

STATE OF MINNESOTA

SEVENTIETH SESSION - 1978

EIGHTY-FOURTH DAY

SAINT PAUL, MINNESOTA, MONDAY, MARCH 6, 1978

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

Prayer was offered by the Chaplain.

The roll was called and the following members were present:

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

A quorum was present.

Rice was excused until 3:00 p.m.

The Chief Clerk proceeded to read the Journals of the preceding days. Suss moved that further reading of the Journals be dispensed with and that the Journals 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. 2493, 2494, 1937, 2273, 2274, 932, 2050, 1141, 1411, 1605, 1519, 1734, 1870, 1921, 2005, 2246, 46, 649, 1091, 1317, 1823, 1914, 1950, 2051, 1256, 2452, 2393, 1912, 2043, 838, 2348 and 1131 and S. F. No. 1617 have been placed in the members' files.

PETITIONS AND COMMUNICATIONS

The following communication was received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
ST. PAUL 55155

March 6, 1978

The Honorable Martin O. Sabo
Speaker of the House

Dear Sir:

The following appointment to the Ethical Practices Board is hereby respectfully submitted to the House for confirmation as required by law:

Ms. Mary Jo Richardson, 2985 Palace Ave., St. Paul, Ramsey County, has been appointed by me, effective July 1, 1977, for a term expiring January 1, 1979.

Sincerely,

RUDY PERPICH
Governor

The communication from the Governor relating to the appointment was referred to the Committee on General Legislation and Veterans Affairs.

REPORTS OF STANDING COMMITTEES

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

H. F. No. 237, A bill for an act relating to assumed business names; amending Minnesota Statutes 1976, Sections 333.01; 333.04; and 333.06; and Chapter 333, by adding sections; repealing Minnesota Statutes 1976, Sections 333.02; 333.03; and 333.05.

Reported the same back with the following amendments:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 301.09, is amended to read:

301.09 [POWERS COMMON TO CORPORATIONS.] Every corporation shall have power:

(1) To continue as a corporation for the time limited in its articles of incorporation, or, if no such time limit is specified, then perpetually;

(2) To sue and be sued;

(3) To adopt, use, and, at will, alter a corporate seal, but failure to affix the corporate seal, if any, shall not affect the validity of any instrument;

(4) To acquire, hold, lease, encumber, convey, or otherwise dispose of real and personal property within or without the state, and to take real and personal property by will or gift, subject to any limitation prescribed by law or the articles of incorporation;

(5) To conduct business in this state and elsewhere;

(6) To enter into obligations or contracts and to do any acts incidental to the transaction of its business or expedient for the attainment of the purposes stated in its articles;

(7) To indemnify persons against certain expenses and liabilities as provided in section 301.095; (AND)

(8) Unless otherwise provided in the articles of incorporation, to participate with others in any corporation, partnership, limited partnership, joint venture, trust, or other association of any kind, or in any transaction, undertaking, or arrangement which the participating corporation would have power to conduct by itself whether or not such participation involves sharing or delegation of control with or to others; *and*

(9) *To conduct all or part of its business under one or more assumed names as provided by section 3 of this act and sections 333.01 to 333.06.*

Sec. 2. Minnesota Statutes 1976, Section 333.01, is amended to read:

333.01 [COMMERCIAL ASSUMED NAMES; CERTIFICATE.] No person (OR PERSONS) shall hereafter carry on

or conduct or transact a commercial business in this state under any designation, name, or style, which does not set forth the (FULL INDIVIDUAL) *true* name of every person interested in such business unless such person (OR PERSONS) shall file in the office of the (CLERK OF THE DISTRICT COURT OF THE COUNTY OR COUNTIES IN WHICH THE PERSON OR PERSONS CONDUCT OR TRANSACT, OR INTEND TO CONDUCT OR TRANSACT, SUCH BUSINESS) *secretary of state*, a certificate setting forth the name under which the business is conducted or transacted, or is to be conducted or transacted, and the true (OR REAL FULL) name (OR NAMES) of the person (OR PERSONS) conducting or transacting the same, with the (POST OFFICE) address (OR ADDRESSES) of such person (OR PERSONS). The certificate shall be executed and duly acknowledged by one of the persons conducting, or intending to conduct, the business. The certificate shall be published in a qualified newspaper in the county (WHERE THE CERTIFICATE IS FILED FOR TWO SUCCESSIVE DAYS IN A DAILY NEWSPAPER, OR FOR TWO SUCCESSIVE WEEKS IN A WEEKLY NEWSPAPER) *in which the person has a principal or registered office for two successive issues.*

Sec. 3. Minnesota Statutes 1976, Chapter 333, is amended by adding a section to read:

[333.001] [DEFINITIONS.] *Subdivision 1. As used in this section and sections 333.01 to 333.06, the following terms shall have the meanings given, unless the context clearly indicates that a different meaning is intended.*

Subd. 2. "Person" means one or more natural persons; a partnership, including a limited partnership; a corporation, including a foreign, domestic, or nonprofit corporation; a trust; or any other business organization.

Subd. 3. "True name" means the true full name of the natural person, if a proprietorship; the true full name of at least one general partner, if a partnership; the full corporate name as stated in its articles, if a corporation; the true full name of at least one trustee, if a trust; or the true full name of at least one beneficial owner, if any other form of business organization.

Subd. 4. "Address" means the full residential address of each natural person, trustee or beneficial owner, or any corporation, included in subdivision 3, and the address of the principal place in Minnesota where the business is conducted or transacted, if different.

Subd. 5. "Executed" means executed by one natural person, if a proprietorship; by a general partner if a general or limited partnership; by an officer, if a corporation; by a trustee, if a trust; or by a beneficial owner or managing agent, if some other form of business organization.

Sec. 4. Minnesota Statutes 1976, Chapter 333, is amended by adding a section to read:

[333.035] [AMENDMENT OF CERTIFICATE.] *Within 60 days after the occurrence of any event which makes any statement in the last previous statement filed incorrect, an amended certificate shall be filed with proof of publication by the person conducting the business in the same manner as provided by section 333.01.*

Sec. 5. Minnesota Statutes 1976, Section 333.04, is amended to read:

333.04 [SECRETARY OF STATE; DUTIES, FEES.] The (SEVERAL CLERKS OF THE DISTRICT COURTS OF THIS) *secretary of state shall keep an alphabetical list of (ALL PERSONS FILING CERTIFICATES PROVIDED FOR IN) assumed names filed pursuant to section 333.01 after August 1, 1978, together with trademarks, service marks, certification marks or collective marks filed with the secretary of state and issued pursuant to sections 333.20 and 333.21, and for the indexing and filing of (SUCH) the certificates (THEY) shall (RECEIVE) charge the applicant a fee (OF \$1) prescribed by section 6. A copy of such certificate, duly certified to by the (CLERK OF THE DISTRICT COURT IN WHOSE OFFICE THE SAME IS FILED) secretary of state, shall be presumptive evidence in all courts of law in this state of the facts therein contained.*

Sec. 6. Minnesota Statutes 1976, Chapter 333, is amended by adding a section to read:

[333.055] [TERM OF CERTIFICATE; RENEWAL, NOTICES, FEES.] *Subdivision 1. Filing of a certificate with proof of publication hereunder shall be effective for a term of ten years from the date of filing and upon application filed within the six month period prior to the expiration of such term or a renewal thereof, on a form prescribed by the secretary of state, the certificate may be renewed for additional ten year terms. A renewal fee as specified herein, payable to the secretary of state, shall accompany the application for renewal. The secretary of state shall notify each person filing a certificate hereunder of the necessity of renewal thereof by writing to the last known address of the person at least six months prior to the certificate's expiration date.*

Subd. 2. Any assumed name certificate of record in the district courts and in force on the effective date of this act shall continue in force without the necessity of another filing under section 5 until July 31, 1979, at which time all such certificates shall expire unless renewed as hereinafter provided. Any certificate may be renewed by filing an application with the secretary of

state on a form prescribed by the secretary and paying the renewal fee prescribed by subdivision 3 within the six month period prior to the expiration of the certificate.

Subd. 3. The secretary of state shall charge and collect:

(a) For the filing of each certificate or amended certificate of an assumed name—\$10

(b) Certificate renewal fee—\$10

Subd. 4. The secretary of state shall accept for filing all certificates and renewals thereof which comply with the provisions of section 3 of this act and sections 333.01 to 333.06 and which are accompanied by the prescribed fees, notwithstanding the fact that the assumed name disclosed therein may be the same as, or similar to, one or more other assumed names already filed with the secretary of state. In the event of duplication or similarity, the secretary of state shall, within 20 days after the filing, notify in writing each person who has previously filed a certificate for the assumed name or a similar assumed name, of the duplication or similarity, including in the notice the name and last known address of the person so filing.

Sec. 7. Minnesota Statutes 1976, Section 333.06, is amended to read:

333.06 [PLEADING FAILURE TO FILE CERTIFICATE; COSTS.] If any person (OR PERSONS) conducting a business contrary to the terms of *section 3 of this act and sections 333.01 to 333.06* shall, prior to the filing of the certificate and proof of publication therein prescribed, commence a civil action in any court of this state on account of any contract made by, or transaction had on behalf of the business, the defendant may plead such failure in abatement of the action; and all proceedings had in the action shall thereupon be stayed until the certificate provided for by *section 3 of this act and sections 333.01 to 333.06* is duly filed, and the defendant, in case he prevails in the action, shall also be entitled to tax (\$5) \$100 costs, in addition to such other statutory costs as (ARE NOW) *may be allowed by law, and, in case he does not prevail in the action, shall be entitled to deduct (\$5) \$100 from the judgment otherwise recoverable therein.*

Sec. 8. Minnesota Statutes 1976, Sections 333.03 and 333.05, are repealed."

Further amend the title as follows:

Page 1, line 2, after the semicolon insert, "permitting and regulating conduct of business under assumed business name;"

Page 1, line 3, after "Sections" insert "301.09;"

Page 1, line 6, delete "333.02;"

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

The report was adopted.

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

H. F. No. 1009, A bill for an act relating to economic development; changing certain requirements for loan eligibility through the Minnesota area redevelopment administration; amending Minnesota Statutes 1976, Section 472.11, by adding subdivisions.

Reported the same back with the following amendments:

Page 2, line 11, delete "each".

Page 2, line 12, delete "grant" and insert "grants".

Page 2, line 12, delete "loan" and insert "loans".

Page 2, line 12, delete "a maximum" and insert "an aggregate".

Page 2, line 14, after the period insert "*Such technical assistance grants or loans shall not be included when computing the 20 percent limitation provided in Minnesota Statutes, Section 472.125.*"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1513, A bill for an act relating to contracts; distributing partial payments to construction subcontractors.

Reported the same back with the following amendments:

Page 1, line 8, delete "general".

Page 1, line 10, after "subcontractor" insert "or material supplier".

Page 1, line 13, after "subcontractor" insert "or material supplier".

Page 1, line 19, after "subcontractor" insert "or material supplier".

Page 1, after line 19, insert:

"Subd. 2. [WITHHOLDING OF PAYMENT.] Notwithstanding subdivision 1, a contractor may in good faith withhold partial payment to a subcontractor or material supplier if such withholding is a result of costs or liabilities incurred by the contractor which are attributable to acts or omissions of the subcontractor or material supplier. Acts or omissions by the subcontractor or material supplier which will justify withholding of partial payment include but are not limited to: late or defective workmanship, the supply of defective materials, violation of any applicable state or federal law or regulation, and breach of contract by the subcontractor or material supplier."

