards

#### Request for Comments

Notice is hereby given that the Department of Labor and Industry, Occupational Safety and Health Division (Minnesota OSHA), proposes to adopt the following revisions to the Minnesota Occupational Safety and Health Standards, as authorized under Minnesota Statutes § 182.655 (1984) amending the Occupational Safety and Health Standards that have already been proposed and adopted by the federal Occupational Safety and Health Administration (Federal OSHA).

Complete copies of the specific standards are available by writing: Occupational Safety and Health Division, Department of Labor and Industry, 444 Lafayette Road, St. Paul, Minnesota 55101; or by calling: (612) 297-3254.

Interested persons are hereby afforded a period of 30 days to submit written data or comments on the described standards. Any interested person may file with the Commissioner written objections to the proposed standards stating the grounds for those objections; such person may request a public hearing on those objections.

Steve Keefe  
Commissioner of Labor and Industry

#### Standards as Proposed

**5205.0010 ADOPTION OF FEDERAL OCCUPATIONAL SAFETY AND HEALTH STANDARDS BY REFERENCE.** The Minnesota Department of Labor and Industry, Occupational Safety and Health standards and rules are amended by incorporating and adopting by reference, and thereby making a part thereof, Title 29 of the Code of Federal Regulations as follows:

Part 1910—Occupational Safety and Health Standards as published in Volume 43, No. 206 of the Federal Register on October 24, 1978 and corrected in Volume 43, No. 216 on November 7, 1978 which incorporates changes, additions, deletions, and corrections made up to November 7, 1978; and subsequent changes made prior to ~~April 4, 1985~~ June 1, 1985:

—Federal Register, Vol. 50, No. 48, dated 3/12/85—“Occupational Exposure to Ethylene Oxide (1910.1047); Amendment of Effective Dates.”

—Federal Register, Vol. 50, No. 72, dated 4/15/85—“Occupational Exposure to Cotton Dust (1910.1043); Extension of Administrative Stay.”

**Summary of Standards:** The following summary of the proposed standards is very brief; persons interested in reviewing the entire standard may obtain a copy at the address noted above.

A) Occupational Exposure to Ethylene Oxide (1910.1047): Amendment of Effective Dates. Federal OSHA adopted the final rule for Ethylene Oxide on June 22, 1984, with an effective date of August 21, 1984 with the exception of information collection requirements of specified paragraphs. The identical standard was adopted by Minnesota OSHA on September 24, 1984.

The *Federal Register* notice adopting this standard noted that the information collection provisions had not been cleared by the Office of Management and Budget (OMB) at the time of adoption; therefore, the effective dates for designated sections of the final rule were held in abeyance pending OMB clearance. The OMB has now cleared the information collection requirements contained in 29 CFR 1910.1047 and Federal OSHA established an effective date of March 12, 1985 (the date of OMB clearance) for paragraphs 1910.1047(a)(2) Scope and Application; (d) Exposure Monitoring; (e) Regulated Areas; (f)(2) Compliance Program; (g)(3) Respirator Program; (h) Emergency Situations; (i) Medical Surveillance; and (j) Communication of EtO Hazards to Employees. The start-up dates for these paragraphs remains 180 days as originally prescribed in the EtO standard; therefore, the start-up dates for these paragraphs is September 9, 1985.

By this notice, Minnesota OSHA proposes adopting the effective and start-up dates for 1910.1047(a)(2), (d), (e), (f)(2), (g)(3), (h), (i), and (j) established by Federal OSHA as published in the *Federal Register*, Volume 50, No. 48, dated March 12, 1985.

Paragraphs not requiring OMB clearance (and, therefore, not affected by this notice) went into effect on September 24, 1984 in Minnesota and have a start-up date 180 days from that date, or March 24, 1985. These paragraphs include compliance with the

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## PROPOSED RULES

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1 ppm TWA [paragraph (c)], institution of work practice controls [paragraph (f)(1)], and provision for and selection of respirators [paragraphs (g)(1) and (g)(2)]. The start-up date for implementation of engineering controls specified in paragraph (f)(1) is one year from its effective date or September 24, 1985.

B) Occupational Exposure to Cotton Dust; Extension of Administrative Stay. The Occupational Exposure to Cotton Dust Standard (29 CFR 1910.1043) was adopted by Federal OSHA on June 23, 1978. Minnesota OSHA adopted the standard on November 6, 1978. Following a challenge to that standard in the United States Court of Appeals for the District of Columbia by various employee and employer groups, Federal OSHA administratively stayed portions of the standard for specified industries. An identical stay was adopted by Minnesota OSHA. The last extension of that stay expired on January 27, 1985.

Federal OSHA reviewed a number of issues including the current state of compliance and the technological feasibility of complete compliance programs within the time frame specified in the standard. Although a large number of textile operations are already in compliance with the permissible exposure limit, OSHA found that feasibility problems exist for coarse count cotton ring spinning operations to come into compliance with engineering controls. It appears, however, that advancements in control technology will afford compliance with the standard through engineering controls in the relatively near future.

Therefore, Federal OSHA administratively stayed enforcement of the engineering control provisions solely for ring spinning operations using coarse count, high-cotton-content cotton yarns. The stay covers the effective date of the engineering control requirement in 1910.1043(m)(2)(ii) for the operations of ring spinning and winding, twisting, spooling, beaming, and warping following ring spinning where the yarns meet specified requirements. The stay is effective until March 27, 1986 or until Federal OSHA publishes an amended final standard for Occupational Exposure to Cotton Dust, whichever comes first. In the interim, all other provisions of the standard are in effect for these operations including respiratory protection provisions.

By this notice, Minnesota OSHA proposes to adopt an identical administrative stay as described in the *Federal Register*, Volume 50, No. 72, dated April 15, 1985.

## Sentencing Guidelines Commission

### Proposed Rules Governing Promulgation of the Sentencing Guidelines

#### Notice of Intent to Adopt Rules without a Public Hearing

Notice is hereby given that the Sentencing Guidelines Commission proposes to adopt the above-entitled rules without a public hearing. The Commission has determined that the proposed adoption of these rules will be noncontroversial in nature and has elected to follow the procedures set forth in Minnesota Statutes, Sections 14.22 to 14.28.

These rules govern the process for modifying the sentencing guidelines.

Persons interested in these rules are encouraged to submit comments in support of or in opposition to the proposed rules. Each comment should identify the portion of the proposed rules addressed, the reason for the comment and any change proposed. Persons submitting these comments shall have 30 days to submit comments on the proposed rules following publication in the *State Register*. The proposed rules may be modified if the modifications are supported by the data and views submitted to the agency and do not result in a substantial change in the proposed language.

If 25 or more persons submit written requests for a public hearing on the proposed rules within the 30 day comment period, a public hearing will be held. The person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and any change proposed. In the event a public hearing is required, the agency will proceed according to the provisions of Minnesota Statutes §§ 14.131 to 14.20.

Persons who wish to submit comments or a written request for a public hearing on the proposed rules should submit such comments or requests to:

Kay A. Knapp, Director  
Sentencing Guidelines Commission  
51 State Office Building  
435 Park  
St. Paul, Minnesota 55155

Authority for the adoption of these rules is contained in Minnesota Statute § 244.09 Subd. 5 (2). Additionally a Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rules has been prepared and is available from Kay A. Knapp upon request.

Upon adoption of the final rules without a public hearing, the proposed rules, this notice, and the Statement of Need and Reasonableness, all written comments received, and the final Rules as proposed for Adoption will be delivered to the Attorney General for review as to form and legality, including the issue of substantial change. If a public hearing is not required, notice of the date of

submission of the rules, as proposed for adoption, to the Attorney General for review will be mailed to any person requesting to receive the notice. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the final rules as proposed for adoption, should submit a written statement of such request to Kay A. Knapp.

The Commission estimates that the proposed rules will not require an expenditure of public monies by all local public bodies of an amount which exceeds \$100,000 in either of the two years immediately following adoption of the proposed rules. These proposed rules will not directly affect small businesses as defined in Minnesota Statutes Section 14.115, Subdivision 1.

A copy of the proposed rules is attached to this notice.

A copy of this notice and the proposed rules is available and may be obtained by contacting Kay A. Knapp.

June 14, 1985

Ray A. Knapp  
Director

### **Rules as Proposed (all new material)**

#### **3000.0100 PURPOSE AND SCOPE.**

The procedures contained in parts 3000.0100 to 3000.0600 govern the promulgation of the sentencing guidelines, including any modifications of severity levels and criminal history scores.

