

STATE OF MINNESOTA

SEVENTIETH SESSION - 1977

FORTY-SEVENTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, MAY 4, 1977

The House of Representatives convened at 2:00 p.m. and was called to order by the Speaker.

Prayer was offered by the Chaplain.

The roll was called and the following members were present:

Abel	Corbid	Johnson	Murphy	Sieben, H.
Adams	Cummiskey	Jude	Neisen	Sieben, M.
Albrecht	Dahl	Kahn	Nelsen, B.	Simoneau
Anderson, B.	Dean	Kaley	Nelsen, M.	Skoglund
Anderson, D.	Den Ouden	Kalis	Nelson	Smogard
Anderson, G.	Eckstein	Kelly, R.	Niehaus	Spanish
Anderson, I.	Eken	Kelly, W.	Norton	Stanton
Anderson, R.	Ellingson	Kempe, A.	Novak	Stoa
Arlandson	Enebo	Kempe, R.	Osthoff	Suss
Battaglia	Erickson	King	Patton	Swanson
Beauchamp	Esau	Knickerbocker	Pehler	Tomlinson
Begich	Ewald	Kostohryz	Peterson	Vanasek
Berg	Faricy	Kroening	Petrafaso	Voss
Berglin	Fjoslien	Kvam	Pleasant	Waldorf
Berkelman	Forsythe	Laidig	Prahl	Welch
Biersdorf	Friedrich	Langseth	Reading	Wenstrom
Birnstihl	Fudro	Lehto	Rice	Wenzel
Brandl	Fugina	Lenke	Rose	White
Braun	George	Mangan	St. Onge	Wieser
Brinkman	Gunter	Mann	Samuelson	Wigley
Byrne	Hanson	McCarron	Sarna	Williamson
Carlson, A.	Haugerud	McCollar	Savelkoul	Wynia
Carlson, L.	Heinitz	McDonald	Scheid	Zubay
Casserly	Hokanson	McEachern	Schulz	Speaker Sabo
Clark	Jacobs	Metzen	Searle	
Clawson	Jaros	Moe	Searles	
Cohen	Jensen	Munger	Sherwood	

A quorum was present.

Evans was excused. Carlson, D., was excused until 7:15 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Esau moved that further reading of the Journal be dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1588, 1015, 1347, 1386, 1586, 343, 405, 801, 774, 1102, 1287 and 1500 and S. F. Nos. 1350, 1467, 766 and 922 have been placed in the members' files.

S. F. No. 1467 and H. F. No. 1595, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Norton moved that the rules be so far suspended that S. F. No. 1467 be substituted for H. F. No. 1595 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Norton from the Committee on Appropriations to which was referred:

H. F. No. 167, A bill for an act relating to public welfare; providing liability insurance to all foster boarding homes licensed by the department of public welfare; appropriating money; amending Minnesota Statutes 1976, Chapter 245, by adding a section.

Reported the same back with the following amendments:

Page 1, line 12, delete "*may*" and insert "*shall within the appropriation provided*".

With the recommendation that when so amended the bill pass.

The report was adopted.

Norton from the Committee on Appropriations to which was referred:

H. F. No. 875, A bill for an act relating to the state housing finance agency; setting the amount of bonds and notes that may be outstanding; clarifying eligibility; providing for fund administration and repayment requirements; appropriating money; amending Minnesota Statutes 1976, Sections 462A.03, Subdivisions 7 and 13; 462A.05, Subdivisions 5 and 15; 462A.07, Subdivision 12, and by adding subdivisions; 462A.21, Subdivisions 4a and 4b, and by adding a subdivision; and 462A.22, Subdivision 1.

Reported the same back with the following amendments:

Page 1, line 25, delete "*either*".

Page 2, lines 2 to 6, reinstate the stricken language and delete the new language.

Page 4, line 12, delete "*such*" and insert "*an*".

Page 4, line 12, delete "*as is*" and insert "*, up to \$2,500,*".

Page 4, line 14, delete "*, not to exceed, however, the amount of*".

Page 4, line 15, delete "\$2,500".

With the recommendation that when so amended the bill pass.

The report was adopted.

Hanson from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1132, A bill for an act relating to franchises; concerning franchise fees; amending Minnesota Statutes 1976, Sections 80C.01, Subdivisions 4 and 9; 80C.08, Subdivision 1; and 80C.09, Subdivision 1.

Reported the same back with the following amendments:

Page 2, line 9, after "*beverages*" insert "*at wholesale, if the supplier's sales in this state exceed 100,000 barrels per year*".

With the recommendation that when so amended the bill pass.

The report was adopted.

Hanson from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1176, A bill for an act relating to human rights; prohibiting certain discrimination; amending Minnesota Statutes 1976, Sections 363.01, by adding a subdivision; and 363.03, Subdivisions 1, 2, 5 and 8.

Reported the same back with the following amendments:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1976, Section 125.12, Subdivision 6, is amended to read:

Subd. 6. [GROUNDS FOR TERMINATION.] A continuing contract may be terminated, effective at the close of the school year, upon any of the following grounds:

- (a) Inefficiency;
- (b) Neglect of duty, or persistent violation of school laws, rules, regulations, or directives;
- (c) Conduct unbecoming a teacher which materially impairs his educational effectiveness;
- (d) Other good and sufficient grounds rendering the teacher unfit to perform his duties;
- (e) *Advocacy or promotion in a learning environment of a preference for engaging in sexual relations with persons of a particular gender.*

A contract shall not be terminated upon one of the grounds specified in clauses (a), (b), (c), (OR) (d), or (e), unless the teacher shall have failed to correct the deficiency after being given written notice of the specific items of complaint and reasonable time within which to remedy them.

All evaluations and files generated within a school district relating to each individual teacher shall be available to each individual teacher upon his written request. Effective January 1, 1976, all evaluations and files, wherever generated, relating to each individual teacher shall be available to each individual teacher upon his written request. The teacher shall have the right to reproduce any of the contents of the files at the teacher's expense and to submit for inclusion in the file written information in response to any material contained therein; provided, however, a school district may destroy such files as provided by law.

Sec. 2. Minnesota Statutes 1976, Section 125.12, Subdivision 8, is amended to read:

Subd. 8. [IMMEDIATE DISCHARGE.] A school board may discharge a continuing-contract teacher, effective immediately, upon any of the following grounds:

- (a) Immoral conduct, insubordination, or conviction of a felony;
- (b) Conduct unbecoming a teacher which requires the immediate removal of the teacher from his classroom or other duties;

(c) Failure without justifiable cause to teach without first securing the written release of the school board;

(d) Gross inefficiency which the teacher has failed to correct after reasonable written notice;

(e) Willful neglect of duty; (OR)

(f) Continuing physical or mental disability subsequent to a twelve months leave of absence and inability to qualify for reinstatement in accordance with subdivision 7; or

(g) Advocacy or promotion in a learning environment of a preference for engaging in sexual relations with persons of a particular gender.

Prior to discharging a teacher the board shall notify the teacher in writing and state its ground for the proposed discharge in reasonable detail. Within ten days after receipt of this notification the teacher may make a written request for a hearing before the board and it shall be granted before final action is taken. The board may, however, suspend a teacher with pay pending the conclusion of such hearing and determination of the issues raised therein after charges have been filed which constitute ground for discharge.

Sec. 3. Minnesota Statutes 1976, Section 125.17, Subdivision 4, is amended to read:

Subd. 4. [GROUNDS FOR DISCHARGE OR DEMOTION.] Causes for the discharge or demotion of a teacher either during or after the probationary period shall be:

(1) Immoral character, conduct unbecoming a teacher, or insubordination;

(2) Failure without justifiable cause to teach without first securing the written release of the school board having the care, management, or control of the school in which the teacher is employed;

(3) Inefficiency in teaching or in the management of a school;

(4) Affliction with active tuberculosis or other communicable disease shall be considered as cause for removal or suspension while the teacher is suffering from such disability; (OR)

(5) Discontinuance of position or lack of pupils; or

(6) *Advocacy or promotion in a learning environment of a preference for engaging in sexual relations with persons of a particular gender.*"

Page 1, line 11, delete "*or sexual*".

Page 1, line 12, after "*manifesting*" insert "*a preference for*".

Page 1, line 12, delete "*another*".

Page 1, line 13, delete "*person or*" and insert "*consenting*".

Page 1, line 13, delete "*, or having or manifesting a preference for*".

Page 1, line 14, delete "*that attachment*" and insert "*of a particular gender*".

Page 1, after line 14, insert:

"Sec. 5. Minnesota Statutes 1976, Section 363.02, Subdivision 2, is amended to read:

Subd. 2. [HOUSING.] The provisions of section 363.03, subdivision 2, shall not apply to (a) rooms in a temporary or permanent residence home run by a nonprofit organization, if the discrimination is by sex or (b) the rental by an owner or occupier of a one-family accommodation in which he resides of a room or rooms in such accommodation to another person or persons if the discrimination is by sex, marital status, status with regard to public assistance, *affectional preference* or disability. Nothing in this chapter shall be construed to require any person or group of persons selling, renting or leasing property to modify the property in any way, or exercise a higher degree of care for a person having a disability than for a person who does not have a disability; nor shall this chapter be construed to relieve any person or persons of any obligations generally imposed on all persons regardless of any disability in a written lease, rental agreement, or contract of purchase or sale, or to forbid distinctions based on the inability to fulfill the terms and conditions, including financial obligations of such lease, agreement or contract."

Page 1, line 22, delete "*or sexual*".

Page 2, line 14, delete "*or sexual*".

Page 2, line 25, delete "*or sexual*".

Page 3, line 8, delete "*or sexual*".

Page 3, line 17, delete "*or sexual*".

Page 3, line 25, delete "*or sexual*".

Page 4, line 7, delete "*or sexual*".

Page 4, line 12, delete "*or sexual*".

Page 4, line 26, delete "*or sexual*".

Page 5, line 5, delete "*or sexual*".

Page 5, line 12, delete "*or sexual*".

Page 5, line 17, delete "*or sexual*".

Page 5, line 29, delete "*or*".

Page 5, line 30, delete "*sexual*".

Page 6, line 9, delete "*or sexual*".

Page 6, line 22, delete "*or sexual*".

Page 7, line 8, delete "*or*".

Page 7, line 9, delete "*sexual*".

Page 7, line 27, delete "*or sexual*".

Page 7, line 32, delete "*or sexual*".

Page 8, line 7, delete "*or sexual*".

Page 8, line 14, delete "*or sexual*".

Re-number the sections in sequence.

Amend the title as follows:

Page 1, line 3, after the semicolon insert "specifying additional grounds for the termination of teacher contracts;"

Page 1, line 4, after "Sections" insert "125.12, Subdivisions 6 and 8; 125.17, Subdivision 4;"

Page 1, line 4, before "and" insert "363.02, Subdivision 2;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Hanson from the Committee on Commerce and Economic Development to which was referred:

S. F. No. 774, A bill for an act relating to intoxicating liquor; permitting entertainment and coin-operated amusement devices in privately-owned and municipal liquor stores; amending Minnesota Statutes 1976, Sections 340.07, Subdivision 13; and 340.353, Subdivision 1.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Hanson from the Committee on Commerce and Economic Development to which was referred:

S. F. No. 1298, A bill for an act relating to employments licensed by state; exempting registered professional engineers from water well contractor licensing provisions; amending Minnesota Statutes 1976, Section 156A.03, by adding a subdivision.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 119, A bill for an act relating to natural resources; restricting acquisition of agricultural land for inclusion in the Richard J. Dorer Memorial Hardwood Forest.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [RICHARD J. DORER MEMORIAL HARDWOOD FOREST; SALE OF TILLABLE LAND.] *Subdivision 1. Acquisition of land for the Richard J. Dorer Memorial Hardwood Forest has resulted in state purchase of abnormally large amounts of tillable land because of the state's unique goal of acquiring forest land in steep hillsides and the frequent desire of landowners to sell their entire farm. This requires a special procedure to mandate and facilitate disposal of this agricultural land by the state.*

Subd. 2. If a land purchase in the Richard J. Dorer Memorial Hardwood Forest, created pursuant to Minnesota Statutes, Sec-

tion 89.021, Subdivision 33, contains more than five contiguous acres of tillable land adjacent to other privately owned tillable land or to a public road, the commissioner shall offer the tillable land in that parcel for sale or exchange for three years thereafter pursuant to this section. Tillable acres are those included in classes 1, 2, 3, or 4 as defined by the United States soil conservation service. In making the determination of classification, the commissioner shall consult with and obtain the opinion of the soil conservation service and any appropriate soil and water conservation district. "Commissioner" for the purposes of this section means the commissioner of the department of natural resources.

Subd. 3. Notwithstanding other laws to the contrary, disposition of lands pursuant to this section shall be in accordance with the procedures specified in this section. All parcels required to be offered for sale pursuant to this section shall be first offered for sale not less than six months after acquisition by the state and at least once thereafter in each of the next two succeeding years. Lands shall be offered for sale and sold by the commissioner of administration for the commissioner pursuant to the procedures specified in Minnesota Statutes, Sections 94.10 to 94.14, except that no offer to any public body shall be required prior to sale to the public and only 50 percent of the cost of any survey or appraisal shall be included in the appraised value. Not more than 300 acres in any county shall be sold under the procedures established by this section. If the commissioner determines that any additional lands should be sold or otherwise disposed of, their disposal shall be governed by the procedures and conditions otherwise established by law.

Subd. 4. Land exchanges shall be pursuant to the procedures specified in Minnesota Statutes, Sections 94.341 to 94.348.

Subd. 5. Any money which is derived from the sale of the parcels of state forest land pursuant to this section and which is required by any other law to be deposited in the general fund of the state treasury shall be credited to the Richard J. Dorer Memorial Hardwood Forest land acquisition account, which is hereby created in the state treasury. All of the money in the state treasury credited to this account is annually appropriated to the commissioner for the purpose of acquiring additional land within the Richard J. Dorer Memorial Hardwood Forest.

Subd. 6. Notwithstanding any law to the contrary neither the state nor any of its political subdivisions shall be required to construct or maintain any street, highway or other road to provide access to any parcel of land sold pursuant to this section.

Sec. 2. Minnesota Statutes 1976, Section 89.036, is amended to read:

89.036 [FUNDS APPORTIONED TO COUNTY.] The state of Minnesota shall hereafter annually on July 1 or as soon

thereafter as may be practical, pay from the state forest fund to each county, in which there now are, or hereafter shall be situated, any state forests, a sum equal to (50) 75 percent of the gross receipts of such state forests located within such county, which have been received during the preceding fiscal year and credited to the state forest fund, which payment shall be received and distributed by the county treasurer, as if such payment had been received as taxes on such lands payable in the current year.

After making such payment to the county, the balance of said funds in the state forest fund on July 1 shall be transferred and credited to the general fund of the state.

The commissioner of finance shall annually draw his warrants upon the state treasurer for the proper amounts in favor of the respective counties entitled thereto and the state treasurer shall pay such warrants from the state forest fund.

The commissioner of finance and the state treasurer shall, and are hereby authorized and empowered to devise, adopt, and use such accounting methods as they may deem proper, and to do any and all other things reasonably necessary in carrying out the provisions of this section.

There is hereby appropriated to the counties entitled to such payment, from the state forest fund in the state treasury, an amount sufficient to make the payments specified herein.

Sec. 3. [EFFECTIVE DATE; EXPIRATION OF TEMPORARY PROVISIONS.] *This act is effective July 1, 1977. Section 1 expires June 30, 1979.*"

Further amend the title by deleting it in its entirety and inserting:

"A bill for an act relating to state forests; increasing state payments in lieu of taxes to counties; establishing procedures for disposal of excess agricultural land in the Richard J. Dorer Memorial Hardwood Forest; amending Minnesota Statutes 1976, Section 89.036."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1215, A bill for an act relating to environmental protection; prohibiting the storage of certain radioactive wastes in Minnesota; providing a penalty.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [116C.71] [DEFINITIONS.] Subdivision 1. For the purposes of sections 1 to 3, the terms defined in this section have the meaning given them.

Subd. 2. "Byproduct nuclear material" means any radioactive material, except special nuclear material, which is yielded in or made radioactive by exposure to the radiation incident to the process of producing or utilizing special nuclear material.

Subd. 3. "Radioactive waste storage" means the discarding, treatment, recycling or decontamination of radioactive wastes, or their collection, maintenance or storage at a waste storage site.

Subd. 4. "Radioactive waste storage or disposal facility" means a geographical site including buildings, structures and equipment, in or upon which radioactive wastes are retained for the sole purpose of storage or disposal.

Subd. 5. "Person" means any individual, corporation, partnership or other unincorporated association or governmental agency.

Subd. 6. "Radioactive waste" means:

(a) Any capturable radioactive material, including but not limited to spent fuel, naturally occurring or accelerator-produced isotopes, and byproduct nuclear material, source nuclear material or special nuclear material; or

(b) Discarded, useless or unwanted containers, receptacles, tools, instruments, clothing, and other matter which has been contaminated with radioactivity incidental to the use or transportation of radioactive material.

Subd. 7. "Source nuclear material" means:

(a) Uranium or thorium or any combination thereof, in any physical or chemical form; or

(b) Ores which contain by weight one-twentieth of one percent or more of uranium, thorium, or any combination thereof. Source material does not include special nuclear material.

Subd. 8. "Special nuclear material" means:

(a) Plutonium, uranium 233, uranium enriched in the isotope 233 or in the isotope 235, and any other material which the

Nuclear Regulatory Commission, pursuant to the Atomic Energy Act of 1954 as amended, determines to be special nuclear material; or

(b) Any material artificially enriched by any of the materials described in clause (a). Special nuclear material does not include source nuclear material.

Sec. 2. [116C.72] [NONMINNESOTA RADIOACTIVE WASTES.] Notwithstanding any provision of Minnesota Statutes, Chapter 116H, to the contrary, no person shall transport radioactive wastes into the state of Minnesota for the sole purpose of disposing or storing the wastes within the state except that such wastes may be transported into the state and stored in accordance with applicable federal and state rules for up to 12 months pending transportation out of the state for ultimate disposal.

Sec. 3. [116C.73] [PENALTIES.] Any person causing radioactive wastes to be shipped in violation of section 2 shall be guilty of a gross misdemeanor and subject to a fine of not more than \$10,000 or a sentence of imprisonment of not more than one year, or both.

Sec. 4. [EFFECTIVE DATE.] This act is effective the day following its final enactment.”.

Further amend the title as follows:

Page 1, delete lines 3 and 4 and insert “transportation of radioactive wastes into Minnesota for purposes of storage or disposal; providing exceptions; prescribing penalties.”.

With the recommendation that when so amended the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

S. F. No. 288, A bill for an act relating to state parks; providing for cooperative agricultural leases of property acquired by the state within state parks; amending Minnesota Statutes 1976, Chapter 85, by adding a section.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

S. F. No. 381, A bill for an act relating to game and fish; changing the commissioner's duties in the removal of beaver; authorizing seasons for taking bobcat, fisher, fox, and wild turkey; requiring the commissioner to issue sportsman's licenses; extending the season and eliminating the annual limit for taking beaver; changing the hours for taking trout; extending the surcharge on small game licenses; amending Minnesota Statutes 1976, Sections 97.56; 98.46, Subdivisions 2, 2a, and 14; 100.26, Subdivision 1; 100.27, Subdivisions 1, 3, 4, 5, and 7; 100.28, Subdivision 1; 101.42, Subdivision 8; and Laws 1961, Chapter 66, Section 1, as amended; repealing Minnesota Statutes 1976, Section 348.071.

Reported the same back with the following amendments:

Page 2, line 20, before the period insert "*by January 1, 1978*".

Page 2, line 22, delete "\$8.50" and restore the stricken language.

Page 2, line 23, delete "\$11" and restore the stricken language.

Page 2, lines 28 to 32, restore the stricken language.

Page 4, line 32, after "year" insert "*, except for those restrictions found in section 100.29, subdivision 20*".

Page 5, line 15, delete "*December*" and insert "*November*".

Page 5, line 16, delete "*15th*" and insert "*30th*".

Page 5, line 22, delete "*15th*" and insert "*30th*".

With the recommendation that when so amended the bill pass.

The report was adopted.

Sieben, H., from the Committee on Governmental Operations to which was referred:

H. F. No. 1544, A bill for an act relating to state lands; authorizing the exchange of certain public lake access land in Polk county.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

S. F. No. 69, A bill for an act relating to adoption; increasing the exceptions in execution of consents to adoptions; requiring consents to be in writing, before witnesses; amending Minnesota Statutes 1976, Section 259.24, Subdivision 5.

Reported the same back with the following amendments:

Page 1, line 18, reinstate the stricken "or".

Page 1, line 18, delete the comma.

Page 1, line 18, delete "*or a judge of*".

Page 1, line 19, delete "*the juvenile court*".

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

S. F. No. 191, A bill for an act relating to adoption; authorizing release of birth information to adopted persons; requiring waiting period for objections from parents; amending Minnesota Statutes 1976, Sections 144.151, by adding subdivisions; 144.175, Subdivision 2; 260.241, by adding a subdivision; and Chapter 144, by adding a section.

Reported the same back with the following amendments:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 144.151, is amended by adding subdivisions to read:

Subd. 8. "State registrar" means the state registrar of vital statistics.

Subd. 9. "Consent to disclosure" means an affidavit filed with the state registrar which sets forth the following information:

- (a) *The current name and address of the affiant;*
- (b) *Any previous name by which the affiant was known;*

(c) *The original and adopted names, if known, of the adopted child whose original birth certificate is to be disclosed;*

(d) *The place and date of birth of the adopted child;*

(e) *The biological relationship of the affiant to the adopted child; and*

(f) *The affiant's consent to disclosure of the original unaltered birth certificate of the adopted child.*

Sec. 2. Minnesota Statutes 1976, Section 144.175, Subdivision 2, is amended to read:

Subd. 2. [PROCEDURE IN CASE OF ILLEGITIMACY.] Except as provided in this section, *section 3*, and section 144.176, disclosure of illegitimacy of birth or of information from which it can be ascertained may be made, or a certified copy of the birth certificate issued, only to the guardian of such person, the person to whom the record pertains when such person is 18 years of age or over, or upon order of a court of competent jurisdiction in a case where such information is necessary for the determination of personal or property rights and then only for such purpose. The birth and death records of the state board of health shall be opened to inspection by the commissioner of public welfare, and it shall not be necessary for him to obtain an order of the court in order to inspect records of illegitimate children or to secure certified copies thereof.

Sec. 3. Minnesota Statutes 1976, Chapter 144, is amended by adding a section to read:

[144.1761] [ACCESS TO ADOPTION RECORDS.] *Subdivision 1. [REQUEST.] An adopted person who is 21 years of age or over may request the state registrar to disclose the information on the adopted person's original birth certificate. The state registrar shall, within five days of receipt of the request, notify the commissioner of public welfare in writing of the request by the adopted person.*

Subd. 2. [SEARCH.] Within six months after receiving notice of the request of the adopted person, the commissioner of public welfare shall make complete and reasonable efforts to notify each parent identified on the original birth certificate of the adopted person. Every licensed child placing agency in the state shall cooperate with the commissioner of public welfare in his efforts to notify an identified parent. All communications under this subdivision are confidential pursuant to section 15.162, subdivision 2a.

For purposes of this subdivision, "notify" means a personal and confidential contact with the genetic parents named on the

original birth certificate of the adopted person; said personal and confidential contact shall not be by mail and shall be by an employee or agent of the licensed child placing agency which processed the pertinent adoption, or some other licensed child placing agency designated by the commissioner of public welfare; said personal and confidential contact shall be evidenced by filing with the state registrar an affidavit of notification executed by the person who notified each parent and certifying that each parent was given the following information:

(a) The nature of the information requested by the adopted person;

(b) The date of the request of the adopted person;

(c) The right of the parent to file, within 120 days of receipt of the notice, an affidavit with the state registrar stating that the information on the original birth certificate should be disclosed;

(d) The right of the parent to file a consent to disclosure with the state registrar at any time; and

(e) The effect of a failure of the parent to file either a consent to disclosure or an affidavit stating that the information on the original birth certificate should not be disclosed.

Subd. 3. [FAILURE TO NOTIFY PARENT.] If the commissioner of public welfare certifies to the state registrar that he has been unable to notify a parent identified on the original birth certificate within six months, and if neither identified parent has at any time filed an unrevoked affidavit with the state registrar stating that the information on the original birth certificate shall be disclosed, the information may be disclosed as follows:

(a) If the person was adopted prior to June 1, 1977, he may petition the appropriate court for disclosure of his original birth certificate pursuant to section 259.31, and the court shall grant the petition if, after consideration of the interests of all known persons involved, the court determines that disclosure of the information would be of greater benefit than nondisclosure.

(b) If the person was adopted on or after June 1, 1977, the state registrar shall release the requested information to the adopted person.

If either parent identified on the birth certificate has at any time filed with the state registrar an unrevoked affidavit stating that the information on the original birth certificate should not be disclosed, the state registrar shall not disclose the infor-

mation to the adopted person until the affidavit is revoked by the filing of a consent to disclosure by that parent.

Subd. 4. [RELEASE OF INFORMATION AFTER NOTICE.] If, within six months, the commissioner of public welfare certifies to the state registrar that he has notified each parent identified on the original birth certificate pursuant to subdivision 2, the state registrar shall disclose the information requested by the adopted person 121 days after the date of the latest notice to either parent, if at any time prior to the date of the request of the adopted person, either of the parents identified on the original birth certificate has filed an affidavit with the state registrar stating that the information shall be disclosed and the affidavit has not been revoked by the subsequent filing by that parent of an affidavit that the information shall not be disclosed.

Subd. 5. [DEATH OF PARENT.] Notwithstanding the provisions of subdivisions 3 and 4, if a parent named on the original birth certificate of an adopted person has died, and at any time prior to his death the parent has filed an unrevoked affidavit with the state registrar stating that the information on the original birth certificate shall not be released, the adopted person may petition the court of original jurisdiction of the adoption proceeding for disclosure of his original birth certificate pursuant to section 259.31. The court shall grant the petition if, after consideration of the interests of all known persons involved, the court determines that disclosure of the information would be of greater benefit than nondisclosure.

Sec. 4. Minnesota Statutes 1976, Section 260.241, is amended by adding a subdivision to read:

Subd. 4. Upon entry of an order terminating the parental rights of any person who is identified as a parent on the original birth certificate of the child as to whom the parental rights are terminated, the court shall cause written notice to be made to that person setting forth:

(a) The right of the person to file at any time with the state registrar of vital statistics a consent to disclosure, as defined in section 144.151, subdivision 9;

(b) The right of the person to file at any time with the state registrar of vital statistics an affidavit stating that the information on the original birth certificate shall not be disclosed as provided in section 3;

(c) The effect of a failure to file either a consent to disclosure, as defined in section 144.151, subdivision 9, or an affidavit stating that the information on the original birth certificate shall not be disclosed.

Sec. 5. *This act is effective June 1, 1977.*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

S. F. No. 223, A bill for an act relating to deaf persons; providing that deaf persons with guide dogs have the same rights and protection as blind persons with guide dogs; defining as a deductible medical expense the cost, feeding and maintenance expenses of guide dogs; amending Minnesota Statutes 1976, Sections 256C.02; 256C.025, Subdivision 4; 256C.03; 290.09, Subdivision 10; and 327.095.

Reported the same back with the following amendments:

Page 4, line 11, before "Section" insert "*This act shall be effective one day after final enactment except for Section 4.*".

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

S. F. No. 296, A bill for an act relating to medical assistance for needy persons; providing for limits on types, costs and frequency of medical services; amending Minnesota Statutes 1976, Section 256B.04, by adding a subdivision.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Fugina from the Committee on Higher Education to which was referred:

H. F. No. 1477, A bill for an act relating to education; establishing a Minnesota occupational information system revolving fund; appropriating money.

Reported the same back with the following amendments:

Page 1, line 12, delete "board".

Page 1, line 15, delete "account in which shall be".

Page 1, line 16, delete "deposited moneys collected" and insert "system revolving fund. The higher education coordinating board shall collect fees".

Page 1, line 18, delete "board".

Page 1, line 20, delete "There is" and insert "These receipts shall be deposited in the Minnesota occupational information system revolving fund and are".

Page 1, line 20, after the first "the" insert "higher education coordinating".

Page 1, line 20, delete the second "the".

Page 1, delete line 21 to the period and insert "for the purposes of the Minnesota occupational information system".

Page 2, line 1, after "the" insert "higher education coordinating board for the biennium ending June 30, 1979, for the purposes of the".

Page 2, line 1, after "information" insert "system".

Page 2, delete line 2 to the period.

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Berg from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1373, A bill for an act relating to transportation; restructuring state and local financing of the operations of the Twin Cities metropolitan transit commission; requiring performance funding; changing the taxing authority of the commission; authorizing the sale of bonds for particular purposes; limiting operating deficits on all regular routes; providing for initiation of and reimbursement for certain new routes; establishing reduced fare service for the elderly, students and handicapped and reimbursing the commission for such service; extending the statewide supplemental transit aid program; establishing a statewide paratransit demonstration grant program; defining "transit"; requiring annual permits for overlength articulated buses; granting powers to and imposing duties on the commissioner of transportation; appropriating money; amending Minnesota Statutes 1976, Sections 169.81, by adding a subdivision; 473.121,

Subdivision 19, and by adding a subdivision; 473.402; 473.413, Subdivision 8; 473.421; 473.423, Subdivision 1; 473.446, Subdivision 1; Chapters 174, by adding a section; and 473, by adding sections; repealing Minnesota Statutes 1976, Section 473.446, Subdivisions 4 and 5.

Reported the same back with the following amendments:

Strike everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1976, Section 16.72, Subdivision 5, is amended to read:

Subd. 5. [MONEYS COLLECTED.] All moneys collected by the commissioner of administration as rents, charges, or fees in connection with and for the use of any parking lot or facility are appropriated to the commissioner of administration for the purpose of operating, maintaining, and improving parking lots or facilities owned or operated by the state of Minnesota and to carry out the purposes of this section, *except as provided in section 3 of this act.*

Sec. 2. Minnesota Statutes 1976, Section 16.72, is amended by adding a subdivision to read:

Subd. 7. A state employee commuting to work in a car or van pool with at least two other persons or a commuter van acquired or leased and operated in accordance with section 16.756 shall not be charged for parking in a state parking facility in the capitol area, as described in section 15.50, subdivision 2. The commissioner shall adjust parking fees charged to other state employees so that the provisions of Laws 1973, Chapter 778, Section 21 continue to be fulfilled. The commissioner shall make available to the employees commuting in the car or van pool the parking lot and parking space which the employees prefer.

Sec. 3. Minnesota Statutes 1976, Section 16.72, is amended by adding a subdivision to read:

Subd. 8. Except for car or van pools qualifying for free parking under section 2 of this act and persons with handicapped parking permits, the commissioner of administration shall set the charge for parking space in a state parking facility in the capitol area, as described by section 15.50, subdivision 2, at least 25 percent above that required by section 2 of this act and Laws 1973, Chapter 778, Section 21. The revenue from this additional charge shall be placed by the commissioner in a special fund. For the benefit of employees employed in the capitol area, the moneys in the fund shall be used by the commissioner to acquire or lease commuter vans pursuant to section 16.756 and, within such limits and upon such conditions as the commissioner determines to be necessary or prudent, to reimburse state departments or agen-

cies for costs resulting from agreements with the metropolitan transit commission or other operators pursuant to section 23 of this act. The commissioner may adopt rules and regulations necessary to administer the provisions of sections 1 to 3 and 23 of this act.

Sec. 4. Minnesota Statutes 1976, Chapter 174, is amended by adding a section to read:

[174.20] [PUBLIC TRANSIT AID PROGRAM.] *Subdivision 1. [ESTABLISHMENT; PURPOSE.] A public transit aid program is established to provide financial assistance from the state to eligible recipients. The purpose of the public transit aid program shall be to supplement local effort in financing public transit systems in order to preserve and develop public transit and a balanced transportation system in the state.*

Subd. 2. [DEFINITIONS.] For the purpose of this section, the following terms shall have the meanings given them.

(a) "Commuter van" has the meaning given it in section 221.011, subdivision 22, clause (1).

(b) "Operating deficit" means the amount by which the total prudent operating expenses incurred in the operation of the public transit system exceeds the amount of operating revenue derived therefrom.

(c) "Paratransit" means the transportation of passengers by motor vehicle or other means of conveyance by persons operating on a regular and continuing basis and the transportation or delivery of packages in conjunction with an operation having the transportation of passengers as its primary and predominant purpose and activity. "Paratransit" includes, without limitation, transportation by car pool and commuter van, point deviation and route deviation services, shared-ride taxi service, dial-a-ride, and other similar services.

(d) "Public transit" or "transit" means general or specific transportation service provided to the public on a regular and continuing basis. "Public transit" or "transit" includes paratransit and regular route transit.

(e) "Regular route transit" means transportation of passengers for hire by a motor vehicle or other means of conveyance by any person operating on a regular and continuing basis as a common carrier on fixed routes and schedules. "Public transit" does not include transportation by persons engaged primarily in the transportation of children to or from school or of passengers between a common carrier terminal station and hotel or motel, transportation by common carrier railroad or common carrier

railroads or by taxi, transportation furnished by a person solely for his or its employees or customers, or paratransit.

Subd. 3. [ADMINISTRATION.] The commissioner of transportation shall administer the public transit aid program and shall have all powers necessary and convenient to implement the program. The commissioner shall adopt rules and regulations to implement the program pursuant to chapter 15, and may adopt emergency rules and regulations to commence immediately the program, pursuant to section 15.0412. The commissioner shall establish standards and procedures for the acceptance and review of applications, for the granting of financial assistance, and for monitoring and evaluation. The commissioner may make and execute contracts for financial assistance upon such conditions as the commissioner may deem necessary or convenient; may accept and disburse federal money available for the purposes of this section; and, if requested, may act as the agent of any eligible applicant for the receipt and disbursal of federal grants or loans for the purpose of this section. The commissioner may establish a state public transit advisory committee pursuant to section 15.059.

Subd. 4. [ELIGIBILITY; APPLICATIONS.] Eligible recipients of public transit aid shall be any legislatively established public transit commission or authority, any county, city, or home rule charter city providing financial assistance to or operating public transit, any private operator of public transit, or any combination of such units. Applications for financial assistance through the public transit aid program shall be made to the commissioner.

Subd. 5. [FINANCIAL ASSISTANCE.] Payments under contracts for financial assistance shall not exceed two-thirds of the operating deficit of the public transit system. The commissioner shall determine the operating deficit of any public transit system receiving or applying for assistance in accordance with generally accepted accounting principles and practices, provided that any financial assistance received from any agency of the federal government for the operation of a public transit system shall be treated as revenue for the purposes of determining its operating deficit. In determining operating deficits, the commissioner shall consider all increases in expenses and reductions in revenue in the public transit system after the effective date of this section and may disallow part or all of any such increases or reductions. Where legislatively established public transit authorities or commissions do not exist, and where more than one county or municipality contributes assistance to the operation of a public transit system, they shall identify one as lead agency for the purpose of receiving funds under this section. In allocating financial assistance, the commissioner may consider population, transit ridership, relative need for public transit, and other factors.

Subd. 6. [REPORT.] The commissioner shall report to the legislature by January 15 of odd numbered years on the program and shall make recommendations for the succeeding biennium.

Sec. 5. Minnesota Statutes 1976, Chapter 174, is amended by adding a section to read:

[174.21] [TRANSPORTATION SYSTEMS MANAGEMENT; PURPOSE.] *It shall be the purpose of the commissioner under sections 5 to 12 of this act to develop, promote, and evaluate programs, projects, and techniques designed to increase vehicle occupancy, to reduce the use of vehicles occupied by only one person and the congestion, pollution, waste, and other costs associated with such use and to increase the efficiency and productivity of and benefit from public investments in road space and transportation and transit facilities and systems in the state.*

Sec. 6. Minnesota Statutes 1976, Chapter 174, is amended by adding a section to read:

[174.22] [DEFINITIONS.] *Subdivision 1. For the purposes of sections 5 to 12 the following terms have the meaning given them.*

Subd. 2. "Commuter van" has the meaning given it in section 221.011, subdivision 22, clause (1).

Subd. 3. "Metropolitan council" means the council established by section 473.123.

Subd. 4. "Metropolitan transit commission" means the commission established by section 473.404.

Subd. 5. "Paratransit" has the meaning given it in section 4 of this act.

Subd. 6. "Public transit" has the meaning given it in section 4 of this act.

Subd. 7. "Regular route transit" has the meaning given it in section 4 of this act.

Sec. 7. Minnesota Statutes 1976, Chapter 174, is amended by adding a section to read:

[174.23] [GENERAL POWERS AND DUTIES.] *The commissioner shall perform the duties and exercise the powers under sections 5 to 12 in coordination with and in furtherance of state-wide, regional, and local transportation plans and transportation development programs. The commissioner shall have all powers necessary and convenient to carry out the provision of sections 5 to 12 including but not limited to: (a) the authority to adopt rules and regulations under chapter 15 and emergency rules*

and regulations under section 15.0412, (b) the authority to accept and review applications for financial assistance, enter into contracts, and obligate and expend program funds, upon such conditions and limitations as the commissioner deems necessary or convenient, for purposes of program and project planning, implementation, operation, and evaluation, (c) the authority to designate advisory committees and task forces pursuant to section 15.059, (d) the authority to accept and disburse federal funds available for the purposes of sections 5 to 12, and (e) the authority to act upon request as the designated agent of any state department or agency, political subdivision of the state, or other eligible person for the receipt and disbursement of federal funds. The commissioner shall be responsible for developing and explicitly identifying specific program goals and objectives consistent with the purposes of sections 5 to 12, identifying and developing proposals and projects to achieve the goals and objectives, insuring that adequate planning is undertaken prior to program and project implementation, insuring compatibility between program activities and program goals and objectives, and insuring that the programs and individual projects are subjected to analysis, monitoring, and evaluation by the department or an independent third party under contract to the department to determine their contribution to the purposes of sections 5 to 12. The commissioner shall actively offer and provide technical and professional services and financial aid to assist in the planning, promotion, development, operation and evaluation of programs and projects and shall seek out and select eligible recipients of such services and aid. The commissioner shall actively propose, promote, advocate, study, review, and evaluate programs and projects to accomplish the purposes of sections 5 to 12, including those now or previously employed or proposed in this state and elsewhere.

Sec. 8. Minnesota Statutes 1976, Chapter 174, is amended by adding a section to read:

[174.24] [PUBLIC TRANSIT PERFORMANCE PROGRAM.] *Subdivision 1. [PURPOSE.] The purposes of the public transit performance program established by this section shall be to assist public transit systems receiving financial assistance under section 4 of this act to provide more efficient, productive, and effective transit service, to promote the fullest use of public investments in such systems, to provide incentives for efficient, productive, and effective operation and management of such systems, and to develop methods of public transit aid designed to ensure maximum benefit from the use of state funds.*

Subd. 2. [GENERAL.] The commissioner shall conduct a comprehensive study, analysis, and evaluation of concepts and techniques, now or previously employed or proposed in this state and elsewhere, intended to improve the efficiency, productivity, and effectiveness of public transit service without major capital investments in new facilities. Among other concepts and tech-

niques, the commissioner shall study, analyze, and evaluate the relative utility, costs, and benefits of at least the following:

(a) Those intended to improve the delivery of transit services by (i) better coordination and greater flexibility and responsiveness in the routing, scheduling, and dispatching of vehicles to reduce running time and transfer time and to increase frequency of service; (ii) provision of various types of express bus service; (iii) provision of park and ride services from parking areas in suburban locations and shuttle services from parking areas located on the fringe of central business districts and major community activity centers; (iv) institution of simplified fare collection systems and policies, including advance sales; (v) management of demand in relation to capacity by such means as preferential fares; (vi) provision of flexible and responsive shared-ride services such as circulator or shuttle services, including those designed to collect passengers for express bus service or to handle shorter distance trips to work locations without a high level of regular route transit service; (vii) use of shelters, passenger information systems, and similar devices to increase attractiveness of service; (viii) use of commuter vans and car pooling for long distance trips to work.

