



RESEARCH BULLETIN No. 47

*Where the money comes from,
and Where it goes*

A Fiscal Review of the
**1969 Minnesota
Legislative Session**

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MINNESOTA TAXPAYERS ASSOCIATION

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MINNESOTA TAXPAYERS ASSOCIATION

OBJECTIVES

The main objectives of the Minnesota Taxpayers Association, a nonprofit, nonpartisan organization of representative taxpayers, are —

- to curb waste and extravagance in government,
- to establish more efficient governmental policies and practices,
- to work for sound governmental fiscal policies, and
- to contribute to the information of the citizens and taxpayers of the state of Minnesota on the affairs of their governments.

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**1969 Minnesota
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December, 1969

MINNESOTA TAXPAYERS ASSOCIATION

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TABLE OF CONTENTS

	Page
I. IN BRIEF, THE 1969 LEGISLATURE	5
II. PROPERTY TAX RELIEF, SHARED TAXES, AND AIDS TO LOCAL GOVERNMENT	6
III. FUNCTIONS OF STATE GOVERNMENT	7
A. Education	7
B. Welfare	13
C. Corrections	16
D. Highways	17
E. Other Executive Branch Functions	18
F. Legislative	22
G. Judicial	22
H. Miscellaneous	22
IV. RETIREMENT BENEFITS	23
V. STATE BORROWING	24
VI. STATISTICS, COMPARISON OF APPROPRIATIONS, 1967 AND 1969 SESSIONS	26
A. Omnibus Appropriation Bills	26
B. Miscellaneous Appropriation Bills	26
C. Open and Standing Appropriations	27
D. Total Spending	28
VII. THE TAX PROGRAM	29
APPENDIX	39
INDEX	54

LIST OF TABLES

Table	Page
1. State Building Bills — 1969 Session	25
2. Comparison of Omnibus Appropriations, 1967 and 1969 Sessions	26
3. Miscellaneous Appropriations, 1967 and 1969 Sessions	27
4. Comparison of Open and Standing Appropriation Estimates for 1967-69 and 1969-71	27

APPENDIX

A. Comparison of Appropriations Authorized by the 1967 and 1969 Legislatures	39
B. Estimated Resources for 1969-71 Biennium for Financing of General Fund Appropriations	48
C. Rates of Principal Taxes, 1969-71 Biennium	50
D. Annual Salaries of Public Officials, Department Heads and Their Deputies or Assistants, and Heads of Institutions	52

MAP

1. University of Minnesota and State Public Colleges	10
--	----

CHART

1. Estimated Resources and Expenditures — General Fund — 1969-71 Biennium	51
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I. IN BRIEF, THE 1969 LEGISLATURE

The 66th biennial session of the Minnesota State Legislature convened January 7, 1969, recorded 102 session days, and adjourned May 26.

Although 1,159 bills were enacted into law, only 100 pertained to taxes. No new taxes were imposed, and the only tax increases were applied to liquor, cigarettes, tobacco products, and taconite.

Authorized expenditures from all money sources, including those from federal funds, total \$3,726,022,271, an all-time high. The bulk of the money will go for education, property tax relief and aids to local units of government, public welfare and highways.

Revenues from state taxes during the current biennium — July 1, 1969 through June 30, 1971 — are estimated at \$2,236,878,619. Estimated income of \$613,464,789 from departmental receipts and other non-tax sources, and \$756,943,022 in federal funds, put the total of revenues for the current biennium at \$3,607,286,430 — also at an all-time high. Balances carried forward from the preceding biennium will more than meet the spending-income differential.

During the four years ended June 30, 1969, state payrolls expanded by an average of about 100 employees per month. The pattern will be maintained this biennium. The 1969 Legislature authorized 2,480 new positions — 1,074 academic and 1,406 in the classified service. By the close of the current biennium full-time employment in the state service is expected to total 37,750.

The combined added cost of the additional employees and higher salaries for all state employees — the fifth “new pay plan” in five legislative sessions — is estimated at \$78,382,875.

With Conservative majorities in both Senate and House, and a Republican Governor, the 1969 session was relatively uneventful in the political sense.

In the 135-member House of Representatives 3,094 bills were introduced, in the 67-member Senate 2,682 — in each house, a new record.

Bills passed numbered 1,162, also a new record and more than 250 above the average of recent sessions.

The Governor signed 1,145 of the measures, let 14 become law without his signature, and pocket-vetoed 3.

Two proposed amendments to the State Constitution were approved for submittal to voters at the general election in 1970:

... One would amend Article IX, Section 1, “to enable the legislature to define or limit certain categories of tax exempt property.” (Chap. 925)

... The other would amend Article VII, Sections 1 and 7, “to reduce the age requirement for voting from 21 to 19 years and provide an age requirement of 21 years to hold elective public office.” (Chap. 996)

The state of Minnesota — father of 87 counties and thousands of townships, boroughs, villages, cities and school districts — is a generous parent. Of the \$2,969,079,249 the State expects to spend this biennium from all sources other than federal funds, 51.8 percent, or \$1,540,206,877, will be

turned over to local governments in the form of aids, shared taxes or as replacement for property taxes.

The State Government will “pick up the tab” for a \$201,900,000 share of the local property taxes billed to home owners this biennium. This is the biggest single component of property tax relief that will exceed \$600,000,000 this biennium. Most of the tax relief money will come from the state sales tax.

Getting away from the coffee can and sugar bowl method of keeping track of the State’s money, the legislature took a long-needed step to eliminate so-called “dedicated” funds. It abolished the “general revenue fund,” the “income tax school fund,” the “property tax relief fund,” the “school aid fund,” the “boat and water safety account,” and the “natural resources fund,” and created, instead, a “general fund.” Substantial simplification of bookkeeping and accounting work is anticipated, with resultant economy.

Authority of the Governor over most administrative functions of the State was enhanced with enactment of the Government Reorganization Act of 1969. It permits him, acting through the Commissioner of Administration, to transfer functions and appropriations from one department to another. It also sets the term of office of department heads at four years to coincide with the term of the Governor.

Most of the law enforcement and related services of the State Government will be brought together in a new Department of Public Safety commencing January 1, 1970. Included are the State Highway Patrol, Bureau of Criminal Apprehension, Civil Defense Agency, State Fire Marshal and others.

Minnesota no longer has a Department of Conservation. It’s now the Department of Natural Resources.

Education, from elementary school through the University, held its place as front runner in the biennial competition for funds. Aids to elementary and secondary schools this biennium will top \$658,000,000; appropriations to institutions of higher learning are over \$272,700,000. Receipts from tuition and fees, and federal grants, boost the total of education funds to over \$1,187,000,000.

Welfare costs will continue their upward climb this biennium, with state appropriations of \$235,926,422 reflecting an increase of 29.8 percent in money needs as compared to the preceding two-year period. The sharpest rise in costs will be in the “Aid to Families with Dependent Children,” “Medical Assistance to the Needy” and other federally-sponsored categorical aid programs.

The state building program scheduled for this biennium is the most ambitious in Minnesota’s history. Borrowing of approximately \$152,000,000 was authorized, in the form of general obligation bonds, with most of the funds allocated for

the University, State Colleges and State Junior Colleges.

Most significant legislative action affecting the Twin Cities Metropolitan Area was that which placed authority in the Metropolitan Council for a long-range sewage disposal system. Through a seven-member sewer board the Council is empowered to take over, acquire, construct and operate all sewer interceptors and sewage treatment works in the seven-county area.

The Legislature wants future budget requests presented in terms of "programs and anticipated accomplishments" rather than in terms of "objects of expenditure," and directed the Commissioner of Administration to select agencies and departments for a trial run by the 1971 Legislature of a "program budgeting" system.

Care to guess how much money the State expects to pay out in income tax refunds this biennium? The estimate is \$127,000,000.

The Lake Superior agate was enthroned as the official Minnesota gemstone, taking its place alongside the loon, the showy lady slipper, the walleye and the Norway pine.

The \$756,943,022 in federal grants anticipated for use in Minnesota this biennium included \$288,500,000 for highways, \$279,910,979 for welfare and corrections, \$130,036,935 for education, and \$58,495,108 for various general government purposes including the Department of Employment Security, health activities, civil defense and others.

II. PROPERTY TAX RELIEF, SHARED TAXES, AND AIDS TO LOCAL GOVERNMENT

Although total state spending, exclusive of federal funds, is expected to reach \$2,969,079,249 during the current biennium, expenditures for governmental operations alone will amount to less than half of that.

The rest — \$1,540,206,877, or 51.8 percent — will go for property tax relief, for shared taxes, and as aids to local units of government.

Property tax relief items total \$616,174,399, shared taxes other than the sales tax amount to \$63,207,229, and other aids to local governments — including school aids — add up to \$860,825,249.

The Property Tax Relief Account

Revenues of the 3 percent state sales tax are credited to the property tax relief account in the general fund.

To the tune of \$201,900,000 this biennium the State will "pick up the tab" for 35 percent of the local property taxes levied against home owners, up to \$250 per home owner, for all purposes other than debt charges.

Elimination of the state property tax levy (which formerly provided the money required for teachers' pensions and for state debt charge costs) will save property owners — and cost the tax relief account — \$143,500,000.

Reimbursement to local government treasuries for taxes no longer levied on personal property will require \$148,925,000.

Per capita aids to municipalities will total \$55,478,438 — \$50,200,000 in the original session-end estimate and \$5,278,438 in supplemental distributions. School districts will receive \$46,970,961 — \$42,500,000 in the original session-end estimate and \$4,470,961 thru supplemental distributions.¹

Tax relief to renters, at \$14,000,000, and to persons 65 years old or older, at \$5,400,000, complete the total of

\$616,174,399 in tax relief this biennium made possible by the operation of the Tax Reform and Relief Act of 1967.

Shared Taxes

Various taxes levied by the State are "shared," in varying amounts, with local units of government. In total, this biennium, the local share of such taxes — in addition to the \$102,449,399 from state sales tax — is expected to amount to \$63,207,229.

From the cigarette tax local government will get a \$14,885,000 share; from the bank excise tax, \$14,200,000; from liquor taxes, \$12,411,729; from taconite tax apportionment, \$7,449,000; and from inheritance taxes, \$6,600,000. Other shared taxes in the amount of \$7,661,500 make up the balance.

Other State Aids

Other state aids to local government this biennium amount to \$860,825,249. The major component of this total is the \$611,037,002 that will go as aids to elementary and secondary schools additionally to the per capita aid from the property tax relief account.

Counties, cities and villages will get \$119,604,740 for constructing and maintaining highways and streets. County state-aid roads will get \$89,323,800, and municipal state-aid streets \$30,280,940.

Grants-in-aid of \$303,000 for sheltered workshops, \$1,075,000 for the school lunch program, \$945,000 for public library and inter-library services, \$700,000 for medical education, \$800,000 for scholarships for needy persons, and \$50,303 for miscellaneous grants, together total \$3,873,303.

Counties will receive \$95,602,500 from the State to assist in financing the five welfare "categorical aid" programs. In addition, state grants of \$6,300,000 for community health centers; \$1,800,000 for daytime activity centers for the mentally retarded; \$1,900,000 for county aid for the mentally retarded; \$2,000,000 for equalization aid; \$1,460,000 for support of children under guardianship; \$1,010,000 for

¹The supplemental distributions are based on an attorney general's opinion dated August 29, 1969 (after the Legislature had adjourned) which held that actual sales tax receipts for 1968 and 1969 exceeded the estimates used by the State Auditor in computing the per capita distributions for those years and that one-fourth of the excess should be distributed in accordance with provisions of the Tax Reform and Relief Act.

county reimbursement of probation services; and \$480,000 for Indian relief and regional juvenile detention centers, raise the total of welfare grants in aid to \$110,552,500.

All other grants including those for local airports, firemen's

relief association funds, regional and sub-regional parks, soil conservation districts and other miscellaneous aids, total \$15,757,704.

III. FUNCTIONS OF THE STATE GOVERNMENT

Detailed statistical data relating to the appropriations for functions discussed in this Section appear in Section VI and Appendix A.

A. Education

The \$948,673,358 appropriated for education is an increase of \$205,082,691 from the preceding biennium. Additionally, institutions of higher learning anticipate receipts of \$109,093,181 from tuition, fees, and miscellaneous income (including dedicated receipts), putting the total availability of funds well over the billion-dollar mark.

Here is where the money will go:

... State Department of Education: \$9,949,243.

... Aid to elementary and secondary schools: \$658,007,963.

... State Junior Colleges: \$27,068,917 in appropriations, plus \$10,222,338 in receipts.

... State Colleges: \$71,043,409 in appropriations, plus \$30,323,718 in receipts.

... University of Minnesota: \$174,588,676 in appropriations, plus \$68,547,125 in receipts.

... Additional medical education: \$750,000.

... Higher Education Coordinating Commission: \$3,434,000.

... Other educational services: \$3,831,150.

... Federal funds, estimated at \$130,036,935 for the current biennium, are expected to be available for a variety of programs, including elementary and secondary education, higher education,¹ vocational rehabilitation and education, school lunch program, manpower development and training, and public library service. (This money is additional to the state appropriations and receipts from tuition, fees and miscellaneous income.)

STATE DEPARTMENT OF EDUCATION

The State Department of Education is responsible for over-all administration of Minnesota's public education system and supervises such related activities as aid to public libraries, vocational training of disabled persons, the community lunch program, and others.

Appropriations directly to the Department for these several purposes total \$9,949,243 for the current biennium, an increase of \$2,473,123.

Included in the above appropriations is provision for 35 additional positions, at an estimated biennial cost of \$557,942.

AID TO ELEMENTARY AND SECONDARY SCHOOLS

School aid funds are wrapped in a variety of packages bearing different labels and tied with inter-locking requirements and conditions.

¹ Excludes federal funds to the University of Minnesota.

Most of the \$658,007,963 provided for the current biennium is authorized by the "Aid to Schools" section of the omnibus Education appropriation measure; other appropriation actions provide the rest. Here are the component items by fiscal year:

	1969-70	1970-71
Foundation Aid	\$218,144,402	\$235,627,863
Transportation Aid	20,845,000	22,380,000
Vocational Aid	13,100,000	20,271,875
Special Classes for Handicapped		
Children	11,763,758	17,001,704
Emergency Aid	2,000,000	2,000,000
County Equalization Aid	50,000	50,000
Total "Aid to Schools"		
Appropriation	\$265,903,160	\$297,331,442
School Districts' Share, Sales		
Tax Revenue	19,850,000	22,650,000
Supplemental Distribution		
(Op. Atty. Gen.)	2,235,480	2,235,481
Endowment School		
Apportionment	10,000,000	10,250,000
Census Aid (\$10 Per Pupil)	9,000,000	9,000,000
Special Education Aids	5,136,200	4,416,200
Annual Totals	\$312,124,840	\$345,883,123
Biennium Total	\$658,007,963	

The \$658,007,963 total is up \$132,889,198 from the preceding biennium.

Foundation Aid

Foundation Aid is the keystone of the school aid structure, accounting for about 70 percent of all state financial assistance to public schools during the current biennium. At \$453,772,265, the Foundation Aid total is up \$70,967,648, or 18.5 percent from the preceding biennium.

Formulas used to compute the amount of such aid payable to a school district take into account the extent of local tax support for schools, the amount of certain other aids the district will receive, and average daily attendance of resident "pupil units." For the 1969-70 school year pupils in kindergarten count as 1/2 unit, in grades 1 through 6 as 1 unit, in grades 7 through 12 in area vocational-technical schools as 1-1/2 units. In 1970-71 pupils in grades 7 through 12 count as 1-4/10 units.

Average daily attendance of 1,032,027 pupil units in 1969-70 and 1,023,284 in 1970-71 is estimated by the State Department of Education, with actual pupil enrollment estimated at 802,750 in 1969-70 and 801,588 in 1970-71.

School districts can choose whichever of two formulas will produce the most aid.

One formula sets "minimum" aid at \$133 per pupil unit for 1969-70, \$141 for 1970-71. The other sets "maximum" aid for 1969-70 at \$365 per pupil unit less an amount computed

by applying a 19-mill tax rate to the "current adjusted assessed valuation" of taxable property within the district; for 1970-71 the formula factors are \$404 and 20 mills. The "current adjusted assessed valuation" is determined by the State Equalization Aid Review Committee and may differ from the valuation reported by local assessors.

Under both formulas the computed amount of Foundation Aid is reduced by the amount of aid a district will receive from the Endowment School Apportionment and the \$10-per-pupil Census Aid.

The amount of Foundation Aid a district will receive is further reduced if, under the "maximum" aid formula, per pupil unit costs of maintenance and debt redemption are less than the \$365 or \$404 figure, or if under either formula the school tax levy is below the 19 or 20 mills factor.

Transportation Aid

At \$43,225,000 for the current biennium, Transportation Aid is up \$6,325,000 from the preceding biennium.

Independent and secondary school districts get up to \$60 per pupil annually, but not more than 80 percent of total cost, including depreciation.

Districts which transport crippled or mentally retarded children get \$225 per pupil annually.

The 1969 Legislature directed public school districts now providing bus transportation to transport children attending parochial and private schools. The law is permissive during the 1969-70 school year, becomes mandatory August 15, 1970. (Chap. 570)

School boards were authorized to provide transportation for children attending licensed daytime activity centers, with Transportation Aid reimbursement at the same rate authorized for crippled children. (Chap. 913)

Vocational Aid

At \$33,371,875, the total provided for Vocational Aid is more than double the \$15,143,875 appropriated for the 1967-69 period.

Such aid is additional to Foundation Aid. It helps meet the cost of preparatory and supplemental courses and programs in high school which lead to occupational competency, and in vocational-technical schools which lead to employment. These courses can be provided either in regular day school or in evening classes for persons over 14 years and up to 65 years of age.

The 1969 Legislature authorized school districts in the Twin Cities metropolitan area to jointly construct and operate new area vocational-technical schools. One or more of these would be in Hennepin county (Chap. 945); one or more in Dakota county (Chap. 1060); and another, in Ramsey or Washington county, in a new special intermediate school district (Chap. 775). Limitations were provided in each instance on the additional millage tax levies needed to operate the schools.

Special Classes for Handicapped Children

School districts which conduct special classes for handicapped children receive state assistance to help pay the salaries of essential personnel. Essential personnel are designated as those concerned with speech correction, those who work with educable mentally retarded or trainable mentally retarded children, with orthopedically handicapped children, with children having impaired hearing or vision or other special learning disabilities, and such personnel who are engaged with

home and hospital work and summer programs.

For the current biennium this Aid for Special Classes for Handicapped Children is \$28,765,462, an increase of \$12,765,462 over the 1967-69 period.

The state aid funds will be used to pay 60 percent, but not more than \$5,300 per person, of the normal school year salaries. (Chap. 981) Previously, reimbursement was at the rate of 66-2/3 percent of salaries of those dealing with the trainable retarded, with a limit of \$4,000, and of salaries paid professional personnel working with otherwise handicapped children, with a limit of \$4,400.

Emergency Aid

The \$4,000,000 appropriated for Emergency Aid for the current biennium is an increase of \$2,600,000.

Such aid is paid to a school district which by reason of calamity, high tax delinquency, excessive debt, or other justifiable cause is unable by taxation to collect sufficient revenue to maintain schools on minimum established standards.

Shared Sales Tax Revenue

One-fourth of the revenue from the state sales tax is shared with local government. The aid total so provided each year is apportioned on the basis of population between the three major cities and the rest of the state.

School districts in Minneapolis, St. Paul and Duluth each get one-third of the money apportioned to the respective city; the city governments each get two-thirds.

Half of the shared revenue apportioned outside of the major cities is divided between school districts on a census basis counting each resident child aged 6 through 16. The other half goes to the governments of cities, villages, boroughs and towns on a per capita basis.

On the basis of revenue estimates made at the close of the 1969 regular session, sales tax revenues to be shared with school districts this biennium were estimated at \$42,500,000 — to be distributed approximately as follows:

	1969-70	1970-71
In cities of 1st class	\$ 3,583,000	\$ 4,087,000
In remainder of State	16,268,000	18,562,000
	\$19,851,000	\$22,649,000

In addition, a supplemental distribution of \$4,470,961 will be made to school districts in two equal installments in June, 1970 and November, 1970 under an attorney general's opinion dated August 29, 1969.

Endowment School Apportionment

More than a quarter of a billion dollars from occupation and royalty taxes on iron ore, from the sale of timber and land, and from mineral permits and leases — all on state-owned school fund lands (Sections 16 and 36 in each township) — has accumulated over the years in the State's permanent school trust fund.

Earnings of this invested money are distributed as the Endowment School Apportionment to school districts on the basis of the preceding year's average daily attendance of pupils aged 5 through 21. Aid from this source is a part of, and not additional to, the computed amount of Foundation Aid payable to a district.

The \$20,250,000 to be distributed this biennium is \$1,000,000 more than was distributed in the 1967-69 biennium.

Census Aid

School districts receive \$10 in Census Aid for each child aged 6 through 16 resident in the district (sixteen-year-olds are counted only if attending school). Aid from this source is a part of, and not additional to, the computed amount of Foundation Aid payable to a district. The appropriation for the current biennium is \$18,000,000.

Special Education Aids

Under various laws previously enacted, \$6,507,400 was appropriated for the current biennium to aid districts handicapped by disproportionate amounts of tax-exempt property such as airports, railroads and public lands.

Appropriations totaling an additional \$3,045,000 were made to establish new varieties of aid:

\$475,000 for supplemental aid of \$30 per pupil to schools where one-fifth or more of the pupils are from homes receiving "Aid to Families with Dependent Children." (Chap. 822)

\$155,000 for supplemental aid of \$30 per pupil to schools where pupils of Indian parentage living on Indian reservations are enrolled. (Chap. 822)

\$445,000 to train teachers and administrators in human relations, in schools on Indian reservations and in urban areas where 50 or more "minority group" students are enrolled. (Chap. 822)

\$1,000,000 for Foundation Aid and Transportation Aid for pupils enrolled on a "shared time" basis, i.e.: where part of the pupil's training is received in a private or parochial school. (Chap. 736)

\$370,000 to aid programs of "continuing education" which lead to a high school diploma or equivalency certificate. (Chap. 864) "Continuing education" was recognized as a proper inclusion in public evening school and adult education programs by Chapter 21 of the 1969 Session Laws.

\$600,000 to pay two-thirds of the cost of essential personnel, supplies and special equipment used in development of reading ability of educationally disadvantaged individuals (Chap. 1016)

OTHER LEGISLATION PERTAINING TO THE STATE DEPARTMENT OF EDUCATION

School Year Lengthened

The number of session days in the school year was increased from 170 to 175, effective with the 1970-71 school year. State aids may be reduced for fewer days. (Chap. 379)

School Census Change

School districts were given the option of taking the school census (basis for the \$10-per-pupil aid) either between March 1 and May 1 or between September 1 and October 1. Districts whose boundaries are coterminous with those of a city were authorized, optionally, to use figures of the federal decennial or mid-decade census. (Chap. 1004)

Private Business, Trade and Correspondence School Act

The Department of Education was empowered to license private business, trade and correspondence schools, and to evaluate the courses, curriculum and instruction of the schools and their offerings, the advertising of placement service, and the schools' placement records. A 16-member advisory com-

mission, representing private trade, business and correspondence schools was created, to be appointed by the State Board of Education. (Chap. 866)

Vocation Rehabilitation Residency Requirement Eliminated

The previous one-year residency requirement for eligibility covering vocational training of disabled persons was removed. (Chap. 454)

More Aid to Public Libraries

Continuing expansion of public library services was recognized with appropriation of \$950,000 for the current biennium, an increase of \$75,000.

Inter-Library Cooperation

A new appropriation of \$35,000 for developing a statewide communications system between public, private and educational institution libraries is included in the total of \$9,949,243 appropriated to the Department of Education. (Chap. 1154)

To Film State History

An appropriation of \$25,000 — to be matched in an equal amount from other sources — was made for production of a series of audio-visual films on Minnesota history, suitable for use in elementary schools. The State Historical Society and Commissioner of Education were directed to cooperate in this work. (Chap. 1017)

"Maximum Effort" Law Changes

Issuance of an additional \$20,000,000 of state school loan bonds was authorized to provide funds for new construction and debt service loans to school districts. The interest rate on such loans was increased from the present 3-1/2 percent to "not less than the average annual rate payable on Minnesota state school loan bonds most recently issued . . . but in no event less than 3-1/2 percent per annum . . ." The millage limitation on school district's tax levy to finance such "maximum effort" borrowing from the state was increased from 5-1/2 to 6-3/10 mills. (Chap. 1056)

STATE JUNIOR COLLEGES

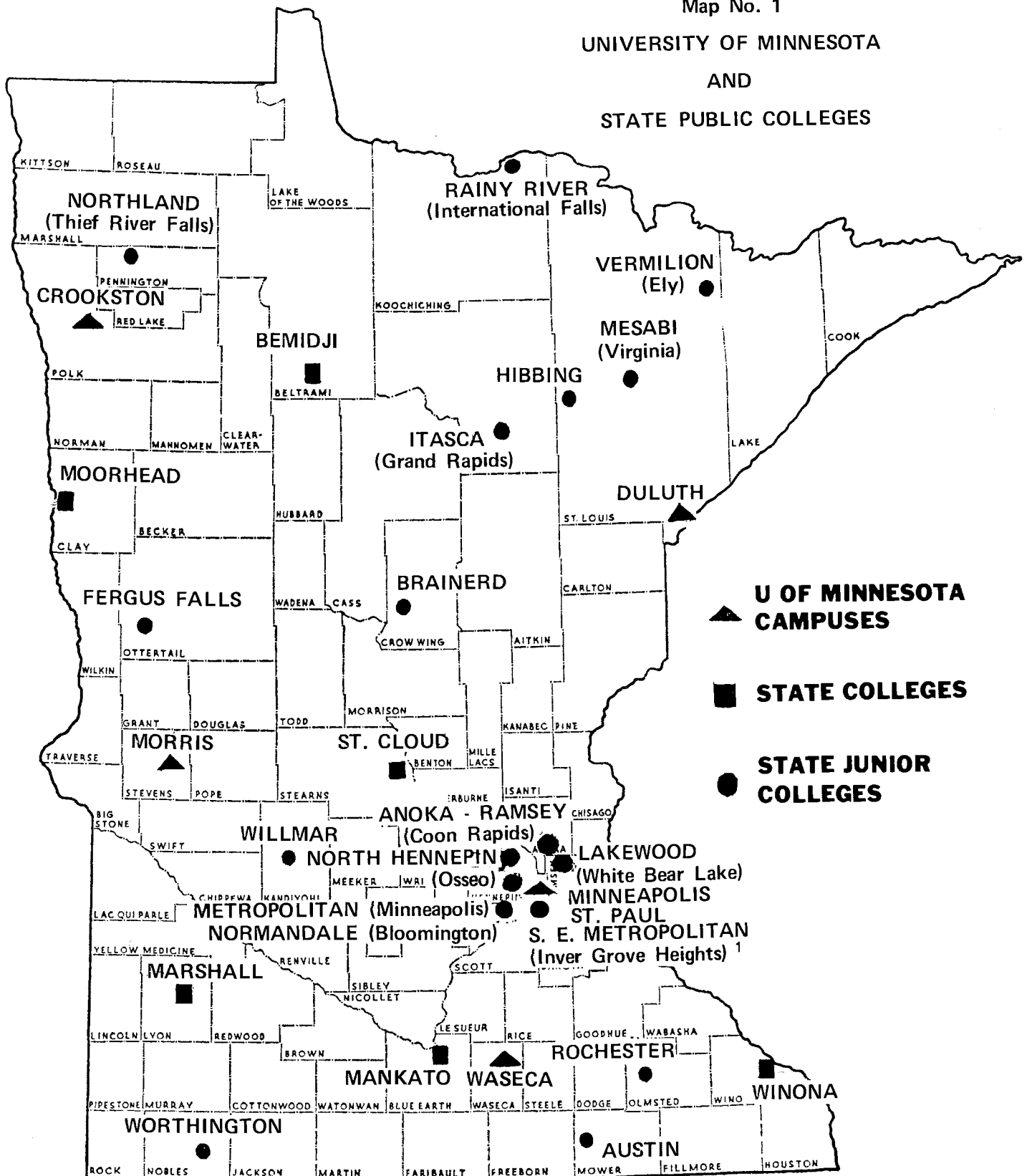
Forecasts of heavy enrollment increases in state junior colleges during the 1969-71 biennium, brought them sharply increased appropriations.