#### **3000.0200 NOTICE OF HEARING.**

The Sentencing Guidelines Commission shall maintain a list of all persons who have registered with the commission for the purpose of receiving notice on proposed amendments to the sentencing guidelines. The commission may inquire as to whether those persons on the list wish to maintain their names on the list and may remove names for which there is a negative reply or no reply within 60 days. The commission shall, at least 30 days before the date set for the hearing, give notice of its intention to amend the sentencing guidelines by United States mail to all persons on its list, and by publication in the *State Register*. The mailed notice and the notice in the *State Register* must include a copy of the proposed amendments or a brief description of the nature and effect of the proposed changes.

#### **3000.0300 CONDUCT OF HEARINGS.**

**Subpart 1. Proposed amendment proceedings.** A hearing on proposed amendments to the sentencing guidelines, including any modifications of severity levels and criminal history scores, must proceed substantially in the manner specified in this part.

**Subp. 2. Registration of participants.** A person intending to testify regarding proposed amendments to the sentencing guidelines shall register with the commission before testifying by writing his or her name, address, telephone number, and the names of any individuals or associations that the person represents in connection with the hearing on a register to be provided by the commission. Persons may indicate to the commission in writing their desire to be informed of the date on which the proposed amendments will be considered for adoption at a public hearing under part 3000.0600.

**Subp. 3. Notice of procedures at hearing.** The chairperson of the Sentencing Guidelines Commission shall convene the hearing at the proper time and shall explain to all persons present the purpose of the hearing and the procedure to be followed at the hearing. The chairperson of the commission shall notify all persons present that the record will remain open for five calendar days following the hearing for receipt of written comments concerning the proposed amendments. The commission shall give due consideration to all comments received within the five-day comment period.

**Subp. 4. Proposed amendments.** The commission shall make copies of the proposed amendments available at the hearing.

**Subp. 5. Opportunity for questions.** Interested persons must be given an opportunity to address questions to the commission, its staff, or witnesses. The commission or its staff may question interested persons making oral statements. The questioning may extend to an explanation of the purpose of intended operation of a proposed amendment to the sentencing guidelines, or may be conducted for other purposes if material to evaluation or formulation of the proposed amendments.

**Subp. 6. Opportunity for presenting statements.** Interested persons must be given an opportunity to present oral and written statements regarding the proposed amendments to the sentencing guidelines.

**Subp. 7. Record of hearing.** The commission shall make an audio recording of the hearing.

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## PROPOSED RULES

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### 3000.0400 RECEIPT OF WRITTEN MATERIALS.

The Sentencing Guidelines Commission shall allow written materials to be submitted and recorded in the hearing record for a period of five calendar days after the public hearing under part 3000.0500 ends, or for a longer period if the commission so orders.

### 3000.0500 HEARING RECORD.

The record must be closed upon the last date for receipt of written materials under part 3000.0400. The record includes:

- A. the notice of hearing as mailed;
- B. a copy of the *State Register* containing the notice of hearing;
- C. the names of persons who testify with respect to the proposed amendments to the sentencing guidelines;
- D. copies of all publications in the *State Register* pertaining to the proposed amendments to the sentencing guidelines;
- E. all written statements, comments, and materials received by the commission relating to the proposed amendments to the sentencing guidelines;
- F. the audio recording of the hearing under part 3000.0300; and
- G. a copy of the proposed amendments to the sentencing guidelines as heard at the hearing under part 3000.0300.

### 3000.0600 AMENDMENT ADOPTION.

**Subpart 1. Adoption.** After holding the hearing required under part 3000.0300 and expiration of the written comment period under part 3000.0400, the sentencing guidelines commission may, by a majority vote of a quorum of the commission present, adopt proposed amendments to the sentencing guidelines. A quorum means a majority of the members of the commission.

**Subp. 2. Notice.** The commission shall provide all persons listed with the commission under part 3000.0200 and all persons requesting notification under part 3000.0300, subpart 2 with notice of the adoption hearing by United States mail.

**Subp. 3. Effective date.** All proposed amendments to the sentencing guidelines that do not have to be submitted to the legislature are effective on the date ordered by the commission.

## ADOPTED RULES

The adoption of a rule becomes effective after the requirements of Minn. Stat. § 14.14-14.28 have been met and five working days after the rule is published in *State Register*, unless a later date is required by statutes or specified in the rule.

If an adopted rule is identical to its proposed form as previously published, a notice of adoption and a citation to its previous *State Register* publication will be printed.

If an adopted rule differs from its proposed form, language which has been deleted will be printed with strikeouts and new language will be underlined. The rule's previous *State Register* publication will be cited.

An emergency rule becomes effective five working days after the approval of the Attorney General as specified in Minn. Stat. § 14.33 and upon the approval of the Revisor of Statutes as specified in § 14.36. Notice of approval by the Attorney General will be published as soon as practicable, and the adopted emergency rule will be published in the manner provided for adopted rules under § 14.18.

## Department of Education Program Effectiveness

### Adopted Rule Governing Required Elementary Curriculum Offerings

The rule proposed and published at *State Register*, Volume 9, Number 31, pages 1680-1682, January 28, 1985 (9 S.R. 1680) is adopted with the following modifications:

**Rule as Adopted****3500.1150 REQUIRED OFFERINGS FOR ELEMENTARY SCHOOLS.**

**Subp. 2. Required curriculum offerings.** The curriculum offerings listed in this subpart are required curriculum offerings or common branches for kindergarten through the last elementary grade in each elementary school.

1. Environmental education, including:

- (1) natural context;
- (2) social context;
- (3) valuing context; and
- (4) action context.

**Subp. 4. ~~Balance among curriculum offerings: grades 1 to 3.~~** A reasonable balance among required curriculum offerings shall consist of the following distribution at a minimum, yearly in grades 1 to 3: one-half for communications/language arts; one-fourth for mathematics, art, and music; one-fourth for science, social studies, physical education, and health; provided that the curriculum balance may be adjusted to accommodate the educational needs of individual students. Optional curriculum offerings shall not alter the balance among required curriculum offerings.

**Subp. 5. Balance among curriculum offerings: ~~elementary grades 4 and above.~~** A reasonable balance among required curriculum offerings shall consist of the following distribution at a minimum, yearly in elementary grades 4 and above; one-third for communications/language arts; one-third for mathematics, art, and music; one-third for science, social studies, physical education, and health; provided that the curriculum balance may be adjusted to accommodate the needs of individual students. Optional curriculum offerings shall not alter the balance among required curriculum offerings.

**Subp. 6. ~~5.~~ Integration of required curriculum offerings.** Environmental education and media and technology skills shall be taught in the context of the other required curriculum offerings. Although particular curriculum offerings in subpart 4 are clustered to indicate emphasis in a balanced elementary school curriculum, any curriculum offering may be taught in combination or cluster with any of the other offerings.

**Subp. 7. ~~6.~~ Components.** A school district's elementary curriculum must include the components listed in this subpart for each curriculum offering:

- A. a coordinated scope and sequence from kindergarten through the last grade in each elementary school with school district coordination through grade 12;
- B. a means of evaluation of each curriculum offering and its coordinated scope and sequence; and
- C. a process for review on a regular cycle not to exceed eight years, that is used to modify each curriculum offering as necessary.

**Subp. 8. ~~7.~~ Definitions.** In subpart ~~7~~ 6:

- A. "Scope" means the breadth and depth of a curriculum offering as defined by its content and objectives.
- B. "Sequence" means the arrangement of objectives in a logical and developmental order.

## Department of Labor and Industry Workers' Compensation Division

### Adopted Rules Relating to Rehabilitation Consultant Qualifying

The rule proposed and published at *State Register*, Volume 9, Number 40, pages 2172-2173, April 1, 1985 (9 S.R. 2172) is adopted as proposed.

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## **ADOPTED RULES**

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### **Department of Revenue**

#### **Adopted Rule Relating to Property; Utility Valuation**

The rule proposed and published at *State Register*, Volume 9, Number 43, pages 2374-2381, April 22, 1985 (9 S.R. 2374) is adopted as proposed.

## **OFFICIAL NOTICES**

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Pursuant to the provisions of Minn. Stat. § 15.0412, subd. 6, an agency, in preparing proposed rules, may seek information or opinion from sources outside the agency. Notices of intent to solicit outside opinion must be published in the *State Register* and all interested persons afforded the opportunity to submit data or views on the subject, either orally or in writing.

