

CHAPTER 425—S.F.No. 1727

An act relating to education; repealing the requirement that the Minnesota state high school league conduct a two-class high school hockey championship; clarifying the status and effect of certain law; removing surplus language; amending Minnesota Statutes 1989 Supplement, section 129.121, subdivision 7.

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

Section 1. HIGH SCHOOL HOCKEY TOURNAMENT RUN BY HIGH SCHOOL LEAGUE.

The requirement in Laws 1989, chapter 335, article 1, section 26, that the Minnesota state high school league conduct a two-class high school hockey championship, is repealed. The requirements that the high school league develop a plan to conduct such a tournament and report it to the legislature by August 15, 1990, are likewise repealed. Responsibility for running the high school hockey tournament is returned to the Minnesota state high school league.

Sec. 2. Minnesota Statutes 1989 Supplement, section 129.121, subdivision 7, is amended to read:

Subd. 7. The Minnesota state high school league shall establish, conduct, and regulate championship high school tournament activities. The league shall determine the number of classes in all interscholastic athletic activities under its jurisdiction. The league shall adopt league rules and regulations governing the athletic participation of pupils attending school in a nonresident district under section 120.062.

~~Notwithstanding the date and time of day of final enactment, this section supersedes any inconsistent provision of Laws 1989, chapter 335.~~

Sec. 3. EFFECTIVE DATE.

Sections 1 and 2 are effective the day following final enactment.

Presented to the governor April 9, 1990

Signed by the governor April 12, 1990, 10:48 a.m.

CHAPTER 426—S.F.No. 2072

An act relating to Minnesota Statutes; correcting erroneous, ambiguous, and omitted text and obsolete references; eliminating certain redundant, conflicting, and superseded provisions; making miscellaneous technical corrections to statutes and other laws; amending Minnesota Statutes 1988, sections 11A.14, subdivision 5; 15.0597, subdivision 1; 15.50,

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subdivision 5; 16B.53, subdivision 3; 62C.141; 79A.14; 115.49, subdivision 4; 197.55; 232.21, subdivision 7; 256B.69, subdivision 6; 257.41; 273.1315; 333.135; 336.9-105; 353A.02, subdivision 14; 354.05, subdivision 23; 354.66, subdivision 7; 412.701; 412.711; 459.07; 469.155, subdivision 12; 481.12; 626.556, subdivision 10c; Minnesota Statutes 1989 Supplement, sections 15.50, subdivision 2; 18.022, subdivision 2; 62A.045; 105.41, subdivision 1a; 115C.03, subdivision 9; 124.86, subdivision 2; 127.455; 144.6501, subdivision 10; 163.06, subdivision 6; 168.013, subdivision 1a; 168.33, subdivision 2; 176.421, subdivision 7; 204C.361; 236.02, subdivision 7; 245.462, subdivision 4; 256E.08, subdivision 5; 256H.08; 256H.22, subdivisions 2 and 3; 260.185, subdivision 1; 270B.12, subdivision 7; 273.119, subdivision 1; 273.124, subdivision 13; 319A.20; 336.2A-104; 352.01, subdivision 2b; 352.72, subdivision 1; 352B.30, subdivision 1; 383D.41, subdivisions 1 and 2; 422A.05, subdivision 2a; 469.129, subdivision 1; 501B.61, subdivision 1; 563.01, subdivision 3; 609.605, subdivision 3; Minnesota Statutes Second 1989 Supplement, sections 121.904, subdivision 4a; 245A.14, subdivision 6; and 275.50, subdivision 5; and Laws 1989, chapters 329, article 8, section 15, subdivision 2; 332, section 3, subdivision 3; repealing Minnesota Statutes 1988, sections 11A.19, subdivisions 1 to 8; 43A.192; Minnesota Statutes 1989 Supplement, sections 11A.19, subdivision 9; and 226.01 to 226.06.

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

ARTICLE 1

REVISOR'S BILL

STATUTORY CORRECTIONS

Section 1. Minnesota Statutes 1988, section 11A.19, subdivisions 1, 2, 3, 4, 5, 6, 7, and 8, are repealed.

Sec. 2. Minnesota Statutes 1989 Supplement, section 11A.19, subdivision 9, is repealed.

Sec. 3. Minnesota Statutes 1988, section 11A.14, subdivision 5, is amended to read:

Subd. 5. **PARTICIPATING PUBLIC RETIREMENT PLANS OR FUNDS.** The following public retirement plans and funds shall participate in the Minnesota combined investment funds:

- (1) state employees retirement fund established pursuant to chapter 352;
- (2) correctional employees retirement plan established pursuant to chapter 352;
- (3) state patrol retirement fund established pursuant to chapter 352B;
- (4) public employees retirement fund established pursuant to chapter 353;

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(5) public employees police and fire fund established pursuant to chapter 353;

(6) teachers retirement fund established pursuant to chapter 354;

(7) judges retirement fund established pursuant to chapter 490;

(8) the permanent school fund established under the Minnesota Constitution, article XI, section 8;

(9) the supplemental investment fund established under section 11A.17; and

(10) ~~the variable annuity investment fund established under section 11A.19;~~
~~and~~

~~(11)~~ any other fund required by law to participate.

Sec. 4. Minnesota Statutes 1988, section 353A.02, subdivision 14, is amended to read:

Subd. 14. **INELIGIBLE INVESTMENTS.** "Ineligible investments" means any investment security or other asset held by the relief association at or after the initiation of the consolidation procedure which does not comply with the applicable requirements or limitations of sections 11A.09, 11A.18, ~~11A.19~~, 11A.23, and 11A.24.

Sec. 5. Minnesota Statutes 1988, section 354.05, subdivision 23, is amended to read:

Subd. 23. **VARIABLE ACCOUNT ACCUMULATION.** "Variable account accumulation" means the total amounts credited to a member's account in the variable annuity division as most recently revalued in accordance with the provisions of ~~sections 11A.19 and~~ section 354.62.

Sec. 6. Minnesota Statutes 1988, section 15.0597, subdivision 1, is amended to read:

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

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

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

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

Sec. 7. Minnesota Statutes 1989 Supplement, section 15.50, subdivision 2, is amended to read:

Subd. 2. (a) The board shall prepare, prescribe, and from time to time amend a comprehensive use plan for the capitol area, herein called the area which shall initially consist of that portion of the city of Saint Paul comprehended within the following boundaries: Beginning at the point of intersection of the centerline of the Arch-Pennsylvania freeway and the centerline of Marion Street, thence southerly along the centerline of Marion Street extended to a point 50 feet south of the south line of Concordia Avenue, thence southeasterly along a line extending 50 feet from the south line of Concordia Avenue to a point 125 feet from the west line of John Ireland Boulevard, thence southwesterly along a line extending 125 feet from the west line of John Ireland Boulevard to the south line of Dayton Avenue, thence northeasterly from the south line of Dayton Avenue to the west line of John Ireland Boulevard, thence northeasterly to the centerline of the intersection of Old Kellogg Boulevard and Summit Avenue, thence northeasterly along the centerline of Summit Avenue to the south line of the right-of-way of the Fifth Street ramp, thence southeasterly along the right-of-way of the Fifth Street ramp to the east line of the right-of-way of Interstate Highway 35-E, thence northeasterly along the east line of the right-of-way of Interstate Highway 35-E to the south line of the right-of-way of Interstate Highway 94, thence easterly along the south line of the right-of-way of Interstate Highway 94 to the west line of St. Peter Street, thence southerly to the south line of Eleventh Street, thence easterly along the south line of Eleventh Street to the west line of Cedar Street, thence southeasterly along the west line of Cedar Street to the centerline of Tenth Street, thence northeasterly along the centerline of Tenth Street to the centerline of Minnesota Street, thence northwesterly along the centerline of Minnesota Street to the centerline of Eleventh Street, thence northeasterly along the centerline of Eleventh Street to the centerline of Jackson Street, thence northwesterly along the centerline of Jackson Street to the centerline of the Arch-Pennsylvania freeway extended, thence westerly along the centerline of the Arch-Pennsylvania freeway extended and Marion Street to the point of origin. Pursuant to the comprehensive plan, or any portion thereof, the board may regulate, by means of zoning rules adopted pursuant to the administrative procedure act, the kind, character, height, and location, of buildings and other structures constructed or used, the size of yards and open spaces, the percentage of lots that may be occupied, and the uses of land, buildings and other structures, within the area. To protect and enhance the dignity, beauty, and architectural integrity of the capitol area, the board is

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further empowered to include in its zoning rules design review procedures and standards with respect to any proposed construction activities in the capitol area significantly affecting the dignity, beauty, and architectural integrity of the area. No person shall undertake these construction activities as defined in the board's rules in the capitol area without first submitting construction plans to the board, ~~obtained~~ obtaining a zoning permit from the board and ~~received~~ receiving a written certification from the board specifying that the person has complied with all design review procedures and standards. Violation of the zoning rules is a misdemeanor. The board may, at its option, proceed to abate any violation by injunction. The board and the city of St. Paul shall cooperate in assuring that the area adjacent to the capitol area is developed in a manner that is in keeping with the purpose of the board and the provisions of the comprehensive plan.

(b) The commissioner of administration shall act as a consultant to the board with regard to the physical structural needs of the state. The commissioner shall make studies and report the results to the board when they request reports for their planning purpose.

(c) No public building, street, parking lot, or monument, or other construction shall be built or altered on any public lands within the area unless the plans for the same conforms to the comprehensive use plan as specified in clause (d) and to the requirement for competitive plans as specified in clause (e). No alteration substantially changing the external appearance of any existing public building approved in the comprehensive plan or the exterior or interior design of any proposed new public building the plans for which were secured by competition under clause (e), may be made without the prior consent of the board. The commissioner of administration shall consult with the board regarding internal changes having the effect of substantially altering the architecture of the interior of any proposed building.

(d) The comprehensive plan shall show the existing land uses and recommend future uses including: areas for public taking and use; zoning for private land and criteria for development of public land, including building areas and open spaces; vehicular and pedestrian circulation; utilities systems; vehicular storage; elements of landscape architecture. No substantial alteration or improvement shall be made to public lands or buildings in the area save with the written approval of the board.

(e) The board shall secure by competitions, plans for any new public building. Plans for any comprehensive plan, landscaping scheme, street plan, or property acquisition, which may be proposed, or for any proposed alteration of any existing public building, landscaping scheme or street plan may be secured by a similar competition. Such competition shall be conducted under rules prescribed by the board and may be of any type which meets the competition standards of the American Institute of Architects. Designs selected shall become the property of the state of Minnesota and the board may award one or more premiums in each such competition and may pay such costs and fees as may be

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required for the conduct thereof. At the option of the board, plans for projects estimated to cost less than \$1,000,000 may be approved without competition provided such plans have been considered by the advisory committee described in clause (f). Plans for projects estimated to cost less than \$400,000 and for construction of streets need not be considered by the advisory committee if in conformity with the comprehensive plan.

(f) The board shall not adopt any plan under clause (e) unless it first receives the comments and criticism of an advisory committee of three persons, each of whom is either an architect or a planner, who have been selected and appointed as follows: one by the board of the arts, one by the board, and one by the Minnesota Society of the American Institute of Architects. Members of the committee shall not be contestants under clause (e). The comments and criticism shall be a matter of public information. The committee shall advise the board on all architectural and planning matters. For that purpose:

(1) the committee shall be kept currently informed concerning, and have access to, all data, including all plans, studies, reports and proposals, relating to the area as the same are developed or in the process of preparation whether by the commissioner of administration, the commissioner of trade and economic development, the metropolitan council, the city of Saint Paul, or by any architect, planner, agency or organization, public or private, retained by the board or not retained and engaged in any work or planning relating to the area. A copy of any such data prepared by any public employee or agency shall be filed with the board promptly upon completion;

(2) the board may employ such stenographic or technical help as may be reasonable to assist the committee to perform its duties;

(3) when so directed by the board, the committee may serve as, and any member or members thereof may serve on, the jury or as professional advisor for any architectural competition. The board shall select the architectural advisor and jurors for any competition with the advice of the committee; and

(4) the city of St. Paul shall advise the board.