Page 1, line 21, after "subcontractor" insert "or material supplier".

Page 2, line 1, after "1" insert "or 2".

Page 2, line 1, delete "eight percent a year" and insert "four and one half percent in excess of the discount rate on 90 day commercial paper in effect at the Federal Reserve Bank in the Federal Reserve District encompassing Minnesota or as agreed unless otherwise provided by agreement between the contractor and the subcontractor or material supplier" and after the period insert "The payment withheld under this subdivision would be released to the subcontractor or material supplier when the act or omission has been corrected."

Page 2, line 4, after "subcontractor" insert "or material supplier".

Page 2, after line 4, insert:

"Sec. 2. This act is effective upon final enactment."

Renumber the subdivisions accordingly.

Further amend the title as follows:

Page 1, line 3, after "subcontractors" insert "or material suppliers".

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1672, A bill for an act relating to contracts for deeds; requiring certain disclosures; requiring registration or recording of contracts for deed; providing additional remedies for vendees; amending Minnesota Statutes 1976, Section 559.21; Chapters 507, by adding sections; and 559, by adding a section.

Reported the same back with the following amendments:

Strike everything after the enacting clause and insert the following:

"Section 1. Minnesota Statutes 1976, Section 559.21, is amended to read:

559.21 [TERMINATION OF CONTRACT OF SALE; NOTICE, SERVICE AND RETURN, COSTS, REINSTATEMENT.] When default is made in the conditions of any contract for the conveyance of real estate or any interest therein, whereby the vendor has a right to terminate the same, he may do so by serving upon the purchaser, his personal representatives or assigns, either within or without the state, a notice specifying the conditions in which default has been made, and stating that such contract will terminate, *except as where provided in section 2 of this act*, (1) 30 days after the service of such notice if the purchaser has paid less than 30 percent of the purchase price, exclusive of interest thereon, and any mortgages or prior contracts for deed which are assumed by the purchaser, (2) 45 days after service of such notice if the purchaser has paid 30 percent, or more, but less than 50 percent of the purchase price, exclusive of interest thereon, and any mortgages or prior contracts for deed which are assumed by the purchaser, (3) 60 days after service of such notice if the vendee has paid 50 percent, or more, of the purchase price, exclusive of interest thereon, and any mortgages or prior contracts for deed which are assumed by the purchaser, unless prior thereto the purchaser shall comply with such conditions and pay the costs of service, the mortgage registration tax, if actually paid by the vendor, together with an amount to apply on attorneys' fees actually expended or incurred, of \$75 when the amount in default is less than \$750, and of \$200 when the amount in default is \$750 or more; provided, however, that no amount shall be required to be paid for attorneys' fees as provided hereunder, unless some part of the conditions of default shall have existed at least 45 days prior to the date of service of said notice. Such notice must be given notwithstanding any provisions in the contract to the contrary, and shall be served within the state in the same manner as a summons in the district court, without the state, in the same manner, and without securing any sheriff's return of not found, making any preliminary affidavit, mailing a copy of said notice or doing any other preliminary act or thing whatsoever. Service of the notice without the state may be proved by the affidavit of the person

making the same, made before an authorized officer having a seal, and within the state by such an affidavit or by the return of the sheriff of any county therein. *The notice shall include the following information in 12 point or larger bold type, typewritten or handwritten legibly:*

THIS NOTICE IS TO INFORM YOU THAT BY THIS NOTICE THE SELLER HAS BEGUN PROCEEDINGS UNDER MINNESOTA STATUTES, SECTION 559.21, TO TERMINATE THE CONTRACT FOR THE CONVEYANCE OF REAL ESTATE WITH YOU FOR REASONS SPECIFIED IN THIS NOTICE. THE CONTRACT WILL TERMINATE DAYS AFTER SERVICE OF THIS NOTICE UPON YOU UNLESS BEFORE THEN YOU CORRECT THE CONDITIONS IN WHICH DEFAULT HAS BEEN MADE AND PAY THE COSTS OF SERVICE TOGETHER WITH THE MORTGAGE REGISTRATION TAX OF \$ AND \$ TO APPLY ON ATTORNEY'S FEES ACTUALLY EXPENDED OR INCURRED; OR UNLESS YOU INITIATE A GOOD FAITH CLAIM OR DEFENSE ARISING UNDER OR IN RELATION TO THE CONTRACT, ITS TERMINATION OR YOUR ALLEGED DEFAULT THEREUNDER, BY FILING A COMPLAINT WITH THE DISTRICT COURT OF THE COUNTY IN WHICH THE PROPERTY IS LOCATED. IF YOU INITIATE A CLAIM OR DEFENSE YOU MAY REQUEST A COURT ORDER THAT THE TERMINATION ON THE CONTRACT BE HELD IN ABEYANCE UNTIL YOUR CLAIMS OR DEFENSES ARE FINALLY DISPOSED OF BY TRIAL, HEARING OR SETTLEMENT. YOUR COMPLAINT MUST SPECIFICALLY STATE THOSE FACTS AND GROUNDS THAT DEMONSTRATE YOUR GOOD FAITH CLAIM OR DEFENSE. IF YOU DO NOT CORRECT THE CONDITIONS OF DEFAULT OR OBTAIN A COURT ORDER HOLDING THIS TERMINATION IN ABEYANCE, THIS CONTRACT WILL FINALLY TERMINATE AS STATED ABOVE AND YOU MAY LOSE YOUR RIGHT TO POSSESSION AND/OR LIVE ON THE PROPERTY; YOU MAY LOSE YOUR RIGHT TO ASSERT ANY DEFENSES (BUT NOT CLAIMS) YOU HAVE; AND YOU MAY BE EVICTED AFTER THE COMMENCEMENT AND HEARING OF A COURT ACTION.

Three weeks published notice, and if the premises described in the contract are actually occupied, then in addition thereto, the personal service of a copy of the notice within ten days after the first date of publication of the notice, and in like manner as the service of a summons in a civil action in the district court upon the person in possession of the premises, shall have the same effect as the personal service of the notice upon the purchaser, his personal representatives or assigns, either within or without the state as herein provided for. In case of such service by publication, as herein provided, the notice shall (SPECIFY) *set forth in bold type* the conditions in which default has been

made and (STATE) a *statement* that such contract will terminate 90 days after the first date of publication of the notice, unless prior thereto the purchaser comply with such conditions and pay the costs of service and attorneys' fees as provided herein, and the purchaser, his personal representatives or assigns, shall be allowed 90 days from and after the first date of publication of the notice to comply with the conditions of such contract.

If, within the time mentioned, the person served complies with such conditions and pays the costs of service and attorneys' fees as provided herein, the contract shall be thereby reinstated; but otherwise shall terminate *except as provided in section 2 of this act*. In the event that such notice was not signed by an attorney for the vendor and the vendor is not present in the state, or cannot be found therein, then compliance with the conditions specified in the notice may be made by paying to the clerk of the district court in the county wherein the real estate or any part thereof is situated any money due and filing proof of compliance with other defaults specified, and the clerk of the district court shall be deemed the agent of the vendor for such purposes. A copy of the notice with proof of service thereof, and the affidavit of the vendor, his agent or attorney, showing that the purchaser has not complied with the terms of the notice, may be recorded with the county recorder, and shall be *prima facie* evidence of the facts therein stated; but this section shall in no case be held to apply to contracts for the sale or conveyance of lands situated in another state or in a foreign country.

Sec. 2. Minnesota Statutes 1976, Chapter 559, is amended by adding a section to read:

[559.211] [DEFENSE OR CLAIM TO TERMINATION OF CONTRACT FOR DEED; SPECIAL PROCEEDING.] *Subdivision 1. A vendee who has a good faith claim or defense, arising under or in relation to a contract for the conveyance of real estate including a default or termination thereunder, may place a termination proceeding commenced pursuant to section 1 of this act in abeyance until final disposition or settlement of vendee's claim or defense in the following manner:*

(a) *The vendee shall present a verified complaint to the district court of the county in which the property is located, which complaint shall:*

(1) *Describe the real property which is the subject of the contract and the name of the vendor;*

(2) *Specifically state the facts and grounds that demonstrate the vendee's good faith claim or defense including a statement that the applicable termination period specified in section 1 of this act has not expired;*

(3) *Include a copy of the contract or a statement demonstrating that the plaintiff is a vendee under the contract;*

(4) *Ask that any termination proceedings, commenced pursuant to section 1 of this act, be held in abeyance;*

(5) *Set forth such other matters as required to be included in a complaint, including a specification of the relief requested.*

(b) *If it clearly appears from the grounds and facts stated in the verified petition or by separate affidavit of plaintiff, or his counsel, or agent, that plaintiff has a good faith claim or defense, arising under or in relation to the contract or default or termination thereunder, the court shall immediately order on an ex parte basis that the termination proceedings commenced pursuant to section 1 of this act be held in abeyance until final disposition of vendee's claim or defense or until the order is subsequently modified or dissolved pursuant to subdivision 3.*

(c) *The vendee shall tender to the court installments or other periodic payments, other than a balloon payment, as the payments become due and owing under the contract, or other security, if any, the court deems appropriate under the circumstances for payment of all costs and damages the vendor may sustain if the order is subsequently found to have been obtained wrongfully or if vendee's claim or defense is not upheld. In determining the appropriateness of any security the court shall consider vendee's ability to afford and secure monetary security.*

(d) *The court shall direct the order to the sheriff or constable in the county in which the property is located, and the sheriff or constable shall execute the order immediately by serving the order, a summons, verified complaint, and affidavit without delay upon the vendor or upon his agent, in the same manner as a summons is required to be served in a civil action in district court.*

Subd. 2. The effect of an order issued pursuant to subdivision 1, clause (b), shall be to place a termination proceeding commenced pursuant to section 1 of this act in abeyance and the contract shall not be terminated or otherwise cancelled until the final disposition or settlement of vendee's claim or defense or until the order is modified or dissolved pursuant to subdivision 3.

Subd. 3. The vendor, by written motion and notice served by mail or personally upon the vendee or his attorney at least seven days prior to the hearing date on the motion, may obtain dissolution or modification of the order for abeyance issued pursuant to subdivision 1, clause (b), unless it appears by verified complaint, affidavit, deposition testimony, or oral testimony in the court that sufficient grounds as set forth in subdivision

1, clause (b), exist for the order and provided that the vendee has complied with his obligations under subdivision 2, clause (c). Before or after the commencement of the hearing on such a motion the court may order the trial of the action on the merits to be advanced and consolidated with the hearing on the motion. Even if this consolidation is not ordered, any evidence received upon the motion which would be admissible in a trial on the merits becomes part of the record of the trial and need not be repeated at the trial. This subdivision shall be construed and applied to save any rights the parties may have to trial by jury. Upon dissolution of the order, the termination proceeding commenced pursuant to section 1 of this act shall be reinstated, and the court shall tax costs to the vendee, subject to the provisions of section 563.01, and may allow damages and reasonable attorney's fees. If the order is affirmed the court shall tax costs against vendor and may allow vendee reasonable attorney's fees.

Subd. 4. The procedures set forth herein concerning a vendee's claim or defense arising under or in relation to a contract for the conveyance of real estate or default or termination thereunder for which a termination proceeding under section 1 of this act has been commenced, supersede any provisions of law or the Minnesota rules of civil procedure relating to temporary restraining orders and temporary injunctions and are exclusive. If an order requested pursuant to the provisions of subdivision 1, clause (b), is denied or if an order is subsequently dissolved or modified, the action shall proceed as any other action initiated pursuant to rules 3 and 4 of the Minnesota rules of civil procedure, except as where otherwise expressly provided in this act.