(b) Those intended to improve the internal management of transit systems by (i) improved marketing; (ii) improved decision making through the use of cost accounting and other management techniques; (iii) institution of maintenance policies that ensure greater reliability of equipment; (iv) use of surveillance and communications technology to improve monitoring and control capability; (v) improved productivity and deployment of personnel.

The commissioner shall review and evaluate the management and operation of public transit systems receiving financial assistance under section 4 of this act. The commissioner shall develop and establish standards and objectives of performance, identify opportunities for improvement, and study methods of funding designed to improve performance. The commissioner shall develop guidelines respecting the adequacy and efficiency of regular route transit service under varying conditions relative to the adequacy and efficiency of other modes of transit service. The commissioner shall consult with and provide advice and technical and professional assistance to the transit systems for the purpose of improving performance. The commissioner shall develop and test practical and economic methods, using existing data wherever possible, for systematic and regular monitoring of progress in improving performance.

Subd. 3. [REGULAR ROUTE TRANSIT PRODUCTIVITY DEMONSTRATION GRANT PROJECTS.] The commissioner shall establish and administer a program of grants to regular route transit systems receiving payments under section 4 of this act, for the purposes of demonstrating specific methods of im-

proving the patronage and productivity of regular route transit service within geographic areas and time periods characterized either actually or potentially by high density of demand for service. The commissioner shall identify specific objectives, select specific methods for demonstration, solicit and select recipients of demonstration grants, and analyze and evaluate results. Among other proposals, the commissioner shall consider: (a) projects designed to increase patronage when and where excess capacity exists, (b) projects designed to spread peak hour patronage over a greater time period where demand exceeds capacity, and (c) projects designed to increase capacity by increasing the frequency of service, by reducing running time, and by flexible and responsive peak hour routing, scheduling, and dispatching, and by other means.

Subd. 4. [METROPOLITAN AREA.] By December 1, 1977, after holding a hearing to receive suggestion and recommendation from the public, the metropolitan transit commission shall submit to the commissioner an operational improvement plan. The plan shall describe performance objectives or standards, for calendar years 1978 and 1979, which it proposes to achieve in satisfying the legislative goals established in section 21 of this act and shall identify performance indicators by which to monitor and assess the commission's progress in achieving the performance objectives or standards. The plan shall at least: (a) identify all routes in the system; (b) identify specific routes and route segments which are experiencing high operating deficits and propose a program for substantially reducing the deficits experienced on the routes or segments by increasing patronage, reducing or eliminating service, increasing fares, executing contracts under which the commission will be reimbursed for retaining uneconomical service, or some combination of these or other means; (c) report on the efforts of the commission to consult with persons and communities served by such marginal routes or segments and summarize the recommendations and suggestions received; (d) propose specific methods to increase the patronage and productivity of public transit service delivered within geographic areas and time periods characterized either actually or potentially by high density of demand for service; (e) propose increases in service levels within geographic areas and on routes and route segments characterized by high density of demand for service, transit dependent population, and little or no subsidy per passenger; and (f) propose specific methods of improving the productivity and effective deployment of personnel. The commission shall at least biennially revise the objectives and proposals stated in the plan and shall report annually to the commissioner, on January 15, on progress in achieving the objectives and implementing the proposals.

As soon as practical after December 31, 1977, but not later than July 1, 1978, and after holding a public hearing, the commissioner shall put into effect an experimental method, or methods, of distributing financial assistance to the commission

under section 4 of this act according to performance objectives and indicators determined by the commissioner. The commissioner shall evaluate the extent to which the plans, programs, and operations of the commission may accomplish the performance goals set by the legislature and the metropolitan council and the objectives set by the commission and the commissioner. The commissioner shall produce findings and conclusions on the relative costs and benefits and probable and acceptable levels of subsidy of implementing the various route ridership improvement projects of the metropolitan transit commission and the following public transit policies of the metropolitan council: (a) all day express service to the metropolitan centers of Minneapolis and St. Paul from subregional major activity centers; (b) travel times of no more than 30 minutes in off-peak periods from any part of a subregion to any other part of a subregion for 90 percent of the residents in the subregion; (c) travel times of no more than 45 minutes in either off-peak or peak periods from any part of the urban service area to one or the other of the metropolitan centers for 90 percent of the residents of the urban service area; and (d) travel times of no more than 60 minutes in off-peak periods from any growth center to one or the other of the metropolitan centers for 90 percent of the residents of freestanding growth centers.

Sec. 9. Minnesota Statutes 1976, Chapter 174, is amended by adding a section to read:

[174.26] [PARATRANSIT SERVICE DEMONSTRATION GRANT PROGRAM.] *Subdivision 1. [PURPOSE.] The purposes of the paratransit service demonstration grant program established by this section shall be to assist local and regional project planning for paratransit and to promote, demonstrate, and evaluate the utility, effectiveness, cost, and efficiency of paratransit, relative to other means of transportation, in accomplishing the following objectives:*

(a) to provide transportation services for persons who because of age or incapacity are unable to drive a private automobile or use existing modes of public transit;

(b) to provide transportation services within less densely populated portions of large cities and metropolitan areas inefficiently or inadequately served by regular route transit;

(c) to provide transportation services which improve the accessibility and productivity of regular route transit by offering collection and distribution services, coordinated with regular route transit;

(d) to provide transportation services, including commuter service to and from work, within towns, cities or home rule charter cities, and rural areas and for trips between such towns and

cities which do not have adequate or efficient regular route transit or other common carrier service;

(e) to provide commuter transportation services for persons traveling to work and back from or within less densely populated portions of large cities and metropolitan areas inefficiently or inadequately served by regular route transit.

Subd. 2. [DUTIES OF COMMISSIONER.] The commissioner shall establish by November 1, 1977, specific program goals and objectives and procedures for handling applications, shall actively solicit proposals from municipalities, counties, legislatively established transit commissions and authorities, regional development commissions, the metropolitan council, and potential vendors, shall identify and propose projects to accomplish the purposes of this section, shall actively seek out and select persons to implement projects, and shall analyze and evaluate results of projects for which grants are made. The commissioner shall evaluate paratransit projects previously instituted in the state, including but not limited to those implemented by the department and by the metropolitan transit commission and under the public transit demonstration program established by Laws 1974, Chapter 534, under section 16.756, and under sections 2 and 3 of this act. The commissioner shall produce findings, conclusions, and recommendations respecting the manner in which and the extent to which such paratransit services and the demonstration grant program contribute or may contribute to the purposes of sections 5 to 12.

Subd. 3. [APPLICATIONS; GRANTS.] Eligible recipients of demonstration grants shall be any public or private agency, entity, or person authorized by law to perform the functions, services, or activities for which the grant is made. Applications for grants shall be made to the commissioner and shall be approved or denied within 120 days of receipt. Grants may be made in any amount up to 100 percent of the capital cost of a project. Grants up to 100 percent of costs may be made to assist in the planning, marketing, and promotion of paratransit projects which in the judgment of the commissioner will serve the purposes and objectives of the demonstration program. Grants made to assist the operation of a project shall not exceed 75 percent of the net operating deficit of the project.

Subd. 4. [METROPOLITAN AREA.] Grants for demonstration projects within the metropolitan area defined in section 473.121 shall be made in accordance with priorities established by the metropolitan council in accordance with its transportation policy plan, after consultation with the metropolitan transit commission and advisory committees or task forces established for this purpose.

Sec. 10. Minnesota Statutes 1976, Chapter 174, is amended by adding a section to read:

[174.27] [PUBLIC EMPLOYER COMMUTER VAN PROGRAMS.] *The commissioner shall promote and evaluate programs instituted pursuant to this section. Any city or home rule charter city, county, school district, independent board or agency may acquire or lease commuter vans, enter into contracts with another public or private employer to acquire or lease such vans, or purchase such a service for the use of its employees. The governing body of any such city, county, or school district may by resolution establish a commuter van revolving fund to be used to acquire or lease commuter vans for the use of its employees. Any payments out of the fund shall be repaid to the fund out of revenues derived from the use by the employees of the city, county, or school district, of the vans so purchased or leased. For the purpose of establishing the fund, any city, county, or school district is authorized to make a one time levy not to exceed one tenth of a mill in excess of all taxing limitations, without affecting the amount or rate of taxes which may be levied by the city, county, or school district for other purposes or by any local governments in the area. Any city, county, or school district which establishes a commuter van acquisition program or contracts for this service is authorized to levy a tax not to exceed 1/100 mill for the purpose of paying the administrative and promotional costs of the program which levy shall be in excess of all taxing limitations, without affecting the amount or rate of taxes which may be levied by the city, county, or school district for other purposes or by a local government in the area. The governing body of any city, county, or school district may by resolution terminate the commuter van revolving fund and use the funds for other purposes authorized by law.*

Sec. 11. Minnesota Statutes 1976, Chapter 174, is amended by adding a section to read:

[174.28] [OTHER PROGRAMS AND PROJECTS.] *The commissioner shall analyze, evaluate, and make recommendations on other transportation system management projects, programs, concepts, and techniques now or previously employed or proposed either in this state or elsewhere. The commissioner shall analyze, evaluate, and make detailed and specific conclusions and recommendations on the relative utility, costs, benefits, and consequences of at least the following:*

(a) *Traffic operations improvements to control and improve the flow of auto and transit vehicles and the movement of people, such as channelization of traffic, one-way streets, special turn lanes or turn prohibition, better signalization and progressive timing, computerized traffic control, metered freeways, reversible traffic lanes, relocated transit stops, and other traffic engineering projects;*

(b) *Preferential treatment and other encouragements for transit and other high-occupancy vehicles, such as exclusive ac-*

cess ramps to freeways, exclusive or preferential lanes on freeways and city streets, exemption from turning restrictions, exclusive lanes to bypass congested points, and bus preemption of traffic signals;

(c) Appropriate provision for pedestrians and bicycles, such as bicycle paths or exclusive lanes, pedestrian malls, other means of separating pedestrian and vehicular traffic, and secure and convenient storage areas for bicycles;

(d) Management and control of parking, such as elimination of on-street parking, especially during peak periods, regulation of the number and price of public and private parking spaces, preferential parking for short-term users rather than all-day commuters and for car pools and van pools used by commuters, better enforcement of parking restrictions, and provision for fringe and transportation corridor parking to facilitate transfer to high-occupancy vehicles;

(e) Changes in work schedules to reduce peak period travel or extend the peak period, such as staggered or flexible work hours;

(f) Reduction in vehicle use in congested and residential areas, such as diversion, exclusion, and other physical restraints on automobile access to specific areas, peak hour tolls, licenses, parking surcharges or other forms of auto disincentives and congested area pricing, establishment of car-free zones, and restrictions on truck delivery during peak hours.

Sec. 12. Minnesota Statutes 1976, Chapter 174, is amended by adding a section to read:

[174.29] [REPORT.] *Subdivision 1. [GENERAL.] By January 15, 1979, and thereafter by January 15 in odd-numbered years, the commissioner shall report to the legislature on transportation systems management. The report shall include: (a) an analysis of the results of the transportation systems management programs and projects undertaken previously in the state, those undertaken pursuant to sections 5 to 12 of this act, and those employed or proposed elsewhere; (b) a description of the management and conduct of the programs and projects, the goals and objectives of the programs and projects and the extent to which they were met; (c) a summary of the technical and professional services and financial assistance offered and provided by the commissioner; (d) a description of the efforts of the commissioner to propose, advocate, and promote projects to accomplish the purposes of sections 5 to 12; (e) a description of the standards and procedures used in evaluating programs and projects; (f) an analysis of the role of private providers in the delivery of transit services and analysis and recommendations for funding private providers and for coordinating the delivery of transit services by private and public providers; (g) the commis-*

sioner's findings, conclusions, and recommendations respecting the manner in which and the extent to which these and other programs and projects contribute or may contribute to the purposes of sections 5 to 12.

Sec. 13. Minnesota Statutes 1976, Section 473.121, Subdivision 18, is amended to read:

Subd. 18. "Operator" means any person engaged or seeking to engage in the business of providing public transit(, BUT DOES NOT INCLUDE PERSONS ENGAGED PRIMARILY IN THE TRANSPORTATION OF CHILDREN TO OR FROM SCHOOL, IN OPERATING TAXICABS, IN OPERATING BUSES, LIMOUSINES, OR OTHER MEANS FOR THE TRANSPORTATION OF PASSENGERS BETWEEN A COMMON CARRIER TERMINAL STATION AND A HOTEL OR MOTEL, IN OPERATING A COMMON CARRIER RAILROAD OR COMMON CARRIER RAILROADS, OR A PERSON FURNISHING TRANSPORTATION SOLELY FOR HIS OR ITS EMPLOYEES OR CUSTOMERS).

Sec. 14. Minnesota Statutes 1976, Section 473.121, is amended by adding a subdivision to read:

Subd. 18a. "Paratransit" means the transportation of passengers by motor vehicles or other means of conveyance by persons operating on a regular and continuing basis and the transportation or delivery of packages in conjunction with an operation having the transportation of passengers as its primary and predominant purpose and activity. "Paratransit" includes, without limitation, transportation by car pool and commuter van, point deviation and route deviation services, shared-ride taxi service, dial-a-ride, and other similar services.

Sec. 15. Minnesota Statutes 1976, Section 473.121, Subdivision 19, is amended to read:

Subd. 19. "Public transit" or "transit" means transportation of passengers for hire *within the transit area* by means(, WITHOUT LIMITATION,) of a (STREET RAILWAY, ELEVATED RAILWAY, SUBWAY, UNDERGROUND RAILROAD,) motor (VEHICLES, BUSES) *vehicle* or other means of conveyance *by any person* operating as a common carrier on (A REGULAR ROUTE OR) *fixed routes*(, OR ANY COMBINATION THEREOF; PROVIDED, HOWEVER, THAT) *and schedules*. "Public transit" shall not include *transportation by persons engaged primarily in the transportation of children to or from school or of passengers between a common carrier terminal station and a hotel or motel, transportation by a common carrier railroad or common carrier railroads or by taxi, transportation furnished by a person solely for his or its employees or customers, or paratransit.*

Sec. 16. Minnesota Statutes 1976, Section 473.121, Subdivision 20, is amended to read:

Subd. 20. "Public transit system" or "*transit system*" means, without limitation, a combination of property, structures, improvements, equipment, plants, parking or other facilities, and rights, or any thereof, used or useful for the purposes of public transit.

Sec. 17. Minnesota Statutes 1976, Section 473.402, is amended to read:

473.402 [LEGISLATIVE DETERMINATION, POLICY, PURPOSE AND GOALS.] The legislature finds and determines that (NEARLY HALF THE PEOPLE OF THE STATE LIVE IN THE METROPOLITAN TRANSIT AREA HEREINAFTER ESTABLISHED. THE POPULATION OF THAT AREA IS GROWING FASTER THAN IN ANY OTHER AREA OF THE STATE, AND IT IS CONTINUALLY VISITED BY LARGE NUMBERS OF PEOPLE FROM OTHER PARTS OF THE STATE, RESULTING IN A HEAVY AND STEADILY INCREASING CONCENTRATION OF RESIDENT AND TRANSIENT POPULATION AND CREATING SERIOUS PROBLEMS OF PUBLIC TRANSIT AND PUBLIC HIGHWAY TRAFFIC IN THE AREA. THE PRESENT PUBLIC TRANSIT SYSTEMS IN THE AREA CONSIST LARGELY OF BUS LINES USING THE PUBLIC HIGHWAYS AND STREETS. THESE SYSTEMS ARE INADEQUATE TO MEET THE NEEDS FOR PUBLIC TRANSIT IN THE AREA. A MAJOR PART OF THE TRANSPORTATION OF PEOPLE IN THE AREA IS PROVIDED BY PRIVATE MOTOR VEHICLES. ALL OF THE FOREGOING ADDS HEAVILY TO THE TRAFFIC LOAD ON THE STATE HIGHWAYS WHICH CONSTITUTE THE MAIN ROUTES OF TRAVEL TO, FROM, AND THROUGH THE AREA, AGGRAVATING THE CONGESTION AND DANGER OF ACCIDENTS THEREON, POLLUTING THE SURROUNDING AIR, INTENSIFYING THE WEAR AND TEAR ON THOSE HIGHWAYS AND STREETS, INCREASING THE COST OF MAINTENANCE THEREOF, AND THE NUMBER, SIZE, AND COST OF NEW HIGHWAYS THAT MUST BE CONSTRUCTED IN THE AREA. THESE EFFECTS WILL PROGRESSIVELY GROW WORSE AS THE POPULATION OF THE AREA INCREASES, IMPOSING SERIOUS HANDICAPS ON THE BUSINESS, INDUSTRY, PROPERTY DEVELOPMENT, RECREATION, AND OTHER BENEFICIAL ACTIVITIES OF THE RESIDENTS OF THE AREA AND VISITORS THERETO, AND CAUSING SEVERE AND WIDESPREAD HARM TO THE PUBLIC HEALTH, SAFETY AND WELFARE OF THE AREA AND THE ENTIRE STATE. IT IS BEYOND THE CAPACITY OF THE PRESENT OPERATORS OF PUBLIC TRANSIT SYSTEMS AND OTHER EXISTING PUBLIC AND PRIVATE AGENCIES UNASSISTED TO MAKE ADEQUATE PROVISION

FOR PUBLIC TRANSIT IN THE AREA OR FOR DEALING EFFECTIVELY WITH THE AFORESAID PROBLEMS AND CONDITIONS THEREIN. THE LEGISLATURE THEREFORE DECLARES AS THE PUBLIC POLICY OF THE STATE THAT), for the protection and advancement of the public health, safety, and welfare of the metropolitan (TRANSIT) area and the entire state, and in order to provide for adequate public transit within the area(, REDUCE THE TRAFFIC CONGESTION AND HAZARDS ON THE STATE AND OTHER HIGHWAYS AND STREETS THEREIN, AND RELIEVE THE OTHER HARMFUL CONDITIONS AFORESAID) *to increase vehicle occupancy, and to reduce the use of vehicles occupied by only one person and the congestion, pollution, waste, and other costs associated with such use*, there is (URGENT) need for the establishment of (THAT) *the transit area (AS)* herein defined, for the creation of a metropolitan transit commission therefor with the powers and duties herein prescribed, for the implementation of a comprehensive transportation policy plan for the area and for the other measures herein provided (FOR).

Sec. 18. Minnesota Statutes 1976, Section 473.405, Subdivision 1, is amended to read:

Subdivision 1. [LEGAL STATUS; GENERAL POWERS.]

(a) The transit area, with the commission as its governing body, shall be a public corporation and a political subdivision of the state. All the powers vested and obligations or duties imposed upon the commission and acts of the commission by sections 473.401 to 473.451 shall be deemed to be those of the transit area wherever necessary or appropriate, and shall be exercised, performed, and discharged in behalf of the area by the commission in its name as a public corporation and with like force and effect as if done in the name of the area, and for all such purposes, the commission shall have the same status and powers as the area, all subject to the provisions of section 473.449. The chairman and secretary of the commission shall have such powers as are delegated to them by the commission.

(b) The commission shall have the power to plan, engineer, construct, equip, and operate transit and paratransit systems, (TRANSIT) projects, or any parts thereof, including (TRANSIT) road lanes or rights of way, terminal facilities, maintenance and garage facilities, ramps, parking areas, and any other facilities useful for or related to any public transit or paratransit system or project. The commission may acquire by purchase, lease, gift, or condemnation proceedings any real or personal property, franchises, easements, or other rights of any kind for such purposes, or which may be necessary or proper for the discharge of its powers and duties. The commission shall have the power to acquire by purchase, lease, gift, or condemnation proceedings any existing public transit system or any part thereof, including all or any part of the plant, equipment, shares of stock, property, real, personal, or mixed, rights in property,

reserve funds, special funds, franchises, licenses, patents, permits and papers, documents and records belonging to any operator of a public transit system within the transit area, and may in connection therewith assume any or all liabilities of any operator of a public transit system. The (COMMISSIONER) *commission* may not acquire any existing public transit system until such acquisition has been approved by a majority of the metropolitan council. The commission may hold, use, improve, operate, maintain, lease, exchange, transfer, sell, or otherwise dispose of any of its property or rights to others and may contract with any operator or other persons for the use by any such operator or person of any such property or facilities under its control.

The commission, if it proceeds to acquire any existing public transit system or any part thereof by condemnation, shall have the power to take control of and operate such system immediately following the filing and approval of the initial petition for condemnation, if the commission, in its discretion, determines such action to be necessary. This power shall include the possession of all right, title and other powers of ownership in all properties and facilities described in the petition. Such action shall be taken by resolution which shall be effective upon service of a copy thereof on the condemnee and the filing of the resolution in the condemnation action. In the determination of the fair value of the existing public transit system, there shall not be included any value attributable to expenditures for improvements made by the transit commission.

The commission may continue or terminate within three months of acquisition any advertising contract in existence by and between any advertiser and a transit system that the commission has acquired. If the commission determines to terminate such advertising contract, it shall acquire all of the advertiser's rights under the contract by purchase or eminent domain proceedings as provided by law.

The commission may sue and be sued and may enter into contracts which may be necessary or proper. The commission may accept gifts, grants, or loans of money or other property from the United States, the state, or any person or entity for such purposes, may enter into any agreement required in connection therewith, may comply with any federal or state laws or regulations applicable thereto, and may hold, use, and dispose of such money or property in accordance with the terms of the gift, grant, loan, or agreement relating thereto. The commission may establish an executive committee, a finance committee, and such other committees of its members as it deems necessary or proper in furtherance of the provisions of sections 473.401 to 473.451, and may authorize them to exercise in the intervals between commission meetings any powers of the commission except those expressly required by law to be exercised by the commission.

Sec. 19. Minnesota Statutes 1976, Section 473.405, is amended by adding a subdivision to read:

Subd. 1a. [FIXED GUIDEWAY TRANSIT.] The commission shall not have the authority to engage consultants or provide or obligate funds for, or pay any expenses related to, the development, feasibility study, preliminary engineering, construction, or operation of any fixed guideway transit system or project.

Sec. 20. Minnesota Statutes 1976, Section 473.405, Subdivision 2, is amended to read:

Subd. 2. [MANAGEMENT CONTRACTS.] Notwithstanding any of the other provisions of sections 473.401 to 473.451, the commission shall have powers, in lieu of directly operating any public transit system, or any part thereof, to enter into management contracts with any persons, firms, or corporations for the management of said system for such period or periods of time, and under such compensation and other terms and conditions as shall be deemed advisable and proper by the commission and such persons, firms, or corporations.

Such persons, firms, or corporations entering into management contracts with the commission may employ necessary personnel for the operation and maintenance of said system as well as perform consulting and supervisory services for the commission. An incentive fee may be included in any management contract that is negotiated. The employees of any public transit system operated pursuant to the provisions of this subdivision shall, in case of any dispute arising under any existing or new collective bargaining agreement relating to the terms or conditions of their employment, have the right, for the purpose of resolving such dispute, either to engage in a concerted refusal to work or to invoke the processes of final and binding arbitration as provided by chapter 572, subject to any applicable provisions of the agreement not inconsistent with law.

Whenever the commission shall directly operate any public transit system, or any part thereof, or enter into any management contract or other arrangement for the operation thereof, the commission shall take such action as may be necessary to extend to employees of affected public transit systems in the area, in accordance with seniority, the first opportunity for reasonably comparable employment in any available non-supervisory jobs in respect to such operations for which they can qualify after a reasonable training period. Such employment shall not result in any worsening of the employee's position in his former employment nor any loss of wages, hours, working conditions, seniority, fringe benefits, and rights and privileges pertaining thereto.

The commission may enter into an agreement specifying fair and equitable arrangements to protect the interests of employees who may be affected if the commission should acquire any interest in or purchase any facilities or other property of a (PRIVATE) *privately owned and operated* transit system, or construct, improve, or reconstruct any such facilities or other such property acquired from any such system, or provide by contract or otherwise for the operation of (MASS) transportation facilities or equipment in competition with, or supplementary to, the service provided by an existing transit system. Such agreement, specifying the terms and conditions of the protective arrangements, shall comply with any applicable requirements of sections 473.401 to 473.451, and with the requirements of any federal law or regulation if federal aid is involved. Such an agreement may provide for final and binding arbitration of any dispute.

Sec. 21. Minnesota Statutes 1976, Chapter 473, is amended by adding a section to read:

[473.407] [PERFORMANCE GOALS.] *The metropolitan transit commission, in addition to other duties and purposes, shall have the following performance goals:*

(a) *To increase the number of persons riding on buses and the rate at which persons are diverted from driving to riding on buses by improvements in productivity and service without substantially increasing the number of miles of route in or the geographic extent of the transit system;*

(b) *To achieve the fullest and most efficient use of public resources and investments in public transit by management and operating practices and fare policies designed to control the ratio between operating cost and subsidy per passenger in the transit system and to reduce the existing disparity in the operating cost and subsidy per passenger on various routes in the system;*

(c) *To increase service levels within geographic areas and on routes and route segments characterized by high density of demand for service, transit dependent population, and little or no subsidy per passenger.*

Sec. 22. Minnesota Statutes 1976, Chapter 473, is amended by adding a section to read:

[473.408] [FARE POLICY.] *Subdivision 1. [DEFINITIONS.] "Off-peak hours" means the time from 9:00 a.m. to 3:30 p.m. and 6:30 p.m. until the last bus on Monday through Friday of each week and all day Saturday, Sunday, and holidays designated by the commission.*

Subd. 2. [DUTY OF COMMISSION.] *The commission and other operators shall establish and administer fares and fare collection systems in accordance with the provisions of this section.*

Subd. 3. [GENERAL FARE POLICY.] *Fares and fare collection systems shall be established and administered to accomplish the following purposes:*

- (a) *To encourage transit ridership during off-peak hours;*
- (b) *To encourage habitual and regular transit ridership as distinct from sporadic ridership by, among other means, the advance sale of passes and tokens at reduced rates;*
- (c) *To encourage transit ridership during peak hours in reverse direction of the heavy loading direction;*
- (d) *To increase patronage in densely populated areas where and when excess capacity exists;*
- (e) *To spread patronage over a greater time period where patronage exceeds capacity;*
- (f) *To restrain increases in the average operating subsidy per passenger; and*
- (g) *To ensure that operating revenues for long-distance trips are proportioned to the cost of providing the service and to reduce the existing disparity in the subsidy per passenger on various routes in the transit system.*

Subd. 4. [SOCIAL FARE POLICY.] *The commission and other operators shall charge 15 cents for all persons under the age of 18 holding an identification card issued or approved by the commission. During off-peak hours, the commission and other operators shall charge the following reduced fares for regular route transit service:*

- (a) *Free fares for all persons over the age of 65 holding a medicare card or other identification card issued or approved by the commission; and*
- (b) *Not more than one-half of the full fare for all handicapped persons as defined by the commission.*

Subd. 5. [DOWNTOWN CIRCULATION FARES.] *The commission and other operators may not charge less than ten cents for service on any route providing circulation service in the downtown areas or major community activity centers. The commission or other operator shall not contribute more than 50 percent of the operating deficit of any such route that is confined to the downtown area or community activity center.*

Subd. 6. [OTHER REDUCED FARES PROHIBITED.] Except as provided in this section and except for the advance sale of service through special passes or for other special promotional efforts, the commission and other operators shall not grant any reduced fares for public transit service.

Sec. 23. Minnesota Statutes 1976, Chapter 473, is amended by adding a section to read:

[473.409] [AGREEMENTS WITH COMMISSION; ENCOURAGEMENT OF TRANSIT USE.] *A state department or agency, including the legislative branch, any local governmental unit, the metropolitan council, or other metropolitan commission may enter into an agreement with the transit commission and other operators for the purpose of encouraging the use of transit by its employees residing in the metropolitan area. The agreement may provide for, among other things: (a) the advance purchase of tokens, tickets or other devices from the commission or other operator for use in lieu of fares on vehicles operated by the commission or other operator; and (b) special transit service for employees to and from their place of employment, at fares to be agreed upon by the contracting parties. The tokens, tickets, or other devices or services may be made available to employees at reduced rates. Any such agreement and arrangement by a state department or agency shall be submitted to the commissioner of administration for approval prior to execution. Any operating deficits or subsidy resulting from such agreements shall be assumed by the contracting department, agency, governmental unit, council, or other commission, unless otherwise provided in the agreement.*

Sec. 24. Minnesota Statutes 1976, Section 473.411, Subdivision 3, is amended to read:

Subd. 3. [COMBINATION OF MASS TRANSIT AND PUBLIC HIGHWAY SYSTEMS; SERVICES OF DEPARTMENT OF TRANSPORTATION.] *The (MASS) public transit system (SPECIFIED IN SUBDIVISION 1) shall be designed and operated, as far as practicable, so as to provide, in combination with public highways, adequate means and facilities of maximum attainable efficiency for public transportation to, from, and within the metropolitan transit area, and to relieve the congestion, traffic hazards, and other objectionable conditions aforesaid on the public highways caused by lack of adequate provisions for public transit. (IN PLANNING, DESIGNING, AND CONSTRUCTING THE MASS TRANSIT SYSTEM) The commission may make use of engineering and other technical and professional services, including regular staff and qualified consultants, which the commissioner of transportation can furnish, upon fair and reasonable reimbursement for the cost thereof; provided, that the commission shall have final authority over the employment of any services from other sources which it may deem necessary for such purposes. The commissioner of trans-*

portation may furnish all engineering, legal, and other services, if so requested by the commission and upon fair and reasonable reimbursement for the cost thereof by the commission, which the commission requests for the purposes stated in this subdivision, including the acquisition by purchase, condemnation, or otherwise in the name of the commission of all lands, waters, easements, or other rights or interests in lands or waters required by the commission.

Sec. 25. Minnesota Statutes 1976, Section 473.411, is amended by adding a subdivision to read:

Subd. 6. [ARTICULATED BUSES.] Articulated buses operated by the commission shall not be subject to the vehicle length and weight limitations of the state or any political subdivision of the state. The commission may operate such buses subject only to an annual permit from the commissioner of transportation, which shall be granted upon application by the commission.

Sec. 26. Minnesota Statutes 1976, Section 473.413, Subdivision 6, is amended to read:

Subd. 6. [SUCCESSION TO POWERS OF DEPARTMENT OF PUBLIC SERVICE.] There shall be transferred to and vested in the transit commission all of the powers and functions of the Minnesota department of public service with respect to any public transit system or part thereof which (SHALL HAVE) *has been or is* acquired or constructed by and is owned and operated by or under the authority of the transit commission. (WHENEVER AND SO LONG AS SUCH PUBLIC TRANSIT SYSTEM OR SYSTEMS IN THE AGGREGATE SERVE IN EXCESS OF 50 PERCENT OF THE PERSONS USING PUBLIC TRANSIT SYSTEMS IN THE TRANSIT AREA AS DETERMINED BY THE DEPARTMENT OF PUBLIC SERVICE, ALL OF THE POWERS AND FUNCTIONS OF THE DEPARTMENT OF PUBLIC SERVICE OVER ALL PUBLIC TRANSIT SYSTEMS IN THE TRANSIT AREA SHALL BE TRANSFERRED TO AND VESTED IN THE TRANSIT COMMISSION. WITH RESPECT TO A PUBLIC TRANSIT SYSTEM OR ANY PART THEREOF OVER WHICH THE TRANSIT COMMISSION SHALL EXERCISE THE POWERS AND FUNCTIONS OF THE DEPARTMENT OF PUBLIC SERVICE AS HEREINBEFORE PROVIDED THE EXERCISE OF SUCH POWERS AND FUNCTIONS BY THE TRANSIT COMMISSION SHALL BE EXCLUSIVE AND) The department of public service shall not have authority to exercise (SUCH) *the* powers and functions (WITH RESPECT THERETO) *so transferred.* (AN APPEAL FROM ANY ORDER OR DECISION OF THE TRANSIT COMMISSION MAY BE TAKEN BY ANY PARTY AGGRIEVED THEREBY IN LIKE MANNER AND WITH LIKE EFFECT AS PROVIDED BY LAW FOR APPEALS IN CORRESPONDING

CASES FROM THE ORDERS OR DECISIONS OF THE DEPARTMENT OF PUBLIC SERVICE.)

Sec. 27. Minnesota Statutes 1976, Section 473.413, Subdivision 8, is amended to read:

Subd. 8. [COMMISSION; INSURANCE.] The commission may provide for self-insurance or may otherwise provide for the insurance of any of its property, rights, or revenue, worker's compensation, public liability, or any other risk or hazard arising from its activities, and may provide for insuring any of its officers or employees against any such risk or hazard at the expense of the commission. *If the commission provides for self insurance against its liability and the liability of its officers, employees and agents for damages resulting from its torts and those of its officers, employees and agents, including its obligation to pay basic economic loss benefits under sections 65B.41 to 65B.71, it shall be entitled to deduct from such damages and basic economic loss benefits all money paid or payable to the persons seeking damages and benefits from all governmental entities providing medical, hospital and disability benefits.*

Sec. 28. Minnesota Statutes 1976, Section 473.415, is amended to read:

473.415 [LABOR PROVISIONS.] If the commission acquires an existing transit system, the commission shall assume and observe all existing labor contracts and pension obligations. All employees of such system except executive and administrative officers who are necessary for the operation thereof by the commission shall be transferred to and appointed as employees of the commission for the purposes of the transit system, subject to all the rights and benefits of sections 473.401 to 473.451. Such employees shall be given seniority credit and sick leave, vacation, insurance, and pension credits in accordance with the records or labor agreements from the acquired transit system. The commission shall assume the obligations of any transit system acquired by it with regard to wages, salaries, hours, working conditions, sick leave, health and welfare and pension or retirement provisions for employees. The commission and the employees, through their representatives for collective bargaining purposes, shall take whatever action may be necessary to have pension trust funds presently under the joint control of the acquired (TRANSPORTATION) system and the participating employees through their representatives transferred to the trust fund to be established, maintained and administered jointly by the commission and the participating employees through their representatives. No employee of any acquired (TRANSPORTATION) system who is transferred to a position with the commission shall by reason of such transfer be placed in any worse position with respect to worker's compensation, pension, seniority, wages, sick leave, vacation, health and welfare insurance or any other bene-

fits than he enjoyed as an employee of such acquired (TRANSPORTATION) system.

Sec. 29. Minnesota Statutes 1976, Section 473.445, Subdivision 1, is amended to read:

473.445 [COMMISSION; ANNUAL REPORTS.] Subdivision 1. The commission on or before November 30 of each year shall prepare a report for the preceding fiscal year, also, so far as practicable, for the further time up to the preparation of the report, containing, in addition to such other matters as the commission may deem proper, the following:

(a) the activities of the commission during the period covered by the report;

(b) the financial condition of public transit systems under the control of the commission;

(c) a complete financial accounting of the financial accounts and affairs of the commission during the fiscal year;

(d) recommendations for improvements of or additions to the (MASS) transit *and paratransit* facilities of the area to provide adequate, speedy, and efficient means of transporting people therein;

(e) recommendations for any needed legislation in furtherance of the aforesaid purposes.

Sec. 30. Minnesota Statutes 1976, Section 473.446, Subdivision 1, is amended to read:

Subdivision 1. [AMOUNT.] For the purposes of sections 473.401 to 473.451 and the metropolitan transit system, the metropolitan transit commission may levy upon all taxable property within the metropolitan transit taxing district, defined herein, a transit tax, which shall not in any year exceed the sum of the following:

(a) An amount equal to 1.72 mills times the assessed value of all such property some or all of the proceeds of which may be used to provide for the full and timely payment of its certificates of indebtedness and other obligations of the commission (TO WHICH COLLECTIONS OF THE WHEELAGE TAX AND REPLACEMENT PROPERTY TAX UNDER SECTION 473.443 HAVE BEEN PLEDGED, PLUS ANY AMOUNT NEEDED FOR COMPLIANCE WITH ANY FINAL JUDGMENT OF A COURT OF COMPETENT JURISDICTION REQUIRING PAYMENT OF ANY AMOUNT OF THE WHEELAGE TAX LEVIED BY THE COMMISSION FOR 1971 AND PRIOR YEARS); plus

(b) (SUCH) An additional amount, if any, as the commission determines to be necessary to provide for the full and timely payment of its certificates of indebtedness and other obligations, *outstanding on the effective date of this act*, to which property taxes under this section have been pledged (, PROVIDED THAT THE AMOUNT OF PRINCIPAL AND INTEREST TO COME DUE ON SUCH OBLIGATIONS SHALL NOT EXCEED \$3,000,000 IN ANY YEAR; PLUS AN ADDITIONAL AMOUNT NOT TO EXCEED \$2,000,000 IN ANY ONE YEAR TO BE USED EXCLUSIVELY TO PROVIDE FOR THE FULL AND TIMELY PAYMENT OF CERTIFICATES OF INDEBTEDNESS AND OTHER OBLIGATIONS ISSUED FOR THE PURPOSES OF THE BUS SERVICE EXPANSION REPORT AS ADOPTED BY THE METROPOLITAN TRANSIT COMMISSION ON FEBRUARY 20, 1974, TO WHICH PROPERTY TAXES UNDER THIS SECTION HAVE BEEN PLEDGED); *plus*

(c) *An additional amount, if any, as the commission determines to be necessary to provide for the full and timely payment of bonds issued by the commission in a total principal amount not exceeding \$9,000,000, the proceeds to be used in accordance with sections 473.401 to 473.451.*

((C)) Nothing in this section shall be construed as providing funding for (THE) preliminary engineering, consultant studies, or construction of a (REGIONAL) fixed guideway transit system or project.

Sec. 31. [APPROPRIATION.] *Subdivision 1. [PUBLIC TRANSIT AID PROGRAM.] The sum of \$18,900,000 is appropriated from the general fund to the department of transportation for the biennium ending June 30, 1979, for expenditure pursuant to section 4 of this act. Of the amount, not more than \$4,000,000 shall be available for payments to eligible recipients outside of the metropolitan area defined in section 473.121. Of the remainder, \$14,000,000 shall be available, subject to arrangements made by the commissioner pursuant to section 8, subdivision 4, for payments pursuant to section 4 to the metropolitan transit commission established by section 473.404 and \$900,000 shall be available for payments to private operators of public transit in the metropolitan area.*

Subd. 2. [SOCIAL FARE REIMBURSEMENT.] The sum of \$8,400,000 is appropriated from the general fund to the department of transportation for the biennium ending June 30, 1979, for expenditure to reimburse the metropolitan transit commission and other operators for the difference between the full fare otherwise charged by the commission and other operators and the fare actually charged pursuant to the social fare policy under section 22, subdivision 4, of this act. Reimbursement shall be paid monthly upon a report by the commission or other operator of the number of passengers carried for the preceding calendar month in each social fare category and the total amount that

otherwise would have been charged for the service by the commission or other operator on a full fare basis.

Subd. 3. [TRANSPORTATION SYSTEMS MANAGEMENT PROGRAM.] *The sum of \$6,500,000 is appropriated from the general fund to the department of transportation for the biennium ending June 30, 1979, for expenditure pursuant to sections 5 to 12 of this act. Of this amount, \$1,000,000 shall be available for regular route transit productivity demonstration grants under section 8, subdivision 3, of this act for grants outside the metropolitan area defined in section 473.121. Of the remainder, \$5,000,000 shall be available for paratransit demonstration grants under section 9 of this act and for funding paratransit services, not less than \$1,000,000 of which shall be used for grants outside the metropolitan area and not more than \$4,000,000 for grants within the metropolitan area. \$500,000 shall be available to the department for costs of professional staff and independent professional services, including temporary, unclassified positions established by the commissioner in addition to the authorized complement of the department, necessary to carry out the provisions of sections 5 to 12. The appropriations made in this subdivision for grants shall not cancel but shall be available until expended.*

Subd. 4. [ADMINISTRATION.] *The sum of \$150,000 is appropriated from the general fund to the department of transportation for administration of the public transit aid program under section 4 of this act, the social fare reimbursements under this section and section 22, subdivision 4, the regular route transit productivity demonstration grants under section 8, subdivision 4, and the paratransit demonstration grants under section 9.*

Sec. 32. [REPEALER.] *Minnesota Statutes 1976, Sections 473.121, Subdivision 17; 473.411, Subdivision 2; 473.421; 473.422; 473.423; 473.424; 473.425; 473.437; 473.443; 473.445, Subdivision 2; 473.446, Subdivision 4; and 473.447 are repealed.*

Sec. 33. [EFFECTIVE DATE.] *Except for the appropriations in section 31, this act is effective on the day following final enactment."*

Further strike the title in its entirety and insert:

"A bill for an act relating to transportation; providing for changes in parking fees in state parking facilities in the capitol area; establishing a public transit aid program; establishing a transportation systems management program; providing for regular route transit productivity demonstration grants; requiring an operational improvement plan from the metropolitan transit commission; providing for paratransit service demonstration grants; granting powers to and imposing duties on the commissioner of transportation; prescribing performance goals and fare policy for the metropolitan transit commission; chang-

ing powers of the metropolitan transit commission; authorizing the sale of bonds for particular purposes; appropriating money; amending Minnesota Statutes 1976, Sections 16.72, Subdivision 5, and by adding subdivisions; 473.121, Subdivisions 18, 19, 20, and by adding a subdivision; 473.402; 473.405, Subdivisions 1, 2, and by adding a subdivision; 473.411, Subdivision 3, and by adding a subdivision; 473.413, Subdivisions 6 and 8; 473.415; 473.445, Subdivision 1; 473.446, Subdivision 1; Chapters 174, by adding sections; and 473 by adding sections; repealing Minnesota Statutes 1976, Sections 473.121, Subdivision 17; 473.411, Subdivision 2; 473.421; 473.422; 473.423; 473.424; 473.425; 473.437; 473.443; 473.445, Subdivision 2; 473.446, Subdivision 4; and 473.447.”.

