

## STATE OF MINNESOTA

## SEVENTIETH SESSION - 1978

## SEVENTY-EIGHTH DAY

SAINT PAUL, MINNESOTA, FRIDAY, FEBRUARY 24, 1978

The House of Representatives convened at 10:00 a.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:

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

A quorum was present.

Adams; Birnstihl; Brinkman; Cummiskey; Dean; Kelly, W.; Lemke; Neisen; Stoa and Vanasek were excused. Heinitz was excused until 12:07 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. 1936, 2312, 2013, 2020, 2023, 2160, 2221, 2283, 1834, 2372, 1873, 2049, 2243, 2112, 2348, 649, 1256, 1773, 1826, 2066, 1839, 2102, 2175, 2192, 2242, 842, 1861, 1931, 1977, 2081 and 2111 and S. F. Nos. 438, 1073, 1685, 1765, 265 and 1758 have been placed in the members' files.

S. F. No. 1685 and H. F. No. 1824, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

## SUSPENSION OF RULES

Carlson, L., moved that the rules be so far suspended that S. F. No. 1685 be substituted for H. F. No. 1824 and that the House File be indefinitely postponed. The motion prevailed.

## PETITIONS AND COMMUNICATIONS

The following communication was received:

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR  
ST. PAUL 55155

February 23, 1978

The Honorable Martin Sabo  
Speaker of the House  
State of Minnesota

Dear Speaker Sabo:

I have the honor to inform you that I have received, approved, signed, and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 145, an act relating to highways; requiring a hearing by a county board prior to the adoption of a resolution revoking a county highway that would revert to a town; amending Minnesota Statutes 1976, Section 163.11, by adding a subdivision.

H. F. No. 1761, an act relating to the state; authorizing the sale of certain state lands to, and the development of that land for industrial purposes or purposes which the city deems compatible with adjacent land by, the city of Owatonna; amending Laws 1965, Chapter 216, Section 2, as amended.

H. F. No. 1792, an act relating to the Lincoln-Pipestone and Rock county rural water systems; providing for the assessment of costs.

Sincerely,

RUDY PERPICH  
Governor

## REPORTS OF STANDING COMMITTEES

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

H. F. No. 1131, A bill for an act relating to public utilities; providing for representation of consumer interests in public utility matters; permitting qualifying private, nonprofit corporations to participate in regulatory agency hearings and to solicit contributions from utility customers; requiring public service commission certification of qualifying corporations; requiring a report.

Reported the same back with the following amendments:

Strike everything after the enacting clause and insert:

"Section 1. [216C.01] [LEGISLATIVE INTENT.] The purpose of sections 1 to 8 is to encourage the representation of residential consumer interests in matters relating to public utilities before state regulatory agencies, the legislature and other public bodies. The legislature finds that the ability of residential utility consumers to advocate their views before regulatory agencies has heretofore been limited because of the lack of organization and funding. To remedy this deficiency the legislature intends to enable a private nonprofit corporation to have the ability to appear before regulatory agencies representing the interests of residential utility consumers and to seek financial support for their efforts through the billing mechanisms available to public utilities.

Sec. 2. [216C.02] [DEFINITIONS.] Subdivision 1. For the purposes of sections 1 to 8, the following terms have the meanings given them:

Subd. 2. "Member" means a person who has voluntarily joined and contributes to the residential utility consumer service corporation.

Subd. 3. "Public utility" means a publicly or privately owned entity engaged in supplying utility services to residential utility consumers in this state or to another public utility for ultimate

distribution to residential utility consumers in this state and whose rates or charges are subject to approval by a regulatory agency or any agency of the federal government or by a political subdivision of this state. No municipal utility or electrical cooperative or telephone cooperative shall be considered a "public utility" for the purposes of this clause.

Subd. 4. "The corporation" means the residential utility consumer services corporation established under this act.

Subd. 5. "Regulatory agency" means any state agency or political subdivision of the state having the authority to approve or affect (1) the character, amount, location, rates or charges of utility services distributed in this state, (2) the character, size or location of facilities used in the production or distribution of utility services in the state, and (3) general policies which will substantially affect the distribution of utility services.

Subd. 6. "Residential utility consumer" or "consumer" means a person who uses utility services at his residence in this state and who is billed by or pays a public utility for these services.

Subd. 7. "Utility services" means electricity, water, natural gas, and telephone services distributed to residential utility consumers by a public utility.

Sec. 3. [216C.03] [PARTICIPATION BY QUALIFYING CORPORATION.] Subdivision 1. The corporation may intervene as of right or participate as an interested party in any matter pending before a regulatory agency which affects the distribution by a public utility of utility services to a residential utility consumer. The right of the corporation to participate or intervene shall in no way affect the obligation of a regulatory agency to protect the public interest.

Subd. 2. A regulatory agency shall give reasonable notice to the corporation of any matter scheduled to come before the agency affecting the distribution of utility services to consumers. Rules of the agency governing procedures before the agency shall apply to the corporation and its employees or representatives. The corporation shall have the same rights and privileges accorded other intervenors or participants in matters pending before the agency.

Subd. 3. The corporation and any of its board members and employees shall promptly forward a complaint received by them from a member or consumer regarding utility services to the proper regulatory agency. Within 60 days after the agency's receipt of a forwarded complaint, the agency shall inform the corporation of its disposition of the complaint.

Sec. 4. [216C.04] [JUDICIAL REVIEW; ENFORCEMENT.] The corporation shall be deemed to have an interest

sufficient to maintain, intervene as of right in, or otherwise participate in any civil action in the trial courts or supreme court of this state for the review or enforcement of any regulatory agency action which affects the distribution of utility services to residential utility consumers in this state.

**Sec. 5. [216C.05] [STRUCTURE AND DUTIES OF THE RESIDENTIAL UTILITY CONSUMER SERVICES CORPORATION.]** Subdivision 1. The corporation shall have all the rights, powers and duties on behalf of its members as are provided under sections 1 to 8.

**Subd. 2.** The corporation shall be organized and shall operate as a Minnesota nonprofit corporation under chapter 317. All of the rights and privileges under chapter 317 shall be available to the corporation, and it shall be subject to the restrictions and duties of a chapter 317 corporation except as otherwise provided in sections 1 to 8.

**Subd. 3.** The corporation shall have a board of directors consisting of 15 voting members, seven to be appointed by the governor and eight to be elected by consumers, one from each congressional district. In making appointments, the governor shall give consideration to individuals having a special interest in the provision of utility services to residential consumers, and so far as practicable, shall include persons representing diverse socioeconomic backgrounds.

The term of office of each member of the board shall be three years except that three of the members first appointed and four of the members first elected shall serve for a term of two years. Members of the board shall serve until their successors are appointed or elected and qualify.

**Subd. 4.** The members of the board first appointed by the governor shall have the power to carry out organizational and other related startup activities necessary to enable the corporation to accomplish the purposes for which it was established including the authority to implement and supervise the first election of board members.

**Subd. 5.** The provisions of the corporation's articles relating to the board of directors shall (1) provide a method to select candidates from the corporation's membership for the eight elected positions on the board of directors; (2) provide a procedure for election of the eight board members by the corporation membership; (3) insure representation by elected board members from all eight congressional districts; (4) prohibit conflicts of interest by board members and (5) restrict the ability of board candidates or their supporters or opponents to solicit or expend money or services in connection with campaigns for board elections.

Subd. 6. The name of the corporation shall end with the abbreviation "Inc." and shall clearly indicate that its activity is the representation of the interests of residential utility consumers.

Subd. 7. In addition to any other provisions of the articles and bylaws of the corporation, the articles or bylaws shall specify:

(a) That all residential utility consumers who contribute at least a specified minimum amount of money or services to the corporation shall be voting members of the corporation;

(b) That the duty of the corporation shall be to represent and further the interests of its members through (1) participation in matters before regulatory agencies involving utility services, (2) support and assistance to research activities relating to utility services, (3) efforts at informing consumers, public utilities and regulatory agencies of matters in the interest of members, and (4) related activities not inconsistent with sections 1 to 8 which are approved by the corporation's board of directors or membership as appropriate;

(c) That none of the activities of the corporation, and its board and employees shall result in a conflict with the interests of the corporation's membership; and

(d) That the corporation or its employees shall not sponsor, support or oppose any political party or the candidacy of any person for political office.

Sec. 6. [216C.06] [SOLICITATION OF MEMBERS.]  
Subdivision 1. The corporation shall be permitted to utilize a utility's billing system to inform consumers of the organization, purpose and funding of the corporation upon petitioning the Minnesota public service commission of its intent to include an insert in the utility's periodic billing statement. Upon receipt of the petition, the commission shall order those public utilities named by the petitioning corporation to include with a periodic billing statement to their residential utility consumers a statement concerning the organization, purpose and funding of the corporation and a response card. The form of the statement and card shall be approved by the commission and shall be designed to permit consumers to indicate their intention to become members of the corporation. After approval of form by the commission, the corporation shall provide the public utilities with enough statements and cards for mailing with their next periodic customer billing. Consumers who desire to become members of the corporation shall so indicate on the response card and return it directly to the corporation.

Subd. 2. A public utility receiving signed response cards from consumers shall forward the cards to the corporation within 60 days after their receipt. The public utility shall not in any way threaten, penalize or otherwise discourage consumers from returning the response cards nor shall the utility use the names of those persons returning the cards for a purpose or in a manner not consistent with sections 1 to 8.

Subd. 3. Any reasonable mailing or processing costs incurred by a public utility as a result of the statement and response card shall be charged to the corporation and shall be due and payable within 180 days after the date of mailing the statement and card by the public utility. The public service commission may order a petitioning corporation to provide a surety bond in the amount of the commission's estimate of the mailing and processing costs to be incurred by public utilities as a result of this section.

Sec. 7. [216C.07] [FUNDING OF CORPORATION.]  
Subdivision 1. The corporation may solicit and accept gifts, grants and bequests consistent with its articles of incorporation. The corporation may sell the products of its research activities provided that the income from these sales is used exclusively for its corporate purpose.

Subd. 2. The corporation shall charge its members a reasonable per capita fee in a manner and amount to be prescribed in its bylaws. The fee may be assessed in periodic billings by the corporation or the corporation shall be permitted to include billings together with membership solicitations in periodic customer billings of public utilities.

Subd. 3. If the corporation elects to assess its fees in conjunction with public utility billings, it shall supply each public utility with adequate billing materials at least 30 days before the utility's billing mail date. The form of the corporation billing materials shall be negotiated with the public utility. Moneys collected by a utility on behalf of the corporation shall be deposited in a special account and shall be paid to the corporation, with daily interest computed at a negotiated rate, within 30 days after receipt. Procedures pertaining to the collection and distribution of moneys under this section shall be negotiated by the corporation and the public utilities and shall, to the extent possible, be uniform among all affected public utilities.

Subd. 4. A public utility shall not in any way threaten, penalize or otherwise discourage consumers from paying fees to the corporation nor shall a utility use the names of those persons paying the fees for a purpose or in a manner not consistent with sections 1 to 8.

Subd. 5. Any reasonable mailing or processing costs incurred by a public utility as a result of fee solicitation shall be charged

to the corporation and shall be due and payable within 30 days of a billing therefor.

Subd. 6. Any dispute between the corporation and a public utility over provisions in this section which cannot be resolved by negotiations shall be submitted for resolution to the public service commission pursuant to notice and hearing.

Sec. 8. [216C.08] [REPORT.] The corporation shall on or before November 15 of each year prepare a report showing its income sources and disbursements and summarizing its activities for the preceding fiscal year. The report shall identify the directors, employees and agents of the corporation. A copy of the report shall be made available for every member in a manner as provided in the bylaws. Copies of the report shall be delivered to the legislature pursuant to section 3.195 and to the governor, the public service commission and any other regulatory agencies before which the corporation appeared.

Sec. 9. [EFFECTIVE DATE.] This act is effective July 1, 1978 and shall expire June 30, 1983.”

Further delete the title and insert:

“A bill for an act relating to public utilities; providing for representation of consumer interests in public utility matters; permitting a private, nonprofit corporation to participate in regulatory agency hearings and to solicit contributions from utility customers; requiring a report.”

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:

H. F. No. 1732, A resolution urging the President and Congress to take action to insure environmental safeguards in connection with an electrical generating facility at Atikokan, Ontario, Canada.

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

The report was adopted.

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

H. F. No. 1981, A bill for an act relating to natural resources; informal sales of state timber; removing the requirement of a



certain affidavit; amending Minnesota Statutes 1976, Section 90.191, Subdivision 1.

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

The report was adopted.

Brinkman from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 499, A bill for an act relating to insurance; permitting employees to opt for lower benefits provided by certain group insurance contracts; amending Minnesota Statutes 1976, Section 471.616, Subdivision 1.

Reported the same back with the following amendments:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes, 1977 Supplement, Section 471.616, Subdivision 1, is amended to read:

471.616 [GROUP INSURANCE; GOVERNMENTAL UNITS.] Subdivision 1. [BIDDING REQUIRED.] No governmental subdivision, political subdivision, or any other body corporate and politic authorized by law to purchase group insurance for its employees and providing or intending to provide such group insurance protections and benefits for 25 or more of its employees shall enter into a contract for or renew any such group insurance policy or contract without calling for bids and awarding the contract to the lowest responsible bidder by way of competitive bidding procedures similar to those for the provision of services and supplies under Minnesota Statutes 1971, Section 16.07, Subdivisions 1, 2, 4 and 5. Lowest responsible bidder means the insurer or service plan corporation submitting the lowest premium rate or the lowest charge for expenses and risk taking in accordance with the specifications for the coverage and administrative services from among such insurers or service plan corporations authorized to do business in this state which are deemed by the governmental unit to be financially able to carry the risk proposed and are capable of satisfactorily performing the administration of the policy or contract. The cost of changing insurers may also be considered in determining the lowest premium rate or the lowest charge for expenses and risk taking. The aggregate value of benefits provided by a contract entered into after July 1, 1973 shall not be less than those provided by the preexisting contract (a) unless a majority of the employees covered under the group insurance plan and voting on the question agree to a reduction in the benefits, if the employees are not represented by an exclusive representative pursuant to section 179.67, or (b) unless the public employer and the exclusive rep-

*representative of the employees of an appropriate bargaining unit, certified pursuant to section 179.67, agree to a reduction in the benefits. The aggregate value of benefits of any former employee who has retired shall not, in any event, be reduced pursuant to clause (a) or (b), unless he has individually agreed to the reduction.*

No such contract need be submitted to bid more frequently than once every 48 months, unless for any reason whatsoever, a 50 percent or greater change in the premium under the policy contract is provided, required or indicated.

When an insurer proposes an increase in rates, it shall accompany its proposal with an aggregate claims record for the appropriate period that explains the proposed increase. When a contract is resubmitted for bids the aggregate claims record shall accompany the specifications for the contract.”.

Further, amend the title as follows:

Page 1, line 4, after “Statutes” insert a comma.

Page 1, line 5, delete “1976” and insert “1977 Supplement”.

With the recommendation that when so amended the bill pass.

The report was adopted.

Rice from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 2006, A bill for an act relating to armories; authorizing disposition of unused armories to counties in addition to municipalities; amending Minnesota Statutes 1976, Section 193.36, Subdivision 2.

Reported the same back with the following amendments:

*Page 2, line 4, after the period insert “In the event that both the municipality and the county desire to purchase the armory, the municipality shall be given the right to purchase the armory.”.*

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

The report was adopted.

Rice from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 2007, A bill for an act relating to the national guard; amending the state military code; providing penalties; amending Minnesota Statutes 1976, Sections 192.06; 192.11; 192.12; 192.-261, Subdivision 5; 192.32; 192.33; 192.34; and Chapter 192, by adding a section; repealing Minnesota Statutes 1976, Sections 190.28; 192.09; and 192.10.

Reported the same back with the following amendments:

Page 1, line 19, strike the first "such" and insert "the".

Page 1, line 19, strike the second "such" and insert "the".

Page 1, line 21, strike "such" and insert "emergency".

Page 2, line 8, delete "such" and insert "the".

Page 2, line 20, strike "insofar as may be" and insert "that are".

Page 3, line 1, strike "; provided, that" and insert a period.

Page 3, line 3, strike "such" and insert "an officer".

Page 3, line 7, strike "such".

Page 3, line 17, strike "Minnesota Statutes 1961,".

Page 3, line 18, strike ", and acts amendatory thereof, except that" and insert a period.

Page 3, line 20, strike "such" and insert "the".

Page 3, line 22, strike "such".

Page 3, line 27, strike "such".

Page 3, line 29, strike "such" and insert "the".

Page 3, line 30, strike "such" and insert "the same".

Page 3, line 32, strike "such" and insert "those".

Page 4, line 7, strike "such" and insert "the".

Page 4, line 13, after "work" and before "at" insert "(1)".

Page 4, line 16, strike "or" and insert "(2)".

Page 4, line 18, after "or" insert "(3)".

Page 4, line 26, strike "such other" and insert "another" and after "position" insert a comma.

Page 4, line 27, strike "as" and insert "and which".

Page 5, line 12, strike "such" and insert "the".

Page 6, line 7, delete "Minnesota Statutes,".

Page 6, line 26, delete "in an amount not to exceed \$100".

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

The report was adopted.

Rice from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 2008, A bill for an act relating to the national guard; increasing the pay for enlisted persons on active duty; amending Minnesota Statutes 1976, Section 192.51.

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

The report was adopted.

Rice from the Committee on General Legislation and Veterans Affairs to which was referred:

S. F. No. 356, A bill for an act relating to veterans; authorizing a memorial plaque; providing a property tax credit for veterans awarded the congressional medal of honor; amending Minnesota Statutes 1976, Section 273.13, Subdivision 15a, and by adding a subdivision; and Chapter 196, by adding a section.

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

The report was adopted.

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

H. F. No. 1898, A bill for an act relating to public employment; the state civil service; providing for qualifying examination and certification procedures for filling routine service positions; providing on-the-job trial work experiences and noncompetitive appointment procedures for certain severely handi-

capped persons; amending Minnesota Statutes 1976, Section 43.20, by adding subdivisions.

Reported the same back with the following amendments:

Page 1, delete all of Section 1.

Re-number the remaining section.

Page 2, line 1, delete "8" and insert "7".

Further amend the title:

Line 3, delete "providing for qualifying examination and".

Delete all of line 4.

Line 5, delete "service positions;".

Line 9, delete "subdivisions" and insert "a subdivision".

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. 2014, A bill for an act relating to state parks; authorizing the lease of a portion of Fort Snelling state park; waiving park admission fees and authorizing a liquor license on the leased property.

Reported the same back with the following amendments:

Page 1, line 10, after "preservation" insert ", historical".

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. 2225, A bill for an act relating to prepaid legal service plans; authorizing creation of nonprofit, legal service plan corporations; providing for their formation and regulation; prescribing penalties.

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:

H. F. No. 2233, A bill for an act relating to state government; directing the commissioner of administration to grant contract preference to American made products; amending Minnesota Statutes 1976, Section 16.07, by adding a subdivision.