(g) The comprehensive plan for the area shall be developed and maintained in close cooperation with the commissioner of trade and economic development and the planning department and the council for the city of Saint Paul and the board of the arts, and no such plan or amendment thereof shall be effective without 90 days' notice to the planning department of the city of Saint Paul and the board of the arts.

(h) The board and the commissioner of administration jointly, shall prepare, prescribe, and from time to time revise standards and policies governing the repair, alteration, furnishing, appearance and cleanliness of the public and ceremonial areas of the state capitol building. Pursuant to this power, the board shall consult with and receive advice from the director of the Minnesota state

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historical society regarding the historic fidelity of plans for the capitol building. The standards and policies developed as herein provided shall be binding upon the commissioner of administration. The provisions of sections 14.02, 14.04 to 14.36, 14.38, and 14.44 to 14.45 shall not apply to this clause.

(i) The board in consultation with the commissioner of administration shall prepare and submit to the legislature and the governor no later than October 1 of each even-numbered year a report on the status of implementation of the comprehensive plan together with a program for capital improvements and site development, and the commissioner of administration shall provide the necessary cost estimates for the program.

(j) The state shall, by the attorney general upon the recommendation of the board and within appropriations available for that purpose, acquire by gift, purchase or eminent domain proceedings any real property situated in the area described in this section and it shall also have the power to acquire an interest less than a fee simple interest in the property, if it finds that it is needed for future expansion or beautification of the area.

(k) The board is the successor of the state veterans' service building commission, and as such may adopt rules and may reenact the rules adopted by its predecessor under Laws 1945, chapter 315, and acts amendatory thereof.

(l) The board shall meet at the call of the chair and at such other times as it may prescribe.

(m) The commissioner of administration shall assign quarters in the state veterans service building to (1) the department of veterans affairs of which such part as the commissioner of administration and commissioner of veterans affairs may mutually determine shall be on the first floor above the ground and (2) the American Legion, Veterans of Foreign Wars, Disabled American Veterans, Military Order of the Purple Heart, United Spanish War Veterans, and Veterans of World War I, and their auxiliaries, incorporated, or when incorporated, under the laws of the state, and (3) as space becomes available to such other state departments and agencies as the commissioner may deem desirable.

Sec. 8. Minnesota Statutes 1988, section 15.50, subdivision 5, is amended to read:

Subd. 5. The moneys appropriated to the board are subject to the requirements of budget and allotment as prescribed by chapter 16A. Except for budgeting and allotting the board shall be subject to none of the provisions of chapter ~~16 or 16A~~ or 16B.

Sec. 9. Minnesota Statutes 1988, section 16B.53, subdivision 3, is amended to read:

Subd. 3. **REVOLVING FUND.** Money collected by the commissioner under

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this section must be deposited in the ~~central~~ general services revolving fund in the state treasury. Money in that fund is annually appropriated to the commissioner for the purposes of carrying out this section.

Sec. 10. Minnesota Statutes 1989 Supplement, section 18.022, subdivision 2, is amended to read:

Subd. 2. **COST.** (a) To defray the cost of the activities under subdivision 1, the governing body of the political subdivision may levy a tax which, except when levied by a county, must not exceed a gross tax capacity rate of .55 percent or a net tax capacity rate of .68 percent in any year in excess of charter tax capacity rate limitations, but not in any event more than 50 cents per capita, except that the levy for the grasshopper control program under ~~Laws 1989, chapter 350, article 10, sections 23 to 26~~ 18.0223 to 18.0227 is not subject to the 50 cents per capita limitation. The political subdivision may make the levy, where necessary, separate from the general levy and at any time of the year. (b) If, because of the prevalence of Dutch elm disease, the governing body of such a political subdivision is unable to defray the cost of control activities authorized by this section within the limits set by this subdivision, the limits set by this subdivision are increased to a gross tax capacity rate of 1.1 percent or a net tax capacity rate of 1.36 percent, but not in any event more than one dollar per capita.

Sec. 11. Minnesota Statutes 1988, section 79A.14, is amended to read:

79A.14 LETTER OF CREDIT FORM.

The form for the letter of credit under this chapter shall be:

Effective Date

State of Minnesota (Beneficiary)
(Address)

Dear Sirs:

By order of(Self-Insurer) we are instructed to open a clean irrevocable Letter of Credit in your favor for United States \$.....(Amount).

We undertake that drawings under this Letter of Credit will be honored upon presentation of your draft drawn on(Self-Insurer issuing bank), at(Address) prior to expiration date.

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The Letter of Credit expires on, but will automatically extend for an additional one year if you have not received by registered mail notification of intention not to renew 60 days prior to the original expiration date and each subsequent expiration date.

Except as expressly stated herein, this undertaking is not subject to any condition or qualification. The obligation of(issuing bank) under this letter of credit shall be the individual obligation of(issuing bank), in no way contingent upon reimbursement with respect thereto.

Very truly yours,

.....(Signature)

Sec. 12. REPEALER.

Minnesota Statutes 1988, section 43A.192, is repealed.

Sec. 13. Minnesota Statutes 1989 Supplement, section 105.41, subdivision 1a, is amended to read:

Subd. 1a. WATER ALLOCATION PRIORITIES. (a) The commissioner shall adopt rules for allocation of waters based on the following priorities for the consumptive appropriation and use of water:

(1) first priority: domestic water supply excluding industrial and commercial uses of municipal water supply, and use for power production that meets the contingency planning provisions of section 105.417, subdivision 5;

(2) second priority: a use of water that involves consumption of less than 10,000 gallons of water per day;

(3) third priority: agricultural irrigation and processing of agricultural products, involving consumption in excess of 10,000 gallons per day;

(4) fourth priority: power production in excess of the use provided for in the contingency plan developed under section 105.417, subdivision 5; and

(5) fifth priority: uses, other than agricultural irrigation, processing of agricultural products, and power production, involving consumption in excess of 10,000 gallons per day and nonessential uses of public water supplies as defined in section ~~105.518, subdivision 1~~ 105.418.

(b) For the purposes of this section, "consumption" shall mean water withdrawn from a supply which is lost for immediate further use in the area.

(c) Appropriation and use of surface water from streams during periods of flood flows and high water levels must be encouraged subject to consideration of

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the purposes for use, quantities to be used, and the number of persons appropriating water.

(d) Appropriation and use of surface water from lakes of less than 500 acres in surface area must be discouraged.

(e) The treatment and reuse of water from nonconsumptive uses shall be encouraged.

(f) Diversions of water from the state for use in other states or regions of the United States or Canada must be discouraged.

Sec. 14. Minnesota Statutes 1988, section 115.49, subdivision 4, is amended to read:

Subd. 4. Any municipality which is a party to a contract for any of the purposes specified in subdivision 3 and which operates a plant for the disposal of sewage, industrial wastes, or other wastes, or which is a city of the first class comprising a part of a sanitary district under chapter 445 may upon written notice to the other party or parties, fix new rates and charges for the service performed under the contract, notwithstanding any provision of law, charter, or the contract to the contrary. Any other party or parties to such a contract with a municipality which operates such a plant, or with a city of the first class comprising a part of a sanitary district under Minnesota Statutes, chapter 445 may, upon written notice to such municipality, demand that new rates and charges be fixed for service performed under the contract, notwithstanding any provision of law, charter, or the contract to the contrary. Whenever notice is given as provided herein, it shall be the duty of the municipality operating the plant for the disposal of sewage, industrial wastes, or other wastes, or a city of the first class comprising a part of a sanitary district under chapter 445, to hold a hearing for the determination of proper rates and charges. A valid notice given under this subdivision of a demand to fix new rates and charges as to any contract precludes another such notice by any party as to that contract for a period of five years from the time of the notice, or the time of dismissal of proceedings under a notice, or the time of determination of rates and charges by the affected agencies or by judgment, as the case may be, whichever of these events is last, but there may always be a contract change under subdivision 3; provided there can be no such demand as of right within the first five years of a contract. A municipality which may be affected by determination of new rates and charges in such a proceeding may participate in the proceeding as an interested third party by filing a notice of its intention to so participate with the clerk of the municipality to which the original notice was directed. If any party to the contract involved in the proceeding initiated by notice of demand for new rates and charges is dissatisfied with the rates and charges as set in the proceeding it may within 30 days after such determination by written notice given to the other party or parties elect to submit the matters in dispute to a board of arbitration which shall be created as follows: The municipality making such

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written election shall in such written election appoint a referee; the other municipality shall within ten days after such election and appointment also appoint a referee; the two referees shall appoint a third referee, or if they fail for ten days to do so, unless the municipalities mutually extend the time for them to do so the district court of a judicial district which is mutually agreeable to the municipalities shall make the appointment of the third referee. A decision of the majority of the board shall be a decision of the board. Each municipality shall pay the compensation of the referee appointed by it, and one-half of the compensation of the third referee, such compensation to be at the rate usually charged by such person for services in the person's profession or occupation. The hearing initiated by the notice of demand to fix new rates and charges and all proceedings in connection therewith shall be in conformity with sections 14.57 to 14.62 and the municipality conducting the hearing is an agency as such term is used in such sections. Any party to the contract aggrieved by the decision or order made in conformity with such provisions shall be entitled to judicial review in the district court in the county in which such decision or order was made and in the manner provided in subdivision 5. The new rates and charges established by the agency upon the initial demand will continue until the proper rates and charges are finally determined, notwithstanding submission to arbitration or judicial review, but the order or judgment which finally determines legality will provide for adjustment of overpayment or underpayment, if any, during the period after the new rates and charges were initially fixed.

All records of any municipality relating to such rates and charges shall be available at all reasonable times for examination by any municipality.

Sec. 15. Minnesota Statutes 1989 Supplement, section 115C.03, subdivision 9, is amended to read:

Subd. 9. **REQUESTS FOR REVIEW, INVESTIGATION, AND OVERSIGHT.** (a) The commissioner may, upon request:

- (1) assist in determining whether a release has occurred; and
- (2) assist in or supervise the development and implementation of reasonable and necessary response actions.

(b) Assistance may include review of agency records and files and review and approval of a requester's investigation plans and reports and corrective action plans and implementation.

(c) The person requesting assistance under this subdivision shall pay the agency for the agency's cost, as determined by the commissioner, of providing assistance. Money received by the agency for assistance under this subdivision must be deposited in the state treasury and credited to the ~~fund~~ account.

Sec. 16. Minnesota Statutes 1989 Supplement, section 124.86, subdivision 2, is amended to read:

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Subd. 2. **REVENUE AMOUNT.** For 1989-1990 and later school years, an American Indian-controlled contract school that is located on a reservation within the state and that complies with the requirements in subdivision 1 is eligible to receive tribal contract school aid. The amount of aid is derived by:

(1) multiplying the formula allowance under section 124A.22, subdivision 2, times the actual pupil units as defined in section 124A.02, subdivision 19, in attendance during the fall count week, but not including pupil units for which the school has received reimbursement under sections 123.933 and 126.23 for the school for the current school year;

(2) subtracting from the result in clause (1) the amount of money allotted to the school by the federal government through the Indian School Equalization Program of the Bureau of Indian Affairs, according to Code of Federal Regulations, title 25, part 39, subparts A to E, for the basic program as defined by section ~~39, 41, &~~ 39.11, paragraph (b) but not money allotted through subparts F to L for contingency funds, school board training, student training, interim maintenance and minor repair, interim administration cost, prekindergarten, and operation and maintenance, and the amount of money that is received according to section 126.23;

(3) dividing the result in clause (2) by the actual pupil units; and

(4) multiplying the actual pupil units by the lesser of \$1,500 or the result in clause (3).

Sec. 17. Minnesota Statutes 1989 Supplement, section 127.455, is amended to read:

127.455 MODEL POLICY.

The commissioner of education shall maintain and make available to school boards a model sexual harassment and violence policy. The model policy shall address the requirements of section ~~127.45~~ 127.46.

Each school board shall submit to the commissioner of education a copy of the sexual harassment and sexual violence policy the board has adopted.