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Berg from the Committee on Local and Urban Affairs to which was referred:

S. F. No. 880, A bill for an act relating to towns; granting certain towns the powers of statutory cities.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Anderson, I., from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 1416, A bill for an act relating to the legislature; requiring that bodies wholly or principally composed of legislators submit budgets and complement requests to the legislative coordinating commission; amending Minnesota Statutes 1976, Chapter 3, by adding a section.

Reported the same back with the following amendments:

Page 1, line 13, after “*The*” insert “*administrative*”.

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1610, 167, 875, 1132, 1176, 1215, 1544 and 1416 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1467, 774, 1298, 381, 69, 191, 296 and 880 were read for the second time.

INTRODUCTION AND FIRST READING
OF HOUSE BILLS

The following House Files were introduced:

Byrne introduced:

H. F. No. 1611, A bill for an act relating to education; providing for the correction or elimination of erroneous, ambiguous, omitted and obsolete references and text; amending Minnesota Statutes 1976, Sections 120.02, Subdivision 18; 120.10, Subdivision 3; 120.17, Subdivision 5a; 120.171; 120.66; 121.02, Subdivision 1; 121.09; 121.12; 121.21, Subdivision 6; 121.212, Subdivision 1; 121.28; 121.49; 121.86; 122.34; 123.34, Subdivisions 6, 8 and 10; 123.35, Subdivision 4; 123.36, Subdivision 5; 123.37, Subdivisions 1 and 13; 123.39, Subdivision 6; 123.40, Subdivision 5; 123.58, Subdivisions 2, 4, 6 and 10; 123.581, Subdivisions 4 and 7; 123.69, Subdivision 2; 123.79, Subdivision 1; 124.09; 124.15, Subdivision 2; 124.17, Subdivision 2; 124.30, Subdivision 5; 124.38, Subdivision 10; 124.41, Subdivision 1; 124.47, Subdivision 1; 124.561, Subdivision 3; 125.05, Subdivision 3; 125.08; 125.12, Subdivisions 6b and 9; 125.183, Subdivision 5; 125.185, Subdivision 5; 136.09, Subdivision 3; 136.11, Subdivision 4; 136.141; 136.142, Subdivision 1; 136.145; 136.15; 136.31, Subdivision 2; 136A.142; 136A.17, Subdivision 1; 136A.172; 136A.173, Subdivision 1; 136A.174; 136A.175, Subdivision 4; 136A.176; 136A.177; 136A.178; 136A.179; 136A.233; 136A.28; 137.01, Subdivision 2; 275.09, Subdivision 4; 375.08; 375.14; 382.01; repealing Minnesota Statutes 1976, Sections 120.02, Subdivision 11; 121.16, Subdivision 2; 122.26; 124.562, Subdivision 6; 124.563, Subdivision 4; 136.87, Subdivision 3; Laws 1965, Chapter 705, Section 1, Subdivisions 12, 13, 14, 15, 16 and 17; Laws 1969, Chapter 699, Section 2; Laws 1969, Chapters 969 and 1110; and Laws 1971, Chapter 256.

The bill was read for the first time and referred to the Committee on Education.

Sieben, H.; Anderson, G.; Hokanson; Fjoslien and Wenzel introduced:

H. F. No. 1612, A bill for an act relating to military justice; providing for military judges; modifying court composition and punishment authority; making other changes consistent and current federal military law; amending Minnesota Statutes 1976, Sections 192A.015; 192A.02; 192A.045; 192A.06; 192A.085;

192A.09; 192A.10; 192A.105; 192A.11, Subdivision 3; 192A.12; 192A.13; 192A.14; 192A.145, Subdivisions 3 and 4; 192A.15; 192A.155; 192A.16; 192A.165; 192A.18, Subdivisions 1 and 2; 192A.195; 192A.205; 192A.21, Subdivision 2; 192A.215; 192A.22; 192A.225; 192A.23; 192A.245; 192A.25, Subdivision 2; 192A.265, Subdivision 1; 192A.275; 192A.28; 192A.29; 192A.305; 192A.315; 192A.345, Subdivisions 2 and 3; 192A.355; 192A.47; 192A.555; 192A.585; 192A.595, Subdivision 1; 192A.61, Subdivision 3; 192A.615; Chapter 192A by adding sections; and repealing Minnesota Statutes 1976, Sections 192A.01, Subdivision 1; 192A.04, Subdivisions 4 and 5; 192A.125; and 192A.565.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

HOUSE ADVISORIES

Pursuant to rule 5.3, the following House Advisories were introduced:

Kostohryz, Johnson, Knickerbocker, Eken and Berg introduced:

H. A. No. 29, A proposal to establish maximum liability limits for private contractors carrying out school transportation functions.

The advisory was referred to the Committee on Education.

Enebo; Abeln; Carlson, L.; Rose and Nelsen, B., introduced:

H. A. No. 30, A proposal to study procedures to allow re-training and re-employment for unemployed teachers.

The advisory was referred to the Committee on Labor-Management Relations.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House Files, herewith returned:

H. F. No. 62, A bill for an act relating to towns; annual audit report; eliminating the requirement that a copy of the report be furnished to the state auditor; amending Minnesota Statutes 1976, Section 366.22.

H. F. No. 107, A bill for an act relating to state property; authorizing the conveyance of certain state property in Sherburne county to the city of St. Cloud, Minnesota.

H. F. No. 146, A bill for an act relating to cities of the first class; establishing procedures for refunds of certain special assessments; amending Minnesota Statutes 1976, Section 430.07.

H. F. No. 425, A bill for an act relating to municipalities; authorizing appropriations for historical work; amending Minnesota Statutes 1976, Section 471.93.

H. F. No. 465, A bill for an act relating to redevelopment; providing for membership on regional development commissions; amending Minnesota Statutes 1976, Section 462.388, Subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House Files, herewith returned:

H. F. No. 163, A bill for an act relating to the firemen's relief association of the city of Albertville, computation of years of service for volunteer firemen.

H. F. No. 218, A bill for an act relating to the city of Minneapolis and Hennepin county; providing for representation for the board of county commissioners of Hennepin county and the Minneapolis city council on the municipal building commission; amending Laws 1903, Chapter 247, Section 1.

H. F. No. 946, A bill for an act relating to the trunk highway system; adding a new route in substitution of an existing route.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House Files, herewith returned:

H. F. No. 686, A bill for an act relating to retirement; judges' survivors' benefits; option to continue.

H. F. No. 979, A bill for an act relating to state lands; authorizing the conveyance by the state of certain lands in St. Louis county.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker :

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee, consisting of 3 members of the Senate, on the amendments adopted by the Senate to the following House File:

H. F. No. 339, A bill for an act relating to transportation construction contracts; providing for small business contracts; amending Minnesota Statutes 1976, Chapter 161, by adding a section.

The Senate has appointed as such committee Messrs. Knoll, Lewis and Kirchner.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker :

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee, consisting of 3 members of the Senate, on the amendments adopted by the Senate to the following House File:

H. F. No. 437, A bill for an act relating to taxation; altering the definition of gross income for income tax purposes for individuals, trusts and estates; placing restrictions on certain deductions and allowing certain tax free distributions; extending time for certain sales or exchanges of residential property; making certain changes in treatment of small business corporations; amending Minnesota Statutes 1976, Section 290.01, Subdivision 20; 290.09, Subdivisions 2 and 29; 290.13, Subdivision 9; 290.23, by adding a subdivision; 290.26, by adding a subdivision; 290.971, Subdivisions 1 and 3, and by adding subdivisions; 290.972, Subdivision 5; and 290A.03, Subdivision 3.

The Senate has appointed as such Committee Messrs. Olhoff, Sillers and Peterson.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker :

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee, consisting of 3 members of the Senate, on the amendments adopted by the Senate to the following House File:

H. F. No. 586, A bill for an act relating to taxation; information contained in tax returns; amending Minnesota Statutes 1976, Sections 290.081; 290.61; and 290A.17.

The Senate has appointed as such committee Messrs. McCutcheon, Merriam and Bernhagen.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVER, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 627 and 1349.

PATRICK E. FLAHAVER, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1068, 1290, 1291, 1309 and 1338.

PATRICK E. FLAHAVER, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 823 and 912.

PATRICK E. FLAHAVER, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 442, 581, 683, 734 and 808.

PATRICK E. FLAHAVER, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 645, 646, 1293, 1362 and 1423.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 403, 583, 930 and 1489.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 627, A bill for an act relating to public indebtedness; interest rates on obligations and special assessments; amending Minnesota Statutes 1976, Sections 429.061, Subdivision 2; and 475.55, Subdivision 1.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

S. F. No. 1349, A bill for an act relating to the organization and operation of state government; regulating organization and procedures of various state departments and agencies; providing for the source of per diem and expense payments; providing for appointment and compensation of the employees suggestion board; removing the minimum teachers' license fee; permitting the board of teaching to adopt rules; regulating state arts board grants and publicity; providing the status of part time executive secretaries; permitting joint rule making proceedings; changing the name and composition of the state board of human rights; making miscellaneous inconsequential clarifications and corrections; amending Minnesota Statutes 1976, Sections 15.01; 15.059, Subdivision 6; 16.71, Subdivisions 1 and 1a; 121.02, Subdivision 1; 125.08; 125.185, by adding a subdivision; 139.10, Subdivision 1, and by adding subdivisions; 144A.19, Subdivision 2; 144A.21, Subdivision 1; 144A.251; 214.04, Subdivision 3, and by adding a subdivision; 214.06, Subdivision 1; 238.04, Subdivision 2; 363.04, Subdivisions 4, 4a and 5; Chapter 15, by adding a section; and Laws 1976, Chapter 222, Section 207, Subdivision 2; repealing Minnesota Statutes 1976, Sections 144A.21, Subdivisions 3 and 4; 144A.25; and 214.05.

The bill was read for the first time and referred to the Committee on Governmental Operations.

S. F. No. 1068, A bill for an act relating to children; reporting of maltreatment of minors; providing definitions; delineating reporting requirements; delineating the scope of the privacy at-

tributed to records maintained by welfare agencies; providing for the destruction of certain records; amending Minnesota Statutes 1976, Section 626.556, Subdivisions 2, 3, 9, and 11, and by adding a subdivision.

The bill was read for the first time and referred to the Committee on Criminal Justice.

S. F. No. 1290, A bill for an act relating to juveniles; prescribing venue for neglect cases; amending Minnesota Statutes 1976, Section 260.121, Subdivision 1.

The bill was read for the first time.

Nelson moved that S. F. No. 1290 and H. F. No. 1586, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1291, A bill for an act relating to venue for cases involving maltreatment of minors; amending Minnesota Statutes 1976, Chapter 627, by adding a section.

The bill was read for the first time.

Nelson moved that S. F. No. 1291 and H. F. No. 1588, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1309, A bill for an act relating to tax-forfeited land; providing time limitations for bringing actions; providing procedures for settling tax titles; amending Minnesota Statutes 1976, Section 284.28; and Chapter 541, by adding a section; repealing Minnesota Statutes 1976, Sections 280.34; 284.09 and 284.22.

The bill was read for the first time and referred to the Committee on Governmental Operations.

S. F. No. 1338, A bill for an act relating to automobile insurance; clarifying certain ambiguous provisions in the Minnesota no-fault automobile insurance act; amending Minnesota Statutes 1976, Sections 65B.44, Subdivision 3; 65B.49, Subdivisions 4 and 6; 65B.51, Subdivision 1; and 65B.53, Subdivision 1.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

S. F. No. 823, A bill for an act relating to mechanics liens; increasing the period in which notice must be given to the owner of improved real estate; amending the definition of owner; enlarging the circumstances in which notice is not required to be

given; providing penalties; amending Minnesota Statutes 1976, Section 514.011, Subdivisions 2, 3 and 4.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

S. F. No. 912, A bill for an act relating to education; providing for the correction or elimination of erroneous, ambiguous, omitted and obsolete references and text; amending Minnesota Statutes 1976, Sections 120.10, Subdivision 3; 120.17, Subdivision 5a; 120.171; 120.66; 121.02, Subdivision 1; 121.09; 121.12; 121.21, Subdivision 6; 121.212, Subdivision 1; 121.28; 121.49; 121.86; 122.34; 123.34, Subdivisions 6, 8 and 10; 123.36, Subdivision 5; 123.37, Subdivisions 1 and 13; 123.39, Subdivision 6; 123.40, Subdivision 5; 123.58, Subdivisions 2, 4, 6 and 10; 123.581, Subdivisions 4 and 7; 123.69, Subdivision 2; 123.79, Subdivision 1; 124.09; 124.15, Subdivision 2; 124.17, Subdivision 2; 124.30, Subdivision 5; 124.38, Subdivision 10; 124.41, Subdivision 1; 124.47, Subdivision 1; 124.561, Subdivision 3; 125.05, Subdivision 3; 125.08; 125.12, Subdivisions 6b and 9; 125.183, Subdivision 5; 125.185, Subdivision 5; 136.09, Subdivision 3; 136.11, Subdivision 4; 136.141; 136.142, Subdivision 1; 136.145; 136.15; 136.31, Subdivision 2; 136A.142; 136A.17, Subdivision 1; 136A.172; 136A.173, Subdivision 1; 136A.174; 136A.175, Subdivision 4; 136A.176; 136A.177; 136A.178; 136A.179; 136A.28; 137.01, Subdivision 2; 275.09, Subdivision 4; 375.08; 375.14; 382.01; repealing Minnesota Statutes 1976, Sections 120.02, Subdivision 11; 121.16, Subdivision 2; 122.26; 124.562, Subdivision 6; 124.563, Subdivision 4; 136.87, Subdivision 3; Laws 1965, Chapter 705, Section 1, Subdivisions 12, 13, 14, 15, 16 and 17; Laws 1969, Chapter 699, Section 2; Laws 1969, Chapters 939 and 1110; and Laws 1971, Chapter 256.

The bill was read for the first time and referred to the Committee on Education.

S. F. No. 442, A bill for an act relating to county planning and zoning; providing for enforcement of certain subdivision regulations by providing for review of conveyancing instruments by an administrative officer after recording; amending Minnesota Statutes 1976, Section 394.37, Subdivision 1.

The bill was read for the first time.

Dahl moved that S. F. No. 442 and H. F. No. 325, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 581, A bill for an act relating to insurance; regulating licensing procedures; amending Minnesota Statutes 1976, Section 60A.17, Subdivision 2.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

S. F. No. 683, A bill for an act relating to the establishment of parks, playgrounds and scenic areas by the county of Anoka; amending Laws 1961, Chapter 209, Sections 1 and 2.

The bill was read for the first time.

Voss moved that S. F. No. 683 and H. F. No. 646, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 734, A bill for an act relating to counties; providing for business days and hours for county offices and emergency closings; amending Minnesota Statutes 1976, Section 373.052.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

S. F. No. 808, A bill for an act relating to education; authorizing certain teachers to take extended leaves of absence; providing for retirement benefits of teachers on leave; amending Minnesota Statutes 1976, Chapters 354, by adding a section; and 354A, by adding a section.

The bill was read for the first time and referred to the Committee on Education.

S. F. No. 645, A bill for an act relating to vital statistics; requiring reporting; establishing registration districts; defining terms; providing penalties; repealing Minnesota Statutes 1976, Sections 144.151 to 144.205; 517.071; 517.08, Subdivisions 2 and 3; and 518.001.

The bill was read for the first time and referred to the Committee on Health and Welfare.

S. F. No. 646, A bill for an act relating to the environment; requiring one half of the petitioners initiating environmental impact statements to be adult residents or property owners in affected counties; amending Minnesota Statutes 1976, Section 116D.04, Subdivision 3.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

S. F. No. 1293, A bill for an act relating to the Minnesota humane society; restructuring its board; making miscellaneous operational changes; repealing obsolete language; amending Minnesota Statutes 1976, Sections 343.01; 343.06 and 343.08;

repealing Minnesota Statutes 1976, Sections 343.02; 343.03; 343.04; 343.05; 343.07 and 343.09.

The bill was read for the first time and referred to the Committee on Governmental Operations.

S. F. No. 1362, A bill for an act relating to game and fish; exempting certain disabled residents from the requirements of obtaining a fishing license; amending Minnesota Statutes 1976, Section 98.47, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Appropriations.

S. F. No. 1423, A bill for an act relating to state lands; authorizing the exchange of certain public lake access land in Polk county.

The bill was read for the first time.

Eken moved that S. F. No. 1423 and H. F. No. 1544, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 403, A bill for an act relating to licensing boards; providing for reissuance of licenses from the board of architecture, engineering, land surveying and landscape architecture; amending Minnesota Statutes 1976, Section 326.11, Subdivision 5.

The bill was read for the first time and referred to the Committee on Governmental Operations.

S. F. No. 583, A bill for an act relating to insurance companies; prescribing penalties for violation of certain filing requirements; amending Minnesota Statutes 1976, Chapter 72A, by adding a section; repealing Minnesota Statutes 1976, Section 72A.06.

The bill was read for the first time.

Nelsen, M., moved that S. F. No. 583 and H. F. No. 1031, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 930, A bill for an act relating to unemployment compensation; providing for the assignment of veterans employment representatives; amending Minnesota Statutes 1976, Section 268.14, by adding a subdivision.

The bill was read for the first time.

Jacobs moved that S. F. No. 930 and H. F. No. 906, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1489, A bill for an act relating to the organization and operation of state government; appropriating money for maintenance of various semi-state activities and for other purposes; amending Minnesota Statutes 1976, Sections 139.08, Subdivision 5; 139.10, by adding a subdivision; 343.08; 343.12; 346.216; Chapter 139, by adding sections; repealing Minnesota Statutes 1976, Sections 343.02; and 343.03.

The bill was read for the first time.

Norton moved that S. F. No. 1489 and H. F. No. 1594, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

REPORTS FROM THE COMMITTEE ON RULES AND
LEGISLATIVE ADMINISTRATION

Anderson, I., from the Committee on Rules and Legislative Administration to which was referred:

House Resolution No. 6, A house resolution urging that the depiction of violence on television be ended.

Reported the same back with the following amendments:

Page 1, line 11, delete "even" and "obscene".

Page 1, line 18, delete "Minnesota" and after "stations" insert "located in Minnesota".

Page 1, line 19, delete "business communities" and insert "commercial interests".

Page 1, line 20, after "discontinue" insert "their support of".

Page 1, line 21, before the period insert "and further, that a copy of this resolution be sent to national television networks and the federal communications commission".

With the recommendation that when so amended the resolution be adopted.

The report was adopted.

HOUSE RESOLUTION NO. 6

A house resolution urging that the depiction of violence on television be ended.

Whereas, television has become an integral part of family entertainment in the home; and

Whereas, the values that children receive in the informative years are so important to their adult sensitivities and behavior in later life; and

Whereas, so much of our television programming portrays and glorifies violence; and

Whereas, the continued viewing of this violence by our youth may have a direct affect on the manner in which our society may respond to crime and violence in the future; and

Whereas, we are responsible for the peace and welfare of our citizens; now, therefore,

Be It Resolved, by the Minnesota House of Representatives that television stations located in Minnesota and commercial interests that sponsor television programming are urged to discontinue their support of the type of shows that portray violent behavior in a graphic and explicit manner and further, that a copy of this resolution be sent to national television networks and the federal communications commission.

McDonald and Jude moved that House Resolution No. 6, as amended, be now adopted.

A roll call was requested and properly seconded.

The question was taken on the adoption of House Resolution No. 6, as amended, and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeln	Carlson, L.	Fugina	Kostohryz	Niehaus
Adams	Clark	George	Kroening	Norton
Albrecht	Clawson	Gunter	Kvam	Novak
Anderson, B.	Cohen	Hanson	Laidig	Osthoff
Anderson, D.	Corbid	Haugerud	Langseth	Patton
Anderson, G.	Dahl	Heinitz	Lehto	Pehler
Anderson, I.	Dean	Hokanson	Lemke	Peterson
Arlandson	Den Ouden	Jacobs	Mangan	Petrafeso
Battaglia	Eckstein	Jaros	Mann	Pleasant
Beauchamp	Eken	Jensen	McCarron	Prahl
Begich	Ellingson	Johnson	McCollar	Reding
Berg	Enebo	Jude	McDonald	Rice
Berglin	Erickson	Kahn	McEachern	Rose
Berkelman	Esau	Kaley	Metzen	St. Onge
Biersdorf	Ewald	Kalis	Moe	Samuelson
Birnstihl	Faricy	Kelly, R.	Munger	Sarna
Brandt	Fjoslien	Kelly, W.	Murphy	Savelkoul
Brinkman	Forsythe	Kempe, R.	Neisen	Schulz
Byrne	Friedrich	King	Nelsen, B.	Searle
Carlson, A.	Fudro	Knickerbocker	Nelson	Searles

Sherwood	Smogard	Swanson	Welch	Williamson
Sieben, H.	Spanish	Tomlinson	Wenstrom	Wynia
Sieben, M.	Stanton	Vanasek	Wenzel	Zubay
Simoneau	Stoa	Voss	White	Speaker Sabo
Skoglund	Suss	Waldorf	Wieser	

The motion prevailed and the Resolution, as amended, was adopted.

Anderson, I., from the Committee on Rules and Legislative Administration, pursuant to rule 1.9, designated the following bills as a Special Order to be acted upon immediately following H. F. No. 515 on Special Orders for today, May 4, 1977: H. F. Nos. 451, 787, 788, 1030, 1201, 314, 460, 536, 848, 952, 1004, 1040, 1364, 980, 1054, 17, 954, 611, 789, 1310, 856, 1226 and 782.

PROGRESS REPORTS ON CONFERENCE COMMITTEES

Pursuant to Joint Rule 2.06, progress on S. F. No. 226 was reported to the House.

CALENDAR

S. F. No. 1208, A bill for an act relating to elections; providing that polling places be accessible to the elderly and physically handicapped; providing assistance to voters unable to enter the polling place; amending Minnesota Statutes 1976, Sections 204A.-09, by adding a subdivision; and 204A.34, Subdivision 2; repealing Minnesota Statutes 1976, Section 204A.11, Subdivision 4.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeln	Brinkman	Faricy	Kalis	Metzen
Adams	Byrne	Fjoslien	Kelly, R.	Moe
Albrecht	Carlson, A.	Forsythe	Kelly, W.	Munger
Anderson, B.	Carlson, L.	Friedrich	Kempe, A.	Murphy
Anderson, D.	Casserly	Fudro	Kempe, R.	Neisen
Anderson, G.	Clark	Fugina	King	Nelsen, B.
Anderson, I.	Clawson	George	Knickerbocker	Nelsen, M.
Anderson, R.	Cohen	Gunter	Kostohryz	Nelson
Arlandson	Corbid	Hanson	Kroening	Niehaus
Battaglia	Cummiskey	Haugerud	Kvam	Norton
Beauchamp	Dahl	Heinitz	Laidig	Novak
Begich	Dean	Hokanson	Langseth	Osthoff
Berg	Den Ouden	Jacobs	Lehto	Patton
Berglin	Eckstein	Jaros	Lemke	Pehler
Berkelman	Eken	Jensen	Mangan	Peterson
Biersdorf	Ellingson	Johnson	Mann	Petrafeso
Birnstihl	Enebo	Jude	McCollar	Pleasant
Brandl	Erickson	Kahn	McDonald	Prahl
Braun	Ewald	Kaley	McEachern	Reding

Rice	Schulz	Skoglund	Tomlinson	Wieser
Rose	Searle	Smogard	Vanasek	Williamson
St. Onge	Searles	Spanish	Voss	Wynia
Samuelson	Sherwood	Stanton	Waldorf	Zubay
Sarna	Sieben, H.	Stoa	Wenstrom	Speaker Sabo
Savelkoul	Sieben, M.	Suss	Wenzel	
Scheid	Simoneau	Swanson	White	

The bill was passed and its title agreed to.

SPECIAL ORDERS

H. F. No. 1322 was reported to the House.

There being no objection, H. F. No. 1322 was continued on Special Orders for one day.

H. F. No. 577 was reported to the House.

Norton moved to amend H. F. No. 577, as follows:

Page 1, line 15, delete "and".

Page 1, line 17, after "organization" insert ", and shall authorize the sale of intoxicating liquor only to members of labor unions affiliated with the St. Paul Trades and Labor Assembly and their immediate families".

A roll call was requested and properly seconded.

Biersdorf moved to amend the Norton amendment to H. F. No. 577, as follows:

After "families" insert "and their guest accompanying them".

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Norton amendment, as amended, and the roll was called. There were 47 yeas and 77 nays as follows:

Those who voted in the affirmative were:

Albrecht	Esau	Kahn	Nelson	Sherwood
Anderson, D.	Ewald	Kaley	Niehaus	Skoglund
Anderson, R.	Fjoslien	King	Norton	Stanton
Byrne	Forsythe	Kyam	Osthoff	Stoa
Clark	Friedrich	Laidig	Peterson	Welch
Corbid	Gunter	Langseth	Pleasant	Wigley
Cummiskey	Hangerud	Lehto	Savelkoul	Zubay
Dean	Heinitz	Moe	Schulz	
Den Ouden	Jaros	Munger	Searle	
Erickson	Jude	Nelsen, B.	Searles	

Those who voted in the negative were:

Abeln	Brinkman	Jacobs	Metzen	Smogard
Adams	Carlson, A.	Jensen	Murphy	Spanish
Anderson, B.	Carlson, L.	Johnson	Neisen	Suss
Anderson, G.	Casserly	Kalis	Novak	Swanson
Anderson, I.	Clawson	Kelly, R.	Patton	Tomlinson
Arlandson	Cohen	Kelly, W.	Pehler	Vanasek
Battaglia	Eckstein	Kempe, A.	Petraleso	Waldorf
Beauchamp	Eken	Kempe, R.	Rice	Wenstrom
Begich	Ellingson	Knickerbocker	Rose	Wenzel
Berg	Enebo	Kroening	St. Onge	White
Berglin	Faricy	Lemke	Samuelson	Wieser
Berkelman	Fudro	Mangan	Sarna	Wynia
Biersdorf	Fugina	McCarron	Scheid	Speaker Sabo
Birnstihl	George	McCollar	Sieben, H.	
Brandl	Hanson	McDonald	Sieben, M.	
Braun	Hokanson	McEachern	Simoneau	

The motion did not prevail and the amendment, as amended, was not adopted.

H. F. No. 577, A bill for an act relating to the city of St. Paul; authorizing an on-sale liquor license for the St. Paul Labor Center, Inc.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 102 yeas and 25 nays as follows:

Those who voted in the affirmative were:

Abeln	Casserly	Johnson	Nelsen, M.	Smogard
Adams	Clark	Jude	Nelson	Spanish
Anderson, B.	Clawson	Kaley	Novak	Stanton
Anderson, G.	Cohen	Kalis	Osthoff	Stoa
Anderson, I.	Dahl	Kelly, R.	Patton	Suss
Anderson, R.	Eckstein	Kelly, W.	Pehler	Swanson
Arlandson	Eken	Kempe, A.	Petraleso	Tomlinson
Battaglia	Ellingson	Kempe, R.	Prahl	Vanasek
Beauchamp	Enebo	King	Rice	Voss
Begich	Faricy	Knickerbocker	Rose	Waldorf
Berg	Friedrich	Lehto	St. Onge	Wenstrom
Berglin	Fudro	Lemke	Samuelson	Wenzel
Berkelman	Fugina	Mangan	Sarna	White
Biersdorf	George	McCarron	Savelkoul	Wieser
Birnstihl	Gunter	McCollar	Scheid	Williamson
Brandl	Hanson	McDonald	Schulz	Wynia
Braun	Heinitz	McEachern	Searles	Zubay
Brinkman	Hokanson	Metzen	Sieben, H.	Speaker Sabo
Byrne	Jacobs	Munger	Sieben, M.	
Carlson, A.	Jaros	Murphy	Simoneau	
Carlson, L.	Jensen	Neisen	Skoglund	

Those who voted in the negative were:

Albrecht	Corbid	Dean	Erickson	Ewald
Anderson, D.	Cummiskey	Den Ouden	Esau	Fjoslien

Forsythe
Haugerud
Kahn

Kvam
Laidig
Langseth

Moe
Nelsen, B.
Niehaus

Norton
Peterson
Pleasant

Searle
Sherwood
Welch

The bill was passed and its title agreed to.

H. F. No. 515 was reported to the House.

Beauchamp moved to amend H. F. No. 515 as follows:

Strike everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1976, Chapter 237, is amended by adding a section to read:

[237.065] [DIRECTORY ASSISTANCE CHARGES PROHIBITED.] *A telephone company shall not charge for the following directory assistance calls:*

(1) *The first five calls made by a consumer in each billing period;*

(2) *Calls made by blind consumers;*

(3) *Calls made from a coin operated phone;*

(4) *Calls made by consumers whose area code differs from that of the directory assistance operator called;*

(5) *Calls made by handicapped consumers.*

The department may by rule exclude other classes of consumers from directory assistance charges.”

Further, amend the title as follows:

Page 1, line 2, after “prohibiting” insert “certain”.

POINT OF ORDER

Murphy raised a point of order pursuant to rule 3.9 that the Beauchamp amendment was not in order. The Speaker ruled the point of order not well taken and the amendment in order.

Pehler moved to amend the Beauchamp amendment to H. F. No. 515, as follows:

Page 1, after line 14, insert “(6) *students*

(7) *Senior Citizens*

(8) *Anyone not previously covered between the ages of 18 and 65".*

The motion did not prevail and the amendment to the amendment was not adopted.

Stanton moved to amend the Beauchamp amendment to H. F. No. 515, as follows:

Page 1, line 8, delete "*five*" insert "*15*".

The motion did not prevail and the amendment to the amendment was not adopted.

The question recurred on the Beauchamp amendment. The motion did not prevail and the amendment was not adopted.

Anderson, G., moved to amend H. F. No. 515, as follows:

Page 1, beginning on line 8, strike all of Section 1.

Page 1, line 14, renumber the section.

Page 1, line 21, after "*assistance*" and before the period insert "*for five calls or less per month, which are to be included in the regular monthly service charge*".

The motion did not prevail and the amendment was not adopted.

Neisen moved to amend H. F. No. 515 as follows:

Page 1, strike all of line 17 and line 18 through the period.

Page 1, line 21, after the word "*assistance*" and before the period add "*without having had first a general public hearing by the public service commission in each congressional district on the subject of directory assistance charging*".

The motion did not prevail and the amendment was not adopted.

H. F. No. 515, A bill for an act relating to telephone companies; prohibiting charges for directory assistance; amending Minnesota Statutes 1976, Chapter 237, by adding a section.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 80 yeas and 45 nays as follows:

Those who voted in the affirmative were :

Anderson, B.	Cohen	Jacobs	McEachern	Scheid
Anderson, I.	Cummiskey	Jaros	Moe	Sieben, H.
Anderson, R.	Dahl	Jude	Munger	Sieben, M.
Arlandson	Dean	Kelly, R.	Murphy	Skoglund
Battaglia	Eken	Kelly, W.	Nelsen, M.	Smogard
Begich	Ellingson	Kempe, A.	Nelson	Spanish
Berg	Enebo	Kempe, R.	Novak	Stanton
Berglin	Faricy	King	Osthoff	Swanson
Berkelman	Fjoslien	Kostohryz	Patton	Vanasek
Birnstihl	Fudro	Kroening	Pehler	Voss
Braun	Fugina	Langseth	Petrafeso	Welch
Byrne	George	Lehto	Prahl	Wenstrom
Carlson, A.	Gunter	Lemke	Reding	Wenzel
Carlson, L.	Hanson	Mangan	Rice	White
Casserly	Haugerud	McCarron	St. Onge	Wynia
Clark	Hokanson	McCollar	Sarna	Speaker Sabo

Those who voted in the negative were :

Abeln	Clawson	Jensen	Nelsen, B.	Searles
Adams	Den Ouden	Kaley	Niehaus	Sherwood
Albrecht	Eckstein	Kalis	Norton	Stoa
Anderson, D.	Erickson	Knickerbocker	Peterson	Suss
Anderson, G.	Esau	Kvam	Pleasant	Tomlinson
Beauchamp	Ewald	Laidig	Rose	Waldorf
Biersdorf	Forsythe	Mann	Samuelson	Wieser
Brandl	Friedrich	McDonald	Savelkoul	Wigley
Brinkman	Heinitz	Neisen	Searle	Zubay

The bill was passed and its title agreed to.

H. F. No. 451 was reported to the House.

Voss moved to amend H. F. No. 451, as follows :

Page 3, line 27, after "*applications*" insert "*, closing loans,*".

A roll call was requested and properly seconded.

The question was taken on the adoption of the amendment and the roll was called. There were 38 yeas and 76 nays as follows :

Those who voted in the affirmative were :

Battaglia	Cohen	Haugerud	Nelsen, M.	Skoglund
Berg	Cummiskey	Heinitz	Nelson	Stanton
Berglin	Ewald	Jacobs	Norton	Swanson
Brandl	Faricy	Kahn	Patton	Voss
Byrne	Fjoslien	McCarron	Rose	Wigley
Carlson, L.	Forsythe	McCollar	Scheid	Wynia
Casserly	Gunter	Munger	Sieben, H.	
Clark	Hanson	Neisen	Sieben, M.	

Those who voted in the negative were :

Abeln	Albrecht	Anderson, D.	Anderson, I.	Arlandson
Adams	Anderson, B.	Anderson, G.	Anderson, R.	Beauchamp

Begich	Erickson	Knickerbocker	Osthoff	Smogard
Berkelman	Esau	Kostohryz	Pehler	Stoa
Biersdorf	Friedrich	Kroening	Peterson	Suss
Birnstihl	Fudro	Laidig	Prahl	Vanasek
Braun	Fugina	Langseth	Reding	Waldorf
Brinkman	George	Lemke	Rice	Wenstrom
Clawson	Hokanson	Mangan	St. Onge	Wenzel
Corbid	Jaros	Mann	Samuelson	White
Dahl	Jensen	McDonald	Sarna	Wieser
Dean	Jude	McEachern	Savelkoul	Zubay
Den Ouden	Kaley	Metzen	Schulz	
Eckstein	Kalis	Nelsen, B.	Searle	
Eken	Kempe, A.	Niehaus	Searles	
Enebo	Kempe, R.	Novak	Simoneau	

The motion did not prevail and the amendment was not adopted.

Voss moved to amend H. F. No. 451 as follows:

Page 3, line 7, delete "*25 miles of*" and insert "*the same county as*".

Anderson, G., moved to amend the Voss amendment to H. F. No. 451, as follows:

Reinsert "*25 miles of*" and before "*the same*" insert "*or within*".

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Voss amendment, as amended. The motion did not prevail and the amendment, as amended, was not adopted.

Voss moved to amend H. F. No. 451 as follows:

Page 2, line 32, strike "*within the*".

Page 3, strike lines 1 through 6.

Page 3, line 7, strike "*municipality is located*".

A roll call was requested and properly seconded.

The question was taken on the adoption of the amendment and the roll was called. There were 41 yeas and 73 nays as follows:

Those who voted in the affirmative were:

Arlandson	Carlson, A.	Cummiskey	Gunter	Jacobs
Battaglia	Casserly	Dean	Hanson	Jaros
Berg	Clark	Ewald	Haugerud	Johnson
Berglin	Cohen	Forsythe	Heinitz	Kahn

Knickerbocker	Moe	Norton	Simoneau	Zubay
Kvam	Munger	Patton	Stanton	
Laidig	Neisen	Pleasant	Voss	
Lehto	Nelsen, M.	Rose	Welch	
McCollar	Nelson	Scheid	Wigley	

Those who voted in the negative were:

Abeln	Carlson, L.	Jude	Murphy	Smogard
Adams	Clawson	Kalis	Nelsen, B.	Stoa
Albrecht	Corbid	Kelly, R.	Niehaus	Suss
Anderson, D.	Dahl	Kelly, W.	Novak	Swanson
Anderson, G.	Den Ouden	Kempe, A.	Osthoff	Tomlinson
Anderson, I.	Eckstein	Kempe, R.	Prahl	Waldorf
Anderson, R.	Eken	King	Rice	Wenstrom
Beauchamp	Enebo	Kroening	St. Onge	Wenzel
Begich	Esau	Langseth	Samuelson	White
Berkelman	Faricy	Lemke	Sarna	Wieser
Biersdorf	Fjoslien	Mangan	Schulz	Williamson
Birnstihl	Fudro	Mann	Searles	Wynia
Brandl	George	McDonald	Sieben, H.	Speaker Sabo
Braun	Hokanson	McEachern	Sieben, M.	
Brinkman	Jensen	Metzen	Skoglund	

The motion did not prevail and the amendment was not adopted.

H. F. No 451, A bill for an act relating to banks; authorizing a bank to establish two detached banking facilities; providing for notice and approval procedures; amending Minnesota Statutes 1976, Sections 47.51; 47.52; 47.53; 47.54; and 47.55.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 83 yeas and 35 nays as follows:

Those who voted in the affirmative were:

Abeln	Corbid	Jude	Murphy	Stanton
Albrecht	Cummiskey	Kaley	Nelsen, B.	Stoa
Anderson, B.	Dean	Kempe, A.	Nelsen, M.	Suss
Anderson, I.	Eckstein	Kempe, R.	Nelson	Swanson
Arlandson	Enebo	King	Norton	Tomlinson
Battaglia	Esau	Knickerbocker	Patton	Vanasek
Beauchamp	Ewald	Kostohryz	Petrafeso	Voss
Berkelman	Forsythe	Kvam	Pleasant	Waldorf
Biersdorf	Friedrich	Laidig	Reding	Welch
Braun	George	Langseth	Rose	Wenzel
Brinkman	Gunter	Lemke	St. Onge	White
Byrne	Hanson	Mangan	Scheid	Wieser
Carlson, A.	Haugerud	Mann	Searles	Wigley
Carlson, L.	Heinitz	McCarron	Sherwood	Williamson
Casserly	Hokanson	McCollar	Sieben, M.	Zubay
Clark	Jacobs	McDonald	Simoneau	
Clawson	Johnson	Munger	Smogard	

Those who voted in the negative were:

Adams	Brandl	Fugina	Kroening	Rice
Anderson, D.	Cohen	Jaros	Metzen	Schulz
Anderson, G.	Dahl	Jensen	Neisen	Sieben, H.
Anderson, R.	Den Ouden	Kahn	Niehaus	Skoglund
Begich	Eken	Kalis	Novak	Wenstrom
Berglin	Faricy	Kelly, R.	Osthoff	Wynia
Birnstihl	Fjoslien	Kelly, W.	Prahl	Speaker Sabo

The bill was passed and its title agreed to.