Reported the same back with the following amendments:

Strike everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1976, Chapter 16, is amended by adding a section to read:

[16.073] [PREFERENCE FOR AMERICAN-MADE MATERIALS.] *Subdivision 1. [DEFINITIONS.] As used in this section, the following terms shall have the meanings given them:*

(a) *“State” means the state of Minnesota or any agency thereof, a contractor acting pursuant to a contract with the state, and any person acting on behalf of the state or any agency thereof;*

(b) *“Materials” means any goods, supplies, equipment or any other tangible products or materials;*

(c) *“Manufactured” means mined, produced, manufactured, fabricated or assembled;*

(d) *“Manufactured in the United States” means manufactured in whole or in substantial part within the United States or that the majority of the component parts thereof were manufactured in whole or in substantial part in the United States.*

*Subd. 2. [PURCHASE PREFERENCE.] Notwithstanding the provisions of any other law to the contrary, no materials shall be purchased by the state for use for governmental purposes which are not manufactured in the United States, except as may be provided in this section. To the extent possible, specifications shall be written so as to permit the state to purchase materials manufactured in the United States.*

*Subd. 3. [EXEMPTIONS.] Subdivision 2 shall not apply if the person having contracting authority in respect to the pur-*

chase determines that (1) the materials are not manufactured in the United States in sufficient or reasonably available quantities, (2) the price or bid of the materials unreasonably exceeds the price or bid of available and comparable materials manufactured outside of the United States, (3) the quality of the materials is substantially less than the quality of comparably priced available materials manufactured outside of the United States, or (4) the purchase of the materials manufactured in the United States is otherwise not in the public interest. Subdivision 2 also shall not apply if the materials are purchased with a view to commercial resale or with a view to use in the production of goods for commercial sale.

Sec. 2. [EFFECTIVE DATE.] *This act is effective in respect to all contracts executed by the state after July 1, 1978."*

Amend the title as follows:

Page 1, lines 5 and 6, delete "Section 16.07, by adding a subdivision" and insert "Chapter 16, by adding a section".

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:

S. F. No. 1614, A bill for an act relating to courts; board on judicial standards; providing for appointment of an executive secretary by the board; amending Minnesota Statutes, 1977 Supplement, Section 490.15, Subdivision 1.

Reported the same back with the following amendments:

Page 2, after line 3, add sections to read:

"Sec. 2. Minnesota Statutes 1976, Section 490.16, Subdivision 3, is amended to read:

Subd. 3. On recommendation of the board on judicial standards, the supreme court may retire a judge for disability that seriously interferes with the performance of his duties and is or is likely to become permanent, and censure or remove a judge for action or inaction (OCCURRING NOT MORE THAN FOUR YEARS PRIOR TO SUCH ACTION BEING REPORTED TO THE BOARD ON JUDICIAL STANDARDS) that may constitute persistent failure to perform his duties, *incompetence in performing his duties*, habitual intemperance or conduct prejudicial to the administration of justice that brings the judicial office into disrepute.

*The board is specifically empowered to reopen any matter wherein any information or evidence was previously precluded by a statute of limitations or by a previously existing provision of time limitation.*

Sec. 3. [EFFECTIVE DATE.] *Section 2 is effective the day following final enactment."*

Further amend the title:

Page 1, line 4, after the semicolon insert "expanding the board's power to censure or remove judges;"

Page 1, line 4, after "amending" insert "Minnesota Statutes 1976, Section 490.16, Subdivision 3; and".

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:

H. F. No. 1786, A bill for an act relating to children; requiring a welfare agency receiving a report of a maltreated minor to notify the local police department; amending Minnesota Statutes 1976, Section 626.556, Subdivisions 3 and 7; and Minnesota Statutes, 1977 Supplement, Section 626.556, Subdivision 11.

Reported the same back with the following amendments:

Page 1, before line 10, insert new sections to read:

"Section 1. Minnesota Statutes 1976, Section 626.556, Subdivision 1, is amended to read:

626.556 [REPORTING OF MALTREATMENT OF MINORS.] Subdivision 1. [PUBLIC POLICY.] The legislature hereby declares that the public policy of this state is to protect children whose health or welfare may be jeopardized through physical abuse, neglect or sexual abuse; to strengthen the family and make the home safe for children through improvement of parental and guardian capacity for responsible child care; and to provide a safe temporary or permanent home environment for physically or sexually abused children.

In addition, it is the policy of this state to require the reporting of suspected *neglect*, physical or sexual abuse of children; to provide for the voluntary reporting of *abuse or neglect* of children; to require the investigation of such reports; and to provide protective and counseling services in appropriate cases.



Sec. 2. Minnesota Statutes, 1977 Supplement, Section 626.556, Subdivision 2, is amended to read:

Subd. 2 [DEFINITIONS.] As used in this section, the following terms have the meanings given them unless the specific content indicates otherwise:

(a) "Sexual abuse" means the subjection by the child's parents, guardian, or person responsible for the child's care, to any act which constitutes a violation of sections 609.342, 609.343, 609.344, or 609.345.

(b) ("NEGLECTED CHILD" SHALL HAVE THE MEANINGS DEFINED IN SECTION 260.015, SUBDIVISION 10.) "*Neglect*" means failure by a parent, guardian or other person responsible for a child's care to supply a child food, clothing, shelter or other parental care required by law when reasonably able to do so. Nothing in this section shall be construed to mean that a child is neglected solely because the child's parent, guardian or other person responsible for his care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child.

(c) "Physical abuse" means:

(i) Any physical injury inflicted by a parent, guardian or other person responsible for the child's care on a child other than by accidental means; or

(ii) Any physical injury (OR HEALTH DEFECT) that cannot reasonably be explained by (A) *the history of injuries provided by the parent, guardian or other person responsible for the child's care.*

(d) "Report" means any report received by the local welfare agency, *police department or county sheriff* pursuant to this section."

Page 1, line 17, after "being" insert "*neglected or*".

Page 1, line 19, strike "or" and insert a comma.

Page 1, line 19, after "department" insert "*or the county sheriff*".

Page 1, line 20, after "department" insert "*or the county sheriff*".

Page 1, line 23, after "*department*" insert "*or the county sheriff*".

Page 2, line 5, strike "or" and insert a comma.

Page 2, line 5, after "department" insert "*or the county sheriff*".

Page 2, line 8, after "department" insert "*or the county sheriff*".

Page 2, after line 9, insert new sections to read:

"Sec. 4. Minnesota Statutes 1976, Section 626.556, Subdivision 4, is amended to read:

Subd. 4. [IMMUNITY FROM LIABILITY.] Any person, *including those voluntarily making reports and those required to make reports under subdivision 3*, participating in good faith and exercising due care in the making of a report pursuant to this section shall have immunity from any liability, civil or criminal, that otherwise might result by reason of his action.

Sec. 5. Minnesota Statutes 1976, Section 626.556, Subdivision 6, is amended to read:

Subd. 6. [FAILURE TO REPORT.] Any person required by this section to report suspected physical or sexual child abuse *or neglect* who willfully fails to do so shall be guilty of a misdemeanor."

Page 2, line 16, after "department" insert "*, the county sheriff*".

Page 2, line 21, after "department" insert "*or the county sheriff*".

Page 2, line 22, after "*department*" insert "*or the county sheriff*".

Page 2, line 25, after "*department*" insert "*or the county sheriff*".

Page 2, after line 25, insert new sections to read:

"Sec. 7. Minnesota Statutes 1976, Section 626.556, Subdivision 8, is amended to read:

Subd. 8. [EVIDENCE NOT PRIVILEGED.] No evidence regarding the child's injuries shall be excluded in any proceeding arising out of the alleged *neglect or* physical or sexual abuse on the grounds of either a physician-patient or husband-wife privilege.

Sec. 8. Minnesota Statutes 1976, Section 626.556, Subdivision 9, is amended to read:

Subd. 9. [MANDATORY REPORTING TO A MEDICAL EXAMINER OR CORONER.] When a person required to report under the provisions of subdivision 3 has reasonable cause to believe a child has died as a result of *neglect or physical or sexual abuse*, he shall report that information to the appropriate medical examiner or coroner instead of the local welfare agency (OR), police department or *county sheriff*. Medical examiners or coroners shall notify the local welfare agency or police department or *county sheriff* in instances in which they believe that the child has died as a result of *neglect or physical or sexual abuse*. The medical examiner or coroner shall complete an investigation as soon as feasible and report the findings to the (APPROPRIATE LAW ENFORCEMENT AUTHORITIES) *police department or county sheriff* and the local welfare agency.”.

Page 2, line 32, after “*department*” insert “*or the county sheriff*”.

Page 3, line 1, after “*department*” insert “*or the county sheriff*”.

Page 3, line 3, after “*authority.*” insert “*The welfare board shall make available to the prosecuting authority only those records which contain information relating to a specific incident of neglect or abuse which is under litigation.*”.

Page 3, line 11, after “*agencies*” insert “*, the police department or county sheriff*”.

Page 3, line 22, after “*agency*” insert “*, local police department or county sheriff*”.

Page 3, line 23, strike “*neither*”.

Page 3, line 23, strike “*nor*” and insert a comma.

Page 3, line 24, strike “*is able*” and insert “*and county sheriff are unable*”.

Renumber sections accordingly.

Further amend the title as follows:

Page 1, line 4, after “*department*” insert “*or county sheriff*”.

Page 1, line 5, delete “*3 and*”.

Page 1, line 6, delete “*7*” and insert “*1, 3, 4, 6, 7, 8 and 9*”.

Page 1, line 7, delete "Subdivision" and insert "Subdivisions 2 and".

With the recommendation that when so amended the bill pass.

The report was adopted.

Enebo from the Committee on Labor-Management Relations to which was referred:

H. F. No. 582, A bill for an act relating to human rights; specifying medical standards for employment and bona fide occupational qualifications; amending Minnesota Statutes 1976, Section 363.03, Subdivision 1.

Reported the same back with the following amendments:

Page 1, line 8, delete "1976" and insert ", 1977 Supplement".

Page 1, line 12, delete "include" and insert "be based on the presence or absence of".

Page 1, line 20, delete "Bifida" and insert "bifida".

Page 2, line 10, delete the comma and insert a period.

Page 2, after line 10 insert: "*For the purposes of this subdivision a bona fide occupational qualification shall not be based on the presence or absence of an injury to or defect of the skeletal structure of one of the following types unless a second medical examination confirms a diagnosis of:*".

Page 2, line 11, delete "13" and insert "1".

Page 2, line 13, delete "14" and insert "2".

Page 2, line 14, delete "15" and insert "3".

Page 2, line 16, delete "16" and insert "4".

Page 2, line 18, delete "17" and insert "5".

Page 2, line 18, after "spina", in both places, insert a space.

Page 2, line 20, delete "18" and insert "6".

Page 2, line 22, delete "19" and insert "7".

Page 2, line 24, delete "20" and insert "8".

Page 2, delete lines 29 to 32.

Page 3, delete all the language.

Page 4, delete all the language and insert:

"Except when based on a bona fide occupational qualification, it is an unfair employment practice:

(1) For a labor organization, because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or age,

(a) to deny full and equal membership rights to a person seeking membership or to a member;

(b) to expel a member from membership;

(c) to discriminate against a person seeking membership or a member with respect to his hire, apprenticeship, tenure, compensation, terms, upgrading, conditions, facilities, or privileges of employment; or

(d) to fail to classify properly, or refer for employment or otherwise to discriminate against a person or member.

(2) For an employer, because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or age,

(a) to refuse to hire or to maintain a system of employment which unreasonably excludes a person seeking employment; or

(b) to discharge an employee; or

(c) to discriminate against a person with respect to his hire, tenure, compensation, terms, upgrading, conditions, facilities, or privileges of employment.

(3) For an employment agency, because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or age,

(a) to refuse or fail to accept, register, classify properly, or refer for employment or otherwise to discriminate against a person; or

(b) to comply with a request from an employer for referral of applicants for employment if the request indicates directly

or indirectly that the employer fails to comply with the provisions of this chapter.

(4) For an employer, employment agency, or labor organization, before a person is employed by an employer or admitted to membership in a labor organization, to

(a) require the person to furnish information that pertains to race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance or disability, unless, for the purpose of national security, information pertaining to national origin is required by the United States, this state or a political subdivision or agency of the United States or this state, or for the purpose of compliance with the public contracts act or any rule, regulation or laws of the United States or of this state requiring information pertaining to race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance or disability is required by the United States or a political subdivision or agency of the United States; or

(b) cause to be printed or published a notice or advertisement that relates to employment or membership and discloses a preference, limitation, specification, or discrimination based on race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability or age.

(5) For an employer, an employment agency or a labor organization, with respect to all employment related purposes, including receipt of benefits under fringe benefit programs, not to treat women affected by pregnancy, childbirth, or disabilities related to pregnancy or childbirth, the same as other persons who are not so affected but who are similar in their ability or inability to work.”

Further, amend the title as follows:

Page 1, line 5, delete “1976” and insert “, 1977 Supplement”.

With the recommendation that when so amended the bill pass.

The report was adopted.

Enebo from the Committee on Labor-Management Relations to which was referred:

H. F. No. 1790, A bill for an act relating to public employment labor relations; making certain matters mandatorily negotiable; allowing employers alternate remedies in grievance proceedings or civil service appeals; amending Minnesota Statutes 1976, Sections 179.63, Subdivision 18 and 179.70, Subdivision 1.

Reported the same back with the following amendments:

Page 1, delete lines 10 to 23.

Page 2, delete lines 1 and 2.

Renumber the following sections.

Page 2, line 24, delete "43," and after "375" insert ", 387".

Page 2, line 29, delete "43," and after "375" insert ", 387".

Page 2, line 32, delete "*decision on the employee's grievance or appeal*".

Page 3, delete lines 1 and 2.

Page 3, line 3, delete "*Chapters 43, 44, 375, or 419,*" and insert "*written grievance or appeal has been properly filed or submitted by the employee or on the employee's behalf with his consent*".

Page 3, line 4, delete "*, and the*".

Page 3, delete lines 5 and 6.

Page 3, line 7, delete "*statute*".

Further, amend the title as follows:

Page 1, line 4, delete "employers" and insert "employees".

Page 1, line 6, delete "Sections 179.63,".

Page 1, line 7, delete "Subdivision 18 and" and insert "Section".

With the recommendation that when so amended the bill pass.

The report was adopted.

Enebo from the Committee on Labor-Management Relations to which was referred:

H. F. No. 2338, A bill for an act relating to labor; occupational safety and health; making results of certain inspections, studies and tests available to affected workers; providing a penalty; amending Minnesota Statutes 1976, Chapter 162, by adding a section.

Reported the same back with the following amendments:

Page 2, after line 13, insert "*There shall be a bulletin board at all designated work reporting places, located in a conspicuous place and in such manner that all orders, citations, notices and decisions given by the safety inspectors operating under the authority of federal, state and local law shall be posted thereon and be easily visible by all persons desiring to read such, and that the board shall be protected from weather and unauthorized removal. Such orders, citations, notices and decisions shall be posted no later than three days after being received by the office of the affected business and such orders, citations, notices and decisions shall remain posted for a period of not less than 21 days.*".

Page 2, line 24, delete "*the United States bureau*".

Page 2, line 25, delete "*of mines, if available*" and insert "*a federal, state or county occupational health and safety agency*".

Page 2, line 25, after "*monitoring*" insert "*and*".

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2177, A resolution relating to the war in Southeast Asia; expressing the concern of the Minnesota legislature for those MIAs and POWs that are unaccounted; urging action by the national leadership to end the heartache caused by the lack of information about these servicemen.

Reported the same back with the following amendments:

Page 1, line 22, delete "by the constant manipulation of".

Page 1, line 23, delete "our American servicemen".

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1353, A bill for an act relating to tax delinquent real estate; requiring notice to the commissioner of natural resources of forfeiture and sale of tax delinquent real estate; clarifying



ownership of certain tax forfeited real estate; amending Minnesota Statutes 1976, Sections 281.23, Subdivision 8; 281.25; and 282.01, Subdivisions 1 and 3.

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

The report was adopted.

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

H. F. No. 1881, A bill for an act relating to agriculture; family farm security program; providing for exclusion from gross income of interest on certain loans; amending Minnesota Statutes 1976, Section 41.58, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 16, delete "*taxable years*".

Page 1, line 17, delete "*beginning after December 31, 1977*" and insert "*loans executed after December 31, 1977 and before January 1, 1982*".

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1916, A bill for an act relating to taxation; defining the use of sales ratio studies; requiring social security numbers; providing a procedure for handling ad valorem tax abatements; providing a uniform appeal and demand period; clarifying filing requirements for certificates of real estate values; recodifying the classification of resort property; allowing a special levy for commuter van program; providing adjustments to the levy limit base; defining resident estate and resident trust for income tax purposes; defining income in computing low income credit; providing apportionment in computing minimum tax on preference items; allowing a carryback period for out-of-state losses; clarifying the distribution of production taxes; authorizing the commissioner of revenue to release information to assessors; allowing local government aid to special taxing districts; requiring special levy for Columbia Heights to be governed by general laws; amending Minnesota Statutes 1976, Sections 270.07, by adding a subdivision; 270.075, Subdivision 2; 270.076, Subdivision 1; 272.08; 273.13, by adding a subdivision; 290.01, by adding subdivisions; 290.46; 290.47; 290.48, Subdivisions 1 and 2; 290A.11, Subdivision 1; 290A.12; 292.08, Subdivision 4; 292.09,

Subdivision 3; 294.02; 294.021; 297.07, Subdivision 3; 297.09, Subdivision 5; 297.35, Subdivision 3; 297.37, Subdivision 5; 297A.33, Subdivision 1; 477A.01, Subdivision 3; and Chapter 270, by adding a section; Minnesota Statutes, 1977 Supplement, Sections 124.212, Subdivision 11; 272.115, Subdivision 4; 273.13, Subdivisions 4 and 6; 275.50, Subdivision 5; 275.51, Subdivision 3d; 290.012, Subdivision 2; 290.091; 290.17; 298.28, Subdivision 1; 298.282, Subdivision 2; 298.48, Subdivision 4; Laws 1977, Chapter 374, Sections 11 and 48; repealing Laws 1977, Chapter 307, Section 27.

Reported the same back with the following amendments:

Page 3, line 9, after "375.192" insert "*, subdivision 3*".

Page 3, line 12, delete "*shall not approve the*".

Page 3, line 13, delete "*application*" and insert "*may approve the application in an amount reduced by the relief provided pursuant to chapter 290A*".

Page 3, line 14, delete "*not*".

Pages 4 and 5, delete section 7.

Page 8, after line 16, insert a new section to read:

"Sec. 10. Minnesota Statutes 1976, Section 273.13, Subdivision 19, is amended to read:

Subd. 19. [CLASS 3d.] Residential real estate other than seasonal residential, recreational and homesteads shall be classified as class 3d property and shall have a taxable value equal to 40 percent of market value. Residential real estate as used herein means real property used or held for use by the owner thereof, or by his tenants or lessees as a residence for rental periods of 30 days or more, but shall not include homesteads, or real estate devoted to temporary or seasonal residential occupancy for recreational purposes. Where a portion of a parcel of property qualified for class 3d and a portion does not qualify for class 3d the valuation shall be apportioned according to the respective uses. *Residential real estate containing less than four units when entitled to homestead classification for one or more units shall be classed as 3b, 3c or 3cc according to the provisions of subdivisions 6 and 7.*"

Page 15, line 19, strike "*or*" and insert a comma.

