

impartiality of the commissioner in carrying out the duties, obligations and responsibilities imposed on him by law as a commissioner. It shall be the responsibility of the Dakota county board of commissioners to determine whether a conflict or lack of impartiality exists.

Sec. 3. Notwithstanding Minnesota Statutes, Section 387.34, or any other law to the contrary, in Dakota county a sheriff's civil service commissioner may be paid a per diem, to be set by the board of county commissioners, and actual and necessary travel expenses for travel incurred in attending meetings of the commission.

Sec. 4. This act is effective upon approval by the board of county commissioners of Dakota county and upon compliance with Minnesota Statutes, Section 645.021.

Approved May 20, 1977.

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CHAPTER 222—H.F.No.339

[Coded]

*An act relating to transportation construction contracts; providing for small business contracts; requiring a report; amending Minnesota Statutes 1976, Chapter 161, by adding sections.*

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

Section 1. Minnesota Statutes 1976, Chapter 161, is amended by adding a section to read:

**[161.321] TRANSPORTATION; SMALL BUSINESS CONTRACTS.** Subdivision 1. DEFINITIONS. For purposes of this section the following terms have the meanings given them, except where the context clearly indicates a different meaning is intended.

(a) "Small business" means a business entity organized for profit, including an individual, partnership, corporation, joint venture, association or cooperative which has its principal place of business in Minnesota, and which (i) in the preceding three fiscal years has not exceeded a total of \$3,000,000 in gross receipts, and (ii) is not an affiliate or subsidiary of a business which in the preceding three fiscal years has exceeded a total of \$5,000,000 in gross receipts.

(b) "Socially or economically disadvantaged person" means a person who has been deprived of the opportunity to develop and maintain a competitive position in the economy because of social or economic disadvantage. This disadvantage may arise from cultural, social or economic circumstances or background, physical location if the person resides or is employed in an area declared as a labor surplus area by the United States department of commerce, or other similar cause.

(c) "Physically handicapped person" means a person who has suffered a substantial

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physical disability or dysfunction.

(d) "Award" means the granting of a contract in accordance with all applicable laws, regulations and rules governing competitive bidding except as hereinafter specifically modified.

(e) "Contract" means an agreement entered into between a business entity and the state of Minnesota for the construction of transportation improvements.

(f) "Subcontractor" means a business entity which enters into a legally binding agreement with another business entity which is a party to a contract as defined in clause (e).

Subd. 2. SMALL BUSINESS SET ASIDES. The commissioner shall set aside, on a fiscal year basis, at least two percent of the construction work to be performed by contract for award to small businesses, small businesses owned and operated by socially or economically disadvantaged persons and small businesses owned and operated by physically handicapped persons or for award to businesses which guarantee use of such small businesses as subcontractors.

Subd. 3. AWARDS TO MINORITY SMALL BUSINESSES. At least 50 percent of the amount so set aside shall be awarded, if possible, either to small businesses owned and operated by socially and economically disadvantaged persons as direct contracts or as part of contracts awarded to businesses which guarantee the use, as subcontractors, of small businesses owned and operated by socially and economically disadvantaged persons. Any funds subject to this subdivision which are not awarded according to this subdivision shall be awarded to other small businesses as defined in subdivision 1, clause (a) and small businesses owned and operated by physically handicapped persons.

Subd. 4. AWARDS, LIMITATIONS. The amount of any individual contract or subcontract awarded pursuant to subdivisions 2 and 3 shall not exceed \$200,000, nor shall any one small business be awarded an aggregate amount of contracts or subcontracts or both in excess of \$200,000 in any one fiscal year. Contracts awarded pursuant to this section shall be subject to all applicable limitations contained in section 16.083, subdivisions 2, 3, and 6.

Subd. 5. RECOURSE TO OTHER BUSINESSES. In the event that the commissioner is unable to award a contract pursuant to the provisions of subdivisions 2 and 3, the award may be placed pursuant to the normal solicitation and award provisions set forth in Minnesota Statutes, Chapters 16 and 161.

Subd. 6. RULES. The commissioner may promulgate by rule, standards and procedures for certifying that small businesses, small businesses owned and operated by physically handicapped persons and small businesses owned and operated by socially or economically disadvantaged persons are eligible to participate in the set aside program authorized in subdivision 2. The commissioner may promulgate other rules as may be necessary to carry out the provisions of this section.

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Sec. 2. Minnesota Statutes 1976, Chapter 161, is amended by adding a section to read:

**[161.3211] REPORT BY THE COMMISSIONER OF TRANSPORTATION.** The commissioner of transportation shall submit an annual report pursuant to section 3.195, to the governor and the legislature indicating the progress being made toward the objectives and goals of section 1 during the preceding fiscal year. This report shall include the following information:

(a) The total dollar value and number of potential set-aside awards identified during this period and the percentage of total construction work this figure reflects;

(b) The number of small businesses identified and responding to the set-aside program, the total dollar value and number of set-aside contracts actually awarded to small businesses with an approximate designation as to the total number and value of set-aside contracts awarded to each small business, and the total number of small businesses that were awarded set-aside contracts;

(c) The total dollar value and number of set-aside contracts awarded to small businesses owned and operated by economically or socially disadvantaged persons with an approximate designation as to the total number and value of set-aside contracts awarded to each such small business, and the percentages of the total construction work the figures of the total dollar value and the number of set-asides reflect;

(d) The number of contracts which were designated and set aside pursuant to section 1, but which were not awarded to a small business, the estimated total dollar value of these awards, the lowest bid on each of these awards made by a small business and the price at which these contracts were awarded pursuant to the normal procedures.

Approved May 20, 1977.

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CHAPTER 223—H.F.No.384

[Coded in Part]

*An act relating to interim claims against the state; appropriating moneys for the payment thereof; providing for payment of certain claims of inmates of correctional institutions.*

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

Section 1. **CLAIMS AGAINST STATE.** Subdivision 1. There is appropriated from the general fund in the state treasury the sums of money set forth in this section to the persons named therein in full and final payment of claims against the state.

Subd. 2. James V. Beal, 7712 Morgan Avenue South, Minneapolis, Minnesota 55423, for legal services performed for the state of Minnesota, department of public

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