The \$27,068,917 total, up \$12,127,581 or 81.2 percent from the preceding biennium, anticipates 15,855 students in the 1969-70 school year and 18,795 in 1970-71 (computed on a full-time equivalent basis using 45 credit hours per year). Actual enrollment of 10,529 for 1967-68 and an estimated 13,169 for 1968-69 are below the original estimates of 11,300 and 13,650 of the State Junior College Board upon which the 1967-69 appropriations were based.

Seventeen of the 20 junior colleges presently authorized are in operation. (See Map) The 18th, at Inver Grove Heights, is expected to open for the 1970-71 school year. Funds were provided for preliminary planning and architectural services for the 19th, at Fairmont, and the 20th, at a site not yet selected.

Possible need for and feasibility of a 21st junior college, in or near St. Paul, was referred to the Higher Education Coordinating Commission for study.

Map No. 1
UNIVERSITY OF MINNESOTA
AND
STATE PUBLIC COLLEGES



1. To open Fall 1970.

Academic Salaries Increased

The sum of \$4,521,514 was provided for academic salary increases.

Staffing Ratios, New Positions

The faculty-student staffing ratio, including counselors and librarians but excluding administrative positions, was lowered to 1 to 18.8 for the 1969-70 school year, and to 1 to 18.4 for 1970-71.

Provision was made for 367 new academic and 182.5 new civil service positions, at an estimated biennial cost of \$7,571,621.

Tuition Rates Increased

Most tuition rates were increased by the State College Board. For resident students the regular session rate was advanced from \$5 per credit hour to \$6.50; the summer session rate remained at \$6.50. For non-resident students the rate for both regular and summer sessions was upped from \$8 to \$13 per credit hour.

The quarterly student activity fee of \$1 per credit hour up to a maximum of \$15 and the \$5 union fee were continued.

Receipts from tuition and fees, estimated by the Board at \$4,680,398 for 1969-70 and \$5,541,940 for 1970-71, are additional to the state appropriations of \$27,068,917.

National Defense Student Loan Program

State matching funds of \$55,000 were provided to the State Junior College Board for the National Defense Student Loan Program. The program provides low cost, long-term loans to college students, with the State supplying 10 percent and the Federal government 90 percent of the loan funds.

STATE COLLEGES

With an increase of more than 20 percent in enrollments at Minnesota's six state colleges (See Map) anticipated during the current biennium, appropriations to the State College Board were increased \$25,861,563 to \$71,043,409, or 57.2 percent.

Total enrollment, computed on a full-time equivalent basis using 45 credit hours per school year, climbed from 28,606 in the 1967-68 period to an estimated 32,057 in 1968-69. Enrollment is estimated at 35,555 for 1969-70 and 38,736 for 1970-71.

Provision was made in the appropriations for a new dental hygienist program and for rental of additional equipment for the computer science curriculum at Mankato State College, and for development of innovative teacher education programs at Southwest State College at Marshall.

Academic Salaries Increased

The sum of \$5,443,842 was provided for academic salary increases.

Staffing Ratios, New Positions

The faculty-student staffing ratio for graduate students was lowered from 1 to 15 to 1 to 13. For undergraduate students no specific ratios were set, but the number of faculty positions allowed was estimated to be sufficient to drop the ratio each year fractionally below the 1 to 19 level of the 1968-69 school year. Librarians, counselors and administrators are excluded from the ratio.

Appropriations allow for 372.5 new academic and 552.4 new civil service positions at an estimated biennial cost of \$10,445,942.

Tuition Rates Increased

Tuition rates and other fees will be higher during the current biennium than in the 1968-69 school year.

Tuition rates for 1967-69 and for 1969-71 as set by the State College Board are as follows:

	Per Credit Hour	
	1967-69	1969-71
On Campus		
Regular School Year—Resident	\$ 5.00	\$ 6.75
Regular School Year—Nonresident	8.00	15.00 ¹
Summer Session—Resident	6.50	6.50
Summer Session—Nonresident	8.00	15.00
Regular School Year and Summer Session—Graduate Resident	7.00	9.00
Regular School Year and Summer Session—Graduate Nonresident	10.00	19.00
Off Campus		
All Students—Resident or Nonresident	10.00	13.00

¹To be increased in 1970 Summer Session to regular school year resident rate of \$6.75.

The quarterly student activity fee was continued at \$15, the placement service registration fee was increased from \$6 to \$10, and authority was given to boost the student union fee from \$5 to not more than \$10 per quarter.

Additional Revenue

Receipts from tuition and fees, estimated by the State College Board at \$14,521,876 for 1969-70 and \$15,801,842 for 1970-71, are additional to the state appropriations of \$71,043,409.

National Defense Student Loan Program

State matching funds (10 percent) for the National Defense Student Loan Program were provided the State College Board in the sum of \$548,944.

Bonds for Housing, Other Facilities

Issuance of \$12,000,000 in state college bonds to provide housing and related facilities was authorized.

Student union facilities will require \$7,500,000, and \$4,500,000 will be spent for dormitories, residence halls and food service facilities in accordance with recommendations of the Legislative Building Commission.

Interest on the 20-year bonds, and retirement costs, will be paid by the State. The State College Board is to reimburse the State over a period of from 26 to 30 years.

UNIVERSITY OF MINNESOTA

The \$174,588,676 appropriated to the University's Board of Regents reflects an increase for the current biennium of \$39,589,231, or 29.3 percent

	1967 Legislature	1969 Legislature	Increase or (Decrease)
State Funds	\$128,737,891	\$167,490,115	\$38,752,224
Occupation Tax and Trust Fund Earnings	6,261,554	7,098,561	837,007
Total	\$134,999,445	\$174,588,676	\$39,589,231

Enrollments

Enrollments are estimated for and determined at the end of the second week of the fall quarter, generally the high point of the academic year. A comparison of the estimated and actual enrollments (including doctorate candidates) covering the Twin Cities, Duluth and Morris campuses for the past five years follows:

Year	University Estimate	Actual	Increase or (Decrease) from Estimate
1964-65	36,400	37,603	1,203
1965-66	41,200	41,308	108
1966-67	43,700	42,912	(788)
1967-68	46,315	44,817	(1,498)
1968-69	48,740	46,287	(2,453)

For the 1969-70 school year enrollment has been estimated at 47,500; for the 1970-71 at 49,680.

Additional Revenue

In addition to the appropriated funds, the Board of Regents estimates that during the current biennium it will receive \$68,547,125 in other income — \$38,554,350 from regular tuition and course fees; \$10,462,175 from overhead charges and earnings on temporary investments, and \$19,530,600 from dedicated special income including student fees for extension courses and summer sessions.

Receipts of University hospitals for services to paying patients are additionally available; neither the amount of such receipts nor the total of such expenditures is included in the above figures.

Academic Salaries Increased

The Legislature allowed for cumulative salary increases of 6.5 percent in fiscal 1970 and 6 percent in fiscal 1971 — at a biennial cost of \$8,610,182.¹

Staffing Ratios, New Positions

Funds provided are adequate to finance an over-all faculty-student staffing ratio of 1 to 12.35 for both school years of the current biennium. The ratio for the two previous school years had been set at 1 to 13.2. Librarians, counselors and administrators are included in the ratio.

Appropriations allow for 334.2 new academic positions and 312 new civil service positions at an estimated biennial cost of \$8,620,541.

Higher Tuition Rates

By action of the Board of Regents, substantial increases in tuition rates became effective the fall quarter of 1969.

For the Colleges of Agriculture, Forestry, Education and Liberal Arts, resident tuition was raised from \$98 to \$133 per quarter; non-resident tuition from \$280 to \$380.

For the Colleges of Dentistry, Medical Science and Hospital Administration, resident tuition was upped from \$168 to \$228 per quarter; non-resident tuition from \$380 to \$516.

Incidental fees for all students on the Minneapolis and St. Paul campuses remain at \$37 per quarter. Incidental fees remain at \$22 per quarter at Crookston Technical Institute, \$30 at Duluth, and \$33 at Morris.

Receipts from tuition and fees, estimated by the Board of Regents at \$18,753,281 for 1969-70 and \$19,801,069 for 1970-71, are additional to the state appropriations of \$174,588,676.

¹Excludes all Hospital and Special Appropriation Accounts, the Technical Institute at Crookston, and Technical College at Waseca.

National Defense Student Loan Program

State matching funds for the National Defense Student Loan Program were appropriated to the University in the sum of \$516,700. The State provides 10 percent, and the Federal government 90 percent, of the loan funds.

Special Appropriations

Special appropriations for various experiments, investigations and special research projects increased \$6,583,512 — from \$9,022,100 in 1967-69 to \$15,605,612 for the current biennium.

A Lift to Agriculture

\$10,556,500, or two-thirds of the special appropriations, are earmarked for the advancement of agri-business — \$5,550,000 for the Agricultural Extension Service, \$4,126,800 for general agricultural research, \$282,000 for soybean research, \$58,400 for potato processing research, \$113,300 for forest research and \$426,000 for the veterinary diagnostic laboratory.

Legislative approval was given to phasing out the School of Agriculture at Waseca in favor of a new two-year semi-professional program at college level, to focus on the general needs of agriculture and to lead to an Associate in Agriculture degree.

Medical Program Innovations

A number of items within the University's total appropriation are beamed at new approaches to the advancement of the science and practice of medicine.

Provision of a training ground for "specialists in family practice," to replenish the dwindling ranks of general practitioners, is the objective of a special appropriation of \$550,000. The money will institute a new course in "Family Practice and Community Health" in the School of Medicine.

An initial special appropriation of \$340,000 goes to the Duluth campus for preliminary activities looking toward establishment there of a separate basic sciences program as part of an expanded medical curriculum. The money will be used to employ a medical coordinator or dean, plan a building, recruit faculty and plan curricula.

An initial appropriation of \$78,500 looks toward a new "Department of Community Services" at University Hospitals, to provide advice and assistance to all of the State's health care institutions.

Other Medical Education Money

Additionally to funds appropriated to the University, appropriations totaling \$750,000 were made to encourage the study and practice of medicine.

\$400,000 to Hennepin County General Hospital for development and implementation of its family practice residency program. (Chap. 1154)

\$200,000 to the Northern Association for Medical Education for planning of an additional medical education facility. (Chap. 1154)

\$100,000 to the Mayo Foundation to develop methods of health care in small communities which lack adequate medical services and for developmental activities relating to private medical education. (Chap. 1154)

\$50,000 to the State Board of Medical Examiners for

loans and scholarships to students who will practice in municipalities of 3,000 or less population. (Chap. 928)

OTHER LEGISLATION PERTAINING TO THE UNIVERSITY

A full-scale course in Law Enforcement will get under way at the University in the 1970-71 school year. Graduates will win a Liberal Arts degree. Money from foundation and federal grants has been employed since April, 1968, to structure a four-year course. Special appropriation funds by the 1969 Legislature will implement the program.

Funds were provided by special appropriation to develop a continuing program of studies aimed at benefiting the industrial and governmental development of northern Minnesota. Research will be centered at the Duluth campus.

Continuation of the "Center for Urban and Regional Affairs" at the University, which concerns itself with "the development and coordination of support programs for the disadvantaged student, both prior to and after admission to the University," was financed by a special appropriation.

A special appropriation to the "Museum of Natural History" will implement a new curricula which emphasizes the interrelationships between various animals and their habitat.

HIGHER EDUCATION COORDINATING COMMISSION

Total appropriations to the Minnesota Higher Education Coordinating Commission jumped about 260 percent — from \$945,000 in the 1967-69 biennium to \$3,434,000 this biennium.

Principal factors in the sharp upturn in costs were an increase of \$1,200,000 in the appropriation for scholarships and a new appropriation of \$800,00 for "grants."

The scholarship program, for which \$1,450,000 was appropriated, is designed to assist "able and worthy" but financially handicapped students continue their education in public or private schools of their own choosing, including eligible vocational schools. This program was instituted by the 1967 Legislature with a \$200,000 appropriation.

The "able and worthy" language does not appear in the language of the law instituting the grant-in-aid program. The law specifies that candidates for grants must be high school graduates "or the equivalent," with selection on the basis of financial resources of both the candidate and family, and on admissibility to the public or private school chosen. (Chap. 1144)

Inter-Institutional TV

For inter-institutional educational television the 1969-71 biennium appropriation to the Commission is \$540,000, an increase of \$190,000.

Staff Studies Ordered

The Legislature requested the Higher Education Coordinating Commission to make a number of staff studies prior to the 1971 session:

... To provide information necessary for a decision as to size, location and facilities of an upper division state college.

... To determine the need for and feasibility of a junior college in or adjacent to St. Paul.

... Of current and emerging needs for post-secondary education.

... Of curriculums of the University, state colleges and state junior colleges.

... Of the relationship between area vocational schools and other institutions of higher learning.

OTHER EDUCATIONAL SERVICES

Additional education appropriations totaling \$3,831,150 were made for a variety of purposes — \$1,550,303 in deficiency appropriations to certain schools for costs incurred in the 1967-69 biennium; \$1,982,480 in supplemental retirement benefits to certain college personnel, to certain members of the State Employees Retirement Association, and to certain members of the Public Employees Retirement Association; \$250,000 for nursing scholarships; \$27,000 for the Education Commission of the States; and \$21,367 in deficiency appropriations for workmen's compensation and unemployment compensation.

B. Welfare

Federally-supported programs dominate Minnesota's efforts in the field of public welfare, and involve the spending of more than \$474,000,000 in federal, state and county funds during the current biennium.

For the five categorical aid programs the 1969 Legislature appropriated \$95,602,500 in state funds, an increase of \$28,093,500 or about 42 percent over the preceding biennium. The state's 87 counties are expected to provide a "matching share" of \$98,537,700. The Federal government share is \$256,969,100.

An additional \$22,941,879 in federal funds is anticipated for child welfare, crippled children's services, rehabilitation of the blind and other such activities.

For the operation of those institutions under the direction of the Department of Public Welfare, state appropriations increased \$15,547,437 to \$117,391,623.

For all other welfare purposes, except administration, state appropriations increased \$6,018,948 to \$15,657,298.

For administration of the Department of Public Welfare, \$7,275,000 was appropriated, up \$4,596,036 from the preceding biennium. Much of this increase was occasioned by a revision of the formula under which federal funds for welfare administration purposes are divided between the state and counties. (Chap. 749) Included in the administration appropriation was provision for 11 new positions, at an estimated biennial cost of \$58,267.

Total state appropriations for public welfare are \$235,926,421¹ for the current biennium.

¹ Includes Contingent Fund in amount of \$250,000 for emergency use for institutions under supervision of either the Department of Public Welfare or Department of Corrections. Excludes deficiencies for Employees Compensation and Unemployment Compensation.

CATEGORIAL AID PROGRAMS

"AFDC"

A case load that continues to proliferate, easing of requirements, and expansion of benefits, have combined to boost total money requirements for "Aid to Families With Dependent Children" for the current biennium by slightly more than 50 percent — from \$83,557,700 to \$126,376,000. The state appropriation climbed \$11,303,000 to \$27,703,000, counties are looked to for \$27,202,200, and the Federal government share is \$71,971,600. The State's share is \$500,000 higher than the counties' share because it is carrying a 20 percent matching (with the Federal government) share of the cost of a new "work incentive" program.

In June, 1963, 24 children out of each 1,000 under 18 years of age were "on AFDC." In June, 1968 it was 36 out of each 1,000. The ratio will continue to climb, according to the Department of Public Welfare, with a case load involving 62,890 children and 19,531 adults in fiscal 1971.

Legislative enactments expected to contribute to the increase in costs include:

... An amendment to the welfare laws effective July 1, 1970, permitting payment of AFDC where the father is living and at home but unemployed and unable to obtain employment. (Chap. 1026)

... Institution of a "work incentive program," now mandatory under federal law. "Appropriate" recipients of AFDC, as determined by county welfare agencies under state-prescribed standards, will be given opportunity for job training and placement by the Department of Employment Security. Their earnings during training or resultant employment, and for six months thereafter, will be protected against garnishment. (Chap. 747)

... Extension of benefits to children removed from the homes of relatives by court order. Such children may be placed in foster homes or licensed private child care institutions. Marital and financial status of parents are eligibility factors. (Chap. 740)

... An amendment to the welfare law increased the exemption of family earnings in determining the amount of AFDC payable by excluding all of the part-time earned income of a dependent child attending school, and the first \$30 per month plus one-third of the remainder of the income of an adult recipient or a dependent child not attending school. (Chap. 747)

"OAA"

Over-all costs of "Old Age Assistance," which dropped \$15,000,000 last biennium due primarily to a procedural change — the transferring out of medical expense — are expected to climb \$29,000,000 this biennium largely because of another change in procedure: the transfer in of "non-medical intermediate nursing home cases."

With the total costs estimated at \$65,670,000, the State's appropriated share is \$12,371,000. Counties are to meet \$15,549,000 of the costs, and the Federal government will provide \$37,399,000.

A decline in the case load from 26,535 in fiscal 1970 to 25,233 in fiscal 1971 is forecast by the Department of Public Welfare.

Principal changes in state law relating to OAA were these:

... Exemption of earnings of up to \$50 a month in determining eligibility for benefits. (Chap. 908)

... An increase from \$500 to \$1,000 in the cash surrender value of insurance policies exempted in determination of eligibility. (Chap. 906)

... Exemption from licensing by the State Board of Health of boarding homes providing chronic or convalescent care for up to four (previously, two) aged and infirm persons. (Chap. 358)

"AD"

Out of every 1,000 persons in Minnesota aged 18 through 64, more than 6 are expected to collect "Aid to the Disabled" benefits during the current biennium. The ratio has increased by about half in the last three years, and costs have more than doubled.

Case loads averaging 10,780 in fiscal 1970 and 12,155 in fiscal 1971 are anticipated.

With over-all costs estimated at \$25,538,000, the state appropriation is \$5,485,000, an increase of \$2,210,000. Counties are looked to for \$5,497,000, and the Federal government for \$14,544,000.

"AB"

Smallest of the federally-supported public assistance programs is "Aid to the Blind."

The case load has declined steadily, and is expected to drop from 768 in fiscal 1970 to 746 in fiscal 1971.

With over-all costs estimated at \$1,738,000, the State's appropriation is \$368,000, the counties' share \$374,000, and the Federal government's \$990,000.

"MAN"

Total costs of the Medical Assistance to the Needy program this biennium are expected to approach the quarter-billion dollar mark under the combined impact of a soaring case load and climbing medical costs.

The total money requirement was put at \$231,895,500. The State's appropriation of \$49,675,500 was an increase of \$11,975,300 from the previous biennium. Counties will bear an estimated \$49,915,500 of the load, and the Federal government \$132,064,500.

This phase of the welfare program provides for the medical needs of persons receiving AFDC, OAA, AB and AD benefits, of persons needing medical assistance but disqualified by financial status for AFDC, OAA, AB or AD benefits, and of children under age 21 in low-income families.

The average monthly case load in fiscal 1969 was estimated at 73,753, at an average monthly cost per case of \$109.07. The case load is expected to climb to an average of 80,225 in fiscal 1970, at an average monthly case cost of \$112.78, and to 88,388 in fiscal 1971 at an average monthly case cost of \$120.07.

Several laws relating to the MAN program were enacted:

... Eligibility restrictions were liberalized to conform to federal requirements. Income exemption for a single person was increased from \$1,620 to \$1,740, for a married couple or two members of one family from \$2,220 to \$2,424, and for additional dependents from \$408 to \$516 each. (Chap. 841)

... County welfare agencies were authorized to pay for medical care for approved recipients in any licensed medical facility anywhere in the United States or Canada. (Chap. 395)

... Licensing of nursing home administrators was order-

ed, and a State Board of Examiners created, to conform to federal requirements. The Board will have nine voting members appointed by the Governor and two non-voting members representing the Commissioner of Public Welfare and the State Board of Health. Licensing begins July 1, 1970. An initial appropriation of \$50,000 for the biennium was provided. (Chap. 770)

Equalization Aid

Tighter requirements, taking into account recipient rate, per capita income, per capita taxable value, and per capita expenditures for welfare, were set for counties seeking state aid in meeting the local share of welfare costs. The state appropriation for such equalization aid is \$2,000,000, down \$600,000 from the preceding biennium. (Chap. 1136)

OTHER WELFARE ACTIVITIES

Mental Institutions

Substantial changes in Minnesota's system of providing institutional medical care were approved by the 1969 Legislature.

The State now operates seven hospitals for the mentally ill, five hospitals for the mentally retarded, and a "residential treatment center." Chapter 1136 of the Session Laws authorized these changes:

- ... Conversion of portions of 10 of the 12 hospitals into multi-purpose regional centers for programs relating to care of the mentally ill, mentally retarded, inebriates, and elderly persons requiring nursing home care. (Chap. 1136)

- ... Phasing out of two of the hospitals for the mentally retarded: the Shakopee Home for Children (girls) by January 1, 1970, and the Owatonna State School by July 1, 1970.

- ... Reassignment from the Minnesota Residential Treatment Center at Lino Lakes to Anoka State Hospital by July 1, 1970 of highly emotional mentally ill children, and transfer of the Welfare department's portion of the Center to the Department of Corrections.

- ... Approved welfare complements (other than Administration) were reduced by 107.16 positions at an estimated biennial saving of \$2,722,552 — largely due to the reassignments and phasing out of programs outlined above.

Appropriations are \$43,059,983, up \$6,367,459, for the hospitals for the mentally retarded at Brainerd, Cambridge, Faribault, Owatonna and Shakopee.

Appropriations total \$343,150, a decrease of \$980,034, for the Welfare Department portion of the Minnesota Residential Treatment Center.

The patient load of mentally ill, which reached an all-time peak of 11,562 on September 30, 1954, has been declining steadily since then. It is estimated to average 4,382 in fiscal 1970 and 4,142 in fiscal 1971.

The number of mentally retarded patients also has been declining, but more gradually. The institution population of mentally retarded on April 30, 1969 was 4,859 — down 361 from a year ago and 1,208 less than five years ago. The patient load is estimated to average 4,459 in fiscal 1970 and 4,069 in fiscal 1971.

Appropriations to the combined group of hospitals and the residential treatment center allow for 5,763 employees — an over-all ratio of about five employees to seven patients.

Special Schools

The Legislature appropriated \$3,929,579 for two special schools: the Braille and Sight Saving School, with an estimated 100 students, and the School for the Deaf, with 300. The appropriations reflect an increase of \$820,808.

Special Hospitals

The Legislature appropriated \$14,083,719 for the three special hospitals: the Gillette State Hospital for Crippled Children, with an estimated 100 patients, the Ah-Gwah-Ching Nursing Home, with 480, and the Glen Lake Sanatorium and Oak Terrace Nursing Home, with 375. The appropriations reflect an increase of \$2,025,985.

Community Health Centers

State support for community mental health centers was doubled. With all 87 counties participating, 25 publicly-operated centers and three private foundation clinics provide a variety of health services including out-patient assistance to the mentally ill, mentally retarded, and inebriates. The State's \$6,500,000 appropriation will pay half of the operating costs.

Daytime Activity Centers

Appropriation of \$1,800,000 doubled the amount provided for the preceding biennium for state aid to daytime activity centers for the mentally retarded. Sixty-eight such centers provide educational and vocational activities for children and adults not admissible to special classes in public schools or where there are no such special classes. Authority for increased local tax levies for this purpose, with levy limits varying as between urban and rural areas but in all cases held to a fraction of one mill, was granted. (Chap. 905)

General Relief — Indians

The Public Welfare Department was directed to reimburse counties, cities, towns or any other political subdivision for up to 75 percent of the cost of relief and related services (other than care in the University hospitals, state institutions or sanatoriums) for Indians. By definition, an Indian is a person having at least one-fourth Indian blood, listed by the U.S. Bureau of Indian Affairs as an Indian, and residing elsewhere than on the Red Lake Reservation. An appropriation of \$330,000 was provided for the current biennium. (Chap. 909)

OTHER LEGISLATION PERTAINING TO WELFARE

Other legislative actions relating to public welfare included these:

- ... An initial appropriation of \$1,800,000 was made for the State's share of the cost of providing care and treatment of mentally retarded or epileptic children under 18 years of age outside of their homes or state institutions. (Chap. 582)

- ... A new appropriation of \$200,000 was made to further the program of medical care for crippled children with heart lesions and with cleft lip and palates, supplementing existing federal funds. (Chap. 1136)

- ... Authority was given police and health officers to take persons "found intoxicated in public" to state hospitals, mental health centers or other institutions equipped to treat alcoholism. (Chap. 1043)

- ... Courts were authorized to commit to mental hospitals persons with "psychopathic personality" and deemed dangerous to the public. (Chap. 431)

C. Corrections

Preliminary steps toward a sweeping statewide overhaul of local jails and like facilities were taken by the 1969 Legislature. While the initial appropriations for this purpose amount to only \$250,000, they are viewed as fore-runners of a cost-sharing plan that could require many millions of dollars of state funds biennially.

For the operation of those institutions under the direction of the Department of Corrections, state appropriations increased \$5,623,765 to \$26,717,884. Appropriations for all other corrections activities, except administration, increased \$1,058,127 to \$2,413,927.

For administration, \$5,087,375 was appropriated, up \$1,391,710 from the preceding biennium. Included in the administration appropriation was provision for 26 new positions at an estimated biennial cost of \$425,782.

For the current biennium, total appropriations for corrections activities are \$34,219,186, an increase of \$8,073,602.¹

Correctional Institutions

The appropriation for penal institutions for adults — the State Prison, the Reformatory for Men and the Correctional Institution for Women — is \$13,031,585, an increase of \$2,243,477.

For youth and juvenile institutions — the State Training School for Boys, the Minnesota Home School, three Youth Conservation Camps, the Rochester Vocational Center and the Diagnostic and Reception Center — \$13,686,299 was appropriated, an increase of \$3,380,288.

Appropriations anticipate an average daily population of 1,730 in the institutions for adults and 885 in those for youths and juveniles, with little net change in the total from the 1968-69 biennium.

Inmates will outnumber employed personnel by an over-all ratio of about two and one-quarter to one. An increase of 100.50 in the total number of correctional institution personnel was authorized, raising the total to 509.25 in adult institutions, and 654.40 in youth and juvenile institutions. The biennial cost of such added personnel is estimated at \$1,745,873.

Minnesota Reception and Diagnostic Center

Full management of the Minnesota Residential Treatment Center was transferred to the Department of Corrections, for detention, care and treatment of children and youths adjudged delinquent and committed to the care of the Youth Conservation Commission by juvenile courts. (Chap. 1136) Heretofore, a portion of the center was utilized by the Department of Public Welfare for the care of highly emotional mentally ill children.

The Local Jail Plan

Legislative directions for the restructuring of Minnesota's local facilities for incarcerating lawbreakers are contained in Chapter 1136 of the Session Laws:

... An appropriation of \$50,000 for preparing a comprehensive statewide plan for regional jail facilities, and to include rehabilitation of existing jails, with future provision of state funds for half of the construction, rehabilitation and operating costs.