Page 15, line 19, after "*(e)*" insert "*or (f)*".

Page 16, line 20, delete "*where (a) the sole trustee*".

Page 16, delete lines 21 to 25.

Page 16, line 26, delete "*estate is being administered in Minnesota*" and insert "*which is administered in this state*".

Page 17, line 11, before "In" insert "(a)".

Page 17, line 22, after "paid" insert "*and capital gains as defined in section 57(a) of the Internal Revenue Code shall not include that portion of any gain occasioned by sale, transfer or the granting of a perpetual easement pursuant to any eminent domain proceeding or threat thereof as described in section 290.18, subdivision 5. This modification shall apply to the years in which the gain or reduction in loss is actually included in federal adjusted gross income even though amounts received pursuant to the eminent domain proceedings were received in prior years*".

Page 17, line 23, delete "item" and insert "items".

Page 17, line 24, before "which" delete "income".

Page 17, after line 32, insert:

*"(b) In the case of a resident individual, estate or trust having preference items in taxable years beginning after December 31, 1976, and before January 1, 1978, which are not allocable to Minnesota under the provisions of sections 290.17 to 290.20 in effect for such years, the tax shall equal 40 percent of the taxpayer's federal minimum tax liability, multiplied by a fraction the numerator of which is the amount of the taxpayer's preference items allocable to Minnesota under the provisions of sections 290.17 to 290.20 in effect for such years and the denominator of which is the taxpayer's total preference items for federal purposes."*

Page 24, line 7, strike "30" and insert "60".

Page 24, lines 13 to 20, restore the stricken language.

Page 24, line 20, delete the new language.

Page 24, line 22, restore the stricken language and delete the new language.

Page 33, lines 22 to 30, restore the stricken language and delete the new language.

Page 33, line 31, delete the new language.

Pages 34, 35, 36, 37, 38, 39, 40 and 41, delete section 33.

Pages 42, 43, 44 and 45, delete section 36, 37 and 38.

Page 45, after line 2, insert a new section to read:

“Sec. 36. Minnesota Statutes 1976, Section 297A.31, Subdivision 1, is amended to read:

**297A.31 [EXAMINATION OF RETURN, ADJUSTMENTS, NOTICES AND DEMANDS.]** Subdivision 1. The commissioner shall, as soon as practicable after a return is filed, examine the same and make any investigation or examination of the records and accounts of the person making the return that he deems necessary for determining its correctness. The tax computed on the basis of such examination shall be the tax to be paid. If the tax found to be due exceeds the amount of the tax reported as due on the taxpayers return, such excess shall be paid to the commissioner within (30) 60 days after notice of the amount and demand for its payment shall have been mailed to the person making the return. If the amount of the tax found due by the commissioner shall be less than that reported as due on the return, the excess shall be refunded to the person making the return in the manner provided by section 297A.35 (except that no demand therefor shall be necessary), if he has already paid the whole of such tax, or credited against any unpaid tax. Except as otherwise provided in this chapter, no refundment shall be made except as provided in section 297A.35 after the expiration of three years after the filing of the return.”.

Page 45, line 5, delete “7, and”.

Page 45, line 6, delete “to 39” and insert “, 34 and 36”.

Page 45, line 7, delete “and”.

Page 45, line 7, after “32” insert “and 35”.

Page 45, line 8, delete “8 to 10 and 12” and insert “7 to 9”.

Page 45, line 10, delete “Section 11 is” and insert “Sections 10 to 12 are”.

Page 45, line 13, after “1977” insert “except that clause (b) of section 16 is effective for taxable years beginning after December 31, 1976, and before January 1, 1978”.

Renumber the sections accordingly.

Further, amend the title as follows:

Page 1, line 6, delete “clarifying filing requirements for”.

Page 1, line 7, delete “certificates of real estate values” and insert “clarifying classification of certain homesteads”.

Page 1, delete line 16.

Page 1, line 18, delete "allowing local".

Page 1, delete lines 19 and 20.

Page 1, line 21, delete "governed by general laws;"

Page 1, line 24, after the comma insert "Subdivision 19, and".

Page 1, line 31, after "5;" insert "297A.31, Subdivision 1;"

Page 1, line 31, delete "477A.01,"

Page 1, line 32, delete "Subdivision 3;"

Page 1, line 34, delete "272.115,"

Page 1, line 35, delete "Subdivision 4;"

Page 1, line 37, delete "298.28,"

Page 1, line 38, delete "Subdivision 1;"

Page 1, line 39, delete "Laws 1977, Chapter 374, Sections 11".

Page 1, line 40, delete "and 48;"

With the recommendation that when so amended the bill pass.

The report was adopted.

## SECOND READING OF HOUSE BILLS

H. F. Nos. 1131, 1732, 1981, 499, 2006, 2007, 2008, 1898, 2014, 2225, 2233, 1786, 582, 1790, 2338, 2177, 1353, 1881 and 1916 were read for the second time.

## SECOND READING OF SENATE BILLS

S. F. Nos. 1685, 356 and 1614 were read for the second time.

## MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

I hereby announce the adoption by the Senate of the following House Concurrent Resolution, herewith returned:

## HOUSE CONCURRENT RESOLUTION NO. 9

A House Concurrent Resolution relating to adjournment.

PATRICK E. FLAHAVEN, Secretary of the Senate

Spanish was excused for the remainder of today's session.

The following conference committee report was received:

## CONFERENCE COMMITTEE REPORT ON H. F. NO. 404

A bill for an act relating to political activities; providing for their regulation; defining terms; revising certain filing and reporting requirements; clarifying language; imposing expenditure and contribution limits; revising distribution of moneys from the state elections campaign fund to legislative candidates; removing obsolete provisions; providing penalties; amending Minnesota Statutes 1976, Sections 10A.01, Subdivisions 2, 5, 7, 9, 10, 11, 13, 15, 16 and 18, and by adding subdivisions; 10A.02, Subdivisions 1, 2, 4, 8, 9, 11, 12 and 13, and by adding a subdivision; 10A.04, Subdivision 1; 10A.07; 10A.09, Subdivision 6; 10A.11, Subdivisions 1 and 6; 10A.12, Subdivisions 1, 4 and 5; 10A.13; 10A.14, Subdivisions 1 and 2; 10A.15; 10A.16; 10A.17; 10A.19, Subdivision 1; 10A.20, Subdivisions 3, 4, 5 and 6; 10A.22, Subdivisions 1, 3, 4, 5 and 7; 10A.24; 10A.25; 10A.27; 10A.28; 10A.29; 10A.31, Subdivisions 3a, 5, 6, 7, 10, and by adding a subdivision; 10A.32; 10A.33; and 210A.01, Subdivision 3; and Chapter 10A, by adding sections; repealing Minnesota Statutes 1976, Sections 10A.09, Subdivision 7; 10A.17, Subdivision 2; and 10A.26.

*February 23, 1978*

The Honorable Martin O. Sabo  
Speaker of the House of Representatives  
The Honorable Edward J. Gearty  
President of the Senate

We, the undersigned conferees for H. F. No. 404, report that we have agreed upon the items in dispute and recommend as follows:

That the senate recede from its amendments and H. F. No. 404 be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 10A.01, Subdivision 2, is amended to read:

Subd. 2. "Administrative action" means an action by any official, board, commission or agency of the executive branch to (MAKE RULES) *adopt, amend, or repeal a rule or to adjudicate a contested case pursuant to chapter 15.* "Administrative action" does not include the application or administration of (THOSE RULES) *an adopted rule*, except in cases of rate setting, power plant and *powerline* siting and (OTHERS SPECIFIED BY THE COMMISSION) *granting of certificates of need under chapter 116H.*

Sec. 2. Minnesota Statutes 1976, Section 10A.01, Subdivision 5, is amended to read:

Subd. 5. "Candidate" means an individual who seeks nomination (FOR ELECTION) or election to any statewide (OFFICE) or legislative office (, OTHER THAN A FEDERAL OFFICE) for which (CANDIDATES ARE) *reporting is not required (TO REPORT)* under federal laws. The term candidate shall also include an individual who seeks nomination (FOR ELECTION) or election to supreme court and district court judgeships of the state. An individual shall be deemed to seek nomination (FOR ELECTION) or election if he has taken the action necessary under the law of the state of Minnesota to qualify himself for nomination (FOR ELECTION) or election (TO AN OFFICE), has received contributions or made expenditures in excess of \$100, or has given his *implicit or explicit* consent(, IMPLICIT OR EXPLICIT,) for any other person to receive contributions or make expenditures in excess of \$100 (WITH A VIEW TO), *for the purpose of* bringing about his nomination (FOR ELECTION) or election (TO AN OFFICE). *A candidate remains a candidate until his principal campaign committee is dissolved as provided in section 10A.24.*

Sec. 3. Minnesota Statutes 1976, Section 10A.01, Subdivision 7, is amended to read:

Subd. 7. "Contribution" means (:)

((A) A GIFT, SUBSCRIPTION, LOAN, ADVANCE, THE PROVIDING OF SUPPLIES, MATERIALS OR EQUIPMENT, OR DEPOSIT OF MONEY OR ANYTHING ELSE OF VALUE MADE TO INFLUENCE THE NOMINATION FOR ELECTION OR ELECTION OF A CANDIDATE TO OFFICE;)

((B)) a transfer of funds (BETWEEN POLITICAL COMMITTEES OR POLITICAL FUNDS;) or *a donation in kind.*

((C) THE PAYMENT OF COMPENSATION FOR THE PERSONAL SERVICES OF ANOTHER PERSON WHICH ARE RENDERED TO A CANDIDATE, POLITICAL COMMITTEE OR POLITICAL FUND TO INFLUENCE THE NOMINATION FOR ELECTION OR ELECTION OF A CANDI-

DATE TO OFFICE BY ANY PERSON OTHER THAN THAT CANDIDATE, POLITICAL COMMITTEE OR POLITICAL FUND.)

*Contribution includes any loan or advance of credit to a political committee, political fund, or principal campaign committee, which loan or advance of credit is (a) forgiven, or (b) paid by an entity other than the political committee, political fund, or principal campaign committee to which the loan or advance of credit is made. If an advance of credit or a loan is forgiven or paid as provided in this subdivision, it is a contribution in the year in which the loan or advance of credit is made.*

*A contribution made for the purpose of defeating a candidate is considered made for the purpose of influencing the nomination or election of that candidate or any opponent of that candidate.*

*(")Contribution (") does not include services provided without compensation by (INDIVIDUALS) an individual volunteering (THEIR) his time on behalf of a candidate, political committee or political fund, or (COVERAGE BY NEWS MEDIA, BUT ONLY WHILE ACTING IN THE ORDINARY COURSE OF BUSINESS OF) the publishing or broadcasting of news items (, EDITORIALS) or (OTHER) editorial comments by the news media.*

Sec. 4. Minnesota Statutes 1976, Section 10A.01, is amended by adding a subdivision to read:

*Subd. 7a. "Transfer of funds" or "transfer" means money or negotiable instruments given by an individual or association to a political committee, political fund, or principal campaign committee for the purpose of influencing the nomination or election of a candidate.*

Sec. 5. Minnesota Statutes 1976, Section 10A.01, is amended by adding a subdivision to read:

*Subd. 7b. "Donation in kind" means anything of value other than money or negotiable instruments given by an individual or association to a political committee, political fund, or principal campaign committee for the purpose of influencing the nomination or election of a candidate. Donation in kind includes an approved expenditure.*

Sec. 6. Minnesota Statutes 1976, Section 10A.01, Subdivision 9, is amended to read:

*Subd. 9. "Election" means a (GENERAL, SPECIAL,) primary (OR), special primary, general or special election(, OR*



**A CONVENTION OR CAUCUS OF A POLITICAL PARTY HELD TO NOMINATE OR ENDORSE A CANDIDATE).**

Sec. 7. Minnesota Statutes 1976, Section 10A.01, Subdivision 10, is amended to read:

Subd. 10. "*Campaign expenditure*" or "*expenditure*" means (:)

((A)) a purchase(, PAYMENT, DISTRIBUTION, LOAN, ADVANCE, DEPOSIT OR GIFT) or *payment* of money or anything of value, or an *advance of credit*, made or incurred for the purpose of influencing the nomination (FOR ELECTION) or election of (ANY) a candidate (TO OFFICE; OR)

((B)) A TRANSFER OF FUNDS BETWEEN POLITICAL COMMITTEES OR POLITICAL FUNDS).

*An expenditure is considered to be made in the year in which the goods or services for which it was made are used or consumed.*

*An expenditure made for the purpose of defeating a candidate is considered made for the purpose of influencing the nomination or election of that candidate or any opponent of that candidate.*

*Except as provided in clause (a), expenditure includes the dollar value of a donation in kind.*

("Expenditure") does not include:

(a) *Noncampaign disbursements as defined in section 10 of this act;*

(b) *Transfers as defined in section 4 of this act;*

(c) *Services provided without compensation by (INDIVIDUALS) an individual volunteering (THEIR) his time on behalf of a candidate, political committee, or political fund; or ((B) EXPENSES INCURRED BY A MEMBER OF THE LEGISLATURE OR A PERSON HOLDING CONSTITUTIONAL OFFICE IN THE EXECUTIVE BRANCH, IN PERFORMING SERVICES FOR CONSTITUENTS. THE BOARD SHALL HAVE THE POWER TO DETERMINE WHETHER THE EXPENSE WAS INCURRED PRIMARILY FOR THE PURPOSE OF PROVIDING A CONSTITUENT SERVICE OR IS AN EXPENDITURE WITHIN THE MEANING OF THIS SUBDIVISION)*

(d) *The publishing or broadcasting of news items or editorial comments by the news media.*

Sec. 8. Minnesota Statutes 1976, Section 10A.01, is amended by adding a subdivision to read:

*Subd. 10a. "Approved expenditure" means an expenditure made on behalf of a candidate by an entity other than the principal campaign committee of that candidate, which expenditure is made with the authorization or expressed or implied consent of, or in cooperation or in concert with, or at the request or suggestion of that candidate, his principal campaign committee or his agent. An approved expenditure is a contribution to that candidate.*

Sec. 9. Minnesota Statutes 1976, Section 10A.01, is amended by adding a subdivision to read:

*Subd. 10b. "Independent expenditure" means an expenditure expressly advocating the election or defeat of a clearly identified candidate, which expenditure is made without the express or implied consent, authorization, or cooperation of any candidate, his principal campaign committee or his agent and is not made in concert with or at the request or suggestion of any candidate, his principal campaign committee or his agent. An independent expenditure is not a contribution.*

Sec. 10. Minnesota Statutes 1976, Section 10A.01, is amended by adding a subdivision to read:

*Subd. 10c. "Noncampaign disbursement" means a purchase or payment of money or anything of value made, or an advance of credit incurred, by a political committee, political fund, or principal campaign committee for any purpose other than to influence the nomination or election of a candidate.*

*Noncampaign disbursement includes:*

- (a) Payment for accounting and legal services;*
- (b) Return of a contribution to the source;*
- (c) Repayment of a loan made to the political committee, political fund, or principal campaign committee by that committee or fund;*
- (d) Return of moneys from the state elections campaign fund;*
- (e) Payment for food and beverages consumed at a fundraising event;*
- (f) Services for a constituent by a member of the legislature or a constitutional officer in the executive branch, performed*

*from the beginning of the term of office to adjournment sine die of the legislature in the election year for the office held; and*

*(g) A donation in kind given to the political committee, political fund, or principal campaign committee for purposes listed in clauses (e) and (f). The board shall determine whether an activity involves a noncampaign disbursement within the meaning of this subdivision.*

Sec. 11. Minnesota Statutes 1976, Section 10A.01, Subdivision 11, is amended to read:

Subd. 11. "Lobbyist" means any individual:

(a) Engaged for pay or other consideration, or authorized by another individual or association to spend money, who spends more than five hours in any month or more than \$250, not including *his own* travel expenses and membership dues, in any year, for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials; or

(b) Who spends more than \$250, not including *his own* traveling expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials.

"Lobbyist" does not include any:

(a) Public official or employee of the state or any of its political subdivisions or public bodies acting in his official capacity;

(b) Party or his representative appearing in a proceeding before a state board, commission or agency of the executive branch unless the board, commission or agency is taking administrative action;

(c) Individual *while engaged* in (THE COURSE OF) selling goods or services to be paid for by public funds;

(d) News media or their employees or agents (ACTING) *while engaged* in the (ORDINARY COURSE OF BUSINESS OF) publishing or broadcasting of news items, (EDITORIALS OR OTHER) *editorial* comments or paid advertisements which directly or indirectly urge official action;

(e) Paid expert witness whose testimony is requested (EITHER) by the body before which he is appearing (OR ONE OF THE PARTIES TO A PROCEEDING), but only to the extent of preparing or delivering testimony; or

(f) Stockholder of a family farm corporation as defined in section 500.24, subdivision 1, who does not spend over \$250, excluding *his own* travel expenses, in any year in communicating with public officials.

Sec. 12. Minnesota Statutes 1976, Section 10A.01, Subdivision 13, is amended to read:

Subd. 13. "Minor political party" means any party other than a major political party (WHICH RAN) :

(a) *Under whose name in the last applicable general election a candidate (ON THE) filed for legislative office and received not less than 10 percent of the vote for that office, or filed for statewide (OR LEGISLATIVE BALLOT IN THE LAST GENERAL ELECTION) office; or*

(b) *Which files a petition with the secretary of state containing the names of 2,000 (PERSONS) individuals registered to vote in Minnesota and declaring that the (SIGNATORS) signers desire (TO ENABLE) that the party be eligible to receive money from the state elections campaign fund in the same manner as a major political party.*

For the purposes of (LAWS 1974, CHAPTER 470 PRIOR TO THE GENERAL ELECTION IN 1974) *chapter 10A*, all (PERSONS) *individuals* who are eligible to vote in areas where there is no *permanent system of registration* shall be considered registered voters.

Sec. 13. Minnesota Statutes 1976, Section 10A.01, Subdivision 15, is amended to read:

Subd. 15. "Political committee" means any (POLITICAL PARTY,) association (OR PERSON OTHER THAN AN INDIVIDUAL WHICH HAS AS ITS) *as defined in subdivision 3 whose major purpose is to (SUPPORT OR OPPOSE ANY CANDIDATE OR TO) influence the nomination (FOR ELECTION) or election of a candidate.*

*"Political committee" includes a major political party as defined in subdivision 12, a minor political party as defined in subdivision 13, and any principal campaign committee formed pursuant to section 10A.19.*

Sec. 14. Minnesota Statutes 1976, Section 10A.01, Subdivision 16, is amended to read:

Subd. 16. "Political fund" means any accumulation of dues or voluntary (DONATIONS) *contributions* by an association other than a political committee, which accumulation is collected

or expended for the purpose of influencing the nomination (FOR ELECTION) or election of a candidate.