Sec. 18. Laws 1989, chapter 329, article 8, section 15, subdivision 2, is amended to read:

Subd. 2. Each school board shall adopt a written sexual harassment and sexual violence policy required under section ~~127.45~~ 127.46 before September 1, 1991. Each school board shall submit a copy of its adopted sexual harassment and sexual violence policy required under section 127.455 to the education commissioner by September 1, 1991.

Sec. 19. Minnesota Statutes 1989 Supplement, section 144.6501, subdivision 10, is amended to read:

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Subd. 10. **APPLICABILITY.** This section applies to new admissions to facilities on and after October 1, 1989. This section does not require the execution of a new admission contract for a resident who was residing in a facility before ~~August~~ June 1, 1989. However, provisions of the admission contract that are inconsistent with or in conflict with this section are voidable at the sole option of the resident. Residents must be given notice of the changes in admission contracts according to this section and must be given the opportunity to execute a new admission contract that conforms to this section.

Sec. 20. Minnesota Statutes 1989 Supplement, section 163.06, subdivision 6, is amended to read:

Subd. 6. **EXPENDITURE IN CERTAIN COUNTIES.** In any county having not less than 95 nor more than 105 full and fractional townships, and having a net tax capacity of not less than \$3,000,000 nor more than \$5,000,000, exclusive of money and credits, the county board, by resolution, may expend the funds provided in subdivision 4 in any organized or unorganized township or portion thereof in such county.

Sec. 21. Minnesota Statutes 1989 Supplement, section 168.013, subdivision 1a, is amended to read:

Subd. 1a. **PASSENGER AUTOMOBILES; AMBULANCES; HEARSEs.**
(a) On passenger automobiles as defined in section 168.011, subdivision 7, ambulances, and hearses, except as otherwise provided, the tax shall be \$10 plus an additional tax equal to 1.25 percent of the base value.

(b) Subject to the classification provisions herein, "base value" means the manufacturer's suggested retail price of the vehicle including destination charge as reflected on the price listing affixed to the vehicle in conformity with United States Code, title 15, sections 1231 to 1233 (Public Law Number 85-506) or otherwise suggested by the manufacturer or determined by the registrar if no suggested retail price exists, and shall not include the cost of each accessory or item of optional equipment separately added to the vehicle and the suggested retail price.

(c) If unable to determine the base value because the vehicle is specially constructed, or for any other reason, the registrar may establish such value upon the cost price to the purchaser or owner as evidenced by a certificate of cost but not including Minnesota sales or use tax or any local sales or other local tax.

(d) The registrar shall classify every vehicle in its proper base value class as follows:

FROM	TO
\$ 0	\$199.99
200	399.99

and thereafter a series of classes successively set in brackets having a spread of

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\$200 consisting of such number of classes as will permit classification of all vehicles.

(e) The base value for purposes of this section shall be the middle point between the extremes of its class.

(f) The registrar shall establish the base value, when new, of every passenger automobile, ambulance and hearse registered prior to the effective date of Extra Session Laws 1971, chapter 31, using list price information published by the manufacturer or any nationally recognized firm or association compiling such data for the automotive industry. If unable to ascertain the base value of any registered vehicle in the foregoing manner, the registrar may use any other available source or method. The tax on all previously registered vehicles shall be computed upon the base value thus determined taking into account the depreciation provisions of ~~Extra Session Laws 1971, chapter 31~~ paragraph (g).

(g) Except as provided in paragraph (h), the annual additional tax computed upon the base value as provided herein, during the first and second years of vehicle life shall be computed upon 100 percent of the base value; for the third and fourth years, 90 percent of such value; for the fifth and sixth years, 75 percent of such value; for the seventh year, 60 percent of such value; for the eighth year, 40 percent of such value; for the ninth year, 30 percent of such value; for the tenth year, ten percent of such value; for the 11th and each succeeding year, the sum of \$25.

In no event shall the annual additional tax be less than \$25.

(h) The annual additional tax under paragraph (g) on a motor vehicle on which the first annual tax was paid before January 1, 1990, must not exceed the tax that was paid on that vehicle the year before.

Sec. 22. Minnesota Statutes 1989 Supplement, section 168.33, subdivision 2, is amended to read:

Subd. 2. **POWERS.** The registrar shall have the power to appoint, hire and discharge and fix the compensation of the necessary employees, in the manner provided by law, as may be required to enable the registrar to properly carry out the duties imposed by the provisions of this chapter. The registrar may appoint, and for cause discontinue, a deputy registrar for any city as the public interest and convenience may require, without regard to whether the county auditor of the county in which the city is situated has been appointed as the deputy registrar for the county or has been discontinued as the deputy registrar for the county, and without regard to whether the county in which the city is situated has established a county license bureau which issues motor vehicle licenses as provided in section 373.32.

The registrar may appoint, and for cause discontinue, a deputy registrar for any city as the public interest and convenience may require, if the auditor for

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the county in which the city is situated chooses not to accept appointment as the deputy registrar for the county or is discontinued as a deputy registrar, or if the county in which the city is situated has not established a county license bureau which issues motor vehicle ~~license~~ licenses as provided in section 373.32. Any person appointed by the registrar as a deputy registrar for any city shall be a resident of the county in which the city is situated.

The registrar may appoint, and for cause discontinue, the county auditor of each county as a deputy registrar. Upon approval of the county board, the auditor, with the approval of the director of motor vehicles, may appoint, and for cause discontinue, the clerk or equivalent officer of each city or any other person as a deputy registrar as public interest and convenience may require, regardless of the appointee's county of residence. Notwithstanding any other provision, a person other than a county auditor or a director of a county license bureau, who was appointed by the registrar before August 1, 1976, as a deputy registrar for any city, may continue to serve as deputy registrar and may be discontinued for cause only by the registrar. The county auditor who appointed the deputy registrars shall be responsible for the acts of deputy registrars appointed by the auditor. Each such deputy, before entering upon the discharge of duties, shall take and subscribe an oath to faithfully discharge the duties and to uphold the laws of the state. If a deputy registrar appointed hereunder is not an officer or employee of a county or city, such deputy shall in addition give bond to the state in the sum of \$10,000, or such larger sum as may be required by the registrar, conditioned upon the faithful discharge of duties as deputy registrar. A corporation governed by chapter 302A may be appointed a deputy registrar. Upon application by an individual serving as a deputy registrar and the giving of the requisite bond as provided in this subdivision, personally assured by the individual or another individual approved by the commissioner of public safety, a corporation named in an application shall become the duly appointed and qualified successor to the deputy registrar. Each deputy registrar appointed hereunder shall keep and maintain, in a convenient public place within or in close proximity to the place for which appointed, a registration and motor vehicle tax collection bureau, to be approved by the registrar, for the registration of motor vehicles and the collection of motor vehicle taxes thereon. The deputy registrar shall keep such records and make such reports to the registrar as that officer, from time to time, may require. Such records shall be maintained at the facility of the deputy registrar. The records and facilities of the deputy registrar shall at all times be open to the inspection of the registrar or the registrar's agents. The deputy registrar shall report to the registrar by the next working day following receipt all registrations made and taxes and fees collected by the deputy registrar. The filing fee imposed pursuant to subdivision 7 shall be deposited in the treasury of the place for which appointed, or if not a public official, such deputy shall retain the filing fee, but the registration tax and any additional fees for delayed registration the deputy registrar has collected the deputy registrar shall deposit by the next working day following receipt in an approved state depository to the credit of the state through the state treasurer.

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The place for which the deputy registrar is appointed through its governing body shall provide the deputy registrar with facilities and personnel to carry out the duties imposed by this subdivision if such deputy is a public official. In all other cases, the deputy shall maintain a suitable facility for serving the public.

Sec. 23. Minnesota Statutes 1989 Supplement, section 176.421, subdivision 7, is amended to read:

Subd. 7. **RECORD OF PROCEEDINGS.** At the division's own expense, the commissioner shall make a complete record of all proceedings before the commissioner and shall provide a stenographer or an audio magnetic recording device to make the record of the proceedings.

The commissioner shall furnish a transcript of these proceedings to any person who requests it and who pays a reasonable charge which shall be set by the commissioner. Upon a showing of cause, the commissioner may direct that a transcript be prepared without expense to the person requesting the transcript, in which case the cost of the transcript shall be paid by the division. Transcript fees received under this subdivision shall be paid to the workers' compensation division account in the state treasury and shall be annually appropriated to the division for the sole purpose of providing a record and transcripts as provided in this subdivision. This subdivision does not apply to any administrative conference or other proceeding before the commissioner which may be heard de novo in another proceeding including but not limited to proceedings under section ~~176.101~~ 176.106 or 176.239.

Sec. 24. Minnesota Statutes 1988, section 197.55, is amended to read:

197.55 QUARTERS FOR MEETINGS OF VETERANS ORGANIZATIONS.

The governor of this state, or any other legal custodian of public buildings within the state, shall, when not inconsistent with the public interests ~~to~~, set aside any portion of the public buildings for the use and occupation as quarters and places for holding their stated or special meetings or assemblies, to ~~all posts of the grand army of the republic, commanderies of the loyal legion, camps or posts of the veterans of the Philippine or Spanish-American wars, and any other post, commandery, camp or association, local or state, of veterans of any war in which the United States has been engaged, which may be organized in the city, town or county in which the building or buildings may be situated.~~ Upon 20 days written notice, duly served upon the proper officer or officers of any said organizations, by the governor or any other legal custodian, that the public buildings, rooms, or quarters are required for public use, the same shall be promptly and quietly vacated.

Sec. 25. Minnesota Statutes 1989 Supplement, section 204C.361, is amended to read:

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204C.361 RULES FOR RECOUNTS.

The secretary of state shall adopt rules according to the Administrative Procedures Act establishing uniform recount procedures. All recounts provided for by sections 204C.35, 204C.36, and ~~206.57, subdivision 4~~ 206.88, shall be conducted in accordance with these rules.

Sec. 26. REPEALER; PACKING HOUSE CERTIFICATES.

Minnesota Statutes 1989 Supplement, sections 226.01, 226.02, 226.03, 226.04, 226.05, and 226.06, are repealed.

Sec. 27. Minnesota Statutes 1988, section 232.21, subdivision 7, is amended to read:

Subd. 7. **GRAIN.** "Grain" means any cereal grain, ~~course~~ coarse grain, or oilseed in unprocessed form for which a standard has been established by the United States Secretary of Agriculture or the Minnesota board of grain standards, dry edible beans, or agricultural crops designated by the commissioner by rule.

Sec. 28. Minnesota Statutes Second 1989 Supplement, section 245A.14, subdivision 6, is amended to read:

Subd. 6. **DROP-IN CHILD CARE PROGRAMS.** Except as expressly set forth in this subdivision, drop-in child care programs must be licensed as a drop-in program under the rules governing child care programs operated in a center. Drop-in child care programs are exempt from the requirements in Minnesota Rules, parts 9503.0040; 9503.0045, subpart 1, items F and G; 9503.0050, subpart 6, except for children less than 2-1/2 years old; one-half the requirements of 9503.0060, subpart 4, item A, subitems (2), (5), and (8), subpart 5, item A, subitems (2), (3), and (7), and subpart 6, item A, subitems (3) and (6); ~~9507.0070~~ 9503.0070; and 9503.0090, subpart 2. A drop-in child care program must be operated under the supervision of a person qualified as a director and a teacher. A drop-in child care program must maintain a minimum staff ratio for children age 2-1/2 or greater of one staff person for each ten children, except that there must be at least two persons on staff whenever the program is operating. If the program has additional staff who are on call as a mandatory condition of their employment, the minimum ratio may be exceeded only for children age 2-1/2 or greater, by a maximum of four children, for no more than 20 minutes while additional staff are in transit. The minimum staff-to-child ratio for infants up to 16 months of age is one staff person for every four infants. The minimum staff-to-child ratio for children age 17 months to 30 months is one staff for every seven children. In drop-in care programs that serve both infants and older children, children up to age 2-1/2 may be supervised by assistant teachers, as long as other staff are present in appropriate ratios. The minimum staff distribution pattern for a drop-in child care program serving children age 2-1/2 or greater is: the first staff member must be a teacher; the second, third, and fourth

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staff members must have at least the qualifications of a child care aide; the fifth staff member must have at least the qualifications of an assistant teacher; the sixth, seventh, and eighth staff members must have at least the qualifications of a child care aide; and the ninth staff person must have at least the qualifications of an assistant teacher. The commissioner by rule may require that a drop-in child care program serving children less than 2-1/2 years of age serve these children in an area separated from older children and may permit children age 2-1/2 and older to be cared for in the same child care group.