... An appropriation of \$50,000 for preparing a similar plan for regional juvenile detention centers.

... An appropriation of \$150,000 to pay half the cost of constructing, rehabilitating and operating such centers.

Other "Corrections" Notes

A variety of other actions were taken by the Legislature looking toward improvement of Minnesota's methods of and facilities for handling lawbreakers:

... The appropriation for foster homes providing group care for youthful offenders was upped \$125,760 to \$346,560. The funds will provide for 19 such homes housing an average aggregate of 90 youthful guests. (Chap. 1136)

... The Department of Administration was instructed to prepare plans for construction of a "secure treatment facility" for incorrigible juveniles, and \$50,000 was provided for that purpose. (Chap. 1136)

... The Department of Corrections was authorized to establish a community correctional center for persons convicted of felonies or gross misdemeanors or on parole. (Chap. 1136)

... Local units of government, except in Hennepin, Ramsey and St. Louis counties, were authorized to establish community correctional centers to house, supervise, treat and counsel persons convicted of crimes, delinquent children, Youth Conservation Camp parolees, and some persons waiting trial on criminal charges. (Chap. 761)

... Authority was given for reciprocal interstate compacts relating to confinement of persons convicted of felonies (Chap. 595) and to supervision of parolees and probationers, including jailing of violators. (Chap. 596)

... Supervision and licensing authority over municipally operated detention and treatment facilities for delinquent children and youth was transferred from the Department of Public Welfare to the Department of Corrections. (Chap. 493)

¹ Excluding Contingent Fund appropriation and deficiency appropriations for Employees Compensation and Unemployment Compensation.

D. Highways

For planning, constructing, maintaining and policing Minnesota's nearly 14,000-odd miles of state highways and roads this biennium, \$539,945,053 will be available — an increase of \$71,150,366.

From state revenue sources — principally the gasoline and motor vehicle registration taxes — \$251,445,053 was appropriated. Of this sum, \$42,746,853 was in the omnibus appropriation bill covering principally the Administration, Legal and Safety Divisions, and \$208,698,200, including \$60 million in highway bonds, was in open appropriations for highway construction, maintenance operations and other miscellaneous activities. These appropriations are down \$13,457,534 from the preceding biennium.

Federal funds are up \$84,607,900 to an estimated total of \$288,500,000 (\$54,000,000 on the regular trunk highway system, and \$234,500,000 on the interstate system).

Additionally, state aids estimated at \$119, 604,740 will go to counties, cities and villages for local street and highway work outside of the trunk highway and interstate systems.

About half of the spending for state highways will be on the 904-mile federal interstate highway system. As of January 1, 1969, 438 miles of interstate highways had been completed, 192 miles were under construction, and 274 miles were in preliminary phases: engineering or right-of-way.

Increased Staff

Authority for 67 additional employees raises the authorized complements of the Administration, Legal, and Safety Divisions of the Department to 1,240 in fiscal 1971. Of these, 293 will be in the Administration Division, 38 in the Legal Division, and 909 in the Safety Division.

The combined estimated biennial cost of the 17 additional new employees in the Administration Division and the 50 additional new employees (including 40 patrolmen) in the Safety Division is \$988,658.

The above complements do not include the number of permanent employees in the Construction and Maintenance Divisions, reported to be 6,020 on September 9, 1969.

Highway Patrol

An expanded highway safety program was made possible by an increase of \$4,029,915 in the appropriation for the Safety Division, raising the total for the current biennium to \$19,427,812.

Twenty additional patrol officers in fiscal 1970 and 20 more the following year will raise the total to 477 by the end of the 1971 fiscal year. Total personnel authorized for the Safety Division is 909.

Under the 1969 Government Reorganization Act (Chapter 1129) the Highway Patrol, and also the Driver's License Division, were transferred from the Department of Highways to a new Department of Public Safety.

HIGHWAY MILESTONES

More miles of streets and highways were made eligible for state aid funds. Chapter 214 increased the mileage limit for the municipal state aid street systems from 1,500 to 2,000 miles. Chapter 63 added "all trunk highways reverted or turned back to the jurisdiction of counties" to the previous mileage limit of 30,000 miles for the county state aid highway system.

Other Legislative Actions Relating To Highways:

... Removed the \$20 million per year spending limitation on the sale of general trunk highway bonds authorized by the 1967 Legislature. (The Department has \$60 million remaining to be sold of the original \$100 million in 20-year serial bonds authorized.) (Chap. 345)

... Extended through 1971 permission to use metal-studded tires (from October 15 to May 1) on state highways. (Chap. 245)

... Directed the Highway Department to study and report on the damaging effect, if any, on highways, of metal tire studs, salt de-icing materials, and other chemical or physical materials. (Chap. 245)

... Authorized acquisition of land in South Dakota for a combined rest area and tourist information center. (Chap. 89)

... Authorized negotiation of contracts for maintenance services for rest stops and tourist information centers on trunk and interstate highways. Such contracts must "promote and encourage" the employment of needy, elderly persons. (Chap. 157)

... Extended until September 15, 1970 the exemption, from spacing and prohibited-area regulations, of billboards or other devices advertising resorts, restaurants or other tourist-related activities. (Chap. 855)

... Authorized the Highway Department to find decent, safe and sanitary housing for persons displaced by highway right-of-way acquisitions, as required by the Federal Highway Act of 1968. In addition to paying for the property the state now must pay all reasonable moving costs, property transfer expenses, up to \$5,000 supplementally for replacement housing, up to \$5,000 or one year's average net earnings in lieu of moving expenses to displaced farms or businesses, and up to \$1,500 supplemental rent to a displaced tenant or owner who chooses to rent. (Chap. 344)

... Authorized the Highway Department to authorize the governing body of any political subdivision to acquire and develop lands in replacement of lands to be taken for trunk highway purposes, the cost of such acquisition and development to be paid by the Highway Department. Provision of such replacement land is mandatory in the case of parks, permissive in the case of other land, when replacement action is instituted by the local units of government. (Chap. 968)

... Outlined procedures to be followed in settling disputes between and among municipalities and the Highway Department respecting the routing of trunk highways through municipalities. A three-member appeal board, whose decisions will be binding, was ordered established. (Chap. 312)

... Set the time deadline for display of motor vehicle license plates on vehicles at not later than 12:01 a.m. on March 2. (Chap. 75)

E. Other Executive Branch Functions

While property tax relief, aids to local government, shared taxes, and the costs of education, welfare, highways and corrections dominate the State's budget picture, a multitude of other executive branch services require nearly \$218,000,000 this biennium.

Appropriations from state money totaling \$159,417,079 — an increase of \$35,570,420 — will be supplemented by \$58,495,108 in federal grants for such activities and programs as the Department of Employment Security, civil defense mobilization and resource management, control of tuberculosis, cancer and venereal disease, maternal and child health care, hospital surveys, urban planning, police training school and the Veterans Home.

Included in the appropriations was provision for 228.15 new positions at an estimated biennial cost of \$4,305,277.

GOVERNMENT REORGANIZATION

A firmer grip on the reins of authority over most administrative functions of the State was given to the Governor by the "Government Reorganization Act." (Chap. 1129)

A principal provision of the Act authorizes the Commissioner of Administration, subject to approval of the Governor, to transfer functions and appropriations from one department to another. Another provision sets the term of office of department heads at four years to coincide with the term of the Governor. The term of the Commissioner of Education was cut from six to four years, but appointment authority was left with the State Board of Education.

New Department of Public Safety

The Reorganization Act also brought together into a new Department of Safety a variety of law enforcement and related services, effective January 1, 1970, including:

- ... Bureau of Criminal Apprehension, from the Office of the Attorney General.
- ... State Highway Patrol, from the Department of Highways.
- ... Driver's License Division, from the Department of Highways.
- ... Motor Vehicle Division, from the Secretary of State.
- ... Driver Training, from the Department of Education.
- ... Capitol Complex Security Force, from the Department of Administration.
- ... Civil Defense Agency.
- ... Licensing and regulation of private detectives, from the Secretary of State.
- ... State Fire Marshal, from the Division of Insurance.

Other provisions of the Reorganization Act:

- ... Established a section of Consumer Services in the Department of Commerce to enforce the laws relating to consumer fraud and unlawful practices.
- ... Created an Urban Affairs Council and Urban Action

Center within the State Planning Agency, to draft recommendations on urban problems for submittal to the Governor and Legislature.

... Created an inter-departmental task force within the State Planning Agency to study the State's transportation needs.

... Renamed the Department of Conservation the Department of Natural Resources.

... Abolished the State Geographic Board and transferred its duties to the Department of Natural Resources.

... Transferred collection of oleomargarine taxes and the boxing gross receipts tax to the Department of Taxation.

... Established a Bureau of Mediation Services in the Department of Labor and Industry but under the supervision of the Labor Conciliator.

THE GOVERNOR

Appropriations to the Governor total \$2,302,864, much of which is for agencies and commissions over which the Governor has direct supervision.

For administration of the executive offices \$752,000 was appropriated, up \$211,045 from the preceding biennium.

The Statewide Planning Agency, headed by the Governor, was granted \$729,634, an increase of \$179,634. New items included \$142,334 for the Upper Great Lakes Regional Commission, \$50,000 for the Fort Snelling Sesquicentennial, and \$40,000 for a drug abuse and addiction program.

Other activities over which the Governor has direct authority are the Governor's Commission on Employment of the Handicapped, \$55,142; Civil Defense, \$344,754; and the Souris-Red-Rainy River Basin Commission, \$60,000.

GENERAL STATE GOVERNMENT

Appropriations to the State Auditor, the State Treasurer, the Secretary of State, to the Departments of Administration, Taxation, and Economic Development, and to a host of other state and semi-state departments and agencies total \$59,328,685, up \$12,541,662 from the 1967-69 biennium.

The largest single departmental appropriation in the "general state government" category is \$20,707,718 to the Department of Taxation — up \$3,743,582. Appropriations for operations of the Department of Administration total \$8,913,580 — an increase of \$1,836,758. Appropriations to the Secretary of State, including those for mobile home administration and the motor vehicle division, total \$6,638,501, up \$105,362. Civil Service appropriations total \$1,517,906 and those of the Department of Veterans Affairs, \$2,156,527. Appropriations to the Department of Economic Development total \$2,988,362, up \$528,881.

Other major departments and divisions in the general government grouping include the State Auditor, \$1,196,049; the State Treasurer, \$484,377; Minnesota Historical Society, \$1,707,523; the Public Examiner, \$933,100, and Minnesota Veterans Home, \$896,324.

New appropriations include \$631,800 for operation and maintenance of the Capitol Square Building, \$900,000 for computer acceleration, \$15,000 for registration of debt prorating agencies, \$2,000 for the Advisory Commission on Inter-governmental Relations, and \$375,000 for a career executive contingent.

PROTECTION TO PERSONS AND PROPERTY

The provision of protection to persons and property is, at the state level, a vast and varied undertaking involving many departments and types of activity.

For the current biennium, appropriations for these many protection services total \$36,559,221, an increase of \$4,571,504. This total does not include appropriations for the State Highway Patrol, presently attached to the Highway Department but which will be a part of the new Department of Public Safety commencing January 1, 1970.

Appropriations to the Attorney General, whose office falls into the "protection" category, include \$1,425,032 for the office and legal staff, \$2,257,980 for the Bureau of Criminal Apprehension, and \$788,366 for other purposes including the state teletypewriter communication network and the criminal justice contingent.

Major single item in the "protection" category of appropriations is \$7,303,832 to the Public Service Commission, charged with regulatory authority over utility, transportation, grain warehousing and other such activities. The appropriation is down \$2,888,045 from that for the preceding biennium because grain weighing, formerly done by state weighers, is now being performed by federal personnel in most grain terminals.

In the Department of Commerce, appropriations for the Division of Banking, the Division of Insurance (including the State Fire Marshal), and the Division of Securities total \$3,999,231, up \$806,368.

Other departments and divisions in the "protection" category include Labor and Industry, for which \$3,428,155 was appropriated; the Adjutant General, \$3,574,055; the Labor Conciliator, \$466,811; the Liquor Control Commissioner, \$754,708; the Department of Human Rights, \$487,411; the Board of Health, \$4,325,660; the Livestock Sanitary Board, \$2,223,141; the Commission on Alcoholic Problems, \$93,700; for Sheriffs' expenses, \$64,000; and the Department of Aeronautics, to which was appropriated \$811,943 for its administrative offices and \$4,555,196 for airport improvements and navigational aids.

Registration of Certain Securities

The law governing registration of securities (Sec. 80.05, Subd. 6) was amended to provide that anyone selling negotiable instruments to the public through the advertising media or otherwise, must register such securities with the Division of Securities. Formerly, these notes were exempt from registration and the State lacked control over such transactions. (Chap. 586)

Uninsured Motorist Coverage

Chapter 630 makes uninsured motorists coverage mandatory in all automobile insurance policies, but provides that until January 1, 1970, the insured may reject this coverage in writing. After January 1, 1970, the insured has no right of rejection, in writing or otherwise.

Insurance — Variable Basis Contracts

Chapter 752 amends the statute relating to variable annuities, putting all phases of the regulation of the companies and agents selling variable annuities in the Insurance Division. The Securities Division no longer plays any role in this area.

Insurance — Coverage of Handicapped Dependents

Chapter 436 requires that all policies (both individual and group) issued by insurance companies, and all contracts issued by medical and hospital service corporations, must provide for continued coverage of dependents over the age of 19 who are mentally retarded or physically handicapped and dependent upon the policyholder.

Automobile Liability Insurance — Non-Renewal

Chapter 845 requires insurance companies to provide an insured with the reason for refusing to renew a policy of automobile insurance when the insured requests such information. It also requires the insurer to give the insured 60 days advance notice of its intention not to renew. It also provides that no insurer shall fail to renew an automobile liability policy solely because of the age of the insured.

Insurance — Trade Practices

Chapter 229 regulates the right of a financial institution to require that insurance covering mortgaged property must be placed in a particular insurance company.

Bureau of Mediation Services

Chapter 1129, Article II, Section 1 changes the titles of the Division of Labor Conciliation, the labor conciliator, and special conciliators to the Bureau of Mediation Services, the director, and special mediators. The new titles emphasize the neutrality of this agency, which has no enforcement powers.

Hospital No-Strike Mandatory Arbitration Amended

Chapter 1129 amends M.S., Sec. 179.38, commonly known as the "Hospital No-Strike Mandatory Arbitration" law, to provide that when a dispute is submitted to the binding arbitration panel, the Governor shall submit a list of five names (previously one name) with each party (the charitable hospital employers and their employees) striking two names from the list. The remaining name then becomes the neutral arbitrator. This amendment is intended to eliminate the possibility of any partiality on the part of the Governor.

Labor and Industry

Chapter 765 creates within the Department of Labor and Industry an 11-member Occupational Safety and Health Advisory Board to be appointed by the Governor. The Board shall propose standards for the prevention of accidents in all places of employment and for the protection of the life, health and safety of employees.

Equal-Pay-for-Equal-Work-Law

Chapter 143 abolishes differential wage rates based on sex. The law provides that there shall be no discrimination in wages based on sex if jobs require equal skill, effort and responsibility, except where such payment is based on a seniority system, a merit system, a system which measures earnings by quantity

or quality of production or other differentiating factor other than sex.

Licensing and Regulation of Collection Agencies

Chapter 766 gives to the Department of Labor and Industry the responsibility for licensing and regulating collection agencies. This is a new state authority.

Debt Prorating Agencies

The sum of \$15,000 was made available to the Commissioner of Banks to cover the licensing and regulation of debt prorating agencies whose financial planning service is deemed to be a matter of public interest and concern. (Chap. 1120)

Water Conditioning — Regulation

The State Board of Health was authorized to prescribe minimum standards for all new water conditioning servicing and water conditioning installations, including additions, extensions, alterations, and replacements connected with any water or sewage disposal system. A Water Conditioning Advisory Board of nine members may be appointed by the State Board of Health to assist in the establishment of rules, regulations, and standards for water conditioning installation and servicing. License fees for contractors (\$25) and for each installer (\$10) are to be paid to the State Treasurer and appropriated annually to the State Board of Health for salaries and expenses in carrying out provisions of the act. (Chap. 898)

Department of Human Rights

Appropriation of \$487,411 to the Department of Human Rights reflects an increase of nearly \$150,000 or 44 percent for the biennium.

There were a number of amendments to the Anti-discrimination Act. One prohibits discrimination in employment on the basis of sex. Another enables the Department of Human Rights to review the employment policies of business firms. Another authorizes the revocation or suspension of state licenses of businesses or firms found guilty of discrimination. Another requires a certificate of compliance with the Anti-discrimination Act before award of a state contract.

NATURAL RESOURCES

Cigarette smokers may not realize that their every puff helps in making Minnesota a better and more attractive state in which to live.

One cent of the 13 cents state tax now paid on a package of cigarettes is earmarked for the preservation, development and maintenance of natural resources, including forests, parks, historic sites, wildlife areas, lakes, streams, scenic areas and camping grounds.

Another cent, added by the 1969 Legislature, is dedicated to capital outlay for state parks and other "open space" acquisition and development. The \$16,228,653 provided by the two cents in cigarette taxes was supplemented by \$920,500 from the state parks development account and was apportioned among various agencies for specific purposes:

... \$2,000,000 for acquisition of land for state parks, waysides, recreational reserves and trails.

... \$1,000,000 for development of major state parks of the state.

... \$2,000,000 for regional parks and open space in the seven-county metropolitan area.

... \$2,000,000 for parks serving regional and sub-regional needs outside the metropolitan area.

... \$500,000 for planning and engineering expense for a statewide zoo.

... \$5,525,000 to the Commissioner of Administration for a variety of purposes ranging from spawning land acquisition, to topographic mapping, to grants to local units of government.

... \$2,629,500 to the Commissioner of Conservation for a similarly varied program including primarily acceleration of state parks improvement.

... \$659,803 to the Minnesota Historical Society for a dozen historic projects.

The remaining \$834,250 went in varying sums to the University of Minnesota, the Minnesota Resources Commission, the Department of Economic Development and the State Planning Agency, for administration, research, mapping and other purposes.

Most of the \$39,687,366 in "normal" appropriations for natural resource activities went to the Department of Natural Resources. Included are \$10,492,871 for the Game and Fish Division, \$7,616,450 for the Lands and Forestry Division, \$4,123,188 for the Division of Parks and Recreation, \$4,576,939 for the Division of Enforcement and Field Services, \$2,219,648 for the Waters, Soils and Minerals Division, \$1,150,000 for the boat and water safety program, and \$1,100,000 for deer, upland game and waterfowl and other game and fish management.

The "Crystal Waters" Act provided \$1,500,000 in state grants in aid for the payment of interest on water pollution control projects eligible under federal statutes and regulations for a grant of funds to cover the cost of such project. (Chap. 825)

Lesser items made up the balance of the \$56,836,519 total appropriated for development and conservation of natural resources.

AGRICULTURE

The Department of Agriculture appropriations total \$4,389,790, up \$817,928 from the preceding biennium.

State-Federal Meat Inspection

Chapter 225 deals with regulating the slaughter, preparation, and handling of meat in commerce within the state as outlined by the Federal Meat Inspection Act. The law provides for ante-mortem and post-mortem inspection of animals, surveillance of processing facilities and other sanitary and labeling requirements.

Soy Bean Promotion Act

Chapter 277 provides for the market development, promotion, advertising, market research and production of soybeans. A Minnesota Soybean Advisory Board was also created. An initial state appropriation of \$25,000 was made available, to be refunded to the State Treasurer within one year after implementation of the promotional order, from fees collected.

Pesticide Control Program

The Commissioner of Agriculture was given authority to restrict and control the use of all pesticides (Chapter 236), and an appropriation of \$30,000 for this purpose was made. (Chap. 1139)

Interstate Pest Control Compact

Chapter 1020 authorized Minnesota to join a national "interstate pest control compact" aimed at reducing the depredations of migratory pests that cause an estimated \$7,000,000,000 damage annually to crops and other vegetation. An appropriation of \$29,000 for Minnesota's share of the costs was provided.

Licensing and Registration of Structural Pest Operators

All commercial pest applicators applying pesticides in structures will be required to be either licensed or registered by the Commissioner of Agriculture. In Minneapolis and St. Paul, where ordinances exist requiring licensing of such operations, a state registration (annual fee of \$10) will be necessary; in all other political subdivisions the applicant must secure a state license (\$50). (Chap. 1032)

Name of Soil Conservation Districts Change

Chapter 637 changes the name of the "Soil Conservation Districts" to "Soil and Water Conservation Districts" and gives county boards the power to levy a tax of up to two mills or \$15,000, whichever is lesser, on all taxable property in the districts to finance their activities.

METROPOLITAN AREA AFFAIRS

The 1969 Legislature gave substantial attention to the needs of the fast-growing Twin Cities Metropolitan Area: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington Counties.

A number of enactments implemented recommendations made by the Metropolitan Council, a 15-member coordinating group created by the 1967 Legislature, and expanded the Council's authority in specific fields.

Metropolitan Sewer System

The Metropolitan Sewer Act places responsibility for long-range sewerage planning in the hands of the Metropolitan Council, which, through a seven-member Sewer Service Board, will take over, acquire, construct, operate, and maintain all interceptors and treatment works necessary to collect, treat, and dispose of sewage in the metropolitan area in a manner that will protect public health and natural resources, specifically water, from pollution. (Chap. 449)

After appointment of the Sewer Service Board and upon request of the Council, the State Auditor is required to advance the sum of \$500,000 to carry out the powers and duties of the Board. On or before January 1, 1971 moneys so

advanced are to be repaid plus interest at the rate of six percent per annum. (Chap. 1114)

Solid Waste Disposal

Chapter 847 (the Solid Waste Act) provides for joint inter-government action to make certain that the metropolitan area is able to dispose of its solid waste in a planned, economical and efficient manner consistent with the protection of public health, safety, and welfare. The Metropolitan Council is to develop a system plan containing the general location of solid waste disposal sites, site criteria, and operational standards. The counties are to acquire, finance, develop, and operate sites or license private operators to do so. The Pollution Control Agency (PCA) is to develop air and water pollution standards and issue licenses for the operation of such solid waste disposal facilities.

Minnesota Zoological Garden

Chapter 868 created an 11-member statewide board to plan, acquire, construct and operate a Minnesota zoological garden to be located in the seven-county metropolitan area.

Chapter 879 makes \$500,000 available during the 1969-71 biennium for zoo planning and engineering purposes. The funds will come from a one-cent-per-pack cigarette tax increase.

Metropolitan Park Board Created

Chapter 1124 established a Metropolitan Park Board consisting of seven members to assist the Metropolitan Council in the preparation of a comprehensive long-range plan for the preservation, acquisition, development and regulation of parks and large open spaces in the metropolitan area as well as other open spaces along rivers and streams and around lakes; historic sites, and trails.

Airport Zoning

In Chapter 1111 the Metropolitan Council was given authority to set criteria and guidelines for land use and development extending three miles from boundaries of any proposed new major airport, or out five miles in any direction to protect natural resources.

The Council also was directed to determine probable aircraft noise levels in various parts of the metropolitan area.

Jurisdiction of the Metropolitan Airports Commission was extended from 25 miles to 35 miles for airport site selection and control.

State and Regional Parks and Open Space Program

The sum of \$2,000,000 was appropriated for regional parks and open space in the seven-county metropolitan area.

Tax Levy Increased

The Metropolitan Council was authorized to levy a tax not to exceed seven-tenths (previously five-tenths) of one mill on all taxable property in the seven-county metropolitan area. (Chap. 1114)

F. Legislative

The cost of state law-making will rise somewhat this biennium.

Appropriations for purposes of the Legislature total \$8,944,181, up \$2,294,662.

Less than one-third of the appropriation total is for the legislators' salaries. Most of the rest is for costs incidental to the conduct of the biennial session: salaries of clerks, stenographers, committee secretaries, pages, doormen and other employees, the printing of bills, Senate and House journals and other material, supplies, the living expense per diem of members, and a host of miscellaneous items. Provision is also included to cover interim costs of activated standing committees.

The appropriations include funds for various permanent commissions and committees: \$108,000 for the Legislative Services Commission (formerly the Legislative Research Committee), \$80,000 for the Indian Affairs Commission, \$157,500 for the Legislative Retirement Study Commission, \$52,000 for the Legislative Building Commission, \$25,000 for the Commission on Taxation and Production of Iron Ore and Other Minerals, \$15,000 for the State Claims Commission, and \$3,290 for the Legislative Advisory Committee.

Other statutory commissions and committees involving one or more legislators and for which funds have been provided are:

Minnesota Resources Commission	\$100,000
Interstate Cooperation Commission and Council of State Governments	55,350
The Great Lakes Commission	32,000
Uniform Laws Commission	7,500
Iron Range Resources and Rehabilitation Commission	976,423
The Education Commission of the States	27,000
Great Lakes Basin Commission	40,000
Advisory Committee to State Planning Agency	1

¹ Included in appropriations for State Planning Agency

Interim Studies by Standing Committees

House Concurrent Resolution No. 10, with the Senate concurring, authorized and directed that certain interim studies be undertaken by standing committees of the House of Representatives and the Senate. These include (1) a tax study of Minnesota's total tax structure, (2) a study of governmental immunity, (3) a reapportionment study, (4) an economic study of the Lake of the Woods and the Rainy Lake area, and (5) a study of the Minnesota experimental city, its needs and requirements.

For the Revisor of Statutes, whose legal and clerical staff, at the request of legislators, readies for introduction most of the bills considered by the lawmakers each session, \$426,991 was appropriated, an increase of \$82,324.

Included also is an appropriation of \$40,000 to cover preparation of a film about the Legislature and its part in state government, for use in schools and for other educational purposes. (Chap. 966)

G. Judicial

Budgetwise, the judicial phase of state government in Minnesota is relatively inexpensive.

For the Supreme Court, this biennium, the appropriation is \$1,337,011, an increase of \$350,804.

For District Courts (the State pays the basic salaries of District Court judges), the appropriation of \$3,302,000 covers the salaries of 70 judges at \$22,000 annually, plus supplies and expenses.

A "Special Retirement Account" covering a retired Attor-

ney General, a retired Clerk of Supreme Court, and District Court Judges and widows of Judges, received an appropriation of \$895,131 for this biennium, an increase of \$383,131 from the preceding biennium.

Appropriations of \$305,658 for the State Public Defender, \$243,961 for the State Law Library and \$2,000 for the Judicial Council, reflect an increase of \$89,055, and make up the balance of the \$6,085,761 total allotted for purposes of the judicial branch.

H. Miscellaneous

Regional Development Commissions

Chapter 1122 provides for the establishment of regional development commissions in regions designated by the Governor by executive order. It is the purpose of the Act to facilitate inter-governmental cooperation and to insure the orderly and harmonious coordination of state, federal, and local comprehensive planning and development programs for the solution of economic, social, physical, and governmental problems of the State and its citizens.

The State Planning Officer may make available to any such commission up to \$25,000 a year for fiscal years 1970 and 1971 provided an acceptable work program is submitted. Thereafter such commissions may levy a tax not exceeding one-half mill on each dollar of assessed valuation of all taxable property in the region, to continue its program.

Training Bill

Chapter 584 provides for more fully implementing the state employee training efforts currently being carried on, assessing those efforts, and developing training facilities where there is apparent need. The Civil Service Department hopes, under the new legislation, (1) to increase the skill areas of employees presently occupied in on-going operations, (2) to provide training opportunities for employees to qualify for promotions, and (3) to develop a manpower forecasting model for the potential and future needs of state service. An on-going liaison is to be maintained with the state college system, the junior college system and the area vocational-technical schools, to permit curriculum development so as to provide the type of positions suggested by the manpower forecast.