Subd. 5. An order issued under subdivision 1, clause (b), or affirmed, modified or dissolved under subdivision 3, is a final order for purposes of appeal and the party aggrieved by the order may appeal within ten days after the entry of the order. The party who appeals shall furnish a bond, if not waived, conditioned to pay all costs of the appeal, to abide by the order the court may make, and to pay all damages justly accruing to the other party during the pendency of the appeal.

Subd. 6. Within 20 days after service of the summons and complaint the vendor may answer, setting forth the conditions under which default under the contract has been made and alleging any other claims or defenses. Thereafter the court shall order the matter to the front of the court calendar. The vendee, until 20 days prior to the trial may amend his complaint to allege any defense that he may have arising under or in relation to the contract, or default or termination thereunder. Thereafter the action shall proceed as any other action initiated pursuant to rules 3 and 4 of the Minnesota rules of civil procedure. The court may grant the relief it deems just and proper."

Further, amend the title as follows:

Strike the title in its entirety and insert:

“A bill for an act relating to contracts for deeds; providing additional remedies for vendees; amending Minnesota Statutes 1976, Section 559.21; and Chapter 559, by adding a section.”

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2075, A bill for an act relating to employments licensed by the state; concerning architects, engineers, surveyors, and landscape architects; amending Minnesota Statutes 1976, Section 326.03, Subdivision 2.

Reported the same back with the following amendments:

Strike everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1976, Section 326.03, Subdivision 1, is amended to read:

326.03 [LICENSE REQUIRED.] Subdivision 1. No person, except an architect, engineer, land surveyor or landscape architect, licensed as provided for in sections 326.02 to 326.15 shall practice architecture, professional engineering, land surveying or landscape architecture, respectively, in the preparation of plans, specifications, report, plats or other architectural, engineering, land surveying or landscape architectural documents, or in the observation of architectural, engineering, land surveying or landscape architectural projects. *All the documents shall meet and be in full compliance with all applicable building codes and ordinances.*

Sec. 2. Minnesota Statutes 1976, Section 326.03, Subdivision 2, is amended to read:

Subd. 2. Nothing contained in sections 326.02 to 326.16 shall prevent persons from advertising and performing services such as consultation, investigation, or evaluation in connection with, or from making plans and specifications for, or from supervising, the erection, enlargement, or alteration of any of the following buildings:

(a) Dwellings for single families, and outbuildings in connection therewith, such as barns and private garages;

(b) Two family dwellings;

(c) Any farm building or accessory thereto;

(d) Temporary buildings or sheds used exclusively for construction purposes, not exceeding two stories in height, and not used for living quarters;

(e) Any public work or public improvement done by a public body in this state, the cost of which does not exceed (\$30,000) \$100,000, provided that plans and specifications for such work or improvement affecting water supply or waste disposal are approved by the appropriate state agency; or

(f) Any building, structure, or work, the total cost of which does not exceed (\$30,000) \$100,000.

Sec. 3. Minnesota Statutes 1976, Section 326.06, is amended to read:

326.06 [GENERAL POWERS AND DUTIES OF BOARD.] Each member of the board shall receive a certificate of appointment from the governor, and, before beginning his term of office, shall file with the secretary of state the constitutional oath of office. The board shall adopt and have an official seal, which shall be affixed to all licenses granted; shall make all rules, not inconsistent with law, needed in performing its duties; and shall fix standards for determining the qualifications of applicants for certificates, which shall not exceed the requirements contained in the curriculum of a recognized school of architecture, landscape architecture or engineering. *The board shall make rules to define classes of buildings which may be exempted from the provisions of sections 326.02 to 326.16, by a finding of no probable risk to life, health, property or public welfare. These rules shall be promulgated on or before April 1, 1979. Upon the adoption of these rules, section 326.03, subdivision 2, clauses (e) and (f), and section 2 are superseded and of no effect.*

Sec. 4. [EFFECTIVE DATE.] *Section 2 is effective April 1, 1979. Sections 1 and 3 are effective following day of enactment.*

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

“A bill for an act relating to employments licensed by the state; requiring the services of a licensed architect, engineer, surveyor or landscape architect for the supervision, erection or alteration of buildings and structures exceeding certain specified costs; requiring compliance with applicable building codes and ordinances; prescribing certain duties of the licensing board; amending Minnesota Statutes 1976, Sections 326.03, Subdivisions 1 and 2; and 326.06.”

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2077, A bill for an act relating to commerce; regulating building movers; creating an advisory council; amending Minnesota Statutes 1976, Chapter 221, by adding a section.

Reported the same back with the following amendments:

Page 1, line 11, after "in" insert "*the business of*".

Page 1, line 12, before the period insert "*, excluding mobile homes*".

Page 1, lines 14, 17, 18, 19, delete "*department*" and insert "*commission*".

Page 2, lines 2, 4, 9, 15, 17, 20, 24, delete "*department*" and insert "*commission*".

Page 2, line 32, after the first "*the*" delete "*department*" and insert "*commission*" and after the second "*the*" delete "*department*" and insert "*commission*".

Page 3, line 5, after the first "*the*" delete "*department*" and insert "*commission*" and after the second "*The*" delete "*department*" and insert "*commission*".

Page 3, delete lines 8 to 17.

Further amend the title as follows:

Page 1, line 3, delete "creating an advisory council;".

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2201, A bill for an act relating to housing; providing funds for housing programs for native Americans; appropriating money; amending Minnesota Statutes 1976, Sections 462A.07, by adding a subdivision; 462A.21, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 16, after "*construction*" insert "*, purchase*".

Page 1, line 17, delete "*separately*".

Page 1, line 18, delete "*through this subdivision, through subdivision 14, or*".

Page 1, line 19, delete "*this*".

Page 1, line 19, after "*chapter*" insert "*462A*".

Page 1, line 22, after the period insert "*Rules to implement this section may be promulgated as emergency rules pursuant to chapter 15.*".

Page 2, line 3, delete "*making of grants and the*".

Page 2, line 20, delete "*metropolitan area*" and insert "*urban*".

Page 2, after line 21, insert "*To the extent possible the agency shall combine this appropriation with proceeds of bond sales.*".

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

The report was adopted.

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

H. F. No. 2211, A bill for an act relating to industrial revenue bonding; creating bonding authority to fund development of solar and other alternative energy sources; amending Minnesota Statutes 1976, Sections 474.01, Subdivision 4; 474.02, Subdivision 1, and by adding a subdivision; and 474.03.

Reported the same back with the following amendments:

Page 1, lines 20 and 21, delete "*by welfare recipients*".

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2266, A bill for an act relating to intoxicating liquor; requiring wholesalers to maintain a warehouse stock; amending Minnesota Statutes 1976, Section 340.07, Subdivision 8.

Reported the same back with the following amendments:

Page 1, after line 13, insert:

"Sec. 2. Minnesota Statutes 1976, Chapter 340, is amended by adding a section to read:

[340.145] [INTOXICATING LIQUOR TO BE WAREHOUSED IN MINNESOTA.] *All intoxicating liquor manufactured outside of the state of Minnesota shall be ordered for delivery only to a warehouse of the manufacturer or wholesaler located in Minnesota, and shall be unloaded into such warehouse before further sale by such manufacturer or wholesaler. Sales and deliveries from such warehouses shall be for consumption in Minnesota only. Notwithstanding the provisions of this section, the manufacturer or United States importer of intoxicating liquor manufactured outside of Minnesota may, on such forms as the director shall prescribe, authorize any Minnesota licensed manufacturer or wholesaler to purchase intoxicating liquor for direct shipment to another state or may appoint such manufacturer or wholesaler as its agent to sell or deliver intoxicating liquor from the Minnesota warehouse inventory of such manufacturer or wholesaler to purchasers in other states."*

Further amend the title as follows:

Page 1, line 5, after "8" insert "; and Chapter 340, by adding a section".

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2267, A bill for an act relating to emergency telephone systems; providing for the payment of certain costs of operating emergency telephone systems; amending Minnesota Statutes, 1977 Supplement, Section 403.11.

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

The report was adopted.

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

H. F. No. 2268, A bill for an act relating to the state housing commission; substituting the state planning agency for the commission; substituting the director of planning for the director of housing; instructing the revisor; amending Minnesota Stat-

utes 1976, Sections 462.425, Subdivision 4; 462.426, Subdivision 4; 462.631; repealing Minnesota Statutes 1976, Section 462.711.

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

The report was adopted.

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

S. F. No. 1955, A bill for an act relating to transportation construction contracts; defining the term "small business"; amending Minnesota Statutes, 1977 Supplement, Section 161.321, Subdivision 1.

Reported the same back with the following amendments:

Page 1, line 17, delete "*the*" and insert "*these*".

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

The report was adopted.

Moe from the Committee on Criminal Justice to which was referred:

H. F. No. 2124, A bill for an act relating to corrections; providing for the licensing of correctional facilities; amending Minnesota Statutes 1976, Sections 241.021, Subdivision 1; 641.09; and 641.18.

Reported the same back with the following amendments:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 241.021, Subdivision 1, is amended to read:

241.021 [LICENSING AND SUPERVISION OF INSTITUTIONS AND FACILITIES.] Subdivision 1. [SUPERVISION OVER CORRECTIONAL INSTITUTIONS.] (1) The commissioner of corrections shall inspect *and license* all correctional facilities throughout the state, whether public or private, established and operated for the detention and confinement of persons detained or confined therein according to law except to the extent that they are inspected or licensed by other state regulating agencies. He shall promulgate (, BY JANUARY 1, 1977),

pursuant to chapter 15, rules establishing minimum standards for these facilities with respect to their management, operation, physical condition, and the security, safety, health, treatment and discipline of persons detained or confined therein. (NOTWITHSTANDING THE PROVISIONS OF SECTIONS 15.0412 AND 15.0413, THESE RULES SHALL NOT TAKE EFFECT UNTIL JUNE 15, 1977. TO ASSIST IN THE DEVELOPMENT OF STANDARDS FOR JAILS AND LOCKUPS THE COMMISSIONER SHALL PURSUANT TO SECTION 15.059, SUBDIVISION 6, APPOINT A CITIZENS ADVISORY TASK FORCE OF NINE PERSONS, INCLUDING FIVE PERSONS WHO HAVE BEEN ELECTED TO THE OFFICE OF COUNTY SHERIFF AND FOUR PERSONS WHO HAVE BEEN ELECTED TO THE OFFICE OF COUNTY BOARD OF COMMISSIONERS.) The commissioner shall have access to the buildings, grounds, books, records, staff and to persons detained or confined in these facilities. He may require the officers in charge of these facilities to furnish all information and statistics he deems necessary, upon forms furnished by him.

(2) Any state agency which regulates, inspects, or licenses certain aspects of correctional facilities shall, insofar as is possible, ensure that the minimum standards it requires are substantially the same as those required by other state agencies which regulate, inspect, or license the same aspects of similar types of correctional facilities, although at different correctional facilities.

(3) Nothing in this section shall be construed to limit the commissioner of corrections' authority to promulgate rules establishing standards of eligibility for counties to receive funds under sections 401.01 to 401.16, or to require counties to comply with operating standards the commissioner establishes as a condition precedent for counties to receive that funding.