Sec. 29. Minnesota Statutes 1988, section 256B.69, subdivision 6, is amended to read:

Subd. 6. **SERVICE DELIVERY.** (a) Each demonstration provider shall be responsible for the health care coordination for eligible individuals. Demonstration providers:

(1) shall authorize and arrange for the provision of all needed health services including but not limited to the full range of services listed in sections 256B.02, subdivision 8, and 256B.0625 in order to ensure appropriate health care is delivered to enrollees;

(2) shall accept the prospective, per capita payment from the commissioner in return for the provision of comprehensive and coordinated health care services for eligible individuals enrolled in the program;

(3) may contract with other health care and social service practitioners to provide services to enrollees; and

(4) shall institute recipient grievance procedures according to the method established by the project, utilizing applicable requirements of chapter 62D. Disputes not resolved through this process shall be appealable to the commissioner as provided in subdivision 11.

(b) Demonstration providers must comply with the standards for claims settlement under section 72A.201, subdivisions 4, 5, 7, and 8, when contracting with other health care and social service practitioners to provide services to enrollees. A demonstration provider must pay a clean claim, as defined in Code of Federal Regulations, title 42, section ~~447.45(d)~~ 447.45(b), within 30 business days of the date of acceptance of the claim.

Sec. 30. Minnesota Statutes 1989 Supplement, section 256E.08, subdivision 5, is amended to read:

Subd. 5. **COMMUNITY SOCIAL SERVICES FUND.** In the accounts and records of each county there shall be created a community social services fund. All money provided for community social services programs under sections 256E.06 and 256E.07 and all other revenues; fees; grants-in-aid, including those from public assistance programs identified in section 256E.03, subdivision 2,

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paragraph (b), that pay for services such as child care, waived services under the medical assistance programs, alternative care grants, and other services funded by these programs through federal or state waivers; gifts; or bequests designated for community social services purposes shall be identified in the record of the fund and in the report required in subdivision 8. This fund shall be used exclusively for planning and delivery of community social services as defined in section 256E.03, subdivision 2. If county boards have joined for purposes of administering community social services, the county boards may create a joint community social services fund. If a human ~~service~~ services board has been established, the human ~~service~~ services board shall account for community social services money as required in chapter 402.

Sec. 31. Minnesota Statutes 1989 Supplement, section 256H.08, is amended to read:

256H.08 USE OF MONEY.

Money for persons listed in sections 256H.03, subdivision 2a, and 256H.05, subdivision 1b, shall be used to reduce the costs of child care for students, including the costs of child care for students while employed if enrolled in an eligible education program at the same time and making satisfactory progress towards completion of the program. Counties may not limit the duration of child care subsidies for a person in an employment or educational program, except when the person is found to be ineligible under the child care fund eligibility standards. Any limitation must be based on a person's employability plan in the case of an AFDC recipient, and county policies included in the child care allocation plan. Financially eligible students who have received child care assistance for one academic year shall be provided child care assistance in the following academic year if funds allocated under sections 256H.03 and 256H.05 are available. If a student who is receiving AFDC child care assistance under this chapter moves to another county as specified in their employability plan, continues to be enrolled in a post-secondary institution, and continues to be eligible for AFDC child care assistance under this chapter, the student must receive continued child care assistance from their county of origin without interruption to the limit of the county's allocation.

Sec. 32. Minnesota Statutes 1989 Supplement, section 256H.22, subdivision 2, is amended to read:

Subd. 2. **DISTRIBUTION OF FUNDS.** (a) The commissioner shall allocate grant money appropriated for child care service (development and resource and referral services) among the development regions designated by the governor under section 462.385, as follows:

(1) 50 percent of the child care service development grant appropriation shall be allocated to the metropolitan area; and

(2) 50 percent of the child care service development grant appropriation shall be allocated to greater Minnesota counties.

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(b) The following formulas shall be used to allocate grant appropriations among the counties:

(1) 50 percent of the funds shall be allocated in proportion to the ratio of children under 12 years of age in each county to the total number of children under 12 years of age in all counties; and

(2) 50 percent of the funds shall be allocated in proportion to the ratio of children under 12 years of age in each county to the number of licensed child care spaces currently available in each county.

(c) Out of the amount allocated for each development region and county, the commissioner shall award grants based on the recommendation of the grant review advisory task force. In addition, the commissioner shall award no more than 75 percent of the money either to child care facilities for the purpose of facility improvement or interim financing or to child care workers for staff training expenses. The commissioner shall award no more than 50 percent of the money for resource and referral services to maintain or improve an existing resource and referral program until all regions are served by resource and referral programs.

(d) Any funds unobligated may be used by the commissioner to award grants to proposals that received funding recommendations by the advisory task force but were not awarded due to insufficient funds.

Sec. 33. Minnesota Statutes 1989 Supplement, section 256H.22, subdivision 3, is amended to read:

Subd. 3. **CHILD CARE REGIONAL ADVISORY COMMITTEES.** Child care regional advisory committees shall review and make recommendations to the commissioner on applications for service development grants under this section. The commissioner shall appoint the child care regional advisory committees in each governor's economic development ~~regions~~ region. People appointed under this subdivision must represent the following constituent groups: family child care providers, group center providers, parent users, health services, social services, public schools, and other citizens with demonstrated interest in child care issues. Members of the advisory task force with a direct financial interest in a pending grant proposal may not provide a recommendation or participate in the ranking of that grant proposal. Committee members may be reimbursed for their actual travel expenses for up to six committee meetings per year. The child care regional advisory committees shall complete their reviews and forward their recommendations to the commissioner by the date specified by the commissioner.

Sec. 34. Minnesota Statutes 1988, section 257.41, is amended to read:

257.41 **FINANCIAL RESPONSIBILITY.**

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Financial responsibility for any child placed pursuant to the provisions of the interstate compact on the placement of children shall be determined in accordance with the provisions of article 5 thereof in the first instance. However, in the event of partial or complete default of performance thereunder, the provisions of sections ~~518.41 to 518.53~~ 518C.01 to 518C.36 also may be invoked.

Sec. 35. Minnesota Statutes 1989 Supplement, section 260.185, subdivision 1, is amended to read:

Subdivision 1. If the court finds that the child is delinquent, it shall enter an order making any of the following dispositions of the case which are deemed necessary to the rehabilitation of the child:

(a) Counsel the child or the parents, guardian, or custodian;

(b) Place the child under the supervision of a probation officer or other suitable person in the child's own home under conditions prescribed by the court including reasonable rules for the child's conduct and the conduct of the child's parents, guardian, or custodian, designed for the physical, mental, and moral well-being and behavior of the child, or with the consent of the commissioner of corrections, in a group foster care facility which is under the management and supervision of said commissioner;

(c) Subject to the supervision of the court, transfer legal custody of the child to one of the following:

(1) a child placing agency; or

(2) the county welfare board; or

(3) a reputable individual of good moral character. No person may receive custody of two or more unrelated children unless licensed as a residential facility pursuant to sections 245.781 to 245.812; or

(4) a county home school, if the county maintains a home school or enters into an agreement with a county home school; or

(5) a county probation officer for placement in a group foster home established under the direction of the juvenile court and licensed pursuant to section 241.021;

(d) Transfer legal custody by commitment to the commissioner of corrections;

(e) If the child is found to have violated a state or local law or ordinance which has resulted in damage to the person or property of another, the court may order the child to make reasonable restitution for such damage;

(f) Require the child to pay a fine of up to \$700; the court shall order

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payment of the fine in accordance with a time payment schedule which shall not impose an undue financial hardship on the child;

(g) If the child is in need of special treatment and care for reasons of physical or mental health, the court may order the child's parent, guardian, or custodian to provide it. If the parent, guardian, or custodian fails to provide this treatment or care, the court may order it provided;

(h) If the court believes that it is in the best interests of the child and of public safety that the driver's license of the child be canceled until the child's 18th birthday, the court may recommend to the commissioner of public safety the cancellation of the child's license for any period up to the child's 18th birthday, and the commissioner is hereby authorized to cancel such license without a hearing. At any time before the termination of the period of cancellation, the court may, for good cause, recommend to the commissioner of public safety that the child be authorized to apply for a new license, and the commissioner may so authorize.

If the child is petitioned and found by the court to have committed or attempted to commit an act in violation of section 609.342, 609.343, 609.344, or 609.345, the court shall order an independent professional assessment of the child's need for sex offender treatment. An assessor providing an assessment for the court may not have any direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider. If the assessment indicates that the child is in need of and amenable to sex offender treatment, the court shall include in its disposition order a requirement that the child undergo treatment.

Any order for a disposition authorized under this section shall contain written findings of fact to support the disposition ordered, and shall also set forth in writing the following information:

(a) why the best interests of the child are served by the disposition ordered; and

(b) what alternative dispositions were considered by the court and why such dispositions were not appropriate in the instant case.

Sec. 36. Minnesota Statutes 1988, section 273.1315, is amended to read:

273.1315 CERTIFICATION OF 1B PROPERTY.

Any property owner seeking classification and assessment of the owner's homestead as class 1b property pursuant to section 273.13, subdivision 22, paragraph (b), clause (2) or (3), shall file with the commissioner of revenue for each assessment year a 1b homestead declaration, on a form prescribed by the commissioner. The declaration shall contain the following information:

(a) the information necessary to verify that the property owner or the owner's

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spouse satisfies the requirements of section 273.13, subdivision 22, paragraph (b), clause (2) or (3), for 1b classification;

(b) the property owner's household income, as defined in section 290A.03, for the previous calendar year; and

(c) any additional information prescribed by the commissioner.

The declaration shall be filed on or before March 1 of each year to be effective for property taxes payable during the succeeding calendar year. The declaration and any supplementary information received from the property owner pursuant to this section shall be subject to ~~section 290A.17~~ chapter 270B.

The commissioner shall provide to the assessor on or before April 1 a listing of the parcels of property qualifying for 1b classification.

Sec. 37. Minnesota Statutes Second 1989 Supplement, section 275.50, subdivision 5, is amended to read:

Subd. 5. Notwithstanding any other law to the contrary for taxes levied in 1989 payable in 1990 and subsequent years, "special levies" means those portions of ad valorem taxes levied by governmental subdivisions to:

(a) for taxes levied in 1990, payable in 1991 and subsequent years, pay the costs not reimbursed by the state or federal government, of payments made to or on behalf of recipients of aid under any public assistance program authorized by law, and the costs of purchase or delivery of social services. The aggregate amounts levied under this clause for the costs of purchase or delivery of social services and income maintenance programs, other than those identified in section 273.1398, subdivision 1, paragraph (i), are subject to a maximum increase over the amount levied for the previous year of 12 percent for counties within the metropolitan area as defined in section 473.121, subdivision 2, or counties outside the metropolitan area but containing a city of the first class, and 15 percent for other counties. For purposes of this clause, "income maintenance programs" include income maintenance programs in section 273.1398, subdivision 1, paragraph (i), to the extent the county provides benefits under those programs over the statutory mandated standards. Effective with taxes levied in 1990, the portion of this special levy for human service programs identified in section 273.1398, subdivision 1, paragraph (i), is eliminated;

(b) pay the costs of principal and interest on bonded indebtedness except on bonded indebtedness issued under section 471.981, subdivisions 4 to 4c, or to reimburse for the amount of liquor store revenues used to pay the principal and interest due in the year preceding the year for which the levy limit is calculated on municipal liquor store bonds;

(c) pay the costs of principal and interest on certificates of indebtedness, except tax anticipation or aid anticipation certificates of indebtedness, issued for

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any corporate purpose except current expenses or funding an insufficiency in receipts from taxes or other sources or funding extraordinary expenditures resulting from a public emergency; and to pay the cost for certificates of indebtedness issued pursuant to sections 298.28 and 298.282;