Sec. 15. Minnesota Statutes 1976, Section 10A.01, Subdivision 18, is amended to read:

Subd. 18. "Public official" means any:

- (a) Member of the legislature;
- (b) (PERSON HOLDING A) Constitutional (OFFICE) officer in the executive branch and his chief administrative deputy;
- (c) Member, chief administrative officer or deputy chief administrative officer of a state board or commission which has (RULE MAKING AUTHORITY, AS "RULE" IS DEFINED IN SECTION 15.0411, SUBDIVISION 3) at least one of the following powers: (i) the power to adopt, amend or repeal rules, or (ii) the power to adjudicate contested cases or appeals;
- (d) Commissioner, deputy commissioner or assistant commissioner of any state department as designated pursuant to section 15.01;
- (e) Individual employed in the executive branch who is authorized to adopt, amend or repeal rules or adjudicate contested cases;
- (f) Executive secretary of the state board of investment;
- (g) Executive director of the Indian affairs intertribal board;
- (h) Commissioner of the iron range resources and rehabilitation board;
- (i) Director of mediation services;
- (j) Deputy of any official listed in clauses (e) to (i);
- (k) Judge of workers' compensation;
- (l) Hearing examiner in the state office of hearing examiners or department of economic security;
- (m) Solicitor general or deputy, assistant or special assistant attorney general;
- ((D) PERSON) (n) Individual employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house, revisor of statutes, or researcher or attorney in the office

of (LEGISLATIVE) *senate research, senate counsel, or house research; or*

**((E) PERSON EMPLOYED BY THE EXECUTIVE BRANCH IN ANY POSITION SPECIFIED IN SECTION 15A.081; AND)**

**((F))** *(o) Member or chief administrative officer of the metropolitan council, metropolitan transit commission, metropolitan (SEWER BOARD OR) waste control commission, metropolitan parks and open spaces commission, metropolitan airports commission or metropolitan sports facilities commission.*

Sec. 16. Minnesota Statutes 1976, Section 10A.01, is amended by adding a subdivision to read:

*Subd. 20. "Advance of credit" means any money owed for goods provided or services rendered. An advance of credit is an expenditure or a noncampaign disbursement in the year in which the goods or services are used or consumed. Advance of credit does not mean loan as defined in section 17 of this act.*

Sec. 17. Minnesota Statutes 1976, Section 10A.01, is amended by adding a subdivision to read:

*Subd. 21. "Loan" means an advance of money or anything of value made to a political committee, political fund, or principal campaign committee.*

Sec. 18. Minnesota Statutes 1976, Section 10A.01, is amended by adding a subdivision to read:

*Subd. 22. "Financial institution" means a lending institution chartered by an agency of the federal government or regulated by the commissioner of banks.*

Sec. 19. Minnesota Statutes 1976, Section 10A.02, Subdivision 1, is amended to read:

**10A.02 [BOARD OF ETHICAL PRACTICES.]** Subdivision 1. There is hereby created a state ethical practices board composed of six members. The members shall be appointed by the governor with the advice and consent of three-fifths of both the senate and the house of representatives acting separately. **(FAILURE BY)** *If either house fails to confirm the appointment of a board member within 45 legislative days after his appointment (SHALL BE DEEMED TO BE A REFUSAL TO ADVISE AND CONSENT AND HIS), the appointment shall terminate (IMMEDIATELY AFTER 45 LEGISLATIVE DAYS OR NON-CONFIRMATION, WHICHEVER IS EARLIER) on the day following the 45th legislative day.* One member shall be

a former (STATE LEGISLATOR) *member of the legislature* from a major political party different from that of the governor; one member shall be a former (STATE LEGISLATOR) *member of the legislature* from the same political party as the governor; two members shall be persons who have not been public officials, held *any political party* office (IN A POLITICAL PARTY) other than precinct delegate, or been elected to public office for which party designation is required by statute in the three years (PRIOR TO THE TIME) *preceding the date* of their appointment; and the other two members shall not support the same political party. No more than three of the members of the board shall support the same political party.

Sec. 20. Minnesota Statutes 1976, Section 10A.02, Subdivision 2, is amended to read:

Subd. 2. Any appointment to fill a vacancy (IN AN ORIGINAL OR SUBSEQUENT TERM) shall be made only for the unexpired term of a member who is being replaced and *the appointee* shall (RETAIN) *meet* the same stated qualifications as the member being replaced. The membership terms, compensation, *and* removal of members on the board shall be as provided in section 15.0575, except that the extension of terms and the filling of vacancies shall be subject to the advice and consent of the legislature in the same manner as provided in subdivision 1.

Sec. 21. Minnesota Statutes 1976, Section 10A.02, Subdivision 4, is amended to read:

Subd. 4. The board shall (HOLD AN ORGANIZATIONAL MEETING WITHIN 45 DAYS AFTER APRIL 13, 1974 AT WHICH TIME THE MEMBERS OF THE BOARD SHALL) elect from among (THEIR) *its* members a chairman, a vice-chairman and a secretary. The secretary shall keep a record of all proceedings and actions by the board. Meetings of the board shall be at the call of the chairman or at the call of any four members of the board acting together.

Sec. 22. Minnesota Statutes 1976, Section 10A.02, Subdivision 8, is amended to read:

Subd. 8. The board shall:

(a) Report at the close of each fiscal year to the legislature, the governor and the public concerning the action it has taken, the names, salaries, and duties of all individuals in its employ and the money it has disbursed. The board shall include and identify in its report any other reports it has made during the fiscal year. It may indicate apparent abuses and offer legislative recommendations;

(b) Prescribe forms for statements and reports required to be filed under sections 10A.01 to 10A.34 and make the forms available to (PERSONS) *individuals* required to file them;

(c) Make available to the (PERSONS) *individuals* required to file the reports and statements a manual setting forth the recommended uniform methods of bookkeeping and reporting;

(d) Develop a filing, coding and cross-indexing system consistent with the purposes of sections 10A.01 to 10A.34;

(e) Make the reports and statements filed with it available for public inspection and copying by the end of the second day following the day on which they were received. Any (PERSON) *individual* may copy a report or statement by hand or by duplicating machine and the board shall provide duplicating services at cost for this purpose. No information copied from reports and statements shall be sold or utilized by any (PERSON) *individual or association* for any commercial purpose;

(f) Notwithstanding the provisions of section 138.163, preserve reports and statements for a period of five years from the date of receipt;

(g) Compile and maintain a current list and summary of all statements or parts of statements pertaining to each candidate; and

(h) Prepare and publish reports as it may deem appropriate.

Sec. 23. Minnesota Statutes 1976, Section 10A.02, Subdivision 9, is amended to read:

Subd. 9. The executive director of the board or his staff shall inspect all material filed with the board as promptly as is necessary to comply with the provisions of sections 10A.01 to 10A.34. The executive director shall immediately notify the (PERSON) *individual* required to file a document with the board if a written complaint is filed with the board by any registered voter alleging, or it otherwise appears, that a document filed with the board is inaccurate or does not comply with the provisions of sections 10A.01 to 10A.34, or that (A PERSON) *the individual* has failed to file a document required by sections 10A.01 to 10A.34.

Sec. 24. Minnesota Statutes 1976, Section 10A.02, Subdivision 11, is amended to read:

Subd. 11. *The board may investigate any alleged violation of chapter 10A. The board shall investigate any violation which is alleged in a written complaint filed with the board and, except for alleged violations of section 10A.25 or 10A.27, shall within 30 days after the filing of the complaint make a public finding*



*of whether or not there is probable cause to believe a violation has occurred. In the case of a written complaint alleging a violation of section 10A.25 or 10A.27, the board shall either enter a conciliation agreement or make a public finding of whether or not there is probable cause, within 60 days of the filing of the complaint. The deadline for action on any written complaint may be extended by majority vote of the board. Within a reasonable time after beginning an investigation of an individual or association, the board shall notify that individual or association of the fact of the investigation. The board shall make no finding of whether or not there is probable cause to believe a violation has occurred without notifying the individual or association of the nature of the allegations and affording an opportunity to answer those allegations. Any hearing or action of the board concerning any complaint or investigation other than a finding concerning probable cause or a conciliation agreement shall be confidential (AND ALL INFORMATION OBTAINED BY THE BOARD SHALL BE PRIVILEGED). Until the board makes a public finding (THAT THE BOARD BELIEVES THERE IS OR IS NOT) concerning probable cause (TO CONCLUDE THAT A VIOLATION OF LAWS 1974, CHAPTER 470 HAS OCCURRED. ANY PERSON, INCLUDING ANY MEMBER OR EMPLOYEE OF THE BOARD, VIOLATING THE CONFIDENTIALITY) or enters a conciliation agreement:*

*(a) No member, employee or agent of the board shall disclose to any individual any information obtained by that member, employee or agent concerning any complaint or investigation except as required to carry out the investigation or take action in the matter as authorized by chapter 10A;*

*(b) No individual who files or is the subject of any written complaint or supplies information to the board concerning a complaint or investigation shall disclose to any other individual any information supplied to or received from the board concerning the complaint or investigation; and*

*(c) Notwithstanding the provisions of clause (b), any individual subject to the provisions of that clause may reveal any information to his attorney or another individual from whom he seeks advice or guidance in the matter, or to any other individual who is subject to the provisions of clause (b) with respect to the same complaint or investigation; provided that any individual to whom information concerning a complaint or investigation is revealed as provided in this clause shall not disclose that information to any other individual. Any individual who discloses information contrary to the provisions of this subdivision shall be guilty of a (GROSS) misdemeanor. (THE BOARD SHALL MAKE A FINDING WITHIN 30 DAYS OF RECEIPT OF A WRITTEN COMPLAINT UNLESS A MAJORITY OF THE BOARD AGREES TO EXTEND THE TIME LIMIT. AFTER DETERMINATION OF ITS FINDINGS) Except as provided in section 10A.28, after the board makes a public find-*

*ing of probable cause* the board shall report (ANY) *that finding* (OF PROBABLE CAUSE) to the appropriate law enforcement authorities.

Sec. 25. Minnesota Statutes 1976, Section 10A.02, is amended by adding a subdivision to read:

*Subd. 11a. If, after making a public finding concerning probable cause or entering a conciliation agreement, the board determines that the record of the investigation contains statements, documents or other matter which if disclosed would unfairly injure the reputation of an innocent individual, the board may:*

*(a) Retain any such statement, document or other matter as a private record, as "private" is defined in section 15.162, subdivision 5a, for a period of one year after which it shall be destroyed; or*

*(b) Return any such statement, document or other matter to the individual who supplied it to the board.*

Sec. 26. Minnesota Statutes 1976, Section 10A.02, Subdivision 12, is amended to read:

*Subd. 12. The board may issue and publish advisory opinions on the requirements of sections 10A.01 to 10A.34 based upon real or hypothetical situations. An application for an advisory opinion may be made only by (THOSE) an individual or association who (WISH) wishes to use the opinion to guide (THEIR) his or its own conduct. The board shall issue written opinions on all such questions submitted to it within 30 days after receipt of written application, unless a majority of the board agrees to extend the time limit. An advisory opinion shall lapse the day the regular session of the legislature adjourns in the second year following the date of the opinion.*

Sec. 27. Minnesota Statutes 1976, Section 10A.02, Subdivision 13, is amended to read:

*Subd. 13. The provisions of chapter 15 (, SHALL) apply to the board (INCLUDING THE POWER TO PRESCRIBE). The board may promulgate rules (AND REGULATIONS) to carry out the purposes of sections 10A.01 to 10A.34.*

Sec. 28. Minnesota Statutes 1976, Section 10A.03, Subdivision 1, is amended to read:

10A.03 [LOBBYIST REGISTRATION.] Subdivision 1. Each lobbyist shall file a registration form with the board within five days after he (COMMENCES LOBBYING) becomes a lobbyist.

Sec. 29. Minnesota Statutes 1976, Section 10A.03, is amended by adding a subdivision to read:

*Subd. 3. The board shall notify by certified mail or personal service any lobbyist who fails to file a registration form within five days after he becomes a lobbyist. If a lobbyist fails to file a form within seven days after receiving this notice, the board may impose a late filing fee at \$5 per day, not to exceed \$100, commencing with the eighth day after receiving notice. The board shall further notify by certified mail or personal service any lobbyist who fails to file a form within 21 days of receiving a first notice that the lobbyist may be subject to a criminal penalty for failure to file the form. A lobbyist who knowingly fails to file a form within seven days after receiving a second notice from the board is guilty of a misdemeanor.*

Sec. 30. Minnesota Statutes 1976, Section 10A.04, Subdivision 1, is amended to read:

**10A.04 [LOBBYIST REPORTS.]** Subdivision 1. Each lobbyist shall file reports of his activities with the board as long as he lobbies. *A lobbyist may file a termination statement at any time after he ceases lobbying.*

Sec. 31. Minnesota Statutes 1976, Section 10A.04, Subdivision 2, is amended to read:

Subd. 2. Each report shall cover the time from the last day of the period covered by the last report to 15 days prior to the current filing date. The reports shall be filed with the board by the following dates:

((A) FEBRUARY 15)

((B) MARCH 15)

((C) APRIL 15)

((D) JUNE 15)

((E) OCTOBER 15)

(a) *January 15;*

(b) *April 15;*

(c) *July 15; and*

(d) *October 15.*

Sec. 32. Minnesota Statutes 1976, Section 10A.04, Subdivision 5, is amended to read:

Subd. 5. The board shall notify by (REGISTERED) *certified mail or personal service* any lobbyist who fails after (FIVE) *seven days* after a filing date imposed by (SECTION 10A.03 OR) this section to file a report or statement required by (SECTION 10A.03 OR) this section. *If a lobbyist fails to file a report within seven days after receiving this notice, the board may impose a late filing fee of \$5 per day, not to exceed \$100, commencing with the eighth day after receiving notice. The board shall further notify by certified mail or personal service any lobbyist who fails to file a report within 21 days after receiving a first notice that the lobbyist may be subject to a criminal penalty for failure to file the report.* A lobbyist who knowingly fails to file such a report or statement within seven days after receiving a *second* notice from the board is guilty of a misdemeanor.

Sec. 33. Minnesota Statutes 1976, Section 10A.07, is amended to read:

10A.07 [CONFLICTS OF INTEREST.] Subdivision 1. Any public official who in the discharge of his official duties would be required to take an action or make a decision which would substantially affect his financial interests or those of a business with which is he associated, unless the effect on him is no greater than on other members of his business classification, profession or occupation, shall take the following actions:

(a) He shall prepare a written statement describing the matter requiring action or decision and the nature of his potential conflict of interest;

(b) He shall deliver copies of the statement to the board and to his immediate superior, if any;

(c) If he is a (LEGISLATOR) *member of the legislature*, he shall deliver a copy of the statement to the presiding officer of the house in which he serves; and

(d) If a potential conflict of interest presents itself and there is insufficient time to comply with the provisions of clauses (a) to (c), the public official shall verbally inform his superior or the official body *in which he serves*, or committee thereof, (IN WHICH HE SERVES) of the potential conflict. He shall file a written statement with the board within one week after the potential conflict presents itself.

Subd. 2. If the public official is not a (LEGISLATOR) *member of the legislature*, his superior shall assign the matter, if possible, to another employee who does not have a potential conflict of interest. If he has no immediate superior, the public official shall remove himself, if possible, in a manner prescribed by the board from influence over the action or decision in question. If the public official is a (LEGISLATOR) *member of the legislature*, the house (OF) *in which he (IS A MEMBER) serves* may,

at his request, excuse him from taking part in the action or decision in question.

Sec. 34. Minnesota Statutes 1976, Section 10A.08, is amended to read:

10A.08 [REPRESENTATION DISCLOSURE.] Any public official who represents a client for a fee before any *individual*, board (OR), commission (WHICH) or *agency* that has rule making authority in a hearing conducted under chapter 15, shall disclose his participation in the action to the board within 14 days after his appearance. *The board shall notify by certified mail or personal service any public official who fails to disclose his participation within 14 days after his appearance. If the public official fails to disclose his participation within seven days of this notice, the board may impose a late filing fee of \$5 per day, not to exceed \$100, commencing on the eighth day after receiving notice.*

Sec. 35. Minnesota Statutes 1976, Section 10A.09, Subdivision 5, is amended to read:

Subd. 5. A statement of economic interest required by this section shall be on a form prescribed by the board. The individual filing shall provide the following information:

(a) His name, address, occupation and principal place of business;

(b) The name of each business with which he is associated and the nature of that association; (AND)

(c) A listing of all real property within the state, excluding homestead property, in which he (HAS) holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, and which interest is valued in excess of \$2,500; or (ii) an option to buy, which property has a fair market value of \$50,000 or more; and

(d) A listing of all real property within the state in which a partnership of which he is a member holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if his share of the partnership interest is valued in excess of \$2,500 or (ii) an option to buy, which property has a fair market value of \$50,000 or more. (THE FILING) Any listing under clause (c) or (d) shall indicate the street address and the municipality or the section, township, range and approximate acreage, whichever applies, and the county wherein the property is located.

Sec. 36. Minnesota Statutes 1976, Section 10A.09, Subdivision 6, is amended to read:

Subd. 6. Each individual who is required to file a statement of economic interest shall file a supplementary statement on April 15 of each year *that he remains in office. The statement shall include a space for each category of information in which the individual may indicate that no change in information has occurred since the previous statement. The supplementary statement shall include the amount of each honorarium in excess of \$50 received since the previous statement, together with the name and address of the source of the honorarium. A statement of economic interest submitted by an officeholder shall be filed with the statement he submitted as a candidate.*

Sec. 37. Minnesota Statutes 1976, Section 10A.09, Subdivision 7, is amended to read:

Subd. 7. (ALL PUBLIC OFFICIALS IN OFFICE ON APRIL 13, 1974 SHALL FILE WITH THE BOARD A STATEMENT OF ECONOMIC INTEREST WITHIN 60 DAYS AFTER THE DATE THE BOARD ISSUES STATEMENT OF ECONOMIC INTEREST FORMS.) *The board shall notify by certified mail or personal service any individual who fails within the prescribed time to file a statement of economic interest required by section 10A.09. If an individual fails to file a statement within seven days after receiving this notice, the board may impose a late filing fee of \$5 per day, not to exceed \$100, commencing on the eighth day after receiving notice. The board shall further notify by certified mail or personal service any individual who fails to file a statement within 21 days after receiving a first notice that the individual may be subject to a criminal penalty for failure to file a statement. An individual who fails to file a statement within seven days after a second notice is guilty of a misdemeanor.*

Sec. 38. Minnesota Statutes 1976, Section 10A.10, is amended to read:

10A.10 [PENALTY FOR FALSE STATEMENTS.] A report or statement required to be filed by sections 10A.02 to 10A.09 shall be signed and certified as true by the (PERSON) individual required to file the report. Any (PERSON) individual who signs and certifies to be true a report or statement which he knows contains false information or who knowingly omits required information is guilty of a (FELONY) gross misdemeanor.

Sec. 39. Minnesota Statutes 1976, Section 10A.11, Subdivision 1, is amended to read:

10A.11 [ORGANIZATION OF POLITICAL COMMITTEES.] Subdivision 1. Every political committee shall have a chairman and a treasurer. Nothing in (LAWS 1974, CHAPTER 470) chapter 10A shall prohibit them from being the same (PERSON) individual.