(4) When the commissioner finds that any facility described in clause (1) of this subdivision, except foster care facilities for delinquent children and youth as provided in subdivision 2, does not conform to the minimum standards established by law or by the commissioner, he shall promptly notify the chief executive officer and the governing board of the facility of the deficiencies and order that they be remedied within a reasonable period of time. The commissioner may by written order restrict the use of any facility which does not substantially conform to minimum standards to prohibit the detention of any person therein for more than 72 hours at one time. *When, after due notice and hearing, the commissioner finds that any facility described in this subdivision, except county jails and lockups as provided in sections 641.26, 642.10, and 642.11, does not conform to minimum standards, or is not making satisfactory progress toward substantial compliance therewith, he may issue his order revoking the license of that facility. After revocation of its license, that facility shall not be used until its license is renewed.* When the

commissioner is satisfied that satisfactory progress towards substantial compliance with minimum standard is being made, he may, at the request of the appropriate officials of the affected facility supported by a written schedule for compliance, grant an extension of time for a period not to exceed one year.

(5) [DEFINITIONS.] *For the purpose of this subdivision the following terms shall have the meanings given to them:*

(a) *"License" means a certificate issued by the commissioner of corrections authorizing operator to provide specified services for a specified period of time in accordance with the terms of the license and the rules of the commissioner;*

(b) *"Operator" means any individual, corporation, partnership, voluntary association or other private organization legally responsible for the operation of any correctional facility described in this subdivision.*

(c) *"Correctional facility" means any facility having a residential component, including group homes, the primary purpose of which is to serve persons placed therein by a court, court services department, parole authority or other correctional agency having dispositional power over persons charged with, convicted of or adjudicated to be guilty or delinquent.*

Sec. 2. Minnesota Statutes 1976, Section 260.185, Subdivision 1, is amended to read:

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

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

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

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

(1) A child placing agency; or

(2) The county welfare board; or

(3) A reputable individual of good moral character. *If such individual receives custody of two or more unrelated children, he must be a licensed foster care provider pursuant to chapter 245; or*

(4) Except for children found to be delinquent as defined in section 260.015, subdivision 5, clauses (c) and (d), unless the child has previously appeared before a juvenile court on the same charge, and in the judgment of the court, community resources have been exhausted, a county home school, if the county maintains a home school or enters into an agreement with a county home school; or

(5) A county probation officer for placement in a group foster home established under the direction of the juvenile court (IN ACCORDANCE WITH STANDARDS ESTABLISHED BY THE COMMISSIONER OF CORRECTIONS) *and licensed pursuant to section 241.021;*

(d) Except for children found to be delinquent as defined in section 260.015, subdivision 5, clauses (c) and (d), unless the child has previously appeared before a juvenile court on the same charge, and in the judgment of the court, community resources have been exhausted, transfer legal custody by commitment to the commissioner of corrections;

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

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

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

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

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

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

Sec. 3. Minnesota Statutes 1976, Section 641.09, is amended to read:

641.09 [POWER OF OFFICERS.] The officer in charge of prisoners so sentenced to labor may use all reasonable means necessary to prevent escape or enforce obedience. For refusal to labor or obey necessary orders in reference thereto, a prisoner may be kept in solitary confinement (ON BREAD AND WATER, UNLESS OTHER FOOD IS REQUIRED FOR THE PRESERVATION OF HEALTH), but shall not be so confined more than ten days for any one offense, nor more than 90 days in all. Such punishment shall not be treated as any part of the sentence.

Sec. 4. Minnesota Statutes 1976, Section 641.165, is amended to read:

641.165 [CONTRABAND ARTICLES FORBIDDEN; PENALTY.] (ANY PERSON WHO, IN ANY MANNER, CAUSES THE INTRODUCTION INTO A JAIL, LOCKUP OR OTHER PLACE OF CONFINEMENT, OR UPON THE GROUNDS THEREOF, OF ANY CONTROLLED SUBSTANCE AS DEFINED IN SECTION 152.01, SUBDIVISION 4, OR ANY INTOXICATING OR ALCOHOLIC LIQUOR, OR MALT BEVERAGE, REGARDLESS OF ALCOHOLIC CONTENT, OR ANY WEAPON OR EXPLOSIVE WITHOUT THE CONSENT OF THE PERSON IN CHARGE OF THE JAIL, LOCKUP OR PLACE OF CONFINEMENT SHALL BE GUILTY OF A GROSS MISDEMEANOR.) *Subdivision 1.* [DEFINITION.] *"Contraband" is any controlled substance as defined in section 152.01, subdivision 4, or any intoxicating or alcoholic liquor or malt beverage.*

Subd. 2. [ACTS PROHIBITED.] (a) Whoever introduces or in any manner causes the introduction of contraband, as defined in subdivision 1, into any jail, lockup, or correctional facility, as defined in section 1 of this act, without the consent of the person in charge, is guilty of a gross misdemeanor.

(b) Whoever introduces or in any manner causes the introduction of a dangerous weapon, as defined in section 609.02, subdivision 6, into any jail, lockup, or correctional facility, as defined in section 1 of this act, without the consent of the person in charge, is guilty of a felony and, upon conviction, may be sentenced to imprisonment for not more than five years.

Subd. 3. The provisions of this section shall not apply to physicians carrying drugs into such institutions for use in the practice of their profession, nor to peace officers carrying revolvers or firearms in the discharge of their duties.

Sec. 5. Minnesota Statutes 1976, Section 641.18, is amended to read:

641.18 [SOLITARY CONFINEMENT.] When any prisoner is unruly or disobeys any regulation for the management of jails, the sheriff or jailer may order him kept in solitary confinement (ON BREAD AND WATER FOR NOT MORE THAN 20 DAYS FOR EACH OFFENSE) as provided in section 641.09.

Sec. 6. [EFFECTIVE DATE.] *Notwithstanding the provisions of sections 15.0412 and 15.0413, section 2 of this act shall not take effect until September 1, 1979.*

Sec. 7. *The commissioner shall appoint an advisory task force consisting of at least nine persons and including representation from the judiciary serving the juvenile court, county probation officers, and county board members to assist in the development of standards for the correctional facilities, as defined in section 1 of this act, including group foster homes established under the direction of the juvenile court. The provisions of section 15.059, subdivision 6, shall govern the terms, compensation and removal of the members of the advisory task force."*

Further amend the title:

Page 1, line 3, after the semicolon insert "prohibiting the introduction of contraband or weapons into correctional facilities;"

Page 1, line 5, after "Subdivision 1;" insert "260.185, Subdivision 1;" and after "641.09;" insert "641.165;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Moe from the Committee on Criminal Justice to which was referred:

H. F. No. 2432, A bill for an act relating to Washington county; providing for the appointment of compensation of probation officers and supporting staff.

Reported the same back with the following amendments:

Strike everything after the enacting clause and insert:

“Section 1. [PROBATION OFFICERS; APPOINTMENT; COMPENSATION.] Notwithstanding the provisions of Minnesota Statutes, Section 260.311, regarding the appointment of probation officers, the county board of Washington county may appoint one or more salaried probation officers to serve at the pleasure of the county board to perform all the functions and duties set forth in Minnesota Statutes, Section 260.311. Such probation officers shall be paid such salaries as may be set by the county board of Washington county and shall otherwise be subject to the county personnel regulations.

Sec. 2. [EFFECTIVE DATE.] This act is effective upon approval by the county board of Washington county in accordance with Minnesota Statutes, Section 645.021.”.

Further amend the title:

Page 1, line 4, delete “and supporting staff”.

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

The report was adopted.

Johnson from the Committee on Education to which was referred:

H. F. No. 1851, A bill for an act relating to county libraries; authorizing increased membership on county library boards; amending Minnesota Statutes 1976, Section 375.33, Subdivision 4.

Reported the same back with the following amendments:

Page 1, line 13, after “five” insert “*but not more than 11*”.

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

The report was adopted.

Johnson from the Committee on Education to which was referred:

H. F. No. 1991, A bill for an act relating to education; transportation; permitting school buses to transport senior citizens free of charge.

Reported the same back with the following amendments:

Strike everything after the enacting clause and insert the following:

“Section 1. Minnesota Statutes 1976, Section 123.39, is amended by adding a subdivision to read:

Subd. 8a. Any school district may use a school bus which is owned by the district or operated by the district's bus contractor, to provide transportation for senior citizens, defined for this purpose as persons 62 years of age or older. This use of the bus shall not interfere with the transportation of pupils to and from school or other authorized transportation of pupils and shall only be provided along a regular school bus route and on a space available basis. The cost of providing this transportation shall be paid by sources other than the school district. The provisions of section 65B.47, subdivision 4, shall apply to this transportation.”

Further, amend the title as follows:

Line 3, delete “free of”.

Delete line 4 to the period and insert “; amending Minnesota Statutes 1976, Section 123.39, by adding a subdivision”.

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

The report was adopted.

Johnson from the Committee on Education to which was referred:

H.F. No. 2086, A bill for an act relating to education; authorizing school districts to operate buses for nonpupils attending school events in other public school districts; amending Minnesota Statutes 1976, Section 221.021.

Reported the same back with the following amendments:

Strike everything after the enacting clause and insert the following:

“Section 1. Minnesota Statutes 1976, Section 123.39, is amended by adding a subdivision to read:

Subd. 8b. Notwithstanding the provisions of section 221.021, any public school district or school bus contractor providing transportation services to a school district on a regular basis in this state may operate school buses, excluding motor coach buses, for the purpose of providing transportation to nonpupils of the school district attending school events, as defined in section 123.38, provided that no person having a charter carrier permit

has his principal office and place of business or garage within the school district. School district owned buses and the operators thereof shall otherwise comply with the provisions of sections 123.18 and 123.39 and the rules of the state board of education and shall be insured in at least the amounts stated in section 466.04, subdivision 1. In all cases the total cost of providing such services as determined by sound accounting procedures shall be paid by charges made against those using the buses."

Further, amend the title as follows:

Page 1, line 5, delete "221.021" and insert "123.39, by adding a subdivision".

With the recommendation that when so amended the bill pass.

The report was adopted.

Johnson from the Committee on Education to which was referred:

H. F. No. 2204, A bill for an act relating to education; school districts; separate election districts; changing the requirements for petitions for division into and changing boundaries of special election districts; amending Minnesota Statutes 1976, Section 123.32, Subdivisions 10 and 15.

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

The report was adopted.

Johnson from the Committee on Education to which was referred:

H. F. No. 2361, A bill for an act relating to education; permitting Independent School District No. 706 (Virginia) to use a surplus in the debt service fund for capital expenditures.

Reported the same back with the following amendments:

Page 1, line 10, delete "706 may" and insert "710 shall".

Page 1, line 13, delete "\$280,000" and insert "\$210,000".

Page 1, delete all of section 2.

Further, amend the title as follows:

Line 3, delete "706 (Virginia)" and insert "710 (St. Louis county)".

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1943, A bill for an act relating to fire and related insurance; permitting cancellation of fire and related insurance policies only under certain circumstances; requiring notice of reason for cancellation or nonrenewal; amending Minnesota Statutes 1976, Section 65A.01, Subdivision 3.