(d) fund the payments made to the Minnesota state armory building commission pursuant to section 193.145, subdivision 2, to retire the principal and interest on armory construction bonds;

(e) provide for the bonded indebtedness portion of payments made to another political subdivision of the state of Minnesota;

(f) pay the amounts required, in accordance with section 275.075, to correct for a county auditor's error of omission but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(g) pay amounts required to correct for an error of omission in the levy certified to the appropriate county auditor or auditors by the governing body of a city or town with statutory city powers in a levy year, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(h) pay amounts required by law to be paid to pay the interest on and to reduce the unfunded accrued liability of public pension funds in accordance with the actuarial standards and guidelines specified in sections 356.215 and 356.216 reduced by 106 percent of the amount levied for that purpose in 1976, payable in 1977. For the purpose of this special levy, the estimated receipts expected from the state of Minnesota pursuant to sections 69.011 to 69.031 or any other state aid expressly intended for the support of public pension funds shall be considered as a deduction in determining the required levy for the normal costs of the public pension funds. No amount of these aids shall be considered as a deduction in determining the governmental subdivision's required levy for the reduction of the unfunded accrued liability of public pension funds;

(i) to compensate the state for the cost of a reassessment ordered by the commissioner of revenue pursuant to section 270.16;

(j) pay the debt service on tax increment financing revenue bonds to the extent that revenue to pay the bonds or to maintain reserves for the bonds is insufficient as a result of the provisions of Laws 1988, chapter 719, article 5;

(k) pay the cost of hospital care under section 261.21;

(l) pay the unreimbursed costs incurred in the previous year to satisfy

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judgments rendered against the governmental subdivision by a court of competent jurisdiction in any tort action, or to pay the costs of settlements out of court against the governmental subdivision in a tort action when substantiated by a stipulation for the dismissal of the action filed with the court of competent jurisdiction and signed by both the plaintiff and the legal representative of the governmental subdivision, provided that an appeal for the unreimbursed costs under this clause was approved by the commissioner of revenue under section 275.51, subdivision 3;

(m) pay the expenses reasonably and necessarily incurred in preparing for or repairing the effects of natural disaster including the occurrence or threat of widespread or severe damage, injury, or loss of life or property resulting from natural causes such as earthquake, fire, flood, wind storm, wave action, oil spill, water contamination, air contamination, or drought in accordance with standards formulated by the emergency services division of the state department of public safety, provided that an appeal for the expenses incurred under this clause were approved by the commissioner of revenue under section 275.51, subdivision 3;

(n) pay a portion of the losses in tax receipts to a city due to tax abatements or court actions in the year preceding the current levy year, provided that an appeal for the tax losses was approved by the commissioner of revenue under section 275.51, subdivision 3. This special levy is limited to the amount of the losses times the ratio of the nonspecial levies to total levies for taxes payable in the year the abatements were granted. County governments are not authorized to claim this special levy;

(o) pay the operating cost of regional library services authorized under section 134.34, subject to a maximum increase over the previous year of the greater of (1) 103 percent multiplied by one plus the percentage increase determined for the governmental subdivision under section 275.51, subdivision 3h, clause (b), or (2) six percent. If a governmental subdivision elected to include some or all of its levy for libraries within its adjusted levy limit base in the prior year, but elects to claim the levy as a special levy in the current levy year, the allowable increase is determined by applying the greater percentage determined under clause (1) or (2) to the total amount levied for libraries in the prior year. After levy year 1989, the increase must not be determined using a base amount other than the amount that could have been levied as a special levy in the prior year. In no event shall the special levy be less than the minimum levy required under sections 134.33 and 134.34, subdivisions 1 and 2;

(p) pay the amount of the county building fund levy permitted under section 373.40, subdivision 6;

(q) pay the county's share of the costs levied in 1989, 1990, and 1991 for the Minnesota cooperative soil survey under Minnesota Statutes 1988, section 40.07, subdivision 15;

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(r) for taxes levied in 1989, payable in 1990 only, pay the cost incurred for the minimum share required by counties levying for the first time under section 134.34 as required under section 134.341. For taxes levied in 1990, and thereafter, counties levying under this provision must levy under clause (o), and their allowable increase must be determined with reference to the amount levied in 1989 under this paragraph;

(s) for taxes levied in 1989, payable in 1990 only, provide an amount equal to 50 percent of the estimated amount of the reduction in aids to a county under sections 273.1398, subdivision 2, paragraph (d), and 477A.012, subdivision 3, for aids payable in 1990;

(t) for taxes levied in 1990 only by a county in the eighth judicial district, provide an amount equal to the amount of the levy, if any, that is required under Laws 1989, chapter 335, article 3, section 54, subdivision 8;

(u) for taxes levied in 1989, payable in 1990 only, pay the costs not reimbursed by the state or federal government:

(i) for the costs of purchase or delivery of social services. The aggregate amounts levied under this item are subject to a maximum increase over the amount levied in the previous year of 12 percent for counties within the metropolitan area as defined in section 473.121, subdivision 2, or counties outside the metropolitan area but containing a city of the first class, and 15 percent for other counties.

(ii) for payments made to or on behalf of recipients of aid under any public assistance program authorized by law. The aggregate amounts levied under this item are subject to a maximum increase over the amount levied in the previous year of 12 percent and must be used only for the public assistance programs; and,

If the amount levied under this paragraph (u) in 1989 is less than the actual expenditures needed for these programs for 1990, the difference between the actual expenditures and the amount levied may be levied in 1990 as a special levy. If the amount levied in 1989 is greater than the actual expenditures needed for these programs for 1990, the difference between the amount levied and the actual expenditures shall be deducted from the 1990 levy limit, payable in 1991; and

(v) pay an amount of up to 25 percent of the money sought for distribution and approved under section 115A.557, subdivision 3, paragraph (b), clause (3).

If the amount levied in 1989 is less than the actual expenditures needed for these programs for 1990, the difference between the actual expenditures and the amount levied may be levied in 1990 as a special levy. If the amount levied in 1989 is greater than the actual expenditures needed for these programs for 1990, the difference between the amount levied and the actual expenditures shall be deducted from the 1990 levy limit, payable in 1991.

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Sec. 38. Minnesota Statutes 1988, section 333.135, is amended to read:

333.135 IMPROPER USE OF INSIGNIA.

Every person who shall willfully wear the insignia or rosette of the military order of the Loyal Legion of the United States, or the badge or button of ~~the Grand Army of the Republic~~, the American Legion, the Veterans of Foreign Wars, the Disabled American Veterans of the World War, or of any other veterans' organization, or any similitude thereof; or who shall willfully wear any badge, emblem, or insignia pertaining to the order of Masons, Odd Fellows, Knights of Pythias, or any other secret order or society, or any similitude thereof; or who shall use any such badge, button, or insignia to obtain aid or assistance, or who shall use the name of any such order or society for gain, unless entitled to so use the same under the constitution, bylaws, rules, and regulations of such order, shall be guilty of a misdemeanor and shall be punished by imprisonment in the county jail for not more than 60 days or by a fine of not more than \$50 or by both.

Sec. 39. Minnesota Statutes 1989 Supplement, section 336.2A-104, is amended to read:

336.2A-104 LEASES SUBJECT TO OTHER STATUTES.

(1) A lease, although subject to this article, is also subject to any applicable:

(a) statute of the United States;

(b) certificate of title statute of this state: ~~(list any certificate of title statutes covering automobiles, trailers, mobile homes, boats, farm tractors, and the like)~~ chapters 168A and 361A;

(c) certificate of title statute of another jurisdiction (section 336.2A-105); or

(d) consumer protection statute of this state.

(2) In case of conflict between the provisions of this article, other than sections 336.2A-105, 336.2A-304(3), and 336.2A-305(3), and any statute referred to in subsection (1), the provisions of that statute control.

(3) Failure to comply with any applicable statute has only the effect specified in the statute.

Sec. 40. Minnesota Statutes 1988, section 336.9-105, is amended to read:

336.9-105 DEFINITIONS AND INDEX OF DEFINITIONS.

(1) In this article unless the context otherwise requires:

(a) "Account debtor" means the person who is obligated on an account, chattel paper or general intangible;

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

(b) "Chattel paper" means a writing or writings which evidence both a monetary obligation and a security interest in or a lease of specific goods, but a charter or other contract involving the use or hire of a vessel is not chattel paper. When a transaction is evidenced both by such a security agreement or a lease and by an instrument or a series of instruments, the group of writings taken together constitutes chattel paper;

(c) "Collateral" means the property subject to a security interest, and includes accounts and chattel paper which have been sold;

(d) "Debtor" means the person who owes payment or other performance of the obligation secured, whether or not the person owns or has rights in the collateral, and includes the seller of accounts or chattel paper. Where the debtor and the owner of the collateral are not the same person, the term "debtor" means the owner of the collateral in any provision of the article dealing with the collateral, the obligor in any provision dealing with the obligation, and may include both where the context so requires;

(e) "Deposit account" means a demand, time, savings, passbook or like account maintained with a bank, savings and loan association, credit union or like organization, other than an account evidenced by a certificate of deposit;

(f) "Document" means document of title as defined in the general definitions of article 1 (section 336.1-201) and a receipt of the kind described in subsection (2) of section 336.7-201;

(g) "Encumbrance" includes real estate mortgages and other liens on real estate and all other rights in real estate that are not ownership interests.

(h) "Goods" includes all things which are movable at the time the security interest attaches or which are fixtures (section 336.9-313), but does not include money, documents, instruments, accounts, chattel paper, general intangibles, or minerals or the like (including oil and gas) before extraction. "Goods" also include standing timber which is to be cut and removed under a conveyance or contract for sale, the unborn young of animals and growing crops;

(i) "Instrument" means a negotiable instrument (defined in section 336.3-104), or a certificated security (defined in section 336.8-102) or any other writing which evidences a right to the payment of money and is not itself a security agreement or lease and is of a type which is in ordinary course of business transferred by delivery with any necessary endorsement or assignment;

(j) "Mortgage" means a consensual interest created by a real estate mortgage, a trust deed on real estate, or the like;

(k) An advance is made "pursuant to commitment" if the secured party has made a binding promise to make it, whether or not a subsequent event of default or other event not within the secured party's control has relieved or may relieve the secured party from the obligation.

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

(l) "Security agreement" means an agreement which creates or provides for a security interest;

(m) "Secured party" means a lender, seller or other person in whose favor there is a security interest, including a person to whom accounts or chattel paper have been sold. When the holders of obligations issued under an indenture of trust, equipment trust agreement or the like are represented by a trustee or other person, the representative is the secured party;

(n) "Transmitting utility" means any person engaged in the railroad, street railway or trolley bus business, the electric or electronics communications transmission business, the transmission of goods by pipeline, or the transmission or the production and transmission of electricity, steam, gas or water, or the provision of sewer service. Any person filing a financing statement under this article and under authority of the provisions of Minnesota Statutes 1974, Sections 300.111 to 300.115 shall be deemed a "transmitting utility" hereunder.

(2) Other definitions applying to this article and the sections in which they appear are:

"Account," section 336.9-106.

"Attach," section 336.9-203.

"Construction mortgage," section 336.9-313(1).

"Consumer goods," section 336.9-109(1).

"Equipment," section 336.9-109(2).

"Farm products," section 336.9-109(3).

"Fixture," section 336.9-313.

"Fixture filing," section 336.9-313.

"General intangibles," section 336.9-106.

"Inventory," section 336.9-109(4).

"Lien creditor," section 336.9-301(3).

"Motor vehicle," section ~~336.9-401(5)~~ 336.9-401(7).

"Proceeds," section 336.9-306(1).

"Purchase money security interest," section 336.9-107.

"United States," section 336.9-103.

(3) The following definitions in other articles apply to this article:

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"Check," section 336.3-104.

"Contract for sale," section 336.2-106.

"Holder in due course," section 336.3-302.

"Note," section 336.3-104.

"Sale," section 336.2-106.

(4) In addition article 1 contains general definitions and principles of construction and interpretation applicable throughout this article.