The *State Register* also publishes other official notices of state agencies, notices of meetings, and matters of public interest.

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### **Department of Commerce**

#### **Outside Opinion Sought Regarding Cosmetology Rules**

Notice is hereby given that the Department of Commerce is seeking information or opinions from persons outside the agency in preparing to promulgate and amend existing rules and adopt new rules governing Cosmetology. Promulgation of these rules is authorized by Minnesota Statutes, Section 155A.05.

The rules relating to Cosmetology (Chapter 2640 Minnesota Rules) were the subject of amendment in a rulemaking process which commenced in July of 1984. That rulemaking process, which has just been concluded, dealt primarily with those Cosmetology rules pertaining to individual cosmetologists, salons and salon licensing. It is the intent of this rulemaking procedure to deal with the balance of the rules which pertain primarily to cosmetology schools. However, needed changes to other rules will be considered and comments to that effect are also desired. In addition, the 1985 Legislature subjected estheticians and esthetician salons to the requirements of Chapter 155A. Rules will also be promulgated or amended in that respect as well and information and comment is desired as to estheticians of esthetician salons.

Outside opinion is also being solicited as to how these rules will affect small businesses as defined by Minnesota Statutes § 14.115, subdivision 1.

The Department of Commerce requests information and comments concerning the subject matter of these rules. Interested or affected persons or groups may submit statements of information or comment orally in writing to: Jan Smith, Department of Commerce, 500 Metro Square Building, St. Paul, MN 55101 (612) 296-4517.

All statements of information and comment shall be accepted until August 1, 1985. Any written material received by the Department of Commerce shall become part of the record in the event that the rules are promulgated.

Michael A. Hatch  
Department of Commerce

### **Department of Commerce**

#### **Outside Opinion Sought Regarding Proposed Rules Relating to Real Estate Education**

Notice is hereby given that the Department of Commerce is seeking information or opinions from persons outside the agency in preparing to promulgate new rules governing Real Estate Education. Promulgation of these rules is authorized by Minnesota Statutes, section 82.22 and 82.28. In particular, information is requested in regard to whether or not courses in specific subject areas, such as equal opportunity and fair housing laws, should be required as part of the continuing education requirements.

Outside opinion is also being solicited as to how these rules will affect small businesses as defined by Minnesota Statutes § 14.115, subdivision 1.

The Department of Commerce requests information and comments concerning the subject matter of these rules. Interested or affected persons or groups may submit statements of information or comment orally or in writing to: Richard G. Gomsrud, Department Counsel, Department of Commerce, 500 Metro Square Building, St. Paul, MN 55101, (612) 296-5689.

All statements of information and comment shall be accepted until August 1, 1985. Any written material received by the Department of Commerce shall become part of the record in the event that the rules are promulgated.

Michael A. Hatch  
Commissioner of Commerce

## **Department of Human Services**

### **Cancellation of a Public Hearing Concerning County Board Responsibility for Providing Case Management Services to Persons with Mental Retardation**

NOTICE IS HEREBY GIVEN that the public hearing on the above-entitled matter scheduled to be held in Room 5, State Office Building, 435 Park Avenue, St. Paul, Minnesota 55155 on July 10 is cancelled because of 1985 legislative changes affecting the proposed rules.

Notice of this hearing was originally published in the *State Register* on June 10, 1985 (CITE 9 S.R. 2632) and sent to all persons registered with the Department of Human Services. The cancellation notice is being published in the *State Register* and is being sent to all persons originally notified of the hearing.

The Department will be revising the proposed rule based on the legislation. The revision process is tentatively scheduled for completion in late summer. If everything goes according to schedule the rule as revised will be republished in September.

If you have any questions about the cancellation of this hearing, contact Jane Delage at (612) 297-4302.

June 24, 1985

Leonard W. Levine, Commissioner  
Department of Human Services

## **Metropolitan Council**

### **Public Hearing Amending the Recreation Open Space Development Guide by Changing the Capital Improvement Program, July 15, 1985**

The Metropolitan Council will conduct a public hearing on Monday, July 15, 1985, at 4 p.m. in Conference Room E of the Metropolitan Council offices, 300 Metro Square Building, St. Paul, Minnesota 55101, to receive comments on a proposed revision to the Capital Improvement Program for Regional Recreation Open Space. The proposal would change \$75,000 allocated in the current plan for water quality work at Fish Lake, Eagle Lake and Medicine Lake Regional Parks by Hennepin County Park Reserve District to a new allocation of the same amount for water recreation improvements at Lake Rebecca Park Reserve and Cleary Lake Regional Park to be carried out by Hennepin County Park Reserve District.

All interested persons are encouraged to comment on the amendment. Persons may register to speak by contacting the Council's public hearing coordinator at 291-6521. Copies of the staff report, including Metropolitan Parks and Open Space Commission and Metropolitan Systems Committee actions on the proposed amendment, are available free of charge from Council's Communications office at 291-6464, beginning June 17, 1985. Copies are also available for public inspection beginning June 19 at the following locations:

Metropolitan Council Library  
300 Metro Square Building  
St. Paul, Minnesota 55101

Minneapolis Public Library  
Government Documents Room  
300 Nicollet Mall  
Minneapolis, Minnesota 55401

St. Paul Public Library  
Science and Industry Room  
90 West Fourth Street  
St. Paul, Minnesota 55102

Anoka County Library—Blaine Branch  
707 Highway 10  
Blaine, Minnesota 55434

Carver County Library—Chaska Branch  
314 Walnut Street  
Chaska, Minnesota 55318

Dakota County Library—Burnsville Branch  
1101 West County Road 42  
Burnsville, Minnesota 55337

Hennepin County Library—Southdale Branch  
7001 York Avenue  
Edina, Minnesota 55435

## OFFICIAL NOTICES

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Ramsey County Library—Roseville Branch  
2180 North Hamline Avenue  
Roseville, Minnesota 55113

Scott County Library—Shakopee Branch  
235 South Lewis Street  
Shakopee, Minnesota 55379

Washington County Library—Park Grove Branch  
7520 - 80th Street South  
Cottage Grove, Minnesota 55106

Sandra S. Gardebring, chair  
Metropolitan Council

### Metropolitan Council

#### Public Hearing Amending the Recreation Open Space Development Guide by Changing the Capital Improvement Program, July 29, 1985

The Metropolitan Council will conduct a public hearing on Monday, July 29, 1985, at 4 p.m. in Conference Room E of the Metropolitan Council offices, 300 Metro Square Building, St. Paul, Minnesota 55101, to receive comments on a proposed revision to the Capital Improvement Program for Regional Recreation Open Space. The proposal would change \$60,000 allocated in the current plan for acquisition in Lake Elmo Park Reserve by Washington County to a new allocation in South Washington County Regional Park for acquisition of land also by Washington County.

All interested persons are encouraged to comment on the amendment. Persons may register to speak by contacting the Council's public hearing coordinator at 291-6521. Copies of the staff report, including Metropolitan Parks and Open Space Commission and Metropolitan Systems Committee actions on the proposed amendment, are available free of charge from Council's Communications office at 291-6464, beginning June 28, 1985. Copies are also available for public inspection beginning July 1 at the following locations:

Metropolitan Council Library  
300 Metro Square Building  
St. Paul, Minnesota 55101

Minneapolis Public Library  
Government Documents Room  
300 Nicollet Mall  
Minneapolis, Minnesota 55401

St. Paul Public Library  
Science and Industry Room  
90 West Fourth Street  
St. Paul, Minnesota 55102

Anoka County Library—Blaine Branch  
707 Highway 10  
Blaine, Minnesota 55434

Carver County Library—Chaska Branch  
314 Walnut Street  
Chaska, Minnesota 55318

Dakota County Library—Burnsville Branch  
1101 West County Road 42  
Burnsville, Minnesota 55337

Hennepin County Library—Southdale Branch  
7001 York Avenue  
Edina, Minnesota 55435

Ramsey County Library—Roseville Branch  
2180 North Hamline Avenue  
Roseville, Minnesota 55113

Scott County Library—Shakopee Branch  
235 South Lewis Street  
Shakopee, Minnesota 55379

Washington County Library—Park Grove Branch  
7520 - 80th Street South  
Cottage Grove, Minnesota 55106

Sandra S. Gardebring, Chair  
Metropolitan Council

### Metropolitan Council

#### Draft Public Hearing Schedule, Recreation Open Space Capital Improvement Program Amendment

Washington County has requested that the Metropolitan Council reallocate funds approved in Group 3 of the 1983-84 Regional Recreation Open Space Capital Improvement Program. The original allocation was for acquisition in Lake Elmo Park Reserve. The county's request is to reallocate \$60,000 to acquisition of land in South Washington County Regional Park.