Reported the same back with the following amendments:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 65A.01, is amended by adding a subdivision to read:

Subd. 3a. There shall be printed in the policy or an endorsement attached to the policy a printed form in the following words:

When this policy has been issued to cover buildings used for residential purposes other than a hotel or motel and has been in effect for at least six months, or if it has been renewed, this policy shall not be cancelled, except for one or more of the following reasons which shall be stated in the notice of cancellation:

- (a) Nonpayment of premium;*
- (b) Misrepresentation or fraud made by or with the knowledge of the insured in obtaining the policy or in pursuing a claim thereunder;*
- (c) An act of the insured which materially increases the risk originally accepted;*
- (d) Physical changes in the insured property which are not corrected or restored within a reasonable time after they occur and which result in the property becoming uninsurable; or*
- (e) Nonpayment of dues to an association or organization, other than an insurance association or organization, where payment of dues is a prerequisite to obtaining or continuing the insurance. Provided, however, that this limitation on cancellation shall not apply to additional coverages in a divisible policy, other than a policy of fire and extended coverage insurance. If the company cancels the additional coverages, it may issue a new, separate fire policy at a premium calculated on a pro rata basis for the remaining period of the original policy.*

Sec. 2. Minnesota Statutes 1976, Section 65A.01, is amended by adding a subdivision to read:

Subd. 6. When policies covered by this section are subject to limitations or cancellation as provided in subdivision 3a, the notice of cancellation shall include a statement of the reason for cancellation in a sufficiently clear and specific form so that an insured of reasonable intelligence will be able to identify the basis for the company's cancellation without making further inquiry."

Amend the title as follows:

Page 1, line 7, delete "Subdivision 3" and insert "by adding subdivisions".

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1994, A bill for an act relating to insurance; changing certain abstracting and publishing requirements for annual statements; exempting certain assessments from retaliatory provisions; clarifying application of certain benefit requirements for handicapped children under group hospital or medical expense insurance policies; amending Minnesota Statutes 1976, Sections 60A.13, Subdivisions 3, 4 and 7; 60A.14, Subdivision 1; 60A.19, Subdivision 6; and 62A.14, Subdivision 2.

Reported the same back with the following amendments:

Pages 1, 2 and 3, delete sections 1 and 2.

Page 3, line 15, strike "(1) [TO FILE STATEMENT.]".

Page 3, lines 23 to 30, delete the new language and strike the old language.

Page 4, line 22, strike the semicolon and insert a period.

Page 4, lines 23 to 27, delete the new language and strike the old language.

Page 7, after line 32 insert a new section to read:

"Sec. 5. Minnesota Statutes 1976, Section 60A.13, Subdivisions 3 and 4, are repealed."

Renumber the sections in order.

Further amend the title:

Page 1, line 9, delete "Subdivisions 3, 4 and" and insert "Sub-division".

Page 1, line 11, after "2" insert "; repealing Minnesota Statutes 1976, Section 60A.13, Subdivisions 3 and 4".

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2002, A bill for an act relating to Hennepin county; authorizing the county board to self-insure against the claims of liability.

Reported the same back with the following amendments:

Page 2, line 2, delete "health and hospitalization, long term".

Page 2, line 3, delete "disability" and after the period insert "This act shall not authorize self insurance against risks as defined in Minnesota Statutes, Section 60A.06, Subdivision 1, Clauses (4) and (5) (a).".

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2004, A bill for an act relating to savings associations; authorizing savings associations to establish negotiable order of withdrawal accounts; amending Minnesota Statutes 1976, Chapter 51A, by adding a section.

Reported the same back with the following amendments:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Chapter 51A, is amended by adding a section to read:

[51A.345] [NEGOTIABLE ORDER OF WITHDRAWAL
ACCOUNT.] *An insured association may establish negotiable*

order of withdrawal accounts on which it may or may not pay interest or dividends. Withdrawals from the accounts are subject to the right of the association to require the account holder to give notice of an intended withdrawal not less than 30 days before the withdrawal is made, though in practice the notice is not regularly required and the account holder is allowed to make withdrawals by negotiable instruments for the purpose of making payments to third persons or otherwise.

An insured savings association shall maintain a reserve sufficient to satisfy reserve requirements of section 51A.36 or requirements of the Federal Home Loan Bank, whichever is applicable, of its noninterest bearing negotiable order of withdrawal accounts, which shall be in cash, cash items in process of collection, and not more than 30 percent in direct obligations at the Federal Home Loan Bank which mature within one year from the date the obligations are first considered as a part of the association's reserve. If on any one day a savings association shall fail to meet the reserve requirements of this section then that association shall pay a fine of \$50 per day to the commissioner of banks on his making a request for payment. Whenever the commissioner of banks shall determine that the maintenance of sound banking practices or the prevention of injurious credit expansion or contraction makes action advisable, he may by directive change the requirements as to reserves against non-interest or interest bearing negotiable order of withdrawal accounts in savings associations. The reserve requirements established in any such directive shall not be more than those required of member associations of the Federal Home Loan Bank on the date that the directive is issued by the commissioner."

Further amend the title as follows:

Page 1, line 4, after the word "accounts;" add "imposing reserve requirements;"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2089, A bill for an act relating to county agricultural societies; providing for tort liability of county agricultural societies; authorizing county boards to levy a tax to pay certain judgments or liability insurance premiums; amending Minnesota Statutes 1976, Sections 38.27, by adding a subdivision; 466.01, Subdivision 1; and Chapter 38, by adding a section.

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

The report was adopted.

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

H. F. No. 2146, A bill for an act relating to insurance; regulating minimum nonforfeiture benefits and reserves of insurance policies and annuity contracts; amending Minnesota Statutes 1976, Sections 61A.08; 61A.21; 61A.24, Subdivisions 1, 9 and 11; 61A.25, Subdivisions 3, 3a, 4, 5, 6, 7, and by adding a subdivision; and Chapter 61A, by adding a section.

Reported the same back with the following amendments:

Page 3, line 20, strike "may" and insert "*shall*".

Page 3, line 21, strike "more" and insert "*less*".

Page 13, line 9, strike "may" and insert "*shall*" and strike "more" and insert "*less*".

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2194, A bill for an act relating to insurance; prohibiting certain unfair discriminatory practices in the sale, underwriting and rating of insurance policies; prohibiting certain discrimination on the basis of sex, marital status or occupation as a homemaker; providing remedies; amending Minnesota Statutes 1976, Chapter 72A, by adding a section.

Reported the same back with the following amendments:

Page 1, line 20, delete "or" and after "cancel" insert "*or to refuse to make available*".

Page 1, line 21, after "option" insert "*or benefits*".

Page 2, line 1, delete "or" and after "cancel" insert "*or to refuse to make available*".

Page 2, line 2, after "option" insert "*or benefits*".

Page 2, line 4, after the semicolon insert "*provided, however, that insurance companies issuing disability income coverage shall have the option of providing such coverage in the form of expense reimbursement;*".

Page 2, line 6, after "rates" insert "*whether in the same company or in another, affiliated company,*".

Page 2, line 9, after "household" insert "*, unless such differentials are based upon sound actuarial principles, valid classification systems and claims experience statistics which establish significant and substantial differences in class rates*".

Page 2, delete lines 10 to 15.

Page 2, line 16, delete "(e)" and insert "(d)".

Page 2, line 20, delete "(f)" and insert "(e)".

Page 2, line 21, delete "*in the sale of insurance or*".

Page 2, line 22, delete "other" and after "services" insert "*to persons requesting such service*".

Page 2, after line 23, add a new subdivision to read:

"Subd. 2a. An insurance company shall, upon the request and to the satisfaction of the commissioner, justify that any differentials in premiums, policy fees, or other rates based on sex, marital status or occupational status as a homemaker or manager of a household, are based upon sound actuarial principles, valid classification systems and claims experience statistics which establish significant and substantial differences in class rates."

Page 3, after line 24, insert:

"Subd. 5. This section shall not apply (a) to require any insurance company to sell or issue insurance to a person whose principal occupation is that of a homemaker or manager of a household, if the company's charter or by-laws limits its sale or issuance of insurance to a certain occupational group, as approved by the commissioner or (b) to the qualifications for membership in a fraternal beneficiary association."

Page 3, line 25, delete "5" and insert "6".

Page 3, line 28, delete "*this section*" and insert "*chapter 72A*".

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2214, A bill for an act relating to mutual insurance companies; providing for their conversion into stock companies; protecting the rights of guaranty fund certificate holders; amending Minnesota Statutes 1976, Section 60A.07, Subdivision 8.

Reported the same back with the following amendments:

Strike everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1976, Section 66A.16, is amended by adding a subdivision to read:

Subd. 4. [CONVERSION OF CERTAIN MUTUALS.] (a) Any domestic mutual company qualified to issue policies of insurance without contingent liability as provided by subdivision 3 with surplus of \$1,000,000 or less may adopt a plan of conversion to a stock company pursuant to section 60A.07, subdivision 8, clause (4), which authorizes holders of guaranty fund certificates to exchange the certificates for shares of the stock company. Shares of the stock company being formed may be issued during the conversion in exchange for such guaranty fund certificates.

(b) The plan of conversion shall establish the price of the shares to be issued in exchange for the guaranty fund certificates. The price shall be established by an appraisal of the mutual company as an operating company. The appraisal shall be made by an independent certified public accountant. The plan, including the price, shall not be unfair or inequitable to the mutual company policyholders and shall not become effective until approved by the commissioner of insurance.

Sec. 2. *This act is effective the day following its final enactment.”.*

Further, amend the title as follows:

Page 1, delete line 6, and insert “66A.16, by adding a subdivision.”.

With the recommendation that when so amended 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. 2216, A bill for an act relating to insurance companies; providing for the reporting of certain claims and other

information to the commissioner of insurance; amending Minnesota Statutes 1976, Chapter 72A, by adding a section.

Reported the same back with the following amendments:

Page 1, line 12, after the first comma insert "*every insurer licensed to write general liability insurance and*" and delete "*insurer, including any*".

Page 2, after line 7, insert:

"For purposes of this section, "category of claims" shall include (a) whether the claim was based on an alleged sale to an intoxicated person, (b) whether the claim was based on an alleged sale to a minor, (c) whether the claim sought recovery for damages for personal injury, (d) whether the claim sought recovery for damages to property, and (e) whether the claim sought recovery for loss of means of support."

Page 2, line 8, after "*year*" insert "*every insurer licensed to write general liability insurance and*".

Page 2, line 9, delete "*insurer, including any*".

Page 2, line 23, after "*of*" insert "*municipalities and*" and after "*persons*" insert "*licensed to sell at retail intoxicating liquors*".

Page 2, line 26, after "*of*" insert "*municipalities and*" and after "*persons*" insert "*licensed to sell at retail intoxicating liquors*".

With the recommendation that when so amended 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. 2272, A bill for an act relating to banks; open-end loan account arrangements; authorizing alternative finance charge for use of bank credit cards; amending Minnesota Statutes 1976, Section 48.185, Subdivision 3.

Reported the same back with the following amendments:

Page 2, after line 4, insert new sections to read:

"Sec. 2. Minnesota Statutes 1976, Section 48.185, is amended by adding a subdivision to read:

Subd. 4a. Any bank or savings bank extending credit pursuant to this section shall offer to the applicant or the debtor the option of selecting a plan providing for either (a) a periodic

finance charge not to exceed one percent per month and an additional annual charge of up to \$15 per year or (b) a periodic finance charge not to exceed one and one-half percent per month with no additional charge. The bank or savings bank may restrict the debtor's exercise of this option to not more than once per year.