Sec. 41. Minnesota Statutes 1989 Supplement, section 352.01, subdivision 2b, is amended to read:

Subd. 2b. **EXCLUDED EMPLOYEES.** "State employee" does not include:

(1) elective state officers;

(2) students employed by the University of Minnesota, the state universities, and community colleges unless approved for coverage by the board of regents, the state university board, or the state board for community colleges, as the case may be;

(3) employees who are eligible for membership in the state teachers retirement association except employees of the department of education who have chosen or may choose to be covered by the Minnesota state retirement system instead of the teachers retirement association;

(4) employees of the University of Minnesota who are excluded from coverage by action of the board of regents;

(5) officers and enlisted personnel in the national guard and the naval militia who are assigned to permanent peacetime duty and who under federal law are or are required to be members of a federal retirement system;

(6) election officers;

(7) persons engaged in public work for the state but employed by contractors when the performance of the contract is authorized by the legislature or other competent authority;

(8) officers and employees of the senate and house of representatives or a legislative committee or commission who are temporarily employed;

(9) receivers, jurors, notaries public, and court employees who are not in the judicial branch as defined in section 43A.02, subdivision 25, except referees and adjusters employed by the department of labor and industry;

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(10) patient and inmate help in state charitable, penal, and correctional institutions including the Minnesota veterans home;

(11) persons employed for professional services where the service is incidental to regular professional duties and whose compensation is paid on a per diem basis;

(12) employees of the Sibley House Association;

(13) employees of the ~~Grand Army of the Republic~~ and employees of the ladies of the G.A.R.;

(14) the members of any state board or commission who serve the state intermittently and are paid on a per diem basis; the secretary, secretary-treasurer, and treasurer of those boards if their compensation is \$500 or less per year, or, if they are legally prohibited from serving more than two consecutive terms and their total service is required by law to be less than ten years; and the board of managers of the state agricultural society and its treasurer unless the treasurer is also its full-time secretary;

(15) state troopers;

(16) temporary employees of the Minnesota state fair employed on or after July 1 for a period not to extend beyond October 15 of that year; and persons employed at any time by the state fair administration for special events held on the fairgrounds;

(17) emergency employees in the classified service; except that if an emergency employee, within the same pay period, becomes a provisional or probationary employee on other than a temporary basis, the employee shall be considered a "state employee" retroactively to the beginning of the pay period;

(18) persons described in section 352B.01, subdivision 2, clauses (b) and (c), formerly defined as state police officers;

(19) temporary employees in the classified service, temporary employees in the unclassified service appointed for a definite period of not more than six months and employed less than six months in any one-year period and seasonal help in the classified service employed by the department of revenue;

(20) trainees paid under budget classification number 41, and other trainee employees, except those listed in subdivision 2a, clause (10);

(21) persons whose compensation is paid on a fee basis;

(22) state employees who in any year have credit for 12 months service as teachers in the public schools of the state and as teachers are members of the teachers retirement association or a retirement system in St. Paul, Minneapolis, or Duluth;

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(23) employees of the adjutant general employed on an unlimited intermittent or temporary basis in the classified and unclassified service for the support of army and air national guard training facilities;

(24) chaplains and nuns who have taken a vow of poverty as members of a religious order;

(25) labor service employees employed as a laborer 1 on an hourly basis;

(26) examination monitors employed by departments, agencies, commissions, and boards to conduct examinations required by law;

(27) members of appeal tribunals, exclusive of the chair, to which reference is made in section 268.10, subdivision 4;

(28) persons appointed to serve as members of fact-finding commissions or adjustment panels, arbitrators, or labor referees under chapter 179;

(29) temporary employees employed for limited periods under any state or federal program for training or rehabilitation including persons employed for limited periods from areas of economic distress except skilled and supervisory personnel and persons having civil service status covered by the system;

(30) full-time students employed by the Minnesota historical society intermittently during part of the year and full-time during the summer months;

(31) temporary employees, appointed for not more than six months, of the metropolitan council and of any of its statutory boards, if the board members are appointed by the metropolitan council;

(32) persons employed in positions designated by the department of employee relations as student workers;

(33) any person who is 65 years of age or older when appointed and who does not have allowable service credit for previous employment, unless the employee gives notice to the director within 60 days after appointment that coverage is desired;

(34) members of trades employed by the metropolitan waste control commission with trade union pension plan coverage under a collective bargaining agreement first employed after June 1, 1977;

(35) persons employed in subsidized on-the-job training, work experience, or public service employment as enrollees under the federal Comprehensive Employment and Training Act after March 30, 1978, unless the person has as of the later of March 30, 1978, or the date of employment sufficient service credit in the retirement system to meet the minimum vesting requirements for a deferred annuity, or the employer agrees in writing on forms prescribed by the director to make the required employer contributions, including any employer

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additional contributions, on account of that person from revenue sources other than funds provided under the federal Comprehensive Employment and Training Act, or the person agrees in writing on forms prescribed by the director to make the required employer contribution in addition to the required employee contribution;

(36) off-duty peace officers while employed by the metropolitan transit commission under section 629.40, subdivision 5; and

(37) persons who are employed as full-time firefighters by the department of military affairs and as firefighters are members of the public employees police and fire fund.

Sec. 42. Minnesota Statutes 1989 Supplement, section 352.72, subdivision 1, is amended to read:

Subdivision 1. **ENTITLEMENT TO ANNUITY.** (a) Any person who has been an employee covered by a retirement system listed in paragraph (b) is entitled when qualified to an annuity from each fund if total allowable service in all funds or in any two of these funds totals three or more years.

(b) This section applies to the Minnesota state retirement system, the public employees retirement association including the public employees retirement association police and ~~firefighters~~ fire fund, the teachers retirement association, the state patrol retirement association, or any other public employee retirement system in the state with a similar provision, except as noted in paragraph (c).

(c) This section does not apply to other funds providing benefits for police officers or firefighters.

(d) No portion of the allowable service upon which the retirement annuity from one fund is based shall be again used in the computation for benefits from another fund. No refund may have been taken from any one of these funds since service entitling the employee to coverage under the system or the employee's membership in any of the associations last terminated. The annuity from each fund must be determined by the appropriate provisions of the law except that the requirement that a person must have at least three years allowable service in the respective system or association does not apply for the purposes of this section if the combined service in two or more of these funds equals three or more years.

Sec. 43. Minnesota Statutes 1989 Supplement, section 352B.30, subdivision 1, is amended to read:

Subdivision 1. **ENTITLEMENT TO ANNUITY.** Any person who has been an employee covered by the Minnesota state retirement system, or a member of the public employees retirement association including the public employees retirement association police and ~~firefighters~~² fire fund, or the teachers retirement

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association, or the state patrol retirement fund, or any other public employee retirement system in Minnesota having a like provision but excluding all other funds providing benefits for police or firefighters is entitled when qualified to an annuity from each fund if total allowable service in all funds or in any two of these funds totals three or more years. No part of the allowable service upon which the retirement annuity from one fund is based may again be used in the computation for benefits from another fund. The member must not have taken a refund from any one of these funds since service entitling the member to coverage under the system or membership in any of the associations last terminated. The annuity from each fund must be determined by the appropriate law except that the requirement that a person must have at least three years allowable service in the respective system or association does not apply for the purposes of this section if the combined service in two or more of these funds equals three or more years.

Sec. 44. Minnesota Statutes 1988, section 354.66, subdivision 7, is amended to read:

Subd. 7. Only teachers who are public employees as defined in section 179A.03, subdivision 5 14, during the school year preceding the period of part time employment pursuant to this section shall qualify for full accrual of service credit from, and employee contributions to the retirement fund for part time teaching service pursuant to subdivision 4. Notwithstanding the provisions of section 179A.03, subdivision 5 14, clauses (e) and (f), teachers who are employed on a part time basis for purposes of this section and who would therefore be disqualified from the bargaining unit by one or both of those provisions, shall continue to be in the bargaining unit during the period of part time employment pursuant to this section for purposes of compensation, fringe benefits and the grievance procedure.

Sec. 45. Minnesota Statutes 1988, section 412.701, is amended to read:

412.701 BUDGETING.

The manager shall prepare the estimates for the annual budget. The budget shall be by funds and shall include all the funds of the city, except the funds made up of proceeds of bond issues, utility funds, and special assessment funds, and may include any of such funds at the discretion of the council. The estimates of expenditures for each fund budgeted shall be arranged for each department or division of the city under the following heads:

(1) ordinary expenses (for operation, maintenance, and repairs); (2) payment of principal and interest on bonds and other fixed charges; (3) capital outlays (for new construction, new equipment, and all improvements of a lasting character). Ordinary expenses shall be subdivided into: (a) salaries and wages, with a list of all salaried offices and positions, including the salary allowance and the number of persons holding each; (b) other expenses, with sufficient detail to be readily understood. All increases and decreases shall be clearly shown. In

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parallel columns shall be added the amounts granted and the amounts expended under similar heads for the past two completed fiscal years and the current fiscal year, actual to date and estimated for the balance of the year. In addition to the estimates of expenditures, the budget shall include for each budgeted fund a statement of the revenues which have accrued for the past two completed fiscal years with the amount collected and the uncollected balances together with the same information, based in so far as necessary on estimates, for the current fiscal year, and an estimate of the revenues for the ensuing fiscal year. The statement of revenues for each year shall specify the following items: sums derived from (a) taxation, (b) fees, (c) fines, (d) interest, (e) miscellaneous, not included in the foregoing, (f) sales and rentals, (g) earnings of public utilities and other public service enterprises, (h) special assessments, and (i) sales of bonds and other obligations. Such estimates shall be printed or typewritten and there shall be sufficient copies for each member of the council, for the manager, for the clerk, and three, at least, to be posted in public places in the city. The estimates shall be submitted to the council at its first regular monthly meeting in September and shall be made public. The manager may submit with the estimates such explanatory statement or statements as the manager may deem necessary, and during the first three years of operation under Optional Plan B the manager shall be authorized to interpret the requirements of this section as requiring only such comparisons of the city's finances with those of the previous government of the city as may be feasible and pertinent.

Sec. 46. Minnesota Statutes 1988, section 412.711, is amended to read:

412.711 CONSIDERATION OF BUDGET; TAX LEVY.

The budget shall be the principal item of business at the first a regular monthly meeting of the council in September and the council shall hold adjourned meetings from time to time until all the estimates have been considered. The meetings shall be so conducted as to give interested citizens a reasonable opportunity to be heard. The budget estimates shall be read in full and the manager shall explain the various items thereof as fully as may be deemed necessary by the council. The annual budget finally agreed upon shall set forth in detail the complete financial plan of the city for the ensuing fiscal year for the funds budgeted and shall be signed by the majority of the council when adopted. It shall indicate the sums to be raised and from what sources and the sums to be spent and for what purposes according to the plan indicated in section 412.701. The total sum appropriated shall be less than the total estimated revenue by a safe margin. The council shall adopt the budget not later than the first day of October by a resolution which shall set forth the total for each budgeted fund and each department with such segregation as to objects and purposes of expenditures as the council deems necessary for purposes of budget control. The council shall also adopt a resolution levying whatever taxes it considers necessary within statutory limits for the ensuing year for each fund. The tax levy resolution shall be certified to the county auditor in accordance with law not later than October 10. At the beginning of the fiscal year, the sums fixed in the

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budget resolution shall be and become appropriated for the several purposes named in the budget resolution and no other.

Sec. 47. Minnesota Statutes 1989 Supplement, section 422A.05, subdivision 2a, is amended to read:

Subd. 2a. **FIDUCIARY DUTY.** In the discharge of their respective duties, the members of the board, the executive director, the board staff, and any other person charged with the responsibility of investing money pursuant to the standards set forth in this chapter shall act in good faith and shall exercise that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived therefrom. In addition, the members of the board and the chief administrative officer shall act in a manner consistent with ~~Laws 1989, chapter 319, article 4~~ chapter 356A.