Career Executive Compensation Schedule

Instead of adding a 16th range to the existing Civil Service pay structure, the Legislature authorized varying salary levels, up to a maximum of \$26,000 per year, for those persons in the top three ranges (13, 14 and 15) who exhibit professional growth and a continuing innovative approach to their jobs. Placement in the Career Executive Compensation Schedule is based upon the recommendation of individual department heads. (Chap. 144)

Educational Leaves of Absence Extended

Chapter 217 extends leaves of absence of state employees for educational purposes from the present limit of one year to a period of two years.

Certain Legal Holidays to be Celebrated on Monday

To conform to recent federal legislation, the 1969 Legislature provided that Washington's and Lincoln's birthday will be observed on the third Monday in February, Memorial Day on the last Monday in May, Christopher Columbus Day on the second Monday in October, and Veterans Day on the fourth Monday in October.

It also provided that when New Year's Day, Independence Day or Christmas fall on Sunday, the following day will be a holiday, or when any of these holidays fall on Saturday, the preceding day will be a holiday.

The act becomes effective January 1, 1971. (Chap. 69)

Workmen's Compensation Payments Increased

Revised workmen's compensation legislation increased from \$60 to \$70 the maximum weekly benefit for temporary or permanent total disability and for dependents in death cases. The maximum weekly benefits for temporary or permanent partial disability were increased from \$60 to \$63. The age of minor children covered as dependents was raised from 16 to 18 years of age, and to 19 years for those who are full-time students. (Chap. 936)

Unemployment Compensation Benefits Increased

The maximum weekly unemployment compensation benefit rate was increased from \$50 to \$57 on new claims filed after June 28, 1969. "Credit week" for new claims filed after June 27, 1970 was changed to increase the wage requirement from \$26 to \$30. (Chap. 854)

The present minimum employer tax rate of 0.7 percent is to remain in force until the unemployment compensation fund balance reaches \$110 million, with subsequent reductions periodically as the fund balance increases. A minimum rate of 0.1 percent will apply when the fund balance is at or above \$140 million. (Chap. 3)

Determination of Legislative Day

For the purpose of determining the length of legislative sessions, Chapter 1158 defines a legislative day to mean any day on which either house of the Legislature meets to transact business between January 1 and June 1 of any year.

IV. RETIREMENT BENEFITS

Employer contributions to the retirement benefit programs of state and local public employees in Minnesota this biennium will approximate \$155,000,000.

Nearly \$115,000,000 of this total was provided by legislative enactment; an estimated \$40,000,000 will come from local units of general government.

Major item among the state appropriations is the \$90,100,000 that goes to the State Teachers Retirement Association and to separate teacher retirement groups in Minneapolis, St. Paul and Duluth from the property tax relief account. Previous to the Tax Reform and Relief Act of 1967 teacher retirement funds were provided by tax levy against property.

Most of the \$24,483,711 calculated for retirement benefits for state employees — the employer's contribution — is included in departmental budgets as a part of normal payroll costs.

MINNESOTA STATE RETIREMENT SYSTEM (MSRS)

Membership in the Minnesota State Retirement System (formerly the State Employees Retirement Association) is composed, generally, of employees or officers in the classified and unclassified services of the State.

Higher retirement benefits were made available through a new formula (Chapter 893) combining career average salaries

and length of service. Provision also was made for possible increases in benefits after retirement for all employees now retired or retiring in the future.

The monthly annuities of all retired employees were increased by 3.56 percent on July 1, 1969 due to a change in the assumed interest rate on invested funds from 3 percent to 3.5 percent.

The employer matching contributions by the State are estimated at \$19,121,600 for the current biennium.

TEACHERS RETIREMENT ASSOCIATION

Membership in the Teachers Retirement Association consists principally of persons who have served or are serving as teachers, supervisors, principals, superintendents or librarians in the public schools located outside the cities of the first class, or in any charitable or state institution supported, in whole or in part, by public funds. Membership also is extended to like employees of the state junior colleges and state colleges. Employees of the University are specifically excluded.

The employee contribution rate was increased from 6 percent to 7 percent in the basic plan (without Social Security) and from 3 percent to 3.5 percent in the coordinated plan (with Social Security). (Chap. 485). The State's matching contribution for the current biennium is calculated to be \$78.4 million. (An additional \$11.7 million will go to the

separate teacher retirement associations in Minneapolis, St. Paul and Duluth.)

HIGHWAY PATROLMEN'S RETIREMENT ASSOCIATION

Effective July 2, 1969 the State Police Officers' Retirement Fund was terminated and all members became members of the Highway Patrolmen's Retirement Association.

Membership of the Association now includes all highway patrolmen, conservation officers, and laboratory and investigation agents of the State Bureau of Criminal Apprehension.

Chapter 693 removed the \$500 monthly salary limitation in computing the retirement contribution — with the 7 percent rate remaining unchanged. (The State's basic contribution remains at 11.2 percent, plus an additional — but reduced — contribution of 8 percent (previously 9 percent) to amortize an actuarial deficit — both based on the salary for which the employee deductions were made.)

The State's contribution is estimated at \$2,549,200 for the current biennium.

PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA)

Membership in this association consists largely of elected and appointed officers and employees other than teachers, of governmental subdivisions.

Chapter 999 provides that every member who henceforth votes for Social Security coverage will be required to reimburse PERA, retroactive to January 1, 1969, for the difference between the 6 percent salary deduction and the coordinated plan rate of 7.8 percent — or 1.8 percent of salary for the year 1969.

Chapter 998 provides that annuitants who retired prior to July 1, 1962 with at least 20 years of allowable service credit and receive annuities of less than \$200 per month, shall receive an additional payment of \$15 per month retroactive to July 1, 1967, provided that the base annuity plus the supplement does not exceed \$200 monthly. Those annuitants who are already receiving an additional payment pursuant to a 1967 amendment are not eligible.

Chapter 289 increased the assumed interest rate on invested funds from 3 percent to 3.5 percent. This increase should reduce the unfunded liability of the fund.

Employer contributions by local units of government are estimated at \$40 million for the current two-year fiscal period.

OTHER RETIREMENT LEGISLATION

Legislative Retirement Study Commission

An appropriation of \$25,000 was made to the Minnesota Retirement Study Commission for a study and investigation of the laws relating to the Public Employees Retirement Association. A report is to be made to the 1971 Legislature. The appropriation act states that it is the intention of the 1969 Legislature, though not a binding condition, that any increase in benefits which might be recommended be made retroactive to persons retiring after June 30, 1969. (Chap. 999)

Supplemental Retirement Fund for Certain State College and Junior College Personnel

An estimated \$1,402,480 was appropriated to cover the cost of the supplementary retirement plan for certain college personnel in the unclassified service and administrative officers, presidents, and deans. This is an increase of \$577,480 over the funds provided in the 1967-69 biennium. (See under Education in Appendix A.)

Supplemental Retirement Benefits for Certain MSRS and PERA Members

An estimated \$402,500 was provided in the current biennium for supplemental benefits to certain members of the Minnesota State Retirement System, and \$75,000 was made available for similar supplemental benefits to certain members of the Public Employees Retirement Association.

Elected State Officers' Retirement Program

The sum of \$37,800 was provided in retirement benefits for certain elected state officials.

Special Retirement Accounts

The sum of \$895,131 was appropriated to cover special retirement accounts for a retired Attorney General, for a retired Clerk of the Supreme Court, and for District Court Judges and their widows. (See under Judicial in Appendix A.)

Retirement of Legislators, Constitutional Officers and Commissioners

Chapter 1115 increases retirement allowances for legislators and other elective state officers who have served eight (instead of 10) years, to 40 percent of average salary (instead of \$100 per month).

V. STATE BORROWING

Borrowed money will finance most of the State's spending for building construction and other capital improvements during the current biennium.

STATE BUILDING BILL

Sale of \$139,989,134 in general obligation bonds, maturing serially within 20 years from date of issuance, was authorized by the 1969 Legislature. The amount of borrowing authorized for state buildings is an all-time high record.

Major inclusions are:

... At the University of Minnesota — \$14,000,000 for the first phase of a health science complex; \$6,685,091 for a new performing arts building; \$5,754,400 for a new psychology building and \$6,300,000 for a new biological science facility on the St. Paul Campus. The total new borrowing authorized for the University of Minnesota was \$55,486,951.

... At the State Colleges — a \$28,574,700 building

program which includes \$3,000,000 for the first phase of a new speech-music building at Bemidji State College; \$9,500,000 for a science building at Mankato State College; \$3,556,000 for gymnasiums at Moorhead and Winona and \$2,970,000 for an education building at St. Cloud.

... State Junior Colleges — \$21,337,133 for new construction and equipment at 17 state junior college sites.

... For the Capitol Group of buildings — \$12,008,750, including \$2,000,000 for a parking facility for 1,000 cars; \$6,400,000 for acquisition of the Capitol Square building; and \$2,500,000 to remodel, equip, and climate control portions of the State Capitol.

Under a provision of the Tax Reform and Relief Act of 1967, Minnesota no longer levies a tax against property to meet the principal and interest cost of state debt. For the current biennium \$53,400,000 was appropriated from the general fund for this purpose.

Repairs and Alterations Bill

In addition to the new borrowing, the sum of \$5,664,153 was appropriated from the general fund for repairs and

alterations to state buildings. (Chap. 1155). (See under General State Government in Appendix A.)

BONDS FOR STATE COLLEGE DORMITORIES AND UNIONS

Sales of \$12,000,000 in general obligation bonds, to mature serially in 20 years from date of issuance, was authorized — with up to \$4,500,000 to be expended for dormitory, residence hall, and food service facilities in accordance with recommendations of the Legislative Building Commission, and up to \$7,500,000 for student union facilities, at state colleges.

MAXIMUM EFFORT SCHOOL LOAN FUND

Issuance of an additional \$20,000,000 of state school loan bonds was authorized, to enable the School Loan Committee to make loans to school districts for new construction and debt service.

HIGHWAY BONDS

Issuance this biennium of \$60,000,000 in state highway bonds, the remainder of \$100,000,000 borrowing authorized by the 1967 Legislature, was approved. (Chap. 345). Originally, issuance was limited to \$20,000,000 a year.

Table 1
STATE BUILDING BILLS — 1969 SESSION

	New Borrowing (Chap. 1159)	General Fund (Chap. 1155)	Reapprop. Balances	Total
Mental Hospitals	\$ 2,241,600	\$ 1,051,461 ¹	\$ 1,443,000	\$ 4,736,061
Mentally Retarded	185,000	807,800 ¹	530,000	1,522,800
Special Schools and Hospitals	500,000	158,085 ¹	.....	658,085
Ah-Gwah-Ching Nursing Home .....	.....	48,000 ¹	.....	48,000
Glen Lake State Sanatorium and Oak Terrace Nursing Home	70,000	49,900 ¹	.....	119,900
Adult Corrections	576,000	438,156 ¹	.....	1,014,156
Youth Corrections	121,000	689,022 ¹	.....	810,022
Minnesota Veterans Home	158,000	92,000 ¹	.....	250,000
Junior Colleges	21,337,133	126,683 ¹	.....	21,463,816
State Colleges	24,604,700	801,546 ¹	.....	25,406,246
University of Minnesota	53,286,951	.....	.....	53,286,951
Capitol Group	12,008,750	1,336,700	.....	13,345,450
Land Acquisition				
— for Capitol Area and State Colleges	2,470,000	.....	.....	2,470,000
— for University	2,200,000	.....	.....	2,200,000
To State College Board				
— for dormitory and food service facilities (State's share — 25%)	1,500,000	.....	.....	1,500,000
To Commissioner of Administration				
— for Administration	150,000	.....	.....	150,000
— for Contingencies	250,000	.....	.....	250,000
— for Preliminary plans	250,000	.....	.....	250,000
— for Higher Education Facilities Contingency Account	18,000,000	.....	.....	18,000,000
To State Auditor				
— for Bond Expense	80,000	.....	.....	80,000
To Minnesota Historical Society .....	.....	64,800	.....	64,800
Total	\$139,989,134	\$ 5,664,153	\$ 1,973,000	\$147,626,287

Note: Minnesota Security Hospital (St. Peter) included with Mental Hospitals.
Minnesota Residential Treatment Center included with Youth Corrections.

¹Includes "Repairs and Replacements" or "Preventive Maintenance" Items.

VI. STATISTICS

Comparison Of Appropriations, 1967 And 1969 Sessions

A. OMNIBUS APPROPRIATION BILLS

Appropriations in the five omnibus appropriation bills enacted by the 1969 Legislature amount to \$1,328,919,301¹

— an increase of \$298,187,938 or 28.9 percent over the \$1,030,731,363¹ provided by the 1967 Legislature.

Table 2
COMPARISON OF OMNIBUS APPROPRIATIONS
1967 AND 1969 SESSIONS
(Deficiencies Included)

Omnibus Appropriation Bills	1967 Legislature	1969 Legislature	Increase
State Departments (Chap. 1139)	\$ 121,905,978	\$ 153,501,369	\$ 31,595,390
Semi-State Activities (Chap. 1153)	3,307,158	4,123,699	816,540
Welfare-Corrections (Chap. 1136)	208,330,292	270,592,655	62,262,362
Education (Chap. 1154)	665,199,245 ¹	857,954,724 ¹	192,755,478
Highway Department (Chap. 800)			
Direct appropriations for:			
Administration, Safety,			
Plant and Equipment, Legal			
and Contingent Fund —			
plus Interstate and Trunk			
Highway rest area facilities			
in 1969 Session	31,988,687	42,746,853	10,758,166
Total	\$1,030,731,363	\$1,328,919,301	\$298,187,938

¹Includes Occupation Tax and Trust Fund revenues estimated at \$6,261,554 in 1967-69 and \$7,098,561 in 1969-71.

B. MISCELLANEOUS APPROPRIATION BILLS

Each session the legislature enacts many miscellaneous appropriation bills providing direct spending authority not included in the omnibus appropriation measures. A few of the appropriations so made are recurring items, such as miscellaneous claims, interim commissions, and maintenance of state buildings.

Others are for non-recurring items such as the 1965 Doctoral Program Study for State Colleges. A large number of these individual appropriations are for purposes and activities

which become a continuing part of the State's services with funds provided in one or another of the omnibus appropriation bills in succeeding legislative sessions. For example, the Minnesota Safety Council, Peace Officers Training Board, the Great Lakes Basin Commission and snowmobile registration, were financed as miscellaneous appropriations in the 1967 Session, but became a part of omnibus bill appropriations in the 1969 Session.

Table 3
MISCELLANEOUS APPROPRIATIONS
1967 AND 1969 SESSIONS
(Including deficiencies and appropriations
made immediately available)

Recurring Items	1967 Legislature	1969 Legislature	Increase or (Decrease)	New Activities (Cont.)	1967 Legislature	1969 Legislature	Increase or (Decrease)
Miscellaneous Claims	\$ 374,165	\$ 486,929	\$ 112,764	Licensing, Registration and Regulating Structural Pest Control Activities	-----	50,000	50,000
Interim Commissions	214,800	12,500	(202,300)	Registration of Debt Prorating Agencies	-----	15,000	15,000
State Buildings — Current maintenance	4,068,723	5,664,153	1,595,430				
Predator Control	-----	150,000	150,000				
To Major Appropriation Bills				New-Recurring Items			
River Basin Water and Related Land Resources Commission	95,000	-----	(95,000)	Doctoral Program Study	25,000	-----	(25,000)
Construct Interstate Highway rest area buildings and facilities	480,000	-----	(480,000)	Land Acquisition in St. Louis County	25,000	-----	(25,000)
Minnesota Safety Council	80,000	-----	(80,000)	State Agency Revolving (PERA coverage under OASI)	30,000	-----	(30,000)
Peace Officers Training Board	50,000	-----	(50,000)	For Deer Browse	-----	100,000	100,000
Snowmobile registration	150,000	-----	(150,000)	Southwest State College — Equipment	-----	350,000	350,000
Great Lakes Basin Commission	50,000	-----	(50,000)	Historic Sites	-----	207,000	207,000
Supplemental appropriations	925,462	1,004,720	79,258	Legislative Film	-----	40,000	40,000
State School Aid (deficiency)	12,998,548	1,507,303	(11,491,244)	Minnesota History on Film	-----	25,000	25,000
Property Tax Relief Fund (Administration)	700,000	-----	(700,000)	Advance to Sewer Service Board	-----	500,000	500,000
To place Statutes on computer compatible media	-----	70,000	70,000	Legislative Retirement Study of PERA	-----	25,000	25,000
Legislative Services Commission	-----	108,000	108,000	Plans to remodel State Capitol	-----	170,000	170,000
New Activities				Special Survivor's retirement for judges widows	-----	158,531	158,531
Soybean Advisory Commission	-----	25,000	25,000	All other	20,000	230,240	210,240
Board of Examiners for Nursing	-----	50,000	50,000	Total	\$20,286,699	\$13,074,377	\$7,212,322
Home Administrators	-----	1,500,000	1,500,000				
"Clear Water" Bill	-----	500,000	500,000				
Statewide Zoo	-----	75,000	75,000				
Pilot Program of Experimental Homes	-----	50,000	50,000				
Scholarships, Board of Medical Examiners	-----						

Note: Columns may not add due to dropping of cents.

C. OPEN AND STANDING APPROPRIATIONS

Open and standing appropriations are expected to total \$2,384,028,593 for the 1969-71 biennium. Of this, \$776,601,369 will be financed from the newly-created General Fund — an increase of \$344,796,342 or 79.9 percent over the preceding biennium — and \$1,607,427,224 will be financed

from a variety of other sources. Most of the \$344,796,342 increase in open appropriations from the General Fund is accounted for by a \$321,121,745 increase in property tax relief items — from \$295,052,654 for the 1967-69 biennium to \$616,174,399 for the 1969-71 biennium.

Table 4
COMPARISON OF OPEN AND STANDING
APPROPRIATION ESTIMATES
FOR 1967-69 AND 1969-71 BIENNIUMS

General Fund	1967 Legislature	1969 Legislature	Increase or (Decrease)	General Fund (Cont.)	1967 Legislature	1969 Legislature	Increase or (Decrease)
(General Revenue Fund, 1967-69)				(General Revenue Fund, 1967-69)			
Aid to Fire Departments . . . \$	2,360,000	\$ 3,000,000	\$ 640,000	Legislative retirements . . .	25,152	67,400	42,248
Surcharge for Firemen's Relief	495,000	555,000	60,000	Pioneer Teachers' Retirement	58,000	-----	(58,000)
Revenue refunds	400,000	400,000	-----	Oleomargarine research . . .	250,000	250,000	-----
Highway building acquisition	40,000	-----	(40,000)	Elected State Officers retirement program (Chap. 700)	15,600	37,800	22,200
Economic Opportunity Act	760,926	851,490	90,564	State Athletic Commission	30,000	40,000	10,000
Aid to certain school districts a/c airports . . .	10,500	10,500	-----	State Employees insurance program . . .	9,992,372	-----	(9,992,372)

	1967 Legislature	1969 Legislature	Increase or (Decrease)
General Fund (Cont.)			
(General Revenue Fund, 1967-69) Cont'd.			
State Employee retirement ceiling removed (Chap. 571)	1,090,200	-----	(1,090,200)
Supplemental Retirement benefits			
PERA	347,000	75,000	(272,000)
SERA	428,000	402,500	(25,500)
TRA	650,000	580,000	(70,000)
State and Junior Colleges	-----	1,402,480	1,402,480
Land Exchange Review Board	70,000	70,000	-----
Legislative Retirement Study Commission	-----	50,000 ¹	50,000
Parks, Waysides and Trails Bonding Bill - State Colleges - Dormitories, Unions	-----	7,000,000	7,000,000
All Other	30,800	600,000	600,000
		30,400	(400)
Total	\$ 17,053,550	\$ 15,422,570	\$ (1,630,980)

(Income Tax School Fund in 1967-69 Biennium)			
\$10 Per Pupil Census Aid. \$	17,900,000	\$ 18,000,000	\$ 100,000
State Employee insurance program	845,562	-----	(845,562)
State Employee retirement ceiling removed (Chap. 571)	58,800	-----	(58,800)
Increased School Aids- Koochiching County (Chap. 726)	75,000	-----	(75,000)
School Aid a/c military lands (M.S. 190.31)	3,000	4,400	1,400
Income Tax Refunds	100,000,000	127,000,000	27,000,000
Total	\$118,882,362	\$145,004,400	\$ 26,122,038

(Property Tax Relief Fund in 1967-69 Biennium)			
Homeowner's Credit	\$ 78,931,986	\$201,900,000	\$122,968,014
Elimination State Property Tax Levy	67,577,786	143,500,000	75,922,214
Exempt Property Reimbursement	86,746,112	148,925,000	62,178,888
Per Capita Aids			
To Municipalities	30,979,100	50,200,000	19,220,900
To School Districts	26,235,152	42,500,000	16,264,848

	1967 Legislature	1969 Legislature	Increase or (Decrease)
Property Tax Relief Fund in 1967-69 Biennium) (Cont.)			
Supplemental Per Capita Distribution (Op. Atty. Gen.)			
To Municipalities	-----	5,278,438	5,278,438
To School Districts	-----	4,470,961	4,470,961
Renter Credit	-----	14,000,000	14,000,000
65 and over - Property Tax Credit	494,005	5,400,000	4,905,995
Cost of Administration	3,835,017	----- ²	(3,835,017)
Other	253,496	-----	(253,496)
Total	\$295,052,654³	\$616,174,399	\$321,121,745

(Boat and Water Safety Account in 1967-69 Biennium)			
Administration	\$ 816,461	\$ ----- ²	\$ (816,461)

(Natural Resources Fund in 1967-69 Biennium)			
Direct Approp. only		2	
Total General Fund	\$431,805,027	\$776,601,369	\$344,796,342

	1969 Legislature
Other Funds	
Endowment School Apportionment	\$ 20,250,000
Trunk Highway Fund	208,698,200
Highway User Fund	147,884,740
State Airports	22,049,500
Building Funds (Borrowing)	171,989,134
Iron Range Resources and Rehabilitation	976,423
Game and Fish (Public Hunting Grounds)	120,000
Consolidated Conservation - (Conservation Areas)	207,704
Miscellaneous Special Revenue Funds	12,044,347
General Fund - Dedicated Trust Fund (Permanent School)	2,021,670
Agency Funds	108,697,950
Revolving Funds	8,051,245
Federal Funds	756,943,022
Total Open and Standing Appropriations	\$1,607,427,224
	\$2,384,028,593

¹ In view of \$95,000 appropriation in omnibus State Departments bill for same purpose, this authorization might not be used.
² Covered by direct appropriation in omnibus State Departments bill.
³ Actual for fiscal 1968 and Department of Taxation estimate of May 9, 1969 covering fiscal 1969.

D. TOTAL SPENDING

Authorized expenditures by the state government during the current biennium - including both direct and open appropriations, but excluding those from federal funds - is

estimated at \$2,969,079,249.¹ With federal funds added, the two-year total becomes \$3,726,022,271.¹

Omnibus appropriations bills	\$1,328,919,301
Miscellaneous appropriations bills	13,074,377
Open and standing appropriations:	
From State funds	\$1,627,085,571
From Federal funds	756,943,022
Total	\$3,726,022,271

¹ Including revenue refunds estimated at \$177,180,000 for the biennium.

VII. THE TAX PROGRAM

Of the 1,159 bills actually enacted into law in the 1969 legislative session, 100 related to taxes. Most of these 100 enactments made "housekeeping" or procedural changes in existing tax laws. There were some substantive changes. One chapter continued the present temporary, two-year taxes. No new taxes were enacted, and rate increases were made only in the taconite tax and the excise taxes on cigarettes, tobacco products and liquor.

The following is a synopsis of the tax laws enacted by the 1969 Legislature, grouped by type of tax:

Bank Excise Tax

The temporary, two-year 1 percent increase in the basic bank excise tax rate (from 9½ to 10½ percent) was continued for another two years. The increase was made applicable to taxable years commencing prior to January 1, 1972. (Laws 1969, Chap. 881, Sec. 1)

The temporary, 1.9 percent additional bank excise tax and the 10 percent surtax on the bank excise tax were reimposed for another two years. They were made applicable to taxable years which begin prior to January 1, 1972. (Chap. 881, Secs. 7 and 8)

Cigarette and Tobacco Products Taxes

The cigarette tax and cigarette use tax laws were amended (M.S., Secs. 297.02, Subd. 1, and 297.22, Subd. 1) to increase both the cigarette tax and use tax rates to 12 (from 8) cents per pack. (Laws 1969, Chap. 881, Secs. 12 and 15.) In the same Act, the sales tax law (M.S., Sec. 297A.25, Subd. 1) was amended to exempt from the sales and use tax the gross receipts from the sale of cigarettes. (Chap. 881, Sec. 18.) Chapter 881 also amended the cigarette tax law (M.S., Sec. 297.03, Subd. 5) to change the discount allowed to distributors from 3.25 percent of the face amount of the tax stamps for the first \$150,000 of such stamps purchased in any fiscal year and 2½ percent for all additional stamps purchased in that year, to 2.75 percent for the first \$206,250 and 2 percent for all additional stamps. (Chap. 881, Sec. 13.) All of these changes were made effective upon enactment.

The tobacco products tax and tobacco products use tax laws were amended (M.S., Sec. 297.32, Subds. 1 and 2) to increase both taxes to 20 (from 10) percent of the wholesale sales price. Effective upon enactment. (Chap. 881, Secs. 16 and 17)

Chapter 879 imposes an additional cigarette tax of 1 cent per pack, and provides that the proceeds of the tax be deposited in the state treasury and credited to the general fund.

The cigarette tax law was amended (M.S., Sec. 297.03, Subd. 12) to authorize the Commissioner of Taxation to designate banks (in addition to county treasurers) as his representatives to set cigarette tax meter machines of distributors and collect the taxes upon such settings. (Chap. 880)

The cigarette tax law was amended (Secs. 297.03, Subd. 10, and 297.05, Subds. 2 and 3) to provide that the Commissioner of Taxation may authorize any manufacturer and any person engaged as a common carrier in the transportation of persons, who purchases packs of cigarettes from a manufacturer for

distribution without charge, to make distribution in the State of free packs of not more than 10 cigarettes each. (Prior to the amendment, only the manufacturer could distribute free packs, and the packs could not contain more than 5 cigarettes.) Effective beginning July 1, 1969. (Chap. 882)

Chapter 883 amends the cigarette and tobacco products tax and use tax laws (Secs. 297.07, Subds. 1 and 4; 297.23, Subd. 1; and 297.35, Subds. 1, 5 and 8) to advance the due date for filing monthly returns and monthly payments of cigarette and tobacco products taxes and use taxes from the 15th to the 18th day of the month. It also reduces the interest rate on delinquent cigarette and tobacco products taxes from 1 percent per month to 6 percent per annum. Effective beginning July 1, 1969.

Chapter 884 amends the cigarette tax law (Sec. 297.07) to provide that any tax due and owing after a final assessment order has been issued to the distributor or his legal representative shall be paid within 30 days; to provide that the distributors' monthly tax payments shall be due and payable not later than the 18th (instead of the 20th) day of the month following the calendar month in which they were incurred, and thereafter shall bear interest at the rate of 6 percent per annum (instead of 1 percent per month); to provide for the imposition of a 5 percent penalty where the distributor has filed a monthly return but for some reason has failed to pay the tax; and to provide for the imposition of a penalty of 5 percent of the unpaid tax remaining each month up to a maximum of 25 percent (with a minimum penalty of \$10), if a cigarette distributor's return is not timely filed. Chapter 884 also amends the tobacco products tax law (Sec. 297.35) to provide for the imposition of a penalty of 5 percent of the tax, with an additional 5 percent each additional 30 days or fraction thereof up to a maximum of 25 percent (with a minimum penalty of \$10), if a tobacco products distributor's or consumer's return is not timely filed. Effective beginning July 1, 1969.