Sec. 3. [EFFECTIVE DATE.] *This act is effective the day following its final enactment."*

Amend the title:

Line 6, before the period, insert “, and by adding a subdivision”.

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2367, A bill for an act relating to banks; authorizing a bank to establish two detached banking facilities; providing for notice and approval procedures; amending Minnesota Statutes, 1977 Supplement, Sections 47.51; 47.53; and 47.54.

Reported the same back with the following amendments:

Page 1, delete lines 10 to 23.

Page 2, delete lines 1 to 29 and insert:

“Section 47.52, is amended to read:

47.52 [AUTHORIZATION.] (a) With the prior approval of the commissioner, any bank doing business in this state may establish and maintain not more than two detached facilities provided the facilities are located within the municipality in which the principal office of the applicant bank is located; or within 5,000 feet of its principal office measured in a straight line from the closest points of the closest structures involved; or within 25 miles of its principal office measured in a straight line from the closest points of the closest structures involved, if the detached facility is within any municipality in which no bank is located at the time of application or if the detached facility is in a municipality having a population of more than 10,000, according to the last previous United States census, or if the detached facility is located in a municipality having a population of 10,000 or less and all the banks having a principal office in the municipality have consented in writing to the estab-

lishment of the facility; or *within the premises of an airport, acquired, established, maintained or operated by a political subdivision, public corporation, authority or district in this state, which is within 25 miles of the bank's principal office measured in a straight line from the closest structures involved.* (b) A detached facility shall not be closer than 50 feet to a detached facility operated by any other bank and shall not be closer than 100 feet to the principal office of any other bank, the measurement to be made in the same manner as provided above. This clause shall not be applicable if the proximity to the facility or the bank is waived in writing by the other bank and filed with the application to establish a detached facility.”.

Renumber the sections accordingly.

Further amend the title as follows:

Page 1, line 5, delete “47.51; 47.53;” and insert “47.52”.

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. 413, A bill for an act relating to retirement; state employees; reducing the penalty for early retirement in certain cases; increasing the retirement annuity formula; amending Minnesota Statutes 1976, Sections 352.115, Subdivision 3; and 352.116, Subdivision 1.

Reported the same back with the following amendments:

Strike everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1976, Section 352.116, Subdivision 1, is amended to read:

352.116 [ANNUITIES UPON RETIREMENT.] Subdivision 1. [REDUCED ANNUITY BEFORE AGE 65.] Any employee who retires prior to age 65 shall be paid the normal retirement annuity provided in sections 352.115, subdivisions 2 and 3, or 352.715, subdivision 2, as the case may be, reduced by (ONE-HALF) .375 of one percent for each month that the employee is under age 65 on the (LAST DAY FOR WHICH HE IS ENTITLED TO SERVICE CREDIT AS PROVIDED IN SECTION 352.01, SUBDIVISION 11, CLAUSE (3), OR THE DATE STATE SERVICE TERMINATED, OR THE DATE THE APPLICATION FOR THE ANNUITY IS FILED WITH THE DIRECTOR, WHICHEVER IS LATER,) *day the benefit*

begins to accrue, provided however that if an employee is entitled to credit for not less than 30 years allowable service, (SUCH) *the* reduction shall be applied only for each month the employee is under age 62.

Sec. 2. Minnesota Statutes 1976, Section 352.91, Subdivision 2, is amended to read:

Subd. 2. Covered correctional service shall also mean service rendered at any time by state employees as special teachers, tradesmen and maintenance personnel certified by the commissioner of personnel as being regularly engaged in rehabilitation, treatment, custody or supervision of inmates employed at the Minnesota state reformatory for men, the state prison and the Minnesota correctional institution for women on or after July 1, 1974, other than any such employees who are 62 years of age or older as of July 1, 1974. For each special teacher who on July 1, 1974 is employed at one of the foregoing institutions and is a member of the teachers retirement association, the teachers retirement association shall transfer to the Minnesota state retirement system an amount equal to accumulated employee and employer contributions, including any additional employer contributions on behalf of such employee. *The term special teacher shall also include the classifications of institution educational administrator and supervisor.*

Sec. 3. Minnesota Statutes 1976, Section 353.30, Subdivision 1, is amended to read:

353.30 [ANNUITIES UPON RETIREMENT.] Subdivision 1. Upon separation from public service any person who has attained the age of at least 58 years and who received credit for not less than 20 years of allowable service is entitled upon application to a retirement annuity in an amount equal to the normal annuity provided in section 353.29, subdivisions 2 and 3, reduced by (ONE-HALF) .375 of one percent for each month that the member is under age 65 at the time of retirement.

Sec. 4. Minnesota Statutes 1976, Section 353.30, Subdivision 1b, is amended to read:

Subd. 1b. Any person with 30 years or more of allowable service credit who elects early retirement under subdivision 1, shall receive an annuity reduced by (ONE-HALF) .375 of one percent for each month that such person is under age 62 at the time of retirement.

Sec. 5. Minnesota Statutes 1976, Section 354.42, Subdivision 2, is amended to read:

Subd. 2. The employee contribution to the fund shall be an amount equal to four *and one half* percent of the salary of

every coordinated member and eight *and one half* percent of the salary of every basic member. This contribution shall be made by deduction from salary. Where any portion of a member's salary is paid from other than public funds, such member's employee contribution shall be based on the entire salary received. For purposes of financing the various options related to the variable annuity division, employee variable annuity contributions will be credited in accordance with section 354.62, subdivision 2.

Sec. 6. Minnesota Statutes 1976, Section 354.42, Subdivision 3, is amended to read:

Subd. 3. (PRIOR TO JULY 1, 1975 THE EMPLOYER CONTRIBUTION TO THE FUND SHALL BE AN AMOUNT EQUAL TO THREE AND ONE-HALF PERCENT OF THE SALARY OF EVERY COORDINATED MEMBER AND SEVEN PERCENT OF THE SALARY OF EVERY BASIC MEMBER. EFFECTIVE JULY 1, 1975) The employer contribution to the fund shall be an amount equal to four *and one half* percent of the salary of each coordinated member and eight *and one half* percent of the salary of each basic member. This contribution shall be made in the manner provided in section 354.43. For purposes of financing the various options related to the variable annuity division employer contributions equal to the employee variable annuity contributions prescribed in section 354.62, subdivision 2, will be allocated at the same time to the employer variable annuity contribution account in section 354.62, subdivision 3.

Sec. 7. Minnesota Statutes, 1977 Supplement, Section 354.42, Subdivision 5, is amended to read:

Subd. 5. An additional employer contribution shall be made in the amount of three *and one half* percent of the salary of each member for the purpose of amortizing the deficit in the fund. This contribution shall be made in the manner provided in section 354.43.

Sec. 8. Minnesota Statutes 1976, Section 354.44, Subdivision 1, is amended to read:

354.44 [RETIREMENT BENEFITS.] Subdivision 1. [REQUIREMENTS AS TO AGE AND SERVICE.] Any member *who ceases or any former member who (CEASES OR) has ceased to render teaching services in any school or institution covered by the provisions of this chapter prior to July 1, 1981, and (WHO) has attained the age of at least 55 years with not less than ten years allowable service, or who has received credit for not less than 30 years allowable service regardless of age, is entitled upon written application to a retirement annuity. Any member who ceases or any former member who has ceased to*

render teaching services in any school or institution covered by the provisions of this chapter after June 30, 1981, and has attained either the age of at least 58 years with not less than 20 years of allowable service credit or the age of at least 62 with not less than 10 years of allowable service credit is entitled upon written application to a retirement annuity.

Sec. 9. Minnesota Statutes 1976, Section 354.44, Subdivision 6, is amended to read:

Subd. 6. [COMPUTATION OF FORMULA PROGRAM RETIREMENT ANNUITY.] (1) The formula retirement annuity hereunder shall be computed in accordance with the applicable provisions of the formula stated in clause (2) hereof on the basis of each member's average salary for the period of his formula service credit. For the purposes of computing the formula benefits under the formula and variable program, if a combination of these formulas is used, the formula percentages used will be those percentages in each formula as continued for the respective years of service from one formula to the next.

For all years of formula service credit "average salary" for the purpose of determining the member's retirement annuity means the average salary upon which contributions were made and upon which payments were made to increase the salary limitation provided in Minnesota Statutes 1971, Section 354.511 for the highest five successive years of formula service credit provided however that such "average salary" shall not include any more than the equivalent of 60 monthly salary payments.

(2) The average salary as defined in clause (1), multiplied by the following percentages per year of formula service credit shall determine the amount of the annuity to which the member qualifying therefor is entitled:

	Coordinated Member	Basic Member
Each year of service during first ten	1.0 percent per year	2.0 percent per year
Each year of service thereafter	1.5 percent per year	2.5 percent per year

(3) Where any member retires prior to age 65 under a formula annuity, he shall be paid a retirement annuity in an amount equal to the normal annuity provided in subdivisions 6 and 7, reduced by (ONE-HALF) .375 of one percent for each month that the member is under age 65 (TO AND INCLUDING AGE 60 AND REDUCED BY ONE-FOURTH OF ONE PERCENT FOR EACH MONTH UNDER AGE 60) at the time of

retirement except that for any member who has 30 or more years of allowable service credit, (SUCH) *the* reduction shall be applied only for each month (SUCH) *that the* member is under age 62.

(THIS SECTION IS EFFECTIVE JUNE 1, 1975.)

Sec. 10. Minnesota Statutes 1976, Section 354A.12, is amended to read:

354A.12 [STATE PAYMENTS TO RETIREMENT FUND ASSOCIATIONS IN CITIES OF THE FIRST CLASS.] Notwithstanding any law to the contrary, for taxes levied in 1975 payable in 1976 and thereafter, levies for teachers retirement fund associations in cities of the first class, including levies for any employer social security taxes for teachers covered by a fully or partially coordinated teachers retirement social security fund, are disallowed and the state shall assume the total employer obligation. Effective July 1, 1975 the state shall pay to said retirement fund association an employer contribution equal to the amount, expressed as a percentage of payroll, that the state of Minnesota is required to pay for all contributing members of the state teachers retirement association including social security taxes, in accordance with the provisions of Minnesota Statutes 1974, Section 354A.07, Subdivisions 3, 3a and 4, except that:

(1) employer contributions which are paid to the retirement fund associations pursuant to this section shall be appropriated and remitted directly to said retirement fund associations each month in accordance with the procedures described in section 354.43, subdivisions 1, 2, and 5; and

(2) with respect to any city of the first class having a fully or partially coordinated teachers retirement fund association, employer social security taxes on salaries paid after June 30, 1975 shall be paid by the state in accordance with the provisions of section 355.46, subdivision 3, clause (b), and employer contributions to said retirement fund association shall be reduced by the amount of such taxes. (EFFECTIVE MARCH 1, 1976,) The contribution required to be paid by each coordinated member of a teachers retirement fund association in a city of the first class which does have a fully (OR PARTIALLY) coordinated teachers retirement social security fund shall not be less than four percent of total salary, *the contribution required to be paid by each coordinated member of a teachers retirement fund association which does have a partially coordinated teachers retirement social security fund shall not be less than four and one half percent of total salary* and the contribution required to be paid by each basic member of a teachers retirement fund association in a city of the first class which does not have a fully coordinated teachers retirement social security fund shall not be less than eight percent of total salary. No change in bylaws or articles of incorporation affecting benefits, contributions or ac-

tuarial assumptions shall be made without approval by the legislature. Notwithstanding any provision of the articles or bylaws, amendments may be made at the annual meeting called for such purpose, without further local approval.