Sec. 48. Minnesota Statutes 1988, section 459.07, is amended to read:

459.07 CITIES MAY ESTABLISH MUNICIPAL FOREST.

Any city of the first class operating under the Constitution of the state of Minnesota, ~~article IV, section 36,~~ by resolution of the governing body thereof, may purchase or obtain by condemnation proceedings, any tract or tracts of land bordering any lake, for a municipal forest and manage the same on forestry principles and may reserve any part of such land for use as a public bathing beach. The selection of such lands and the plans of management thereof, shall have the approval of the director of lands and forestry.

Sec. 49. Minnesota Statutes 1989 Supplement, section 469.129, subdivision 1, is amended to read:

Subdivision 1. **GENERAL OBLIGATION BONDS.** The governing body may authorize, issue, and sell general obligation bonds to finance the acquisition and betterment of real and personal property needed to carry out the development program within the development district together with all relocation costs incidental thereto. The bonds shall mature within 30 years from the date of issue and shall be issued in accordance with sections 475.51, 475.53, 475.54, 475.55, 475.56, 475.60, 475.61, 475.62, 475.63, 475.65, 475.66, 475.69, 475.70, and 475.71. All tax increments received by the city pursuant to Minnesota Statutes 1978, section 472A.08, shall be pledged for the payment of these bonds and used to reduce or cancel the taxes otherwise required to be extended for that purpose. The bonds shall not be included when computing the city's net debt. Bonds shall not be issued under this paragraph subsequent to August 1, 1979.

Sec. 50. Minnesota Statutes 1988, section 469.155, subdivision 12, is amended to read:

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Subd. 12. **REFUNDING.** It may issue revenue bonds to refund, in whole or in part, bonds previously issued by the municipality or redevelopment agency under authority of sections 469.152 to 469.165, and interest on them. The municipality may issue revenue bonds to refund, in whole or in part, bonds previously issued by any other municipality or redevelopment agency on behalf of an organization described in section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1986, under authority of sections ~~474.01 to 474.13~~ 469.152 to 469.155, and interest on them, but only with the consent of the original issuer of such bonds. The municipality may issue and sell warrants which give to their holders the right to purchase refunding bonds issuable under this subdivision prior to a stipulated date. The warrants are not required to be sold at public sale and all or any agreed portion of the proceeds of the warrants may be paid to the contracting party under the revenue agreement required by subdivision 5 or to its designee under the conditions the municipality shall agree upon. Warrants shall not be issued which obligate a municipality to issue refunding bonds that are or will be subject to federal tax law as defined in section 474A.02, subdivision 8. The warrants may provide a stipulated exercise price or a price that depends on the tax exempt status of interest on the refunding bonds at the time of issuance. The average interest rate on refunding bonds issued to refund fixed rate bonds shall not exceed the average interest rate on fixed rate bonds to be refunded. The municipality may appoint a bank or trust company to serve as agent for the warrant holders and enter into agreements deemed necessary or incidental to the issuance of the warrants.

Sec. 51. Minnesota Statutes 1988, section 481.12, is amended to read:

481.12 DISABILITY; SUBSTITUTION.

When the sole attorney of a party to any action or proceeding in any court of record dies, becomes insane, or is removed or suspended, the party for whom the attorney appears shall appoint another attorney within ten days after the disability arises, and give immediate written notice of the substitution to the adverse party. If the party ~~fail~~ fails to make substitution within such time, the adverse party, at least 20 days before taking further proceedings against the party, shall give the party written notice to appoint another attorney. When, for any reason, the attorney for a party ceases to act, and the party has no known residence within the state, such notice may be served upon the court administrator. In case such party fails either to comply with the notice or appear in person within 30 days, the party shall not be entitled to notice of subsequent proceedings in the case.

Sec. 52. Minnesota Statutes 1989 Supplement, section 501B.61, subdivision 1, is amended to read:

Subdivision 1. **INCOME DEFINED.** "Income" means the return in money or property derived from the use of principal, including return received as:

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(1) rent of real or personal property, including sums received for cancellation or renewal of a lease;

(2) interest on money lent, including sums received as consideration for the privilege of prepayment of principal, except as provided in section 501B.65 on bond premium and bond discount;

(3) income earned during administration of a decedent's estate as provided in section 501B.63;

(4) corporate distributions as provided in ~~this~~ section 501B.64;

(5) accrued increment on bonds or other obligations issued at discount as provided in section 501B.65;

(6) receipts from business and farming operations as provided in section 501B.66;

(7) receipts from disposition of natural resources as provided in sections 501B.67 and 501B.68;

(8) receipts from other principal subject to depletion as provided in section 501B.69; and

(9) receipts from disposition of underproductive property as provided in section 501B.70.

Sec. 53. Minnesota Statutes 1989 Supplement, section 563.01, subdivision 3, is amended to read:

Subd. 3. Any court of the state of Minnesota or any political subdivision thereof may authorize the commencement or defense of any civil action, or appeal therein, without prepayment of fees, costs and security for costs by a natural person who makes affidavit stating (a) the nature of the action, defense or appeal, (b) a belief that affiant is entitled to redress, and (c) that affiant is financially unable to pay the fees, costs and security for costs. Upon a finding by the court that the action is not of a frivolous nature, the court shall allow the person to proceed in forma pauperis if the affidavit is substantially in the language required by this subdivision and is not found by the court to be untrue. Persons meeting the requirements of this subdivision include, but are not limited to, a person who is receiving public assistance, who is represented by an attorney on behalf of a civil legal services program or a volunteer attorney program based on indigency, or who has an annual income not greater than 125 percent of the poverty line established under United States Code, title 42, section ~~9909(2)~~ 9902(2).

Sec. 54. Minnesota Statutes 1989 Supplement, section 609.605, subdivision 3, is amended to read:

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Subd. 3. **TRESPASSES MOTIVATED BY BIAS.** Whoever commits an act described in subdivision 1, clause ~~(13)~~ (7), because of the property owner's or another's actual or perceived race, color, religion, sex, sexual orientation, disability as defined in section 363.01, age, or national origin may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

Sec. 55. Minnesota Statutes 1988, section 626.556, subdivision 10c, is amended to read:

Subd. 10c. **DUTIES OF THE LOCAL SOCIAL SERVICE AGENCY UPON RECEIPT OF A REPORT OF MEDICAL NEGLIGENCE.** If the report alleges medical neglect as defined in section 260.015, subdivision 40, clause ~~(e)~~ 2a, clause (5), the local welfare agency shall, in addition to its other duties under this section, immediately consult with designated hospital staff and with the parents of the infant to verify that appropriate nutrition, hydration, and medication are being provided; and shall immediately secure an independent medical review of the infant's medical charts and records and, if necessary, seek a court order for an independent medical examination of the infant. If the review or examination leads to a conclusion of medical neglect, the agency shall intervene on behalf of the infant by initiating legal proceedings under section 260.131 and by filing an expedited motion to prevent the withholding of medically indicated treatment.

Sec. 56. Laws 1989, chapter 332, section 3, subdivision 3, is amended to read:

Subd. 3. **LACK OF FEDERAL FUNDING.** If the funds to be provided by the federal government are not approved by December 1, 1989, the future authorization of the siting of a veterans nursing care facility in Luverne must be considered in the study provided by section 3 2. If the need for a veterans home is found to exist in southwest Minnesota, the site of the home must be in Luverne.

ARTICLE 2

OBSOLETE REFERENCES

Section 1. REVISOR INSTRUCTION.

In each section of Minnesota Statutes, referred to in column A, the revisor of statutes shall delete the reference in column B and insert the reference in column C.

<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
<u>14.115, subd. 7</u>	<u>16.085</u>	<u>16B.22</u>
<u>84.92, subd. 1</u>	<u>84.9291</u>	<u>84.929</u>

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<u>116.07, subd. 4</u>	<u>17.716</u>	<u>18C.215</u>
<u>116O.06, subd. 1</u>	<u>116O.011</u>	<u>116O.11</u>
<u>124.19, subd. 5</u>	<u>129B.47</u>	<u>129B.46</u>
<u>144.761, subd. 5</u>	<u>144.8092</u>	<u>144.8091</u>
<u>144A.46, subd. 3</u>	<u>14.70</u>	<u>14.69</u>
<u>145A.07, subd. 1</u>	<u>144.388</u>	<u>144.387</u>
<u>168.041, subd. 4a</u>	<u>14.70</u>	<u>14.69</u>
<u>168A.05, subd. 5</u>	<u>325F.6442</u>	<u>325F.6642</u>
<u>256.736, subd. 11</u>	<u>268.91</u>	<u>256H.01 to</u>
		<u>256H.19</u>
<u>256D.01, subd. 1b</u>	<u>256I.07</u>	<u>256I.06</u>
<u>256D.35, subd. 14</u>	<u>256I.07</u>	<u>256I.06</u>
<u>256D.36, subd. 1a</u>	<u>256I.07</u>	<u>256I.06</u>
<u>257.071, subd. 7</u>	<u>257.357</u>	<u>257.3579</u>
<u>257.354, subd. 4</u>	<u>257.357</u>	<u>257.3579</u>
<u>268.04, subd. 25</u>	<u>268.24</u>	<u>268.231</u>
<u>275.125, subd. 8e</u>	<u>122.96</u>	<u>122.95</u>
<u>349.214, subd. 2</u>	<u>349.171</u>	<u>349.18</u>
<u>366.09</u>	<u>366.06</u>	<u>366.01, subd. 4</u>
		<u>and 366.07</u>
<u>501B.61, subd. 2</u>	<u>501.69</u>	<u>501B.69</u>
<u>609.4975, subds. 1</u>	<u>sections 626A.01</u>	<u>chapter 626A</u>
<u>and 2</u>	<u>to 626A.23</u>	
<u>626A.04</u>	<u>sections 626A.01</u>	<u>chapter 626A</u>
	<u>to 626A.23</u>	
<u>626A.06, subd. 4a</u>	<u>sections 626A.01</u>	<u>chapter 626A</u>
	<u>to 626A.23</u>	
<u>626A.065</u>	<u>sections 626A.01</u>	<u>chapter 626A</u>
	<u>to 626A.23</u>	
<u>626A.11, subds. 1</u>	<u>sections 626A.01</u>	<u>chapter 626A</u>
<u>and 4</u>	<u>to 626A.23</u>	
<u>626A.12, subd. 1</u>	<u>sections 626A.01</u>	<u>chapter 626A</u>
	<u>to 626A.23</u>	

Sec. 2. Minnesota Statutes 1989 Supplement, section 62A.045, is amended to read:

62A.045 PAYMENTS ON BEHALF OF WELFARE RECIPIENTS.

No policy of accident and sickness insurance regulated under this chapter; vendor of risk management services regulated under section 60A.23; nonprofit health service plan corporation regulated under chapter 62C; health maintenance organization regulated under chapter 62D; or self-insured plan regulated under chapter 62E shall contain any provision denying or reducing benefits because services are rendered to a person who is eligible for or receiving medical benefits pursuant to chapter 256B or 256D or services pursuant to section 252.27; 256.936; 260.251, subdivision 1a; ~~261.27~~; or 393.07, subdivision 1 or 2.

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Notwithstanding any law to the contrary, when a person covered under a policy of accident and sickness insurance, risk management plan, nonprofit health service plan, health maintenance organization, or self-insured plan receives medical benefits according to any statute listed in this section, payment for covered services or notice of denial for services billed by the provider must be issued directly to the provider. If a person was receiving medical benefits through the department of human services at the time a service was provided, the provider must indicate this benefit coverage on any claim forms submitted by the provider to the insurer for those services. If the commissioner of human services notifies the insurer that the commissioner has made payments to the provider, payment for benefits or notices of denials issued by the insurer must be issued directly to the commissioner. Submission by the department to the insurer of the claim on a department of human services claim form is proper notice and shall be considered proof of payment of the claim to the provider and supersedes any contract requirements of the insurer relating to the form of submission. Liability to the insured for coverage is satisfied to the extent that payments for those benefits are made by the insurer to the provider or the commissioner.

Sec. 3. Minnesota Statutes 1988, section 62C.141, is amended to read:

62C.141 PAYMENTS TO WELFARE RECIPIENTS.