Gasoline Tax

Laws 1969, Chapter 642 amends the law authorizing credit or refund of gasoline and special fuel tax (M.S., Sec. 296.14) to allow a dealer a refund of the tax paid on gasoline or special fuel destroyed by accident while in his possession. Effective upon passage.

Gross Earnings Taxes

Laws 1969, Chapter 1147 amends the gross earnings tax laws (M.S., Chapters 294 and 295) to provide for self-assessment of all gross earnings taxes. It also provides for a uniform interest rate of 6 percent on gross earnings taxes owed to the State and on refunds owing to taxpayers.

Income Taxes

The temporary, two-year increases in income tax rates on individuals, estates and trusts (½ of 1 percent on the first three brackets of taxable income, and 1½ percent on the remaining brackets) were continued for another two years. The increases were made applicable to taxable years beginning prior to January 1, 1972. (Laws 1969, Chap. 881, Sec. 2)

The temporary, two-year increases in personal credits (\$9 for unmarried individuals and estates of decedents, \$8 for married individuals or heads of household, \$4 for dependents, \$10 for unmarried individuals 65 years of age or older, \$10 for unmarried blind individuals, \$5 for each spouse for married individuals 65 years of age or older, and \$10 for each spouse for married blind individuals) were made permanent. (Chap. 881, Sec. 3)

The temporary, two-year 1 percent increase in the basic income tax rate upon corporations other than banks (from 7½ to 8½ percent) was continued for another two years. The increase was made applicable to taxable years commencing prior to January 1, 1972. (Chap. 881, Sec. 1)

The temporary, 1.8 percent additional income tax and the 10 percent surtax imposed upon corporations other than banks were reimposed for another two years. They were made applicable to taxable years which begin prior to January 1, 1972. (Chap. 881, Secs. 4 and 5)

Section 290.09 of the Minnesota Income Tax Act (M.S., Chap. 290) was amended to allow as a deduction from gross income, expenses paid during the taxable year (subject to certain dollar and other limitations) by a taxpayer who is a woman or widower, or is a husband whose wife is incapacitated or is institutionalized, for the care of certain dependents, but only if such care is for the purpose of enabling the taxpayer to be gainfully employed. Applicable to taxable years beginning after December 31, 1968. (Chap. 84)

The Act was amended (Sec. 290.45, Subd. 1) to provide that where a corporation or an estate or trust elects to pay its tax in two equal installments, each installment payment shall be one-half of the balance of tax due after applying any tax credit and payment of estimated tax. (Chap. 160)

The Act was amended (Sec. 290.48, Subd. 9) to provide that where the Commissioner of Taxation and the taxpayer have entered into a written agreement providing for payment of delinquent income tax in installments, the taxpayer defaults in his payments, the Commissioner may, within five years after the agreement is signed, enter judgment on the confession of judgment contained in the agreement, after ten days notice served upon the taxpayer at the address shown in the agreement. (Chap. 305)

The Act was amended (Sec. 290.46) to provide that notices and demands in connection with the assessment and collection of state income taxes may be mailed to the taxpayer at the address given in his return or to his last known address. (Before the amendment, the Commissioner of Taxation was required to mail such notices and demands to the address given on the return even though he had knowledge that the taxpayer had moved and knew his present address.) (Chap. 307)

The Act was amended (Sec. 290.37, Subd. 1) to provide that corporate income tax returns may be signed by a single officer of the corporation. (Before the amendment, signatures of two officers were required.) (Chap. 308)

The Act was amended (Secs. 290.0611, Subds. 2 and 3; 290.45, Subd. 2; 290.50, Subd. 1; 290.53, Subds. 1 and 2; 290.92, Subds. 11, 13 and 15; 290.93, Subd. 9; and Chapter 290 by adding a new section) to provide for a uniform interest rate of 6 (instead of 4) percent on income taxes owed to the State, and 6 (instead of 2) percent on refunds owing to taxpayers. (Chap. 325)

The Act was amended (Sec. 290.92, Subd. 6) to eliminate the requirement that the Commissioner of Taxation must issue depository receipts in duplicate to employers making monthly deposits of withheld income taxes, and that employers must attach duplicate copies of such receipts to their quarterly returns. The amendment provides that employers, in preparing their quarterly returns, shall simply take credit for monthly deposits previously made. (Chap. 326)

Section 290.09 of the Act was amended to allow adoption expenses, including attorney fees, of not to exceed \$450 per child adopted, as a deduction from gross income. (Chap. 343)

The Act was amended (Sec. 290.01, Subd. 20) to add to the list of permitted modifications increasing federal adjusted gross income to arrive at Minnesota gross income in its application to individuals, estates and trusts, amounts received as reimbursement for an expense of sickness or injury which was deducted in a prior taxable year to the extent that the deduction for such reimbursed expenditure resulted in a tax benefit. As a corollary to the above modification, the Act was amended (Sec. 290.08, Subd. 5) to provide that where reimbursement, from insurance or otherwise, for medical expenses is received in a taxable year subsequent to a year in which a deduction was claimed on account of such expenses, the reimbursement must be included in gross income in such subsequent year to the extent attributable to (and not in excess of) deductions allowed for any prior taxable year. And Section 290.09, Subd. 10 of the Act was amended to eliminate medical expenses compensated for by insurance or otherwise as an allowable deduction. (Chap. 575)

The Act was amended (Sec. 290.10) to provide that in situations where the Act provides for an exclusion from gross income of a specific dollar amount of an item of income assignable to Minnesota, and within the measure of the tax imposed by the Act, that portion of the federal income tax paid upon such excluded income shall not be deductible in computing net income. (Chap. 610)

The Act was amended (Sec. 290.92) to provide that the employer's quarterly return of withheld state income taxes must contain (a) a written declaration that it is made under the penalties of criminal liability for wilfully making a false return, and (b) a confession of judgment for the amount of tax shown due thereon to the extent not timely paid. (Chap. 654)

The Act was amended (Sec. 290.49, Subd. 3) to provide that for the purpose of determining whether a taxpayer has omitted from gross income an amount properly includible therein which is in excess of 25 percent of the amount of gross income stated in the return, the term "gross income" shall mean gross income as defined in Section 61 of the Internal Revenue Code of 1954, as amended, modified and adjusted in accordance with the provisions of Sections 290.08, 290.17 and 290.65 of the Minnesota Act. (Chap. 718)

The Act was amended (Sec. 290.19, Subd. 1) to provide that in apportioning to Minnesota, for state income tax purposes, net income from a trade or business carried on partly within and partly without the State, the property factor in the three factor formula shall be the percentage which the total tangible property owned or rented, and used by the taxpayer in this State during the tax period (instead of the total tangible property owned or used by the taxpayer in this State) in connection with such trade or business is of the total tangible property wherever located, owned or rented, and used

by the taxpayer in connection with such trade or business during the tax period (instead of the total tangible property wherever located, owned, or used by the taxpayer in connection with such trade or business). (Chap. 978)

The Act was amended (Sec. 290.06) to allow a credit against tax, in the first year for which a depreciation deduction is allowed for such equipment, of 5 percent of the cost of equipment installed and operated within Minnesota exclusively to prevent pollution of air or water. The amendment provides that the credit may not exceed the tax or \$50,000. It provides that if the amount of the credit for any taxable year for which a depreciation deduction is allowed exceeds the limitation for such taxable year (the unused credit year), the excess shall be (1) a credit carryback to each of the three taxable years preceding the unused credit year, and (2) a credit carryover to each of the seven taxable years following the unused credit year. Applicable to property acquired in taxable years beginning on or after January 1, 1969. (Chap. 1000)

The Act was amended (Sec. 290.50, Subd. 1) to provide that where income taxes have been withheld, paid in estimated tax, or otherwise paid, but no return has been filed by the taxpayer covering the year in question, any claim for refund of overpayment must be filed within two years from the time the tax was paid. The amendment also extends the period within which to file a claim for refund of overpayment on account of failure to deduct a loss due to a bad debt or a worthless security, to seven (instead of five) years from the date the return was filed. It also provides that prepayment of tax through withholding or payment of estimated tax prior to the due date of the tax shall be considered as having been paid on the last day prescribed by law for payment of the tax by the taxpayer. Applicable to taxable years commencing after December 31, 1968. (Chap. 1041)

Chapter 1042 rewrites the section of the Act (Sec. 290.56) which gives the circumstances under which a taxpayer must report changes in his federal income tax liability to the Commissioner of Taxation, and the manner of making such report. Applicable only to final federal changes and corrections made, amended returns filed, or extensions of time agreed upon, after the effective date of the Act.

Chapter 1052 amends the section of the Act dealing with corporate organizations and reorganizations (Sec. 290.136) to conform its provisions relating to the basis of property transferred to a controlled corporation, to the provisions of the Internal Revenue Code. Applicable to all statutory mergers occurring subsequent to October 22, 1968.

Inheritance Tax

The inheritance tax law was amended (M.S., Sec. 291.05) to exempt from tax proceeds of servicemen's group life insurance payable upon the death of any person on or after September 1, 1965. The amendment provides that claims for refunds of inheritance tax paid on such proceeds shall be accepted by the Commissioner of Taxation if filed with him by December 31, 1970 or within 18 months after payment, whichever is later. (Laws 1969, Chap. 58)

Chapter 587 amends the inheritance tax law (Sec. 291.07, Subd. 1) to provide that in determining the tax (where the estate has been submitted to the jurisdiction of the probate court), probate administration expenses allowable as a deduc-

tion shall include expenses incurred during administration in converting real and personal property held by the estate, into cash. Applicable to estates of decedents who die on and after July 1, 1969.

The inheritance tax law was amended (Sec. 291.14, Subd. 2) to permit the use of a simplified method (by filing an affidavit with the register of deeds or registrar of titles) of clearing joint tenancy homestead property under \$30,000 from inheritance tax lien, where decedent's death occurred prior to July 1, 1965 and where the homestead passed to the surviving spouse and certain children. (Chap. 891)

Iron Ore Occupation and Royalty Taxes

The temporary, 2.25 percent additional iron ore occupation tax was reimposed for another two years — to apply to all ores (except taconite, semi-taconite and iron sulphides) mined and produced prior to January 1, 1972. (Laws 1969, Chap. 881, Sec. 9)

The temporary, 2.25 percent additional iron ore royalty tax was reimposed for another two years — to apply to all royalties received (except those received because of the actual production of taconite, semi-taconite or iron sulphides) during each of the years 1970 and 1971. (Chap. 881, Sec. 10)

Chapter 795 amends the iron ore occupation tax law (Sec. 298.031, Subd. 3) to allow the discount credit against tax for iron ores sold in bona fide sales, to any mining company whose net marketable tonnage of iron ores, exclusive of taconite and semi-taconite, produced from its mines does not exceed 7 (instead of 2) percent of the net marketable tonnage of all iron ores produced in the State during the year for which the tax is being determined. Applicable to the taxes for 1968 and subsequent years.

Lieu Tax on Aircraft (1 Percent of Value)

Laws 1969, Chapter 791 amends Sec. 360.521 of the Aircraft Registration and Taxation Act (M.S., Secs. 360.511 to 360.67) to provide that the 1 percent in lieu tax on aircraft shall not apply to aircraft or airline companies used in air commerce which have a certificate of convenience and necessity issued by the U.S. Civil Aeronautics Board. The amendment also provides that all aircraft of an airline company operating without such a certificate and with at least three regularly scheduled interstate flights per week, shall be subject to the in lieu tax, unless the company elects to have its air flight property assessed annually by the Commissioner of Taxation under the flight property tax law (Secs. 270.071 to 270.079).

Chapter 929 amends the Act (Secs. 360.59, Subd. 1; 360.60, Subd. 1; and 360.62) to eliminate notarization requirements on applications for registration of aircraft subject to the in lieu tax, on statements that certain aircraft are not subject to tax, and on statements in connection with applications for refund of tax. The amendment also provides that any false statement wilfully and knowingly made shall be deemed a perjury and punished accordingly.

Liquor Tax

The temporary, 15 percent surtax on the liquor tax was reimposed for another two years — to expire June 30, 1971. (Laws 1969, Chap. 881, Sec. 11)

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Chapter 881 also imposes an additional tax on intoxicating liquors, as follows: 4 cents per gallon on unfortified wines; 10 cents per gallon on fortified wines from 14 to 21 percent of alcohol by volume; 20 cents per gallon on fortified wines containing more than 21 percent of alcohol by volume; 20 cents per gallon on sparkling wines; 75 cents per gallon on all other liquors; and 2 cents on miniatures. Effective July 1, 1969. (Sec. 20)

Motor Fuel Road Tax on Motor Carriers

Laws 1969, Chapter 102 exempts motor vehicles bearing Minnesota base license plates from the motor fuel road tax on motor carriers imposed by M.S., Sec. 296.17.

Motor Vehicle Registration Tax

The motor vehicle registration tax law was amended (M.S., Sec. 168.013, Subd. 13) to provide that whenever the owner of a motor vehicle registered for a gross weight in excess of 25,000 pounds alters the design of the vehicle or removes equipment therefrom which makes it impossible to operate the vehicle at the gross weight for which it is registered, the owner may apply to the Registrar of Motor Vehicles for a reduction of the registered gross weight and a refund of the difference in tax between the higher and lower gross weights, computed pro rata by the month. (Laws 1969, Chap. 24)

Chapter 95 amends the law (Sec. 168.012) to exempt farm trailers with a gross weight of less than 10,000 pounds, drawn by a passenger automobile or farm truck and used exclusively for transporting agricultural products from farm to farm and to and from the usual market place of the owner.

Chapter 824 amends the law (Secs. 168.011 and 168.013, Subd. 1) to provide a new tax schedule for "recreational equipment," which is defined as meaning house trailers including those which telescope or fold down, chassis mounted campers, house cars, motor homes, tent trailers, slip in campers, converted buses and converted vans. The tax is graduated from \$5 for a vehicle with a gross weight of 0 to 1,500 pounds, to \$126 for a vehicle with a gross weight of 21,001 to 27,000 pounds. Applicable to recreational vehicles registered for 1970 and succeeding years.

Oleomargarine Tax

Laws 1969, Chapter 754 amends the law imposing an inspection fee and excise tax of 10 cents per pound on colored oleomargarine (M.S., Sec. 33.10) to provide that the tax upon any blend of oleomargarine and butter sold for manufacturing purposes in containers of 50 pounds or larger, shall be prorated based upon the percentage of oleomargarine contained in the blend.

Property Taxes

New legislation (Laws 1969, Chap. 141) was enacted to provide that state assignment certificates issued prior to January 1, 1935, where the time for redemption has expired and the person to whom the certificate was issued has paid the taxes on the real property described in the certificate since the date thereof, are validated and legalized as against the objection that such certificates were not recorded or filed in the proper office within seven years from the date of the certificate.

Chapter 251 amends M.S., Sec. 273.13, to provide that real property not used for the purpose of a homestead on the

assessment date (January 2) but used for such purpose on June 1 of such year, shall be entitled to the homestead classification to the extent of one-half of the valuation which would have been includible in such class, and one-half of the homestead tax credit to which it would have been entitled, had the property been used as a homestead on both such dates. The amendment requires the taxpayer to notify the appropriate assessing official prior to June 15 in order to qualify for the lower classification and tax credit. Applicable to taxes payable in 1971. (See also Chap. 1126 under this heading.)

Chapter 322 amends M.S., Sec. 273.133, to provide that when a building which contains several dwelling units is owned by a cooperative association, with each person who owns a share or shares in the association entitled to occupy a unit in the building, the association may claim homestead treatment for each unit for the part of the value of the building represented by each such unit occupied by a shareholder. The amendment also eliminates the requirement that in order to qualify for such treatment the total number of shareholders may not exceed the number of units in the building.

Chapter 323 amends M.S., Sec. 275.28, Subd. 1, to provide that the tax lists shall be deemed completed, and all taxes extended thereon, as of November 16 annually.

Chapter 373 amends M.S., Sec. 284.28, to limit the time to assert a claim adverse to the State or its successor in interest respecting lands forfeited to the State for non-payment of property taxes, to one (instead of 15) years after the filing of the county auditor's certificate of forfeiture. The amendment also creates a tax-forfeited land assurance account in the state treasury from which persons sustaining loss or damage by reason of jurisdictional defects in forfeiture proceedings may be reimbursed for such loss or damage. And it provides that any action or proceeding to recover damages out of the assurance account must be commenced within six years after the expiration of the period within which the adverse claim may be asserted. Effective January 1, 1970.

New legislation (Chap. 398) was enacted which provides that in determining the value of real estate for ad valorem tax purposes in the County of Washington, the first \$4,000 in assessor's full and true value worth of improvements per dwelling unit to any single or multiple dwelling structure more than 20 years old shall not be regarded as increasing the value of such property for the first two years from the date of commencement of such improvements; that only 33-1/3 percent of the value of such improvements shall be considered at the end of two years; that an additional 33-1/3 percent shall be considered at the end of four years; and that the total value of the improvement shall be considered at the end of six years. The Act provides that application for delayed assessment shall be on forms prescribed by the county assessor of Washington County, and that no application shall be accepted by him on or after July 1, 1971. (See also Chap. 973 under this heading.)

Chapter 407 amends M.S., Sec. 273.13, Subd. 7, to provide that real estate used for the purposes of a homestead by any blind person shall be given the same classification (class 3cc, with the first \$8,000 of assessor's full and true value assessed at 5 percent and the balance at 40 percent) and be entitled to the same homeowner's reduction in tax (35 percent up to a maximum of \$250, regardless of whether the assessor's full and true value is in excess of \$4,000) as real estate used for the

purposes of a homestead by a paraplegic veteran. Effective for taxes payable in 1970 and thereafter.

Chapter 416 amends M.S., Sec. 276.04, to require both real and personal property tax statements to show the market value used in determining the tax. Applicable to 1968 and subsequent assessments as to real property tax statements, and to 1969 and subsequent assessments as to personal property tax statements.

Chapter 422 amends M.S., Sec. 273.13, to provide that a structure situated on real property that is used for housing for the elderly or for low and moderate income families as defined by Title II of the National Housing Act and financed by direct federal loan or federally insured loan pursuant to the Act, shall be assessed at 20 percent of adjusted market value for 15 years from the date of completion of the original construction. The amendment limits application of the provision to non-profit and limited dividend entities. Effective for taxes payable in 1971 and thereafter.

Chapter 455 amends M.S., Sec. 276.04, to require real estate tax statements to show the amount of the 35 percent reduction in tax afforded home owners under the Tax Reform and Relief Act.

Chapter 498 amends M.S., Sec. 273.061, Subd. 2, to reduce the next terms of office of county assessors from four to two years (to begin January 1, 1971 and end December 31, 1972), with the succeeding terms to be for four years. (The purposes of the amendment is to preclude the terms of office of county auditors and county assessors from expiring at the same time.)

Chapter 574 amends M.S., Secs. 273.11 and 273.12, to provide that in valuing vacant real property for ad valorem property assessment purposes, the fact that such property is platted shall not be taken into account.

Chapter 709 amends M.S., Sec. 273.01, to change the assessment date for assessment of personal property from May 1 to January 2. It also makes other changes in dates in the assessment laws (Secs. 273.03, Subd. 1; 273.062; 273.13, Subds. 3 and 12; 273.25; 273.29; 273.47; and 273.56, Subd. 1) to conform to the change in assessment date. Applicable to the 1970 and subsequent assessments.

New legislation (Chap. 745) was enacted to provide that when the State or a political subdivision acquires a fee interest in property before forfeiture, provision must be made to pay all unpaid taxes and special assessments on the property at the date of acquisition, which is specified as the date on which the acquiring authority is entitled to take possession. (In cases of condemnation, it is the date of the filing of the petition.) The Act also provides that when property otherwise taxable is acquired by subdivisions of government, it shall remain taxable until the acquiring authority is entitled to actually take possession, and that if the acquiring authority thereafter permits a person to occupy the property, it shall charge a reasonable rental therefor and pay 30 percent of the rental to the county treasurer to be distributed in the same manner as property taxes. The Act provides further that when the political subdivision is a housing and redevelopment authority which has obtained the right to take possession of a property in a redevelopment project area, the authority may agree with the municipality to the payment of certain sums in lieu of

taxes during temporary occupancy of the property by the previous occupant. Effective July 1, 1969.

Chapter 753 amends M.S., Sec. 281.13 to provide that notices of expiration of redemption from real estate tax sales must be served upon each joint tenant, in the case of land held in joint tenancy.

Chapter 760 amends M.S., Sec. 273.13, Subd. 14 (which provides that for ad valorem property tax purposes parking ramps in any city of the first class having a population of not more than 450,000, shall be entitled to a lower classification — 20 percent of assessor's full and true value — for 15 years) to change the population figure to 400,000. (Apparent purpose of the amendment is to insure that this preferred classification rate will not apply to parking ramps in the City of Minneapolis in the event the City loses population in the next census.)

Chapter 763 amends M.S., Sec. 273.13, Subd. 3, to provide that for each succeeding year after a mobile home has become four years old, the percentage of suggested factory retail price used in arriving at its assessed value ($5\frac{1}{2}$ percent for a 4 year old mobile home) shall be reduced $\frac{1}{2}$ of 1 percent, except that no computed tax shall be less than the computed tax of a new mobile home having a full and true value of \$2,000. Applicable to taxes assessed for 1970 and subsequent years. (Under present law, mobile homes five years old are valued and assessed at 5 percent, and mobile homes six years old and older are valued and assessed at $4\frac{1}{2}$ percent.)

Chapter 823 amends M.S., Sec. 273.05, Subd. 1, to authorize the county auditor to fill vacancies in the office of town, borough and city (as well as village) assessors when the vacancies have not been filled by the appointing authorities before December 1 following their occurrence. The amendment also authorizes the county auditor to appoint the county assessor to act as assessor for such town, borough, village or city, and charge the town, borough, village or city for the reasonable cost of such service. Effective on December 1, 1969.

New legislation (Chap. 833) was enacted which provides that in determining the value of real estate for ad valorem tax purposes in the City of Anoka, the first \$2,000 in assessor's full and true value worth of improvements per dwelling unit to any single or multiple dwelling property more than 25 years old shall not be regarded as increasing the value of such property for the first two years from the date of commencement of such improvements; that only $33\frac{1}{3}$ percent of the value of such improvement shall be considered at the end of two years; that an additional $33\frac{1}{3}$ percent shall be considered at the end of four years; and that the total value of the improvement shall be considered at the end of six years. The Act provides that application for delayed assessment shall be on forms prescribed by the Anoka City Assessor. Effective only after approval by the Anoka City Council, and upon compliance with M.S., Sec. 645.021.

Chapter 890 amends M.S., Sec. 276.04, to require the county treasurer in counties with over 50,000 population to show on all property tax receipts and tax statements, or on an attachment, a tabulated statement of the dollar amount due to each taxing authority and the amount to be paid to the State from the parcel of real property for which the particular tax

statement is prepared. It provides that the dollar amounts due the State, county, township or municipality and school district shall be separately stated, but the amounts due other taxing districts, if any, may be aggregated. Effective January 1, 1970.

Chapter 925 proposes to amend Article IX, Section 1 of the Minnesota Constitution to permit the Legislature to define or limit certain categories of tax exempt property, other than churches, houses of worship, and property solely used for educational purposes by academies, colleges, universities and seminaries of learning.

Chapter 965 amends M.S., Secs. 168.012, Subd. 9, and 273.13, Subd. 3, to eliminate the registration fee (\$15 for each mobile home in the hands of a dealer for resale) which a licensed dealer has the option of paying in lieu of a property tax; to provide that mobile homes held by licensed dealers and exempted from ad valorem property taxation as inventory under the provisions of the Tax Reform and Relief Act shall be taxed on a pro rata basis for any year during which they are sold to a person other than a licensed dealer; and to provide that mobile homes held by a licensed dealer for purposes other than as inventory shall continue to be subject to registration and taxation as before.

Chapter 973 amends the 1969 law (Chap. 398) relating to delayed assessment of improvements to residential real estate in Washington County, to provide that the first \$4,000 in assessor's adjusted market (instead of full and true) value worth of improvements shall be entitled to such treatment. The amendment also provides that if full and true value and adjusted market value are eliminated as a step in tax computation, then \$12,000 in market value shall be used.

Chapter 980 amends M.S., Secs. 306.14 and 307.09, to provide that profit making cemeteries shall not be exempt from special assessments.

New legislation (Chap. 984) was enacted which provides that in determining the value of real estate for ad valorem tax purposes in the County of Hennepin, the first \$2,000 in assessor's full and true value worth of improvements per dwelling unit to any single or multiple dwelling property more than 20 years old shall not be regarded as increasing the value of such property for the first two years from the date of commencement of such improvement; that only 40 percent of the value of such improvement shall be considered at the end of two years; that an additional 40 percent shall be considered at the end of four years; and that the total value of the improvement shall be considered at the end of five years. The Act provides that application for delayed assessment shall be on forms prescribed by the Hennepin County Assessor. Effective upon approval by a majority of the Hennepin County Board, and upon compliance with M.S., Sec. 645.021.

New legislation (Chap. 989) was enacted which authorizes any county except Ramsey County (which has had its own county assessor system for many years under special law) to provide for the assessment by the county assessor of all taxable property in the county except property which is by law assessable in cities or villages whose assessors have the powers of a county assessor (cities of the first class and certain cities and villages having populations over 30,000) or property which is by law assessed by the Commissioner of Taxation.

The Act provides that the election to provide for the assessment of property by the county assessor shall be made by the board of county commissioners, by resolution; that the resolution shall be effective at the second assessment date following its adoption; and that the offices of all township, village, borough and city assessors in the county shall be terminated 90 days before the assessment date at which the election becomes effective. And it provides that the board of county commissioners may revoke the election after four years. Effective on passage.

Chapter 990 amends M.S., Sec. 273.11, to provide that each assessing officer responsible for the determination of adjusted market value (instead of each assessor) shall annually file with the county auditor the ratio which he has used of adjusted market value to market value. The amendment also provides that the requirement for filing the ratio of assessment applies to personal as well as to real property.

Chapter 991 amends M.S., Chapter 277, to provide for the same method of contesting personal property taxes as the method provided for contesting real estate taxes (i.e., petition for review by the district court, filed on or before July 1 of the year in which the tax becomes payable).

Chapter 992 amends the 1967 law permitting delayed assessments of improvements to residential real property in St. Paul which is more than 20 years old (Laws 1967, Chap. 682), to include such property in all of Ramsey County, and to require that information concerning the provisions of the law be furnished to each person receiving a building permit for improving such property. The amendment also provides that applications for delayed assessment may be accepted up to July 1, 1971 (instead of 1969). Effective when approved by the Ramsey County Board, and upon compliance with M.S., Sec. 645.021.