Sec. 40. Minnesota Statutes 1976, Section 10A.12, Subdivision 1, is amended to read:

10A.12 [POLITICAL FUNDS.] Subdivision 1. No association *other than a political committee* shall (MAKE A) transfer (OF FUNDS) *more than \$100 in aggregate in any one year* to (A CANDIDATE) *candidates or political (COMMITTEE) committees or make (AN) any approved or independent expenditure (WHICH HAS AS ITS PURPOSE THE INFLUENCING OF THE NOMINATION FOR ELECTION OR ELECTION OR DEFEAT OF A CANDIDATE UNLESS IT IS A POLITICAL COMMITTEE OR) unless the (FUNDS FOR THE CONTRIBUTION) transfer or expenditure (COME) is made (SOLELY) from a political fund.*

Sec. 41. Minnesota Statutes 1976, Section 10A.12, Subdivision 4, is amended to read:

Subd. 4. No (DONATIONS) *contributions* to the political fund shall be accepted and no expenditures *or transfers* from the political fund shall be made while the office of treasurer of the political fund is vacant.

Sec. 42. Minnesota Statutes 1976, Section 10A.12, Subdivision 5, is amended to read:

Subd. 5. Notwithstanding subdivision 1, any association may, if not prohibited by *other law*, (TRANSFER TO) *deposit in its political fund money derived from (THAT PART OF ITS TREASURY FINANCED BY) dues or membership fees.* Pursuant to section 10A.20, the (SOURCE OF THE DUES OR MEMBERSHIP FEES MUST BE DISCLOSED IF AN AGGREGATE AMOUNT IN EXCESS OF \$50 OF ANY MEMBER'S) *treasurer of the fund shall disclose the name of any member whose dues, membership fees and (VOLUNTARY) contributions (ARE TRANSFERRED TO) deposited in the political fund (WITHIN) together exceed \$50 in any one year.*

Sec. 43. Minnesota Statutes 1976, Section 10A.13, is amended to read:

10A.13 [ACCOUNTS WHICH MUST BE KEPT.] Subdivision 1. (IT SHALL BE THE DUTY OF) The treasurer of a political committee or political fund (TO) *shall keep an account of:*

(a) The sum of all contributions except any (CONTRIBUTION) *donation* in kind valued at (LESS THAN) \$20 *or less*, made to (OR FOR) the political committee or political fund;

(b) The name and address (, IF ANY,) of (ANY PERSON MAKING) *each source of a (CONTRIBUTION IN EXCESS)*

*transfer made to the political committee or political fund in excess of \$20, (AND) together with the date and amount (THEREOF) of each; (AND)*

(c) (ALL EXPENDITURES) *The name and address of each source of a donation in kind valued in excess of \$20, together with the date and amount;*

(d) *Each expenditure made by (OR ON BEHALF OF) the committee or fund, together with the date and amount;*

(e) *Each approved expenditure made on behalf of the committee or fund, together with the date and amount; and*

(f) *The name and address of each political committee or political fund to which transfers in excess of \$20 have been made, together with the date and amount.*

Any (PERSON) *individual* who knowingly violates any provision of this subdivision is guilty of a misdemeanor.

Subd. 2. The treasurer shall obtain a receipted bill, stating the particulars, for every expenditure *in excess of \$100* made by, or *approved expenditure in excess of \$100* made on behalf of, a political committee or political fund (OF OVER \$100), and for any expenditure or *approved expenditure* in a lesser amount if the aggregate amount of lesser expenditures and *approved expenditures made to the same (PERSON) individual or association* during (A) any year exceeds \$100. The treasurer shall preserve all receipted bills and accounts required to be kept by this section for four years.

Sec. 44. Minnesota Statutes 1976, Section 10A.14, Subdivision 1, is amended to read:

10A.14 [REGISTRATION OF POLITICAL COMMITTEES AND POLITICAL FUNDS.] Subdivision 1. The treasurer of a political committee or political fund shall register with the board by filing a statement of organization no later than 14 days after the date upon which the committee or fund has received contributions or made expenditures in excess of \$100. (HOWEVER, IN THE FIRST YEAR OF LAWS 1974, CHAPTER 470, TREASURERS SHALL FILE WITHIN 30 DAYS AFTER THE BOARD ISSUES POLITICAL COMMITTEE OR POLITICAL FUND REGISTRATION FORMS.)

Sec. 45. Minnesota Statutes 1976, Section 10A.14, Subdivision 2, is amended to read:

Subd. 2. The statement of organization shall include:



(a) The name and address of the political committee or political fund;

(b) The (NAMES) *name* and (ADDRESSES) *address* of (THE) *any* supporting (ASSOCIATIONS) *association* of a political fund;

(c) The name and address of the chairman, the treasurer, and any deputy treasurers;

(d) A listing of all depositories or safety deposit boxes used; (AND)

(e) A statement as to whether the committee is a principal campaign committee; *and*

(f) *For political parties only, a list of categories of sub-state units as defined in section 10A.27, subdivision 4.*

Sec. 46. Minnesota Statutes 1976, Section 10A.14, Subdivision 4, is amended to read:

Subd. 4. The board shall notify *by certified mail or personal service* any (PERSON) *individual* who fails to file a statement required by this section. (A PERSON) *If an individual fails to file a statement within seven days after receiving a notice, the board may impose a late filing fee of \$5 per day, not to exceed \$100, commencing with the eighth day after receiving notice. The board shall further notify by certified mail or personal service any individual who fails to file a statement within 21 days after receiving a first notice that such individual may be subject to a criminal penalty for failure to file the report. An individual who knowingly fails to file the statement within seven days after receiving a second notice from the board is guilty of a (GROSS) misdemeanor.*

Sec. 47. Minnesota Statutes 1976, Section 10A.15, is amended to read:

10A.15 [CONTRIBUTIONS.] Subdivision 1. (ANY) *No* anonymous contribution in excess of \$20 shall (NOT) be retained by any political committee or political fund, but shall be forwarded to the board and deposited (TO) *in* the general account of the state elections campaign fund.

Subd. 2. Every (PERSON) *individual* who receives a contribution in excess of \$20 for a political committee or political fund shall, on demand of the treasurer, (AND IN ANY EVENT WITHIN 14 DAYS AFTER RECEIPT OF THE CONTRIBUTION,) inform the treasurer of (THE AMOUNT,) the name and, if known, the address of the (PERSON MAKING) *source*

of the contribution, *together with the amount of the contribution and the date it was received.*

Subd. 3. All (MONETARY CONTRIBUTIONS) *transfers* received by or on behalf of any candidate (OR), political committee or political fund shall (WITHIN 14 DAYS AFTER THE RECEIPT THEREOF, SUNDAYS AND HOLIDAYS EXCEPTED,) be deposited in (A DESIGNATED DEPOSITORY IN) an account designated "Campaign Fund of . . . . (name of candidate, committee or fund)". *All transfers shall be deposited promptly upon receipt and, except for transfers received during the last three days of any reporting period as described in section 10A.20, shall be deposited during the reporting period in which they were received. Any transfer received during the last three days of a reporting period shall be deposited within 72 hours of receipt and shall be reported as received during the reporting period whether or not deposited within that period. Any deposited transfer may be returned to the contributor within 60 days of deposit. A transfer deposited and not returned within 60 days of that deposit shall be deemed for the purposes of chapter 10A, to be accepted by the candidate, political committee or political fund.*

Subd. 3a. *No treasurer of a principal campaign committee of a candidate shall deposit any transfer which on its face exceeds the limit on contributions to that candidate prescribed by section 10A.27 unless, at the time of deposit, the treasurer issues a check to the source for the amount of the excess.*

Subd. 4. Any (PERSON) *individual* violating the provisions of this section is guilty of a misdemeanor.

Sec. 48. Minnesota Statutes 1976, Section 10A.16, is amended to read:

10A.16 [EARMARKING.] Any (PERSON) *individual*, political committee or political fund which receives (CONTRIBUTIONS OR TRANSFERS OF FUNDS) *a contribution* from any (PERSON OR ASSOCIATION) *source* with the *express or implied* condition (, EXPRESS OR IMPLIED,) that (THOSE FUNDS) *the contribution* or any part of (THEM) *it* be directed to a particular candidate shall disclose to the ultimate recipient (OF SUCH FUNDS), and in the reports required by section 10A.20, the original source of the (FUNDS) *contribution*, the fact that the (FUNDS WERE) *contribution* is earmarked and the candidate to whom (THEY ARE) *it* is directed. The ultimate recipient of any (FUNDS) *contribution* so earmarked shall also disclose (BY REPORT TO THE BOARD) the original source (OF THE FUNDS,) and the (PERSON) *individual*, political committee, or political fund through which (THEY WERE) *it* is directed. This section applies only to (THOSE) contributions required to be disclosed by section 10A.20, *subdivision 3, clause (b).* Any (PERSON OR ASSOCIATION) *individual, political*

*committee, or political fund* who knowingly accepts *any* earmarked (FUNDS) *contribution* and fails to make the required (DISCLOSURES) *disclosure* is guilty of a gross misdemeanor.

Sec. 49. Minnesota Statutes 1976, Section 10A.17, is amended to read:

10A.17 [EXPENDITURES.] Subdivision 1. (ALL EXPENDITURES) *No expenditure shall be made by a political committee, political fund, or a principal campaign committee unless it is authorized by the treasurer or deputy treasurer of (THE) that committee or fund (MAKING THAT EXPENDITURE).*

Subd. 2. No (PERSON OR PERSONS ACTING IN CONCERT OTHER THAN THE CANDIDATE AND THE TREASURER OF THE CANDIDATE'S PRINCIPAL CAMPAIGN COMMITTEE) *individual or association* may make an *approved (EXPENDITURES) expenditure* of more than \$20 (WITH THE AUTHORIZATION OR CONSENT, EXPRESS OR IMPLIED, OF A CANDIDATE OR HIS AGENT, OR UNDER THE CONTROL, DIRECT OR INDIRECT, OF A CANDIDATE OR HIS AGENT ON BEHALF OF A CANDIDATE WITHOUT RECEIVING) *until he receives written authorization as to the amount that may be spent and the purpose of the expenditure from the treasurer of (THAT CANDIDATE'S) the principal campaign committee ((I) PRIOR WRITTEN AUTHORIZATION AND (II) CERTIFICATION THAT THE EXPENDITURES WILL NOT EXCEED THE LIMITS ON EXPENDITURES AS SET FORTH IN SECTIONS 10A.25 AND 10A.27. ALL SUCH EXPENDITURES SHALL BE COUNTED AGAINST THE SPENDING LIMITATIONS)* of the candidate *who approved the expenditure.*

Subd. 3. The treasurer or deputy treasurer of a political committee may (MAKE AN AUTHORIZATION) *sign vouchers* for petty cash (IN ANY REPORTING PERIOD) of not more than \$100 per week for statewide elections (AND) *or* \$20 per week (IN) *for* legislative elections to be used for miscellaneous expenditures.

Subd. 4. (EACH AUTHORIZATION SHALL STATE THE AMOUNT AND PURPOSE OF THE EXPENDITURE AND SHALL BE SIGNED BY THE TREASURER OR DEPUTY TREASURER OF THE COMMITTEE MAKING THE EXPENDITURE AND BY THE INDIVIDUAL MAKING THE EXPENDITURE.)

(SUBD. 5.) Any *individual, political committee, or political fund (OR PERSON)* who *independently* solicits or accepts contributions or (MAKE) *makes independent* expenditures on behalf of any candidate (WITHOUT THE WRITTEN AUTHORIZATION OF THE CANDIDATE) shall publicly disclose (ITS LACK OF AUTHORIZATION) *that the candidate has not ap-*

*proved the expenditure.* (IN) All written communications with those from whom (IT SOLICITS OR ACCEPTS) contributions are *independently solicited or accepted* or to whom (IT MAKES) *independent expenditures are made on behalf of a candidate,* (THE COMMITTEE, FUND OR PERSON) shall (STATE IN WRITING AND) *contain a statement in conspicuous type that (IT) the activity is not (AUTHORIZED) approved by the candidate (AND THAT THE CANDIDATE IS NOT) nor is he responsible for (ITS ACTIVITIES) it.* (A) Similar (ORAL STATEMENT) *language shall be included in all oral communications (. A SIMILAR WRITTEN STATEMENT SHALL BE INCLUDED), in conspicuous type on the front page of all literature and advertisements published or posted, and (A SIMILAR ORAL STATEMENT INCLUDED) at the end of all broadcast advertisements (BY COMMITTEE, FUND OR PERSON IN CONNECTION WITH) made by that individual, political committee or political fund on the candidate's (CAMPAIGN) behalf.*

(SUBD. 6.) *Subd. 5.* Any person who knowingly violates the provisions of (SUBDIVISIONS 1, 2, 3 OR 5) *subdivision 2 or 4,* or who falsely claims (THE LACK OF AUTHORIZATION) *that the candidate has not approved the expenditure or activity is guilty of a misdemeanor.*

Sec. 50. Minnesota Statutes 1976, Section 10A.19, Subdivision 1, is amended to read:

10A.19 [PRINCIPAL CAMPAIGN COMMITTEE.] Subdivision 1. (EVERY) *No candidate shall (DESIGNATE AND CAUSE) accept contributions from any source, other than himself, in aggregate in excess of \$100 or any moneys from the state elections campaign fund unless he designates and causes to be formed a single principal campaign committee (WHICH SHALL BE RESPONSIBLE FOR REPORTING CONTRIBUTIONS AND AUTHORIZED EXPENDITURES ON BEHALF OF THE CANDIDATE).*

Sec. 51. Minnesota Statutes 1976, Section 10A.20, Subdivision 2, is amended to read:

Subd. 2. The reports shall be filed with the board on or before January 31 of each year (, AND). In each year in which the name of the candidate being supported is on the ballot, *additional reports shall be filed ten days before (THE) a primary (OR SPECIAL PRIMARY) and a general (OR SPECIAL) election, seven days before a special primary and a special election and 30 days after a special election.*

If a scheduled filing date falls on a Saturday, Sunday or legal holiday, the filing date shall be the next regular business day.

Sec. 52. Minnesota Statutes 1976, Section 10A.20, Subdivision 3, is amended to read:

Subd. 3. Each report under this section shall disclose:

(a) The amount of liquid assets on hand at the beginning of the reporting period;

(b) The name, address and employer, or (,) *occupation* if self-employed, (OCCUPATION) of each (PERSON) *individual*, political committee or political fund who *within the year* has made one or more (CONTRIBUTIONS) *transfers or donations in kind* to (OR FOR) the political committee or political fund, including the purchase of tickets for (DINNERS, LUNCHEONS, RALLIES, AND SIMILAR) *all fund raising (EVENTS) efforts (WITHIN THE YEAR), which* in (AN) aggregate (AMOUNT OR VALUE IN EXCESS OF) *exceed* \$50 for legislative candidates (AND IN EXCESS OF) or \$100 for statewide candidates, together with the amount and date of (THE CONTRIBUTIONS) *each transfer or donation in kind*, and the aggregate amount of (CONTRIBUTIONS) *transfers and donations in kind* within the year from each (CONTRIBUTOR) *source* so disclosed. *A donation in kind shall be disclosed at its fair market value. An approved expenditure is listed as a donation in kind. A donation in kind is considered consumed in the reporting period in which it is received. The (LISTS) names of contributors shall be listed in alphabetical order;*

(c) The (TOTAL) sum of (INDIVIDUAL) contributions (MADE) to (OR FOR) the political committee or political fund during the reporting period (AND NOT REPORTED UNDER CLAUSE (B));

(d) Each loan (TO OR FROM ANY PERSON) *made or received by the political committee or political fund* within the year in (AN) aggregate (AMOUNT OR VALUE) in excess of \$100, *continuously reported until repaid or forgiven*, together with the name (AND), address, occupation and the principal place of business, if any, of the lender (OR) *and any endorser* and the date and amount of the loan. *If any loan made to the principal campaign committee of a candidate is forgiven at any time or repaid by any entity other than that principal campaign committee, it shall be reported as a contribution for the year in which the loan was made;*

(e) Each receipt in excess of \$100 not otherwise listed under clauses (b) to (d);

(f) The (TOTAL) sum of all receipts (BY OR FOR) *of the political committee or political fund* during the reporting period;

(g) The name and address of each (PERSON) *individual or association* to whom *aggregate expenditures, including approved expenditures*, have been made by or on behalf of the political committee or political fund (OR ON ITS BEHALF)

within the year (IN AN AGGREGATE AMOUNT) in excess of \$100, *together with* the amount, date and purpose of each expenditure and the name and address of, and office sought by, each candidate on whose behalf the expenditure was made *and, in the case of independent expenditures made in opposition to a candidate, the name, address and office sought for each such candidate;*

**(h) (THE SUM OF INDIVIDUAL EXPENDITURES NOT OTHERWISE REPORTED UNDER CLAUSE (G);)**

**(I)** *The (TOTAL) sum of all expenditures made by or on behalf of the political committee or political fund during the reporting period;*

**((J)) (i)** *The amount and nature of any (DEBT OR OBLIGATION OWED) advance of credit incurred by (OR TO) the political committee or political fund, continuously reported until (EXTINGUISHED, AND ANY WRITTEN CONTRACT, PROMISE OR AGREEMENT TO MAKE A CONTRIBUTION OR EXPENDITURE; AND) paid or forgiven. If any advance of credit incurred by the principal campaign committee of a candidate is forgiven at any time by the creditor or paid by any entity other than that principal campaign committee, it shall be reported as a donation in kind for the year in which the advance of credit was incurred;*

**((K) FOR PRINCIPAL CAMPAIGN COMMITTEES ONLY: THE NAME OF EACH PERSON, COMMITTEE OR POLITICAL FUND, WHICH HAS BEEN AUTHORIZED BY THE TREASURER TO MAKE EXPENDITURES ON BEHALF OF THE CANDIDATE AND THE NATURE AND AMOUNT OF EACH AUTHORIZED EXPENDITURE.)**

**(j)** *The name and address of each political committee, political fund, or principal campaign committee to which aggregate transfers in excess of \$100 have been made within the year, together with the amount and date of each transfer;*

**(k)** *The sum of all transfers made by the political committee, political fund, or principal campaign committee during the reporting period;*

**(l)** *The sum of noncampaign disbursements made in each category listed in section 10 of this act by the political committee, political fund, or principal campaign committee during the reporting period; and*

**(m)** *The sum of all noncampaign disbursements made by the political committee, political fund, or principal campaign committee during the reporting period.*

Sec. 53. Minnesota Statutes 1976, Section 10A.20, Subdivision 4, is amended to read:

Subd. 4. (THE REPORTS) *A report shall cover the (TIME) period from the last day (OF THE PERIOD) covered by the (LAST) previous report to seven days prior to the filing date, except that the report due on January 31 shall cover the period from the last day covered by the previous report to December 31.*

Sec. 54. Minnesota Statutes 1976, Section 10A.20, Subdivision 5, is amended to read:

Subd. 5. In any statewide election any contribution or contributions from (A PERSON OR ASSOCIATION) *any one source totaling \$2,000 or more, or in any legislative election (ANY CONTRIBUTION OF) totaling \$200 or more, received (AFTER) between the (PERIOD) last day covered in the last report prior to an election and (PRIOR TO) the election shall be reported to the board in person or by telegram within 48 hours after its receipt and also in the next required report.*

Sec. 55. Minnesota Statutes 1976, Section 10A.20, Subdivision 6, is amended to read:

Subd. 6. Every (PERSON, OTHER THAN A POLITICAL COMMITTEE OR POLITICAL FUND,) *candidate who does not designate and cause to be formed a principal campaign committee, and any individual who makes independent expenditures (, OTHER THAN BY CONTRIBUTION TO A POLITICAL COMMITTEE OR POLITICAL FUND,) in (AN) aggregate (AMOUNT) in excess of \$100 (WITHIN A) in any year, shall file with the board a (STATEMENT) report containing the information required (OF A POLITICAL COMMITTEE, POLITICAL FUND OR CANDIDATE) by subdivision 3. (STATEMENTS) Reports required by this subdivision shall be filed on the dates on which reports by committees and funds are filed.*

Sec. 56. Minnesota Statutes 1976, Section 10A.20, is amended by adding a subdivision to read:

Subd. 6a. *Any individual, political committee or political fund filing a report or statement disclosing any independent expenditure pursuant to subdivision 3 or 6 shall file with that report a sworn statement that the expenditures so disclosed were not made with the authorization or expressed or implied consent of, or in cooperation or in concert with, or at the request or suggestion of any candidate, his principal campaign committee or his agent.*

Sec. 57. Minnesota Statutes 1976, Section 10A.20, Subdivision 8, is amended to read:

Subd. 8. The board shall exempt any (ASSOCIATION OR ANY OF ITS MEMBERS OR CONTRIBUTORS) *member of or contributor to any association, political committee or political fund or any other individual* from the provisions of this section if the member, contributor or other individual demonstrates by clear and convincing evidence that disclosure would expose (ANY OR ALL OF THEM) *him* to economic reprisals, loss of employment or threat of physical coercion.