H. F. No. 787, A bill for an act relating to savings banks; allowing savings banks to establish negotiable order of withdrawal accounts; imposing reserve requirements; amending Minnesota Statutes 1976, Chapter 50, by adding a section.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 122 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeln	Cohen	Jaros	Murphy	Simoneau
Adams	Corbid	Jensen	Neisen	Skoglund
Albrecht	Cummiskey	Johnson	Nelsen, B.	Smogard
Anderson, B.	Dahl	Jude	Nelsen, M.	Spanish
Anderson, D.	Dean	Kahn	Nelson	Stanton
Anderson, G.	Den Ouden	Kaley	Niehaus	Stoa
Anderson, I.	Eckstein	Kalis	Norton	Suss
Anderson, R.	Eken	Kelly, R.	Novak	Swanson
Arlandson	Ellingson	Kelly, W.	Osthoff	Tomlinson
Battaglia	Enebo	Kempe, A.	Patton	Vanasek
Beauchamp	Esau	Kempe, R.	Peterson	Voss
Begich	Ewald	King	Petrafeso	Waldorf
Berg	Faricy	Knickerbocker	Pleasant	Welch
Berglin	Fjoslien	Laidig	Reding	Wenstrom
Berkelman	Forsythe	Langseth	Rice	Wenzel
Birnstihl	Friedrich	Lehto	Rose	White
Brandl	Fudro	Lemke	St. Onge	Wieser
Braun	Fugina	Mangan	Samuelson	Wigley
Brinkman	George	Mann	Sarna	Williamson
Byrne	Gunter	McCollar	Savelkoul	Wynia
Carlson, A.	Hanson	McDonald	Scheid	Zubay
Carlson, L.	Haugerud	McEachern	Searles	Speaker Sabo
Casserly	Heinitz	Metzen	Sherwood	
Clark	Hokanson	Moe	Sieben, H.	
Clawson	Jacobs	Munger	Sieben, M.	

The bill was passed and its title agreed to.

H. F. No. 788 was reported to the House.

There being no objection, H. F. No. 788 was continued on Special Orders for one day.

H. F. No. 1030, A bill for an act relating to health care plans; requiring minimum anticipated loss ratios for certain insurance plans; eliminating certain open enrollment requirements for non-profit health service plans; revising the Minnesota comprehensive health insurance act of 1976; revising the Minnesota catastrophic health expense protection act of 1976; making necessary improvements and corrections; further prescribing the powers and duties of the commissioner of insurance; further prescribing the powers and duties of the commissioner of public welfare; amending Minnesota Statutes 1976, Chapter 62E, by adding a section; and Sections 62A.02, Subdivision 3; 62A.17, Subdivision 6; 62D.10, Subdivision 1; 62E.02, Subdivisions 2, 8, 11 and 21; 62E.03, Subdivision 2; 62E.04, Subdivision 4, and by adding a subdivision; 62E.06; 62E.08; 62E.09; 62E.10, Subdivisions 1, 3 and 7; 62E.11, Subdivision 5; 62E.13, Subdivisions 2 and 4; 62E.14, Subdivision 1; 62E.53; and 62E.54, Subdivision 1; repealing Minnesota Statutes 1976, Section 62E.16.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeln	Cummiskey	Johnson	Murphy	Sieben, M.
Adams	Dahl	Jude	Neisen	Simoneau
Albrecht	Dean	Kahn	Nelsen, B.	Skoglund
Anderson, B.	Den Ouden	Kaley	Nelsen, M.	Smogard
Anderson, D.	Eckstein	Kalis	Nelson	Spanish
Anderson, G.	Eken	Kelly, R.	Niehaus	Stanton
Anderson, I.	Ellingson	Kelly, W.	Norton	Stoa
Arlandson	Enebo	Kempe, A.	Novak	Suss
Battaglia	Erickson	Kempe, R.	Osthoff	Swanson
Beauchamp	Esau	King	Patton	Tomlinson
Begich	Ewald	Knickerbocker	Peterson	Vanasek
Berg	Faricy	Kroening	Petrafeso	Voss
Berglin	Fjoslien	Kvam	Pleasant	Waldorf
Berkelman	Forsythe	Laidig	Prahl	Weich
Birnstihl	Friedrich	Langseth	Reding	Wenstrom
Brandl	Fudro	Lehto	Rice	Wenzel
Braun	Fugina	Lemke	Rose	White
Brinkman	George	Mangan	St. Onge	Wieser
Byrne	Gunter	Mann	Samuelson	Wigley
Carlson, A.	Hanson	McCarron	Sarna	Williamson
Carlson, L.	Haugerud	McCollar	Savelkoul	Wynia
Casserly	Heinitz	McDonald	Scheid	Zubay
Clark	Hokanson	McEachern	Searle	Speaker Sabo
Clawson	Jacobs	Metzen	Searles	
Cohen	Jaros	Moe	Sherwood	
Corbid	Jensen	Munger	Sieben, H.	

The bill was passed and its title agreed to.

H. F. No. 1201, A bill for an act relating to insurance; requiring insurers to supply cover sheets for insurance policies; requir-

ing insurers to issue readable insurance policies; establishing testing procedures for readability.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeln	Cummiskey	Jensen	Neisen	Sieben, H.
Adams	Dahl	Johnson	Nelsen, B.	Sieben, M.
Albrecht	Dean	Jude	Nelsen, M.	Simoneau
Anderson, B.	Den Ouden	Kahn	Nelson	Skoglund
Anderson, D.	Eckstein	Kaley	Niehaus	Smogard
Anderson, I.	Eken	Kalis	Norton	Stanton
Arlandson	Ellingson	Kelly, R.	Novak	Stoa
Battaglia	Enebo	Kempe, A.	Osthoff	Suss
Beauchamp	Erickson	Kempe, R.	Patton	Swanson
Begich	Esau	King	Peterson	Tomlinson
Berg	Ewald	Knickerbocker	Petrafaso	Vanasek
Berglin	Faricy	Kroening	Pleasant	Voss
Berkelman	Fjoslien	Kvam	Prahl	Waldorf
Birnstihl	Forsythe	Laidig	Reding	Welch
Brandl	Friedrich	Langseth	Rice	Wenstrom
Eraun	Fudro	Lehto	Rose	Wenzel
Brinkman	Fugina	Lemke	St. Onge	White
Byrne	George	Mangan	Samuelson	Wieser
Carlson, A.	Gunter	Mann	Sarna	Wigley
Carlson, L.	Hanson	McDonald	Savelkoul	Williamson
Casserly	Haugerud	McEachern	Scheid	Wynia
Clark	Heinitz	Metzen	Schulz	Zubay
Clawson	Hokanson	Moe	Searle	Speaker Sabo
Cohen	Jacobs	Munger	Searles	
Corbid	Jaros	Murphy	Sherwood	

The bill was passed and its title agreed to.

H. F. No. 314 was reported to the House.

Cummiskey moved to amend H. F. No. 314 as follows:

Page 1, delete lines 16 through 20 and renumber the following subdivision.

Page 2, after line 12 insert the following:

"Sec. 3. The supreme court shall promulgate rules to establish acceptable electronic equipment specifications for court reporting and the length of time which records of court proceedings must be retained."

The motion prevailed and the amendment was adopted.

H. F. No. 314, A bill for an act relating to Olmsted county; authorizing electronic recording of trial proceedings; providing for costs and payment.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 105 yeas and 15 nays as follows:

Those who voted in the affirmative were:

Abeln	Corbid	Jensen	Murphy	Searles
Albrecht	Cummiskey	Johnson	Nelsen, B.	Sherwood
Anderson, B.	Dahl	Kahn	Nelsen, M.	Sieben, M.
Anderson, D.	Dean	Kaley	Niehous	Skoglund
Anderson, G.	Den Ouden	Kalis	Norton	Smogard
Anderson, I.	Eken	Kelly, R.	Novak	Stanton
Anderson, R.	Ellingson	Kelly, W.	Osthoff	Stoa
Arlandson	Enebo	Kempe, A.	Patton	Suss
Beauchamp	Erickson	Kempe, R.	Peterson	Swanson
Begich	Esau	King	Petrafaso	Tomlinson
Berg	Fjoslien	Knickerbocker	Pleasant	Vanasek
Berkelman	Forsythe	Kvam	Prahl	Voss
Biersdorf	Fudro	Langseth	Reding	Waldorf
Birnstihl	Fugina	Lehto	Rice	Welch
Braun	George	Mangan	Rose	Wenstrom
Byrne	Gunter	Mann	St. Onge	White
Carlson, L.	Hanson	McCollar	Sarna	Wigley
Casserly	Haugerud	McDonald	Savelkoul	Williamson
Clark	Heinitz	McEachern	Scheid	Wynia
Clawson	Jacobs	Metzen	Schulz	Zubay
Cohen	Jaros	Munger	Searle	Speaker Sabo

Those who voted in the negative were:

Adams	Eckstein	Hokanson	Lemke	Simoneau
Battaglia	Ewald	Jude	Neisen	Wenzel
Berglin	Faricy	Kroening	Sieben, H.	Wieser

The bill was passed, as amended, and its title agreed to.

H. F. No. 460, A bill for an act relating to retirement; adjustment in annuities through the adjustable fixed benefit fund; amending Minnesota Statutes 1976, Section 11.25, Subdivisions 3, 12 and 13.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeln	Anderson, R.	Berkelman	Carlson, L.	Dahl
Adams	Arlandson	Biersdorf	Casserly	Dean
Albrecht	Battaglia	Birnstihl	Clark	Den Ouden
Anderson, B.	Beauchamp	Brandl	Clawson	Eckstein
Anderson, D.	Begich	Braun	Cohen	Eken
Anderson, G.	Berg	Byrne	Corbid	Ellingson
Anderson, I.	Berglin	Carlson, A.	Cummiskey	Enebo

Erickson	Jude	McDonald	Reding	Stoa
Esau	Kahn	McEachern	Rice	Suss
Ewald	Kaley	Metzen	Rose	Swanson
Faricy	Kalis	Munger	St. Onge	Tomlinson
Fjoslien	Kelly, R.	Murphy	Sarna	Vanasek
Friedrich	Kempe, A.	Neisen	Savelkoul	Voss
Fudro	Kempe, R.	Nelsen, B.	Scheid	Waldorf
Fugina	King	Nelsen, M.	Schulz	Welch
George	Knickerbocker	Nelson	Searle	Wenstrom
Gunter	Kroening	Niehaus	Searles	Wenzel
Hanson	Kvam	Norton	Sherwood	White
Haugerud	Laidig	Novak	Sieben, H.	Wieser
Heinitz	Langseth	Osthoff	Sieben, M.	Wigley
Hokanson	Lehto	Patton	Simoneau	Williamson
Jacobs	Lemke	Peterson	Skoglund	Wynia
Jaros	Mangan	Petrafeso	Smogard	Zubay
Jensen	Mann	Pleasant	Spanish	Speaker Sabo
Johnson	McCollar	Prahl	Stanton	

The bill was passed and its title agreed to.

H. F. No. 536, A bill for an act relating to civil service; providing that promotion and place of service are separate considerations; amending Minnesota Statutes 1976, Section 43.19, by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 118 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abeln	Clawson	Jaros	Munger	Sieben, H.
Adams	Cohen	Jensen	Murphy	Sieben, M.
Albrecht	Corbid	Johnson	Neisen	Simoneau
Anderson, B.	Cummiskey	Jude	Nelsen, M.	Skoglund
Anderson, D.	Dahl	Kahn	Nelson	Smogard
Anderson, G.	Dean	Kaley	Niehaus	Spanish
Anderson, I.	Den Ouden	Kalis	Norton	Stanton
Anderson, R.	Eckstein	Kelly, R.	Novak	Stoa
Arlandson	Eken	Kelly, W.	Osthoff	Suss
Battaglia	Ellingson	Kempe, A.	Patton	Swanson
Beauchamp	Enebo	Kempe, R.	Peterson	Vanasek
Begich	Faricy	Kostohryz	Petrafeso	Voss
Berg	Fjoslien	Kroening	Pleasant	Waldorf
Berglin	Forsythe	Kvam	Prahl	Welch
Berkelman	Friedrich	Laidig	Reding	Wenstrom
Biersdorf	Fudro	Langseth	Rice	Wenzel
Birnsthil	Fugina	Lehto	Rose	White
Brandl	George	Lemke	St. Onge	Wieser
Braun	Gunter	Mangan	Samuelson	Williamson
Brinkman	Hanson	Mann	Sarna	Wynia
Byrne	Haugerud	McDonald	Scheid	Zubay
Carlson, L.	Heinitz	McEachern	Schulz	Speaker Sabo
Cassery	Hokanson	Metzen	Searle	
Clark	Jacobs	Moe	Sherwood	

Those who voted in the negative were:

Erickson Ewald

The bill was passed and its title agreed to.

MOTION FOR RECONSIDERATION

Reding moved that the vote whereby H. F. No. 968, as amended, was not passed as a Special Order on Monday, May 2, 1977, be now reconsidered.

A roll call was requested and properly seconded.

The question was taken on the motion for reconsideration and the roll was called. There were 75 yeas and 44 nays as follows:

Those who voted in the affirmative were:

Abeln	Clark	Jaros	Murphy	Sieben, M.
Adams	Clawson	Jude	Nelsen	Simoneau
Anderson, I.	Cohen	Kahn	Nelson	Skoglund
Arlandson	Corbid	Kelly, R.	Norton	Stanton
Beauchamp	Cummiskey	Kempe, R.	Novak	Stoa
Berg	Dahl	King	Patton	Swanson
Berglin	Dean	Kostohryz	Pehler	Tomlinson
Berkelman	Ellingson	Kroening	Petrafeso	Vanasek
Biersdorf	Enebo	Lehto	Reding	Waldorf
Brandl	Faricy	Mangan	Rice	Wenzel
Braun	Fugina	McCarron	St. Onge	White
Byrne	George	McCollar	Samuelson	Wieser
Carlson, A.	Gunter	McEachern	Scheid	Williamson
Carlson, L.	Hanson	Moe	Sherwood	Wynia
Casserly	Hokanson	Munger	Sieben, H.	Speaker Sabo

Those who voted in the negative were:

Albrecht	Eckstein	Jensen	Mann	Rose
Anderson, B.	Eken	Johnson	McDonald	Savelkoul
Anderson, D.	Erickson	Kaley	Nelsen, B.	Schulz
Anderson, G.	Esau	Kalis	Nelsen, M.	Searle
Anderson, R.	Ewald	Kelly, W.	Niehaus	Searles
Battaglia	Fjoslien	Knickerbocker	Osthoff	Smogard
Begich	Forsythe	Kvam	Peterson	Wigley
Brinkman	Friedrich	Laidig	Pleasant	Zubay
Den Ouden	Heinitz	Lenke	Prahl	

The motion prevailed.

H. F. No. 968, as amended, was reported to the House.

Eken moved to amend H. F. No. 968, as amended, as follows:

Page 2, after line 20, add the following:

"(e) The provisions of this subdivision shall not apply to chapters 116A through 116H."

The motion prevailed and the amendment was adopted.

Begich moved that H. F. No. 968, as amended, be re-referred to the Committee on Appropriations.

A roll call was requested and properly seconded.

The question was taken on the motion by Begich and the roll was called. There were 51 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Albrecht	Den Ouden	Johnson	Nelsen, B.	Searles
Anderson, B.	Eckstein	Kaley	Niehaus	Spanish
Anderson, D.	Eken	Kalis	Osthoff	Waldorf
Anderson, G.	Erickson	Kelly, W.	Peterson	Wenstrom
Anderson, R.	Esau	Knickerbocker	Pleasant	Wieser
Battaglia	Fjoslien	Kvam	Prahl	Wigley
Begich	Forsythe	Laidig	Rose	Zubay
Biersdorf	Friedrich	Langseth	Samuelson	
Birnstihl	Haugerud	Lemke	Savelkoul	
Brinkman	Heinitz	Mangan	Schulz	
Corbid	Jensen	Metzen	Searle	

Those who voted in the negative were:

Abeln	Clawson	Jude	Neisen	Skoglund
Adams	Cohen	Kahn	Nelsen, M.	Smogard
Anderson, I.	Cummiskey	Kelly, R.	Nelson	Stanton
Arlandson	Dean	Kempe, R.	Norton	Stoa
Beauchamp	Ellingson	King	Novak	Swanson
Berg	Enebo	Kostohryz	Pehler	Tomlinson
Berglin	Ewald	Kroening	Petraleso	Vanasek
Berkelman	Faricy	Lehto	Reding	Wenzel
Brandl	Fudro	Mann	Rice	White
Braun	Fugina	McCarron	Sarna	Williamson
Byrne	George	McCollar	Scheid	Wynia
Carlson, A.	Gunter	McDonald	Sherwood	Speaker Sabo
Carlson, L.	Hanson	Moe	Sieben, H.	
Casserly	Jacobs	Munger	Sieben, M.	
Clark	Jaros	Murphy	Simoneau	

The motion did not prevail.

H. F. No. 968, A bill for an act relating to the pollution control agency; its powers and duties; prescribing additional enforcement powers with respect to air, land, noise and hazardous waste pollution control; amending Minnesota Statutes 1976, Section 116.07, by adding a subdivision.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 68 yeas and 60 nays as follows:

Those who voted in the affirmative were:

Abeln	Berglin	Carlson, L.	Dean	Hanson
Adams	Berkelman	Casserly	Ellingson	Hokanson
Anderson, I.	Brandl	Clark	Enebo	Jacobs
Arlandson	Braun	Cohen	Faricy	Jaros
Beauchamp	Byrne	Cummiskey	Fugina	Jude
Berg	Carlson, A.	Dahl	George	Kahn

Kelly, R.	Munger	Reding	Simoneau	Waldorf
Kempe, R.	Murphy	Rice	Skoglund	Wenzel
King	Neisen	St. Onge	Stanton	White
Kostohryz	Nelson	Sarna	Stoa	Williamson
Kroening	Norton	Scheid	Swanson	Wynia
Lehto	Novak	Sherwood	Tomlinson	Speaker Sabo
McCarron	Pehler	Sieben, H.	Vanasek	
Moe	Petrafeso	Sieben, M.	Voss	

Those who voted in the negative were:

Albrecht	Den Ouden	Heinitz	Mann	Samuelson
Anderson, B.	Eckstein	Jensen	McDonald	Savelkoul
Anderson, D.	Eken	Johnson	McEachern	Schulz
Anderson, G.	Erickson	Kaley	Metzen	Searle
Anderson, R.	Esau	Kalis	Nelsen, B.	Searles
Battaglia	Ewald	Kelly, W.	Nelsen, M.	Smogard
Begich	Fjoslien	Knickerbocker	Niehaus	Spanish
Biersdorf	Forsythe	Kvam	Osthoff	Welch
Birnstihl	Friedrich	Laidig	Peterson	Wenstrom
Brinkman	Fudro	Langseth	Pleasant	Wieser
Clawson	Gunter	Lemke	Prahl	Wigley
Corbid	Haugerud	Mangan	Rose	Zubay

The bill was passed, as amended, and its title agreed to.

SPECIAL ORDERS, Continued

H. F. No. 848 was reported to the House.

Patton moved to amend H. F. No. 848 as follows:

Page 2, line 9, delete "1979" and insert "1978".

Page 4, line 16, delete "1979" and insert "1978".

Page 14, line 3, delete "1979" and insert "1978".

Page 20, line 4, delete "1979" and insert "1978".

Page 20, line 8, delete "1979" and insert "1978".

Page 20, line 15, delete "1979" and insert "1978".

Page 20, line 17, delete "1979" and insert "1978".

Page 20, line 19, delete "1984" and insert "1983".

Page 20, line 23, delete "1983" and insert "1982".

Page 20, line 28, delete "1979" and insert "1978".

Page 20, line 30, delete "1980" and insert "1979".

Page 21, line 2, delete "1981" and insert "1980".

Page 21, line 24, delete "1979" and insert "1978".

The motion prevailed and the amendment was adopted.

Moe moved to amend H. F. No. 848, as follows:

Page 15, line 22, delete "55" and insert "58".

Page 15, line 23, delete "ten" and insert "20".

Page 15, line 23, after "service" delete the balance of the line.

Page 15, line 24, delete "for not less than 30 years of service regardless of age,".

Page 15, line 28, delete "to and including age 60".

Page 15, delete line 29.

Page 15, line 30, delete "under age 60".

Page 16, line 6, delete "the arithmetic average" and insert "an amount equivalent to the average of a coordinated employee's highest salary upon which employee contributions were paid for any five successive years of allowable service.".

Page 16, delete lines 7 through 11.

The motion prevailed and the amendment was adopted.

H. F. No. 848, A bill for an act relating to retirement; Minneapolis municipal employees retirement fund; miscellaneous amendments; establishment of a coordinated program; amending Minnesota Statutes 1976, Sections 422A.01, by adding subdivisions; 422A.06, Subdivision 6; 422A.08, Subdivisions 2 and 5; 422A.09, Subdivision 3; 422A.16, by adding a subdivision; 422A.18, Subdivision 2; 422A.23, Subdivision 7, by adding a subdivision; and Chapters 355, by adding sections; and 422A, by adding sections.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 120 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeln	Anderson, D.	Beauchamp	Biersdorf	Carlson, L.
Adams	Anderson, G.	Berg	Birnstihl	Casserly
Albrecht	Anderson, I.	Berglin	Braun	Clark
Anderson, B.	Arlandson	Berkelman	Carlson, A.	Clawson

Cohen	Hanson	Laidig	Novak	Skoglund
Corbid	Haugerud	Langseth	Osthoff	Smogard
Cummiskey	Heinitz	Lehto	Patton	Spanish
Dahl	Hokanson	Lemke	Pehler	Stanton
Dean	Jacobs	Mangan	Peterson	Suss
Den Ouden	Jaros	Mann	Petrafeso	Swanson
Eckstein	Jensen	McCarron	Reding	Tomlinson
Ellingson	Johnson	McCollar	Rice	Vanasek
Enebo	Jude	McDonald	Rose	Voss
Erickson	Kahn	McEachern	St. Onge	Waldorf
Esau	Kaley	Metzen	Sarna	Welch
Ewald	Kalis	Moe	Savelkoul	Wenstrom
Faricy	Kelly, R.	Munger	Scheid	Wenzel
Fjoslien	Kelly, W.	Murphy	Schulz	White
Forsythe	Kempe, A.	Neisen	Searle	Wieser
Friedrich	Kempe, R.	Nelsen, B.	Searles	Wigley
Fudro	King	Nelsen, M.	Sherwood	Williamson
Fugina	Knickerbocker	Nelson	Sieben, H.	Wynia
George	Kostohryz	Niehaus	Sieben, M.	Zubay
Gunter	Kroening	Norton	Simoneau	Speaker Sabo

The bill was passed, as amended, and its title agreed to.

H. F. No. 952, A bill for an act relating to courts; sixth judicial district; authorizing the position of domestic relations referee in St. Louis county; amending Minnesota Statutes 1976, Chapter 484, by adding a section.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 122 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeln	Corbid	Jensen	Nelsen, B.	Sieben, M.
Adams	Cummiskey	Johnson	Nelson, M.	Simoneau
Albrecht	Dahl	Jude	Nelson	Skoglund
Anderson, B.	Dean	Kahn	Niehaus	Smogard
Anderson, D.	Den Ouden	Kaley	Norton	Spanish
Anderson, G.	Eckstein	Kelly, R.	Novak	Stanton
Anderson, I.	Eken	Kelly, W.	Osthoff	Stoa
Arlandson	Ellingson	Kempe, A.	Patton	Suss
Battaglia	Enebo	Kempe, R.	Pehler	Swanson
Beauchamp	Erickson	King	Peterson	Tomlinson
Begich	Esau	Knickerbocker	Petrafeso	Vanasek
Berg	Ewald	Kroening	Pleasant	Waldorf
Berglin	Faricy	Kvam	Prahl	Welch
Berkelman	Fjoslien	Laidig	Reding	Wenstrom
Biersdorf	Forsythe	Langseth	Rice	Wenzel
Birnstihl	Friedrich	Lehto	Rose	White
Brandl	Fudro	Lemke	St. Onge	Wieser
Braun	Fugina	Mangan	Sarna	Wigley
Byrne	George	McCarron	Savelkoul	Williamson
Carlson, A.	Gunter	McCollar	Scheid	Wynia
Carlson, L.	Hanson	McDonald	Schulz	Zubay
Casserly	Heinitz	Metzen	Searle	Speaker Sabo
Clark	Hokanson	Munger	Searles	
Clawson	Jacobs	Murphy	Sherwood	
Cohen	Jaros	Neisen	Sieben, H.	

The bill was passed and its title agreed to.

H. F. No. 1004 was reported to the House.

There being no objection, H. F. No. 1004 was continued on Special Orders until Monday, May 9, 1977.

H. F. No. 1040, A bill for an act relating to finance; deleting obsolete provisions; changing and clarifying cross-references; authorizing commissioner of finance to transfer money to revolving funds in certain cases; transferring air travel account from commissioner of administration to commissioner of finance; codifying certain provisions formerly in session laws; appropriating money; amending Minnesota Statutes 1976, Sections 12.24, Subdivision 2; 15.50, Subdivision 5; 16.172; 16.80, Subdivision 1; 16A.126; 16A.17, Subdivision 9; 18.69; 43.43, Subdivision 2; 121.48, Subdivision 2; 124.212, Subdivision 19; 136.11, Subdivision 5; 136.144; 136.37; 136.55, Subdivision 2; and Chapters 16A, by adding a section, and 243, by adding a section; repealing Minnesota Statutes 1976, Sections 16.02, Subdivision 21; 16.026, Subdivision 5; and 16A.05; and Laws 1945, Chapter 575, Sections 19 and 21.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeln	Cummiskey	Jude	Murphy	Sherwood
Adams	Dahl	Kahn	Neisen	Sieben, H.
Albrecht	Dean	Kaley	Nelsen, B.	Sieben, M.
Anderson, D.	Den Ouden	Kalis	Nelsen, M.	Simoneau
Anderson, G.	Eckstein	Kelly, R.	Nelson	Skoglund
Anderson, I.	Eken	Kelly, W.	Niehaus	Smogard
Arlandson	Ellingson	Kempe, A.	Norton	Spanish
Battaglia	Enebo	Kempe, R.	Novak	Stanton
Beauchamp	Erickson	King	Osthoff	Suss
Begich	Esau	Knickerbocker	Patton	Swanson
Berg	Ewald	Kostohryz	Pehler	Tomlinson
Berglin	Faricy	Kroening	Peterson	Vanasek
Berkelman	Fjoslien	Kvam	Petrafeso	Voss
Biersdorf	Forsythe	Laidig	Pleasant	Waldorf
Birnstihl	Friedrich	Langseth	Prahl	Welch
Brandl	Fudro	Lehto	Reding	Wenstrom
Braun	George	Lemke	Rice	Wenzel
Brinkman	Gunter	Mangan	Rose	White
Carlson, A.	Haugerud	Mann	St. Onge	Wieser
Carlson, L.	Heinitz	McCarron	Samuelson	Wigley
Casserly	Hokanson	McCollar	Sarna	Williamson
Clark	Jacobs	McDonald	Savelkoul	Wynia
Clawson	Jaros	Metzen	Schulz	Zubay
Cohen	Jensen	Moe	Searle	Speaker Sabo
Corbid	Johnson	Munger	Searles	

The bill was passed and its title agreed to.

H. F. No. 1364, A bill for an act relating to the attorney general; changing appointments; removing restrictions on assignment of deputy and assistant attorneys general; amending Minnesota Statutes 1976, Sections 8.02 and 268.12, Subdivision 5; repealing Minnesota Statutes 1976, Sections 8.023; 8.024; 8.026; and 84.025, Subdivision 6.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abeln	Corbid	Jensen	Murphy	Sieben, H.
Adams	Cummiskey	Johnson	Neisen	Sieben, M.
Albrecht	Dahl	Jude	Neisen, B.	Simoneau
Anderson, B.	Dean	Kahn	Neisen, M.	Skoglund
Anderson, D.	Den Ouden	Kaley	Nelson	Smogard
Anderson, G.	Eckstein	Kalis	Niehaus	Spanish
Anderson, I.	Eken	Kelly, R.	Norton	Stanton
Arlandson	Ellingson	Kelly, W.	Novak	Stoa
Battaglia	Enebo	Kempe, A.	Osthoff	Suss
Beauchamp	Erickson	Kempe, R.	Patton	Swanson
Begich	Esau	King	Pehler	Tomlinson
Berg	Ewald	Knickerbocker	Peterson	Vanasek
Berglin	Faricy	Kostohryz	Petrufeso	Voss
Berkelman	Fjoslien	Kroening	Prahl	Waldorf
Biersdorf	Forsythe	Laidig	Reding	Welch
Birnstihl	Friedrich	Langseth	Rice	Wenstrom
Brandl	Fudro	Lehto	Rose	Wenzel
Braun	Fugina	Lemke	St. Onge	White
Brinkman	George	Mangan	Samuelson	Wieser
Byrne	Gunter	Mann	Sarna	Wigley
Carlson, A.	Hanson	McCarron	Savelkoul	Williamson
Carlson, L.	Haugerud	McDonald	Scheid	Wynia
Casserly	Heinitz	McEachern	Schulz	Zubay
Clark	Hokanson	Metzen	Searle	Speaker Sabo
Clawson	Jacobs	Moe	Searles	
Cohen	Jaros	Munger	Sherwood	

Those who voted in the negative were:

Pleasant

The bill was passed and its title agreed to.

H. F. No. 980 was reported to the House.

Carlson, L., moved to amend H. F. No. 980, as follows:

Page 4, line 17, delete "not".

Page 4, line 17, after "include" insert "all".

Page 4, line 17, delete "five or less".

The motion did not prevail and the amendment was not adopted.

H. F. No. 980, A bill for an act relating to public health; regulations for the preservation of public health; authorizing the state board of health to regulate the establishment, operation and maintenance of certain non-hospital clinical laboratories; amending Minnesota Statutes 1976, Section 144.12, Subdivision 1.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeln	Cohen	Jensen	Moe	Searles
Adams	Corbid	Johnson	Munger	Sherwood
Albrecht	Cummiskey	Jude	Murphy	Sieben, H.
Anderson, B.	Dahl	Kahn	Neisen	Sieben, M.
Anderson, D.	Dean	Kaley	Neisen, B.	Simoneau
Anderson, G.	Den Ouden	Kalis	Neison	Skoglund
Anderson, I.	Eckstein	Kelly, R.	Niehaus	Smogard
Anderson, R.	Eken	Kelly, W.	Norton	Spanish
Arlandson	Ellingson	Kempe, A.	Novak	Stanton
Battaglia	Enebo	Kempe, R.	Osthoff	Stoa
Beauchamp	Erickson	King	Patton	Suss
Begich	Ewald	Knickerbocker	Pehler	Swanson
Berg	Faricy	Kostohryz	Peterson	Tomlinson
Berglin	Fjoslien	Kroening	Petrafaso	Vanasek
Berkelman	Forsythe	Kvam	Pleasant	Voss
Biersdorf	Friedrich	Laidig	Prahl	Waldorf
Birnstihl	Fudro	Langseth	Reding	Welch
Brandl	Fugina	Lehto	Rice	Wenstrom
Braun	George	Lemke	Rose	Wenzel
Brinkman	Gunter	Mangan	St. Onge	White
Byrne	Hanson	Mann	Samuelson	Wigley
Carlson, A.	Haugerud	McCarron	Sarna	Williamson
Carlson, L.	Heinitz	McCollar	Savelkoul	Wynia
Casserly	Hokanson	McDonald	Scheid	Zubay
Clark	Jacobs	McEachern	Schulz	Speaker Sabo
Clawson	Jaros	Metzen	Searle	

The bill was passed and its title agreed to.

Sarna was excused from 5:15 p.m. to 6:20 p.m.

H. F. No. 1054 was reported to the House.

Brandl moved to amend H. F. No. 1054, as follows:

Page 1, line 9 insert a new section to read:

"Sec. 1. Minnesota Statutes 1976, Section 256.12, Subdivision 14, is amended to read:

Subd. 14. [DEPENDENT CHILD.] "Dependent child," as used in sections 256.72 to 256.87, means a child under the age of 18 years, (OR A CHILD UNDER THE AGE OF 19 YEARS WHO IS REGULARLY ATTENDING AS A FULL TIME STUDENT AT A HIGH SCHOOL, COLLEGE, OR UNIVERSITY, OR REGULARLY ATTENDING AS A FULL TIME STUDENT IN A COURSE OF VOCATIONAL OR TECHNICAL TRAINING DESIGNED TO FIT HIM FOR GAINFUL EMPLOYMENT,) who is found to be deprived of parental support or care by reason of the death, continued absence from the home, physical or mental incapacity of a parent, or who is a child of an unemployed father as that term is defined by the commissioner of public welfare, such definition to be consistent with, and not to exceed minimum standards established by the congress of the United States and the secretary of health, education and welfare, and whose relatives, liable under the law for his support are not able to provide adequate care and support of such child, and who is living with his father, mother, grandfather, grandmother, brother, sister, stepfather, stepmother, stepbrother, stepsister, uncle, aunt, first cousin, nephew, or niece in a place of residence maintained by one or more of such relatives as his or their home.

The term "dependent child" shall also mean a child who has been removed from the home of a relative after a judicial determination that continuance in the home would be contrary to the welfare and best interests of the child and whose care and placement in a foster home or a private licensed child care institution is, in accordance with the rules and regulations of the commissioner, the responsibility of the state or county agency under sections 256.72 to 256.87."

Renumber the remaining sections.

Further amend the title, line 5, after "Sections" insert "256.12, Subdivision 4,".

The motion did not prevail and the amendment was not adopted.

H. F. No. 1054, A bill for an act relating to welfare; aid to families with dependent children; changing certain eligibility qualifications; amending Minnesota Statutes 1976, Sections 256.73, Subdivisions 1, 2, 4, and by adding subdivisions; and 256.79.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeln	Cohen	Johnson	Murphy	Sieben, M.
Adams	Corbid	Jude	Neisen	Simoneau
Albrecht	Cummiskey	Kahn	Nelsen, B.	Skoglund
Anderson, B.	Dahl	Kaley	Nelsen, M.	Smogard
Anderson, D.	Dean	Kalis	Nelson	Spanish
Anderson, G.	Eckstein	Kelly, R.	Niehaus	Stanton
Anderson, I.	Eken	Kelly, W.	Norton	Stoa
Anderson, R.	Ellingson	Kempe, A.	Novak	Suss
Arlandson	Enebo	Kempe, R.	Osthoff	Swanson
Battaglia	Erickson	King	Patton	Tomlinson
Beauchamp	Ewald	Knickerbocker	Pehler	Vanasek
Begich	Faricy	Kostohryz	Peterson	Voss
Berg	Fjoslien	Kroening	Petrafero	Waldorf
Berglin	Forsythe	Kvam	Pleasant	Welch
Berkelman	Friedrich	Laidig	Prahl	Wenstrom
Biersdorf	Fudro	Langseth	Reding	Wenzel
Birnstihl	Fugina	Lehto	Rice	White
Brandl	George	Lemke	Rose	Wieser
Braun	Gunter	Mangan	St. Onge	Wigley
Brinkman	Hanson	McCarron	Samuelson	Williamson
Byrne	Haugerud	McCollar	Savelkoul	Wynia
Carlson, A.	Heinitz	McDonald	Scheid	Zubay
Carlson, L.	Hokanson	McEachern	Schulz	Speaker Sabo
Casserly	Jacobs	Metzen	Searle	
Clark	Jaros	Moe	Searles	
Clawson	Jensen	Munger	Sieben, H.	

The bill was passed and its title agreed to.

H. F. No. 17, A bill for an act relating to elections; providing for special elections to the Minnesota legislature and the United States house of representatives; amending Minnesota Statutes 1976, Sections 202A.62, Subdivisions 1, 2 and 3; 202A.63; 202A.65, Subdivision 3; 202A.66, Subdivision 3; and 202A.67, Subdivisions 2 and 3.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeln	Biersdorf	Dean	Hanson	Kempe, R.
Adams	Birnstihl	Eckstein	Haugerud	King
Albrecht	Brandl	Eken	Heinitz	Knickerbocker
Anderson, B.	Braun	Ellingson	Hokanson	Kostohryz
Anderson, D.	Brinkman	Enebo	Jacobs	Kroening
Anderson, G.	Byrne	Erickson	Jaros	Kvam
Anderson, I.	Carlson, A.	Ewald	Jensen	Laidig
Anderson, R.	Carlson, L.	Faricy	Johnson	Langseth
Arlandson	Casserly	Fjoslien	Jude	Lehto
Battaglia	Clark	Forsythe	Kahn	Lemke
Beauchamp	Clawson	Friedrich	Kaley	Mangan
Begich	Cohen	Fudro	Kalis	Mann
Berg	Corbid	Fugina	Kelly, R.	McCarron
Berglin	Cummiskey	George	Kelly, W.	McCollar
Berkelman	Dahl	Gunter	Kempe, A.	McDonald

McEachern	Novak	Samuelson	Smogard	Wenstrom
Metzen	Osthoff	Savelkoul	Spanish	Wenzel
Moe	Patton	Scheid	Stanton	White
Munger	Pehler	Schulz	Stoa	Wieser
Murphy	Peterson	Searle	Suss	Wigley
Neisen	Petraseso	Searles	Swanson	Williamson
Nelsen, B.	Pleasant	Sherwood	Tomlinson	Wynia
Nelsen, M.	Prahl	Sieben, H.	Vanasek	Zubay
Nelson	Reding	Sieben, M.	Voss	Speaker Sabo
Niehaus	Rose	Simoneau	Waldorf	
Norton	St. Onge	Skoglund	Welch	

The bill was passed and its title agreed to.

H. F. No. 954 was reported to the House.

Cummiskey moved to amend H. F. No. 954, as follows:

Page 13, line 7, delete "and".

Page 13, line 8, before the period insert "; Laws 1959, Chapter 219; and Extra Session Laws 1959, Chapter 19, Section 2, are repealed".

Further amend the title:

Page 1, line 11, delete "and".

Page 1, line 11, before the period insert "; and Laws 1959, Chapter 219; and Extra Session Laws 1959, Chapter 19, Section 2".

The motion prevailed and the amendment was adopted.

H. F. No. 954, A bill for an act relating to juries; enacting the uniform juror selection and service act; providing for the selection and service of grand and petit jurors; providing penalties; repealing Minnesota Statutes 1976, Sections 3.081; 192.24; 357.26; 488A.07; 546.09; 593.03; 593.04; 593.05; 593.06; 593.07; 593.09; 593.10; 593.11; 593.12; 593.13; 593.14; 593.20; 628.42; 628.43; 628.44; 628.45; 628.46; 628.47; 628.49; 628.50; 628.51; 628.52; 628.53; and 631.33; and Laws 1959, Chapter 219; and Extra Session Laws 1959, Chapter 19, Section 2.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeln	Albrecht	Anderson, D.	Anderson, I.	Arlandson
Adams	Anderson, B.	Anderson, G.	Anderson, R.	Battaglia

Beauchamp	Ellingson	Kelly, R.	Nelsen, B.	Simoneau
Begich	Enebo	Kelly, W.	Nelsen, M.	Skoglund
Berg	Erickson	Kempe, A.	Nelson	Smogard
Berglin	Ewald	Kempe, R.	Niehaus	Spanish
Berkelman	Faricy	King	Norton	Stanton
Biersdorf	Fjoslien	Knickerbocker	Novak	Stoa
Birnstihl	Forsythe	Kostohryz	Osthoff	Suss
Brandl	Friedrich	Kroening	Patton	Swanson
Braun	Fudro	Kvam	Pehler	Tomlinson
Brinkman	Fugina	Laidig	Peterson	Voss
Byrne	George	Langseth	Petrafeso	Waldorf
Carlson, A.	Gunter	Lehto	Pleasant	Weich
Carlson, L.	Hanson	Lemke	Prahl	Wenstrom
Casserly	Haugerud	Mangan	Reding	Wenzel
Clark	Heinitz	Mann	Rose	White
Clawson	Hokanson	McCarron	St. Onge	Wieser
Cohen	Jacobs	McCollar	Samuelson	Wigley
Corbid	Jaros	McDonald	Savelkoul	Williamson
Cummiskey	Jensen	McEachern	Scheid	Wynia
Dahl	Johnson	Metzen	Schulz	Zubay
Dean	Jude	Moe	Searle	Speaker Sabo
Den Ouden	Kahn	Munger	Searles	
Eckstein	Kaley	Murphy	Sieben, H.	
Eken	Kalis	Neisen	Sieben, M.	