Sec. 11. Minnesota Statutes 1976, Chapter 356, is amended by adding a section to read:

[356.60] [LIMITATION OF PUBLIC RETIREMENT ANNUITIES.] *Subdivision 1. [DEFINITIONS.] For purposes of this section, unless the context clearly indicates otherwise, the following terms shall have the meanings given to them:*

(a) *“Public pension plan” is any Minnesota public pension plan or fund, including any plan or fund enumerated in sections 356.21, subdivision 2, or 356.30, subdivision 3, any local police or firefighter’s relief association to which section 69.77 applies, or any retirement or pension plan or fund, including a supplemental retirement plan or fund, established, maintained or supported by any governmental subdivision or public body whose revenues are derived from taxation, fees, assessments or from other public sources, which provides pension or retirement coverage for public employees other than volunteer firefighters.*

(b) *“Year of covered service” is a year of covered, credited or allowable service as defined by a public pension plan which provides formula pension or retirement benefits, or a period of 12 consecutive months of service commencing with the date or anniversary date of membership with a public pension plan or program which does not provide formula or other defined benefits for which contributions on behalf of the covered employee or member have been made.*

Subd. 2. [SERVICE MAXIMUM.] Notwithstanding any provisions to the contrary of the laws, bylaws, articles of incorporation, retirement and disability allowance plan agreements or retirement plan contracts, no person who has pension or retirement coverage by a public pension plan shall, except as provided in subdivision 3, be entitled to accrue additional pension or retirement credit, receive credit for additional pension or retirement contributions in a nonformula public pension plan, repay additional refunds, or purchase additional prior service credit in excess of a cumulative total of 40 years of covered service.

If a person has service in more than one public pension plan, all years or portions of years of covered service shall be included in computing the cumulative maximum of 40 years of covered service. For any period of time during which a person simultaneously has a year or a fraction of a year of covered service in more than one public pension plan, the years of covered service in each applicable public pension plan shall be included in computing the cumulative maximum of 40 years of covered

service unless the simultaneous covered service is the result of two part time employments, in which case each applicable public pension plan shall split each year of covered service on a pro rata basis. If the simultaneous covered service is the result of primary and principal pension plan coverage and supplemental pension plan coverage based on the same employment and contributed to by the same public employer, then a year of service credited in each shall be considered together as a single year of covered service in computing the cumulative maximum.

Subd. 3. [EXCEPTION OF MAXIMUM.] For any person who, as of the effective date of this section, has covered service in a public pension plan in excess of a cumulative total of 40 years, the provisions of subdivision 2 shall apply to any additional years of covered service occurring after the effective date of this section.

Sec. 12. Minnesota Statutes, 1977 Supplement, Section 422A.32, Subdivision 2, is amended to read:

Subd. 2. [REDUCED RETIREMENT ANNUITY.] Upon separation from service, any coordinated employee who has attained the age of at least 58 years and who has received credit for not less than 20 years of service is entitled upon application to a retirement annuity in an amount equal to the normal coordinated retirement annuity reduced by (ONE-HALF) .375 of one percent for each month that a coordinated employee is under age 65 at the time of retirement; provided however that for any coordinated employee who has received credit for 30 or more years of service who applies for a retirement annuity, such reduction shall be applied for each month that the coordinated employee is under age 62 at the time of retirement.

Sec. 13. *Any person who was employed by the city of Minneapolis between February 15, 1972 and March 15, 1972, who attained the age of 65 years on December 17, 1974, who was excluded from membership in the Minneapolis municipal employees retirement fund during the period of his employment, and who was terminated from employment by the city of Minneapolis on December 30, 1976, shall be entitled to purchase four years and ten months of service credit in the Minneapolis municipal employees retirement fund. To purchase the prior service credit, the person shall be required to make an employee contribution to the executive secretary of the Minneapolis municipal employees retirement fund in an amount equal to the employee contribution rate in effect and on the salaries in effect during the period of prior service plus interest at the rate of six percent per annum compounded annually from the date the contribution would otherwise have been made to the date the payment is made. Upon the completion by the person of the payment required by this action, the city of Minneapolis shall make an employer contribution to the executive secretary of the Minneapolis municipal employees retirement fund in an amount equal to the employer*

and employer additional contribution rates in effect and on the salaries in effect during the period of prior service plus interest at the rate of six percent per annum compounded annually from the date the contributions would otherwise have been made to the date the payment is made. In addition, the person making the purchase of prior service pursuant to this section shall be entitled to receive a proportionate annuity pursuant to Minnesota Statutes, Section 356.32, Subdivision 1, notwithstanding the fact that the person did not retire at age 65. The annuity shall be payable on the first day of the month next following the completion of the purchase of prior service, and the first check or warrant shall include payment retroactive January 1, 1977.

Sec. 14. [STUDY OF OVERTIME ABUSES AND RETIREMENT.] *The commissioner of personnel shall complete a study and shall make an interim report to the legislative commission on pensions and retirement on or before November 15, 1978 on the subject of overtime compensation and extraordinary payment abuses affecting public retirement annuities. The study and report shall consist of an examination of the salary histories of a random sampling of persons from the various departments, divisions and agencies of state government who have retired in the period January 1, 1975 to December 31, 1977, contrasting variations in the compensation paid during the preceding ten years of employment. The examination shall attempt to isolate the effect of any overtime compensation and other extraordinary payments. The persons utilized in the random sample shall not be identified in the report or any materials for public release. The Minnesota state retirement system shall furnish information requested by the commissioner of personnel in connection with this study.*

Sec. 15. *Minnesota Statutes 1976, Section 356.34, as amended by Laws 1977, Chapter 429, Section 49, is repealed.*

Sec. 16. [EFFECTIVE DATE.] *Sections 2, 11, 13, 14 and 15 shall be effective the day following final enactment. Sections 1, 3, 4, 8, 9 and 12 shall be effective July 1, 1978. Sections 5, 6, 7 and 10 shall be effective July 1, 1979."*

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

"A bill for an act relating to retirement; modifying early reduced retirement ages in certain cases; reducing certain early retirement reduction factors; providing for increased employee and employer contributions in certain cases; placing a general limitation on public retirement annuities; requiring study and report; amending Minnesota Statutes 1976, Sections 352.116, Subdivision 1; 352.91, Subdivision 2; 353.30, Subdivisions 1 and 1b; 354.42, Subdivisions 2 and 3; 354.44, Subdivisions 1 and 6; 354A.12; and Chapter 356, by adding a section; Minnesota

Statutes, 1977 Supplement, Sections 354.42, Subdivision 5; and 422A.32, Subdivision 2; repealing Minnesota Statutes 1976, Section 356.34, as amended.”.

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

The report was adopted.

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

H. F. No. 794, A bill for an act relating to courts; expanding jurisdiction of county courts in certain matters; amending Minnesota Statutes 1976, Sections 487.15; 487.18; and 487.19, Subdivision 1.

Reported the same back with the following amendments:

Page 1, line 12, delete “\$10,000” and insert “\$25,000”.

Page 2, lines 4 to 9, reinstate the stricken language and delete the new language.

Page 2, line 11, delete “1976” and insert “, 1977 Supplement”.

Page 2, line 24, delete the stricken language.

Page 2, line 25, strike “and” and insert a comma.

Page 2, line 26, after “action” insert “*and mechanic lien foreclosures*”.

Page 2, line 26, delete “;and” and insert “; and”.

Page 2, delete lines 27 and 28 and insert “(f) Proceedings for the determination of paternity of and establishment and enforcement of child support payments for (AN ILLEGITIMATE) a child.”.

Further amend the title:

Page 1, line 4, after “487.15;” insert “and”.

Page 1, line 5, after “and” insert “Minnesota Statutes, 1977 Supplement, 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:

H. F. No. 1402, A bill for an act relating to civil service; providing an affirmative action program for the state work force; amending Minnesota Statutes 1976, Section 43.15.

Reported the same back with the following amendments:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 43.15, is amended to read:

43.15 [AFFIRMATIVE ACTION; DISCRIMINATION FORBIDDEN.] *Subdivision 1. [STATEWIDE AFFIRMATIVE ACTION PROGRAM.] In order to assure that positions in the state civil service are equally accessible to all qualified persons, and in order to eliminate the underutilization of qualified members of protected groups, the commissioner of personnel shall adopt and periodically revise as necessary a statewide affirmative action program covering all agencies in the executive branch. The commissioner shall designate a state director of equal employment opportunity to serve in the unclassified service and to whom may be delegated the preparation, revision and implementation of the program. The statewide program and any revisions thereto shall be adopted as rules but individual agency affirmative action plans adopted pursuant to the statewide program shall not be adopted as rules. As used in this section, "protected group" means a group consisting of females, handicapped persons, Vietnam era veterans, or members of the following minorities: Black, Hispanic, Asian or Pacific Islander, American Indian or Alaskan native.*

Subd. 2. [CONTENT OF STATEWIDE PROGRAM.] The statewide affirmative action program shall consist of at least the following:

(a) A statement of general goals and policies to be followed in the state civil service in respect to affirmative action;

(b) Procedures, standards and assumptions to be used by state agencies in the preparation of their agency affirmative action plans;

(c) The form and content of agency plans;

(d) Goals and timetables which the state civil service as a whole, and each individual agency, will be expected to meet;

(e) Periodic reporting requirements whereby the head of each agency will be required to report to the governor and the legislature on the implementation of his agency's plan.

Subd. 3. [AGENCY AFFIRMATIVE ACTION PLANS.] *The head of each agency in the executive branch shall prepare and implement an affirmative action plan consistent with subdivisions 1 and 2. Prior to implementation, the plan shall be submitted to the commissioner for approval or modification. Annually, or more often if necessary, the plan shall be updated and resubmitted to the commissioner.*

Subd. 4. [AFFIRMATIVE ACTION OFFICERS.] *Within each agency the agency head shall appoint an affirmative action officer who shall have primary responsibility for the administration of the agency's affirmative action plan. To the extent possible consistent with complement and budget restrictions, the affirmative action officer shall devote full time to affirmative action related activities. The officer shall report directly to the agency head on affirmative action matters. The commissioner of personnel shall implement periodic training programs for affirmative action officers and shall provide the officers with necessary technical assistance.*

Subd. 5. [EXPANSION OF ELIGIBLE LISTS TO MEET AFFIRMATIVE ACTION GOALS.] *When the commissioner of personnel determines that a disparity exists between the agency's work force and its approved affirmative action plan, the commissioner shall insure to the extent possible that members of the protected group for which the disparity exists are included on that portion of the eligible list of persons to be considered for appointment, which list is hereinafter referred to as the "appointment list". Notwithstanding any contrary provision of chapter 43, when a position is to be filled by open competitive examination and fewer than three individuals of the protected group for which the disparity has been determined to exist appear on the appointment list, the commissioner shall certify, if possible, as many additional names in order from the eligible list as are necessary so that a total of three persons from the protected group for which the disparity has been determined to exist have been added to the appointment list. Notwithstanding any contrary provision of chapter 43, when a position is to be filled by examination other than open competitive examination and fewer than one-third of the individuals on the appointment list are members of the protected group for which the disparity has been determined to exist, the commissioner shall certify, if possible, as many additional names in order from the eligible list as are necessary so that persons from the protected group for which the disparity has been determined to exist comprise one-third of the appointment list or until a total of three persons from the protected group for which the disparity has been determined to exist have been added to the appointment list, whichever comes first.*

Subd. 6. [DISCRIMINATION PROHIBITED.] *No discrimination shall be exercised, threatened, or promised by any person in the civil service against, or in favor of, any applicant, eligible, or employee in the civil service because of his political*

or religious opinions or affiliations, or age, race, sex, or disability. *Implementation of subdivisions 1 to 5 shall not be deemed a violation of this subdivision or a violation of any provisions of chapters 43 or 363, nor shall this act be construed to deny a veteran the credit afforded him by section 43.30.*

Sec. 2. [TEMPORARY PROVISIONS.] *This act supersedes and replaces executive orders of the governor relating to affirmative action and equal employment opportunity. Notwithstanding the foregoing, a statewide affirmative action program in effect on the effective date of this act and agency affirmative action plans adopted pursuant to that statewide program, shall be and remain effective until superseded, amended or repealed pursuant to this act.*

Sec. 3. [EFFECTIVE DATE.] *This act is effective July 1, 1978."*

Amend the title by striking it in its entirety and inserting:

"A bill for an act relating to the state civil service; requiring a statewide affirmative action program and agency plans; providing for expanding eligible lists so as to include protected group members; amending Minnesota Statutes 1976, Section 43.15."