The following is a tentative schedule for review of the proposed amendment to the Metropolitan Council's Recreation Open Space Capital Improvement Program.

June 10	Metropolitan Parks and Open Space Commission recommends public hearing for July 29, 1985
June 24	Metropolitan Systems Committee reviews commission action and recommends hearing date to Council.
June 27	Metropolitan Council action.
June 28	Notice of Hearing published.
July 29	Public Hearing, 4 p.m., Conference Room E, before Metropolitan Systems Committee.
August 12	Hearing record closes.
August 26	Metropolitan Parks and Open Space Commission reviews hearing record and considers staff recommendations.
Sept. 9	Metropolitan Systems Committee reviews commission action and makes recommendation to Council.
Sept. 26	Metropolitan Council adoption of revised Capital Improvement Program.

This schedule is tentative and subject to change. A subsequent notice of public hearing will be published. If you have any questions regarding the schedule or amendment, call Florence Myslajek of the Council's Parks and Environmental Planning staff at 291-6520.

## **Metropolitan Council**

### **Public Meeting on Environmental Assessment Worksheet for Metro Plant Ash Disposal and Park Development**

The Metropolitan Council will hold a public meeting on Wednesday, July 17, 1985 at 7:00 p.m. in the Metropolitan Council Chambers, 300 Metro Square Building, 7th and Robert Streets, St. Paul, MN for discussion of the Environmental Assessment Worksheet (EAW) for the placement of Metro Plant ash on the old Pig's Eye landfill site, and to receive additional comments on the project.

The EAW has been completed in response to the Metropolitan Waste Control Commission's request to place approximately 320,000 cubic yards of sludge ash on the old Pig's Eye Landfill. The site would be revegetated for use as part of Battle Creek Regional Park. The project is being proposed by the MWCC in order to empty the four existing sludge ash basins located adjacent to the Metropolitan Wastewater Treatment.

All interested persons are encouraged to attend the public meeting and offer comments on the EAW. Persons wishing to speak should register in advance by contacting Lucy Thompson at 291-6521. Written comments will be accepted until July 31, 1985. Questions on the EAW should be directed to Jack Frost of the Council's Parks and Environmental Planning Staff at 291-6519. Copies of the EAW are available free of charge from the Council's Communications Department at 291-6464. Copies are also available for public inspection beginning June 17 at the following locations:

Metropolitan Council Library  
300 Metro Square Building  
St. Paul, Minnesota 55101  
  
St. Paul Public Library  
Science and Industry Room  
90 West Fourth Street  
St. Paul, Minnesota 55102

Sandra S. Gardebring, Chair  
Metropolitan Council

## Metropolitan Council

### Notice of Preliminary Review Schedule, Policy on Federal 1122 Review of Specialized Inpatient Care Services

The Metropolitan Council/Metropolitan Health Planning Board, as the federally designated Health Systems Agency for the Seven-County Metropolitan Area, is required to review certain capital expenditures and changes in services for licensed health care facilities under the national Social Security Act, as amended in 1972. The agency has the option to carry out a full review of these projects or waiver the review as non-substantive.

The Council/health planning board is reviewing a policy by which changes in certain high-cost, low-volume tertiary inpatient services will require a full project review under the federal 1122 review process. Such services will include open-heart surgery, perinatal and neonatal intensive care, burn care, spinal cord injury, critical trauma care centers, transplantation or artificial organ centers, inpatient pediatric referral and teaching centers, and others of similar nature. The policy also contains specific criteria to be followed.

The review schedule for this policy is as follows:

- |                 |   |
|-----------------|---|
| April 24, 1985  | Planning Committee of the Metropolitan Health Planning Board reviewed and recommended acceptance of the proposed policy for public meeting.                       |
| May 8, 1985     | Metropolitan Health Planning Board accepted the proposed policy for public meeting.   |
| May 9, 1985     | Metropolitan and Community Development Committee of the Metropolitan Council reviewed and accepted the proposed policy for public meeting.                        |
| May 23, 1985    | Metropolitan Council accepted the proposed policy for public meeting.   |
| July 24, 1985   | Public meeting.   |
| August 7, 1985  | Meeting record closes.  |
| August 14, 1985 | Planning Committee reviews and recommends action on the proposed policy; Metropolitan Health Planning Board reviews and recommends action on the proposed policy. |
| August 22, 1985 | Metropolitan and Community Development Committee reviews and recommends action on the proposed policy.  |
| August 29, 1985 | Metropolitan Council reviews and acts on policy.  |

## Metropolitan Council

### Public Meeting Concerning Policy on Federal 1122 Review of Specialized Inpatient Care Services

The Metropolitan Council and Metropolitan Health Planning Board will jointly hold a public meeting on Wednesday, July 24, 1985 at 5 p.m. in the Metropolitan Council Chambers, 300 Metro Square Building, St. Paul, Minnesota 55101, for the purpose of receiving written and oral comments on a proposed policy for reviewing federal 1122 review projects that pertain to high-cost, low-volume specialized inpatient care services. The proposed policy states that a full project review process will be requested of such tertiary care services falling within the federal law and shall at least include: open-heart surgery, perinatal and neonatal intensive care, burn care, spinal cord injury, critical trauma centers, transplantation or artificial organ centers, and others of similar nature. The policy also includes a set of criteria to be considered.

Copies of the proposed policy are available free from the Metropolitan Health Planning Board, 300 Metro Square Building, St. Paul, MN 55101; telephone (612) 291-6352.

Persons wishing to speak at this public meeting may register in advance by contacting Carol Berens at 291-6352. Those who register first will be scheduled to speak first. Persons unable to attend the meeting are encouraged to send written comments to the Metropolitan Health Planning Board up to 10 working days following this meeting. For further information, contact the Metropolitan Health Planning Board at 291-6352.

Sandra S. Gardebring, Chair  
Metropolitan Council

Elaine Voss, Chair  
Metropolitan Health Planning Board

## Office of the Secretary of State

### Vacancies in Multi-Member State Agencies

Notice is hereby given to the public that vacancies have occurred in multi-member state agencies, pursuant to Minn. Stat. § 15.0597, subd. 4. Application forms may be obtained at the Office of the Secretary of State, 180 State Office Building, St. Paul 55155-1299; (612)296-2805. Application deadline is July 23, 1985.

MINNESOTA STATE ARTS BOARD has 1 vacancy open immediately for a member. The board supports and encourages the arts by providing grants, publications, consultant services, conferences and workshops. Members are appointed by the Governor and confirmed by the Senate. Members must file with Ethical Practices Board. Ten meetings per year at the board office; members receive \$35 per diem plus expenses. For specific information contact the Minnesota State Arts Board, 432 Summit Ave., St. Paul 55102; (612)297-2603.

ELEMENTARY-SECONDARY-VOCATIONAL (ESV) COMPUTER COUNCIL has 1 vacancy open immediately for a representative of private management. The council advises and assists the State Board of Education in the development of plans and standards for ESV-IS (elementary, secondary and vocational education management information systems) and SDE-IS (State Department of Education Information System). Members are appointed by the Governor. Members receive \$35 per diem. For specific information contact the Elementary-Secondary-Vocational (ESV) Computer Council, Board of Education, Capitol Square Bldg., 550 Cedar St., St. Paul 55101; (612)297-3151.

TASK FORCE ON SEXUAL EXPLOITATION BY THERAPISTS AND COUNSELORS has 18 vacancies open immediately for members. The task force shall develop educational plan for clients, counselors, employers, and training institutions; study regulation of professionals; improvement of complaint rules and procedures and of the civil and criminal codes as they related to sexual exploitation by therapists and counselors; and develop legislation recommendations. Members are appointed by the Commissioner of Corrections. For specific information contact the Task Force on Sexual Exploitation by Therapists and Counselors, Barbara Sanderson, Dept. of Corrections, 430 Metro Square Bldg., St. Paul 55101; (612)296-7084.