An association, *political committee or political fund* may seek an exemption for all of its members or contributors (ONLY) if it (PROVES) *demonstrates* by clear and convincing evidence that a substantial number of its members or contributors would suffer a restrictive effect on their freedom of association if members were required to seek exemptions individually.

Sec. 58. Minnesota Statutes, 1977 Supplement, Section 10A.20, Subdivision 10, is amended to read:

Subd. 10. (A) *Any individual, association, political committee or (A) political fund (OR ANY OF ITS MEMBERS OR CONTRIBUTORS SHALL HAVE STANDING TO SEEK) seeking an exemption pursuant to subdivision 8 shall submit a written application for exemption to the board. (UPON RECEIPT OF AN APPLICATION FOR EXEMPTION) The board, without hearing, shall grant or deny the exemption within 30 days after receiving an application, and shall issue a written order stating the reasons for its action. The board shall publish its order in the state register and give notice to all (PERSONS) parties known to the board to have an interest in the (APPLICATION AND PUBLISH NOTICE OF THE FILING OF THE APPLICATION IN THE STATE REGISTER) matter. (THE BOARD MAY GRANT THE EXEMPTION 30 DAYS AFTER NOTICE OF THE FILING HAS BEEN FULLY MADE.) If the board receives a written objection to (THE APPLICATION) its action from any (PERSON) party within 20 days after (THE NOTICE OF FILING HAS BEEN FULLY MADE) publication of its order and notification of interested parties, the (EXEMPTION) board shall (BE GRANTED OR DENIED ONLY AFTER) hold a contested case hearing (HAS BEEN HELD ON THE APPLICATION) on the matter. (THE BOARD MAY ELECT TO HOLD A CONTESTED CASE HEARING IF NO OBJECTIONS TO THE APPLICATION ARE RECEIVED) Upon the filing of a timely objection from the applicant, an order denying an exemption shall be suspended pending the outcome of the contested case. If (A) no timely objection is (NOT) received (AND THE BOARD DENIES) the exemption (WITHOUT HEARING THE APPLICANT MAY REQUEST, WITHIN 30 DAYS OF RECEIVING A NOTICE OF DENIAL, AND SHALL BE GRANTED A CONTESTED CASE HEARING ON THE APPLICATION) shall continue to be in effect until a written objection is filed with the board in a succeeding election year. The board by rule shall establish a procedure so*



that any individual seeking an exemption may proceed anonymously if he would be exposed to the reprisals listed in subdivision (9) & were he to reveal his identity for the purposes of (THE) a hearing.

Sec. 59. Minnesota Statutes 1976, Section 10A.20, Subdivision 12, is amended to read:

Subd. 12. The board shall notify *by certified mail or personal service* any (PERSON) individual who fails to file a statement required by this section. *If an individual fails to file a statement due January 31 within seven days after receiving a notice, the board may impose a late filing fee of \$5 per day, not to exceed \$100, commencing on the eighth day after receiving notice. If an individual fails to file a statement due before any primary or election within three days of the date due, regardless of whether the individual has received any notice, the board may impose a late filing fee of \$50 per day, not to exceed \$500, commencing on the fourth day after the date the statement was due. The board shall further notify by certified mail or personal service any individual who fails to file any statement within 14 days after receiving a first notice from the board that the individual may be subject to a criminal penalty for failure to file a statement. (A PERSON) An individual who knowingly fails to file the statement within seven days after receiving a second notice from the board is guilty of a misdemeanor.*

Sec. 60. Minnesota Statutes 1976, Section 10A.21, Subdivision 1, is amended to read:

10A.21 [REPORTS TO COUNTY AUDITOR.] Subdivision 1. All reports or statements that must be filed with the board by the principal campaign committee of legislative candidates *and statements of economic interest filed by candidates for and members of the legislature shall be duplicated and filed by the board with the (COUNTY) auditor of each county in which the legislative district lies within 72 hours of the date the report or statement is required to be filed or, if the report or statement is delinquent, within 72 hours of the time the report is actually filed.*

Sec. 61. Minnesota Statutes 1976, Section 10A.21, Subdivision 3, is amended to read:

Subd. 3. Statements and reports filed with county auditor shall be available to the public in the manner prescribed by section 10A.02, subdivision 8, clause (e) (AND). *Statements and reports of principal campaign committees shall be retained until four years after the election to which they pertain. Economic interest statements shall be retained until the subject of the statement is no longer a candidate or officeholder.*

Sec. 62. Minnesota Statutes 1976, Section 10A.22, Subdivision 1, is amended to read:

10A.22 [REPORTS AND STATEMENTS.] Subdivision 1. A report or statement required by sections 10A.11 to 10A.34 to be filed by a treasurer of a political committee or political fund, or by any other (PERSON) *individual*, shall be signed and certified as true by the (PERSON) *individual* required to file the report. Any (PERSON) *individual* who signs and certifies to be true a report or statement which he knows contains false information or who knowingly omits required information is guilty of a (FELONY) *gross misdemeanor*.

Sec. 63. Minnesota Statutes 1976, Section 10A.22, Subdivision 4, is amended to read:

Subd. 4. (IN DETERMINING THE AGGREGATE OF A PERSON'S CONTRIBUTIONS,) The treasurer shall list contributions from the same (DONOR) *source* under the same name. (IN EACH INSTANCE) When a contribution received from (A PERSON) *any source* in a reporting period is added to previously reported unitemized contributions from the same (CONTRIBUTOR) *source* and the aggregate exceeds the disclosure threshold of section 10A.20, the name, address and employer, or (,) *occupation* if self-employed, (OCCUPATION) of that (CONTRIBUTOR) *source* shall then be listed on the prescribed (REPORTING FORMS) *schedule*. A candidate may refuse to accept any contribution.

Sec. 64. Minnesota Statutes 1976, Section 10A.22, Subdivision 5, is amended to read:

Subd. 5. A political committee or political fund making an expenditure (, OTHER THAN A TRANSFER OF FUNDS, FOR OR) on behalf of more than one candidate for state or legislative office shall allocate the expenditure among the candidates on a reasonable cost basis and report (THIS) *the allocation* for each candidate. (THE TREASURER SHALL RETAIN FOR AUDIT ANY DOCUMENTS SUPPORTING THE ALLOCATION.)

Sec. 65. Minnesota Statutes 1976, Section 10A.22, Subdivision 7, is amended to read:

Subd. 7. The treasurer of a political committee or political fund shall not accept a contribution of more than \$100 from a political committee or political fund not registered in this state unless the contribution is accompanied by a written statement which meets the disclosure requirements imposed by section 10A.20. This statement shall be certified as true and correct by an officer of the contributing *political* committee or political fund. *The political committee or political fund which accepts the contribution shall include a copy of the statement with the report*

*which discloses the contribution to the board. The provisions of this subdivision shall not apply when (THE) a national (AFFILIATE OF ANY) political party (IN THIS STATE) transfers money to its (STATE) affiliate (AND THAT MONEY IS EXPENDED BY THE STATE POLITICAL PARTY ON BEHALF OF CANDIDATES OF THAT PARTY GENERALLY, WITHOUT REFERRING TO ANY OF THEM SPECIFICALLY, IN ANY ADVERTISEMENT PUBLISHED OR POSTED, ON ANY BROADCAST, OR IN ANY TELEPHONE CONVERSATION IF THAT CONVERSATION MENTIONS THREE OR MORE CANDIDATES) in this state.*

Sec. 66. Minnesota Statutes 1976, Section 10A.24, is amended to read:

10A.24 [DISSOLUTION OR TERMINATION.] No political committee or political fund shall dissolve until it has settled all of its debts *and disposed of all its assets in excess of \$100* and filed a termination report. The termination report *may be made at any time* and shall include all information required in periodic reports (AND A STATEMENT AS TO THE DISPOSITION OF ANY RESIDUAL FUNDS).

Sec. 67. Minnesota Statutes 1976, Section 10A.25, Subdivision 1, is amended to read:

10A.25 [LIMITS ON CAMPAIGN EXPENDITURES.] Subdivision 1. For the purposes of sections 10A.11 to 10A.34 a candidate for governor and a candidate for lieutenant governor, running together, shall be deemed to be a single candidate (AND). *Except as provided in subdivision 3, all expenditures made by (OR) and all approved expenditures made on behalf of the candidate for (GOVERNOR AND ALL EXPENDITURES MADE BY OR ON BEHALF OF THE CANDIDATE FOR) lieutenant governor shall be considered to be expenditures by (OR) and approved expenditures on behalf of the candidate for governor.*

Sec. 68. Minnesota Statutes 1976, Section 10A.25, Subdivision 2, is amended to read:

Subd. 2. In a year in which *an election is held for an office sought by a candidate (STANDS FOR ELECTION), no expenditures shall be made (AND NO OBLIGATIONS TO MAKE) by the principal campaign committee of that candidate, nor any approved expenditures (SHALL BE INCURRED BY) made on behalf of (A) that candidate (OR BY A POLITICAL COMMITTEE, POLITICAL FUND OR INDIVIDUAL WHICH MAKES EXPENDITURES WITH THE AUTHORIZATION, EXPRESS OR IMPLIED, AND UNDER THE CONTROL, DIRECT OR INDIRECT, OF THE CANDIDATE OR HIS AGENTS) which expenditures and approved expenditures (RESULTS) result in (THE) an aggregate (EXPENDITURE ON*

BEHALF OF THE CANDIDATE OF AN) amount in excess of the following (AMOUNTS) :

(a) For governor and lieutenant governor, running (JOINTLY) *together*, 12 1/2 cents per capita or \$600,000, whichever is greater;

(b) For attorney general, 2 1/2 cents per capita or \$100,000, whichever is greater;

(c) For secretary of state, state treasurer and state auditor, separately, 1 1/4 cents per capita or \$50,000, whichever is greater;

(d) For state senator, 20 cents per capita or \$15,000, whichever is greater;

(e) For state representative, 20 cents per capita or \$7,500, whichever is greater.

Sec. 69. Minnesota Statutes 1976, Section 10A.25, Subdivision 3, is amended to read :

Subd. 3. Notwithstanding subdivision 2, clause (a), a candidate for (THE) endorsement for the office of lieutenant governor at the convention of a political party may (SPEND) *make expenditures and approved expenditures of \$30,000 or five percent of the amount in subdivision 2, clause (a), whichever is greater, to seek endorsement. This amount shall be in addition to the amount which may be expended pursuant to subdivision 2, clause (a).*

Sec. 70. Minnesota Statutes 1976, Section 10A.25, Subdivision 4, is amended to read :

Subd. 4. (NOTWITHSTANDING SUBDIVISION 2 WITH RESPECT TO THE 1974 GENERAL ELECTION, EXPENSES INCURRED PRIOR TO APRIL 13, 1974 SHALL NOT BE COUNTED AGAINST THE SPENDING LIMITATIONS IMPOSED BY SUBDIVISION 2.) *The limits prescribed in section 10A.25 shall not apply to any expenditure or approved expenditure made or advance of credit incurred before the effective date of this section unless the goods or services for which they were made or incurred are consumed or used after the effective date of this section.*

Sec. 71. Minnesota Statutes 1976, Section 10A.25, Subdivision 5, is amended to read :

Subd. 5. (IF) *Notwithstanding the limits imposed by subdivision 2, the winning candidate in a contested race in a primary (ELECTION) who receives less than twice as many votes as any*

one of his opponents in that (ELECTION, HE SHALL HAVE ADDED TO THE AGGREGATE AMOUNT WHICH MAY BE EXPENDED BY HIM OR ON HIS BEHALF AN AMOUNT) *primary may make aggregate expenditures and approved expenditures equal to (ONE-FIFTH) 120 percent of the applicable amount as set forth in subdivision 2(, OR THE AMOUNT ACTUALLY EXPENDED BY HIM OR ON HIS BEHALF IN THE PRIMARY ELECTION, WHICHEVER IS LESS).*

Sec. 72. Minnesota Statutes 1976, Section 10A.25, Subdivision 6, is amended to read:

Subd. 6. In (A) *any year (IN WHICH) following an election (DOES NOT OCCUR) year for (AN) the office held or sought, (NO EXPENDITURES SHALL BE MADE AND NO OBLIGATIONS TO MAKE EXPENDITURES SHALL BE INCURRED BY A CANDIDATE OR OFFICEHOLDER OR BY A POLITICAL COMMITTEE, POLITICAL FUND OR INDIVIDUAL WHICH MAKES EXPENDITURES WITH THE AUTHORIZATION, EXPRESS OR IMPLIED, AND UNDER THE CONTROL, DIRECT OR INDIRECT, OF THE CANDIDATE OR OFFICEHOLDER OR HIS AGENTS WHICH SHALL RESULT IN) the aggregate (EXPENDITURE) amount of expenditures by and approved expenditures on behalf of (THE) a candidate for or (OFFICEHOLDER IN THAT YEAR OF AN AMOUNT IN EXCESS OF) holder of that office shall not exceed 20 percent of the (AMOUNT OF THE AGGREGATE) expenditure (PERMITTED) limit set (BY) forth in subdivision 2. (EXPENDITURES PERMITTED BY THIS SUBDIVISION SHALL BE IN ADDITION TO EXPENDITURES PERMITTED BY SUBDIVISION 2.)*

Sec. 73. Minnesota Statutes 1976, Section 10A.25, Subdivision 7, is amended to read:

Subd. 7. On or before (JANUARY 15) *December 1* of each year, the state demographer shall certify to the board the estimated population of the state of Minnesota for the (LAST YEAR ENDING BEFORE THE DATE OF CERTIFICATION. IN DETERMINING THE PER CAPITA AMOUNTS FOR EACH OFFICE IN SUBDIVISION 2, THE BOARD SHALL USE) *next calendar year. On or before December 31 of each year the board shall determine and publish in the state register the expenditure limits for each office for the next calendar year as prescribed by subdivision 2, using the following estimated population figures:*

(a) (IN THE CASE OF THE ELECTIONS) *For the offices of governor and lieutenant governor, attorney general, secretary of state, state treasurer and state auditor, the total estimated population of the state;*

(b) (IN THE CASE OF THE ELECTIONS) For *the office of state senator*, 1/67 of the total estimated population of the state;

(c) (IN THE CASE OF ELECTIONS) For *the office of state representative*, 1/134 of the total estimated population of the state. *The limits shall be rounded off to the nearest \$100.*

Sec. 74. Minnesota Statutes 1976, Section 10A.25, is amended by adding a subdivision to read:

*Subd. 10. The expenditure limits imposed by section 10A.25 apply only to candidates who agree to be bound by the limits as a condition of receiving a public subsidy for their campaigns in the form of:*

(a) *An allocation of money from the state elections campaign fund; or*

(b) *Credits against the tax due of individuals who contribute to that candidate.*

Sec. 75. Minnesota Statutes 1976, Chapter 10A, is amended by adding a section to read:

[10A.265] [FREEDOM TO ASSOCIATE AND COMMUNICATE.] *Nothing in chapter 10A shall be construed as abridging the right of an association to communicate with its members.*

Sec. 76. Minnesota Statutes 1976, Section 10A.27, Subdivision 1, is amended to read:

10A.27 [ADDITIONAL LIMITATIONS.] Subdivision 1. (NO POLITICAL COMMITTEE, POLITICAL FUND, OR INDIVIDUAL, EXCEPT A POLITICAL PARTY OR THE PRINCIPAL CAMPAIGN COMMITTEE OF A CANDIDATE SHALL MAKE EXPENDITURES ON BEHALF OR IN OPPOSITION TO THE OPPONENT OF A CANDIDATE, OR TRANSFER FUNDS TO THE PRINCIPAL CAMPAIGN COMMITTEE OF A CANDIDATE, IN AN AMOUNT IN EXCESS OF TEN PERCENT OF THE AMOUNT THAT MAY BE SPENT BY OR ON BEHALF OF THAT CANDIDATE AS SET FORTH IN SECTION 10A.25.) *Except as provided in subdivisions 2 and 6, no candidate shall permit his principal campaign committee to accept contributions from any individual, political committee, or political fund in excess of the following:*

(a) *To candidates for governor and lieutenant governor running together, \$60,000 in an election year for the office sought and \$12,000 in other years;*

(b) *To a candidate for attorney general, \$10,000 in an election year for the office sought and \$2,000 in other years;*

(c) *To a candidate for the office of secretary of state, state treasurer or state auditor, \$5,000 in an election year for the office sought and \$1,000 in other years;*

(d) *To a candidate for state senator, \$1,500 in an election year for the office sought and \$300 in other years; and*

(e) *To a candidate for state representative, \$750 in an election year for the office sought and \$150 in the other year.*

Sec. 77. Minnesota Statutes 1976, Section 10A.27, Subdivision 2, is amended to read:

Subd. 2. No (POLITICAL PARTY) candidate shall (MAKE EXPENDITURES ON BEHALF OF A CANDIDATE OR TRANSFER FUNDS TO THE PRINCIPAL CAMPAIGN COMMITTEE OF A CANDIDATE IN AN AMOUNT) *permit his principal campaign committee to accept contributions from any political party in excess of (50 PERCENT OF) five times the amount that may be (SPENT BY OR ON BEHALF OF) contributed to that candidate by a political committee as set forth in (SECTION 10A.25) subdivision 1.*