No service plan corporation shall deliver, issue for delivery, or renew any subscriber's contract which contains any provision denying or reducing benefits because services are rendered to a subscriber or dependent who is eligible for or receiving medical assistance pursuant to chapter 256B or services pursuant to sections 252.27; 260.251, subdivision 1a; ~~261.27~~; or 393.07, subdivision 1 or 2.

Sec. 4. Minnesota Statutes Second 1989 Supplement, section 121.904, subdivision 4a, is amended to read:

Subd. 4a. **LEVY RECOGNITION.** (a) "School district tax settlement revenue" means the current, delinquent, and manufactured home property tax receipts collected by the county and distributed to the school district, including distributions made pursuant to section 279.37, subdivision 7, and excluding the amount levied pursuant to sections 124.2721, subdivision 3; 124.575, subdivision 3; and 275.125, subdivision 9a; and Laws 1976, chapter 20, section 4.

(b) In June of each year, the school district shall recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the June and July school district tax settlement revenue received in that calendar year; or

(2) the sum of the state aids and credits enumerated in section 124.155, subdivision 2, which are for the fiscal year payable in that fiscal year plus 31.0 percent of the amount of the levy certified in the prior calendar year according

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to section 124A.03, subdivision 2, plus or minus auditor's adjustments, not including levy portions that are assumed by the state; or

(3) 31.0 percent of the amount of the levy certified in the prior calendar year, plus or minus auditor's adjustments, not including levy portions that are assumed by the state, which remains after subtracting, by fund, the amounts levied for the following purposes:

(i) reducing or eliminating projected deficits in the reserved fund balance accounts for unemployment insurance and bus purchases;

(ii) statutory operating debt pursuant to section 275.125, subdivision 9a, and Laws 1976, chapter 20, section 4; and

(iii) retirement and severance pay pursuant to sections 124.4945 and 275.125, subdivision 6a, and Laws 1975, chapter 261, section 4; and

(iv) amounts levied for bonds issued and interest thereon, amounts levied for debt service loans and capital loans, amounts levied for down payments under section 124.82, subdivision 3, ~~amounts levied for education district bonds under section 122.96, subdivision 5;~~ and amounts levied pursuant to section 275.125, subdivision 14a.

(c) In July of each year, the school district shall recognize as revenue that portion of the school district tax settlement revenue received in that calendar year and not recognized as revenue for the previous fiscal year pursuant to clause (b).

(d) All other school district tax settlement revenue shall be recognized as revenue in the fiscal year of the settlement. Portions of the school district levy assumed by the state, including prior year adjustments and the amount to fund the school portion of the reimbursement made pursuant to section 273.425, shall be recognized as revenue in the fiscal year beginning in the calendar year for which the levy is payable.

Sec. 5. Minnesota Statutes 1989 Supplement, section 236.02, subdivision 7, is amended to read:

Subd. 7. **SINGLE BOND.** A person who is granted a grain bank license at more than one location may, with the department's approval, file one bond covering all locations in a total amount the department requires under sections 236.01 to 236.09 and rules made under sections 236.01 to 236.09. A person, firm, or corporation licensed as a public ~~leaf~~ grain warehouse operator and bonded under section ~~232.13~~ 232.22 may include liability for outstanding non-negotiable grain bank receipts under the coverage of that bond in lieu of securing a separate grain bank bond under this section.

Sec. 6. Minnesota Statutes 1989 Supplement, section 245.462, subdivision 4, is amended to read:

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Subd. 4. **CASE MANAGER.** "Case manager" means an individual employed by the county or other entity authorized by the county board to provide case management services specified in ~~sections 245.474 and 245.475~~ section 245.471. A case manager must have a bachelor's degree in one of the behavioral sciences or related fields from an accredited college or university and have at least 2,000 hours of supervised experience in the delivery of services to adults with mental illness, must be skilled in the process of identifying and assessing a wide range of client needs, and must be knowledgeable about local community resources and how to use those resources for the benefit of the client. The case manager shall meet in person with a mental health professional at least once each month to obtain clinical supervision of the case manager's activities. Case managers with a bachelor's degree but without 2,000 hours of supervised experience in the delivery of services to adults with mental illness must complete 40 hours of training approved by the commissioner of human services in case management skills and in the characteristics and needs of adults with serious and persistent mental illness and must receive clinical supervision regarding individual service delivery from a mental health professional at least once each week until the requirement of 2,000 hours of supervised experience is met. Clinical supervision must be documented in the client record.

Until June 30, 1991, a refugee who does not have the qualifications specified in this subdivision may provide case management services to adult refugees with serious and persistent mental illness who are members of the same ethnic group as the case manager if the person: (1) is actively pursuing credits toward the completion of a bachelor's degree in one of the behavioral sciences or a related field from an accredited college or university; (2) completes 40 hours of training as specified in this subdivision; and (3) receives clinical supervision at least once a week until the requirements of obtaining a bachelor's degree and 2,000 hours of supervised experience are met.

Sec. 7. Minnesota Statutes 1989 Supplement, section 270B.12, subdivision 7, is amended to read:

Subd. 7. **LOTTERY DIVISION.** (a) The commissioner of revenue may disclose to the lottery the amount of delinquent state taxes, or debt as defined in section ~~270.03~~ 270A.03, subdivision 5, of a winner of a lottery prize of \$1,000 or more, to the extent necessary to administer section 349A.08, subdivision 8.

(b) The commissioner of revenue may disclose to the lottery division that a retailer owes \$500 or more in delinquent taxes as defined in section 270.72, to the extent necessary to administer section 349A.06, subdivision 2.

Sec. 8. Minnesota Statutes 1989 Supplement, section 273.119, subdivision 1, is amended to read:

Subdivision 1. **ELIGIBILITY; AMOUNT OF CREDIT.** Land located in an agricultural preserve created under chapter 40A is eligible for a property tax credit of \$1.50 per acre. To begin to qualify for the tax credit, the owner shall

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file with the county by January 2 of any year an application for an agricultural preserve restrictive covenant pursuant to section 40A.10, subdivision 1. An owner who has given notice of termination of the exclusive agricultural use zone under section 40A.11, subdivision 2, is not eligible for the credit. The assessor shall indicate the amount of the property tax reduction on the property tax statement of each taxpayer receiving a credit under this section. The credit paid pursuant to this section shall be deducted from the tax due on the property ~~before computation of the homestead credit paid pursuant to section 273.13 and the state agricultural credit paid pursuant to as provided in section 124.2137 273.1393.~~

Sec. 9. Minnesota Statutes 1989 Supplement, section 273.124, subdivision 13, is amended to read:

Subd. 13. **SOCIAL SECURITY NUMBER REQUIRED FOR HOMESTEAD APPLICATION.** Every property owner applying for homestead classification must furnish to the county assessor that owner's social security number. If the social security number is not provided, the county assessor shall classify the property as nonhomestead. The social security numbers of the property owners are private data on individuals as defined by section 13.02, subdivision 12, but, notwithstanding that section, the private data may be disclosed to the commissioner of revenue.

At the request of the commissioner, each county must give the commissioner a list that includes the name and social security number of each property owner applying for homestead classification.

If, in comparing the lists supplied by the counties, the commissioner finds that a property owner is claiming more than one homestead, the commissioner shall notify the appropriate counties. Within 90 days of the notification, the county assessor shall investigate to determine if the homestead classification was properly claimed. If the property owner does not qualify, the county assessor shall notify the county auditor who will determine the amount of homestead benefits that had been improperly allowed. For the purpose of this section, "homestead benefits" means the tax reduction resulting from the classification as a homestead under section 273.13, the homestead credit ~~under section 273.13 for taxes payable in 1989 and~~ under section 273.1398 for taxes payable in 1990 and thereafter, the taconite homestead credit, and the supplemental homestead credit, and the tax reduction resulting from the agricultural credit ~~under section 273.132 for taxes payable in 1989 and~~ under section 273.1398 for taxes payable in 1990 and thereafter. The county auditor shall send a notice to the owners of the affected property, demanding reimbursement of the homestead benefits plus a penalty equal to 25 percent of the homestead benefits. The property owners may appeal the county's determination by filing a notice of appeal with the Minnesota tax court within 60 days of the date of the notice from the county.

If the amount of homestead benefits and penalty is not paid within 60 days,

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and if no appeal has been filed, the county auditor shall certify the amount to the succeeding year's tax list to be collected as part of the property taxes.

Any amount of homestead benefits recovered from the property owner must be transmitted to the commissioner by the end of each calendar quarter. Any amount recovered attributable to taconite homestead credit shall be transmitted to the St. Louis county auditor to be deposited in the taconite property tax relief account. The amount of penalty collected must be deposited in the county general fund.

The commissioner will provide suggested homestead applications to each county. If a property owner has applied for more than one homestead and the county assessors cannot determine which property should be classified as homestead, the county assessors will refer the information to the commissioner. The commissioner shall make the determination and notify the counties within 60 days.

In addition to lists of homestead properties, the commissioner may ask the counties to furnish lists of all properties and the record owners.

Sec. 10. Minnesota Statutes 1989 Supplement, section 319A.20, is amended to read:

319A.20 SUSPENSION OR REVOCATION.

The corporate charter of a professional corporation or the certificate of authority of a foreign professional corporation may be suspended or revoked pursuant to section ~~301.57~~; 302A.757; or 317A.751 for the reasons enumerated therein or for failure to comply with the provisions of sections 319A.01 to 319A.22 or the rules of any board. A board through the attorney general may institute such suspension or revocation proceedings.

Sec. 11. Minnesota Statutes 1989 Supplement, section 383D.41, subdivision 1, is amended to read:

Subdivision 1. There is hereby created in Dakota county a public body corporate and politic, to be known as the Dakota county housing and redevelopment authority, having all of the powers and duties of a housing and redevelopment authority under the provisions of the municipal housing and redevelopment act, sections ~~462.411 to 462.711~~, and acts amendatory thereof ~~469.001 to 469.047~~; which act applies to the county of Dakota. For the purposes of applying the provisions of the municipal housing and redevelopment act to Dakota county, the county has all of the powers and duties of a municipality, the county board has all of the powers and duties of a governing body, the chair of the county board has all of the powers and duties of a mayor, and the area of operation includes the area within the territorial boundaries of the county.

Sec. 12. Minnesota Statutes 1989 Supplement, section 383D.41, subdivision 2, is amended to read:

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Subd. 2. This section shall not limit or restrict any existing housing and redevelopment authority or prevent a municipality from creating an authority. The county shall not exercise jurisdiction in any municipality where a municipal housing and redevelopment authority is established. A municipal housing and redevelopment authority may request the Dakota county housing and redevelopment authority to handle the housing duties of the authority and, in such an event, the Dakota county housing and redevelopment authority shall act and have exclusive jurisdiction for housing in the municipality pursuant to ~~the provisions of the municipal housing and redevelopment act, sections 462.411 to 462.711, and acts amendatory thereof~~ 469.001 to 469.047. A transfer of duties relating to housing shall not transfer any duties relating to redevelopment.

Presented to the governor April 9, 1990

Signed by the governor April 12, 1990, 10:49 a.m.

CHAPTER 427—H.F.No. 2350

An act relating to natural resources; authorizing the commissioner to designate agents to sell state park permits; clarifying requirements for financial assurance to be provided by mining operators; amending Minnesota Statutes 1988, sections 85.053, subdivision 1; and 93.49.

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

Section 1. Minnesota Statutes 1988, section 85.053, subdivision 1, is amended to read:

Subdivision 1. **FORM, ISSUANCE, VALIDITY.** (a) The commissioner shall prepare and provide state park permits for each calendar year that state a motor vehicle may enter and use state parks, state recreation areas, and state waysides over 50 acres in area. State park permits must be available and placed on sale by October 1 of the year preceding the calendar year that the permit is valid.

(b) A state park permit may be affixed when purchased and used from the time it is affixed until the end of the calendar year for which it is issued. State park permits in each category must be numbered consecutively for each year of issue.

(c) State park permits shall be issued by employees of the division of parks and recreation as designated by the commissioner. State park permits also may be consigned to and issued by agents designated by the commissioner who are not employees of the division of parks and recreation. All proceeds from the sale of permits and all unsold permits consigned to agents shall be returned to the commissioner at such times as the commissioner may direct, but no later

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