ADVISORY TASK FORCE ON THE WOMAN OFFENDER IN CORRECTIONS has 2 vacancies open immediately for members. The task force consults with the Commissioner of Corrections regarding choice of model programs to receive funding. Review and make recommendations to the Commissioner on matters affecting women offenders. Identify problem areas and make recommendations for problem resolution. Assist the Commissioner when and where possible in seeking improved programming for women offenders. Members shall reflect a statewide geographical representation and are appointed by the Commissioner of Corrections. Members receive expenses in the same manner and amount as state employees. Meetings are held the 1st Wednesday of each month at the Dept. of Corrections. For specific information contact the Advisory Task Force on the Woman Offender in Corrections, Dept. of Corrections, 430 Metro Square Bldg., St. Paul 55101; (612)296-3525.

METROPOLITAN TRANSIT COMMISSION has 1 vacancy open immediately for a member. Must be resident of the city of St. Paul and have management experience. Members may not during term of office be a member of Metropolitan Council, Regional Transit Board, the Metropolitan Waste Control Commission, the Metropolitan Sports Facilities Commission, Metropolitan Airports Commission or any other independent regional commission, board or agency or hold any judicial office. Members are appointed by the Regional Transit Board. Members receive \$50 per diem plus expenses. The commission will provide transit services within a specified service area of the metropolitan area in conformance with the implementation plan of the regional transit board. For specific information contact the Metropolitan Transit Commission, 560 6th Ave. N., Mpls 55411-4398; (612)349-7400.

REGIONAL TRANSIT BOARD is seeking applications for 8 positions. Pending proposed legislation before the Minnesota Legislature, the Regional Transit Board, which currently consists of fourteen members plus a chair, will be reduced to eight members plus a chair, conforming with metropolitan regional commission districts as outlined in Minnesota Statutes 473.141. **Should the legislation not be enacted into law, the Metropolitan Council will notify any applicants for Regional Transit Board appointments.** The Regional Transit Board coordinates transit operations within the metropolitan area and implements the Council's long-term transit plan; establishes a transit information service; adopts a transit service implementation plan; contracts with transit operators in the metropolitan area to provide transit services; coordinates special transportation services for the elderly, handicapped or others with special transportation needs; administers contracts for paratransit projects; appoints the members of the Metropolitan Transit Commission; and other transit-related responsibilities. Members receive \$50 per diem and expenses. For specific information contact the Metropolitan Council, Bill Lester, 300 Metro Square Bldg., St. Paul 55101; (612)291-6630. The proposed legislation also requires that a public hearing be held in each district to hear applicants for the RTB from that district. In addition, a hearing must be held to hear candidates for RTB Chair and a list of potential candidates forwarded to the Governor by the Metropolitan Council. In order to implement the proposed legislation by August 1, the Council will be divided into two hearing panels and the eight public hearings will be held on four evenings according to the following schedule:

## OFFICIAL NOTICES

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- Monday, July 22:  
7:00 p.m. RTB District A (Council Districts 1 & 2)  
Metropolitan Council Chambers  
300 Metro Square Bldg.  
St. Paul 55101
- Monday, July 22:  
7:00 p.m. RTB District H (Council Districts 15 & 16)  
Woodbury City Hall  
2100 Radio Drive  
Woodbury, MN
- Tuesday, July 23:  
7:00 p.m. RTB District B (Council Districts 3 & 7)  
Roseville City Hall  
Lexington & County Road C  
Roseville, MN 55113
- Tuesday, July 23:  
7:00 p.m. RTB District G (Council Districts 13 & 14)  
Eden Prairie Schools Administration Bldg.  
8100 School Road  
Eden Prairie, MN 55344
- Tuesday, July 23:  
4:30 p.m. Public Hearing of Applicants for the RTB Chair  
Metropolitan Council Chambers  
300 Metro Square Bldg.  
St. Paul, 55101
- Wed., July 24:  
7:00 p.m. RTB District C (Council District 4 & 5)  
Regina High School  
4225 Third Ave. S.  
Mpls, MN
- Wed., July 24:  
7:00 p.m. RTB District F (Council District 11 & 12)  
Edina City Hall  
4801 W. 50th St.  
Edina, MN
- Thurs., July 25:  
7:00 p.m. RTB District D (Council District 6 & 10)  
Crystal City Hall  
4141 Douglas Dr.  
Crystal, MN
- Thurs., July 25:  
7:00 p.m. RTB District E (Council District 8 & 9)  
Fridley City Hall  
6431 University Ave. N.E.  
Fridley, MN

## Department of Transportation

### Petition of the City of Lake Elmo for a Variance from State Aid Standards for Right of Way Width

Notice is hereby given that the City Council of Lake Elmo has made a written request to the Commissioner of Transportation pursuant to Minnesota Rules § 8820.3300 for a variance from minimum standards for a reconstruction project on Lower 33rd Street (MSAS 101) from Klondick Avenue to CSAH 17.

The request is for a variance from Minnesota Rules for State Aid Operations § 8820.2500 adopted pursuant to Minnesota Statutes Chapter 161 and 162, so as to permit a Right of Way Width of 33 feet instead of required 60 feet.

Any person may file a written objection to the variance request with the Commissioner of Transportation, Transportation Building, St. Paul, Minnesota 55155.

If a written objection is received within 20 days from the date of this notice in the *State Register*, the variance can be granted only after a contested case hearing has been held on the request.

June 20, 1985

Richard P. Braun  
Commissioner of Transportation

# STATE CONTRACTS

Pursuant to the provisions of Minn. Stat. § 16.098, subd. 3, an agency must make reasonable effort to publicize the availability of any consultant services contract or professional and technical services contract which has an estimated cost of over \$2,000.

Department of Administration procedures require that notice of any consultant services contract or professional and technical services contract which has an estimated cost of over \$10,000 be printed in the *State Register*. These procedures also require that the following information be included in the notice: name of contact person, agency name and address, description of project and tasks, cost estimate, and final submission date of completed contract proposal.

Commodities contracts with an estimated value of \$5,000 or more are listed under the Procurement Division, Department of Administration. All bids are open for 7-10 days before bidding deadline. For bid specifics, time lines, and other general information, contact the appropriate buyers by calling 296-6152. If the appropriate buyer is not available, contact Harvey Leach or Barbara Jolly at 296-3779.

## Department of Administration Procurement Division

### Commodities Contracts and Requisitions Currently Open for Bidding

Requisition #	Item	Ordering Division	Delivery Point	Estimated Dollar Amount
27-000-45764-9254	MN Community College System Non-Traditional Student Brochure	Minnesota Community College System	St. Paul	Contact buyer
55-000-91260-9079	MN Radio Talking Book Calendar	Human Services	St. Paul	Contact buyer
26-176-02466-9337	Class Schedules	Metropolitan State University	St. Paul	Contact buyer
02-410-45700	Purchase of Digital Line Monitor	Administration—Information Management	St. Paul	Contact buyer
26-175-06129	Bus Transportation	Southwest State University	Marshall	Contact buyer
02-520-46104	Purchase of Printer	Administration—Printing & Mailing Services	St. Paul	Contact buyer
27-156-43767	Mailing Service	Normandale Community College	Bloomington	Contact buyer
29-001-08580	Move 2 Buildings from Hubbel Pond to Detroit Lakes	Natural Resources	Bemidji	Contact buyer
26-175-06085	Purchase of Microfilm Recorder & Endorser	Southwest State University	Marshall	Contact buyer
79-000-47183	Airport Return Taxiway Markers	Transportation—Aeronautics		Contact buyer
27-000-45769-1111	MN Community College Systems Prospectus	Minnesota Community College System	St. Paul	Contact buyer
07-300-33247-33236-33246	Purchase of Photocopy Macine & Rental of Finisher	Public Safety	St. Paul	Contact buyer
02-520-46118-119	Maint. AM TCS-5 Duplicating System	Administration	St. Paul	Contact buyer
78-830-07636	Purchase of Photocopy Machine	MN Correctional Facility	St. Cloud	Contact buyer
02-310-13993, etc.	Plumbing Supplies	MN Correctional Facility	Stillwater	Contact buyer
78-000-15176	Video Equipment	MN Correctional Facility	Shakopee	Contact buyer
22-400-00860-9275	MN Explorer	Energy & Economic Development	St. Paul	Contact buyer
22-400-00858-9274	Explore MN Minnetours	Energy & Economic Development	St. Paul	Contact buyer
22-400-00859-9276	MN Explorer	Energy & Economic Development	St. Paul	Contact buyer

Contact 296-6152 for referral to specific buyers.