The bill was passed, as amended, and its title agreed to.

H. F. No. 611, A bill for an act relating to retirement; date for payment of monthly annuities and benefits; additional lump sum payments to certain retirees, disabilitants and surviving spouses; amending Minnesota Statutes 1976, Chapter 356, by adding a section; Sections 352.01, Subdivision 21; and 354.46, Subdivision 3.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeln	Byrne	Faricy	Kelly, R.	Metzen
Adams	Carlson, A.	Fjoslien	Kelly, W.	Moe
Albrecht	Carlson, L.	Friedrich	Kempe, A.	Munger
Anderson, B.	Casserly	Fudro	Kempe, R.	Murphy
Anderson, D.	Clark	Fugina	King	Neisen
Anderson, G.	Clawson	George	Knickerbocker	Nelsen, B.
Anderson, I.	Cohen	Gunter	Kostohryz	Nelsen, M.
Anderson, R.	Corbid	Hanson	Kroening	Nelson
Arlandson	Cummiskey	Haugerud	Kvam	Niehaus
Battaglia	Dahl	Heinitz	Laidig	Norton
Beauchamp	Dean	Hokanson	Langseth	Novak
Begich	Den Ouden	Jacobs	Lehto	Osthoff
Berg	Eckstein	Jaros	Lemke	Patton
Berglin	Eken	Jensen	Mangan	Pehler
Berkelman	Ellingson	Johnson	Mann	Peterson
Biersdorf	Enebo	Jude	McCarron	Petrafeso
Birnstihl	Erickson	Kahn	McCollar	Pleasant
Brandl	Esau	Kaley	McDonald	Prahl
Braun	Ewald	Kalis	McEachern	Reding

Rice	Searles	Spanish	Voss	Williamson
Rose	Sherwood	Stanton	Waldorf	Wynia
St. Onge	Sieben, H.	Stoa	Wenstrom	Zubay
Savelkoul	Sieben, M.	Suss	Wenzel	Speaker Sabo
Scheid	Simoneau	Swanson	White	
Schulz	Skoglund	Tomlinson	Wieser	
Searle	Smogard	Vanasek	Wigley	

The bill was passed and its title agreed to.

H. F. No. 789 was reported to the House.

Cummiskey moved to amend H. F. No. 789, as follows:

Page 2, line 5, after "(NEVERTHELESS)" insert "*register and*".

Page 2, line 6, after "*after*" strike "*completing*", delete "*and signing*" and strike "*a*".

Page 2, line 7, strike "*registration card, making*" and insert "*verifying his identity and residence in the precinct. Before being permitted to register the individual shall provide his name and address on an election day registration application provided by the commissioner and sign on the application*".

Page 2, line 8, strike "*and providing proof of his residence*".

Page 2, line 9, before "*The*" insert "*The judge shall thereupon ask for proof of identity and residence. As proof of identity*", after "*individual*" strike "*may prove his residence by (1)*" and strike "*showing*" and insert "*shall show*".

Page 2, line 10, strike "*or*" and insert a comma.

Page 2, line 11, after "*171.07,*" insert "*passport*"; after "*or*" strike "*(2) providing*"; and after "*any*" insert "*other*".

Page 2, lines 12 and 13, delete and strike "*or accepted by the election judge as proper identification, or (3) having*" and insert "*.*".

If the address shown on the identification is different from the address on the application, the individual shall be required to (a) provide a document which conforms to specifications required by the commissioner as reasonably proving residence, or (b) have".

Page 2, line 14, delete "*an election*" and insert "*a*".

Page 2, line 15, delete "*election*".

Page 2, line 17, strike "election" and after "judge" insert "on the reverse side of the application".

Page 2, lines 18 to 20, delete the new language and insert "*The application shall be completed by the judge. The application shall contain boxes corresponding to the approved identification and residency documents and provide spaces to record the serial number of the identification and residency proof provided by the individual.*"

If for any reason the individual is not permitted to register and vote, the judge shall record the reason on the application. Every application, whether or not registration is permitted, shall be kept on file by the auditor until after the general election occurring two or more years after the election at which the individual applied to register. The applications shall be open for public inspection during regular office hours."

Page 2, line 20, strike "card" and insert "application" and strike "oath" and insert "registration".

Page 2, line 21, after the period strike "Forms used" and insert "A registration".

Page 7, after line 16, insert a new section to read:

"Sec. 10. Minnesota Statutes 1976, Section 204A.46, Subdivision 2, is amended to read:

Subd. 2. [TALLY BOOK, INFORMATION REQUIRED.] The judges shall fill out the tally book and returns in duplicate, and in suitable spaces provided therefor they shall disclose the following information:

(a) State of Minnesota, Tally Book and Returns for (Color) Ballots, (number) Precinct, (number) Ward, of the (City) (Town) of (Name) and the date and kind of election;

(b) The office, name of candidates, the number of votes each candidate received, and the number of blank and defective ballots for each office;

(c) The number of persons who voted at the election in the precinct, where there is permanent registration the number of registered voters in the precinct at the time the polls opened, the number who registered that day, the number who applied but were not permitted to register, the total number of ballots actually counted, the number of totally defective ballots, and the number of persons who returned spoiled ballots and received other ballots;

(d) A certificate in substantially the following form: "We, the undersigned judges of the (number) Precinct, (number) Ward, of the (City) (Town) of (Name), Minnesota, do hereby certify that all of the ballots cast at the (date and kind of election) Election, were carefully and properly piled, checked, and counted, and that the number of votes marked opposite the respective names of the candidates, correctly shows the number of votes so cast. The national flag was displayed on a suitable staff during all the hours of voting." The certificate shall be signed by all members of the election board."

Renumber the following section.

And further, amend the title as follows:

Page 1, line 8, after "1;" and before "and" insert "204A.46, Subdivision 2;"

The motion prevailed and the amendment was adopted.

Knickerbocker moved to amend H. F. No. 789, as amended, as follows:

Page 2, after line 18, insert "*Signing a false oath to procure a registration is a felony punishable by not more than five years imprisonment and a fine of not more than \$5,000 or both.*"

The motion prevailed and the amendment was adopted.

Laidig moved to amend H. F. No. 789, as amended, as follows:

Page 7, after line 16, insert:

"Sec. 10. *The secretary of state shall appoint a nonpartisan commission of not more than seven interested citizens to study problems and possible improvements to the permanent registration system. The commission shall use the facilities of the office of the secretary of state. The commission shall complete its study and report by January 15, 1979. The members shall not be compensated or reimbursed for expenses.*"

Renumber the remaining section in order.

A roll call was requested and properly seconded.

The question was taken on the adoption of the amendment and the roll was called. There were 30 yeas and 92 nays as follows:

Those who voted in the affirmative were:

Abeln	Anderson, D.	Dean	Erickson	Ewald
Albrecht	Carlson, A.	Den Ouden	Esau	Fjoslien

Forsythe	Kaley	Laidig	Peterson	Searle
Friedrich	Kempe, R.	McDonald	Pleasant	Searles
Heinitz	Knickerbocker	Nelsen, B.	Rose	Wigley
Johnson	Kvam	Niehaus	Savelkoul	Zubay

Those who voted in the negative were:

Adams	Clawson	Jude	Neisen	Skoglund
Anderson, B.	Corbid	Kahn	Nelsen, M.	Smogard
Anderson, G.	Cummiskey	Kalis	Nelson	Stanton
Anderson, I.	Dahl	Kelly, R.	Novak	Stoa
Arlandson	Eckstein	Kelly, W.	Osthoff	Suss
Battaglia	Eken	King	Patton	Swanson
Beauchamp	Ellingson	Kostohryz	Petrafeso	Tomlinson
Begich	Enebo	Kroening	Prahl	Vanasek
Berg	Farcy	Langseth	Reding	Welch
Berglin	Fudro	Lehto	Rice	Wenstrom
Berkelman	Fugina	Lemke	St. Onge	Wenzel
Birnstihl	George	Mangan	Samuelson	White
Brandl	Gunter	Mann	Sarna	Wieser
Braun	Hanson	McCollar	Scheid	Williamson
Brinkman	Haugerud	McEachern	Schulz	Wynia
Byrne	Hokanson	Metzen	Sherwood	Speaker Sabo
Carlson, L.	Jacobs	Moe	Sieben, H.	
Casserly	Jaros	Munger	Sieben, M.	
Clark	Jensen	Murphy	Simoneau	

The motion did not prevail and the amendment was not adopted.

Tomlinson moved to amend H. F. No, 789, as amended, as follows:

Page 2, line 14, delete "*including*" and insert "*except*".

Page 2, line 14, delete "*other than the*".

Page 2, line 15, delete "*election judge who is registering the individual*".

The motion prevailed and the amendment was adopted.

Lehto moved to amend H. F. No. 789, as amended, as follows:

Page 2, line 18, after the period, insert "*No person may vouch for more than ten persons on an election day.*".

A roll call was requested and properly seconded.

The question was taken on the adoption of the amendment and the roll was called. There were 34 yeas and 91 nays as follows:

Those who voted in the affirmative were:

Albrecht	Dean	Esau	Forsythe	Hokanson
Anderson, B.	Den Ouden	Ewald	Friedrich	Kaley
Carlson, A.	Erickson	Fjoslien	Heinitz	Kelly, R.

Kempe, A.	Laidig	Nelsen, B.	Pleasant	Tomlinson
Kempe, R.	Lehto	Niehaus	Rose	Wigley
Knickerbocker	McDonald	Osthoff	Savelkoul	Zubay
Kvam	Munger	Peterson	Searles	

Those who voted in the negative were:

Abeln	Clawson	Kahn	Novak	Stanton
Adams	Corbid	Kalis	Patton	Stoa
Anderson, D.	Cummiskey	Kelly, W.	Pehler	Suss
Anderson, G.	Dahl	King	Petrafeso	Swanson
Anderson, I.	Eckstein	Kostohryz	Prahl	Vanasek
Arlandson	Eken	Kroening	Reding	Voss
Battaglia	Ellingson	Langseth	Rice	Waldorf
Beauchamp	Enebo	Lemke	St. Onge	Welch
Begich	Faricy	Mangan	Samuelson	Wenstrom
Berg	Fudro	Mann	Scheid	Wenzel
Berglin	Fugina	McCarron	Schulz	White
Birstihl	George	McCollar	Searle	Wieser
Brandl	Gunter	Metzen	Sherwood	Williamson
Braun	Hanson	Moe	Sieben, H.	Wynia
Brinkman	Jacobs	Murphy	Sieben, M.	Speaker Sabo
Byrne	Jaros	Neisen	Simoneau	
Carlson, L.	Jensen	Nelsen, M.	Skoglund	
Casserly	Johnson	Nelson	Smogard	
Clark	Jude	Norton	Spanish	

The motion did not prevail and the amendment was not adopted.

Williamson moved to amend H. F. No. 789, as amended, as follows:

Strike the Knickerbocker amendment and add a new section to read:

"Sec. 11. Minnesota Statutes 1976, Section 201.27, is amended to read:

201.27 [VIOLATIONS, PENALTIES.] Any officer, deputy, clerk, or other employee who shall wilfully fail to perform or enforce any of the provisions of this chapter, or who shall unlawfully or fraudulently remove any registration card or record from its proper compartment in the registration files, or who shall wilfully destroy any record provided by this chapter to be kept, or any person who shall wilfully or fraudulently register more than once, or register under any but his true name, or attempt to vote by impersonating another who is registered, or who wilfully registers in any precinct where he is not a resident at any time of registering, or who adds a name or names to the registration files, records or cards, or who signs a false oath to procure a registration, or who violates any of the provisions of this chapter is guilty of a felony."

Further amend the title, line 8, after "201.15;" and insert "201.27;".

The motion prevailed and the amendment was adopted.

Eken moved to amend H. F. No. 789, as amended, as follows:

Page 1, lines 14 to 23, delete Section 1 from the bill.

Renumber the sections accordingly.

Further amend the title:

Line 6, after "Sections" delete "201.021;".

The motion prevailed and the amendment was adopted.

MOTION FOR RECONSIDERATION

Kahn moved that the vote whereby the Tomlinson amendment to H. F. No. 789 was adopted be now reconsidered.

A roll call was requested and properly seconded.

The question was taken on the motion to reconsider and the roll was called. There were 69 yeas and 57 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Casserly	Jacobs	Neisen	Stanton
Anderson, G.	Clark	Jaros	Nelsen, B.	Stoa
Anderson, I.	Clawson	Johnson	Nelsen, M.	Suss
Arlandson	Corbid	Kahn	Pehler	Swanson
Battaglia	Cummiskey	Kalis	Reding	Vanasek
Beauchamp	Dahl	Kelly, W.	Rice	Voss
Berg	Eckstein	Kroening	Scheid	Welch
Berglin	Eken	Langseth	Schulz	Wenstrom
Berkelman	Ellingson	Lemke	Sieben, H.	Wenzel
Birnstihl	Enebo	Mangan	Sieben, M.	Wieser
Brandl	Fugina	Mann	Simoneau	Williamson
Braun	George	McCarron	Skoglund	Wynia
Byrne	Gunter	Munger	Smogard	Speaker Sabo
Carlson, L.	Haugerud	Murphy	Spanish	

Those who voted in the negative were:

Abeln	Esau	Kaley	McEachern	Sarna
Adams	Ewald	Kelly, R.	Metzen	Savelkoul
Albrecht	Faricy	Kempe, A.	Niehaus	Searle
Anderson, D.	Fjoslien	Kempe, R.	Novak	Searles
Begich	Forsythe	King	Osthoff	Tomlinson
Biersdorf	Friedrich	Knickerbocker	Patton	Waldorf
Brinkman	Fudro	Kostohryz	Peterson	White
Carlson, A.	Hanson	Kvam	Pleasant	Wigley
Carlson, D.	Heintz	Laidig	Prahl	Zubay
Dean	Hokanson	Lehto	Rose	
Den Ouden	Jensen	McCollar	St. Onge	
Erickson	Jude	McDonald	Samuelson	

The motion prevailed.

The Tomlinson amendment was reported to the House.

Tomlinson moved to amend H. F. No. 789, as amended, as follows:

Page 2, line 14, delete "including" and insert "except".

Page 2, line 14, delete "other than the".

Page 2, line 15, delete "election judge who is registering the individual".

A roll call was requested and properly seconded.

The question was taken on the adoption of the amendment and the roll was called. There were 50 yeas and 78 nays as follows:

Those who voted in the affirmative were:

Abeln	Ewald	Kelly, R.	Nelsen, B.	Savelkoul
Albrecht	Faricy	Kempe, A.	Niehaus	Searle
Anderson, D.	Fjoslien	Kempe, R.	Novak	Searles
Biersdorf	Forsythe	King	Osthoff	Sherwood
Carlson, A.	Friedrich	Knickerbocker	Patton	Tomlinson
Carlson, D.	Hanson	Kostohryz	Peterson	Waldorf
Dean	Heinitz	Kvam	Pleasant	White
Den Ouden	Hokanson	Laidig	Prahl	Wigley
Erickson	Jude	Lehto	Rose	Williamson
Esau	Kaley	McDonald	Samuelson	Zubay

Those who voted in the negative were:

Adams	Casserly	Jaros	Munger	Smogard
Anderson, B.	Clark	Jensen	Murphy	Spanish
Anderson, G.	Clawson	Johnson	Neisen	Stanton
Anderson, I.	Cohen	Kahn	Nelsen, M.	Stoa
Battaglia	Corbid	Kalis	Norton	Suss
Beauchamp	Cummiskey	Kelly, W.	Pehler	Swanson
Begich	Dahl	Kroening	Petrafeso	Vanasek
Berg	Eckstein	Langseth	Rice	Voss
Berglin	Eken	Lemke	St. Onge	Welch
Berkelman	Ellingson	Mangan	Sarna	Wenstrom
Birnstihl	Enebo	Mann	Scheid	Wenzel
Brandl	Fudro	McCarron	Schulz	Wieser
Braun	Fugina	McCollar	Sieben, H.	Wynia
Brinkman	George	McEachern	Sieben, M.	Speaker Sabo
Byrne	Gunter	Metzen	Simoneau	
Carlson, L.	Jacobs	Moe	Skoglund	

The motion did not prevail and the amendment was not adopted.

H. F. No. 789, A bill for an act relating to elections; establishing voter registration in all counties; changing required voter registration information; providing for reports of changes; amending Minnesota Statutes 1976, Sections 201.061, Subdivi-

sions 3 and 6; 201.071; 201.091, by adding a subdivision; 201.14; 201.15; 204A.37, Subdivision 1; 204A.46, Subdivision 2; and Chapter 201, by adding a section; repealing Minnesota Statutes 1976, Section 201.061, Subdivision 2.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 5 nays as follows:

Those who voted in the affirmative were:

Abeln	Corbid	Johnson	Murphy	Sieben, M.
Adams	Cummiskey	Jude	Neisen	Simoneau
Anderson, B.	Dahl	Kahn	Nelsen, B.	Skoglund
Anderson, D.	Dean	Kaley	Nelsen, M.	Smogard
Anderson, G.	Den Ouden	Kelly, R.	Nelson	Spanish
Arlandson	Eckstein	Kelly, W.	Niehaus	Stanton
Battaglia	Eken	Kempe, A.	Norton	Stoa
Beauchamp	Ellingson	Kempe, R.	Novak	Suss
Begich	Enebo	King	Patton	Swanson
Berg	Erickson	Knickerbocker	Pehler	Tomlinson
Berglin	Esau	Kostohryz	Petrafeso	Vanasek
Berkelman	Ewald	Kroening	Pleasant	Voss
Biersdorf	Faricy	Kvam	Reding	Waldorf
Birnstihl	Fjoslien	Langseth	Rice	Welch
Brandl	Forsythe	Lehto	Rose	Wenstrom
Braun	Friedrich	Lemke	St. Onge	Wenzel
Brinkman	Fudro	Mangan	Samuelson	White
Byrne	Fugina	Mann	Sarna	Wieser
Carlson, A.	George	McCarron	Savelkoul	Wigley
Carlson, D.	Gunter	McCollar	Scheid	Williamson
Carlson, L.	Hanson	McDonald	Schulz	Wynia
Casserly	Heinitz	McEachern	Searle	Zubay
Clark	Hokanson	Metzen	Searles	Speaker Sabo
Clawson	Jacobs	Moe	Sherwood	
Cohen	Jaros	Munger	Sieben, H.	

Those who voted in the negative were:

Anderson, I.	Haugerud	Kalis	Laidig	Osthoff
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The bill was passed, as amended, and its title agreed to.

H. F. No. 1310; A bill for an act relating to unemployment compensation; providing for conformity with federal requirements; providing for agricultural and domestic service employees; altering covered employment; regulating employer's contributions; providing for the noncharging of certain benefits; providing for extended benefits; providing for certain public employees; allowing certain political activities; changing total disqualification based on receipt of social security benefits; amending Minnesota Statutes 1976, Sections 268.04, Subdivisions 10, 12, 22, and 23, and by adding a subdivision; 268.06, Subdivisions 1, 5, 25 and 28, and by adding subdivisions; 268.07, by adding a subdivision; 268.071, Subdivisions 1 and 6; 268.08, Sub-

divisions 3, 4, and 5, and by adding subdivisions; 268.09, Subdivision 3, as amended; and 268.12, Subdivision 5; repealing Minnesota Statutes 1976, Section 268.08, Subdivision 5; and a portion of Laws 1975, Chapter 433, Section 11, Subdivision 4.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeln	Cohen	Jaros	Metzen	Searles
Adams	Corbid	Jensen	Moe	Sherwood
Albrecht	Cummiskey	Johnson	Munger	Sieben, H.
Anderson, B.	Dahl	Jude	Murphy	Sieben, M.
Anderson, D.	Dean	Kahn	Neisen	Simoneau
Anderson, G.	Den Ouden	Kaley	Nelsen, B.	Skoglund
Anderson, I.	Eckstein	Kalis	Nelson	Smogard
Arlandson	Eken	Kelly, R.	Niehaus	Spanish
Battaglia	Ellingson	Kelly, W.	Norton	Stanton
Beauchamp	Enebo	Kempe, A.	Novak	Stoa
Begich	Erickson	Kempe, R.	Osthoff	Suss
Berg	Esau	King	Patton	Swanson
Berglin	Ewald	Knickerbocker	Pehler	Tomlinson
Berkelman	Faricy	Kostohryz	Peterson	Vanasek
Biersdorf	Fjoslien	Kroening	Petrafeso	Voss
Birnstihl	Forsythe	Kvam	Pleasant	Waldorf
Brandl	Friedrich	Laidig	Reding	Welch
Braun	Fudro	Langseth	Rice	Wenstrom
Brinkman	Fugina	Lehto	Rose	Wenzel
Byrne	George	Lemke	St. Onge	White
Carlson, A.	Gunter	Mangan	Samuelson	Wieser
Carlson, D.	Hanson	Mann	Sarna	Wigley
Carlson, L.	Haugerud	McCarron	Savelkoul	Williamson
Casserly	Heinitz	McCollar	Scheid	Wynia
Clark	Hokanson	McDonald	Schulz	Zubay
Clawson	Jacobs	McEachern	Searle	Speaker Sabo

The bill was passed and its title agreed to.

H. F. No. 856 was reported to the House.

Rice moved to amend H. F. No. 856, as follows:

Page 1, line 14, after "*with*" insert "*dependent*".

Page 1, line 14, delete "*under age 21*" and insert "*as defined in Minnesota Statutes 1976, Section 256.12*".

The motion prevailed and the amendment was adopted.

H. F. No. 856, A bill for an act relating to welfare; authorizing the establishment of a centralized disbursement system for payments and for food stamp benefit documents; amending Minnesota Statutes 1976, Section 256.01, by adding a subdivision.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeln	Corbid	Johnson	Neisen	Sieben, M.
Adams	Cummiskey	Jude	Nelsen, B.	Simoneau
Albrecht	Dahl	Kahn	Nelsen, M.	Skoglund
Anderson, B.	Dean	Kaley	Nelson	Smogard
Anderson, D.	Den Ouden	Kalis	Niehaus	Spanish
Anderson, G.	Eckstein	Kelly, R.	Norton	Stanton
Anderson, I.	Eken	Kelly, W.	Novak	Stoa
Arlandson	Ellingson	Kempe, A.	Osthoff	Suss
Battaglia	Enebo	Kempe, R.	Patton	Swanson
Beauchamp	Erickson	King	Pehler	Tomlinson
Begich	Esau	Knickerbocker	Peterson	Vanasek
Berg	Ewald	Kostohryz	Petrafes	Voss
Berglin	Farcy	Kroening	Pleasant	Waldorf
Berkelman	Fjoslien	Laidig	Prahl	Welch
Biersdorf	Forsythe	Langaeth	Reding	Wenstrom
Birnstihl	Friedrich	Lehto	Rice	Wenzel
Brandl	Fudro	Lemke	Rose	White
Braun	Fugina	Mangan	St. Onge	Wieser
Brinkman	George	Mann	Samuelson	Wigley
Byrne	Gunter	McCarron	Sarna	Williamson
Carlson, A.	Hanson	McCollar	Saveikoul	Wynia
Carlson, D.	Haugerud	McDonald	Scheid	Zubay
Carlson, L.	Heinitz	McEachern	Schulz	Speaker Sabo
Casserly	Hokanson	Metzen	Searle	
Clark	Jacobs	Moe	Searles	
Clawson	Jaros	Munger	Sherwood	
Cohen	Jensen	Murphy	Sieben, H.	

The bill was passed, as amended, and its title agreed to.

H. F. No. 1226 was reported to the House.

Carlson, A., moved to amend H. F. No. 1226, as follows:

Page 2, line 13, after the period insert "*The mayors and members of the city councils of Minneapolis and St. Paul shall not be eligible for per diem compensation.*"

The motion prevailed and the amendment was adopted.

H. F. No. 1226, A bill for an act relating to metropolitan airports; authorizing reimbursement to commission members; clarifying its organization and authority; granting emergency authority to expend funds; amending Minnesota Statutes 1976, Sections 473.605, Subdivisions 1 and 2; 473.606, Subdivisions 1 and 4; 473.608, Subdivisions 1, 15 and 17; 473.611, Subdivision 5; 473.621, Subdivisions 2 and 4; 473.641, Subdivision 2; 473.652; repealing Minnesota Statutes 1976, Sections 473.611, Subdivisions 1, 2, 3 and 4; and 473.621, Subdivision 1.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abeln	Cohen	Jensen	Munger	Sherwood
Adams	Corbid	Johnson	Murphy	Sieben, H.
Albrecht	Cummiskey	Jude	Neisen	Sieben, M.
Anderson, B.	Dahl	Kahn	Nelsen, B.	Simoneau
Anderson, D.	Den Ouden	Kaley	Nelsen, M.	Skoglund
Anderson, G.	Eckstein	Kalis	Nelson	Smogard
Anderson, I.	Eken	Kelly, R.	Niehaus	Spanish
Arlandson	Ellingson	Kelly, W.	Norton	Stanton
Battaglia	Enebo	Kempe, A.	Novak	Stoa
Beauchamp	Erickson	Kempe, R.	Osthoff	Suss
Begich	Esau	King	Patton	Swanson
Berg	Ewald	Knickerbocker	Peterson	Tomlinson
Berglin	Faricy	Kostohryz	Petrafeso	Vanasek
Berkelman	Fjoslien	Kroening	Pleasant	Voss
Biersdorf	Forsythe	Kvam	Prahl	Waldorf
Birnstihl	Friedrich	Laidig	Reding	Welch
Brandl	Fudro	Langseth	Rice	Wenstrom
Braun	Fugina	Lehto	Rose	Wenzel
Brinkman	George	Lemke	St. Onge	White
Byrne	Gunter	Mangan	Samuelson	Wieser
Carlson, A.	Hanson	Mann	Sarna	Wigley
Carlson, D.	Haugerud	McCarron	Savelkoul	Williamson
Carlson, L.	Heinitz	McCollar	Scheid	Wynia
Cassery	Hokanson	McEachern	Schulz	Zubay
Clark	Jacobs	Metzen	Searle	Speaker Sabo
Clawson	Jaros	Moe	Searles	

Those who voted in the negative were:

Pehler

The bill was passed, as amended, and its title agreed to.

H. F. No. 782, A bill for an act relating to education; school district organization; authorizing school districts to discontinue certain grades and provide instruction by contract with other districts; providing for aids, levies, and the contractual rights of teachers in participating districts; amending Minnesota Statutes 1976, Sections 122.41; 122.43, Subdivision 1; and 122.44, Subdivision 1; and Chapter 122, by adding sections.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 122 yeas and 8 nays as follows:

Those who voted in the affirmative were:

Abeln	Adams	Albrecht	Anderson, B.	Anderson, D.
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Anderson, G.	Eckstein	Kelly, W.	Niehaus	Skoglund
Anderson, I.	Eken	Kempe, A.	Norton	Smogard
Battaglia	Ellingson	Kempe, R.	Novak	Spanish
Beauchamp	Enebo	King	Osthoff	Stanton
Begich	Erickson	Knickerbocker	Patton	Stoa
Berg	Esau	Kostohryz	Pehler	Suss
Berglin	Ewald	Kroening	Peterson	Swanson
Berkelman	Faricy	Laidig	Petrafeso	Tomlinson
Biersdorf	Forsythe	Langseth	Pleasant	Vanasek
Birnstihl	Friedrich	Lehto	Prahl	Voss
Brandl	Fudro	Lemke	Reding	Walderf
Braun	Fugina	Mangan	Rice	Welch
Brinkman	George	Mann	Rose	Wenstrom
Byrne	Gunter	McCollar	St. Onge	Wenzel
Carlson, A.	Hanson	McDonald	Samuelson	White
Carlson, D.	Haugerud	McEachern	Sarna	Wieser
Carlson, L.	Heinitz	Metzen	Savelkoul	Wigley
Casserly	Hokanson	Moe	Scheid	Williamson
Clark	Jacobs	Munger	Schulz	Wynia
Cohen	Johnson	Murphy	Searle	Zubay
Corbid	Jude	Neisen	Sherwood	Speaker Sabo
Dahl	Kahn	Nelsen, B.	Sieben, H.	
Dean	Kaley	Nelsen, M.	Sieben, M.	
Den Ouden	Kalis	Nelson	Simoneau	

Those who voted in the negative were:

Arlandson	Cummiskey	Jaros	Kvam	McCarron
Clawson	Fjoslien	Jensen		

The bill was passed and its title agreed to.

Anderson, I., moved that the remaining bills on Special Orders for today be continued on Special Orders until Thursday, May 5, 1977, immediately following the Calendar. The motion prevailed.

There being no objection the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Kelly, W., from the Committee on Taxes to which was referred:

H. F. No. 1475, A bill for an act relating to taxation; providing changes in classification ratios and assessment procedures; increasing local government aids and certain tax credits; altering levy limits; imposing a minimum tax on certain types of income; appropriating money; amending Minnesota Statutes 1976, Sections 124.212, Subdivision 10; 273.11, Subdivision 1; 273.12; 273.13, Subdivisions 6, 7 and 14a; 273.132; 275.50, Subdivision 5; 275.51, by adding a subdivision; 275.52, Subdivisions 2, 3 and 4; 278.01; 287.241, Subdivision 2; 290A.04, Subdivisions 1 and 2; 477A.01, Subdivisions 1, 2, 4, 4a, 4b, and by adding a subdivision; 477A.03; and Chapters 272, 290, 290A and 477A, by adding sections; repealing Minnesota Statutes 1976, Sections 275.51, Subdivisions 3b and 3c; and 287.241, Subdivisions 3 and 4.

Reported the same back with the following amendments:

Strike everything after the enacting clause and insert:

"ARTICLE I

Section 1. Minnesota Statutes 1976, Section 273.13, Subdivision 6, is amended to read:

Subd. 6. [CLASS 3B.] Agricultural land, except as provided by class 1 hereof, and which is used for the purposes of a homestead, shall constitute class 3b and shall be valued and assessed at 20 percent of the market value thereof. *For taxes payable in 1979 and subsequent years class 3b property shall be valued and assessed at 18 percent of the market value thereof.* The property tax to be paid on class 3b property as otherwise determined by law not exceeding (120) 160 acres less any reduction received pursuant to section 273.135, regardless of whether or not the market value is in excess of the homestead base value, for all purposes (EXCEPT THE PAYMENT OF PRINCIPAL AND INTEREST ON NON-SCHOOL DISTRICT BONDED INDEBTEDNESS,) shall be reduced by 45 percent of the tax; provided that the amount of said reduction shall not exceed \$325. Valuation subject to relief shall be limited to (120) 160 acres of land, 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. If the market value is in excess of the homestead base value, the amount in excess of that sum shall be valued and assessed as provided for by class 3. The first \$12,000 market value of each tract of real estate which is rural in character and devoted or adaptable to rural but not necessarily agricultural use, used for the purpose of a homestead shall be exempt from taxation for state purposes; except as specifically provided otherwise by law.

Agricultural land as used herein, and in section (124.03) 273.132, shall mean contiguous acreage of ten acres or more, primarily used during the preceding year for agricultural purposes. Agricultural use may include pasture, timber, waste, unusable wild land and land included in federal farm programs.

Real estate of less than ten acres used principally for raising poultry, livestock, fruit, vegetables or other agricultural products, shall be considered as agricultural land, if it is not used primarily for residential purposes.

Sec. 2. Minnesota Statutes 1976, Section 273.13, Subdivision 7, is amended to read:

Subd. 7. [CLASS 3C, 3CC.] All other real estate and class 2a property, except as provided by classes 1 and 3cc, which is

used for the purposes of a homestead, shall constitute class 3c, and shall be valued and assessed at (25) 21 percent of the market value (THEREOF) for taxes payable in 1978 and at 18 percent of market value for taxes payable in 1979 and subsequent years. The property tax to be paid on class 3c property as otherwise determined by law, less any reduction received pursuant to section 273.135, regardless of whether or not the market value is in excess of the homestead base value, for all purposes (EXCEPT THE PAYMENT OF PRINCIPAL OR INTEREST ON NON-SCHOOL DISTRICT BONDED INDEBTEDNESS,) shall be reduced by 45 percent of the amount of such tax; provided that the amount of said reduction shall not exceed \$325. If the market value is in excess (OF THE SUM) of the homestead base value, the amount in excess (OF THAT SUM) shall be valued and assessed at (40) 35 percent of market value for taxes payable in 1978 and 33 1/3 percent of market value for taxes payable in 1979 and subsequent years. The first \$12,000 market value of each tract of such real estate used for the purposes of a homestead shall be exempt from taxation for state purposes; except as specifically provided otherwise by law. All real estate which is used for the purposes of a homestead by any blind person, if such blind person is the owner thereof or if such blind person and his or her spouse are the sole owners thereof; or by any person (hereinafter referred to as veteran) who served in the active military or naval service of the United States and who is entitled to compensation under the laws and regulations of the United States for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude motion without the aid of braces, crutches, canes, or a wheel chair, and who with assistance by the administration of veterans affairs has acquired a special housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability; or by any person who is permanently and totally disabled and who is receiving aid from any state as a result of that disability, or who is receiving supplemental security income for the disabled, or who is receiving worker's compensation based on a finding of total and permanent disability, or who is receiving social security disability, or who is receiving aid under the federal railroad retirement act of 1937, 45 United States Code Annotated, Section 228b(a)5 which aid is at least 90 percent of the total income of such disabled person from all sources, shall constitute class 3cc and shall be valued and assessed at five percent of the market value thereof. Permanently and totally disabled for the purpose of this subdivision means a condition which is permanent in nature and totally incapacitates the person from working at an occupation which brings him an income. The property tax to be paid on class 3cc property as otherwise determined by law, less any reduction received pursuant to section 273.135, regardless of whether or not the market value is in excess of the homestead base value, for all purposes (EXCEPT THE PAYMENT OF PRINCIPAL OR INTEREST ON NON-SCHOOL DISTRICT BONDED INDEBTEDNESS,) shall be reduced by 45 percent

of the amount of such tax; provided that the amount of said reduction shall not exceed \$325. If the market value is in excess of the sum of (\$24,000) \$28,000, the amount in excess of that sum shall be valued and assessed at 33 1/3 percent in the case of agricultural land used for a homestead and (40) 35 percent in the case of all other real estate used for a homestead for taxes payable in 1978 and 33 1/3 percent for taxes payable in 1979 and subsequent years.

Sec. 3. Minnesota Statutes 1976, Section 273.13, Subdivision 14a, is amended to read:

Subd. 14a. [BUILDINGS AND APPURTENANCES ON LAND NOT OWNED BY OCCUPANT.] The property tax to be paid in respect of the value of all 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, for all purposes (EXCEPT THE PAYMENT OF PRINCIPAL AND INTEREST ON BONDED INDEBTEDNESS,) shall be reduced by 45 percent of the amount of the tax in respect of said value as otherwise determined by law, but not by more than \$325.

Sec. 4. *The 1976 adjusted assessed values determined under the provisions of section 124.212 shall be computed using the homestead assessment ratios for taxes payable in 1978 provided by sections 1 and 2. The 1977 adjusted assessed values determined under the provisions of section 124.212 shall be computed using the homestead assessment ratios for taxes payable in 1979 provided by sections 1 and 2.*

Sec. 5. Minnesota Statutes 1976, Section 273.132, is amended to read:

273.132 [STATE PAID AGRICULTURAL CREDIT.] *For taxes levied in 1977 payable 1978, the county auditor shall reduce the tax on all property receiving the homestead credit pursuant to section 273.13, subdivision 6, by an amount equal to the tax levy that would be produced by applying a rate of (12) 17 mills on the property. For taxes levied in 1978 payable 1979 and subsequent years, the county auditor shall reduce the tax on all property receiving the homestead credit pursuant to section 273.13, subdivision 6, by an amount equal to the tax levy that would be produced by applying a rate of 19 mills on the property. The county auditor shall reduce the tax on all other agricultural lands and all real estate devoted to temporary and seasonal residential occupancy for recreational purposes, but not devoted to commercial purposes, by an amount that would be produced by applying a rate of ten mills on the property. The amounts so computed by the county auditor shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under the provisions*

of section 275.29. Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner of revenue shall review such certifications to determine their accuracy. He may make such changes in the certification as he may deem necessary or return a certification to the county auditor for corrections.

Payment shall be made according to the procedure provided in section 273.13, subdivision 15a, for the purpose of replacing revenue lost as a result of the reduction of property taxes provided in this section. There is appropriated from the general fund in the state treasury to the commissioner of revenue the amount necessary to make these payments.

Sec. 6. No purchaser under a contract for deed shall receive the homestead credit provided under section 273.13, subdivisions 6 and 7; the agricultural mill credit provided in section 273.132; or the taconite homestead credit provided in sections 273.134 to 273.136, unless the contract for deed is recorded.

This section shall apply to any real estate taxes that are payable the year following the sale of the property.

Sec. 7. Minnesota Statutes 1976, Section 375.192, is amended by adding a subdivision to read:

Subd. 3. Subject to the approval of the commissioner of revenue, the county board shall authorize the county auditor to grant the credits denied under section 6 of this article, provided that the contract for deed has been recorded. The county board shall not hear any requests under this subdivision after May 31 of the year in which the taxes are payable.

Sec. 8. Minnesota Statutes 1976, Chapter 287, is amended by adding a section to read:

[287.13] Any person who grants, assigns, or transfers any mortgage or executory contract for the sale of land subject to the tax imposed by section 287.05 shall be liable for the tax, but no public official shall be liable for a tax with respect to any instrument executed by him in connection with his official duties.

Sec. 9. *This article is effective for taxes payable in 1978 and succeeding years.*

ARTICLE II

Section 1. Minnesota Statutes 1976, Section 124.212, Subdivision 10, is amended to read:

Subd. 10. The equalization aid review committee, consisting of the commissioner of education, the commissioner of adminis-

tration, and the commissioner of revenue, is hereby continued and permanently established. The duty of this committee shall be to review the assessed valuation of the districts of the state. When such reviews disclose reasonable evidence that the assessed valuation of any district furnished by any county auditor is not based upon the market value of taxable property *as defined in section 273.11, subdivision 1*, in such district, then said committee shall call upon the department of revenue to ascertain the market value of such property, and adjust such values as required by law to determine the adjusted assessed valuation. The department of revenue shall take such steps as (IT MAY CONSIDER) *are necessary in the performance of that duty and shall use all factors required by section 273.11, subdivision 1, to determine the adjusted assessed valuation of all classes of property.* It may incur such expense as is necessary therefor. The commissioner of revenue is authorized to reimburse any county or governmental official for services performed at his request in ascertaining such adjusted valuation. On or before March 15, annually, the department of revenue shall submit its report on the assessed values established by the previous year's assessment to said committee for approval or rejection and, if approved, such report shall be filed not later than the following July 1 with the commissioner of education and each county auditor for those school districts for which he has the responsibility for determination of mill rates. A copy of the adjusted assessed value so filed shall be forthwith mailed to the clerk of each district involved and to the county assessor or supervisor of assessments of the county or counties in which such district is located.

Sec. 2. Minnesota Statutes 1976, Section 124.212, Subdivision 11, is amended to read:

Subd. 11. (a) The committee shall not increase the adjusted assessed valuation, exclusive of property valuation added, improved, reclassified, or reassessed since the prior assessment, of taxable property for 1962 or any subsequent year in any school district by more than eight percent over the certified valuation established for the year immediately preceding.