Chapter 1039 makes a number of amendments to M.S., Sec. 273.111 (The Minnesota Agricultural Property Tax Law, which provides a method of valuing agricultural land, for ad valorem property tax purposes, on the basis of highest and best use). It amends Subd. 3 of Sec. 273.111 to provide that in order to be entitled to valuation and tax deferment under the Law, real estate consisting of 10 acres or more must be actively and exclusively devoted to agricultural use and either (1) be the homestead or thereafter become the homestead of a surviving spouse, child or sibling of the owner or be farmed with the real estate which contains the homestead property, or (2) have been in possession of the applicant, his spouse, parent, or sibling, for at least 7 years prior to the application for benefits under the Law. It amends Subd. 4 to provide that agricultural land which the assessor may determine to be adaptable for development and which abuts a lakeshore line cannot qualify for benefits for a distance within 20 rods of the shoreline. It repeals Subd. 7 and amends Subd. 6 to provide that real property shall be considered to be in agricultural use if annually (1) at least 33-1/3 percent of the total family income of the owner is derived therefrom, or the total production income including rental from the property is \$300 plus \$10 per tillable acre, and (2) it is devoted to the production for sale of horticultural and nursery stock (in addition to the items previously enumerated), or if it is slough, wasteland and woodland contiguous to or surrounded by the homestead property and under the same ownership and

management. Another amendment to Subd. 6 eliminates the condition that the property must not be devoted to processing of such things as livestock, dairy animals, dairy products, poultry, etc., and must not meet the requirements and qualifications for payments pursuant to a soil conservation program under an agreement with an agency of the federal government. Chapter 1039 amends Subd. 8 of Sec. 273.111 to provide that application for deferment of taxes and assessment shall be made by May 1 of the year prior to the year in which the tax became payable, and that any application filed and granted shall continue in effect for subsequent years until the property no longer qualifies. It also adds a new Subd. 8a to provide that applications for deferment of taxes and assessment with respect to the 1968 assessment must be made prior to July 1, 1969. Applicable to assessments for tax purposes made in 1968 and thereafter, and to special local assessments levied after July 1, 1967 and payable in the years thereafter.

New legislation (Chap. 1062) was enacted which provides that in determining the value of real estate for ad valorem tax purposes in the County of St. Louis, the first \$4,000 in assessor's adjusted market value of improvements per structure to any single or multiple dwelling structures more than 20 years old shall not be regarded as increasing the value of such property for the first two years from the date of commencement of such improvements; that only 33-1/3 percent of the value of such improvement shall be considered at the end of two years; that an additional 33-1/3 percent shall be considered at the end of four years; and that the total value of the improvement shall be considered at the end of six years. The Act provides that application for delayed assessment shall be on forms prescribed by the county assessor of St. Louis County, and that no application shall be accepted by him on or after July 1, 1971.

Chapter 1064 amends M.S., Sec. 272.02, to exempt from ad valorem property taxation, real and personal property used primarily (instead of solely and exclusively) for the abatement and control of air or water pollution to the extent that it is so used. The amendment also provides that in order to qualify for such exemption, the equipment or device must meet standards prescribed by the Minnesota Pollution Control Agency, and must be installed or operated in accordance with a permit or order issued by the Agency. The amendment provides that any such equipment or device shall continue to be exempt as long as the permit issued by the Agency remains in effect. Applicable only with respect to property constructed or installed after June 1, 1967, and only with respect to the 1970 and subsequent property tax assessments.

Chapter 1092 amends Extra Session Laws 1967, Chapter 34, Section 2, to increase from 35 mills to 40 mills in 1969 and to 45 mills in 1970 and thereafter, the maximum levy which the City of Minneapolis may make for general fund purposes. Effective only after approval by a majority of the City Council, and upon compliance with M.S., Sec. 645.021. (The Act also permits the City Council to levy a 3 percent supplementary sales tax on sales of admissions and amusements, and transient lodging accommodations, in the City of Minneapolis. See under Sales Tax.)

Chapter 1096 amends Laws 1965, Chapter 707, Section 1, to increase to 13 mills (from 11 1/4 mills) the maximum levy

which the County of Ramsey may make for general revenue purposes. Effective upon its approval by the Ramsey County Board, and upon compliance with M.S., Sec. 645.021.

New legislation (Chap. 1097) was enacted to require any person, firm or corporation engaged in the business of leasing items of tangible personal property subject to personal property taxation, to file with the Commissioner of Taxation, by June 1 of each year, a listing of all such items owned by him and in possession of a lessee under a lease, rental purchase option, or similar type of agreement as of the preceding May 1. The Act provides that the Commissioner shall then compile a listing of all such property located in each county and shall forward a copy to the county assessor in which the property was located as of May 1. The stated intent of the Act is that leased personal property subject to personal property taxation be assessed to and the tax paid by the lessor, notwithstanding any agreement between the lessor and lessee to the contrary. The Act provides that wilful failure to file the listing constitutes a gross misdemeanor.

Chapter 1126 amends Laws 1969, Chapter 251 (digest of which appears earlier under this heading) to correct an obvious error. (Chapter 251 referred to classes 3, 3b or 3cc instead of classes 3b, 3c or 3cc.) Applicable to taxes payable in 1971. (See also under Property Tax Relief.)

Chapter 1132 amends M.S., Sec. 273.13, to provide that all buildings and appurtenances thereto owned by the occupant and used by him as a permanent residence, but located upon land the title to which is vested in someone else, shall constitute class 3f property, and that such buildings shall be valued and assessed as if they were homestead property within the scope of class 3b, 3c or 3cc, whichever is applicable. Applicable to taxes payable in 1970 and subsequent years.

New legislation (Chap. 1135) was enacted to provide that upon timely application by the owner, the value for ad valorem tax purposes of real estate (a) actively and exclusively devoted to golf or skiing recreational use or uses and other recreational uses carried on at such golf or skiing establishment; (b) 5 acres in size or more; and (c) operated by private individuals and open to the public, or operated by firms or corporations for the benefit of employees or guests, or operated by private clubs having a membership of 50 or more, shall be determined solely with reference to that use. The Act directs the assessor to make a separate determination of the market value of the tract and to record the tax based upon that value and the appropriate applicable mill rate, and that when such property is sold or no longer qualifies for the lower assessment, the portion sold shall be subject to additional taxes, for the last seven years that it was valued and assessed as recreational property, in an amount equal to the difference between the taxes based on recreational value and those based on actual market value. The application for lower assessment and deferment of taxes must be made at least 60 days prior to January 2 of each year and filed with the assessor. Applicable to assessments for tax purposes beginning in 1970 used to determine taxes payable in 1971.

Property Tax Relief

Laws 1969, Chapter 17 amends M.S., Sec. 290.0608, to

eliminate the requirement that an elderly home owner's claim for credit against his state income tax for a percentage of his property tax must be reduced by the amount of any reduction in his property tax received under the 35 percent property tax relief provision of the Tax Reform and Relief Act, and to increase the maximum claim allowable to \$450 (75 percent of \$600) instead of \$225 (75 percent of \$300). It also amends Sec. 290.0601, Subd. 9, to provide that in determining the amount of the claim, the property tax to which the percentage applies is the net property tax after deducting the 35 percent reduction allowed all homeowners. Effective with respect to all taxable years commencing on or after January 1, 1968.

Chapter 306 amends M.S., Sec. 290.982 (which defines the claimants entitled to tax relief by way of income tax credits or refunds for a percentage of their rent paid) to delete certain ambiguous language.

Chapter 417 amends M.S., Sec. 273.13, Subd. 6, to specify that the 80 acres of agricultural land to be used in computing the 35 percent reduction in real estate tax afforded rural homeowners under the Tax Reform and Relief Act is that most contiguous surrounding or bordering the house occupied by the owner as his dwelling place and such other structures as may be included thereon utilized by the owner in an agricultural pursuit. It also amends Sec. 290.0601, Subd. 9, to provide that the same acreage shall be used in computing the income tax credit or refund afforded elderly rural homeowners.

Chapter 647 amends M.S., Sec. 290.982, to broaden the provision of the Tax Reform and Relief Act allowing renters to claim a credit against or refund of their state income tax for a percentage of their rent paid, to apply to persons residing in a rented or leased unit owned temporarily due to foreclosure by the Federal Housing Administration. Applicable to rent accrued in 1969 and subsequent years.

Chapter 896 amends M.S., Sec. 273.13, Subd. 15, to provide that payments from the property tax relief fund to reimburse local taxing districts for tax revenues lost by reason of the 35 percent reduction in real estate taxes afforded homeowners, shall be made not later than July (instead of June) 15, and November 15; that the county auditors' certifications as to the amount of tax revenues lost by reason of the 35 percent reduction shall be made to the Commissioner of Taxation (instead of the State Treasurer); that such certifications shall be reviewed by the Commissioner to determine their accuracy; and that the payments from the fund shall be made by the State Auditor (instead of the State Treasurer). Chapter 896 also amends M.S., Sec. 273.69, to provide that payments from the property tax relief fund to replace tax revenues lost to the local taxing districts by reason of exemption of personal property shall be made on or before March 15 (instead of February 28) and July 15 (instead of June 30); and that the county auditors' certifications as to the amount of tax revenues lost by reason of the exemption of personal property shall be made to the Commissioner of Taxation (instead of to the State Auditor). Applicable to county auditors' certifications required to be filed after the effective date of the Act, and to all amounts payable after the effective date of the Act.

Chapter 899 amends M.S., Sec. 273.69, Subd. 7, to provide that where changes have been made in the exempt or non-exempt status of property as the result of regulations promulgated by the Commissioner of Taxation, or a decision of the Supreme Court or of a lower court which is not appealed to the Supreme Court, the county auditor may submit revised certificates for apportionment and distribution of the replacement monies from the property tax relief fund to reflect such changes.

Chapter 1078 amends M.S., Sec. 290.0604, to provide that starting in 1970 claims by elderly homeowners or renters for a percentage of their property taxes or rent constituting property taxes accrued, shall be filed with and in the possession of the Department of Taxation on or before June 30 (instead of April 15).

Chapter 1126 amends M.S., Sec. 273.13, Subd. 15, to provide that not later than October 15 of each year, the county auditor may amend his certification for reimbursement from the property tax relief fund of the amount of the 35 percent reduction afforded homeowners, to include additional reductions resulting from the reclassification of real property from non-homestead to homestead, and that any additional amounts included in the amended certification shall be paid to the county treasurer not later than November 15 of each year. (See also under Property Taxes.)

Chapter 1128 amends M.S., Sec. 273.13, to make the 35 percent property tax relief provision of the Tax Reform and Relief Act applicable to buildings and appurtenances thereto owned and used by the occupant as a permanent residence, which are located upon land subject to property taxes and the title to which is vested in a person or entity other than the occupant. Applicable to taxes payable in 1970 and subsequent years.

Chapter 1137 amends M.S., Sec. 273.13, to provide that in computing the tax to be paid on account of principal and interest on bonded indebtedness, for the purpose of excluding it from the amount of the 35 percent reduction in real estate taxes afforded homeowners under the Tax Reform and Relief Act, the county auditor shall include (a) that portion of the tax attributable to local improvements financed by general revenue (as certified by each municipality and township) which prior to 1967 was financed by special assessments, and (b) the payments on certain bonded indebtedness (as certified by each taxing unit). The amendment provides that each municipality and township shall certify to the county auditor the local improvements paid from general funds and the amount levied therefor, which are of a type which prior to 1967 was levied as a special assessment against benefited property; and that each taxing district shall certify to the county auditor the amount necessary to meet all principal and interest payments due in the calendar year on all debt for which the full faith and credit of the taxing district is pledged, with the following exceptions: (a) special assessments on benefited property, (b) user charges or other net revenues of an income producing facility when used to retire the indebtedness of the facility, and (c) moneys received under contract, grant or gift from a different unit of government, an individual, corporation, association or foundation but only when such payment

on bonded indebtedness is consistent with the purpose for which such moneys are paid or granted. The amendment also provides that the taxing unit may not apply the per capita aid payable under M.S., Chap. 297A, or the highway user aids payable under Chapter 162, to the reduction of the costs of the required principal and interest payments on the bonded indebtedness.

Sales Tax

Laws 1969, Chapter 62 amends Secs. 297A.01, Subds. 3 and 4 of the Sales Tax Act (M.S., Chap. 297A) to shift from Subd. 4 to Subd. 3 the provision that the furnishing, preparing or serving for a consideration of meals and lunches served at public and private schools, universities or colleges does not constitute a retail sale for sales tax purposes.

Chapter 66 amends Sec. 297A.31, Subd. 2 of the Act to eliminate the requirement that notices and demands required to be mailed to the taxpayer under the sales tax law be sent by registered mail. It provides that notices may be mailed to the address given in his return, if any, or to his last known address. (Before the amendment, the notices had to be mailed to the address given in the return even though the Department was aware that the taxpayer had moved.) It also provides that a brief written statement of the computation of the tax may be personally served upon the taxpayer, and that demand for immediate payment of the taxes contained in the statement may be made by the person making personal service.

Chapter 67 amends Sec. 297A.30 of the Act to provide that where an extension of time for payment of the sales tax has been granted, interest shall be payable from the normal due date of the return until the tax is paid.

New legislation (Chap. 303) was enacted which disqualifies banking institutions from acting as depositories for any public funds if they do not pay sales and use taxes to the State.

Chapter 544 amends Sec. 297A.33 of the Sales Tax Act to provide that if the Commissioner of Taxation has reason to believe that the person required to file a sales tax return is about to remove himself or his property from the State for the purpose of evading payment of the tax, the Commissioner may demand immediate payment and collect the tax by any method specifically provided for in the Act; that it shall not be a defense to such demand and/or action that the current tax period is not terminated or that the time for filing a return has not expired; and that the Commissioner may issue his warrant to the sheriff of any county for the purpose of impounding property of the delinquent taxpayer and having the sheriff sell it as though the property had been taken on execution.

Chapter 545 amends Sec. 297A.31, Subd. 1 of the Act to provide that if on examination of a sales tax return by the Commissioner of Taxation the tax found to be due exceeds the amount of the tax reported as due on the return (instead of the amount of the tax that has been paid), such excess shall be paid within 30 days after notice and demand.

Chapter 571 amends Sec. 297A.01 of the Act to expand the definition of "person" to include agents or consignees of individuals or organizations enumerated in the Act, and to add

a definition of "agricultural production" (which includes horticulture, floriculture, raising of pets, fur bearing animals, research animals and horses). It also amends Sec. 297A.03, Subd. 1, to rephrase the language requiring the tax to be stated and charged separately from the sales price or charge for service, to indicate clearly that the words "insofar as practicable" refer only to this requirement and not to the requirement that the tax shall be collected by the seller from the purchaser. And it amends Sec. 297A.04 to provide that an applicant for a permit to make retail sales who has no regular place of doing business and who moves from place to place shall be considered to have only one place of business but shall obtain a permit for each cart, stand, truck or other merchandising device, and attach it to each such device.

Chapter 572 amends Sec. 297A.43 of the Act to relax the prohibition against disclosing information from sales tax returns or files, to permit the Commissioner of Taxation to furnish information to a buyer and seller with respect to a specific transaction where a question arises as to whether the proper tax applicable is a sales or use tax. The amendment also authorizes the Commissioner to enter into agreements with taxing officials of other states for the interpretation and administration of the sales tax laws of each state, for the purpose of promoting fair and equitable administration of such laws and to eliminate double taxation. And it authorizes the Commissioner to furnish information on a reciprocal basis to taxing officials of another state in order to implement the purposes of the Act.

Chapter 573 amends Sec. 297A.39 of the Act to increase the penalty for late payment of any sales or use tax to 10 (from 5) percent of the amount remaining unpaid; to increase the penalty for failure to make and file a sales or use tax return to 10 (from 5) percent if the failure is for not more than 30 days with an additional 5 percent for each additional 30 days or fraction thereof during which such failure continues, not exceeding 25 percent in the aggregate, with a minimum penalty of \$10; to expand the circumstances under which the 50 percent penalty applies, to include wilful failure to make any required payment and wilfully attempting in any manner to evade or defeat any tax or payment thereof; and to provide that the amount of tax not timely paid, together with any applicable penalty, shall bear interest at the rate of 8 percent per annum from the time such tax should have been paid until paid.

Chapter 632 amends Sec. 297A.32 of the Act to eliminate the 30 day waiting period after the Commissioner of Taxation has made a written demand upon a taxpayer who has failed to file a sales or use tax return or has filed an incorrect, false, or fraudulent return, and to require that upon written notice and demand, the taxpayer shall immediately file such return or corrected return. It also eliminates the 10 day waiting period after the Commissioner has made written demand for payment of the tax in such circumstances, and requires the tax to be immediately paid upon written notice and demand.

Chapter 633 amends Sec. 297A.27 of the Act to require persons liable for sales or use tax or for the collection thereof, to maintain adequate records, make returns, and comply with regulations prescribed by the Commissioner of Taxation. The amendment gives the Commissioner power to examine books

and records, to require attendance of persons having knowledge or information in the premises, to compel the production of books and records by such persons, and to administer oaths or affirmations.

Chapter 634 amends Sec. 297A.01, Subd. 2 of the Act to expand the definition of "person" to include directors and officers of corporations or members of partnerships who, either individually or jointly with others, have the control, supervision or responsibility of filing returns and making payment of the tax.

Chapter 654 amends Sec. 297A.27, Subd. 1 of the Act to require that the retailer's monthly return of sales tax collections contain a confession of judgment for the amount of the tax shown due thereon to the extent not timely paid.

Chapter 915 amends Sec. 297A.21 of the Act to define "retailer maintaining a place of business in this state" as meaning any retailer having or maintaining within this State, directly or by a subsidiary, an office, distribution house, sales house, warehouse, or other place of business, or any agent operating within this State under authority of the retailer or its subsidiary, whether such place of business or agent is located in the State permanently or temporarily, or whether or not such retailer or subsidiary is authorized to do business within the State. It amends Sec. 297A.16 to provide that any corporation, any retailer maintaining a place of business in this State, or any other retailer as the Commissioner of Taxation shall authorize, upon making sales of any items subject to the sales tax, shall collect the use tax from the purchaser, give him a receipt therefor, and remit the tax to the Commissioner, unless the purchaser furnishes to the corporation or retailer a copy of a certificate issued by the Commissioner authorizing the purchaser to pay any sales or use tax due on purchases made by him directly to the Commissioner. And it amends Sec. 297A.15 to provide that any retailer not maintaining a place of business in the State, as a prerequisite to receiving authorization from the Commissioner to collect the tax, must furnish adequate security to insure collections and payment of the tax; that when so authorized, such retailer shall collect the tax upon all tangible property sold to his knowledge for use within the State; and that no agent, canvasser or employee of any retailer, not authorized by permit from the Commissioner, may collect the tax, nor sell, solicit orders for, nor deliver any tangible personal property in this State. Effective on July 1, 1969.

Chapter 1049 amends Sec. 297A.35 of the Act to provide that a person who has paid sales tax to an electrical retailer on electricity purchased for agricultural production (which is exempt) may claim a refund of such tax on his state income tax return or, if not required to file an income tax return, on such form as the Commissioner of Taxation may prescribe. If no income tax return is required, the claim is to be filed on or before April 15 for the preceding calendar year. Each claim is to be accompanied by a certificate from the electrical retailer that he has not filed a claim for refund. The refunds are to be made from the income tax school fund, which is to be reimbursed from the property tax relief fund. Applicable to sales taxes paid subsequent to December 31, 1968.

Chapter 1092 levies a 3 percent supplementary sales tax on sales of admissions and amusements, and transient lodging accommodations, in the City of Minneapolis. It provides that the tax shall apply to sales made on or after October 1, 1969; that the tax shall be collected by the Commissioner of Taxation along with the state general sales tax; and that the net proceeds of the tax, after deducting the costs of state collection, shall be distributed to the City of Minneapolis, to be spent by the City for any authorized purpose. Effective only after approval by a majority of the City Council, and upon compliance with M.S., Sec. 645.021. (The Act also increases the maximum property tax levy which the City of Minneapolis may make for general fund purposes. See under Property Taxes.)

Tax on Taconite and Iron Sulphides

New legislation (Laws 1969, Chapter 87) was enacted to provide for distribution to Independent School District 319 in Itasca County, from the proceeds of the taconite production tax in respect to concentrating plants and the processes of concentration within School District 316 in Itasca County and School District 701 in St. Louis County, of an amount equal to 40 percent of the sum otherwise distributable to the latter two districts. Applicable to taxes payable in 1970 and subsequent years.

Chapter 1156 amends M.S., Sec. 298.24 to increase the base tax on taconite and iron sulphides to 11.5 (from 5) cents per gross ton of merchantable iron ore concentrate produced therefrom; to provide for escalation of the rate based on increases in the wholesale commodity price index (1/10th of 1 cent per gross ton for each point increase above 110); and to provide for a credit against the tax of 2 cents per gross ton to taconite companies whose lands, buildings, machinery, equipment and fixtures have been made subject to direct taxes for payment of principal and interest on bonds issued by local taxing districts. It also amends Sec. 298.28 to provide that 47 percent of the proceeds of the tax shall be distributed to a newly-created taconite property tax relief account in the state treasury, from which payments are to be made to reduce the real estate taxes of home owners in tax relief areas on the Iron Range. The amounts of the reductions vary from 17 to 27 percent of the tax, depending upon the percentage of assessed valuation of unmined iron ore in the particular tax relief area. The maximum reduction is set at \$190. Applicable to taxes payable in 1970 and subsequent years.

Miscellaneous

Laws 1969, Chapter 97 amends M.S., Secs. 270.07, Subd. 1; 270.10, Subd. 1; 287.28; 290.53, Subd. 6; 290.92, Subd. 15; 297.35, Subds. 5 and 6; and 297A.39, Subd. 6, to eliminate the necessity of written approval of the Attorney General on orders of the Commissioner of Taxation abating, reducing or refunding taxes, interest and penalties where the amount of the abatement, reduction or refund is \$500 or less (instead of \$300 or less). The amendment also eliminates the necessity of written approval of the Commissioner of Taxation or his deputy on orders increasing or decreasing taxes, by a sum less than \$300 (instead of \$100).

Chapter 230 amends M.S., Sec. 10.11, to authorize the Attorney General to compromise taxes, penalties and interest in cases referred to him, whether reduced to judgment or not, where, in his opinion, it is in the best interests of the State.

APPENDIX A

1. APPROPRIATIONS FOR 1969-71, BY FUNCTION, COMPARED WITH APPROPRIATIONS FOR 1967-69

Property Tax Relief, Shared Taxes, and Aids to Local Government	1967 Legislature	1969 Legislature	Increase or (Decrease)
Aid to Fire Departments	\$ 2,360,000	\$ 3,000,000	\$ 640,000
Surcharge, Firemen's Relief	495,000	555,000	60,000
To Counties a/c Non-Tax Area	48,000	48,000	.....
Special Aid to Cities	390,000	401,350	11,350
Special Aid to Counties	75,000	75,000	.....
Special Aid to Towns	3,000	3,000	.....
Property Tax Relief (Property Tax Relief Fund)			
Per Capita Aids to Municipalities	30,979,104	50,200,000	19,220,896
Supplemental Per Capita Aid to Municipalities (Op. Atty. Gen.) . . . . .	.....	5,278,438	5,278,438
Exempt Property Reimbursement	86,746,112	148,925,000	62,178,888
Elimination of Property Tax Levy	67,577,786	143,500,000	75,922,214
Homestead Credit	78,931,986	201,900,000	122,968,014
65 and Over Property Tax Relief Credit	494,005	5,400,000	4,905,995
Renters Credit . . . . .	.....	14,000,000	14,000,000
Other	253,496	.....	(253,496)
	\$ 268,353,489	\$ 573,285,788	\$ 304,932,299
Shared Taxes (Cigarette, liquor, bank excise, inheritance, gross earnings, mobile homes, taconite, vessel tonnage, and rural electric cooperatives)		63,207,229	
		\$ 636,493,017	
Education			
Department of Education (salaries, supplies and expense, revision and printing of curriculum, research, Manpower Development and Training program, and Veterans-on-the-job Training program)	\$ 2,928,960	\$ 4,449,243	\$ 1,520,283
Vocational Training of Disabled	2,412,160	2,900,000	487,840
Long Term Sheltered Workshop	60,000	350,000	290,000
Scholarships for Indian Students	75,000	135,000	60,000
Community Lunch Program	1,000,000	1,075,000	75,000
Aid to Public Libraries	875,000	950,000	75,000
Experimental Laboratory Program	125,000	50,000	(75,000)
Inter-Library Cooperation . . . . .	.....	35,000	35,000
Professional Teaching Practices Commission	10,000	5,000	(5,000)
Aid to Schools	455,732,617	563,234,602	107,501,985
Per Capita Aids to School Districts - (Property Tax Relief Fund)	26,235,148	42,500,000	16,264,852
Supplemental Per Capita Aid to School Districts (Property Tax Relief Fund - Op. Atty. Gen.) . . . . .	.....	4,470,961	4,470,961
Additional Aid to Certain School Districts (Valuation Lag)	1,750,000	1,750,000	.....
Increased School Aids - Koochiching County	75,000	.....	(75,000)
\$10 per Child Census Aid	17,900,000	18,000,000	100,000
Endowment School Fund Apportionment	19,250,000	20,250,000	1,000,000
Shared Time . . . . .	.....	1,000,000	1,000,000
Continuing Education . . . . .	.....	370,000	370,000
Teachers In-Service Training . . . . .	.....	445,000	445,000
Remediation Aids . . . . .	.....	600,000	600,000
AFDC Students . . . . .	.....	475,000	475,000
Indian Students . . . . .	.....	155,000	155,000
Additional Education Aids			
School Aid to Counties a/c Non-Tax Areas	48,000	48,000	.....
To School Districts a/c Gross Earnings	3,080,000	3,485,000	405,000
To School Districts a/c Exempt Lands	750,000	800,000	50,000
To School Districts a/c Airports	240,000	290,000	50,000

APPENDIX A — Continued

538 192,313

	1967 Legislature	1969 Legislature	Increase or (Decrease)
To Common School Districts	100,000	100,000	.....
To Common School Districts a/c Military Lands	3,000	4,400	1,400
To School District 16 a/c Airports (From General Fund)	10,500	10,500	.....
To School District 16 a/c Airports (From State Airports Account)	19,500	19,500	.....
Staples Independent School District		43,000	43,000
Deficiency Appropriation	12,998,548	.....	(12,998,548)
To Independent School District #623 . . . . .	.....	7,303	7,303
Deficiency Aids to Certain School Districts		1,500,000	1,500,000
State Junior College Board	14,586,611	26,480,217	11,893,606
National Defense Student Loan Program	38,500	55,000	16,500
Economic Opportunity Act	116,225	133,700	17,475
State Junior College Board Contingent	200,000	200,000	.....
State Junior College Board and Commissioner of Administration — Planning and Architectural Services for State Junior Colleges . . . . .	.....	200,000	200,000
State College Board	39,910,000	60,725,581	20,815,581
Contingent Fund	400,000	500,000	100,000
Southwest State College	3,625,478	7,901,094	4,275,616
National Defense Student Loan Program	551,667	548,944	(2,723)
Economic Opportunity Act	644,701	717,790	73,089
General Research	25,000	50,000	25,000
Doctoral Program Study	25,000	.....	(25,000)
Bonding Bill — State College Dormitories, etc. . . . .	.....	600,000	600,000
Supplemental Retirement Programs and Pensions			
Supplemental Retirement Fund for:			
State Junior Colleges	190,000	1,402,480	577,480
State Colleges	635,000		
Administrative Cost of Supplemental Retirement Fund	22,300	.....	(22,300)
Supplemental Pensions for Certain Teachers	650,000	580,000	(70,000)
Pioneer Teachers Retirement	58,000	.....	(58,000)
University of Minnesota			
Maintenance and Improvements	110,893,545	141,093,656	30,200,111
Educational Equipment Supplement . . . . .	.....	2,000,000	2,000,000
Libraries Supplement . . . . .	.....	1,000,000	1,000,000
Technical Institute — Crookston	955,000	1,640,000	685,000
Waseca Technical College . . . . .	.....	165,000	165,000
National Defense Student Loan Program	435,000	516,700	81,700
University General Hospital	8,585,400	6,714,814	(1,870,586)
Psychopathic Department	2,040,600	2,445,149	404,549
Child Psychiatric Department	779,800	919,041	139,241
Rehabilitation Center	2,009,700	2,410,204	400,504
Department of Community Service . . . . .	.....	78,500	78,500
Multiple Sclerosis	278,300	.....	(278,300)
Special Appropriations			
Agri-Business Activities			
Agricultural Extension Service	3,346,000	5,550,000	2,204,000
General Agricultural Research	2,534,500	4,126,800	1,592,300
Soybean Research	240,000	282,000	42,000
Potato Processing Research Laboratory	50,700	58,400	7,700
Forest Research Center — Cloquet	100,000	113,300	13,300
Veterinary Diagnostic Laboratory	272,500	426,000	153,500
Tuition and Transportation Aid	63,800	45,000	(18,800)
Ore and Geological Research	687,500	781,612	94,112
General Research	1,163,600	2,333,500 ¹	1,169,900
Medical and Cancer Research	280,000	320,000	40,000
Psychiatric Research	258,500	285,000	26,500
Control of Hypercholesterolemia	25,000	60,000	35,000
Multiple Sclerosis and Other Neurological Problems ²	.....	334,000	334,000
Basic Sciences Programs for a Medical Training Curriculum — Duluth . . . . .	.....	340,000	340,000
Family Practice and Community Health . . . . .	.....	550,000	550,000
Minnesota Higher Education Coordinating Committee	345,000	644,000	299,000
Inter-institutional Educational TV	350,000	540,000	190,000