Sec. 78. Minnesota Statutes 1976, Section 10A.27, Subdivision 4, is amended to read:

Subd. 4. For the purposes of this section, a political party (INCLUDES A POLITICAL PARTY'S) *means the aggregate of the party organization within each house of the legislature and the party organization within congressional districts, counties, legislative districts, municipalities, (WARDS,) and precincts (, AND ANY LEGISLATIVE BODY).*

Sec. 79. Minnesota Statutes 1976, Section 10A.27, is amended by adding a subdivision to read:

*Subd. 5. Nothing in section 10A.27 shall be construed as limiting independent expenditures on behalf of a candidate.*

Sec. 80. Minnesota Statutes 1976, Section 10A.27, is amended by adding a subdivision to read:

*Subd. 6. Nothing in section 10A.27 shall be construed as limiting the amount which may be contributed by a candidate for the purpose of influencing his own nomination or election.*

Sec. 81. Minnesota Statutes 1976, Section 10A.27, is amended by adding a subdivision to read:

*Subd. 7. Contributions and approved expenditures made prior to the effective date of this section which are in excess of the limits imposed by section 10A.27 shall not be in violation of this section but shall be disclosed as required by chapter 10A.*

Sec. 82. Minnesota Statutes 1976, Section 10A.27, is amended by adding a subdivision to read:

*Subd. 8. No candidate shall permit his principal campaign committee to accept a loan from other than a financial institution for an amount in excess of the contribution limits imposed by this section. No candidate shall permit his principal campaign committee to accept any loan from a financial institution for which that financial institution may hold any endorser of that loan liable to pay any amount in excess of the amount that the endorser may contribute to that candidate.*

Sec. 83. Minnesota Statutes 1976, Chapter 10A, is amended by adding a section to read:

[10A.275] [MULTI-CANDIDATE POLITICAL PARTY EXPENDITURES.] *Notwithstanding any other provisions of this chapter, the following expenditures by a state political party or a substate unit of a state political party as described in section 10A.27, subdivision 4, shall not be considered contributions to or expenditures on behalf of any candidate for the purposes of section 10A.25 or 10A.27, and shall not be allocated to any candidates pursuant to section 10A.22, subdivision 5:*

(a) *Expenditures on behalf of candidates of that party generally without referring to any to them specifically in any advertisement published, posted or broadcast;*

(b) *Expenditures for the preparation, display, mailing or other distribution of an official party sample ballot listing the names of three or more individuals whose names are to appear on the ballot;*

(c) *Expenditures for any telephone conversation including the names of three or more individuals whose names are to appear on the ballot; or*

(d) *Expenditures for any political party fundraising effort on behalf of three or more candidates.*

Sec. 84. Minnesota Statutes 1976, Section 10A.28, is amended to read:

10A.28 [PENALTY FOR EXCEEDING LIMITS.] (ANY PERSON OR ASSOCIATION THAT MAKES) *Subdivision 1. A candidate subject to the expenditure limits of section*



10A.25 who permits his principal campaign committee to make expenditures or permits approved expenditures to be made on his behalf in excess of the (LIMITATIONS) limits imposed by (SECTIONS) section 10A.25 (AND 10A.27) shall be subject to a civil fine (EQUAL TO) up to four times the amount (BY) which (ITS EXPENDITURE) the expenditures exceeded the limit.

*Subd. 2. A candidate who permits his principal campaign committee to accept contributions in excess of the limits imposed by section 10A.27 shall be subject to a civil fine of up to four times the amount by which the contribution exceeded the limits.*

*Subd. 3. If the board (OR COUNTY ATTORNEY HAS) finds that there is reason to believe that (A PERSON OR ASSOCIATION HAS MADE SUCH) excess expenditures have been made or excess contributions accepted contrary to the provisions of subdivision 1 or 2 the board shall make every effort for a period of not less than 14 days after its finding to correct the matter by informal methods of conference and conciliation and to enter a conciliation agreement with the person involved. A conciliation agreement made pursuant to this subdivision shall be a matter of public record. Unless violated, a conciliation agreement shall be a bar to any civil proceeding under subdivision 4.*

*Subd. 4. If the board is unable after a reasonable time to correct by informal methods any matter which constitutes probable cause to believe that excess expenditures have been made or excess contributions accepted contrary to subdivision 1 or 2, the board (OR COUNTY ATTORNEY) shall make a public finding of probable cause in the matter. After making a public finding, the board shall bring an action, or transmit the finding to a county attorney who shall bring an action, in the district court of Ramsey county or, in the case of a legislative candidate, the district court of a county within the legislative district, to impose (THIS PENALTY) a civil fine as prescribed by the board pursuant to subdivision 1 or 2. All moneys recovered pursuant to this section shall be deposited in the general (ACCOUNT) fund of the state (ELECTIONS CAMPAIGN FUND).*

Sec. 85. Minnesota Statutes 1976, Section 10A.29, is amended to read:

10A.29 [CIRCUMVENTION PROHIBITED.] Any attempt by (A PERSON) an individual or association to circumvent the provisions of (LAWS 1974, CHAPTER 470, SECTIONS 11 TO 41) chapter 10A by redirecting funds through, or contributing funds on behalf of, another (PERSON) individual or association is a gross misdemeanor.

Sec. 86. Minnesota Statutes 1976, Section 10A.30, Subdivision 1, is amended to read:

10A.30 [STATE ELECTIONS CAMPAIGN FUND.] Subdivision 1. There is hereby established an account within the (GENERAL) *special revenue* fund of the state to be known as the "state elections campaign fund".

Sec. 87. Minnesota Statutes 1976, Section 10A.31, Subdivision 1, is amended to read:

10A.31 [DESIGNATION OF INCOME TAX PAYMENTS.] Subdivision 1. Effective with the taxable years beginning after December 31, (1973) 1977, every individual (WHOSE INCOME TAX LIABILITY AFTER PERSONAL CREDIT FOR THE TAXABLE YEAR IS \$1 OR MORE) *who files a tax return or a renter and homeowner property tax refund return with the commissioner of revenue may designate that \$1 shall be paid from the general fund of the state into the state elections campaign fund. (IN THE CASE OF) If a husband and wife file a joint return (OF HUSBAND AND WIFE HAVING AN INCOME TAX LIABILITY OF \$2 OR MORE), each spouse may designate that \$1 shall be paid. An individual who is 18 years of age or older, who is a resident of Minnesota, and who is a dependent of another individual who files a tax return or a renter and homeowner property tax refund return, may designate that \$1 shall be paid from the general fund of the state into the state elections campaign fund. No individual shall be allowed to designate \$1 more than once in any year.*

Sec. 88. Minnesota Statutes 1976, Section 10A.31, Subdivision 3, is amended to read:

Subd. 3. The commissioner of the department of revenue shall on the first page of the income tax form *and the renter and homeowner property tax refund return* notify the (TAXPAYER) *filing individual and any adult dependent of that individual* of his right to allocate \$1 (OF HIS TAXES) (\$2 if filing a joint return) *from the general fund of the state* to finance the election campaigns of state candidates. The form shall also contain language prepared by the commissioner which permits the (TAXPAYER) *individual* to direct the state to allocate the \$1 (or \$2 if filing a joint return) to: (i) one of the major political parties; (ii) any minor political party *as defined in section 10A.01, subdivision 13*, which qualifies under the provisions of subdivision 3a; or (iii) all qualifying candidates as provided by subdivision 7. *The dependent on the tax return or the renter and homeowner property tax refund return shall sign a statement which authorizes the designation of \$1. The renter and homeowner property tax refund return shall include instructions that the individual filing the return may designate \$1 on the return only if he has not designated \$1 on the income tax return.*

Sec. 89. Minnesota Statutes 1976, Section 10A.31, Subdivision 3a, is amended to read:

Subd. 3a. A minor political party as defined in section 10A.01, subdivision 13 qualifies for inclusion on the income tax form as provided in subdivision 3 (IF A CANDIDATE OF THAT PARTY FILED FOR AN OFFICE IN THE PRECEDING GENERAL ELECTION, OR IF A PETITION ON BEHALF OF THAT PARTY), provided that if a petition is filed, it is filed (AS PROVIDED IN SECTION 10A.01, SUBDIVISION 13,) by June 1 of the taxable year.

Sec. 90. Minnesota Statutes 1976, Section 10A.31, Subdivision 4, is amended to read:

Subd. 4 (ALL MONEYS) *The amounts designated by (INDIVIDUAL TAXPAYERS) individuals for the state elections campaign fund are appropriated from the general fund and shall be credited to the appropriate account in the (GENERAL) state elections campaign fund (OF THE STATE) and (SHALL BE) annually appropriated for distribution as set forth in subdivisions 5, 6 and 7.*

Sec. 91. Minnesota Statutes 1976, Section 10A.31, Subdivision 5, is amended to read:

Subd. 5. In each calendar year the moneys in each party account and the general account shall be allocated to candidates as follows:

(a) (16) 21 percent for the offices of governor and lieutenant governor (JOINTLY) together;

(b) (9.6) 3.6 percent for the office of attorney general;

(c) (4.8) 1.8 percent each for the offices of secretary of state, state auditor and state treasurer;

(d) In each calendar year during the period in which state senators serve a four year year term, (20)  $23 \frac{1}{3}$  percent for the office of state senator and (40)  $46 \frac{2}{3}$  percent for the office of state representative;

(e) In each calendar year during the period in which state senators serve a two year term, (AND IN 1975 AND 1976, 30) 35 percent each for the offices of state senator and state representative;

(f) (ALL CANDIDATES OF ONE PARTY FOR THE STATE SENATE AND STATE HOUSE OF REPRESENTATIVES WHOSE NAMES ARE TO APPEAR ON THE BALLOT IN THE GENERAL ELECTION SHALL SHARE EQUALLY IN THE FUNDS ALLOCATED TO THEIR RESPECTIVE OFFICES FROM THEIR PARTY ACCOUNT.) *To assure that moneys will be returned to the counties from which they were*

collected, and to assure that the distribution of those moneys rationally relates to the support for particular parties or for particular candidates within legislative districts, moneys from the party accounts for legislative candidates shall be distributed as follows:

Each candidate for the state senate and state house of representatives whose name is to appear on the ballot in the general election shall receive moneys from his party account set aside for candidates of the state senate or state house of representatives, whichever applies, according to the following formula;

For each county within his district the candidate's share of the dollars allocated in that county to his party account and set aside for that office shall be:

(a) The sum of the votes cast in the last general election in that part of the county in his district for all candidates of his party (i) whose names appeared on the ballot in each voting precinct of the state and (ii) for the state senate and state house of representatives, divided by

(b) The sum of the votes cast in that county in the last general election for all candidates of his party (i) whose names appeared on the ballot in each voting precinct in the state and (ii) for the state senate and state house of representatives, multiplied by

(c) The amount in his party account allocated in that county and set aside for the candidates for the office for which he is a candidate.

The sum of all the county shares calculated in the formula above is the candidate's share of his party account.

In a year in which an election for the state senate occurs, with respect to votes for candidates for the state senate only, "last general election" means the last general election in which an election for the state senate occurred.

For any party under whose name no candidate's name appeared on the ballot in each voting precinct in the state in the last general election, "last general election" means the last general election in which the name of a candidate of that party appeared on the ballot in each voting precinct in the state.

If in a district there was no candidate of a party for the state senate or state house of representatives in the last general election, or if a candidate for the state senate or state house of representatives was unopposed, the vote for that office for that party shall be the average vote of all the remaining candidates of that party in each county of that district whose votes are included

*in the sums in clauses (a) and (b). The average vote shall be added to the sums in clauses (a) and (b) before the calculation is made for all districts in the county.*

Moneys from any party account (REFUSED BY ANY CANDIDATE) *not distributed in any election year shall be (DISTRIBUTED TO ALL OTHER CANDIDATES OF THAT PARTY IN PROPORTION TO THEIR SHARES AS PROVIDED IN THIS SUBDIVISION) returned to the general fund of the state.* Moneys from the general account refused by any candidate shall be distributed to all other qualifying candidates in proportion to their shares as provided in this subdivision.

(BEGINNING WITH CALENDAR YEAR 1977 AND APPLYING TO TAXABLE YEAR 1976, THE ALLOCATIONS FROM THE STATE ELECTIONS CAMPAIGN FUND SHALL BE: 21 PERCENT FOR THE OFFICES OF GOVERNOR AND LIEUTENANT GOVERNOR FILING JOINTLY; 3.6 PERCENT FOR THE OFFICE OF ATTORNEY GENERAL; 1.8 PERCENT EACH FOR THE OFFICES OF SECRETARY OF STATE, STATE AUDITOR, AND STATE TREASURER; IN EACH CALENDAR YEAR DURING THE PERIOD IN WHICH STATE SENATORS SERVE A FOUR YEAR TERM, 23 1/3 PERCENT FOR THE OFFICE OF STATE SENATOR AND 46 2/3 PERCENT FOR THE OFFICE OF STATE REPRESENTATIVE; AND IN EACH CALENDAR YEAR DURING THE PERIOD IN WHICH STATE SENATORS SERVE A TWO YEAR TERM, 35 PERCENT EACH FOR THE OFFICES OF STATE SENATOR AND STATE REPRESENTATIVE.)

Sec. 92. Minnesota Statutes 1976, Section 10A.31, Subdivision 6, is amended to read:

Subd. 6. Within two weeks after certification by the state canvassing board of the results of the primary, the state treasurer shall distribute the available funds in each party account, as certified by the commissioner of revenue on September 15, to the candidates of that party who have signed the agreement as provided in section 10A.32, subdivision 3, and whose names are to appear on the ballot in the general election, according to the allocations set forth in subdivision 5. (IF THERE IS NO CANDIDATE OF A PARTY FOR ANY ONE OFFICE DESIGNATED IN SUBDIVISION 5 IN ANY YEAR IN WHICH THAT OFFICE APPEARS ON THE BALLOT, THE ALLOCATION FOR THAT OFFICE SHALL BE DISTRIBUTED TO ALL OTHER CANDIDATES OF THAT PARTY IN PROPORTION TO THEIR SHARES AS SET FORTH IN SUBDIVISION 5.)

Sec. 93. Minnesota Statutes 1976, Section 10A.31, Subdivision 7, is amended to read:

Subd. 7. Within two weeks after certification by the state canvassing board of the results of the general election, the state treasurer shall distribute the available funds in the general account, as certified by the commissioner of revenue on November 15 and according to allocations set forth in subdivision 5, in equal amounts to all candidates for each statewide office who received at least five percent of the votes cast in the general election for that office, and to all candidates for legislative office who received at least ten percent of the votes cast in the general election for the specific office for which they were candidates. *The board shall not use the information contained in the report of the principal campaign committee of any candidate due ten days before the general election for the purpose of reducing the amount due that candidate from the general account.*

Sec. 94. Minnesota Statutes 1976, Section 10A.31, Subdivision 10, is amended to read:

Subd. 10. In the event that on (NOVEMBER 15) *the date of either certification by the commissioner of revenue as provided in subdivisions 6 and 7*, less than 98 percent of the tax returns have been processed, the commissioner of revenue shall certify to the board on December 7 the amount accumulated in each account since the previous certification. Within one week thereafter, the board shall certify to the state treasurer the amount to be distributed to each candidate according to the allocations as provided in subdivision 5. As soon as practicable thereafter, the state treasurer shall distribute the amounts to the candidates. Any moneys accumulated after the final certification shall be maintained in the respective accounts for distribution in the next general election year.

Sec. 95. Minnesota Statutes 1976, Section 10A.31, is amended by adding a subdivision to read:

*Subd. 11. For the purposes of section 10A.31, a write-in candidate is not a candidate unless he complies with the provisions of section 10A.32, subdivision 3.*

Sec. 96. Minnesota Statutes 1976, Section 10A.32, Subdivision 1, is amended to read:

10A.32 [LIMITATIONS UPON THE STATE ELECTION CAMPAIGN FUND.] Subdivision 1. No candidate shall be entitled to receive from the state elections campaign fund *and retain* an amount greater than the (TOTAL) *aggregate* amount of expenditures which may be made by him (OR) *and approved expenditures made* on his behalf under (SECTIONS) *section* 10A.25 (AND 10A.27), *subdivision 2*. The amount by which the allocation exceeds the expenditure limit shall be (DISTRIBUTED TO ALL OTHER CANDIDATES OF THE SAME PARTY WHOSE SHARES DO NOT EXCEED THEIR EX-

PENDITURE LIMITS IN PROPORTION TO THEIR SHARES AS SET FORTH IN SECTION 10A.31) *returned to the general fund of the state.*

Sec. 97. Minnesota Statutes 1976, Section 10A.32, Subdivision 2, is amended to read:

Subd. 2. No candidate shall be entitled to receive from the state (ELECTION) *elections campaign fund an amount greater than the (TOTAL) aggregate amount (ACTUALLY EXPENDED) of expenditures made by him (OR) and approved expenditures made on his behalf in the year of the election. If the report required to be filed on or before January 31 in the year following the general election indicates that the amount received by the candidate from the state elections campaign fund is greater than the amount (AUTHORIZED TO BE) expended on his behalf, the treasurer of his principal campaign committee shall (REFUND) return to the state treasurer an amount equal to the difference. The (REFUND) return in the form of a check or money order shall be submitted with such report and the board shall forward the (REFUND) return to the state treasurer for deposit in the general fund of the state.*

Sec. 98. Minnesota Statutes 1976, Section 10A.32, Subdivision 3, is amended to read:

Subd. 3. As a condition of receiving any (FUNDS) *moneys from the state elections campaign fund, (ANY) a candidate (, PRIOR TO RECEIPT OF THE FUNDS,) shall agree by stating in writing to the board (ON OR BEFORE SEPTEMBER 1) that (AUTHORIZED) (a) his expenditures (ON HIS BEHALF) and approved expenditures shall not exceed the expenditure limits as set forth in section 10A.25 and that (HIS PRINCIPAL CAMPAIGN COMMITTEE) (b) he shall not accept contributions or allow approved expenditures to be made on his behalf for the period beginning with January 1 of the election year or with the registration of his principal campaign committee, whichever occurs later, and ending December 31 of the election year, which aggregate contributions and approved expenditures exceed (105 PERCENT OF) the difference between the amount which may legally be expended by him or on his behalf, and the amount which he receives from the state elections campaign fund. The agreement, insofar as it relates to the expenditure limits set forth in section 10A.25, remains effective until the dissolution of the principal campaign committee of the candidate or the opening of filings for the next succeeding election to the office held or sought at the time of agreement, whichever occurs first. Beginning in 1980, money in the account of the principal campaign committee of a candidate on January 1 of the election year for the office held or sought shall be considered contributions accepted by that candidate in that year for the purposes of this subdivision. Notwithstanding the effective date of this section, for 1978, the period for determining the aggregate*

*contribution and approved expenditure limit agreed to pursuant to this subdivision shall begin January 1, 1978. That amount of all contributions accepted by a candidate in an election year which equals the amount of noncampaign disbursements made by that candidate in that year shall not count toward the aggregate contributions and approved expenditure limit imposed by this subdivision. Any amount by which his (TOTAL) aggregate contributions and approved expenditures agreed to under clause (b) exceed (105 PERCENT OF) the difference shall be (REFUNDED) returned to the state treasurer (. THE REFUND IN THE FORM OF A CHECK OR MONEY ORDER SHALL BE SUBMITTED) in the (SAME) manner (AS) provided in subdivision 2. In no case shall the amount returned exceed the amount received from the state elections campaign fund.*

*The candidate may submit his signed agreement to the filing officer on the day he files his affidavit of candidacy or petition to appear on the ballot, or he may submit the agreement to the board no later than September 1.*

*The board prior to the first day of filing for office shall forward forms for the agreement to all filing officers. The filing officer shall without delay forward signed agreements to the board. An agreement may not be rescinded after September 1.*

For the purposes of this subdivision only, the total amount to be distributed to each candidate is calculated to be his share of the total estimated funds in his party account as provided in subdivision 3a, plus the total amount estimated as provided in subdivision 3a to be in the general account of the state elections campaign fund and set aside for that office divided by the number of candidates whose names are to appear on the general election ballot for that office. If for any reason the amount actually received by the candidate is greater (BY REASON OF A LESSER NUMBER OF QUALIFYING CANDIDATES SHARING IN THE FUNDS IN EACH ACCOUNT) than his share of the estimate, and his contributions thereby exceed (105 PERCENT OF) the difference, the agreement shall not be considered violated.