(b) The sales ratio studies (**OR ANY PART THEREOF, OR ANY COPY OF THE SAME, OR RECORDS ACCUMULATED IN PREPARATION THEREOF, WHICH ARE PREPARED BY THE COMMISSIONER OF REVENUE FOR THE EQUALIZATION AID REVIEW COMMITTEE FOR USE IN DETERMINING SCHOOL AIDS PURSUANT TO THIS SECTION**) *published by the department of revenue* shall not be admissible in evidence in any proceeding, except *the sales ratio studies shall be admissible as a public record without the laying of a foundation in actions under chapter 278 and actions for review of the determination of the school aids payable under this section.*

Sec. 3. Minnesota Statutes 1976, Chapter 272, is amended by adding a section to read:

[272.115] *Subdivision 1. Whenever any real estate is sold for a consideration in excess of \$1,000, whether by warranty deed, quitclaim deed, contract for deed or any other method of sale, the grantor, grantee or his legal agent shall file within 30 days from the date of the sale, a certificate of value with the county auditor in the county in which the property is located. Value shall, in the case of any deed not a gift, be the amount of the full actual consideration thereof, paid or to be paid, including the amount of any lien or liens assumed. The certificate of value shall include the classification to which the property belongs for the purpose of determining the fair market value of the property.*

Subd. 2. The certificate of value shall require such facts and information as may be determined by the equalization aid review committee to be reasonably necessary in the administration of the state education aid formulas. The form of the certificate of value shall be prescribed by the department of revenue which shall provide an adequate supply of forms to each county auditor.

Subd. 3. The county auditor shall transmit two true copies of the certificate of value to the assessor who shall insert the most recent market value and year of original construction of each parcel of property on both copies and shall transmit one copy to the department of revenue. Upon the request of a city council located within the county, a copy of each certificate of value for property located in that city shall be made available to the governing body of the city.

Sec. 4. Minnesota Statutes 1976, Section 273.11, Subdivision 1, is amended to read:

273.11 [VALUATION OF PROPERTY.] Subdivision 1. Except as provided in subdivision 2 or section 273.17, subdivision 1, all property shall be valued at its market value. In estimating and determining such value, the assessor shall not adopt a lower or different standard of value because the same is to serve as a basis of taxation, nor shall he adopt as a criterion of value the price for which such property would sell at auction or at a forced sale, or in the aggregate with all the property in the town or district; but he shall value each article or description of property by itself, and at such sum or price as he believes the same to be fairly worth in money. In assessing any tract or lot of real property, the value of the land, exclusive of structures and improvements, shall be determined, and also the value of all structures and improvements thereon, and the aggregate value of the property, including all structures and improvements, excluding the value of crops growing upon cultivated land. In valuing real property upon which there is a mine or quarry, it shall be valued at such price as such property, including the mine or quarry, would sell for a fair, voluntary sale, for cash. In valu-

ing real property which is vacant, the fact that such property is platted shall not be taken into account. An individual lot of such platted property shall not be assessed in excess of the assessment of the land as if it were unplatted until the lot is improved with a permanent improvement all or a portion of which is located upon the lot, or for a period of three years after final approval of said plat whichever is shorter. When a lot is sold or construction begun, the assessed value of that lot or any single contiguous lot fronting on the same street shall be eligible for reassessment. *When any residential property, including homesteads, apartments and other rental housing, and recreational property which includes a residence, but not including agricultural, commercial, industrial or vacant property, is sold, the assessor shall assign the property a value at least as high as the product of the purchase price stated on the certificate of value required pursuant to section 287.241 multiplied by the average aggregate assessment-sales ratio for the same class of property in the assessment jurisdiction. If the assessor determines that the market value of the property is greater than that stated on the certificate of value, he may assign the property a value equal to the product of the market value he determines to be correct multiplied by the average aggregate assessment-sales ratio for the same class of property in the assessment jurisdiction. Any increase in value so determined upon the sale of such residential property shall be subject to the limitation provided in subdivision 2. All property, or the use thereof, which is taxable under sections 272.01, subdivision 2, or 273.19, shall be valued at the market value of such property and not at the value of a leasehold estate in such property, or at some lesser value than its market value.*

For purposes of property taxation the market value of agricultural lands shall be the arithmetic average of (1) the price for which the property would sell in an arms length transaction, and (2) the income which could be derived from its free market rental rate capitalized at a rate of nine percent, which includes the effective tax rate.

Sec. 5. Minnesota Statutes 1976, Section 273.11, Subdivision 2, is amended to read:

Subd. 2. (a) The assessor after determining the value of any property shall compare the value with that determined in the preceding assessment. The amount of the increase entered in the current assessment shall not exceed ten percent of the value in the preceding assessment or one-fourth of the total amount of the increase in valuation whichever is greater; the excess shall be entered in *equal annual assessments* in a subsequent year or years. However, no increase shall be greater than ten percent of the preceding valuation or one-fourth of the total amount of increase in valuation, whichever is greater, notwithstanding the provisions of section 273.17.

(b) In the case of property described in section 273.13, subdivisions 6, 7, 7b, 10, 12, 17, 17b and 19, plus all agricultural property and all real estate devoted to temporary and seasonal residential occupancy for recreational purposes which was not subject to the five percent limitation in valuation increase for the 1973 or the 1974 assessment that was previously provided pursuant to Minnesota Statutes 1974, Section 273.11, Subdivision 2, the value to be used for levying the 1976 taxes payable in 1977 shall be set at the average percent of market value used for the respective class of property in the 1976 tax levies in its assessment district if the market value as determined by the assessor pursuant to section 273.11, subdivision 1 exceeds by more than ten percent the limited market value established for that class of property. Such property shall subsequently increase in value for property tax purposes as prescribed in clause (a).

Sec. 6. Minnesota Statutes 1976, Section 273.12, is amended to read:

273.12 [ASSESSMENT OF REAL PROPERTY.] It shall be the duty of every assessor and board, in estimating and determining the value of lands for the purpose of taxation, to consider and give due weight to every element and factor affecting the market value thereof, including its location with reference to roads and streets and the location of roads and streets thereon or over the same, and to take into consideration a reduction in the acreage of each tract or lot sufficient to cover the amount of land actually used for any improved public highway and the reduction in area of land caused thereby, provided, that in determining the market value of vacant land, the fact that such land is platted shall not be taken into account. An individual lot of such platted property shall not be assessed in excess of the assessment of the land as if it were unplatted until the lot is improved with a permanent improvement all or a portion of which is located upon the lot, or for a period of three years after final approval of said plat whichever is shorter. When a lot is sold or construction begun, the assessed value of that lot or any single contiguous lot fronting on the same street shall be eligible for reassessment. It shall be the duty of every assessor and board, in estimating and determining the value of lands for the purpose of taxation, to consider and give due weight to lands which are comparable in character, quality, and location, to the end that all lands similarly located and improved will be assessed upon a uniform basis and without discrimination (AND, FOR AGRICULTURAL LANDS, TO CONSIDER AND GIVE RECOGNITION TO ITS EARNING POTENTIAL AS MEASURED BY ITS FREE MARKET RENTAL RATE).

Sec. 7. Minnesota Statutes 1976, Section 274.01, Subdivision 1, is amended to read:

274.01 [BOARD OF REVIEW.] Subdivision 1. (a) The town board of each town, the council or other governing body

of each city, except in cities whose charters provide for a board of equalization, shall be a board of review. The county assessor shall fix a day and time when each of such boards and the board of equalization of any city whose charter provides for a board of equalization shall meet in the several assessment districts of the county, and shall on or before April 1st of each year give written notice thereof to the clerk. Such meetings notwithstanding the provisions of any charter to the contrary shall be held between May 1st and June 30th in each year, and the clerk shall give published and posted notice of such meeting at least ten days prior to the date fixed. Such board shall meet at the office of the clerk to review the assessment of property in such town or district, and immediately proceed to examine and see that all taxable property in the town or district has been properly placed upon the list, and duly valued by the assessor. In case any property, real or personal shall have been omitted, the board shall place it upon the list with its market value, and correct the assessment so that each tract or lot of real property, and each article, parcel, or class of personal property, shall be entered on the assessment list at its market value; but no assessment of the property of any person shall be raised until he has been duly notified of the intent of the board so to do. On application of any person feeling aggrieved, the board shall review the assessment, and correct it as shall appear just. *If the board determines that a parcel has been assessed at a valuation which exceeds by ten percent or more the valuation which the parcel would have if it were valued at the average assessment/sales ratio for real property in the same class in the county in which that parcel is located, the board shall reduce the valuation of said parcel to within ten percent of the valuation which the parcel would have if it were valued at the average assessment/sales ratio for real property in the same class in that portion of the county in which the parcel is located, for which the commissioner is able to establish and publish a sales ratio study.* A majority of the members may act at such meeting, and adjourn from day to day until they finish the hearing of all cases presented. The assessor shall attend, with his assessment books and papers, and take part in the proceedings, but shall not vote. The county assessor, or an assistant, delegated by him shall attend such meetings. The board shall list separately, on a form appended to the assessment book, all omitted property added to the list by the board and all items of property increased or decreased, with the market value of each item of property, added or changed by the board, placed opposite such item. The county assessor shall enter all changes made by the board in the assessment book.

(b) If a person fails to appear in person, by counsel, or by written communication before the board after being duly notified of the board's intent to raise the assessment of his property, or if a person feeling aggrieved by an assessment fails to apply for a review of the assessment, he may not appear before the county board of equalization for a review of his assessment, except when an assessment was made subsequent to the meeting of the board,

as provided in section 273.01, or that he can establish that he did not receive notice of his market value at least five days before the local board of review meeting.

The board of review, and the board of equalization of any city, unless a longer period is approved by the commissioner of revenue, shall complete its work and adjourn within 20 days from the time of convening specified in the notice of the clerk and no action taken subsequent to such date shall be valid. All complaints in reference to any assessment made after the meeting of such board, shall be heard and determined by the county board of equalization. Any non-resident may, at any time, before the meeting of the board of review file written objections to his assessment with the county assessor and if any such objections are filed they shall be presented to the board of review at its meeting by the county assessor for its consideration.

Sec. 8. Minnesota Statutes 1976, Section 278.01, is amended to read:

278.01 [DEFENSE OR OBJECTION TO TAX ON LAND; SERVICE AND FILING.] Any person having any estate, right, title, or interest in or lien upon any parcel of land, who claims that such property has been partially, unfairly, or unequally assessed, or that such parcel has been assessed at a valuation greater than its real or actual value, *or that parcel has been assessed at a valuation which exceeds by ten percent or more the valuation which the parcel would have if it were valued at the average assessment/sales ratio for real property in the same class, in that portion of the county in which that parcel is located, for which the commissioner is able to establish and publish a sales ratio study as determined by the applicable real estate assessment/sales ratio study published by the commissioner of revenue*, or that the tax levied against the same is illegal, in whole or in part, or has been paid, or that the property is exempt from the tax so levied, may have the validity of his claim, defense, or objection determined by the district court of the county in which the tax is levied by serving copies of a petition for such determination upon the county auditor, county treasurer, and the county attorney and filing the same, with proof of such service, in the office of the clerk of the district court on or before the first day of June of the year in which such tax becomes payable.

Sec. 9. Minnesota Statutes 1976, Section 278.05, is amended to read:

278.05 [TRIAL OF ISSUES.] Such petition, without any answer, return, or other pleading thereto, shall stand for trial at any general term in session when the same is filed; or, if the court be not then in session, at the next general or special term appointed to be held in the county; and, if no such term be appointed to be held within 30 days thereafter, the same shall be

brought to trial at any general term appointed to be held within the judicial district upon ten days notice. The attorney of the county in which these taxes are levied shall take charge of and prosecute such proceedings, but the county board may employ any other attorney to assist him. At the term at which such petition comes on for trial it shall take precedence of all other business before the court. The court shall without delay summarily hear and determine the claims, objections, or defenses made by the petitioner and shall direct judgment accordingly, and the trial thereof shall disregard all technicalities and matters of form not affecting the substantial merits.

Any time after the filing of the petition and before the trial of the issues raised thereby, when the defense or claim presented is that the property has been partially, unfairly, or unequally assessed, or that such parcel has been assessed at a valuation greater than its real or actual value, or *that the parcel has been assessed at a valuation which exceeds by ten percent or more the valuation which the parcel would have if it were valued at the average assessment/sales ratio for real property in the same class in that portion of the county in which the parcel is located, for which the commissioner is able to establish and publish a sales ratio study*, the attorney representing the state in the proceedings may serve on the petitioner, or his attorney, and file with the clerk of the district court, an offer to reduce the valuation of any tract or tracts to a valuation set forth in the offer. If, within ten days thereafter, the petitioner, or his attorney, shall give notice in writing to the county attorney that the offer is accepted, he may file same with proof of such notice, and thereupon the clerk shall enter judgment accordingly. Otherwise, the offer shall be deemed withdrawn and evidence thereof shall not be given; and, if a lower valuation than specified in the offer be not found by the court, no costs or disbursements shall be allowed to the petitioner, but the costs and disbursements of the state, including interest at six percent on the tax based on the amount of such offer from and after the first day of November of the year such taxes are payable, shall be taxed in its favor and included in the judgment and when collected shall be credited to the county revenue fund, unless the taxes were paid in full before the first day of November of the year in which such taxes were payable, in which event interest shall not be taxable.

Sec. 10. Minnesota Statutes 1976, Section 287.241, Subdivision 2, is amended to read:

Subd. 2. No deed or instrument providing for the transfer of title to real estate as subject to the tax as provided in section 287.21 and no executory contract for the sale of land shall be recorded in the office of the county recorder or the registrar of titles unless such deed or instrument shall be accompanied by a *notice from the county auditor that a certificate of value (BY THE GRANTOR, GRANTEE OR HIS LEGAL AGENT CONCERNING THE PROPERTY TRANSFERRED OR TO BE*

TRANSFERRED. VALUE SHALL, IN THE CASE OF ANY DEED NOT A GIFT, BE THE AMOUNT OF THE FULL ACTUAL CONSIDERATION THEREOF, PAID OR TO BE PAID, INCLUDING THE AMOUNT OF ANY LIEN OR LIENS ASSUMED. SUCH CERTIFICATE OF VALUE SHALL INCLUDE THE CLASSIFICATION TO WHICH SUCH PROPERTY BELONGS FOR THE PURPOSE OF DETERMINING THE FAIR MARKET VALUE OF THE PROPERTY. IF THE TRANSFER, OR FRACTION THEREOF, IS TAX EXEMPT AS HEREIN PROVIDED, THE CERTIFICATE SHALL SPECIFY THE REASONS FOR THE EXEMPTION) *was filed in his office as provided in section 272.115.*

Sec. 11. [REPEALER.] *Minnesota Statutes 1976, Section 287.241, Subdivisions 3 and 4 are hereby repealed.*

Sec. 12. [EFFECTIVE DATE.] *Sections 1, 3, 4, 5, 6, 10 and 11 shall be effective for assessment year 1978 and thereafter. Sections 2, 7, 8 and 9 shall be effective taxable years 1977 payable 1978 and thereafter.*

ARTICLE III

Section 1. Minnesota Statutes 1976, Section 275.53, Subdivision 1, is amended to read:

275.53 [GOVERNING CENSUS.] Subdivision 1. For the purpose of determining the amount of tax that a governmental subdivision may levy in accordance with a per capita limitation established by this chapter *or the amount of aid that a city or township may receive pursuant to section 477A.01*, the population of the governmental subdivision shall be that established by the last state or federal census, or by a special census taken within the entire governmental subdivision pursuant to sections 275.50 to 275.56 or to any other law, by a census taken pursuant to subdivision 2, or by a population estimate made by the metropolitan council, by an order of the Minnesota municipal board pursuant to section 414.01, subdivision 14, or by an estimate made pursuant to subdivision 3, whichever is the most recent as to the stated date of count or estimate, up to and including October 1 of the current levy year. Population changes established after October 1 of the current levy year shall not be used in determining the levy limitation of a governmental subdivision for the current levy year under sections 275.50 to 275.56.

Sec. 2. Minnesota Statutes 1976, Section 275.53, Subdivision 3, is amended to read:

Subd. 3. (a) In lieu of passing a resolution pursuant to subdivision 2, the governing body of a governmental subdivision may pass by June 1 of any year a resolution containing an estimate of the current population of the subdivision. The resolution

shall describe the criteria upon which the estimate is based, and shall state that the estimate is made for purposes of increasing that subdivision's tax levy pursuant to sections 275.50 to 275.56 or local government aids pursuant to section 477A.01. The resolution shall be in the form and accompanied by the data required by the state planning agency.

(b) The resolution shall then be submitted to the state planning agency. The agency shall determine, and inform the subdivision in writing within 30 days of receipt of the resolution, whether the criteria and process described therein do or do not provide a reasonable basis for the population estimate. The estimate prepared by the subdivision shall be reviewed by the state planning agency with reference to county population estimates prepared by the state demographer. The state demographer's county population estimates will be used as a county control.

(c) If the agency determines that the criteria and process used by the subdivision do not provide a reasonable basis for the population estimate, the resolution shall be of no effect. If the agency determines that the criteria do provide a reasonable basis for the population estimate, the resolution shall be published at least once in a legal newspaper of general circulation in said subdivision. Said estimate may be used for computing the amount of ad valorem taxes the subdivision may levy, unless within 30 days following the publication of the resolution, 10 percent or more of the registered voters of the subdivision, or if the subdivision does not require voter registration, then 10 percent or more of its voters, who voted at the subdivision's last election, sign a petition demanding a special census, and submit the petition to the governing body of the subdivision.

(d) Attached to the petition shall be an affidavit executed by the circulator or circulators thereof, stating that he or they personally circulated the petition, the number of signatures thereon, that all signatures were affixed in his or their presence and that he or they believe them to be genuine signatures of the persons whose names they purport to be. Each signature need not be notarized.

(e) Upon the receipt of a petition conforming to this subdivision, the governing body shall pass a resolution requesting the secretary of state to take a special census of the governmental subdivision. The census shall be taken and financed pursuant to the provisions of subdivision 2. Any population estimate made by the governing body of any governmental subdivision shall be superseded by any subsequent state or federal census taken pursuant to sections 275.50 to 275.56 or any other law, or by a population estimate made by the metropolitan council or the state demographer. The governing body of a governmental subdivision may not avail itself of the provisions of this subdivision during any year for which any state or federal census has been taken

or for which the metropolitan council has made a population estimate of the subdivision.

Sec. 3. Minnesota Statutes 1976, Section 477A.01, Subdivision 1, is amended to read:

477A.01 [LOCAL GOVERNMENT AID.] Subdivision 1. The state shall distribute (\$42) ~~\$52~~ for each person residing in the territory comprising each county for the calendar year (1976) ~~1978~~ and (\$45) ~~\$59~~ for calendar year (1977) ~~1979~~ to the several taxing authorities, except school districts *and special taxing districts*, with authority to impose taxes on property located in the county's territory. *For purposes of this subdivision the number of persons residing in a county shall be the 1970 federal census population.* For the purposes of subdivisions 1, 3, 4, 4a and 4b, the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, *excluding the city of New Prague*, and Washington shall be considered a single county. *That portion of the city of New Prague which is in Scott county shall be treated as if it is in LeSueur county.*

Sec. 4. Minnesota Statutes 1976, Section 477A.01, Subdivision 2, is amended to read:

Subd. 2. Every county government except that of a county containing a city of the first class shall receive a distribution equal to the distribution it was entitled to receive in (1975) *the preceding year* pursuant to Minnesota Statutes 1974, Section 477A.01.

Sec. 5. Minnesota Statutes 1976, Section 477A.01, Subdivision 4, is amended to read:

Subd. 4. The balance of the distributions in (1976) ~~1978~~ pursuant to subdivision 1, shall be divided among the several cities and towns in the county's territory in the proportion that the product of

the city or town's 1970 federal census population *or the average of the city's or town's 1970 federal census population and its current population as determined under the provisions of section 275.53, whichever is greater*; times

the sum of its average city or town mill rate for the three immediately preceding years divided by three; times

its city or town (1974) ~~1976~~ aggregate sales ratio as determined by the commissioner of revenue bears to the sum of the product of that calculation for all cities and towns in the territory.

The balance of the distributions in (1977) 1979 pursuant to subdivision 1 shall be divided among the several cities and towns in the county's territory in the proportion that the product of

the city or town's 1970 federal census population or the average of the city's or town's 1970 federal census population and its current population as determined under the provisions of section 275.53, whichever is greater; times

the sum of its average city or town mill rate for the three immediately preceding years divided by three; times

its city or town (1975) 1977 aggregate sales ratio as determined by the commissioner of revenue bears to the sum of the product of that calculation for all cities and towns in the territory.

Sec. 6. Minnesota Statutes 1976, Section 477A.01, Subdivision 4a, is amended to read:

Subd. 4a. If the amount distributed to a city or town pursuant to subdivision 4 is less than the aids the city or town (RECEIVED) was entitled to receive in (1975) *the preceding year*, before corrections for prior year aid payments, pursuant to Minnesota Statutes 1974, Section 477A.01, the amount distributed to it shall be raised to the amount the city or town (RECEIVED) was entitled to receive in (1975) *the preceding year*, before corrections for prior year aid payments, and the distributions to the other cities and towns within the county's territory shall be proportionately reduced as necessary to supply the difference. *In the event that the three year average mill rate times the aggregate sales ratio as described herein in subdivision 4 does not exceed ten mills, then that city or town shall receive the same amount that it received in the preceding year and the distribution to the other cities or towns within the county's territory shall be proportionately increased as necessary to distribute the difference. For purposes of the preceding sentence, "county" means the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington, and they shall be treated as a single county as provided in subdivision 1.*

Sec. 7. Minnesota Statutes 1976, Section 477A.01, Subdivision 4b, is amended to read:

Subd. 4b. The commissioner of revenue shall make all necessary calculations and make payments directly to the affected taxing authorities in four (EQUAL PARTS) *installments* on March 15, July 15, September 15, and November 15 (IN 1976 AND 1977) *annually*.

Sec. 8. Minnesota Statutes 1976, Section 477A.01, is amended by adding a subdivision to read:

Subd. 4c. For the purpose of the distributions based on populations provided in subdivisions 1 and 4, cities and towns having boundary changes resulting from Minnesota municipal board orders shall have their population counts modified to reflect such changes. The modified population counts shall be included in all Minnesota municipal board orders, a copy of which shall be forwarded to the commissioner of revenue.

Sec. 9. Minnesota Statutes 1976, Section 477A.03, is amended to read:

477A.03 [APPROPRIATION.] A sum sufficient to discharge the duties imposed by (LAWS 1975, CHAPTER 437, ARTICLE 3) section 477A.01 is annually appropriated from the general fund to the commissioner of revenue.

Sec. 10. Minnesota Statutes 1976, Chapter 477A, is amended by adding a section to read:

[477A.04] [ASSESSMENT DISPERSION PENALTY.]
Subdivision 1. To encourage the proper assessment of property an assessment dispersion penalty shall be imposed on assessment districts as provided in subdivision 2. Each city or town which employs a local assessor, either singly or jointly with other cities or towns, shall be considered an assessment district for purposes of this section. Any two or more cities or towns which enter into an agreement pursuant to Minnesota Statutes, Section 471.59, for the assessment of property in the contracting units, shall for purposes of this section be a single assessment district. The balance of each county, including any city or town which contracts with the county for assessment of property therein, shall be deemed a single assessment district for purposes of this section.

The coefficient of dispersion shall be determined by the equalization aid review committee of the department of revenue. The coefficient of dispersion shall be determined on the assessor's market value before the limitation provided in Minnesota Statutes, Section 273.11, Subdivision 2. The population shall be the number of persons residing in the assessment district according to the 1970 federal census.

Subd. 2. Beginning in calendar year 1980 and subsequent years, an assessment district shall be penalized according to the following schedule:

(a) \$1 per capita if the coefficient of dispersion in assessments for the preceding year is more than 10 percent but less than 12.5 percent;

(b) \$3 per capita if the coefficient of dispersion in assessments for the preceding year is at least 12.5 percent but no more than 15 percent;

(c) \$5 per capita if the coefficient of dispersion in assessments for the preceding year is greater than 15 percent.

Subd. 3. The amount of penalty resulting from this section shall be deducted from the local government aid payments provided in section 477A.01.

Sec. 11. [EFFECTIVE DATE.] Article III shall be effective the day following final enactment.

ARTICLE IV

Section 1. Minnesota Statutes 1976, Section 275.50, Subdivision 5, is amended to read:

Subd. 5. Notwithstanding any other law to the contrary for taxes levied in (1975) 1977 payable in (1976) 1978 and thereafter, "special levies" means those portions of ad valorem taxes levied by governmental subdivisions to:

((A) SATISFY JUDGMENTS RENDERED AGAINST THE GOVERNMENTAL SUBDIVISION BY A COURT OF COMPETENT JURISDICTION IN ANY ACTION OTHER THAN AN ACTION ON AN EXPRESS CONTRACT OR DEFAULT ON AN EXPRESS CONTRACT, OR TO PAY THE COSTS OF SETTLEMENTS OUT OF COURT AGAINST THE GOVERNMENTAL SUBDIVISION IN ANY ACTION OTHER THAN AN ACTION ON AN EXPRESS CONTRACT WHEN SUBSTANTIATED BY A STIPULATION FOR THE DISMISSAL OF THE ACTION FILED WITH THE COURT OF COMPETENT JURISDICTION AND SIGNED BY BOTH THE PLAINTIFF AND THE LEGAL REPRESENTATIVE OF THE GOVERNMENTAL SUBDIVISION, BUT ONLY TO THE EXTENT OF THE INCREASE IN LEVY FOR SUCH JUDGMENTS AND OUT OF COURT SETTLEMENTS OVER LEVY YEAR 1970, TAXES PAYABLE IN 1971;)

((B) PAY THE COSTS OF COMPLYING WITH ANY WRITTEN LAWFUL ORDER ISSUED BY THE STATE OF MINNESOTA, OR THE UNITED STATES, OR ANY AGENCY OR SUBDIVISION THEREOF, WHICH IS AUTHORIZED BY LAW, STATUTE, SPECIAL ACT OR ORDINANCE AND IS ENFORCEABLE IN A COURT OF COMPETENT JURISDICTION, OR ANY STIPULATION AGREEMENT OR PERMIT FOR TREATMENT WORKS OR DISPOSAL SYSTEM FOR POLLUTION ABATEMENT IN LIEU OF A LAWFUL ORDER SIGNED BY THE GOVERNMENTAL SUBDIVISION AND THE STATE OF MINNESOTA, OR THE UNITED STATES, OR ANY AGENCY OR SUBDIVISION THEREOF WHICH IS ENFORCEABLE IN A COURT OF COMPETENT JURISDICTION. THE COMMISSIONER OF REVENUE SHALL IN CONSULTATION WITH OTHER STATE DEPARTMENTS AND AGENCIES, DEVELOP A SUGGESTED

FORM FOR USE BY THE STATE OF MINNESOTA, ITS AGENCIES AND SUBDIVISIONS IN ISSUING ORDERS PURSUANT TO THIS SUBDIVISION;)

((C) PAY THE COSTS OF COMPLYING WITH ANY LAW ENACTED BY THE 1975 LEGISLATURE OR A SUBSEQUENT YEAR'S LEGISLATURE WHICH SPECIFICALLY AND DIRECTLY REQUIRES A NEW OR ALTERED ACTIVITY AFTER LEVY YEAR 1974, TAXES PAYABLE IN 1975, BUT ONLY TO THE EXTENT OF THE INCREASED COST FOR SUCH ACTIVITY AFTER LEVY YEAR 1974, TAXES PAYABLE IN 1975;)

((D) PAY THE COSTS OF AN EXPANDED COUNTY COURT SYSTEM TO THE EXTENT OF THE INCREASE IN COSTS OVER THE AMOUNT LEVIED IN SUPPORT OF A COUNTY COURT OR A PROBATE COURT IN LEVY YEAR 1974, TAXES PAYABLE IN 1975;)

((E) PAY AMOUNTS REQUIRED BY ANY PUBLIC PENSION PLAN TO THE EXTENT THAT OPERATION OF THE LAWS OF THE STATE OF MINNESOTA OR THE UNITED STATES GOVERNING SUCH FUND DIRECTLY CAUSES THE LEVEL OF GOVERNMENTAL FINANCIAL SUPPORT TO EXCEED THE LEVEL OF SUCH SUPPORT PRIOR TO JULY 1, 1971, PROVIDED THAT SUCH INCREASES ARE NOT THE RESULT OF AMENDMENT BY ANY MEANS TO THE BENEFIT PLAN AFTER JULY 1, 1971 WHICH REQUIRED THE APPROVAL OF THE GOVERNING BODY OF THE GOVERNMENTAL SUBDIVISION;)

((F) PAY AMOUNTS REQUIRED TO BE LEVIED IN SUPPORT OF A VOLUNTEER FIREMEN'S RELIEF ASSOCIATION IF RESULTING FROM THE OPERATION OF SECTIONS 69.772 AND 69.773;)

((G) PAY THE COSTS TO A GOVERNMENTAL SUBDIVISION FOR THEIR SHARE OF ANY PROGRAM OTHERWISE AUTHORIZED BY LAW, INCLUDING THE ADMINISTRATIVE COSTS OF SOCIAL SERVICES AND OF COUNTY WELFARE SYSTEMS, FOR WHICH MATCHING FUNDS HAVE BEEN APPROPRIATED BY THE STATE OF MINNESOTA OR THE UNITED STATES, BUT ONLY TO THE EXTENT THAT THE COSTS TO THE GOVERNMENTAL SUBDIVISION FOR THE PROGRAM EXCEED THOSE EXPENDED IN CALENDAR YEAR 1970, SUBJECT TO RULES PROMULGATED BY THE COMMISSIONER OF REVENUE PURSUANT TO THE ADMINISTRATIVE PROCEDURES ACT;)

((H) PAY EXPENSES REASONABLY AND NECESSARILY INCURRED IN PREVENTING, PREPARING FOR

OR REPAIRING THE EFFECTS OF NATURAL DISASTER. "NATURAL DISASTER" AS USED HEREIN MEANS THE OCCURRENCE OR THREAT OF WIDESPREAD OR SEVERE DAMAGE, INJURY OR LOSS OF LIFE OR PROPERTY RESULTING FROM NATURAL CAUSES, INCLUDING AND LIMITED TO FIRE, FLOOD, EARTHQUAKE, WIND STORM, WAVE ACTION, OIL SPILL, OR OTHER WATER CONTAMINATION REQUIRING ACTION TO AVERT DANGER OR DAMAGE, VOLCANIC ACTIVITY, DROUGHT OR AIR CONTAMINATION. THE EMERGENCY SERVICES DIVISION OF THE STATE DEPARTMENT OF PUBLIC SAFETY SHALL FORMULATE STANDARDS BY WHICH AN OCCURRENCE OF ANY OF THE AFOREMENTIONED NATURAL PHENOMENA WOULD BE DEEMED A NATURAL DISASTER BY REASON OF THE LEVEL OF DAMAGE, INJURY OR LOSS OF LIFE OR PROPERTY THAT HAS OCCURRED OR WOULD OCCUR IF PREVENTATIVE ACTION WAS NOT TAKEN;)

((I)) (a) pay the costs not reimbursed by the state or federal government, of payments made to or on behalf of recipients of aid under any public assistance program authorized by law;

((J)) (b) pay the costs of principal and interest on bonded indebtedness, or, effective for taxes levied in 1973 and years thereafter, to reimburse for the amount of liquor store revenues used to pay the principal and interest due in the year preceding the year for which the levy limit is calculated on municipal liquor store bonds;

((K)) (c) pay the costs of principal and interest on certificates of indebtedness, except tax anticipation or aid anticipation certificates of indebtedness, issued for any corporate purpose except current expenses or funding an insufficiency in receipts from taxes or other sources or funding extraordinary expenditures resulting from a public emergency;

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

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

((N)) PAY THE AMOUNTS REQUIRED TO COMPENSATE FOR A DECREASE IN REVENUES FROM PUBLIC SERVICE ENTERPRISES, MUNICIPAL LIQUOR STORES, LICENSES, PERMITS, FINES AND FORFEITS AND NO OTHER, TO THE EXTENT THAT THE AGGREGATE OF REVENUES FROM THESE SOURCES IN THE CALENDAR YEAR PRECEDING THE YEAR OF LEVY ARE LESS THAN

THE AGGREGATE OF REVENUES FROM THESE SOURCES IN CALENDAR YEAR 1971. "REVENUES" FROM A PUBLIC SERVICE ENTERPRISE OR A MUNICIPAL LIQUOR STORE SHALL MEAN THE NET INCOME OR LOSS OF SUCH PUBLIC SERVICE ENTERPRISE OR MUNICIPAL LIQUOR STORE, DETERMINED BY SUBTRACTING TOTAL EXPENSES FROM TOTAL REVENUES, AND BEFORE ANY CONTRIBUTION TO OR FROM THE GOVERNMENTAL SUBDIVISION. "FINES" FOR A MUNICIPAL COURT MEANS THE NET AMOUNT REMAINING AFTER SUBTRACTING TOTAL MUNICIPAL COURT EXPENSES FROM TOTAL COLLECTIONS OF MUNICIPAL COURT FINES. A GOVERNMENTAL SUBDIVISION SHALL QUALIFY FOR THIS SPECIAL LEVY ONLY IF THE DECREASE IN AGGREGATE REVENUES AS COMPUTED HEREIN AND DIVIDED BY THE POPULATION OF THE GOVERNMENTAL SUBDIVISION IN THE PRECEDING LEVY YEAR IS EQUAL TO OR GREATER THAN TWO PERCENT OF THE PER CAPITA LEVY LIMITATION FOR THE PRECEDING LEVY YEAR;)

((O) PAY THE AMOUNTS REQUIRED TO COMPENSATE FOR A DECREASE IN MOBILE HOMES PROPERTY TAX RECEIPTS TO THE EXTENT THAT THE GOVERNMENTAL SUBDIVISION'S PORTION OF THE TOTAL LEVY IN THE CURRENT LEVY YEAR, PURSUANT TO SECTION 273.13, SUBDIVISION 3, AS AMENDED, IS LESS THAN THE DISTRIBUTION OF THE MOBILE HOMES TAX TO THE GOVERNMENTAL SUBDIVISION PURSUANT TO SECTION 273.13, SUBDIVISION 3, IN CALENDAR YEAR 1971;)

((Q) PAY THE AMOUNTS REQUIRED, IN ACCORDANCE WITH SECTION 275.075, TO CORRECT FOR A COUNTY AUDITOR'S ERROR OF OMISSION IN LEVY YEAR 1971 OR A SUBSEQUENT LEVY YEAR, BUT ONLY TO THE EXTENT THAT WHEN ADDED TO THE PRECEDING YEAR'S LEVY IT IS NOT IN EXCESS OF AN APPLICABLE STATUTORY, SPECIAL LAW OR CHARTER LIMITATION, OR THE LIMITATION IMPOSED ON THE GOVERNMENTAL SUBDIVISION BY SECTIONS 275.50 TO 275.56 IN THE PRECEDING LEVY YEAR;)

((R) PAY AMOUNTS REQUIRED TO CORRECT FOR AN ERROR OF OMISSION IN THE LEVY CERTIFIED TO THE APPROPRIATE COUNTY AUDITOR OR AUDITORS BY THE GOVERNING BODY OF A CITY OR TOWN WITH STATUTORY CITY POWERS IN LEVY YEAR 1971 OR A SUBSEQUENT LEVY YEAR, BUT ONLY TO THE EXTENT THAT WHEN ADDED TO THE PRECEDING YEAR'S LEVY IT IS NOT IN EXCESS OF AN APPLICABLE STATUTORY, SPECIAL LAW OR CHARTER LIMITATION, OR THE LIMITATION IMPOSED ON THE GOVERNMENTAL SUBDIVISION;

SION BY SECTIONS 275.50 TO 275.56 IN THE PRECEDING LEVY YEAR;)

((S) PAY THE INCREASED COST OF MUNICIPAL SERVICES AS THE RESULT OF AN ANNEXATION OR CONSOLIDATION ORDERED BY THE MINNESOTA MUNICIPAL BOARD IN LEVY YEAR 1971 OR A SUBSEQUENT LEVY YEAR, BUT ONLY TO THE EXTENT AND FOR THE LEVY YEARS AS PROVIDED BY THE BOARD IN ITS ORDER PURSUANT TO SECTION 414.01, SUBDIVISION 15. SPECIAL LEVIES AUTHORIZED BY THE BOARD SHALL NOT EXCEED 50 PERCENT OF THE LEVY LIMIT BASE OF THE GOVERNMENTAL SUBDIVISION AND MAY NOT BE IN EFFECT FOR MORE THAN THREE YEARS AFTER THE BOARD'S ORDER;)

((T) PAY THE INCREASED COSTS OF MUNICIPAL SERVICES PROVIDED TO NEW PRIVATE INDUSTRIAL AND NONRESIDENTIAL COMMERCIAL DEVELOPMENT, TO THE EXTENT THAT THE EXTENSION OF SUCH SERVICES ARE NOT PAID FOR THROUGH BONDED INDEBTEDNESS OR SPECIAL ASSESSMENTS, AND NOT TO EXCEED THE AMOUNT DETERMINED AS FOLLOWS. THE GOVERNMENTAL SUBDIVISION MAY CALCULATE THE AGGREGATE OF:)

((1) THE INCREASED EXPENDITURES NECESSARY IN PREPARATION FOR THE DELIVERING OF MUNICIPAL SERVICES TO NEW PRIVATE INDUSTRIAL AND NONRESIDENTIAL COMMERCIAL DEVELOPMENT, BUT LIMITED TO ONE YEAR'S EXPENDITURES ONE TIME FOR EACH SUCH DEVELOPMENT;)

((2) THE AMOUNT DETERMINED BY DIVIDING THE OVERALL LEVY LIMITATION ESTABLISHED PURSUANT TO SECTIONS 275.50 TO 275.56, AND EXCLUSIVE OF SPECIAL LEVIES AND SPECIAL ASSESSMENTS, BY THE TOTAL TAXABLE VALUE OF THE GOVERNMENTAL SUBDIVISION, AND THEN MULTIPLYING THIS QUOTIENT TIMES THE TOTAL INCREASE IN ASSESSED VALUE OF PRIVATE INDUSTRIAL AND NONRESIDENTIAL COMMERCIAL DEVELOPMENT WITHIN THE GOVERNMENTAL SUBDIVISION. FOR THE PURPOSE OF THIS CLAUSE, THE INCREASE IN THE ASSESSED VALUE OF PRIVATE INDUSTRIAL AND NONRESIDENTIAL COMMERCIAL DEVELOPMENT IS CALCULATED AS THE INCREASE IN ASSESSED VALUE OVER THE ASSESSED VALUE OF THE REAL ESTATE PARCELS SUBJECT TO SUCH PRIVATE DEVELOPMENT AS MOST RECENTLY DETERMINED BEFORE THE BUILDING PERMIT WAS ISSUED. IN THE FOURTH LEVY YEAR SUBSEQUENT TO THE LEVY YEAR IN WHICH THE BUILDING PERMIT WAS ISSUED, THE INCREASE IN ASSESSED

VALUE OF THE REAL ESTATE PARCELS SUBJECT TO SUCH PRIVATE DEVELOPMENT SHALL NO LONGER BE INCLUDED IN DETERMINING THE SPECIAL LEVY.)

(THE AGGREGATE OF THE FOREGOING AMOUNTS, LESS ANY COSTS OF EXTENDING MUNICIPAL SERVICES TO NEW PRIVATE INDUSTRIAL AND NONRESIDENTIAL COMMERCIAL DEVELOPMENT WHICH ARE PAID BY BONDED INDEBTEDNESS OR SPECIAL ASSESSMENTS, EQUALS THE MAXIMUM AMOUNT THAT MAY BE LEVIED AS A "SPECIAL LEVY" FOR THE INCREASED COSTS OF MUNICIPAL SERVICES PROVIDED TO NEW PRIVATE INDUSTRIAL AND NONRESIDENTIAL COMMERCIAL DEVELOPMENT;)

((U) RECOVER A LOSS OR REFUNDS IN TAX RECEIPTS INCURRED IN NON-SPECIAL LEVY FUNDS RESULTING FROM ABATEMENTS OR COURT ACTION IN THE PREVIOUS YEAR PURSUANT TO SECTION 275.48.)

Sec. 2. Minnesota Statutes 1976, Section 275.51, is amended by adding a subdivision to read:

Subd. 3d. The property tax levy limitation for governmental subdivisions in 1977 payable in 1978 and subsequent years shall be calculated as follows:

The sum of the following amounts shall be computed: (1) the property tax permitted to be levied in 1976 payable 1977 computed pursuant to Minnesota Statutes 1976, Section 275.51, Subdivision 3c, plus

(2) the amount of any state aids the governmental subdivision was entitled to receive in calendar year 1977 pursuant to sections 477A.01; 298.26; 298.28, subdivisions 1 and 1a; 298.281, subdivision 1; 298.282; and 294.26, plus

(3) the amount levied in 1976 payable 1977 pursuant to Minnesota Statutes 1976, Section 275.50, Subdivision 5, clauses (a), (b), (c), (d), (e), (f), (g), (h), (n), (o), (q), (r), (s), (t) and (u)

(b) The sum computed in clause (a) shall be increased in the manner provided in section 275.52 to derive the levy limit base for 1977 payable 1978.