APPENDIX A — Continued

	1967 <u>Legislature</u>	1969 <u>Legislature</u>	Increase or (Decrease)
State Scholarships	250,000	1,450,000	1,200,000
State Grants-in-Aid Program . . . . .	.....	800,000	800,000
Scholarships — Board of Medical Examiners . . . . .	.....	50,000	50,000
Medical Education . . . . .	.....	700,000	700,000
Nursing Scholarships	250,000	250,000	.....
The Education Commission of the States	21,500	27,000	5,500
Unemployment Compensation	3,330	3,473	142
Employees Compensation	14,477	17,894	3,416
	<u>\$ 743,590,667</u>	<u>\$ 948,673,358</u>	<u>\$ 205,082,691</u>
Open Appropriations — Other Funds			
Tuition and Course Fees (State Junior Colleges, State Colleges, and University of Minnesota)		109,093,181	
		<u>\$1,057,766,539</u>	
Federal Funds		130,036,935	
		<u>\$1,187,803,474</u>	
<u>Welfare and Corrections</u>			
Department of Welfare			
Administration	\$ 2,678,964	\$ 7,275,000	\$ 4,596,036
Categorical Aids			
Care, Relief and Support of Families with Dependent Children	16,400,000	27,703,000	11,303,000
Care, Relief and Support of Aged	9,800,000	12,371,000	2,571,000
Care, Relief and Support of Blind	334,000	368,000	34,000
Care, Relief and Support of Disabled	3,275,000	5,485,000	2,210,000
Medical Assistance to Needy	37,700,000	49,675,500	11,975,500
Institutions			
Anoka State Hospital	7,003,628	8,441,675	1,438,047
Fergus Falls State Hospital	7,603,310	8,575,309	971,999
Hastings State Hospital	5,001,532	5,648,088	646,556
Moose Lake State Hospital	5,593,606	6,387,711	794,105
Rochester State Hospital	7,486,216	8,674,837	1,188,621
St. Peter State Hospital	8,900,926	10,307,242	1,406,316
St. Peter Security Hospital	1,323,733	1,577,506	253,773
Willmar State Hospital	5,749,022	6,362,824	613,802
Minnesota Residential Treatment Center	1,323,184	343,150	(980,034)
Faribault State Hospital	15,421,392	18,270,270	2,848,878
Cambridge State Hospital and Lake Owasso Children's Home	10,949,074	13,178,027	2,228,953
Owatonna State School and Shakopee Home for Children	2,536,620	1,052,600	(1,484,020)
Brainerd State Hospital	7,785,438	10,559,086	2,773,648
Braille and Sight Saving School	1,104,734	1,334,946	230,212
School for the Deaf	2,004,037	2,594,633	590,596
Gillette State Hospital	3,862,350	4,512,663	650,313
Ah-Gwah-Ching Nursing Home	3,781,934	4,362,049	580,115
Glen Lake Sanatorium and Oak Terrace Nursing Home	4,413,450	5,209,007	795,557
All Other Welfare			
Mental Health Research and Training Program	600,000	600,000	.....
Community Mental Health Centers	3,270,000	6,500,000	3,230,000
Board of Examiners — Nursing Home Administration . . . . .	.....	50,000	50,000
Contingent Fund — Institutions	250,000	250,000	.....
Working Capital Fund for Hospital Care	50,000	50,000	.....
Support for Children under Guardianship	1,370,000	1,460,000	90,000
Administrative Expense on Aging	70,000	87,298	17,298
Vocational Rehabilitation of Blind	220,000	305,000	85,000
Equalization Welfare Costs	2,600,000	2,000,000	(600,000)
Distribution of Surplus Commodities, Relief Purposes	50,000	.....	(50,000)
Daytime Activity Centers for Mentally Retarded	900,000	1,800,000	900,000
Aid to Counties — Mentally Retarded . . . . .	.....	1,900,000	1,900,000
Pilot Demonstration Project — Day-Night Care Center	25,000	.....	(25,000)
Crippled Children Services . . . . .	.....	200,000	200,000

APPENDIX A — Continued

	1967 <u>Legislature</u>	1969 <u>Legislature</u>	Increase or (Decrease)
Pilot Project of Experimental Homes . . . . .	.....	75,000	75,000
General Relief — Indians . . . . .	.....	330,000	330,000
General Assistance — Becker County	233,350	50,000	(183,350)
	<u>181,670,500</u>	<u>235,926,421</u>	<u>54,255,921</u>
Department of Corrections			
Administration			
Salaries	2,841,086	4,655,975	1,814,889
Supplies and Expense	292,730	431,400	138,670
County Probation — Salaries, Supplies and Expense	561,849	.....³	(561,849)
Probation Service — County Reimbursement	700,000	1,010,000	310,000
Research	50,000	85,000	35,000
Psychiatric Services and Hospital Care	100,000	170,000	70,000
Psychiatric Services at Correctional Institutions	40,000	50,000	10,000
Personnel Training	75,000	125,000	50,000
Vocational Training	50,000	113,000	63,000
Foster Group Care	220,800	346,560	125,760
Work Release Program	100,000	187,350	87,350
Transportation Unit . . . . .	.....	57,017	57,017
Vocational Technical Training Tuition	20,000	.....	(20,000)
Penal Institutions for Adults	10,788,108	13,031,585	2,243,477
Youth and Juvenile Institutions	10,306,011	13,936,299	3,630,288
Commissioner of Administration — for secure treatment facilities for juveniles . . . . .	.....	20,000	20,000
	<u>26,145,584</u>	<u>34,219,186</u>	<u>8,073,602</u>
All Other Welfare and Corrections			
Employees Compensation	481,389	545,046	63,657
Unemployment Compensation	32,819	27,001	(5,817)
	<u>\$ 208,330,292</u>	<u>\$ 270,717,655</u>	<u>\$ 62,387,362</u>
Open Appropriations — Other Funds			
Special revenue accounts (departmental earnings, permits, licenses, sales of natural increment, and other receipts)		168,060	
Revolving Funds		<u>5,260,693</u>	
		<u>\$ 276,146,408</u>	
Federal Funds		<u>279,910,979</u>	
		<u>\$ 556,057,387</u>	
<u>Highways</u>			
Administration, Safety, Plant and Equipment, and Contingent Fund (Direct Appropriations)	\$ 31,988,687	\$ 40,723,853	\$ 8,735,166
Construction of Highway Rest Area Buildings and Facilities	480,000	2,023,000	1,543,000
Construction, Maintenance and Other "Open" Trunk Highway Appropriations	<u>232,433,900</u>	<u>208,698,200</u>	<u>(23,735,700)</u>
	<u>\$ 264,902,587</u>	<u>\$ 251,445,053</u>	<u>\$ (13,457,534)</u>
Open Appropriations — Highway User Funds			
Apportionments for county and municipal roads and street construction and maintenance		119,604,740	
County Highway Funds		19,500,000	
Revenue Refunds		<u>28,280,000</u>	
		<u>\$ 418,829,793</u>	
Federal Funds		<u>288,500,000</u>	
		<u>\$ 707,329,793</u>	
<u>Other Executive Branch Functions</u>			
Governor			
Salaries	\$ 437,100	\$ 730,000	\$ 211,045
Supplies and Expense	81,855		
Personal expenses connected with office	22,000	22,000	.....
Governor's portrait . . . . .	.....	2,000	2,000

APPENDIX A — Continued

	1967 Legislature	1969 Legislature	Increase or (Decrease)
Technical services	60,000	75,000	15,000
Statewide Planning Agency	550,000	729,634	179,634
Study of Governmental Reorganizational	50,000	.....	(50,000)
Governor's Commission on Employment of Handicapped	30,000	55,142	25,142
Civil Defense	280,669	344,754	64,085
Great Lakes Basin Commission	50,000	40,000	(10,000)
Drug Abuse and Addiction Program . . . . .	.....	40,000	40,000
Fort Snelling Sesquicentennial . . . . .	.....	50,000	50,000
Upper Great Lakes Regional Commission . . . . .	.....	142,334	142,334
Souris — Red-Rainy River Basin Commission	95,000	60,000	(35,000)
National Governors' Conference	15,000	12,000	(3,000)
	\$ 1,671,624	\$ 2,302,864	\$ 631,240
General State Government			
Lieutenant Governor	\$ 33,400	\$ 40,000	\$ 6,600
State Auditor	969,970	1,196,049	226,079
Contributory Share to Public Employees' Retirement Fund	41,367	20,674	(20,693)
Civil Air Patrol	30,000	41,700	11,700
State Treasurer (Including Liquor Stamps and Labels)	458,878	484,377	25,499
Secretary of State	575,233	731,922	156,689
Mobile Home Administration	71,567	101,425	29,858
Motor Vehicle Division	5,886,339	5,805,154	(81,185)
Public Examiner	771,428	933,100	161,672
Department of Taxation	16,964,136	20,707,718	3,743,582
State Tax Court	75,019	80,356	5,337
Department of Administration	7,076,822	8,913,580	1,836,758
For Salary Adjustments of Agency and Department Heads . . . . .	.....	500,000	500,000
For Construction and Maintenance of State-Owned Buildings . . . . .	.....	100,000	100,000
Plans to Remodel State Capitol . . . . .	.....	170,000	170,000
Operation and Maintenance of Capitol Square Building . . . . .	.....	631,800	631,800
State Ceremonial Building	115,612	120,000	4,388
Computer Service	500,000	409,546	(90,454)
Computer Acceleration . . . . .	.....	900,000	900,000
General Services Revolving . . . . .	.....	50,000	50,000
Employees Benefit Insurance	58,631	51,150	(7,481)
Career Executive Contingent . . . . .	.....	375,000	375,000
Building Bills (Current Maintenance—Repair)	4,068,723	5,664,153	1,595,430
Postage Contingent	230,000	230,000	.....
State Building Code	30,000	25,000	(5,000)
Executive Council and Board of Investment	192,229	356,268	164,039
Department of Civil Service	1,019,686	1,517,906	498,220
War Veterans Affairs	2,153,952	2,156,527	2,575
Minnesota Veterans Home	685,964	896,324	210,360
Miscellaneous Veterans Association	38,000	48,000	10,000
Department of Economic Development	2,459,481	2,988,362	528,881
Cigarette Enforcement Fair Trade Law	42,000	42,000	.....
Land Exchange Review Board	70,000	70,000	.....
State Archives Commission	164,937	244,692	79,755
Minnesota Municipal Commission	71,877	123,166	51,289
Registration of Debt Prorating Agencies . . . . .	.....	15,000	15,000
State Athletic Commission	30,000	40,000	10,000
Interstate Cooperative Commission and Council of State Governments, and			
Uniform Laws Commission	47,500	64,100	16,600
Advisory Commission on Inter-governmental Relations . . . . .	.....	2,000	2,000
Minnesota-Wisconsin Boundary Area Commission	27,500	25,000	(2,500)
The Minnesota Safety Council	80,000	80,000	.....
Minnesota Historical Society	1,117,178	1,707,523	590,345
Minnesota Arts Council	170,000	227,650	57,650
Sibley House	12,000	14,500	2,500
Minnesota Academy of Science	25,000	30,000	5,000
Employees Compensation	185,951	180,468	(5,483)
Unemployment Compensation	236,643	216,495	(20,148)
	\$ 46,787,023	\$ 59,328,685	\$ 12,541,662

APPENDIX A — Continued

	1967 Legislature	1969 Legislature	Increase or (Decrease)
Protection to Persons and Property			
Attorney General	\$ 1,019,542	\$ 1,425,032	\$ 405,490
Great Lakes Diversion Protest	10,000	.....	(10,000)
Bureau of Criminal Apprehension	1,112,872	2,257,980	1,145,108
State Teletypewriter Communication Network	198,846	241,866	43,020
Minnesota Peace Officers Training Board	50,000	131,500	81,500
Criminal Justice Contingent . . . . .	.....	415,000	415,000
Commerce			
Division of Banking	1,465,345	1,807,721	342,376
Division of Insurance	1,033,939	1,246,113	212,174
Fire Marshal	433,674	537,139	103,465
Division of Securities	259,905	408,258	148,353
Health and Sanitation			
Board of Health	3,458,978	4,325,660	866,682
Livestock Sanitary Board	2,023,271	2,223,141	199,870
Commission on Alcoholic Problems	65,000	93,700	28,700
Public Service Commission	10,191,877	7,303,832	(2,888,045)
Labor and Industry	2,331,823	3,428,155	1,096,332
Labor Conciliator	371,913	466,811	94,898
Liquor Control Commission	651,940	754,708	102,768
Department of Aeronautics	700,300	811,943	111,643
Aeronautics proceedings . . . . .	.....	15,000	15,000
Aeronautics safety and education	25,000	40,000	15,000
Airport construction and improvements:			
Key system airports	1,675,000	2,361,400	686,400
Secondary airports system	468,500	887,450	418,950
State landing strips	445,000	459,800	14,800
Navigational Aids	375,000	477,546	102,546
Striping airport runways	63,500	58,000	(5,500)
Hangar construction revolving	175,000	250,000	75,000
Promotional materials	7,500	6,000	(1,500)
Department of Human Rights	338,594	487,411	148,817
Adjutant General	2,971,398	3,574,055	602,657
Sheriffs' Expenses	64,000	64,000	.....
	\$ 31,987,717	\$ 36,559,221	\$ 4,571,504
Development and Conservation of Natural Resources			
Department of Conservation			
Administration	\$ 2,146,339	\$ 2,444,550	\$ 298,211
Snowmobile Program	150,000	825,000	675,000
Boat and Water Safety Program	816,461	1,150,000	333,539
Iron Range Trail and Reclamation . . . . .	.....	40,000	40,000
Division of Waters, Soils and Minerals	1,932,226	2,219,648	287,422
Division of Lands and Forestry	6,632,056	7,616,450	984,394
Division of Game and Fish	12,528,820	10,492,871	(2,035,949)
For Deer, Upland Game and Waterfowl, and Other Game and Fish Management . . . . .	.....	1,100,000	1,100,000
Acquisition of Wetlands	684,000	684,000	.....
Division of Parks and Recreation	3,997,005	4,123,188	126,183
Parks, Wayside Trails, Lands . . . . .	.....	7,000,000	7,000,000
Statewide Zoo — Planning and Engineering . . . . .	.....	500,000	500,000
Division of Enforcement and Field Services . . . . .	..... 4	4,576,939	4,576,939
Interstate Pest Compact . . . . .	.....	29,000	29,000
Societies and Associations for Development and			
Conservation of Natural Resources	479,200	538,300	59,100
State Soil and Water Conservation Committee	622,507	671,267	48,760
Minnesota Water Resources Board	52,755	75,714	22,959
The Great Lakes Commission	32,000	32,000	.....
Clear Waters Bill . . . . .	.....	1,500,000	1,500,000
Minnesota Pollution Control Agency	619,083	1,569,039	949,956
Minnesota Resources Commission	9,135,981	9,648,553	512,572
	\$ 39,828,433	\$ 56,836,519	\$ 17,008,086

APPENDIX A — Continued

	1967 <u>Legislature</u>	1969 <u>Legislature</u>	Increase or (Decrease)
Department of Agriculture			
Salaries	\$ 2,512,797	\$ 2,688,685	\$ 175,888
Supplies and Expense	450,806	461,953	11,147
Division of Meat Industry . . . . .	.....	405,968	405,968
Poultry Breeding and Inspection	126,118	152,874	26,756
Weed Control on Tax-exempt and Tax-forfeited land	18,000	18,000	.....
White Pine Blister Rust Control	17,700	20,452	2,752
Forest Pest Control	13,000	14,000	1,000
Market and Produce Inspection	80,000	90,000	10,000
Butterfat Regulations	54,441	62,858	8,417
Market Development	45,000	120,000	75,000
Pesticide Control Program . . . . .	.....	30,000	30,000
Potato Industry Promotion Act Referendums	4,000	.....	(4,000)
Dairy and Marketing Research (Oleomargarine Tax)	250,000	250,000	.....
Structural Pest Control . . . . .	.....	50,000	50,000
Soybeans — Development . . . . .	.....	25,000	25,000
	<u>\$ 3,571,862</u>	<u>\$ 4,389,790</u>	<u>\$ 817,928</u>
Total Other Executive Branch Functions	\$ 123,846,659	\$ 159,417,079	\$ 35,570,420
Open Appropriations — Other Funds			
Iron Range Resources and Rehabilitation		976,423	
Consolidated Conservation		207,704	
Game and Fish Division		120,000	
Special Revenue Accounts (Departmental earnings, permits, licenses, sale of natural increment)		11,876,287	
Aeronautics (open appropriations, including refunds)		22,030,000	
Revolving Funds		2,790,552	
		<u>\$ 197,418,045</u>	
Federal Funds		58,495,108	
		<u>\$ 255,913,153</u>	
Legislative			
Legislature	\$ 4,955,152	\$ 7,426,400	\$ 2,471,248
General Contingent Fund	525,000	600,000	75,000
Legislative Advisory Committee	3,200	3,290	90
Legislative Research Committee	149,000	.....	(149,000)
Legislative Services Commission . . . . .	.....	108,000	108,000
State Claims Commission	12,000	15,000	3,000
Legislative Building Commission	48,000	52,000	4,000
Indian Affairs Commission	45,000	80,000	35,000
Mississippi River Parkway Commission	10,000	10,000	.....
Commission on Taxation and Production of Iron Ore and Other Minerals	25,000	25,000	.....
Legislative Interim Committee	132,500	.....	(132,500)
Legislative Retirement Study Commission	50,000	157,500	107,500
Water Pollution and Air Pollution Contingent	350,000	.....	(350,000)
Legislative Film . . . . .	.....	40,000	40,000
Revisor of Statutes	344,667	426,991	82,324
	<u>\$ 6,649,519</u>	<u>\$ 8,944,181</u>	<u>\$ 2,294,662</u>
Judicial			
District Courts	\$ 3,240,000	\$ 3,302,000	\$ 62,000
State Public Defender	235,380	305,658	70,278
Special Retirement Accounts (Attorney General, Clerk of Supreme Court, District Judges, Widows of Judges)	512,000	895,131	383,131
Supreme Court	986,207	1,337,011	350,804
Judicial Council	5,000	2,000	(3,000)
State Law Library	222,184	243,961	21,777
	<u>\$ 5,200,771</u>	<u>\$ 6,085,761</u>	<u>\$ 884,990</u>

APPENDIX A — Continued

	1967 Legislature	1969 Legislature	Increase or (Decrease)
Retirement Benefits			
Elected State Officers' Retirement Program	\$ 15,600	\$ 37,800	\$ 22,200
State Employees Retirement Program — Removal of Ceiling	1,149,000	.....	(1,149,000)
Supplemental Retirement Benefits			
SERA	428,000	402,500	(25,500)
PERA	347,000	75,000	(272,000)
Legislative Retirement Commission			
PERA Study . . . . .	.....	25,000	25,000
Coordination of PERA with Social Security	30,000	.....	(30,000)
	<u>\$ 1,969,600</u>	<u>\$ 540,300</u>	<u>\$ (1,429,300)</u>
State Borrowing			
State Building Bill	\$ 63,793,239	\$ 139,989,134	\$ 76,195,895
State Colleges (Dormitories, Residence Halls, and Food Service and Student Union facilities) . . . . .	.....	12,000,000	12,000,000
Maximum Effort School Loan Fund	2,800,000	20,000,000	17,200,000
	<u>\$ 66,593,239</u>	<u>\$ 171,989,134</u>	<u>\$ 105,395,895</u>
Miscellaneous			
Advance to Sewer Service Board of Metropolitan Council	\$	\$ 500,000	\$ 500,000
Claims against the State	374,165	486,929	112,764
State Employees Insurance Program	10,837,934	.....	(10,837,934)
Bond Sales Expense Collection Fees	7,000	6,000	(1,000)
Income Tax Refunds	100,000,000	127,000,000	27,000,000
All Other	463,800	460,640	(3,160)
	<u>\$ 111,682,899</u>	<u>\$ 128,453,569</u>	<u>\$ 16,770,670</u>
Open Appropriations — Other Funds			
Annuities, Welfare Recoveries		38,400,108	
Agency Funds		25,990,721	
Permanent School Fund		2,021,670	
		<u>\$ 194,866,068</u>	
TOTAL	\$1,801,119,729	\$2,519,551,881	\$ 718,432,152
Additional Open Appropriations		449,527,368	
		<u>2,969,079,249</u>	
Federal Funds		756,943,022	
GRAND TOTAL		<u>\$3,726,022,271</u>	

Note: Columns may not add due to dropping of cents.

¹Includes following new items — Business and Economic Research, Duluth; Center for Urban and Regional Affairs; Law Enforcement Education; and Museum of Natural History.

²Appropriations totaling \$334,000 for "Multiple Sclerosis and other Neurological Problems" included in Special Appropriations total.

³Included in Administration Appropriations above.

⁴Included in Division of Game and Fish above.

APPENDIX A — Continued

2. APPROPRIATIONS FOR 1969-71, BY FUNDS, COMPARED WITH APPROPRIATIONS FOR 1967-69

<u>Fund</u>	<u>1967</u> <u>Legislature</u>	<u>1969</u> <u>Legislature</u>	<u>Increase or</u> <u>(Decrease)</u>
General Revenue Fund	\$ 484,371,916 ¹	\$	\$
Income Tax School Fund	629,768,064 ¹		
Property Tax Relief Fund	295,052,654 ¹		
Boat and Water Safety Account	816,461 ¹		
Natural Resources Fund	8,356,653 ¹		
General Fund (For comparison)	1,418,365,748	2,037,291,716	618,925,968
Endowment School Fund	19,250,000	20,250,000	1,000,000
Trunk Highway Fund	265,113,223	252,070,305	(13,042,918)
Highway User Tax Distribution	6,041,112	5,923,518	(117,594)
Highway Safety	53,067	57,304	4,237
State Airports	3,954,917	5,387,592	1,432,675
Game and Fish Fund	13,648,086	17,412,849	3,764,763
State Parks Development	686,785	920,500	233,715
Wildlife Acquisition	684,000	684,000	.....
Consolidated Conservation Areas	127,379	140,976	13,597
Iron Range Resources and Rehabilitation Fund	335,000	325,000	(10,000)
Mobile Home Registration	1,499	.....	(1,499)
Building Outlay	4,117	.....	(4,117)
Agricultural Society . . . . .	.....	425	425
State Borrowing	66,593,239	171,989,134	105,395,895
	<u>1,794,858,175</u>	<u>2,512,453,320</u>	<u>717,595,145</u>
Portion of the University's Maintenance and Improvements			
• appropriation to be financed from the ten percent of			
the iron ore occupation tax and the earnings of the			
University's constitutional trust funds	6,261,554	7,098,561	837,007
Total	<u>\$1,801,119,729</u>	<u>\$2,519,551,881</u>	<u>\$ 718,432,152</u>
<u>Additional Open Appropriations</u>			
General Dedicated Receipts		147,493,289	
Miscellaneous Special Revenue Fund		14,066,017	
Highway User Tax Distribution Fund		147,884,740	
State Airports		22,030,000	
Game and Fish Fund		120,000	
Consolidated Conservation Areas		207,704	
Iron Range Resources and Rehabilitation Fund		976,423	
Revolving Funds		7,644,884	
Diversified Labor		406,361	
Agency Funds		108,697,950	
Federal Funds		<u>756,943,022</u>	
GRAND TOTAL		<u>\$3,726,022,271</u>	

Note: Columns may not add due to dropping of cents.

¹Combined into single fund — titled "General Fund" — by 1969 Legislature.