## STATE CONTRACTS

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### Department of Education Program Effectiveness Division

#### Request for Proposals for Regional Contracts for Service to School Districts Integrating Technology into the Curriculum

The Minnesota Department of Education is seeking proposals for regional contracts from individuals or organizations that have expertise in the use of technology to enhance the quality of education. Service will be provided to school districts located in regional areas that correspond to the boundaries of the Educational Cooperative Service Unit (ECSU) regions. Applicants will receive contracts on the basis of amount of service they will provide to the region for the set regional appropriation. Funding levels will not be negotiated. The total amount of funds to be available for the 1985-87 biennium is \$580,000 with estimated costs of regional contracts ranging from \$46,000 to \$112,000. Funding levels are divided among regions using an ECSU formula of long-standing. Progress and final reports are required.

The specific services which will be provided under contract are outlined in detail in the Performance Contract for Technology Regional Coordinators.

The formal performance contract may be requested and inquiries and proposals should be directed to:

Dr. Gilbert Valdez, Manager  
Curriculum and Technology Section  
682 Capitol Square Building  
550 Cedar Street  
St. Paul, MN 55101  
(612) 296-4067

The deadline for submitting proposals for the regional contracts listed above is July 24, 1985.

### Housing Finance Agency

#### Funding Available to Construct or Rehabilitate Multi-Family Rental Housing

During August, 1984, the Minnesota Housing Finance Agency (Agency) issued a request for proposals for the new construction or substantial rehabilitation of multi-family rental housing under three funding proposals. That request had an initial submission deadline of September 28, 1984, with the exception that if funding remained, or additional funding became available, the Agency would continue to accept applications on an open pipeline, case-by-case basis.

The Agency at this time is advertising the continued limited availability of permanent and construction financing under the following three Market Rate Rental programs:

- 1) Moderate Income Family Graduated Payment Mortgage Program;
- 2) Family Shallow Subsidy Program; and
- 3) Elderly Interest Write-Down Program.

Due to the limited availability of these funds special consideration may be provided to developments with rents affordable to lower income persons and for developments with city or other public/private participation.

In addition as part of its continuing efforts to develop programs for the financing of low and moderate income rental housing, the Agency is also requesting housing proposals with innovative financing and development techniques and/or other creative means for providing low and moderate income housing under the following program:

- 1) Market Rate Moderate Income Program.

All of these programs are available state-wide, and open to limited dividend or nonprofit developers. The total mortgage funds projected to be available under these four programs are approximately \$10 million.

While this advertisement is for an open pipeline, the Agency will not initially select any developments until late August, 1985, to allow time for developers to submit proposals to the Agency.

A Developer's Packet containing application material is available for each of the programs. PLEASE specify which program when requesting a packet from the Minnesota Housing Finance Agency, Suite 300, 400 Sibley Street, St. Paul, Minnesota, 55101, or when calling (612) 297-3294.

## **Iron Range Resources and Rehabilitation Board**

### **Request for Proposals for Iron Range Interpretative Center Study of Facility Programming, Economic Projections, and Operational Alternatives**

The Iron Range Resources and Rehabilitation Board requests proposals from qualified, multi-disciplined consultants to conduct a study addressing facility programming, economic projections, and operational alternatives for the Iron Range Interpretative Center, located in Chisholm, Minnesota. Estimated cost of the project is not to exceed \$30,000.

For further information and formal Request for Proposal documents, contact the Iron Range Resources and Rehabilitation Board, P.O. Box 441, Eveleth, Minnesota 55734. (218) 744-2993.

The deadline for receipt of proposals is 4:30 p.m., Wednesday, July 22, 1985.

## **Department of Human Services St. Peter State Hospital**

### **Request for Proposals for Radiology Services**

Notice is hereby given that the St. Peter State Hospital, Residential Facilities Administration, Department of Human Services, is seeking the services which are to be performed as requested by the Administration of St. Peter State Hospital. The following contracts will be written for the period July 1, 1985 thru June 30, 1986.

1. Services of a radiologist to provide, study, interpretation and dictate findings of x-ray films. Estimated amount of the contract will not exceed \$13,500.00.

Responses must be received by July 15, 1985. Direct inquiries to:

Tom Bolstad  
St. Peter State Hospital  
100 Freeman Drive  
St. Peter, MN 56082  
Phone: (507) 931-7116

## **Metropolitan Waste Control Commission**

### **Public Notice for Prequalifications for MWCC Projects and Annual Engineering Services**

Notice is hereby given that the Metropolitan Waste Control Commission is soliciting prequalifications for engineering services for the following:

Blue Lake Plant Expansion—Step I  
Orono Lift Station Improvements—Step II  
Eagan Lift Station Improvements—Step II  
Annual Engineering Services

The prequalification should include the firm's interest to provide services, background data, qualifications and disciplines of employees, and the demonstratable experience of the firm.

The prequalification should include information on the firm's programs for compliance with equal employment opportunities, affirmative action and utilization of minority firms. The prequalifications will be used by the Commission as a mechanism for selecting firms to provide engineering services.

Firms not currently on the Commission's prequalification list should submit a letter stating their interest in the projects or services and one copy of its prequalifications. Firms presently on the Commission's prequalification list need only to submit a letter stating their interest in the projects or services and the necessary information, if any, to update their prior prequalifications.

Please submit letters with prequalifications or updated information within one week of this notice to the Chief Administrator of

## STATE CONTRACTS

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the Metropolitan Waste Control Commission, 350 Metro Square Building, St. Paul, Minnesota 55101. Inquiries regarding the solicitation should be directed to Mr. Ray Payne, Acting Director of Engineering, 612-222-8423.

6/19/85

By Order of the  
Metropolitan Waste Control Commission  
Mr. Louis J. Breimhurst  
Chief Administrator

## SUPREME COURT

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### Decisions Filed Friday, June 14, 1985

#### Compiled by Wayne O. Tschimperle, Clerk

**C4-84-219 Classified Insurance Corporation, Petitioner, Appellant, v. Robert A. Vodinelich, Individually and as Trustee for the Heirs and Next of Kin of Decedents April Rae Vodinelich and Lance R. Vodinelich; Nancy L. Vodinelich, Deceased by Robert Dolan, Special Administrator of the Estate of Nancy L. Vodinelich. Court of Appeals.**

A parent, who accidentally killed her two children while committing suicide by idling the engine of her automobile in a closed garage, was not using the vehicle "for transportation purposes," and thus the children's deaths did not arise out of the use of a motor vehicle under the automobile liability insurance policy.

Reversed Peterson, J.

Dissenting, Simonett, Jr., Yetka, J., and Wahl, J.

**C6-85-37 Milton P. and Mitzi Reiser, et al., Relators, v. Commissioner of Revenue. Tax Court.**

Litigation costs, uncollectible notes, and litigation settlement costs arising from the sale of cattle are losses "arising from a farm" and, thus, limited for income tax purposes by Minn. Stat. § 290.09, subd. 29 (1984).

Affirmed. Yetka, J.

**C6-83-2026 In the Matter of the Welfare of: P.J.K. and J.L.K. Court of Appeals.**

The father's parental rights should be terminated because clear and convincing evidence was presented showing that his permanent unfitness to care for the children would be detrimental to their mental health, he failed to take reasonable efforts to correct the conditions leading to his children's dependency, and the children are neglected and in foster care.

Reversed. Yetka, J.

**C1-83-295 State of Minnesota v. Herbert Stanley Ward, Appellant. Hennepin County.**

Proof by clear and convincing evidence that a person is dangerous to the public because of his mental or physical deficiency, disorder or abnormality satisfies the due process requirements of the Fourteenth Amendment of the United States Constitution and of Article I, Section 7 of the Minnesota Constitution in proceedings brought under Minn. Stat. § 246.43 (1978) for confirmation of an order of the commissioner for continued commitment.

Affirmed. Coyne, J.

**CX-83-876 Scott Kempa, Plaintiff, v. E.W. Coons Company, Uniroyal Tire Co., and Clark Equipment Company v. United States Steel Corporation, Appellant. St. Louis County.**

A negligent employer has no contribution liability with respect to a settlement between an employee and a third-party tortfeasor of all claims for which the employee has not been and will not be paid under the Workers' Compensation Act.

After an injury employee's damages have been determined, the employer's subrogation interest is calculated pursuant to Minn. Stat. § 176.061, subd. 6; offset by the employer's contribution liability; and the remainder reduced to present value and paid in a single lump sum.