(c) For taxes levied in 1978 payable 1979 and subsequent years, the levy limit base is the levy limit base which was computed for the immediately preceding year under the provisions of this section increased according to the provisions of section 275.52. Any amount levied in 1976 payable 1977 under the provisions of section 275.50, subdivision 5, clauses (a), (b), (c), (d),

(e), (f), (g), (h), (n), (o), (q), (r), (s), (t) or (u) to meet the costs of programs, services or legal requirements which cease to exist in a subsequent year shall be subtracted from the levy limit base in the year in which the programs, services or legal requirements for which the levy was made cease to exist.

(d) *The levy limit base shall be reduced by the total amount of state formula aids pursuant to section 477A.01 and taconite taxes and aids pursuant to sections 294.26; 298.26; 298.28, subdivisions 1 and 1a; 298.281, subdivision 1; and 298.282, to be paid in the calendar year in which property taxes are payable. The resulting figure is the amount of property taxes which a governmental subdivision may levy for all purposes other than those for which special levies and special assessments are made.*

Sec. 3. Minnesota Statutes 1976, Section 275.52, Subdivision 2, is amended to read:

Subd. 2. The levy limit base (PER CAPITA), as adjusted for previous increases pursuant to this section, may be increased each year by the governing body of the governmental subdivision affected thereby in the amount not to exceed (OF) six percent the previous year's levy limit base (PER CAPITA).

Sec. 4. Minnesota Statutes 1976, Section 275.52, Subdivision 3, is amended to read:

Subd. 3. If the population of any governmental subdivision (DECREASES) *increases* from one year to the next, the current (LEVY) year's (POPULATION) *levy limit base* shall, for purposes of sections 275.50 to 275.56, be increased by an amount equal to (ONE-HALF OF THE DECREASE IN POPULATION FROM THE PRIOR LEVY YEAR, SUCH INCREASE TO BE EFFECTIVE FOR THE SAID ONE LEVY YEAR ONLY) *the levy limit base per capita for the previous year increased pursuant to subdivision 2 times the current year's population.*

Sec. 5. Minnesota Statutes 1976, Section 275.52, Subdivision 4, is amended to read:

Subd. 4. (FOR TAXES LEVIED IN 1975 PAYABLE IN 1976 AND SUBSEQUENT YEARS) The levy limit base of a governmental subdivision may be increased upon approval by the levy limit review board established in section 275.551, for the following reasons:

(a) Any governmental subdivision which spent money from its surplus funds for nonspecial levy purposes in calendar year 1971 may have its levy limit base increased by an amount not to exceed the amount of revenue it used from surplus funds for nonspecial levy purposes in calendar year 1971.

(b) Any governmental subdivision which has been required to provide new services because of changes in state law, whether or not the changed law directly mandates new services, may have its levy limit base increased by an amount not to exceed the amount required to finance the services, provided that the services may not be financed by special levies or special assessments.

(c) Any governmental subdivision which has been required to provide new or expanded services because of annexations, consolidations, mergers or new incorporations since 1970 may have its levy limit base increased by an amount not to exceed the amount required to finance the general operating costs involved in such services.

(d) *Any city or township having statutory city powers which has a levy limit base per capita that is below 80 percent of the arithmetic average of the levy limit bases per capita for cities and townships having statutory city powers in the same county may have its levy limit base increased by an amount not to exceed the amount required to bring its levy limit base per capita up to 80 percent of the arithmetic average of levy limit bases per capita for all cities and townships having statutory city powers in the county which are governed by the provisions of sections 275.50 to 275.59.*

Any governmental subdivision which desires to have its levy limit base adjusted under the provisions of this subdivision shall apply to the commissioner of revenue, who shall submit all applications to the levy limit review board established in section 275.551. Applications shall be in the form and accompanied by the data required by the levy limit review board. Adjustments authorized by the levy limit review board shall become a permanent part of the levy limit base for the governmental subdivision. The levy limit review board may authorize only one levy limit base adjustment for any governmental subdivision under this subdivision.

Sec. 6. [REPEALER.] *Minnesota Statutes 1976, Section 275.51, Subdivisions 3b and 3c are hereby repealed.*

ARTICLE V

Section 1. Minnesota Statutes 1976, Chapter 290, is amended by adding a section to read:

[290.091] *In addition to all other taxes imposed by this chapter there is hereby imposed for each taxable year beginning after December 31, 1976 a tax which, in the case of a resident individual or estate of a resident decedent, shall be equal to 40 percent of the amount of the minimum tax for tax preferences which the individual owes the federal government under the provisions*

of sections 56 to 58 and 443(d) of the Internal Revenue Code of 1954 as amended through December 31, 1976.

In the case of any other taxpayer, the tax shall equal 40 percent of the taxpayer's federal liability multiplied by a fraction, the numerator of which is the amount of the taxpayer's preference item income allocated to this state pursuant to the provisions of sections 290.17 to 290.20, and the denominator of which is the taxpayer's total preference item income for federal purposes.

Sec. 2. Minnesota Statutes 1976, Section 290.012, Subdivision 2, is amended to read:

Subd. 2. "Claimant" means the individual taxpayer whose income, together with that of his spouse, if any, brings him within the provisions of this section and section 290.06, subdivision 3d. *No claimant and spouse whose federal adjusted gross income, including the modifications increasing federal adjusted gross income as computed under section 290.01, subdivision 20, clause (a), exceed \$20,000 may qualify under this section or section 290.06, subdivision 3d.*

Sec. 3. Minnesota Statutes 1976, Chapter 290, is amended by adding a section to read:

[290.067] [DEPENDENT CARE CREDIT.] *Subdivision 1. [DEFINITIONS.] For purposes of this section, the terms defined herein shall have the meanings given them unless the context clearly indicates another meaning.*

"Claimant" means an individual who has filed a claim under this subdivision. To be eligible to file, the individual shall have been domiciled in this state during the entire taxable year for which he files a claim for relief. Only one spouse in a married couple may be a claimant.

"Qualifying individual" means (1) an individual dependent upon and receiving his chief support from the claimant, if the dependent has not attained the age of 15 years, or is physically or mentally incapable of caring for himself; or (2) a spouse of the claimant who is physically or mentally incapable of caring for himself.

"Income" means gross income as defined in Minnesota Statutes, Section 290.01, Subdivision 20. If the claimant is married, income shall be the combined income of both spouses, and the spouses shall file their income tax return for the year for which the credit is claimed, either jointly or separately, on one form. A claimant shall not be considered as married if,

(1) he is legally separated from his spouse under a decree of divorce or of separate maintenance at the close of the taxable year, or

(2) he has been deserted by his spouse and has not known the whereabouts of his spouse at any time during the last six months of the taxable year.

“Qualifying dependent care expenses” means the amount actually paid by a claimant for the cost of care for a qualifying individual but only if the care is obtained for the purpose of enabling the claimant to be gainfully employed. In the case of a married claimant, no expenses shall be included as qualifying dependent care expenses if the expenses were incurred during any period in which the claimant's spouse was neither gainfully employed nor eligible as a qualifying individual; if both spouses are gainfully employed, the amount of qualifying dependent care expenses for which a credit will be given pursuant to this subdivision shall not exceed the lesser of the income of the claimant alone or that of his spouse alone during the taxable year for which the claim was made. No payment made by a claimant for care given to a qualifying individual shall be considered a qualifying dependent care expense if the care is given by and the payment made to an individual who is dependent upon and receiving his chief support from the claimant or the spouse of the claimant. No expense for which a deduction is claimed pursuant to Minnesota Statutes, Section 290.09, Subdivision 10 shall be included as a qualifying dependent care expense.

Subd. 2. [CLAIM FOR CREDIT.] A credit shall be given to each eligible claimant in an amount determined according to subdivision 3. A claimant under this section shall file with the commissioner of revenue a Minnesota income tax return or any other form the commissioner prescribes to claim the credit. The claimant shall include in support of his claim reasonable proof of expenses paid and the names and addresses of payees.

Subd. 3. [AMOUNT OF CREDIT.] The credit given shall equal ten percent of the total amount actually paid by a claimant as qualifying dependent care expenses, subject to the limitations provided herein. The credit for each dependent shall not exceed \$150 in any taxable year, and the total credit for all dependents of a claimant shall not exceed \$300 in the taxable year. The credit shall be reduced by an amount equal to five percent of the income of the claimant which is over \$12,000. Only those expenses incurred on behalf of a qualifying individual during the time when that person was a qualifying individual shall qualify for the credit.

Subd. 4. [CREDIT TO BE REFUNDABLE.] If the amount of credit which a claimant would be eligible to receive pursuant to this subdivision exceeds his tax liability under Minnesota Stat-

utes, Chapter 290, the excess amount of the credit shall be refunded to the claimant by the commissioner of revenue.

Subd. 5. [RIGHT TO FILE CLAIM.] The right to file a claim under this section shall exist according to the terms of Minnesota Statutes, Section 290.984.

Subd. 6. [APPROPRIATION.] A sum sufficient to pay the claims for credit to be given pursuant to section 1 shall be appropriated annually to the commissioner of revenue from the general fund in the state treasury.

Sec. 4. [REPEALER.] Minnesota Statutes 1976, Section 290.09, Subdivision 26, is repealed.

Sec. 5. [EFFECTIVE DATE.] This article is effective for taxable years beginning after December 31, 1976.

ARTICLE VI

Section 1. Minnesota Statutes 1976, Section 290A.03, Subdivision 3, is amended to read:

Subd. 3. [INCOME.] "Income" means the sum of the following:

(a) federal adjusted gross income as defined in the Internal Revenue Code of 1954 as amended through December 31, (1974,) 1976; and

(b) the sum of the following amounts to the extent not included in clause (a):

(i) additions to federal adjusted gross income as provided in Minnesota Statutes, Section 290.01, Subdivision 20, Clause (a)(1), (a)(2), (a)(3), ((A)(4), (A)(8),) and (a)(10) (, AND);

(ii) all nontaxable income (, INCLUDING BUT NOT LIMITED TO THE AMOUNT OF);

(iii) recognized net long term capital gains (EXCLUDED FROM ADJUSTED GROSS INCOME,);

(iv) dividends excluded from federal adjusted gross income under section 116 of the Internal Revenue Code of 1954;

(v) cash public assistance and relief (, THE GROSS AMOUNT OF);

(vi) any pension or annuity (including railroad retirement benefits, all payments received under the federal social security act, *supplemental security income*, and veterans disability pensions), *which was not exclusively funded by the claimant or spouse, or which was funded exclusively by the claimant or spouse and which funding payments were excluded from federal adjusted gross income in the years when the payments were made;*

(vii) nontaxable interest received from the state or federal government or any instrumentality or *political subdivision* thereof (,);

(viii) worker's compensation (,);

(ix) unemployment benefits (,);

(x) nontaxable strike benefits (,); and

(xi) the gross (AMOUNT) amounts of ("LOSS OF TIME" INSURANCE) *payments received in the nature of disability income or sick pay as a result of accident, sickness, or other disability, whether funded through insurance or otherwise.* In the case of an individual who files an income tax return on a fiscal year basis, the term "federal adjusted gross income" shall mean federal adjusted gross income reflected in the fiscal year ending in the calendar year. "Income" does not include

(a) *amounts excluded pursuant to the Internal Revenue Code, Sections 101(a), 102, 117, and 121;*

(b) *amounts of any pension or annuity which was exclusively funded by the claimant or spouse and which funding payments were not excluded from federal adjusted gross income in the years when the payments were made;*

(c) gifts from nongovernmental sources (,);

(d) surplus food or other relief in kind supplied by a governmental agency (,); or

(e) relief granted under sections 273.012, subdivision 2 or 290A.01 to 290A.21.

Sec. 2. Minnesota Statutes 1976, Section 290A.03, Subdivision 11, is amended to read:

Subd. 11. [RENT CONSTITUTING PROPERTY TAXES.] "Rent constituting property taxes" means (20) 22 percent of the gross rent actually paid in cash, or its equivalent, in (1975) 1977 or any subsequent calendar year by a claimant solely for the

right of occupancy of his Minnesota homestead in the calendar year, and which rent constitutes the basis, in the succeeding calendar year of a claim for relief under sections 290A.01 to 290A.21 by the claimant.

Sec. 3. Minnesota Statutes 1976, Section 290A.03, Subdivision 13, is amended to read:

Subd. 13. [PROPERTY TAXES PAYABLE.] "Property taxes payable" means the property tax exclusive of special assessments, penalties, and interest payable on a claimant's homestead before reductions made pursuant to section 273.13, subdivisions 6 and 7, but after deductions made pursuant to sections 273.132 and 273.135, in (1976) 1977 or any calendar year thereafter. For homesteads which are mobile homes as defined in section 168.011, subdivision 8, "property taxes payable" shall also include (20) 22 percent of gross rent paid in the preceding year for the site on which the homestead is located, exclusive of charges for utilities or services. When a homestead is owned by two or more persons as joint tenants or tenants in common, "property taxes payable" is that part of the property taxes payable on the homestead as reflects the percentage of ownership of the claimant and spouse. Property taxes are considered payable in the year prescribed by law for payment of the taxes.

In the case of a claim relating to "property taxes payable", the claimant must have owned and occupied the homestead on January 2 of the year in which the tax is payable.

Sec. 4. Minnesota Statutes 1976, Section 290A.04, Subdivision 2, is amended to read:

Subd. 2. The credit shall be paid to claimants whose property taxes payable exceed the following percentages of their income, up to the designated maximum credit amounts:

For claimants earning:

\$ 0 to (\$2,499) \$2,999, (1.0) 0.5 percent, up to \$475;

3,000 to 3,999, 0.6 percent, up to \$475;

4,000 to 4,999, 0.7 percent, up to \$475;

5,000 to 5,999, 0.8 percent, up to \$475;

6,000 to 6,999, 0.9 percent, up to \$475;

7,000 to 7,999, 1.0 percent, up to \$475;

8,000 to 8,999, 1.1 percent, up to \$475;

- 9,000 to 9,999, 1.2 percent, up to \$475;
10,000 to 10,999, 1.3 percent, up to \$475;
11,000 to 11,999, 1.4 percent, up to \$475;
(2,500) 12,000 to 19,999, 1.5 percent, up to \$475;
20,000 to 22,999, 1.6 percent, up to \$475;
23,000 to 25,999, 1.8 percent, up to \$425;
26,000 to 30,999, 2.0 percent, up to \$375;
31,000 to 35,999, 2.2 percent, up to \$350;
36,000 to 40,999, 2.4 percent, up to \$325;
41,000 to 44,999, 2.6 percent, up to \$325;
45,000 to 52,999, 2.8 percent, up to \$325;
53,000 to 65,999, 3.0 percent, up to \$325;
66,000 to 81,999, 3.2 percent, up to \$325;
82,000 to 99,999, 3.5 percent, up to \$325;
100,000 and over, 4.0 percent, up to \$325;

provided that maximum credits for incomes above \$20,000 decline according to the following schedule:

between \$20,000 and \$26,000 decline \$16.67 per \$1,000; between \$26,000 and \$36,000 decline \$5 per \$1,000.

In the case of a claimant who was disabled on June 1 or who attained the age of 65 on the date specified in subdivision 1, the credit shall not be less than the credit which the claimant's household income as defined in section 290A.03 and property tax or rent constituting property tax would have entitled him to receive under Minnesota Statutes 1974, Section 290.0618.

The credit shall be the amount calculated pursuant to this subdivision, but not exceeding \$675, less the homestead credit given pursuant to section 273.13, subdivisions 6 and 7.

Sec. 5. Minnesota Statutes 1976, Section 290A.04, is amended by adding a subdivision to read:

Subd. 2a. An additional credit shall be allowed each claimant in an amount equal to 40 percent of the amount by which property taxes payable or rent constituting property taxes exceed the sum of (a) the credit calculated pursuant to subdivision 2 and (b) the percentage of the claimant's household income specified in subdivision 2. The sum of the credits provided in subdivision 2 and this subdivision shall not exceed the maximum amounts provided below.

For claimants earning:

\$ 0 to 19,999, up to \$700;
20,000 to 22,999, up to \$700;
23,000 to 25,999, up to \$650;
26,000 to 30,999, up to \$600;
31,000 to 35,999, up to \$462;
36,000 and over, up to \$325;

provided that maximum credits for incomes above \$20,000 decline according to the following schedule:

between \$20,000 and \$26,000 decline \$16.67 per \$1,000; between \$26,000 and \$36,000 decline \$27.50 per \$1,000.

For claimants, who are disabled or have attained the age of 65 by June 1 of the year in which the taxes were payable, earning:

\$ 0 to 19,999, up to \$750;
20,000 to 22,999, up to \$750;
23,000 to 25,999, up to \$700;
26,000 to 30,999, up to \$650;
31,000 to 35,999, up to \$587;
36,000 and over, up to \$525;

provided that maximum credits for incomes above \$20,000 decline according to the following schedule:

between \$20,000 and \$26,000 decline \$16.67 per \$1,000; between \$26,000 and \$36,000 decline \$12.50 per \$1,000.

Sec. 6. Minnesota Statutes 1976, Chapter 290A, is amended by adding a section to read:

[290A.23] [APPROPRIATION.] *There is appropriated from the general fund in the state treasury to the commissioner of revenue the amount necessary to make the payments required by chapter 290A.*

Sec. 7. [EFFECTIVE DATE.] *Sections 1 to 5 are effective for claims filed after January 1, 1978 for property taxes payable in 1978 or rent constituting property taxes in 1977 and subsequent years.*

ARTICLE VII

Section 1. Minnesota Statutes 1976, Section 290.09, Subdivision 4, is amended to read:

Subd. 4. [TAXES.] Taxes paid or accrued within the taxable year, except (a) income or franchise taxes imposed by this chapter; (b) taxes assessed against local benefits of a kind deemed in law to increase the value of the property assessed; (c) inheritance, gift and estate taxes except as provided in section 290.077, subdivision 4; (d) cigarette and tobacco products excise tax imposed on the consumer; (e) that part of Minnesota property taxes for which a credit or refund is claimed and allowed under section 290.0603 or 290.066; (f) federal income taxes, by corporations, national and state banks except as provided in section 290.18; (AND) (g) tax paid by any corporation or national or state bank to any foreign country or possession of the United States to the extent that a credit against federal income taxes is allowed under the provisions of the Internal Revenue Code of 1954, as amended through December 31, (1974) 1976; (h) mortgage registry tax; (i) real estate transfer tax; (j) federal telephone tax; and (k) federal transportation tax. If the taxpayer's foreign tax credit consists of both foreign taxes deemed paid and foreign taxes actually paid or withheld, it will be conclusively presumed that foreign taxes deemed paid were first used by the taxpayer in its foreign tax credit. Minnesota gross income shall include the amount of foreign tax paid which had been allowed as a deduction in a previous year, provided such foreign tax is later allowed as a credit against federal income tax. Income taxes permitted to be deducted hereunder shall, regardless of the methods of accounting employed, be deductible only in the taxable year in which paid. Taxes imposed upon a shareholder's interest in a corporation which are paid by the corporation without reimbursement from the shareholder shall be deductible only by such corporation.

Sec. 2. [EFFECTIVE DATE.] *Section 1 shall be effective for taxable years beginning December 31, 1976.*

ARTICLE VIII

Section 1. Minnesota Statutes 1976, Chapter 3, is amended by adding a section to read:

[3.86] [TAX STUDY COMMITTEE.] *Subdivision 1. [CREATION; PURPOSE.] A tax study committee is hereby created to examine the total tax structure and the revenue needs and the sources of revenue of this state and its political subdivisions.*

Subd. 2. [DUTIES.] Together with its examination of the existing tax system, the committee shall:

(a) study and make recommendations regarding long range tax policy;

(b) analyze proposed tax legislation, with particular reference to analysis of revenue and distribution impact, local government financing and adherence to sound tax policy, and report its findings to the legislature; and

(c) file a report at least biennially with the legislature.

Subd. 3. [MEMBERSHIP.] The committee shall consist of seven members of the senate tax committee, including the committee chairman, to be appointed by the committee on committees and seven members of the house of representatives tax committee, including the committee chairman, to be appointed by the speaker. Each of these people shall be a member of the committee only while that person is a member of the body from which that person was appointed. The first members of this committee shall be selected to serve for a term expiring on January 15 of the next biennial session of the legislature and until their successors are appointed. Subsequent members of the committee shall be appointed at the commencement of each biennial session of the legislature for a two year term beginning on January 16 of that year. Vacancies shall be filled in the same manner as the original appointment.

Subd. 4. [OFFICE; MEETINGS; OFFICERS.] The committee shall maintain an office in the capitol group of buildings in space which the commissioner of administration shall provide. The committee shall hold meetings at the times and places it may designate. It shall select a chairman, a vice chairman and other officers from its membership as it deems necessary.

Subd. 5. [STAFF.] The committee may employ the professional, clerical, and technical assistants it deems necessary in order to perform its duties.

Subd. 6. [ASSISTANCE OF OTHER AGENCIES.] The committee may request information from any state officer or agency in order to assist in carrying out the terms of this section and the officer or agency shall promptly furnish any data requested to the extent permitted by law.

Subd. 7. [RECORDS AND INFORMATION OF PREVIOUS TAX STUDY COMMITTEE.] The records, information and other material in the possession of the tax study commission created pursuant to Extra Session Laws 1971, Chapter 31, Article 13, Section 1, shall be conveyed to the tax study committee created pursuant to this section.

Subd. 8. [EXPENSES AND REIMBURSEMENT OF MEMBERS AND STAFF.] The members of the committee and its assistants shall be reimbursed for all expenses actually and necessarily incurred in the performance of their duties. Reimbursement shall be made pursuant to the rules governing legislators and legislative employees.

Subd. 9. [COMMITTEE EXPENSES AND REPORTS.] Expenses of the committee shall be approved by the chairman or other member as the rules of the committee may provide and the expenses shall then be paid in the same manner as other state expenses are paid. A general summary or statement of expenses incurred by the committee and paid shall be made to the legislature by November 15 of each even numbered year.

Subd. 10. [APPROPRIATION.] There is hereby appropriated for the biennium ending June 30, 1979, from the general fund, the sum of \$250,000 to pay the expenses incurred by the committee.

Sec. 2. [REPEALER.] Extra Session Laws 1971, Chapter 31, Article XIII; Laws 1973, Chapter 601; Laws 1975, Chapter 437, Article VII; and Laws 1976, Chapter 149, Section 58, are hereby repealed.

Sec. 3. [EFFECTIVE DATE.] This article is effective on July 1, 1977.

ARTICLE IX

Section 1. Minnesota Statutes 1976, Section 273.134, is amended to read:

273.134 [TACONITE AND IRON ORE AREAS; TAX RELIEF AREA; DEFINITIONS.] For purposes of this section and section 273.135, "municipality" means (A) any city, however organized, or town, and the applicable assessment date is the date as of which property is listed and assessed for the tax in question.

For the purposes of section 273.135 "tax relief area" means the geographic area contained, within the boundaries of a school district which contains a municipality which meets the following qualifications:

(1) it is a municipality in which the assessed valuation of unmined iron ore on May 1, 1941, was not less than 40 percent of the assessed valuation of all real property and in which, as of the applicable assessment date, the assessed valuation of unmined iron ore is not more than 60 percent of the assessed valuation of all real property; or

(2) it is a municipality in which, (AS OF) *on January 1, 1977* or the applicable assessment date, there is a taconite concentrating plant or where taconite is mined or quarried or where there is located an electric generating plant which qualifies as a taconite facility.

Sec. 2. Minnesota Statutes 1976, Section 294.26, is amended to read:

294.26 [DIVISION OF PROCEEDS OF TAX.] The proceeds of the taxes collected under sections 294.21 to 294.27 shall be (DISTRIBUTED IN ACCORDANCE WITH THE DETERMINATION MADE BY THE COMMISSIONER OF REVENUE, TO) *deposited in* the general fund of the state (AND TO THE VARIOUS TAXING DISTRICTS IN WHICH SUCH RAILWAY OPERATIONS ARE CONDUCTED, IN THE FOLLOWING PROPORTIONS: 22 PERCENT THEREOF TO THE CITY OR TOWN; 50 PERCENT THEREOF TO THE SCHOOL DISTRICT; 22 PERCENT THEREOF TO THE COUNTY; SIX PERCENT THEREOF TO THE STATE. IF SUCH RAILROAD OPERATION, OR DIFFERENT STEPS THEREIN, ARE CARRIED ON IN MORE THAN ONE TAXING DISTRICT, THE COMMISSIONER SHALL APPORTION EQUITABLY THE PROCEEDS OF THE PART OF THE TAX GOING TO CITIES OR TOWNS AMONG SUCH SUBDIVISIONS, AND THE PART GOING TO SCHOOL DISTRICTS AMONG SUCH DISTRICTS, AND THE PART GOING TO COUNTIES AMONG SUCH COUNTIES, UPON THE BASIS OF ATTRIBUTING 40 PERCENT OF THE PROCEEDS OF THE TAX TO THE TERMINAL FACILITIES AT EACH END OF THE RAILWAY LINE OF A TACONITE RAILROAD COMPANY, AND THE REMAINING 20 PERCENT THEREOF TO THE RAILWAY TRACKAGE CONNECTING SUCH TERMINALS, AND WITH RESPECT TO EACH SUCH PORTION GIVING DUE CONSIDERATION TO THE RELATIVE EXTENT OF SUCH PORTION OF THE OPERATION PERFORMED IN EACH SUCH TAXING DISTRICT. IF ANY PART OF SUCH FACILITIES ARE LOCATED OUTSIDE THE LIMITS OF ANY ORGANIZED CITY OR TOWN, 70 PERCENT OF THE PORTION OF THE TAX WHICH WOULD BE DISTRIBUTED TO ANY SUCH GOVERNMENT-

TAL UNIT, IF IT EXISTED AND THE FACILITIES WERE LOCATED THEREIN, SHALL BE ADDED TO THE PORTION DISTRIBUTED TO THE SCHOOL DISTRICT, AND 30 PERCENT THEREOF SHALL BE ADDED TO THE PORTION DISTRIBUTED TO THE COUNTY IN WHICH SUCH FACILITIES ARE LOCATED; ALSO, IF THE AMOUNT OTHERWISE DISTRIBUTABLE TO ANY CITY OR TOWN HEREUNDER WOULD EXCEED \$75 PER CAPITA OF THE POPULATION THEREOF, THE AMOUNT OF SUCH EXCESS SHALL BE ADDED TO THE PORTIONS DISTRIBUTED TO THE SCHOOL DISTRICT AND COUNTY IN WHICH SUCH FACILITIES ARE LOCATED IN THE PROPORTIONS ABOVE SET FORTH. THE COMMISSIONER'S ORDER MAKING SUCH APPORTIONMENT SHALL BE SUBJECT TO REVIEW BY THE TAX COURT OF APPEALS AT THE INSTANCE OF ANY OF THE INTERESTED TAXING DISTRICTS, IN THE SAME MANNER AS OTHER ORDERS OF THE COMMISSIONER. THE AMOUNT SO DISTRIBUTED SHALL BE DIVIDED AMONG THE VARIOUS FUNDS OF THE TAXING DISTRICT IN THE SAME PROPORTION AS THE GENERAL AD VALOREM PROPERTY TAX THEREOF.)

(THERE IS HEREBY APPROPRIATED TO SUCH PERSONS, CITY, TOWN, SCHOOL DISTRICT, OR COUNTY AS ARE ENTITLED TO SUCH PAYMENT, FROM THE FUND OR ACCOUNT IN THE STATE TREASURY TO WHICH THE MONEY WAS CREDITED, AN AMOUNT SUFFICIENT TO MAKE THE PAYMENT AUTHORIZED HEREIN. THE COMMISSIONER OF REVENUE SHALL MAKE SUCH PAYMENTS ON MARCH 15 AND SEPTEMBER 15 ANNUALLY).

Sec. 3. Minnesota Statutes 1976, Chapter 298, is amended by adding a section to read:

[298.012] *For purposes of chapter 298, the word "city" includes any home rule charter city, statutory city, or any city however organized.*

Sec. 4. Minnesota Statutes 1976, Section 298.03, is amended to read:

298.03 [VALUE OF ORE; HOW ASCERTAINED.] The valuation of iron or other ores for the purposes of determining the amount of tax to be paid under the provisions of section 298.01 shall be ascertained by subtracting from the value of such ore, at the place where the same is brought to the surface of the earth, such value to be determined by the commissioner of revenue:

(1) The reasonable cost of supplies used and labor performed at the mine in separating the ore from the ore body, including

hoisting, elevating, or conveying the same to the surface of the earth;

(2) If the ore is taken from an open pit mine, an amount for each ton of ore mined or produced during the year equal to the cost of removing the overburden, divided by the number of tons of ore uncovered, the number of tons of ore uncovered in each case to be determined by the commissioner of revenue;

(3) If the ore is taken from an underground mine, an amount for each ton of ore mined or produced during the year equal to the cost of sinking and constructing shafts and running drifts, divided by the number of tons of ore that can be advantageously taken out through such shafts and drifts, the number of tons of ore that can be advantageously taken out in each case to be determined by the commissioner of revenue;

(4) The amount of royalties paid on the ore mined or produced during the year;

(5) A percentage of the ad valorem taxes levied for such year against the realty in which the ore is deposited equal to the percentage that the tons mined or produced during such year bears to the total tonnage in the mine;

(6) In the case of taconite, semi-taconite and iron sulphide operations, the tax payable under (SECTIONS) *section 298.24 (AND)*, but not exceeding 25 cents per taxable ton, and that payable under *section 298.35*, on the concentrates produced in said year and any taxes paid under Laws 1955, Chapters 391, 429, 514, 576 or 540, or any other law imposing on such taconite operations a specific tax for school or other governmental purposes;

(7) The amount or amounts of all the foregoing subtractions shall be ascertained and determined by the commissioner of revenue. Deductions for interest on plant investment shall not exceed the greater of (a) four percent of book value, or (b) the amount actually paid but not exceeding six percent of book value. No subtraction shall be allowed for shrinkage of iron ore, except that which can be measured in a manner determined by the commissioner of revenue. In no case shall the shrinkage subtraction exceed one-fourth of one percent of the value of the ore.

Sec. 5. Minnesota Statutes 1976, Section 298.22, Subdivision 1, is amended to read:

298.22 [IRON RANGE RESOURCES AND REHABILITATION.] Subdivision 1. (ON AND AFTER JULY 1, 1969, THERE IS HEREBY APPROPRIATED FROM THE GENERAL FUND FOR THE PURPOSES HEREINAFTER SET FORTH, FIVE PERCENT OF ALL AMOUNTS PAID AND

CREDITED TO SAID FUND FROM THE PROCEEDS OF TAXES PAID UNDER THE PROVISIONS OF SECTIONS 298.01 TO 298.21.) The office of commissioner of iron range resources and rehabilitation is hereby created. The commissioner shall be appointed by the governor, with the advice and consent of the senate for a four year term which shall coincide with the term of the governor until his successor is duly appointed and has qualified. The governor may remove the commissioner at any time for cause after notice and hearing. In case of a vacancy, the governor may appoint a commissioner, who shall take office immediately and shall carry on the duties of the office until the next session of the legislature, when his appointment shall be submitted to the senate for approval. The (SALARY OF THE) commissioner (, WHO) shall be in *the* unclassified service (, SHALL BE PAID FROM THE AMOUNTS APPROPRIATED BY THIS SECTION; PROVIDED, THAT SUCH SALARY SHALL BE REDUCED BY SUCH AMOUNT AS HE MAY RECEIVE FROM OTHER FUNDS) , and the commissioner may hold such other positions or appointments as are not incompatible with his duties as commissioner of iron range resources and rehabilitation. The commissioner may appoint a deputy commissioner who shall serve in the unclassified service at the pleasure of the commissioner. All expenses of the commissioner, including the payment of such assistance as may be necessary, shall be paid out of the amounts appropriated by (THIS) section 298.28.

When the commissioner shall determine that distress and unemployment exists or may exist in the future in any county by reason of the removal of natural resources or a possibly limited use thereof in the future and the decrease in employment resulting therefrom, now or hereafter, he may use such amounts of the appropriation made to him in this section as he may determine to be necessary and proper in the development of the remaining resources of said county and in the vocational training and rehabilitation of its residents. For the purposes of this section, "development of remaining resources" includes, but is not limited to, the promotion of tourism.

Sec. 6. Minnesota Statutes 1976, Section 298.24, Subdivision 1, is amended to read:

298.24 [TAX ON TACONITE AND IRON SULPHIDES.] Subdivision 1. (a) There is hereby imposed upon taconite and iron sulphides, and upon the mining and quarrying thereof, and upon the production of iron ore concentrate therefrom, and upon the concentrate so produced, a tax of (11.5 CENTS) \$1.25 per gross ton of merchantable iron ore concentrate (AS) produced therefrom (, PLUS ONE-TENTH OF ONE CENT). *The tax on concentrates produced in 1978 and subsequent years shall be equal to \$1.25 multiplied by the steel mill products index during the production year, divided by the steel mill products index in 1977. The index stated in code number 1013, or any subsequent*

equivalent, as published by the United States Department of Labor, Bureau of Labor Statistics Wholesale Prices and Price Indexes for the month of January of the year in which the concentrate is produced shall be the index used in calculating the tax imposed herein. In no event shall the tax be less than \$1.25 per gross ton of merchantable iron ore concentrate.

(b) An additional tax is hereby imposed equal to 1.6 percent of the total tax imposed by clause (a) per gross ton for each one percent that the iron content of such product exceeds (55) 62 percent, when dried at 212 degrees Fahrenheit.

(c) The tax imposed by this subdivision shall be computed on the production for the current year or the average of the production for the current year and the previous two years, whichever is higher. This clause shall not apply in the case of the closing of a taconite facility if the property taxes on the facility would be higher if this clause and section 298.25 were not applicable.

(d) If the tax or any part of the tax imposed by this subdivision is held to be unconstitutional, a tax of \$1.25 per gross ton of merchantable iron ore concentrate produced shall be imposed.

Sec. 7. Minnesota Statutes 1976, Section 298.24, Subdivision 2, is amended to read:

Subd. 2. (IF THE INDEX OF WHOLESALE PRICES FOR ALL COMMODITIES PREPARED FOR THE JOINT ECONOMIC COMMITTEE BY THE COUNCIL OF ECONOMIC ADVISERS AND DISTRIBUTED BY THE SUPERINTENDENT OF DOCUMENTS, GOVERNMENT PRINTING OFFICE, AS OF JANUARY OF ANY YEAR SHALL BE ABOVE 110, USING THE AVERAGE FOR THE YEARS 1957-1959 AS THE BASE OF 100, THE AMOUNT OF THE TAX PRESCRIBED BY SUBDIVISION 1 FOR SUCH YEAR SHALL BE INCREASED BY ONE-TENTH OF ONE CENT PER GROSS TON FOR EACH POINT INCREASE IN SAID INDEX ABOVE 110. FOR ALL PURPOSES OF THIS COMPUTATION, A FRACTIONAL POINT INCREASE SHALL BE DISREGARDED IF LESS THAN ONE-HALF POINT AND TREATED AS ONE FULL POINT, IF ONE-HALF POINT OR MORE.) *There is hereby imposed upon taconite and iron sulphides, and upon the mining and quarrying thereof, and upon the production of iron ore concentrate therefrom, and upon the tailings so produced an additional tax of 25 cents per ton of tailings produced.*

The tax imposed by this subdivision shall only apply to those tailings from a taconite facility which are not deposited on land in accordance with permits issued by the pollution control agency and the department of natural resources.

The proceeds of the tax imposed by this subdivision shall be deposited in the general fund of the state.

Sec. 8. Minnesota Statutes 1976, Section 298.244, Subdivision 2, is amended to read:

Subd. 2. (a) For the purposes of this subdivision, the following terms shall have the meanings given them.

(1) "Agency" means the state board of health.

(2) "Municipality" means any city or any other governmental subdivision having the power or duty to provide drinking water and using Lake Superior as the source of the drinking water.

(3) "Eligible cost" includes all costs incurred by a municipality including acquisition of necessary real and personal property, engineering, system cleaning, construction, alteration, improvements, inspection, supervision of construction and all other costs related to the construction and establishment of a permanent water filtration or purification system. Such costs shall be eligible even if incurred prior to June 7, 1975.

(4) "Municipal water purification system" includes all properties, real or personal, determined by a municipality and the state to be necessary for the elimination of polluting or potentially injurious substances from water used for municipal water supply purposes.

(b) There is hereby appropriated from the general fund to the state board of health the sum of \$2,500,000 and an additional \$1,750,000 for a grant program for the construction of water filtration and purification systems for those communities using Lake Superior as a drinking water source. The board of health shall establish a grant program to implement the provisions of this subdivision. This program shall include the disbursement of funds hereinafter described for the construction of the facilities, the creation of guidelines designed to assure that the funds will be disbursed in accord with the purposes of this subdivision, the continued surveillance of the effectiveness of constructed facilities in cooperation with other related state agencies, and other duties of administration necessary to accomplish the purpose of this subdivision. Grants shall be made in accordance with the guidelines created under authority of this subdivision and shall not exceed 33 percent of the eligible project cost.

(c) A Lake Superior water filtration and purification fund is created as a separate bookkeeping account in the general books of account of the state, to record receipts of the proceeds of moneys appropriated to the fund and disbursements of money appropriated from the fund to municipalities for the acquisition

and betterment of public land, buildings, and improvements of a capital nature needed for the construction of water filtration and purification systems, in accordance with the purpose of this subdivision. It is determined that state financial assistance for the construction of water filtration and purification facilities needed to fulfill the purposes of this subdivision is a public purpose and a proper function of state government.

(d) No recipient of financial assistance may receive more than 80 percent of the total amount of funds appropriated in this subdivision. Any recipient of financial assistance shall pursue its remedies under the permits granted to the discharges or subrogate to the state those remedies for purposes of obtaining reimbursement of the state funds expended for the purposes of this subdivision. The board of health shall at the time of any disbursement of funds under this subdivision enter into necessary agreements for reimbursement. Any amounts recovered pursuant to this subdivision shall be credited to and disbursed as provided in *section 298.28*, subdivision 1, clause ((1)) (4), part (a).

(e) Prior to July 1, (1977, \$2,500,000) 1978, \$1,750,000 of the proceeds of the tax collected under section (298.243) 298.24, subdivision 1, shall be paid to the general fund of the state treasury from those funds distributed (TO THE COUNTIES, EXCEPT FROM THE PORTION DISTRIBUTED TO ITASCA COUNTY,) pursuant to *section 298.28*, subdivision 1, clause ((1)) (8), part (c).

(f) This subdivision is effective on June 7, 1975. The \$2,500,000 in funds appropriated pursuant to this subdivision are available as of July 1, 1975. The additional \$1,750,000 appropriated pursuant to this subdivision shall be available as of July 1, 1977.