APPENDIX B

ESTIMATED RESOURCES FOR 1969-71 BIENNIUM FOR FINANCING OF GENERAL FUND APPROPRIATIONS

PLUS RELATED DISTRIBUTION, INCLUDING
LOCAL SHARING, OF CERTAIN TAXES

Code	Item	General Fund	University	Iron Range Resources and Rehabilitation	State Total	Local Share	Grand Total
Estimated Balance (July 1, 1969)							
	From Governor's Biennial Budget	\$ 190,338,117*	\$	\$	\$ 190,338,117		
	Revisions in 1969 Estimated Receipts and other adjustments	8,432,976	. . . . .	. . . . .	8,432,976		
	Net Adjusted Balance	<u>198,771,093</u>	<u>.</u>	<u>.</u>	<u>198,771,093</u>		
Permanent and Temporary Taxes and Receipts							
(1)	Gross Earnings Taxes	63,832,000	. . . . .	. . . . .	63,832,000	\$ 3,008,000	\$ 66,840,000
	Insurance Gross Premium Tax	38,900,000	. . . . .	. . . . .	38,900,000	. . . . .	38,900,000
(2)	Iron Ore Occupation Tax	16,150,000	1,900,000	950,000	19,000,000	. . . . .	19,000,000
	Iron Ore Royalty Tax	1,700,000	. . . . .	. . . . .	1,700,000	. . . . .	1,700,000
(3)	Taconite Occupation Tax	2,535,000	390,000	. . . . .	2,925,000	975,000	3,900,000
	Taconite Royalty Tax	1,800,000	. . . . .	. . . . .	1,800,000	. . . . .	1,800,000
(4)	Taconite Tax	216,000	. . . . .	. . . . .	216,000	3,750,000	3,966,000
(5)	Inheritance and Gift Taxes	34,400,000	. . . . .	. . . . .	34,400,000	6,600,000 ¹	41,000,000
(6)	Liquor and Beer Taxes	47,700,000	. . . . .	. . . . .	47,700,000	12,411,729	60,111,729
(7)	Cigarette Tax	52,656,250	. . . . .	. . . . .	52,656,250	14,743,750	67,400,000
	Tobacco Products Tax	1,900,000	. . . . .	. . . . .	1,900,000	. . . . .	1,900,000
	Sales and Use Tax	383,500,000	. . . . .	. . . . .	383,500,000	. . . . .	383,500,000
	Real Estate Transfer Tax	6,900,000	. . . . .	. . . . .	6,900,000	. . . . .	6,900,000
(8)	Bank Excise Tax	4,300,000	. . . . .	. . . . .	4,300,000	14,200,000	18,500,000
	Oleomargarine Tax	7,600,000	. . . . .	. . . . .	7,600,000	. . . . .	7,600,000
(9)	Income Tax - Individual and Fiduciary (Gross)	881,200,000	. . . . .	. . . . .	881,200,000	. . . . .	881,200,000
(9)	Income Tax - Corporations (Gross)	153,000,000	. . . . .	. . . . .	153,000,000	. . . . .	153,000,000
	Grain Inspection Fees	4,991,785	. . . . .	. . . . .	4,991,785	. . . . .	4,991,785
	Institutions (Care of Persons)	22,200,000	. . . . .	. . . . .	22,200,000	. . . . .	22,200,000
(10)	University Hospitals	3,357,407	. . . . .	. . . . .	3,357,407	. . . . .	3,357,407
	Mobile Home Tax . . . . .	. . . . .	. . . . .	. . . . .	. . . . .	4,590,000	4,590,000
	All Other Receipts	21,076,821	. . . . .	. . . . .	21,076,821	63,500	21,140,321
		<u>1,749,915,263</u>	<u>2,290,000</u>	<u>950,000</u>	<u>1,753,155,263</u>	<u>60,341,979</u>	<u>1,844,425,763</u>
Transfers							
	Invested Treasurer's Cash	22,000,000	. . . . .	. . . . .	22,000,000	. . . . .	22,000,000
	State Park Receipts	688,000	. . . . .	. . . . .	688,000	. . . . .	688,000
(11)	Attributable Costs	2,387,600	. . . . .	. . . . .	2,387,600	. . . . .	2,387,600
	Motor Vehicle - Transfer Ownership	213,673	. . . . .	. . . . .	213,673	. . . . .	213,673
(12)	Gas Tax Collection Costs	1,050,000	. . . . .	. . . . .	1,050,000	. . . . .	1,050,000
	All Other Transfers	2,359,736	. . . . .	. . . . .	2,359,736	. . . . .	2,359,736
		<u>28,699,009</u>	<u>.</u>	<u>.</u>	<u>28,699,009</u>	<u>.</u>	<u>28,699,009</u>

1969 Session Changes
(Estimated Revenue Adjustments)

Cigarette Tax Increase	40,000,000			40,000,000	141,250	40,141,250
Tobacco Products Tax Increase	1,900,000			1,900,000		1,900,000
Liquor-Wine Tax Increase	12,350,000			12,350,000		12,350,000
Miscellaneous Licenses and Fee Increases.	3,308,855			3,308,855		3,308,855
Cigarettes Exempted from Sales Tax	(8,000,000)			(8,000,000)		(8,000,000)
Taconite Property Tax Relief					2,724,000	2,724,000
	<u>49,558,855</u>			<u>49,558,855</u>	<u>2,865,250</u>	<u>52,424,105</u>
Total Taxes, Receipts and Transfers	1,828,173,127	2,290,000	950,000	1,831,413,127	\$ 63,207,229	\$1,894,620,356
Appropriation Cancellations (Estimated)	<u>12,500,000</u>			<u>12,500,000</u>		
Total Receipts, Transfers and Cancellations	\$1,840,673,127	\$ 2,290,000	\$ 950,000	\$1,843,913,127		
Total Resources (Including Opening Balances).	\$2,039,444,220	\$ 2,290,000	\$ 950,000	\$2,042,684,220		

CODE DISPOSITION OF TAX

- * Prior to 1969 deficiency and "immediately available" appropriations, and after shift in certain property tax relief payments from June to July - started in 1969.
- (1) Local share (\$3,008,000) consists of 94% of gross earnings tax on taconite railroads.
 - (2) Distributed 85% to General Fund; 10% to University and 5% to Iron Range Resources and Rehabilitation.
 - (3) Distributed 65% to General Fund; 10% to University and 25% to local units of government.
 - (4) Distributed to taxing districts in which lands from which taconite was mined or quarried were located - 11½% to city, village or town; 27% to school district; 11½% to county; 3% to State and 47% to Taconite Property Tax Relief Account for apportionment to home owners.
 - (5) Distributed 80% to State, 20% to counties of resident inheritance; nonresident inheritance and gift taxes, 100% to General Fund.
 - (6) Distributed 70% to State, 30% to local units of government on basic liquor tax only - entire 15% liquor surtax and beer tax 100% to General Fund.
 - (7) Tax rate 13¢ per pack; 25% of revenue from 10¢ of tax rate distributed to local units of government, balance of total revenue to General Fund.
 - (8) Total tax rate 13.64%; proceeds of 10.5% returned to local units of government where revenue originated, 3.14% to General Fund.
 - (9) Gross and net estimated collections, by fiscal years, are as follows:

	<u>Fiscal 1970</u>	<u>Fiscal 1971</u>	<u>Biennium Total</u>
Gross Individual and Fiduciary	\$408,200,000	\$473,000,000	\$ 881,200,000
Corporate	<u>73,000,000</u>	<u>80,000,000</u>	<u>153,000,000</u>
	481,200,000	553,000,000	1,034,200,000
Less Refunds	<u>61,000,000</u>	<u>66,000,000</u>	<u>127,000,000</u>
Net Totals	\$420,200,000	\$487,000,000	\$ 907,200,000

- (10) Reimbursement by counties to cover cost of care for indigent patients.
- (11) Reimbursement for services (utility and others) furnished to other than General Fund-financed activities.
- (12) Reimbursement for costs incurred in both collecting and refunding of gasoline taxes.

APPENDIX C

RATES OF PRINCIPAL TAXES, 1969-71 BIENNIUM

Income Taxes

Individual and Fiduciary—	First	\$ 500 — 1.5%
	Next	500 — 2.0%
(“Temporary” tax of	Next	1,000 — 3.0%
0.5% in first three	Next	1,000 — 5.0%
steps, 1.5% in re-	Next	1,000 — 6.0%
maining steps, in-	Next	1,000 — 7.0%
cluded)	Next	2,000 — 8.0%
	Next	2,000 — 9.0%
	Next	3,500 — 10.0%
	Next	7,500 — 11.0%
	Excess over	20,000 — 12.0%

Corporation — 11.33% (includes 1.8% “temporary” tax and 1.03% “temporary” surtax)

Bank excise — 13.64% (includes 1.9% “temporary” tax and 1.24% “temporary” surtax)

Sales and Excise Taxes

Retail sales and use — 3% (exempts foodstuffs, clothing, medicines, gasoline, cigarettes)

Liquor excise — 27¢ to \$3.625 per gallon (includes 15% “temporary” surtax)

3.2% beer excise — \$1.60 per barrel

Strong beer excise — \$3.20 per barrel

Cigarette excise — 13¢ per package

Tobacco products excise — 20% of wholesale price

Yellow oleomargarine excise — 10¢ per pound

Gasoline — 7¢ per gallon

Gross Earnings Taxes

(In lieu of all ad valorem taxes)

Railroad companies — 5%

Telephone companies

— from service to rural subscribers—4%

— from exchange business in all cities of the fourth class

and villages with 10,000 or less population — 4%

— from all other business — 7%

— for companies with \$1,000 or less gross earnings — 30¢ per connected telephone

Telegraph companies — 6%

Sleeping car companies — 6%

Express companies — 5%

Freight line companies — 7%

Taconite railroads — 5%

Ore Taxes

Iron ore occupation — 14.25% (includes 2.25% “temporary” tax)

Iron ore royalty — 14.25% (includes 2.25% “temporary” tax)

Taconite occupation — 12%

Taconite royalty — 12%

Taconite (in lieu of property tax) — 11½¢ per ton of finished product having a content of 55% dry iron, plus 1/10 of 1¢ for each 1% in excess of 55%

Semi-taconite

— If processed in Minnesota, 5¢ per ton of finished product having a content of 55% dry iron, plus 1/10 of 1¢ for each 1% in excess of 55%

— If processed outside of Minnesota 10¢ per ton of finished product having a content of 55% dry iron, plus 1/10 of 1¢ for each 1% in excess of 55%

Copper-nickel occupation — 1%

Copper-nickel royalty — 1%

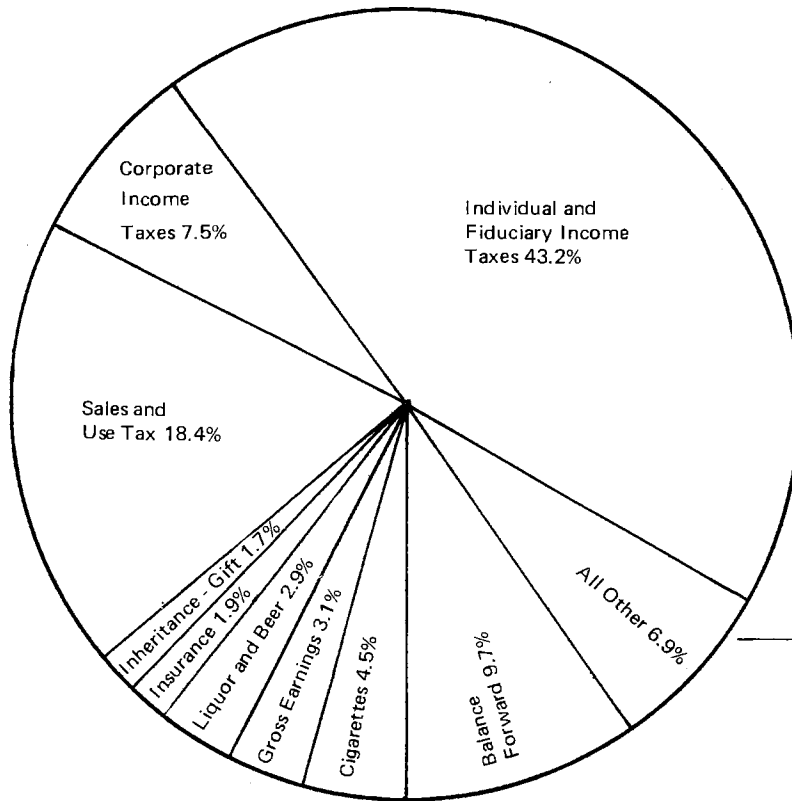
Copper-nickel (in lieu of property tax) — 2½¢ per gross ton plus 1/4¢ for each 1/10 of 1% by which the average dried mineral content exceeds 1%

Real Estate Transfer

\$2.20 for first \$1,000, plus \$1.10 for each additional \$500

Chart No 1

**ESTIMATED RESOURCES AND EXPENDITURES
GENERAL FUND 1969-71 BIENNIUM**



ESTIMATED RESOURCES

Including Appropriation
Cancellations of \$12,500,000

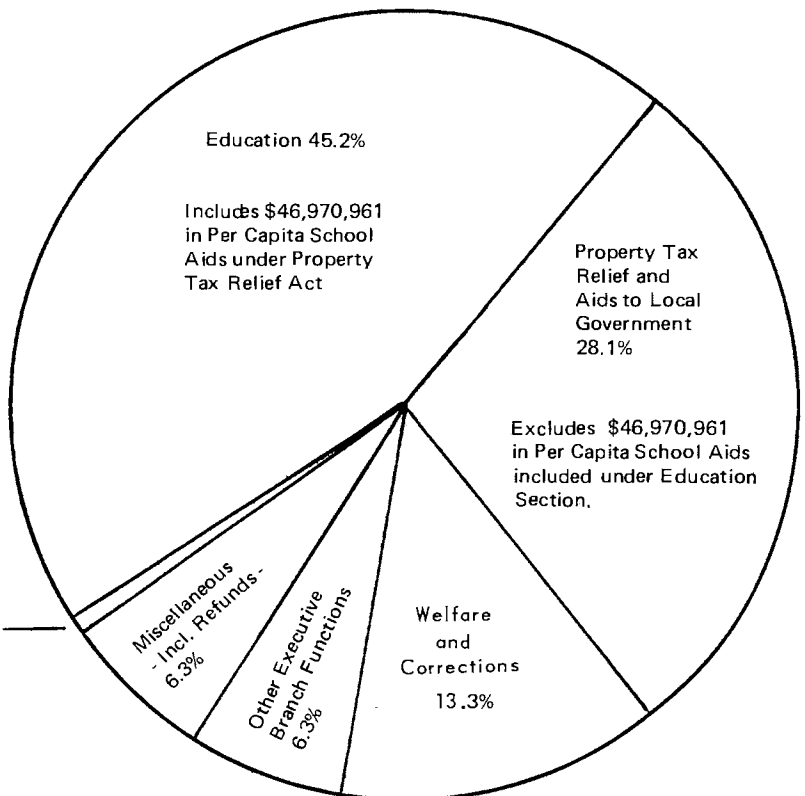
\$2,039,444,220

Severance, Tobacco Products, Real Estate Transfer, and Bank Excise Taxes plus Departmental Receipts, Transfers and Cancellations.

ESTIMATED EXPENDITURES

Including Income Tax
Refunds of \$127,000,000

\$2,037,291,716



Includes \$46,970,961
in Per Capita School
Aids under Property
Tax Relief Act

Excludes \$46,970,961
in Per Capita School Aids
included under Education
Section.

Legislative, Judicial and
Special Retirements
appropriations 8.0%

APPENDIX D — Continued

ANNUAL SALARIES OF PUBLIC OFFICIALS, DEPARTMENT HEADS AND THEIR DEPUTIES OR ASSISTANTS, AND HEADS OF INSTITUTIONS

(Excludes those Deputies and Assistants Under Civil Service)

<u>Position</u>	<u>Amount</u>	
Constitutional Officers		
Governor	\$27,500	Special Assistant to Revisor of Statutes
Secretary of State	20,500	to 20,000
State Auditor	20,500	Executive Secretary, Board of Investment
State Treasurer	20,500	25,000
Attorney General	22,000	Executive Secretary, Minnesota State
		Retirement System
		18,000
		Executive Secretary, Teachers Retirement
		Association
		18,000
Other Elected Officers		Executive Secretary, State Soil and Water
Railroad and Warehouse Commissioner (3)	17,000	Conservation Commission
		12,000
Assistants to Constitutional Officers		Executive Secretary, Governor's Commission on
Assistant Secretary of State	13,000	Employment of Handicapped Persons
Deputy State Auditor	14,000	12,000
Deputy State Treasurer	13,000	Administrative Secretary, Water Resources Board ..
		12,000
Attorney General Staff		Revisor of Statutes
Deputy Attorney General	22,000	24,500
Solicitor General	21,000	Assistant Public Defender
Assistant Attorney General, fixed by the Attorney		17,500
General, depending upon experience	10,000	Secretary to Commissioner of Highways
to 20,000		13,000
		Executive Director, Commission on Alcohol
		Problems
		12,000
Major Department Heads		Secretary, Public Service Commission
Commissioner of Administration	25,000	13,000
Commissioner of Agriculture	20,000	Executive Secretary, Peace Officers Training Board ..
Commissioner of Highways	24,000	13,000
Secretary & Executive Officer,		Commissioner of Aeronautics
Department of Health	23,000	17,000
Commissioner of Taxation	24,000	Assistant Commissioner of Conservation
Commissioner of Public Welfare	23,500	17,500
Commissioner of Employment Security	21,000	Commissioner of Banking
Commissioner of Education	23,500	19,000
Commissioner of Conservation	23,000	Director of Lands and Forestry
Commissioner of Corrections	23,000	17,000
Director, State Civil Service	23,000	Public Defender
		22,000
Deputies of Major Departments		Director of Game and Fish
Executive Director, Minnesota Higher Education		17,000
Coordinating Commission	23,500	Director of Waters, Soils and Minerals
Deputy Commissioner of Agriculture	15,000	17,000
Deputy Commissioner of Conservation	18,500	Director of Enforcement and Field Service
Deputy Commissioner of Corrections (2)	18,500	17,000
		Commissioner of Insurance
		19,000
Other Department, Division and Agency		Liquor Control Commissioner
Heads and Their Assistants		17,500
Labor Conciliator	18,500	Secretary & Executive Officer,
Commissioner of Human Rights	17,000	Livestock Sanitary Board
Director, Pollution Control Agency	21,000	18,500
Director, Public Service Department	17,500	Public Examiner
Clerk of Supreme Court	16,500	21,000
Executive Director, Indian Affairs Commission ..	15,000	State Law Librarian
Deputy Clerk of Supreme Court	13,500	15,500
Administrative Assistant of Supreme Court	24,000	Commissioner of Securities
Assistant Revisor of Statutes	21,000	19,000
		Commissioner of Economic Development
		21,000
		Superintendent, Bureau of Criminal Apprehension ..
		17,500
		Workmen's Compensation Commissioner (3)
		18,000
		Workmen's Compensation Referees
		16,000
		Commissioner of Labor and Industry
		18,000
		Commissioner of Veterans Affairs
		15,000
		Director of Civil Defense
		15,000
		Director of Parks and Recreation
		17,000
		Commissioner of Iron Range Resources and
		Rehabilitation
		15,000
		Commandant, Minnesota Veterans Home
		17,000
		Deputy Commissioner of Economic Development ..
		17,000
		Secretary, Municipal Commission
		14,500
		Heads of State Institutions
		Superintendent, State Reformatory for Men
		19,500
		Warden, Minnesota State Prison
		19,500
		Superintendent, State Training School for Boys ...
		17,000
		Superintendent, Minnesota Correctional
		Institution for Women
		17,000
		Superintendent, Minnesota Home School
		17,000

APPENDIX D — Continued

Superintendent, Anoka State Hospital	19,500	Superintendent, Glen Lake State Sanatorium and	
Superintendent, Brainerd State Hospital	19,500	Oak Terrace Nursing Home	19,000
Superintendent, Cambridge State Hospital	19,500	Superintendent, Braille and Sight Saving School . . .	16,500
Superintendent, Faribault State Hospital	19,500	Superintendent, School for the Deaf	16,500
Superintendent, Fergus Falls State Hospital	19,500	Superintendent, Gillette State Hospital	16,500
Superintendent, Hastings State Hospital	19,500		
Superintendent, Moose Lake State Hospital	19,500	Supreme and District Court Judges	
Superintendent, Rochester State Hospital	19,500	Chief Judge of Supreme Court	27,000
Superintendent, St. Peter State Hospital	19,500	Associate Judges of Supreme Court	26,000
Superintendent, Willmar State Hospital	19,500	Judges of District Court	22,000
Superintendent, Ah-Gwah-Ching Nursing Home . . .	19,000		

INDEX

A	Page
Administration, Commissioner of, Power to Transfer	
Functions and Appropriations	18
Program Budgeting	6
Agriculture	
Appropriation	20
Interstate Pest Control Compact	20
Meat Inspection	20
Pesticide Control Program	20
Soy Bean Promotion Act	20
University	12
Aid	
Categorical Aid Programs	5, 6, 13
Census Aid, \$10 per Pupil	9
Community Mental Health Centers	6
Daytime Activity Centers	6
Emergency Aid	8
Equalization Aid	15
Endowment School Apportionment	8
Foundation Aid	7
Maximum Effort School Aid Law	9
Medical Education	6
Mentally Retarded	6
Public Libraries	6, 9
Scholarships for Needy Persons	6
School Aid Formula	7
School Lunch Program	6
Shared Taxes	
Sales Tax Revenue	6
Other Shared Taxes	6
Sheltered Workshops	6
Special Classes for Handicapped Children	8
Special Education Aids	8, 9
To Elementary and Secondary Schools	5, 6, 7
To Local Governments	5, 6
To School Districts with Tax-Exempt Property	9
Transportation School Aid	8
Vocational Aid	8
Welfare	6, 7
Aircraft, Lieu Tax on	32
Appropriations	39-47
Advisory Commission on Intergovernmental Relations	19
Adjutant General	19
Aeronautics, Department of	19
Agriculture	20
Airport Improvement and Navigational Aid	19
Attorney General	19
Board of Health	19
Boat and Water Safety	19
By Funds	26
Capitol Square Building	19
Career Executive Contingent	19
Civil Service	18
Computer Acceleration	19
Commission on Alcoholic Problems	19
Commission on Taxation and Production of Iron Ore	
and Other Minerals	22
Deer, Upland Game and Waterfowl	20
Economic Development, Department of	18
Enforcement and Field Services, Division of	20
For Principal and Interest	25
For Repairs and Alterations to State Buildings	25
Game and Fish, Division of	20
General State Government	18
Governor	18
Grants-in-Aid and Shared Taxes	6
Highway Department	26
Human Rights, Department of	20
Indian Affairs Commission	22
Institutions of Higher Learning	5
Judicial	22
Labor and Industry	19
Labor Conciliator	19
Lands and Forestry Division	20
Legislative Advisory Commission	22
Legislative Building Commission	22
Legislative Retirement Commission	22
Legislative Service Commission	22
Legislature	22
Legislature, Film of	22
Liquor Control Commissioner	19
Livestock Sanitary Board	19
Mental Hospitals	13

Minnesota Historical Society	18
Minnesota Veterans Home	18
Miscellaneous	26, 27
Omnibus Appropriation Bills	26
Open and Standing	27, 28
Other Executive Branch Functions	15
Parks and Recreation, Division of	20
Protection to Persons and Property	19
Public Examiners	18
Public Service Commission	19
Registration of Debt Prorating Agencies	19
Revisor of Statutes	22
Secretary of State	18
Semi-State Activities	26
Sheriffs' Expenses	19
State Auditor	18
State Claims Commission	22
State Colleges	11
State Departments Bills	26
State Junior Colleges	9
State Treasurer	18
Taxation, Department of	18
Total Spending	28
University of Minnesota	11
Veterans Affairs, Department of	18
Waters, Soils, and Minerals, Division of	20
Welfare-Corrections	5, 13, 26

B

Bank Excise Tax	6, 30
Borrowing	5, 24, 25

C

Cigarette Tax	6, 20, 21, 30
Civil Service	
Career Executive Contingent	18
State Employee Training Bill	19
Constitutional Amendment	5
Consumer Protection Division	18
Corrections	16
Crystal Waters	20

D

Debt Prorating Agencies	20
Department Heads, Salaries	52
Department Heads, Term of Office	18

E

Economic Development, Department of	20
Education	7
Aids	7, 8
Appropriations	7
Commissioner, Term Reduced	18
Department of Education	7
Education Commission of the States	13
Educational Overburden Emergency Aid	8
Federal Grants	6
Foundation Aid	7
Grants-in-Aid for Vocational and Higher Education	13
Inter-Institutional Educational Television Program	13
Inter-Library Cooperation	9
Minnesota Higher Education Coordinating Commission	13
New and Special Education Aids	9
To Districts with Large Proportion of AFDC Children	9
To Districts with Indian Children	9
To Train Teachers and Administrators for Schools	
on Indian Reservations or in Urban Areas with	
50 or more Minority Group Students	9

For "Shared Time" Pupils	9
For "Continuing Education"	9
For Personnel to Assist Educationally Disadvantaged in Reading	9
Private Business, Trade and Correspondence School Act	9
School Census Change	9
School Year Lengthened	9
Special Classes for Handicapped Children	8
State Colleges	11
State Junior Colleges	9
University of Minnesota	11
Vocation Rehabilitation Residency Requirement Eliminated	9
Endowment School Apportionment	8

F

Federal Funds and Grants	5, 6, 15
Foundation Aid	7

G

Gasoline Excise Tax	30
General Fund Created	5
General Government	6, 18
Government Reorganization Act	5, 18
Governor	5, 18
Grants-in-Aid and Shared Taxes	5, 6
Gross Earnings Taxes	29

H

Higher Education Coordinating Commission	13
Highways	
Advertising, Billboard Regulation, Exemption	17
Aid to Counties, Cities, and Villages	6, 17
Appropriations	17
Bonds	17, 25
Condemnation Relocation Expenses	17
Federal Funds	6, 17
Interstate Highways	17
Municipalities, Routes Through, Appeal Board	17
Personnel	17
Public Lands, Replacement	17
Rest Stops and Information Centers	17
Safety Program	17
Studded Tires	17
Health, Board of	20
Water Conditioning Regulation	20
Holidays, Monday	23
Hospital No-Strike Mandatory Arbitration Law Amended	19
Human Rights, Department of	20

I

Income Taxes	29, 30
Inheritance Tax	6, 31
Insurance	19
Iron Ore Occupation and Royalty Taxes	31

J

Judicial	22
----------------	----

L

Labor and Industry	19, 20
Legislature	5, 22

Appropriations	22
Bills Introduced, Passed	5
Determination of Legislative Day	23
Expenditures, Total Authorized	5
New Positions Authorized	5
Revenues, Estimated	5
Legislative Period	5
Liquor Taxes	6, 31

M

Maximum Effort School Loan Fund	9, 25
Meat Inspection Program	20
Mediation Services, Bureau of	18, 19
Medical Program at University	12
Medical, Other Than University, Appropriations for	12
Metropolitan	6
Airport Zoning	21
Minnesota Zoological Garden	21
Park Board Created	21
Regional Parks	21
Sewer Service Board	21
Sewer System	21
Solid Waste Disposal	21
Tax Levy Increase	21
Minnesota Resources Commission	20
Motor Fuel Road Tax Exemption	32
Motor Vehicle Registration Tax	32

N

Natural Resources, Department of	
Appropriation	20
Geographic Board Duties	18
New or Reorganized Agencies or Departments	
Department of Mediation Services	18, 19
Department of Natural Resources	5
Department of Public Safety	5
Zoological Garden, Minnesota	21
Nursing Scholarships	13

O

Old Age Assistance	14
Oleomargarine Tax	18, 32

P

Personnel	
Additional - Number and Cost	5
Property Taxes	32, 35
Property Tax Relief	5, 6, 8, 35
No Levy Against Property for Principal and Interest	25
Payments to State Teachers Retirement Funds	23
Total Amount of	6
To Home Owners	6
Elimination of State Levy	6
Personal Property Tax Relief	6
Per Capita Aid to Municipalities and School Districts	6
To Renters	6
Public Safety, Department of	18

R

Regional Development Commissions	22
Regional Jail Facilities	7
Registration of Securities	19
Reorganized or New Agencies or Departments (See New or Reorganized Agencies or Departments)	
Resources, Estimated	48
Revenues, Estimated	5

Resolution, House Concurrent, No. 10	22
Retirement	13, 23, 24

Rates	50
Sales Tax	5, 6, 8, 37, 38
Tax Abatements, Reductions, or Refundments	38

S

Salaries	
Annual Salaries, Department Heads and Assistants	52, 53
Career Executive Compensation Schedule	23
New Salary Plan	5
Sales Tax	5, 6, 8
Shared Taxes	6, 8
State Building	5, 25
State Colleges	11, 24, 25
State Gemstone	6
State History, Film of	9
State Junior Colleges	9, 10, 11
State Planning Agency	18, 20

T

Taxation	
Bank Excise Tax	6, 29
Cigarette and Tobacco Taxes	6, 20, 21, 29
Excise Tax on Retail Sales	5, 6, 8
Gasoline Excise Taxes	29
Gross Earnings Taxes	29
Income Taxes	29, 31
Inheritance Tax	31
Iron Ore Occupation and Royalty Taxes	31
Lieu Tax on Aircraft	31
Liquor Tax	31
Motor Fuel Road Tax Exemption	32
Motor Vehicle Registration Tax	32
Oleomargarine Tax	18, 32
Property Taxes	32, 35
Property Tax Relief	5, 6, 8, 23, 25, 35, 37

U

Unemployment Compensation	
Benefits Increased	23
University of Minnesota	11, 12, 13, 18, 20, 24
Urban Affairs Council and Urban Action Centers	18

W

Water Conditioning, Regulation	20
Welfare	
Administration	13
Community Mental Health Centers	6, 15
County Reimbursement for Probation Service	7
Daytime Activity Centers for Mentally Retarded	6, 15
Equalization Costs	6, 15
Federal Grants	6
General Relief, Indians	7, 15
Medical Assistance to Needy	14
Mentally Retarded	6
Mental Institutions	15
Public Assistance Programs	6, 13, 14
Regional Juvenile Detention Centers	7
Special Schools and Hospitals	15
Support of Children Under Guardianship	6
Welfare, Cost of	13

Z

Zoological Garden, Minnesota	21
------------------------------------	----