Sec. 99. Minnesota Statutes 1976, Section 10A.32, Subdivision 3a, is amended to read:

Subd. 3a. The commissioner of revenue shall, on the basis of vote totals provided by the secretary of state, calculate and certify to the board (ON OR) before the (LAST) first day (FOR FILING FOR OFFICE) of July in an election year his estimate (OF THE TOTAL TO BE ACCUMULATED IN EACH ACCOUNT IN THE STATE ELECTIONS CAMPAIGN FUND), after 100 percent of the tax returns have been processed, of the total amount in the general account, and the amount of moneys each candidate who qualifies as provided in section 10A.31, subdivision 6, may receive from his party account, based upon the formula set forth in section 10A.31, sub-



*division 3. Prior to the first day of filing for office, the board shall publish and forward to all filing officers these estimates. Within seven days after the last day for filing for office the secretary of state shall certify to the board the name, address, office sought, and party affiliation of each candidate who has filed with that office his affidavit of candidacy or petition to appear on the ballot. The auditor of each county shall certify to the board the same information for each candidate who has filed with that county his affidavit of candidacy or petition to appear on the ballot. Within seven days thereafter the board shall estimate the minimum amount to be received by each candidate who qualifies as provided in section 10A.31, subdivisions 6 and 7, and notify all candidates on or before August 15 of the applicable amount. The board shall include with the notice a form for the agreement provided in subdivision 3.*

Sec. 100. Minnesota Statutes 1976, Section 10A.32, is amended by adding a subdivision to read:

*Subd. 3b. As a condition of receiving a public subsidy for his election campaign in the form of tax credits against the tax due from individuals who contribute to his principal campaign committee a candidate shall agree by stating in writing to the board at any time beginning with the registration of his principal campaign committee that his expenditures and approved expenditures shall not exceed the expenditure limits as set forth in section 10A.25. The agreement shall remain effective until the dissolution of the principal campaign committee of the candidate or the opening of filing for the next succeeding election for the office held or sought at the time of agreement, whichever occurs first. An agreement signed under this subdivision may not be rescinded. The commissioner of revenue shall not allow any individual or married couple filing jointly to take a credit against any tax due, pursuant to section 290.06, subdivision 11, for any contribution to a candidate for legislative or statewide office who has not signed the agreement provided in this subdivision. Nothing in this subdivision shall be construed to limit the campaign expenditure of any candidate who does not sign an agreement under this subdivision but accepts a contribution for which the contributor claims a credit against tax due. The board shall forward a copy of any agreement signed under this subdivision to the commissioner of revenue. The board shall make available to any candidate signing an agreement a supply of Official Tax Credit Receipt forms which state in bold face type that (a) a contributor who is given a receipt form is eligible to receive a credit against his tax due in an amount equal to 50 percent of his contribution but not more than \$25 for an individual, or not more than \$50 for a married couple filing jointly, and (b) that the candidate to whom he has contributed has voluntarily agreed to abide by campaign expenditure limits. If a candidate does not sign an agreement under this subdivision he may not issue an Official Tax Credit Receipt form, or any facsimile thereof, to any of his contributors. Any candidate who does not voluntarily agree*

*to abide by the expenditure limits imposed in section 10A.25 and who willfully issues Official Tax Credit Receipt forms, or any facsimile thereof, to any contributor is guilty of a misdemeanor.*

Sec. 101. Minnesota Statutes 1976, Section 10A.32, Subdivision 4, is amended to read:

Subd. 4. If a political party for whose candidates funds have been accumulated in the state elections campaign fund does not have a candidate for any office, the moneys *set aside for that office* shall be (MAINTAINED IN THAT ACCOUNT UNTIL THE YEAR OF THE NEXT GENERAL ELECTION. IF IN TWO SUCCESSIVE GENERAL ELECTION YEARS THAT POLITICAL PARTY DOES NOT HAVE A CANDIDATE FOR ANY OFFICE, THE ACCUMULATED FUNDS SHALL BE TRANSFERRED) *returned* to the general fund of the state.

Sec. 102. Minnesota Statutes 1976, Section 10A.33, is amended to read:

10A.33 [APPLICATION.] The provisions of sections 10A.30 to 10A.32 shall apply only in general elections and (PRIMARY ELECTIONS) *primaries* preceding general elections and shall not (INCLUDE) *apply* to special elections(,) or special (PRIMARY ELECTIONS, CONVENTIONS AND CAUCUSES OF A POLITICAL PARTY) *primaries*.

Sec. 103. Minnesota Statutes 1976, Chapter 10A, is amended by adding a section to read:

[10A.335] *For the purpose of determining whether the distribution formula provided in section 10A.31, subdivision 5, (a) assures that moneys will be returned to the counties from which they were collected, and (b) continues to have a rational relation to the support for particular parties or particular candidates within legislative districts, it is the intention of this section that future legislatures monitor, using statistical data provided by the department of revenue, income tax returns and renter and homeowner property tax refund returns on which \$1, or in the case of a joint return, \$2, is designated for a political party.*

Sec. 104. Minnesota Statutes 1976, Section 10A.34, is amended by adding a subdivision to read:

Subd. 1a. *The board may bring an action in the district court in Ramsey county to recover any late filing fee imposed pursuant to any provision of chapter 10A. All money recovered shall be deposited in the general fund of the state.*

Sec. 105. Minnesota Statutes 1976, Section 210A.01, Subdivision 3, is amended to read:

Subd. 3. "Candidate" means (EVERY PERSON) *any individual* for whom it is contemplated or desired that votes may be cast at any *primary or election (OR PRIMARY)*, and who either tacitly or expressly consents to be so considered, except candidates for president and vice president of the United States. In sections 210A.22 to 210A.28, 210A.32 and 210A.33, "candidate" does not mean (A PERSON) *an individual* for whom it is contemplated or desired that votes may be cast at any *primary or election (OR PRIMARY)*, and who either tacitly or expressly consents to be so considered for (GOVERNOR, STATE OFFICER, STATE SENATOR OR MEMBERSHIP IN THE HOUSE OF REPRESENTATIVES) *constitutional office, member of the legislature, justice of the supreme court, or district court judge.*

Sec. 106. Minnesota Statutes 1976, Section 290.06, Subdivision 11, is amended to read:

Subd. 11. [CONTRIBUTIONS TO POLITICAL PARTIES AND CANDIDATES.] (EFFECTIVE FOR TAXABLE YEARS COMMENCING AFTER DECEMBER 31, 1973.) In lieu of the credit against taxable net income provided by section 290.21, subdivision 3, clause (e), a taxpayer may take a credit against the tax due under this chapter of 50 percent but not more than (\$12.50) \$25 of his contributions to a political party and candidate. A married couple, filing jointly, may take a similar credit of not more than (\$25) \$50. (HOWEVER, THE TAXPAYER MAY TAKE A CREDIT FOR CONTRIBUTIONS OF NO MORE THAN \$5 IN THE CASE OF AN INDIVIDUAL RETURN OR \$10 IN THE CASE OF A JOINT RETURN FOR CONTRIBUTIONS TO A POLITICAL PARTY) *No credit shall be allowed under this subdivision for a contribution to any candidate, other than a candidate for elective judicial office, who has not signed an agreement to limit his campaign expenditures as provided in section 10A.32, subdivision 3b. The commissioner of revenue shall provide in the tax instruction booklet language understandable to a person of average intelligence which states that the taxpayer may only claim a credit against his tax due for contributions to candidates for (a) judicial office or (b) statewide or legislative office who have agreed to limit their expenditures.* For purposes of this subdivision, "candidate" means a candidate as defined in section 10A.01, subdivision 5. The department of revenue shall provide on the first page of the Minnesota tax form an appropriate provision for the credit provided by (LAWS 1974, CHAPTER 470) *this subdivision.*

This credit shall be allowed only if the contribution is verified in the manner the commissioner of revenue shall prescribe.

Sec. 107. Minnesota Statutes 1976, Section 290.21, is amended by adding a subdivision to read:

Subd. 4. *No credit shall be allowed under subdivision 3, clause (e), for any contribution to a candidate as defined in section 10A.01, except a candidate for elective judicial office.*

Sec. 108. [ETHICAL PRACTICES BOARD; TEMPORARY RULEMAKING.] *The ethical practices board may exercise temporary rulemaking authority as provided in section 15.0412, subdivision 5, to implement the provisions of chapter 10A which are amended by this act. The board shall solicit information and opinions from outside the board as provided in section 15.0412, subdivision 6, before adopting these rules. Notwithstanding the provisions of section 15.0412, subdivision 5, any rules adopted pursuant to this section shall be effective until permanent rules are adopted pursuant to chapter 15 or until October 1, 1979, whichever occurs first. This section expires October 1, 1979.*

Sec. 109. [REPEALER.] *Minnesota Statutes 1976, Sections 10A.09, Subdivision 4; 10A.11, Subdivision 6; 10A.20, Subdivision 9; 10A.22, Subdivision 3; 10A.25, Subdivisions 8 and 9; 10A.26; and 10A.27, Subdivision 3, are repealed.*

Sec. 110. [APPROPRIATION.] *Subdivision 1. The sum of \$20,000 is appropriated from the general fund to the ethical practices board to implement the provisions of this act. This appropriation shall be available for expenditure until June 30, 1979.*

*Subd. 2. The sum of \$5,000 is appropriated from the general fund to the commissioner of revenue to implement the provisions of section 10A.32, subdivision 3. This appropriation shall be available for expenditure until June 30, 1979.*

Sec. 111. [EFFECTIVE DATE.] *Sections 106 and 107 are effective for taxable years commencing after December 31, 1977. The remaining sections of this act are effective the day following final enactment."*

Further, amend the title by deleting it and inserting:

"A bill for an act relating to elections; revising ethical practices board procedures regarding regulating lobbyist registration and activity, disclosure of economic interest, and campaign finance disclosure; revising certain reporting requirements; imposing limitations on political expenditures and contributions; distributing money from the state elections campaign fund to legislative candidates; defining terms; removing obsolete provisions; imposing late filing fees and penalties; increasing credits against tax due for contributions to candidates; providing credits against tax due for contributions to candidates who voluntarily abide by spending limits; appropriating money; amending Minnesota Statutes 1976, Sections 10A.01, Subdivisions 2, 5, 7, 9, 10, 11, 13, 15, 16, 18, and by adding subdivisions; 10A.02, Subdivisions 1, 2, 4, 8, 9, 11, 12, 13, and by adding a subdivision; 10A.03, Subdivision 1, and by adding a subdivision; 10A.04, Subdivisions 1, 2, and 5; 10A.07; 10A.08; 10A.09, Subdivisions 5, 6, and 7; and 10A.10; 10A.11, Subdivision 1; 10A.12, Subdivisions 1, 4 and 5; 10A.13; 10A.14, Subdivisions 1, 2, and 4; 10A.15; 10A.16; 10A.17; 10A.19, Subdivision 1; 10A.20, Subdivisions 2, 3, 4, 5,

6, 8, 12, and by adding a subdivision; 10A.21, Subdivisions 1 and 3; 10A.22, Subdivisions 1, 4, 5, and 7; 10A.24; 10A.25, Subdivisions 1, 2, 3, 4, 5, 6, 7 and by adding a subdivision; 10A.27, Subdivisions 1, 2, 4 and by adding subdivisions; 10A.28; 10A.29; 10A.30, Subdivision 1; 10A.31, Subdivisions 1, 3, 3a, 4, 5, 6, 7, 10, and by adding a subdivision; 10A.32, Subdivisions 1, 2, 3, 3a, 4, and by adding a subdivision; 10A.33; 10A.34, by adding a subdivision; 210A.01, Subdivision 3; 290.06, Subdivision 11; 290.21, by adding a subdivision; and Chapter 10A, by adding sections; and Minnesota Statutes, 1977 Supplement, Section 10A.20, Subdivision 10; repealing Minnesota Statutes 1976, Sections 10A.09, Subdivision 4; 10A.11, Subdivision 6; 10A.20, Subdivision 9; 10A.22, Subdivision 3; 10A.25, Subdivisions 8 and 9; 10A.26; and 10A.27, Subdivision 3."

We request adoption of this report and repassage of the bill.

House Conferees: MICHAEL GEORGE, JAMES RICE and DONALD SAMUELSON.

Senate Conferees: STEVE KEEFE, DAVID SCHAAF and EDWARD GEARTY.

George moved that the report of the Conference Committee on H. F. No. 404 be adopted and that the bill be repassed as amended by the Conference Committee.

A roll call was requested and properly seconded.

The question was taken on the motion and the roll was called. There were 84 yeas and 34 nays as follows:

Those who voted in the affirmative were:

Abeln	Cohen	Kahn	Murphy	Sieben, M.
Anderson, B.	Eckstein	Kalis	Nelsen, M.	Simoneau
Anderson, G.	Eken	Kelly, R.	Nelson	Skoglund
Anderson, I.	Ellingson	Kempe, A.	Norton	Smogard
Arlandson	Enebo	King	Novak	Stanton
Battaglia	Faricy	Kostohryz	Osthoff	Suss
Begich	Fudro	Kroening	Patton	Swanson
Berg	Fugina	Langseth	Pehler	Tomlinson
Berglin	George	Lehto	Petrafeso	Voss
Berkelman	Gunter	Mangan	Prahl	Waldorf
Brandl	Hanson	Mann	Rice	Welch
Braun	Hokanson	McCarron	St. Onge	Wenstrom
Byrne	Jacobs	McCollar	Sarna	White
Carlson, L.	Jaros	McEachern	Scheid	Williamson
Cassarly	Jensen	Metzen	Schulz	Wynia
Clark	Johnson	Moe	Sherwood	Speaker Sabo
Clawson	Jude	Munger	Sieben, H.	

Those who voted in the negative were:

Albrecht	Anderson, R.	Carlson, D.	Den Ouden	Esau
Anderson, D.	Carlson, A.	Corbid	Erickson	Evans

Ewald	Kempe, R.	Nelsen, B.	Redalen	Wenzel
Fjoslien	Knickerbocker	Niehaus	Rose	Wieser
Forsythe	Kvam	Onnen	Savelkoul	Wigley
Friedrich	Laidig	Peterson	Searle	Zubay
Kaley	McDonald	Pleasant	Searles	

The motion prevailed.

#### CALL OF THE HOUSE

On the motion of Searle and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

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

Searle moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

H. F. No. 404, A bill for an act relating to political activities; providing for their regulation; defining terms; revising certain filing and reporting requirements; clarifying language; imposing expenditure and contribution limits; revising distribution of moneys from the state elections campaign fund to legislative candidates; removing obsolete provisions; providing penalties; amending Minnesota Statutes 1976, Sections 10A.01, Subdivisions 2, 5, 7, 9, 10, 11, 13, 15, 16 and 18, and by adding subdivisions; 10A.02, Subdivisions 1, 2, 4, 8, 9, 11, 12 and 13, and by adding a subdivision; 10A.04, Subdivision 1; 10A.07; 10A.09, Subdivision 6; 10A.11, Subdivisions 1 and 6; 10A.12, Subdivisions 1, 4 and 5; 10A.13; 10A.14, Subdivisions 1 and 2; 10A.15; 10A.16; 10A.17; 10A.19, Subdivision 1; 10A.20, Subdivisions 3, 4, 5 and 6; 10A.22, Subdivisions 1, 3, 4, 5 and 7; 10A.24;

10A.25; 10A.27; 10A.28; 10A.29; 10A.31, Subdivisions 3a, 5, 6, 7, 10, and by adding a subdivision; 10A.32; 10A.33; and 210A.01, Subdivision 3; and Chapter 10A, by adding sections; repealing Minnesota Statutes 1976, Sections 10A.09, Subdivision 7; 10A.17, Subdivision 2; and 10A.26.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called.

Anderson, I., moved that those not voting be excused from voting. The motion prevailed. There were 88 yeas and 35 nays as follows:

Those who voted in the affirmative were:

Abeln	Cohen	Kalis	Nelsen, M.	Simoneau
Anderson, B.	Eckstein	Kelly, R.	Nelson	Skoglund
Anderson, G.	Eken	Kempe, A.	Norton	Smogard
Anderson, I.	Ellingson	Kempe, R.	Novak	Stanton
Arlandson	Enebo	King	Osthoff	Suss
Battaglia	Faricy	Kostohryz	Patton	Swanson
Beauchamp	Fudro	Kroening	Pehler	Tomlinson
Begich	Fugina	Langseth	Petrafaso	Voss
Berg	George	Lehto	Prahl	Waldorf
Berglin	Gunter	Mangan	Reding	Welch
Berkelman	Hanson	Mann	Rice	Wenstrom
Brandl	Hokanson	McCarron	St. Onge	Wenzel
Braun	Jacobs	McCollar	Samuelson	White
Byrne	Jaros	McEachern	Sarna	Williamson
Carlson, L.	Jensen	Metzen	Scheid	Wynia
Casserly	Johnson	Moe	Schulz	Speaker Sabo
Clark	Jude	Munger	Sieben, H.	
Clawson	Kahn	Murphy	Sieben, M.	

Those who voted in the negative were:

Albrecht	Den Ouden	Friedrich	Nelsen, B.	Savelkoul
Anderson, D.	Erickson	Heinitz	Niehaus	Searle
Anderson, R.	Esau	Kaley	Onnen	Searles
Biersdorf	Evans	Knickerbocker	Peterson	Sherwood
Carlson, A.	Ewald	Kvam	Pleasant	Wieser
Carlson, D.	Fjoslien	Laidig	Redalen	Wigley
Corbid	Forsythe	McDonald	Rose	Zubay

The bill was repassed, as amended by Conference, and its title agreed to.

#### ADJOURNMENT

Anderson, I., moved that when the House adjourns today it adjourn until 2:00 p.m., Wednesday, March 1, 1978. The motion prevailed.

Anderson, I., moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Wednesday, March 1, 1978.

EDWARD A. BURDICK, Chief Clerk, House of Representatives