Sec. 9. Minnesota Statutes 1976, Section 298.25, is amended to read:

298.25 [TAXES ADDITIONAL TO OTHER TAXES.] The taxes imposed under (SECTIONS) *section 298.24* (AND 298.-241) shall be in addition to the occupation tax imposed upon the business of mining and producing iron ore and in addition to the royalty tax imposed upon royalties received for permission to mine and produce iron ore. Except as herein otherwise provided, such taxes shall be in lieu of all other taxes upon such taconite and iron sulphides, or the lands in which they are contained, or upon the mining or quarrying thereof, or the production of concentrate therefrom, or upon the concentrate produced, or upon the machinery, equipment, tools, supplies and buildings used in such mining, quarrying or production, or upon the lands occupied by, or used in connection with, such mining, quarrying or production facilities. If electric or steam power for the mining, transportation or concentration of such taconite or the concentrates produced therefrom is generated in plants principally devoted

to the generation of power for such purposes, the plants in which such power is generated and all machinery, equipment, tools, supplies, transmission and distribution lines used in the generation and distribution of such power, shall be considered to be machinery, equipment, tools, supplies and buildings used in the mining, quarrying or production of taconite and taconite concentrates within the meaning of this section. If part of the power generated in such a plant is used for purposes other than the mining or concentration of taconite or the transportation or loading of taconite or the concentrates thereof, a proportionate share of the value of such generating facilities, equal to the proportion that the power used for such other purpose bears to the generating capacity of the plant, shall be subject to the general property tax in the same manner as other property; provided, power generated in such a plant and exchanged for an equivalent amount of power which is used for the mining, transportation or concentration of such taconite or concentrates produced therefrom, shall be considered as used for such purposes within the meaning of this section. Nothing herein shall prevent the assessment and taxation of the surface of reserve land containing taconite and not occupied by such facilities or used in connection therewith at the value thereof without regard to the taconite or iron sulphides therein, nor the assessment and taxation of merchantable iron ore or other minerals, or iron-bearing materials other than taconite or iron sulphides in such lands in the manner provided by law, nor the assessment and taxation of facilities used in producing sulphur or sulphur products from iron sulphide concentrates, or in refining such sulphur products, under the general property tax laws. Nothing herein shall except from general taxation or from taxation as provided by other laws any property used for residential or townsite purposes, including utility services thereto.

Sec. 10. Minnesota Statutes 1976, Section 298.26, is amended to read:

298.26 [TAX ON UNMINED IRON ORE OR IRON SULPHIDES.] In any year in which at least 1,000 tons of iron ore concentrate is not produced from any 40-acre tract or governmental lot containing taconite or iron sulphides, a tax may be assessed upon the taconite or iron sulphides therein at the mill rate prevailing in the taxing district and spread against the assessed value of the taconite or iron sulphides, such assessed value to be determined in accordance with existing laws. The amount of the tax spread under authority of this section by reason of the taconite and iron sulphides in any tract of land shall not exceed (\$1) \$10 per acre.

Sec. 11. Minnesota Statutes 1976, Section 298.27, is amended to read:

298.27 [COLLECTION AND PAYMENT OF TAX.] The taxes provided by (SECTIONS) section 298.24(, 298.241, AND

298.243) shall be collected and paid in the same manner as provided by law for the payment of the occupation tax, except that the report required by section 298.05 shall be filed on or before February 15 together with a remittance equal to 90 percent of the estimated tax required to be paid hereunder on or before April 15. On or before February 25, the commissioner of revenue shall make distribution of such estimated payment in the manner provided by (SECTIONS) *section* 298.28 (AND 298.244). The commissioner of revenue shall determine the amount of tax due on or before March 15. The tax found to be due shall be paid on or before April 15 following the production year. Reports shall be made and hearings held upon the determination of the tax in accordance with procedures established by the commissioner of revenue. The commissioner of revenue shall have authority to make reasonable regulations as to the form and manner of filing reports necessary for the determination of the tax hereunder, and by such regulations may require the production of such information as may be reasonably necessary or convenient for the determination and apportionment of the tax. All the provisions of the occupation tax law with reference to the assessment, determination, and collection of the occupation tax, including all provisions for appeals from or review of the orders of the commissioner of revenue relative thereto, are hereby made applicable to the taxes imposed by (SECTIONS) *section* 298.24(, 298.241, AND 298.243,) except in so far as inconsistent herewith. If any person subject to (SECTIONS) *section* 298.24(, 298.241, AND 298.243) shall fail to make the report provided for in this section at the time and in the manner herein provided, the commissioner of revenue shall in such case, upon such information as he may possess or obtain, ascertain the kind and amount of ore mined or produced and thereon find and determine the amount of the tax due from such person. There shall be added to the amount of tax due a penalty for failure to report on or before February 15, which penalty shall equal ten percent of the tax imposed and be treated as a part thereof.

If any person required to make an estimated tax payment at the time and in the manner herein provided, and fails to do so, there shall be imposed a penalty equal to ten percent of the amount so due, which penalty shall be treated as part of the tax due.

In the case of any underpayment of the estimated tax payment required herein, there may be added and be treated as part of the tax due a penalty equal to ten percent of the amount so underpaid.

If any portion of the (TAX) *taxes* provided for in (SECTIONS) *section* 298.24(, 298.241, AND 298.243) is not paid before the fifteenth day of April of the year in which due and payable, a penalty of ten percent of such unpaid portion shall immediately accrue, and thereafter one percent per month shall be added to such tax and penalty while such tax remains unpaid.

Sec. 12. Minnesota Statutes 1976, Section 298.28, Subdivision 1, is amended to read:

298.28 [DIVISION OF PROCEEDS.] Subdivision 1. The proceeds of the (TAX) taxes collected under section 298.24, *except the tax collected under section 298.24, subdivision 2*, shall, upon certificate of the commissioner of revenue to the general fund of the state, be paid by the commissioner of revenue *as follows*:

(1) *2.5 cents per gross ton of merchantable iron ore concentrate, hereinafter referred to as "taxable ton", to the city or town (TO THE VARIOUS TAXING DISTRICTS) in which the lands from which taconite was mined or quarried were located (IN THE FOLLOWING MANNER AND PROPORTIONS: 11 1/2 PERCENT THEREOF TO THE CITY OR TOWN; 27 PERCENT THEREOF TO THE SCHOOL DISTRICT; 11 1/2 PERCENT THEREOF TO THE COUNTY; THREE PERCENT THEREOF TO THE STATE AND 47 PERCENT THEREOF, LESS ANY AMOUNT REQUIRED TO BE DISTRIBUTED UNDER SUBDIVISION 1A TO THE TACONITE PROPERTY TAX RELIEF ACCOUNT IN THE APPORTIONMENT FUND IN THE STATE TREASURY) or within which the concentrate was produced.* If the mining, quarrying, and concentration, or different steps in either thereof are carried on in more than one taxing district, the commissioner shall apportion equitably the proceeds of the part of the tax going to cities and towns among such subdivisions (AS PROVIDED ABOVE, AND THE PART GOING TO SCHOOL DISTRICTS AMONG SUCH DISTRICTS, AND THE PART GOING TO COUNTIES AMONG SUCH COUNTIES,) upon the basis of attributing 40 percent of the proceeds of the tax to the operation of mining or quarrying the taconite, and the remainder to the concentrating plant and to the processes of concentration, and with respect to each thereof giving due consideration to the relative extent of such operations performed in each such taxing district. His order making such apportionment shall be subject to review by the tax court of appeals at the instance of any of the interested taxing districts, in the same manner as other orders of the commissioner.

(2) *To the taconite municipal aid account in the apportionment fund of the state treasury, the following respective amounts: (i) in the year 1978, 12.5 cents per taxable ton; (ii) in the year 1980 and thereafter, 12.5 cents per taxable ton, to be distributed as provided in section 298.282.*

(3) *26 cents per taxable ton to school districts to be distributed as follows:*

(a) *6 cents per taxable ton to the school districts in which the lands from which taconite was mined or quarried were locat-*

ed or within which the concentrate was produced. The commissioner shall follow the apportionment formula prescribed in clause (1).

(b) Twenty cents per taxable ton, less any amount distributed under part (c), shall be distributed to a group of school districts comprised of those school districts wherein the taconite was mined or quarried or the concentrate produced or in which there is a qualifying municipality as defined by section 273.134 or in which is located property which is entitled to the reduction of tax pursuant to section 273.135. The 20 cents, less any amount distributed under part (c), shall be distributed in direct proportion to school district tax levies as follows: each district shall receive that portion of the total distribution which its permitted levy for the prior year, computed pursuant to section 275.125, comprises of the sum of permitted levies for the prior year for all qualifying districts, computed pursuant to section 275.125. That portion of the amount so distributed to a school district which is not deducted from state aids in section 124.212, subdivision 8a, shall be included in computing the permissible levies under section 275.125. For purposes of distributions pursuant to this part, permitted levies for the prior year computed pursuant to section 275.125 shall not include the amount of any increased levy authorized by referendum pursuant to section 275.125, subdivision 2a, clause (4).

(c) There shall be distributed to any school district the amount which the school district was entitled to receive under section 298.32 in 1975.

(4) 14.5 cents per taxable ton to counties to be distributed as follows:

(a) 12.5 cents per taxable ton shall be distributed to the county in which the taconite is mined or quarried or in which the concentrate is produced, less any amount which is to be distributed pursuant to part (b). The commissioner shall follow the apportionment formula prescribed in clause (1).

(b) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a county other than the county in which the mining and the concentrating processes are conducted, one cent per taxable ton of the tax distributed to the counties pursuant to part (a) and imposed on and collected from such taxpayer shall be distributed by the commissioner of revenue to the county in which the power plant is located.

(c) 2 cents per taxable ton shall be paid to the county from which the taconite was mined, quarried or concentrated to be deposited in the county road and bridge fund. If the mining, quarrying and concentrating, or separate steps in any of those processes are carried on in more than one county, the commis-

sioner shall follow the apportionment formula prescribed in clause (1).

(5) (a) 23 cents per taxable ton, less any amount required to be distributed under part (b), to the taconite property tax relief account in the apportionment fund in the state treasury, to be distributed as provided in sections 273.134 to 273.136. In the year 1980 and thereafter, 24 cents per taxable ton shall be paid to the taconite property tax relief account.

(b) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a county other than the county in which the mining and the concentrating processes are conducted, .75 cent per taxable ton of the tax imposed and collected from such taxpayer shall be distributed by the commissioner of revenue to the county and school district in which the power plant is located as follows: 25 percent to the county and 75 percent to the school district.

(6) 1 cent per taxable ton to the state.

(7) 3 cents per taxable ton shall be deposited in the state treasury to the credit of the iron range resources and rehabilitation board account in the special revenue fund for the purposes of section 298.22. Of this amount, one cent per taxable ton is to be used to provide environmental development grants to local governments located within any county in region 3 as defined in governor's executive order number 60 issued on June 12, 1970, which does not contain a municipality qualifying pursuant to section 273.134.

(8) The proceeds of the tax imposed by section 298.24 which remain after the distributions in clauses 1 to 7 and parts (a), (b), (c), (d), and (e) of this clause have been made, shall be divided equally between the taconite area environmental protection and economic development fund created in section 16 and the northeast Minnesota economic protection fund created in section 24 and the proceeds shall be placed in the respective special accounts in the general fund to the credit of the taconite area environmental protection and economic development fund and to the credit of the northeast Minnesota economic protection fund.

(a) In 1978 and each year thereafter, there shall be distributed to each city, town, school district, and county the amount that they received under section 294.26 in calendar year 1977.

(b) In 1978 and each year thereafter, there shall be distributed to the iron range resources and rehabilitation board the amounts it received in 1977 under section 298.22.

(c) In 1978, \$1,750,000 shall be paid to the state general fund under the provisions of Minnesota Statutes, Section 298.244, Subdivision 2, clause (e).

(d) In 1978 and each year thereafter, \$50,000 shall be distributed to the department of revenue for auditing and enforcing the production tax imposed by this article.

(e) In 1978 and 1979, \$150,000 shall be distributed to the department of revenue for the purpose of administering section 27. In 1980 and each year thereafter, \$100,000 shall be distributed to the department of revenue. (THE AMOUNT SO DISTRIBUTED SHALL BE DIVIDED AMONG THE VARIOUS FUNDS OF THE STATE, OR OF THE TAXING DISTRICTS IN THE SAME PROPORTION AS THE GENERAL AD VALOREM TAX THEREOF. IF IN ANY YEAR THE STATE SHALL NOT SPREAD ANY GENERAL AD VALOREM TAX LEVY AGAINST REAL PROPERTY, THE STATE'S PROPORTION OF THE TAX SHALL BE PAID INTO THE GENERAL FUND. THE AMOUNT DISTRIBUTED TO ANY CITY AND ONE-THIRD IN 1971 AND THAT PORTION NOT DEDUCTED FROM STATE AIDS IN SECTION 124.212, SUBDIVISION 8, THEREAFTER OF THE AMOUNT DISTRIBUTED TO ANY SCHOOL DISTRICT UNDER THE PROVISIONS HEREOF SHALL BE INCLUDED IN COMPUTING THE PERMISSIBLE LEVIES OF SUCH CITY OR SCHOOL DISTRICT UNDER SECTIONS 275.11 OR 275.125, PROVIDED, IN COMPUTING THE DEDUCTION FROM PERMISSIBLE LEVIES OF CITIES BY REASON HEREOF EFFECT SHALL BE GIVEN TO THE COST OF LIVING ADJUSTMENT ALLOWED BY SECTION 275.11, SUBDIVISION 2, REGARDLESS OF WHETHER OR NOT MORE THAN 25 PERCENT OF THE ASSESSED VALUATION CONSISTS OF IRON ORE.) On or before October 10 of each calendar year each producer of taconite or iron sulphides subject to taxation under section 298.24 (hereinafter called "taxpayer") shall file with the commissioner of revenue and with the county auditor of each county in which such taxpayer operates, and with the chief clerical officer of each school district (OR), city or town which is entitled to participate in the distribution of the tax, an estimate of the amount of tax which would be payable by such taxpayer under said law for such calendar year; provided such estimate shall be in an amount not less than the amount due on the mining and production of concentrates up to September 30 of said year plus the amount becoming due because of probable production between September 30 and December 31 of said year, less any credit allowable as hereinafter provided. Such estimate shall list the taxing districts entitled to participate in the distribution of such tax, and the amount of the estimated tax which would be distributable to each such district in (SUCH) the next ensuing calendar year on the basis of the last percentage distribution certified by the commis-

sioner of revenue. If there be no such prior certification, the taxpayer shall set forth its estimate of the proper distribution of such tax under the law, which estimate may be corrected by the commissioner if he deems it improper, notice of such correction being given by him to the taxpayer and the public officers receiving such estimate. The officers with whom such report is so filed shall use the amount so indicated as being distributable to each taxing district (EXCEPT IN THE CASE OF SCHOOL DISTRICTS ONE-THIRD IN 1971 AND THAT PORTION NOT DEDUCTED FROM STATE AIDS IN SECTION 124.212, SUBDIVISION 8, THEREAFTER OF THE INDICATED AMOUNT IS TO BE USED) in computing (, PURSUANT TO SECTIONS 275.11 OR 275.125,) the permissible tax levy of such *county*, city or school district in the year in which such estimate is made, and payable in the next ensuing calendar year. Such taxpayer shall then pay, at the times payments are required to be made pursuant to section 298.27, as the amount of tax payable under section 298.24, the greater of (a) the amount shown by such estimate, or (b) the amount due under said section as finally determined by the commissioner of revenue pursuant to law. If, as a result of the payment of the amount of such estimate, the taxpayer has paid in any calendar year an amount of tax in excess of the amount due in such year under section 298.24, after application of credits for any excess payments made in previous years, all as determined by the commissioner of revenue, the taxpayer shall be given credit for such excess amount against any taxes which, under said section, may become due from the taxpayer in subsequent years. In any calendar year in which a general property tax levy subject to sections (275.11) 275.50 to 275.59 or 275.125 has been made, if the taxes distributable to any such *county*, city or school district are greater than the amount estimated to be paid to any such *county*, city or school district in such year, the excess of such distribution shall be held in a special fund by the *county*, city or school district and shall not be expended until the succeeding calendar year, and shall be included in computing the permissible levies under sections (275.11) 275.50 to 275.59 or 275.125, of such *county*, city or school district payable in such year. If the amounts distributable to any such *county*, city or school district, after final determination by the commissioner of revenue under this section are less than the amounts indicated by such estimates, such *county*, city or school district may issue certificates of indebtedness in the amount of the shortage, and may include in its next tax levy, in excess of the limitations of sections (275.11) 275.50 to 275.59 or 275.125 an amount sufficient to pay such certificates of indebtedness and interest thereon, or, if no certificates were issued, an amount equal to such shortage.

There is hereby *annually* appropriated to such taxing districts as are stated herein (AND), to the taconite property tax relief account *and to the taconite municipal aid account* in the apportionment fund in the state treasury, *to the department of revenue, to the iron range resources and rehabilitation board, to the taconite area environmental protection and economic de-*

velopment fund, and to the northeast Minnesota economic protection fund, from any fund or account in the state treasury to which the money was credited, an amount sufficient to make the payment or transfer. The payment of the amount appropriated to such taxing districts shall be made by the commissioner of revenue on or before May 15 annually.

Sec. 13. Minnesota Statutes 1976, Section 298.282, Subdivision 1, is amended to read:

298.282 [DISTRIBUTION OF TACONITE MUNICIPAL AID ACCOUNT; TACONITE MUNICIPAL AID; PAYMENT.] Subdivision 1. The amount deposited to the credit of the taconite municipal aid account in the apportionment fund of the state treasury as provided in section (298.281, SUBDIVISION 4) 298.28, subdivision 1, clause (2) shall be distributed as provided by this section, among the municipalities comprising a tax relief area under section 273.134, as amended hereby, each being herein referred to as a qualifying municipality.

Sec. 14. Minnesota Statutes 1976, Section 298.282, Subdivision 2, is amended to read:

Subd. 2. Each year commencing in 1977, and (THE) following *the* final determination of the amount of taxes payable under section (298.241) 298.24, the commissioner of revenue shall determine the amount in the taconite municipal aid account as of July 1 of such year and the amount to be distributed to each qualifying municipality during such year. The amount to be distributed to each qualifying municipality shall be determined by dividing the total amount in said account, after a reduction equal to the amount of the distribution in subdivision 5, as of July 1 by the total population according to the latest federal census of all qualifying municipalities to determine the per capita distributive share for such year and by multiplying the per capita distributive share by the population of such municipality. *If the distribution under this section, sections 273.138, 298.26 and 298.28, and chapter 477A, to any municipality would exceed that municipality's permissible levy for the prior year, computed pursuant to sections 275.50 to 275.59, the amount in excess of the permissible levy for the prior year shall reduce the amount distributed to the municipality under this section and this excess amount shall be distributed to the other qualifying municipalities on a per capita basis.* Upon completion of such determination, the commissioner of revenue shall certify to the chief clerical officer of each qualifying municipality the amount which will be distributed to such municipality from the taconite municipal aid account that year.

Sec. 15. [CITATION.] *Sections 15 to 22 shall be known as the taconite area environmental protection and economic development fund act of 1977.*

Sec. 16. [TACONITE AREA ENVIRONMENTAL PROTECTION FUND.] *A fund called the taconite area environmental protection and economic development fund is created for the purpose of reclaiming, restoring and enhancing those areas of northeast Minnesota adversely affected by the environmental-damaging operations involved in mining taconite and iron ore and producing iron ore concentrate and for the purpose of promoting the economic development of northeast Minnesota.*

Sec. 17. Minnesota Statutes 1976, Section 298.22, Subdivision 2, is amended to read:

Subd. 2. There is hereby created the iron range resources and rehabilitation board, consisting of (SEVEN) *11* members, (THREE) *five* of whom shall be state senators appointed by the committee on committees of the senate, and (THREE) *five* of whom shall be representatives, appointed by the speaker of the house of representatives, their terms of office to commence on May 1, 1943, and continue until January 3rd, 1945, or until their successors are appointed and qualified. Their successors shall be appointed each two years in the same manner as the original members were appointed, in January of every second year, commencing in January, 1945. The (SEVENTH) *11th* member of said board shall be the commissioner of natural resources of the state of Minnesota. Vacancies on the board shall be filled in the same manner as the original members were chosen. All expenditures and projects made by the commissioner of iron range resources and rehabilitation shall first be submitted to said iron range resources and rehabilitation board which shall recommend approval or disapproval or modification of expenditures and projects for rehabilitation purposes as provided by this section, and the method, manner, and time of payment of all said funds proposed to be disbursed shall be first approved or disapproved by said board. The board shall biennially make its report to the governor and the legislature on or before November 15 of each even numbered year. The expenses of said board shall be paid by the state of Minnesota from the funds raised pursuant to this section.

Sec. 18. Minnesota Statutes 1976, Section 298.22, is amended by adding a subdivision to read:

Subd. 6. The amounts appropriated to the iron range resources and rehabilitation board from the taconite area environmental protection and economic development fund shall be used for the following purposes:

(a) *to initiate investigations into matters it determines are in need of study and which will determine the environmental problems requiring remedial action;*

(b) *reclamation, restoration or reforestation of minelands not otherwise provided for by state law;*

(c) local economic development projects including construction of industrial parks, sewer and water systems and other public works;

(d) monitoring of mineral industry related health problems.

The board shall prepare by September 1 of each year a list of projects which it proposes to undertake the following fiscal year with the funds estimated to be available in the taconite area environmental protection and economic development fund. This list of projects, with such supporting documentation as may be required, shall be submitted to the governor for review by October 1 and to the finance committee of the senate and the appropriations committee of the house of representatives by November 15. These committees shall prepare bills appropriating to the board funds from the taconite area environmental protection and economic development fund in the amount necessary for the proposed projects which the committees recommend. No funds shall be expended by the board from the taconite area environmental protection and economic development fund for projects until the necessary funds are appropriated by the legislature.

Sec. 19. [SOURCE OF FUNDS.] Funds for the purposes of sections 15 to 22 are provided by Minnesota Statutes, Section 298.28, Subdivision 1, Clause (8) relating to the taconite area environmental protection and economic development fund.

Sec. 20. [INVESTMENT OF FUNDS; INCOME.] The fund established by section 16 shall be invested pursuant to law and the net interest and dividends arising from the investment shall be included and become part of the fund.

Sec. 21. [APPROPRIATION.] After the effective date of sections 15 to 22, if a taconite producer ceases beneficiation operations, either temporarily or permanently, and if the recipients of the taconite production tax as provided in section 298.28, subdivision 1, clauses (1) to (7), would receive decreased distributions as a result thereof, then the distribution to these recipients in each of the two years immediately following the year in which operations ceased shall be equal to the amount they received in the last full year before operations ceased. There is hereby appropriated from the taconite area environmental protection and economic development fund the amount needed to make the above payments. If a taconite producer, which ceases beneficiation operations either temporarily or permanently, is required by a special law to make bond payments for a school district, the taconite area environmental protection and economic development fund shall assume the payments of the taconite producer if the producer ceases to make the needed payments. There is hereby appropriated from the taconite area environmental protection and economic development fund the amounts needed to make these school bond payments.

Sec. 22. [APPROPRIATION.] *There is hereby appropriated from the general fund to the taconite area environmental protection and economic development fund the amount needed to pay the payments authorized under section 21. The commissioner of finance shall transfer the funds only if the taconite area environmental protection and economic development fund does not have a sufficient balance to pay the payments. Any amount transferred to the taconite area environmental protection and economic development fund shall be repaid to the general fund without interest as soon as practicable.*

Sec. 23. [CITATION.] *Sections 23 to 26 shall be known as the "northeast Minnesota economic protection fund act of 1977."*

Sec. 24. [POLICY.] *The legislature is cognizant of the severe economic dislocations and widespread unemployment that result when a single industry on which an area is largely dependent, experiences a drastic reduction in activity. The Northeast Minnesota economic protection fund is created to be devoted to economic rehabilitation and diversification of industrial enterprises where these conditions ensue as the result of the decline of such a single industry.*

Sec. 25. *The funds provided by Minnesota Statutes, Section 298.28, Subdivision 1, Clause (8), relating to the northeast Minnesota economic protection fund shall not be expended prior to (a) a declaration by the governor to the effect that the economic situation of northeast Minnesota requires remedial action by the legislature as a result of a decline in mineral-related activities, and (b) an appropriation of the funds by the legislature. The governor shall recommend to the legislature those measures that he believes will be appropriate in order to accomplish the purpose of his declaration. The funds provided by this fund may be spent only in those areas that are tax relief areas as defined in Minnesota Statutes, Section 273.134. The funds provided by Minnesota Statutes, Section 298.28, Subdivision 1, Clause (8), for this fund shall not be expended for this purpose prior to January 1, 2002. If during any year the taconite property tax account under sections 273.134 to 273.136 does not contain sufficient funds to pay the property tax relief specified, there is appropriated from this fund to the relief account sufficient funds to pay the relief specified in sections 273.134 to 273.136.*

Sec. 26. *The fund established by section 24 shall be invested pursuant to law and the net interest and dividends arising from the investment shall be included and become part of the fund; provided that the governor may authorize the state treasurer to borrow an amount not exceeding 50 percent of the amount in the fund for a period terminating no later than December 31, 2001. The state treasurer, pursuant to the authorization, shall issue notes pledging the full faith and credit of the state for the*

purpose of repayment, and the notes shall bear interest at five percent per annum until paid.

Sec. 27. Minnesota Statutes 1976, Chapter 298, is amended by adding a section to read:

[298.48] [MINERAL RIGHTS; EXPLORATION DATA; FILING REQUIREMENTS.] *Subdivision 1. [ANNUAL FILING.] Every owner or lessee of mineral rights who, in respect thereto, has engaged in any exploration for or mining of taconite, semi-taconite, or iron-sulphide shall, within six months of the effective date of this section, file with the commissioner of revenue all data of the following kinds in the possession or under the control of the owner or lessee which was acquired prior to January 1, 1977:*

(a) Maps and other records indicating the location, character and extent of exploration for taconite, semi-taconite, or iron-sulphides;

(b) Logs, notes and other records indicating the nature of minerals encountered during the course of exploration;

(c) The results of any analyses of metallurgical tests or samples taken in connection with exploration;

(d) The ultimate pit layout and the supporting cross sections; and

(e) Any other data which the commissioner of revenue may determine to be relevant to the determination of the location, nature, extent, quality or quantity of unmined ores of said minerals. The commissioner of revenue shall have the power to compel submission of the data. The clerk of any court of record, upon demand of the commissioner, shall issue a subpoena for the production of any data before the commissioner. Disobedience of subpoenas issued under this section shall be punished by the district court of the district in which the subpoena is issued as for a contempt of the district court. By April 1 of each succeeding year every owner or lessee of mineral rights shall file with the commissioner of revenue all such data acquired during the preceding calendar year.

Subd. 2. [USE OF DATA.] Notwithstanding any other law to the contrary, the commissioner of revenue may use any data filed pursuant to subdivision 1 and any similar data otherwise obtained to the extent and in the manner he deems necessary to project the future availability, value, and utilization of the metallic mineral resources of this state. In making such projections the commissioner of revenue may consult with the commissioner of natural resources and may provide him with data as he deems appropriate.

Subd. 3. [PENALTIES.] Any owner or lessee of mineral rights who fails, neglects or refuses to make any filing required by this section is guilty of a gross misdemeanor.

Subd. 4. [CONFIDENTIAL NATURE OF INFORMATION.] The data filed pursuant to subdivision 1 shall be considered confidential for three years from the date it is filed with the commissioner. Nothing herein contained shall be construed to prohibit the commissioner from disclosing information or publishing statistics so classified as not to disclose the identity of particular data.

Notwithstanding the other provisions of this subdivision, the commissioner, at his discretion, may furnish any information supplied under this section to the commissioner of natural resources or the director of the state planning agency. Any person violating the provisions of this section shall be guilty of a gross misdemeanor.

Sec. 28. [REPEALER.] Minnesota Statutes 1976, Sections 294.27; 294.28; 298.244, Subdivision 1; 298.28, Subdivision 1a; and 298.281, are repealed.

Sec. 29. [REPEALER.] Minnesota Statutes 1976, Sections 298.241; and 298.243, are repealed.

Sec. 30. [EFFECTIVE DATE.] Sections 4, 6, 7, 9, and 29 are effective for iron ore concentrate and tailings produced in any year beginning after December 31, 1976. Sections 2, 5, 11, 12, 13, 14, and 28 are effective for distributions made in any year after December 31, 1977. Sections 1, 3, 8, and 15 to 27 are effective the day after final enactment. Section 10 is effective for property taxes levied in 1977 and thereafter, payable in 1978 and thereafter.

ARTICLE X

Section 1. Minnesota Statutes 1976, Chapter 298, is amended by adding a section to read:

[298.045] [DECLARATION OF ESTIMATED OCCUPATION TAX.] *Subdivision 1. [REQUIREMENTS OF DECLARATION.] Every person subject to the taxes imposed by section 298.01, subdivision 1, if that person produced more than 2,500,000 tons of ore in the previous calendar year, and section 298.01, subdivision 2, shall file with the commissioner of revenue a declaration of estimated tax for the calendar year based on the estimate of the mining and production of ores that will occur in that year. The declaration shall contain any pertinent information the commissioner of revenue may by rule or form prescribe.*

Subd. 2. [FILING REQUIREMENT FOR DECLARATION.] The declaration of estimated tax for that year shall be filed on March 15 of that year, except that the declaration for 1977 shall be filed in accordance with subdivision 3.

Subd. 3. [TIME FOR FILING DECLARATIONS FOR 1977.] The declaration of estimated tax required by this section for 1977 shall be filed on or before July 15, 1977. The amount of the estimated tax shall be paid in four equal installments on the following dates: July 15, September 15, and December 15, of 1977, and March 15, 1978.

Subd. 4. [EXTENSION OF TIME FOR FILING DECLARATIONS.] The commissioner may grant a reasonable extension of time for filing the declaration required by this section. No extension shall be for more than six months.

Subd. 5. [AMENDMENT.] An amendment of a declaration may be filed in any interval between installment dates prescribed for the year, but only one amendment may be filed in an interval.

Sec. 2. Minnesota Statutes 1976, Chapter 298, is amended by adding a section to read:

[298.046] [INSTALLMENT PAYMENTS OF ESTIMATED OCCUPATION TAX.] *Subdivision 1. [AMOUNT AND TIME FOR PAYMENT OF EACH INSTALLMENT.] The amount of estimated tax with respect to which a declaration is required shall be paid in four equal installments on the 15th day of March, June, September, and December of the calendar year for which the declaration is required.*

Subd. 2. [AMENDMENT OF DECLARATION.] If an amendment of a declaration is filed, the amount of any remaining installments shall be the amount which would have been payable if the new estimate had been made when the first estimate for the calendar year was made, increased or decreased by any amount computed by dividing:

(a) the difference between (i) the amount of estimated tax required to be paid before the date on which the amendment is made, and (ii) the amount of estimated tax which would have been required to be paid before that date if the new estimate had been made when the first estimate was made, by

(b) the number of installments remaining to be paid on or after the date on which the amendment is made.

Subd. 3. [INSTALLMENTS PAID IN ADVANCE.] At the election of the taxpayer, an installment of the estimated tax may be paid before the date prescribed for its payment.

Sec. 3. Minnesota Statutes 1976, Chapter 298, is amended by adding a section to read:

[298.047] [FAILURE TO PAY ESTIMATED OCCUPATION TAX.] *Subdivision 1. [ADDITION TO THE TAX.] In the case of an underpayment of estimated tax by a taxpayer, except as provided in subdivision 4, there shall be added to the estimated tax for the calendar year a penalty of ten percent and interest at the rate specified in section 270.75 upon the amount of the underpayment determined under subdivision 2 for the period of the underpayment determined under subdivision 3.*

Subd. 2. [AMOUNT OF UNDERPAYMENT.] For purposes of subdivision 1, the amount of the underpayment shall be the excess of:

- (a) the amount of the installment that was due, over*
- (b) the amount, if any, of the installment paid on or before the last date prescribed for payment.*

Subd. 3. [PERIOD OF UNDERPAYMENT.] The period of the underpayment shall run from the date the installment was required to be paid to whichever of the following dates is the earlier:

- (a) March 1 of the following calendar year; or*
- (b) with respect to any portion of the underpayment, the date on which the portion is paid. For purposes of this paragraph, a payment of estimated tax on an installment date shall be considered a payment of a previous underpayment only to the extent the payment exceeds the amount of the installment for that installment date.*

Subd. 4. [EXCEPTION.] Notwithstanding the provisions of subdivisions 1 to 3, penalty and interest with respect to an underpayment of an installment shall not be imposed if the total amount of all payments of estimated tax made on or before the last date prescribed for the payment of the installment equals or exceeds the amount which would have been required to be paid on or before that date if the estimated tax were the lesser of:

- (a) the tax as finally determined by the commissioner for the preceding calendar year if a tax liability existed for the preceding calendar year; or*
- (b) an amount equal to the tax computed at the rates applicable to the calendar year but otherwise on the basis of the facts shown on the report of the taxpayer for, and the law applicable to, the preceding calendar year.*

Subd. 5. [FAILURE TO FILE AN ESTIMATE.] In the case of a taxpayer who fails to file a declaration of estimated tax for a calendar year when one is required, the period of the underpayment shall run from the four installment dates as set forth in section 2, subdivision 1, to whichever of the periods set forth in subdivision 3, clauses (a) and (b), is the earlier.

Sec. 4. Minnesota Statutes 1976, Chapter 298, is amended by adding a section to read:

[298.048] [OVERPAYMENT OF ESTIMATED TAX.] *Where the amount of an installment payment of estimated tax exceeds the amount determined to be the correct amount of the installment payment, the overpayment shall be credited against any unpaid installments. Where the total amount of the estimated tax payments and other payments, if any, exceeds by \$1 or more the taxes and any added penalties and interest as finally determined by the commissioner, the commissioner shall make and file an order determining the amount of the overpayment and credit it against occupation taxes otherwise payable by the person who has overpaid the amount so determined.*

Sec. 5. [EFFECTIVE DATE.] *This article is effective for any ores mined or produced in any year beginning after December 31, 1976."*

Further, delete the title in its entirety and insert:

"A bill for an act relating to taxation; providing changes in classification ratios and assessment procedures; increasing local government aids and certain tax credits; altering levy limits; imposing a minimum tax on certain types of income; establishing tax study committee; increasing the tax on taconite production and providing for the distribution of its proceeds; establishing a taconite area environmental protection and economic development fund; establishing a Northeast Minnesota economic protection fund; imposing a tailings tax; increasing the tax on unmined taconite; requiring owners and lessees of mineral rights to file exploration data with the commissioner of revenue; providing penalties; appropriating money; amending Minnesota Statutes 1976, Sections 124.212, Subdivisions 10 and 11; 273.11, Subdivisions 1 and 2; 273.12; 273.13, Subdivisions 6, 7 and 14a; 273.132; 273.134; 274.01, Subdivision 1; 275.50, Subdivision 5; 275.51, by adding a subdivision; 275.52, Subdivisions 2, 3 and 4; 275.53, Subdivisions 1 and 3; 278.01; 278.05; 287.241, Subdivision 2; 290.012, Subdivision 2; 290.09, Subdivision 4; 290A.03, Subdivisions 3, 11 and 13; 290A.04, Subdivision 2, and by adding a subdivision; 294.26; 298.03; 298.22, Subdivisions 1 and 2, and by adding a subdivision; 298.24, Subdivisions 1 and 2; 298.244, Subdivision 2; 298.25; 298.26; 298.27; 298.28, Subdivi-

sion 1; 298.282, Subdivisions 1 and 2; 375.192, by adding a subdivision; 477A.01, Subdivisions 1, 2, 4, 4a, 4b, and by adding a subdivision; 477A.03; and Chapters 3, 272, 287, 290, 298 and 477A, by adding sections; repealing Minnesota Statutes 1976, Sections 275.51, Subdivisions 3b and 3c; 287.241, Subdivisions 3 and 4; 290.09, Subdivision 26; 294.27; 294.28; 298.241; 298.243; 298.244, Subdivision 1; 298.28, Subdivision 1a; 298.281; Extra Session Laws 1971, Chapter 31, Article XIII; Laws 1973, Chapter 601; Laws 1975, Chapter 437, Article VII; and Laws 1976, Chapter 149, Section 58.”.

With the recommendation that when so amended the bill pass.

The report was adopted.

Johnson from the Committee on Education to which was referred:

H. F. No. 757, A bill for an act relating to health; establishing a health program for pre-school children; providing for reimbursement to school districts; appropriating money.

Reported the same back with the following amendments:

Page 1, line 19, after “kindergarten” insert “; provided, this section of this act shall not be construed to require school boards to screen children who enter kindergarten during fiscal year 1978”.

Page 3, line 11, delete “success” and insert “results”.

Page 3, line 19, after “appropriate” insert “health”.

Page 3, line 20, delete “appropriate health”.

Page 3, line 21, delete “education programs for the district” and insert “their families”.

Page 3, delete line 32.

Page 4, delete lines 1 to 21 and insert:

“Sec. 6. [APPROPRIATION.] Subdivision 1. The sums set forth in this section are appropriated from the general fund to the agencies and for the purposes indicated, to be available for the fiscal year ending June 30 in the years indicated. Any unencumbered balance remaining in fiscal year 1978 shall not cancel but is available for fiscal year 1979.

1978 1979

Subd. 2. Department of Education

(a) For consultation with school districts and evaluation of screening programs established pursuant to section 3, subdivision 1

	\$ 50,000	\$ 50,000
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The approved complement of the department of education is increased by 2.5 persons.

(b) For payments to school districts pursuant to section 5

	650,000	1,200,000
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Subd. 3. Department of Health

For training staff to provide screening services, providing technical assistance to screening programs, and monitoring and evaluation of screening programs, all pursuant to this act.

The approved complement of the department of health is increased by 3 persons."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Sieben, H., from the Committee on Governmental Operations to which was referred:

H. F. No. 1236, A bill for an act relating to water; requiring that new domestic wells be registered with the local soil and water conservation district; requiring that the commissioner of natural resources be notified of the appropriation of water for domestic use; requiring pumping tests and monitoring on large wells, and providing for exceptions; changing criteria for issuance of groundwater appropriation permits; creating a water planning board in the executive branch; appropriating money; amending Minnesota Statutes 1976, Sections 105.41, Subdivisions 1 and 1a; 105.44, Subdivision 8, and by adding subdivisions; and 105.45.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Sieben, H., from the Committee on Governmental Operations to which was referred:

H. F. No. 1457, A bill for an act relating to state lands; authorizing the conveyance of certain lands in Aitkin county.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Sieben, H., from the Committee on Governmental Operations to which was referred:

S. F. No. 13, A bill for an act relating to jurisdiction over federal lands; permitting acceptance by the state of retrocession of jurisdiction over federal lands by federal agencies; amending Minnesota Statutes 1976, Section 1.043; and Chapter 1, by adding a section.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Sieben, H., from the Committee on Governmental Operations to which was referred:

S. F. No. 499, A bill for an act relating to the operation of state government; providing for a study on improving public access to state services and facilities; requiring a report.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Sieben, H., from the Committee on Governmental Operations to which was referred:

S. F. No. 721, A bill for an act relating to veterinarians; license filing fee; amending Minnesota Statutes 1976, Section 156.09.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Sieben, H., from the Committee on Governmental Operations to which was referred:

S. F. No. 964, A bill for an act relating to labor relations; providing for the exclusion of certain positions and classes of positions in the classified and unclassified civil service of the executive branch from bargaining units; amending Minnesota Statutes 1976, Section 179.74, Subdivision 4.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1475 and 1457 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 13, 499, 721 and 964 were read for the second time.

GENERAL ORDERS

Pursuant to rules of the House, the House resolved itself into the Committee of the Whole, with Sabo in the Chair, for the consideration of bills pending on General Orders of the Day. After some time spent therein the Committee arose.

REPORT OF COMMITTEE OF THE WHOLE

The Speaker resumed the Chair, whereupon the following proceedings of the Committee as kept by the Chief Clerk were reported to the House:

S. F. Nos. 616, 963 and 833 which it recommended to pass.

H. F. No. 790 which it recommended progress.

S. F. No. 895 which it recommended progress.

H. F. No. 749 which it recommended be returned to its author.

On the motion of Anderson, I., the report of the Committee of the Whole was adopted.

MOTIONS AND RESOLUTIONS

Hanson moved that the name of Kahn be added as an author on H. F. No. 1215. The motion prevailed.

Skoglund introduced:

House Resolution No. 14, A house resolution congratulating Marjorie Parker and the Morris Park Elementary School on their national recognition for the school's bicentennial newspaper.

The resolution was referred to the Committee on Rules and Legislative Administration.

Skoglund introduced:

House Resolution No. 15, A house resolution congratulating Marjorie Deef and the Morris Park Elementary School on their national recognition for the school's bicentennial newspaper.

The resolution was referred to the Committee on Rules and Legislative Administration.

ADJOURNMENT

Anderson, I., moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Thursday, May 5, 1977.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