The assessment of punitive damages against a third-party tortfeasor does not preclude contribution or an offset based on an employer's proportionate share of direct causal fault.

Reversed and Remanded. Coyne, J.

**CX-81-1120** In the Matter of the Application for Discipline of Harry N. Ray, an Attorney at law of the State of Minnesota. Supreme Court.

Publicly reprimanded and suspended from the practice of law in the State of Minnesota for a period of 3 years, Per Curiam.

### **Opinion Filed June 11, 1985**

**C5-84-2030** Janice Nyflot v. Commissioner of Public Safety, Petitioner. Court of Appeals.

Driver who is arrested for driving while under the influence of alcohol has no right, statutory or constitutional, to consult with counsel before deciding whether to submit to chemical testing under the implied consent law.

Reversed. Amdahl, C.J.

Concurring specially, Scott, J., and Kelley, J.

Dissenting, Yetka, J. and Wahl, J.

### **Decisions Filed Friday, June 21, 1985**

#### **Compiled by Wayne O. Tschimperle, Clerk**

**C5-84-973** State of Minnesota v. Richard Neil O'Brien, Appellant. Court of Appeals.

The Court of Appeals correctly vacated one of defendant's convictions pursuant to Minn. Stat. § 609.04 (1984) but erred in concluding that there were no aggravating circumstances justifying durational departure from presumptive sentence.

Affirmed as modified. Amdahl, C.J.

**C5-83-1580** Hibbing Education Association v. Public Employment Relations Board, Petitioner, Relator. Court of Appeals.

Under the Public Employment Labor Relations Act, paraprofessional teaching aides, not required to be licensed as teachers by the board of teaching or the state board of education or by the employing school district, were properly certified as a separate bargaining unit.

Reversed and remanded. Kelley, J.

Dissenting, Yetka, J.

**C6-83-1684** Peoples Natural Gas Company, a Division of Inter-North, Inc., Petitioner, Relator, v. Minnesota Public Utilities Commission; Erie Mining Company and Hibbing Taconite Joint Venture, Intervenors; The Hanna Mining Company, Intervenor. Court of Appeals.

The Minnesota Public Utilities Commission's determination that the relator public utility violated its order by not putting new uniform rates into effect for its taconite customers for the interim period is affirmed.

The Commission lacks statutory authority, either express or implied, to require a public utility to refund revenues collected from its customers in violation of a commission order.

Reversed. Simonett, J.

### **Order Filed June 12, 1985**

**C8-85-931** In the Matter of the Application of the Discipline of Peter J. Ruffenach, III, an Attorney at Law of the State of Minnesota. Supreme Court.

Publicly reprimanded and placed on probation for a period of two years. Amdahl, C.J.

### **Order Filed June 17, 1985**

**C1-85-1029** In the Matter of the Application for the Discipline of Robert E. Middleton, an Attorney at Law of the State of Minnesota. Supreme Court.

Publicly reprimanded and placed on probation for a period of two years. Amdahl, C.J.

# TAX COURT

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Pursuant to Minn. Stat. § 271.06, subd. 1, an appeal to the tax court may be taken from any official order of the Commissioner of Revenue regarding any tax, fee or assessment, or any matter concerning the tax laws listed in § 271.01, subd. 5, by an interested or affected person, by any political subdivision of the state, by the Attorney General in behalf of the state, or by any resident taxpayer of the state in behalf of the state in case the Attorney General, upon request, shall refuse to appeal. Decisions of the tax court are printed in the *State Register*, except in the case of appeals dealing with property valuation, assessment, or taxation for property tax purposes.

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## State of Minnesota Tax Court Regular Division

**Acton Construction Co.; Arcon Construction Co.; Austin P. Keller Co.; Barbarossa and Sons, Inc.; Boring, Inc.; Buesing Brothers Trucking, Inc.; Centennial Contractors Corp.; Central Specialties, Inc.; Consolidating Plumbing and Heating Co.; Continental Tunneling Corp.; Contracting Northwest, Inc.; Dawson Construction, Inc.; Encon Utilities, Inc.; Erwin Montgomery Construction; Fairhaven Electric Corp; Fraser Construction Co.; Grudem Brothers Co.; Harris Mechanical Contracting Co.; Hayes Contractors, Inc.; Hennen Construction Co.; Hoffman Electric Co.; Lametti and Sons, Inc.; Landwehr Heavy Moving, Inc.; Lysne Construction, Inc.; Moorhead Construction Co.; Mueller Pipeliners, Inc.; Natkin and Co.; Nodland Associates, Inc.; Northdale Construction Co.; North States Contracting, Inc.; Orfei and Sons, Inc.; Orvedahl Construction Co.; Park Construction Co.; Progressive Contractors, Inc.; Richard Knutson, Inc.; Robert L. Carr Co.; Shafer Contracting Co., Inc.; Shank Mechanical, Inc.; Thomas and Sons Construction, Inc.; Willman Construction, Inc.; Winona Plumbing Co.; and Young Construction Co., Appellants, v. Commissioner of Revenue, Appellee, File No. TA-547**

### Findings of Fact, Conclusions of Law, and Order for Judgment Dated June 19, 1985

The above matter was heard by the Minnesota Tax Court, Judge Carl A. Jensen presiding, on June 13, 1985 at the Courtroom of the Minnesota Tax Court in St. Paul, Minnesota.

Jon G. Sarff, Attorney, appeared on behalf of appellants.

Thomas K. Overton, Special Assistant Attorney General, appeared on behalf of respondent.

Mark D. Thompson, Attorney for the Metropolitan Waste Control Commission, appeared on behalf of the Metropolitan Waste Control Commissioner and filed a *amicus curiae* brief.

#### Syllabus

A sales tax that has been erroneously paid under a belief by all parties concerned that the tax was due and payable, should be refunded to the actual party that paid the tax who would not have been charged for an amount including the tax if all parties had not been operating under the same mistake of law.

#### Findings of Fact

1. This action was originally commenced as an action for declaratory judgment, commenced in the District Court of Ramsey County. The parties were referred to as plaintiffs and defendants. Since the matter involved the interpretation of Minnesota statutes relating to taxes, the District Court of Ramsey County referred the matter to the Minnesota Tax Court under the authority provided in Minnesota statutes.

2. It was agreed by the parties that the facts relative to each of the claims of the plaintiffs were different, but that the same principles were involved and all of the cases would be subject to the same interpretation of law. In view of this the facts relative to the claims of only two of the plaintiffs were reduced to an actual compilation of the amount claimed. These two plaintiffs were Progressive Contractors, Inc. and Shafer Contracting Company, Inc. The Commissioner then denied these claims unless the Commissioner received assurance that any refunds made would be paid over to the party that had ultimately paid the sales tax, which, in all of these cases, was a governmental unit. The action then is basically an appeal from the denial of these claims and the designation of the parties has therefore been changed from plaintiffs and defendants to appellants and appellee. Those designations will be used in this decision.

3. Appellants are generally engaged in the construction business.
4. Various government units solicited fixed-price bids for, among other things, the construction (fabrication and installation) of pipe and other materials for water mains, sanitary sewers and storm sewers.
5. Appellants prepared and submitted bids. In accord with the sales tax law as it was then understood to apply, the bid prices included the amount of sales tax that they would pay on their purchases of pipe and other materials.
6. Each contract relevant to this case was awarded to one of the appellants. Each contract specified that the contractor (appellant) would pay all taxes. The language included in the contracts varied somewhat. Three variations included in the contracts presented to the Court were as follows:
  - a) . . . The Contractor shall . . . pay all charges, fees, and taxes. . . .
  - b) The Contractor will pay all sales, consumer, use and other similar taxes required by the law of the place where the work is performed.
  - c) The Contractor . . . shall pay all charges, fees, and taxes arising from the prosecution of the work. . . .
7. Appellants were the successful bidders and they bought pipe and materials from suppliers and paid the sales tax thereon.
8. Appellants completed the contracts and were paid.
9. Appellants became aware of the cases of *Zimpro, Inc. v. Commissioner of Revenue*, 339 N.W.2d 736 (Minn. 1983), and *Tini Mechanical Contractors, Inc. v. Commissioner of Revenue*, Minnesota Tax Court Docket No. 3708 (January 20, 1984). Under these decisions, appellants' purchase of pipe and materials was not subject to sales tax.
10. Appellants' suppliers filed claims on behalf of appellants for refund of the sales tax paid by appellants. The suppliers agree to pay over any refund to appellants, but appellants refuse to credit or return the refund to the government units.
11. The Commissioner denied the refund claims under Minn. Stat. § 297A.35, subd. 5 because appellants refuse to return the refund to the government units.
12. The governmental units involved in the contracts are the real parties in interest and are entitled to a refund of the sales taxes paid.

#### **Conclusions of Law and Order for Judgment**

1. The government units involved in the contracts referred to in these proceedings are entitled to the refunds of sales taxes. Refunds may be made to the suppliers who actually collected and paid over the tax to the State of Minnesota, provided that the Commissioner receives satisfactory assurance that the refunds will be paid over to the proper government unit. The governmental unit may file its own claim for refund and the Commissioner shall allow such refund upon proper proof of the facts thereof.

LET JUDGMENT BE ENTERED ACCORDINGLY. A STAY OF 15 DAYS IS HEREBY ORDERED.

June 19, 1985

By the Court,  
Carl A. Jesen, Judge  
Minnesota Tax Court

## **State of Minnesota Tax Court Regular Division**

**Lakeside, Ltd., a Minnesota Corporation, Appellant, v. Commissioner of Revenue,  
Appellee, Docket No. 4033**

### **Findings of Fact, Conclusions of Law, and Order for Judgment Dated June 19, 1985**

The above matter was tried by the Minnesota Tax Court, Judge Carl A. Jensen presiding, at the Tax Court Hearing Room in St. Paul, Minnesota, on February 14, 1985.

Joseph J. Roby, Jr., attorney with Johnson, Fredin, Killen, Thibodeau & Seiler, appeared on behalf of appellant.

Amy Eisenstadt, Special Assistant Attorney General, appeared on behalf of appellee.

Briefs were subsequently filed by the parties.

**Syllabus**

If a vendor has collected from a purchaser and remitted to the state a tax on a transaction which is not subject to the tax imposed by Minn. Stat. § 297A.35, subd. 5 (1983), the tax shall be refundable to the vendor only if and to the extent that it will be credited to amounts due to the vendor by the purchaser or returned to the purchaser by the vendor.

**Findings of Fact**

1. Appellant, Lakeside, Ltd., Inc., is a Minnesota corporation located in New Hope, Minnesota. It was incorporated in 1972.
2. Lakeside manufactures point of purchase advertising displays, generally known as beer or bar signs. Its primary customers are Anheuser Busch and Miller Brewing. Signs are also manufactured for Pabst, Olympia and Coors.
3. Lakeside uses tooling in the manufacture of the beer signs. The majority of tooling used is injection molds. Metal tools are also used. Lakeside purchases the tooling from tooling vendors.
4. The tooling is sold to the beer company, but is physically retained by Lakeside in most cases. Occasionally the customer will request possession of the mold or that it be sent to another manufacturer of bar signs.
5. It is not disputed that title to the tooling is transferred by Lakeside to the brewery customer, resulting in a retail sale under the Minnesota sales tax laws.
6. Based on the Minnesota Tax Court's decision in *Lakeside Industries, Division of Leisure Dynamics, Inc. v. Commissioner of Taxation*, Docket No. 1835 (June 27, 1977), Lakeside began to remit sales tax to the State of Minnesota on its tooling sales and continued to do so until March, 1983. The tooling sales were, in fact, exempt from sales tax.<sup>1</sup>
7. The tooling used in the production of a particular beer sign is unique to that sign and cannot be modified to produce any other beer sign. Two or three or up to twenty-five tools may be used in the production of a particular sign. Generally, tooling is used in only one production run.
8. Lakeside does not purchase the tooling or produce the beer signs until its bid on a project has been accepted by receipt of a purchase order from a brewery. The purchase order includes the necessary tooling and a specified quantity of signs. Generally, 10,000 to 20,000 signs are ordered.
9. Lakeside determines its bids according to the following procedure:
  - A. customer solicits bids for a certain quantity of signs and required tooling;
  - B. estimator talks to suppliers of the various materials that will be needed. Tooling vendors will be solicited for tooling quotes. Occasionally, the price of the tooling will be known from past experience;
  - C. estimate of cost of labor involved is made;
  - D. after the costs of tooling are determined, the estimator adds a mark up of 10 percent. The same procedure is used for the cost of the sign;
  - E. estimator gives his/her quote to the sales department;
  - F. the sales department determines the final bid quotes. The mark up added may be higher or lower than 10 percent. One price is determined for tooling and one price is determined for the sign;
  - G. bid for the entire project is submitted.
10. The mark up is expected to cover any additional costs and expenses that Lakeside may incur and still result in a profit, although the bid for the tooling alone may not always or necessarily reflect a profit since appellant's profit is principally from the sales of the signs.
11. The mark up may vary from 10 percent based on the competitive situation. The sales department will add the mark up it believes traffic will bear. Mark ups of up to 40 percent had been added.
12. Lakeside's bids are based on cost of materials and cost of labor. An amount for overhead and others costs or expenses is not specifically added, but is expected to be covered by the mark up.
13. Lakeside was aware that sales tax on its tooling sales would be remitted to the State of Minnesota at the time it prepared its bids.
14. Lakeside did not separately state the Minnesota sales tax in its quotes on the tooling invoices as required by Minn. Stat. § 297A.03, subd. 1.

<sup>1</sup> The tax period in question in *Lakeside Industries* was 1967 through 1970. In *Plastics, Inc. v. Commissioner of Revenue*, Docket No. 2948 (9-22-80), the Tax Court held that a 1973 amendment to Minn. Stat. § 297A.25, subd. 1(h), exempted the type of tooling used by Lakeside from the Minnesota sales tax.

15. Lakeside uses the following accounting procedure:

- A. the price Lakeside paid its vendors for the tooling is recorded in the "Cost of Customer Tooling" account;
- B. the amount of sales tax to be paid to the State of Minnesota is recorded in the "Accrued Minnesota Sales Tax" account;
- C. when payment is received from the customer, the corresponding amounts from "Cost of Customer Tooling" and "Accrued Minnesota Sales Tax" are transferred to the "Cost of Sales-Tools" accounts.

17. Lakeside filed a claim for refund of sales tax paid to the State of Minnesota during the period of March, 1980 through February, 1983, in the amount of \$115,467.54. Lakeside represented that it would retain the refunded amount, rather than pass it through to its customers and the Commissioner of Revenue denied its refund claim by Order dated December 9, 1983.

18. Lakeside paid sales tax in the following amounts:

<u>Sales Period</u>	<u>Tax Rate</u>	<u>Total Sales On Which Tax Was Paid</u>	<u>Tax Paid</u>
03/80-06/81	4%	\$ 978,609.68	\$ 39,144.39
07/81-12/82	5%	1,267,708.12	63,385.41
01/83-02/83	6%	215,629.00	<u>12,937.74</u>
TOTAL SALES TAX PAID-----			\$115,467.54

Since Lakeside included the sales tax in the price, the correct tax should have been as follows:

<u>Sales Period</u>	<u>Total Collected For Sales</u>	<u>Taxable Portion</u>	<u>Correct Tax</u>
03/80-06/81	\$ 978,609.68	\$ 940,970.85	\$ 37,638.83
07/81-12/82	1,267,708.12	1,207,341.07	60,367.05
01/83-02/83	215,629.00	203,423.58	<u>12,205.41</u>
TOTAL SALES TAX THAT SHOULD HAVE BEEN PAID-----			\$110,211.29

Sales Tax Actually Paid	\$115,467.54
Sales Tax That Should Have Been Paid	- 110,211.29
<b>OVERPAYMENT BY LAKESIDE TO BE REFUNDED</b>	<u><u>\$5,256.25</u></u>

19. Appellant is entitled to a refund of \$5,256.25.

20. The amount of \$110,211.29 should be refunded to appellant only if this amount is returned to the purchasers that paid this to appellant. This amount is to be refunded only upon appellant providing satisfactory assurance to the Commissioner that this amount will be returned to the purchasers.

**Conclusions of Law**

- 1. The amount of \$5,256.25 should be refunded to appellant.
- 2. The amount of \$110,211.29 should be refunded to appellant only after the Commissioner has received satisfactory assurance that appellant will return this amount to the respective purchasers who paid this tax.

LET JUDGMENT BE ENTERED ACCORDINGLY. A STAY OF 15 DAYS IS HEREBY ORDERED.

June 19, 1985

By the Court,  
 Carl A. Jensen, Judge  
 Minnesota Tax Court

State of Minnesota  
State Register and Public Documents Division  
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