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

The report was adopted.

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

H. F. No. 1403, A bill for an act relating to retirement; maximum benefits for firemen's relief associations; amending Minnesota Statutes 1976, Section 69.691.

Reported the same back with the following amendments:

Strike everything after the enacting clause and insert:

"Section 1. Subdivision 1. The Spring Lake Park firefighter's relief association, subsidiary to a nonprofit corporation organized and operating exclusively for fire fighting purposes having a retirement plan, and otherwise coming within the provisions of Minnesota Statutes, Chapter 69, may pay firefighter's service pensions as provided in this section.

Subd. 2. The association may pay firefighter's service pensions in excess of the amounts authorized by Minnesota Statutes, Section 69.691, but not in excess of the following total amounts:

\$120 per month, as hereinafter authorized, or as may be provided by its bylaws, to each of its members who has heretofore retired or may hereafter retire, who has reached or shall hereafter reach the age of 50 years and who has done or hereafter shall do active duty for 20 years or more as a member of the volunteer, paid or partially paid and partially volunteer, nonprofit corporation and who has been or shall hereafter be a member of the fire department relief association of the corporation at least ten years prior to retirement and who complies with the additional conditions as to age, service, and membership as may be prescribed by the certificate or bylaws of the association.

Subd. 3. The amount of monthly pension which may be paid to the retired firefighter may be increased by adding to the maximum above prescribed an amount not exceeding \$6 per month for each year of active duty over 20 years of service before retirement but the association or corporation shall not pay to any member a pension greater than \$180 per month.

Subd. 4. Except as otherwise provided in this section, the applicable provisions of Minnesota Statutes, Chapter 69, shall apply to the Spring Lake Park firefighter's relief association and its retirement plan.

Sec. 2. [EFFECTIVE DATE.] This act is effective upon approval by the governing body of the city of Spring Lake Park and upon compliance with Minnesota Statutes, Section 645.021."

Further, strike the title in its entirety and insert:

"A bill for an act relating to retirement; providing for service pensions of the Spring Lake Park firefighter's relief association."

With the recommendation that when so amended 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. 1760, A bill for an act relating to the city of Crystal; benefits payable by the firemen's relief association; amending Laws 1969, Chapter 1088, Sections 2, 4, 5, and 6.

Reported the same back with the following amendments:

Page 1, line 13, strike "fireman" and insert "firefighter".

Page 2, line 6, strike "fireman" and insert "firefighter".

Page 2, line 26, strike "fireman" and insert "firefighter".

Page 3, line 12, strike "fireman" and insert "firefighter".

Page 3, line 16, strike "fireman" and insert "firefighter".

Page 3, line 21, strike "fireman" and insert "firefighter".

Page 3, line 29, strike "fireman" and insert "firefighter".

Page 3, line 30, strike "fireman" and insert "firefighter".

Page 4, line 11, strike "fireman" and insert "firefighter".

Page 4, line 22, strike "fireman" and insert "firefighter".

Page 5, line 4, strike "fireman" and insert "firefighter".

Page 5, line 21, strike "fireman" and insert "firefighter".

Page 5, line 32, strike "fireman" and insert "firefighter".

Page 6, line 3, strike "fireman" and insert "firefighter".

Further, amend the title as follows:

Page 1, line 3, delete "firemen's" and insert "firefighter's".

With the recommendation that when so amended 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. 1770, A bill for an act relating to retirement; definition of teacher; exemptions; amending Minnesota Statutes, 1977 Supplement, Section 354.05, Subdivision 2.

Reported the same back with the following amendments:

Page 2, lines 17 to 20, delete the new language, and insert "*During any fiscal year, the term also does not mean a person who works for a school or institution on a part time basis where the person has certified that he has established and is contributing to an individual retirement account; provided that the certification is made annually and is made on a form prescribed by the executive director.*".

Page 2, lines 21 to 24, delete the new language and insert "*This act is effective the day following final enactment.*".

With the recommendation that when so amended 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. 1849, A bill for an act relating to commerce; creating an advisory task force on small business development programs; appropriating money.

Reported the same back with the following amendments:

Page 2, line 1, after "house" insert ", each from a different political party".

Page 2, line 1, after "senate" insert ", each from a different political party".

Page 2, line 12, delete ", with" and insert a period.

Page 2, line 13, after "membership" insert "on the task force shall be".

Page 2, line 13, delete "be".

Page 2, line 14, delete "appointed from" and insert "represent".

Page 2, line 14, delete ", as established by".

Page 2, line 15, delete "executive order".

Page 2, line 21, delete "The governor shall fill".

Page 2, line 21, delete "by".

Page 2, line 22, delete "appointing members" and insert "shall be filled pursuant to Minnesota Statutes, Section 15.059, provided that the appointees shall be".

Page 2, line 23, delete "for the remainder of the unexpired term".

Page 3, line 15, after "legislature" delete "and" and insert ", the".

Page 3, line 15, after "governor" insert ", and the Minnesota congressional delegation".

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

The report was adopted.

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

H. F. No. 1865, A bill for an act relating to retirement; fractional years of service for judges; amending Minnesota Statutes 1976, Sections 490.121, Subdivision 4; and 490.124, Subdivision 1.

Reported the same back with the following amendments:

Page 1, line 10, after the second "year" strike the comma.

Page 1, line 11, delete the new language and strike "any fraction thereof."

Page 1, after line 13, insert a section to read:

"Sec. 2. Minnesota Statutes 1976, Section 490.121, is amended by adding a subdivision to read:

Subd. 4a. "Fractional year of service" means a fraction of a whole year served as a judge at any time, or served as a referee in probate for all such referees in office prior to January 1, 1974, for which credit shall be granted pro rata based on the relationship that the number of months and days of service bear to a whole year."

Page 2, after line 6, insert a section to read:

"Sec. 4. Minnesota Statutes 1976, Section 490.124, Subdivision 12, is amended to read:

Subd. 12. [REFUND.] Any person who ceases to be a judge but who does not qualify for a retirement annuity or other benefit under (SECTIONS 490.121 TO 490.132) section 490.121 shall be entitled to a refund (OF) *in an amount equal to all his contributions to the judges' retirement fund (WITH) plus interest computed (ON THE BASIS OF) to the first day of the month in which the refund is processed based on fiscal year balances at the rate of five percent per annum compounded annually (INTEREST ASSUMPTION UNDER THE PROVISIONS OF SECTION 356.21. NO REFUND SHALL BE PAYABLE UPON THE DEATH OF A JUDGE PRIOR TO RETIREMENT IF NO BENEFITS SHALL BE PAYABLE UNDER SUBDIVI-*

SION 9). *The surviving spouse, or if there is no surviving spouse, then the estate, of any person who has ceased to be a judge and has died prior to receiving a retirement annuity or other retirement benefits shall be entitled to receive a refund in an amount equal to all the contributions made by the person to the judges' retirement fund plus interest computed to the date of death at the rate of five percent per annum compounded annually.*"

Page 2, line 7, delete "*retroactive to January*".

Page 2, delete line 8, and insert: "*the day following final enactment. The provisions of this act shall apply to all judges retiring on or after the effective date of this act.*"

Renumber subsequent sections accordingly.

Further amend the title as follows:

Page 1, line 4, after "Subdivision 4" insert ", and by adding a subdivision".

Page 1, line 5, delete "Subdivision" and insert "Subdivisions".

Page 1, line 5, after "1" insert "and 12".

With the recommendation that when so amended 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. 1900, A bill for an act relating to the city of Mound; firemen's service pensions; amending Laws 1973, Chapter 175, Section 1, as amended.

Reported the same back with the following amendments:

Page 1, line 14, strike the first "firemen" and insert "*firefighters*".

Page 1, line 14, strike the second "firemen" and insert "*firefighters*".

Page 1, line 17, after "Payments" insert "*to retired firefighters receiving a service pension on the effective date of this act*".

Further amend the title.

Page 1, line 2, delete "firemen's" and insert "firefighters'".

With the recommendation that when so amended 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. 1945, A bill for an act relating to veterans; classification of records; amending Minnesota Statutes 1976, Section 197.603.

Reported the same back with the following amendments:

Page 1, line 21, delete "and" and insert a period.

Page 2, line 1, delete "individuals contained in the records" and insert "clients' applications for assistance".

Page 2, line 1, delete the semicolon.

Page 2, delete lines 2 to 4 and insert a period.

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. 1948, A bill for an act relating to courts; providing statewide jurisdiction for conciliation courts; providing statewide jurisdiction for the municipal courts of Hennepin and Ramsey counties; providing that venue for an action may lie in the county where the plaintiff resides; amending Minnesota Statutes 1976, Sections 487.30, Subdivision 1; 488A.01, Subdivision 8; 488A.18, Subdivision 9; and 542.09; Minnesota Statutes, 1977 Supplement, Sections 488A.12, Subdivision 3; and 488A.29, Subdivision 3.

Reported the same back with the following amendments:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 487.30, Subdivision 1, is amended to read:

487.30 [CONCILIATION COURT.] Subdivision 1. The conciliation court shall hear and determine civil claims if the amount of money or property which is the subject matter of the claim does not exceed \$1,000 for the determination thereof without jury trial and by a simple and informal procedure. The rules of the supreme court shall provide for a right of appeal from the decision of the conciliation court to the county court for a trial on the merits. (THE TERRITORIAL JURISDICTION OF A CONCILIATION COURT SHALL BE COEXTENSIVE WITH THE COUNTY IN WHICH THE COURT IS ESTABLISHED) *The civil claim may be filed in the conciliation court of the county in which the defendant is located or resides or in the conciliation court of the county in which the cause of action arose. The provisions of this section shall not apply to the assignee of such a cause or when the transaction was made by mail or telephone.*

Sec. 2. Minnesota Statutes 1976, Section 488A.12, Subdivision 3, is amended to read:

Subd. 3. [JURISDICTION.] (a) Excepting actions involving title to real estate, the court has jurisdiction to hear, conciliate, try and determine civil actions at law where the amount in controversy does not exceed the sum of \$1000. (THE TERRITORIAL JURISDICTION OF THE COURT IS CO-EXTENSIVE WITH THE GEOGRAPHIC BOUNDARIES OF THE COUNTY OF HENNEPIN) *The civil claim may be filed in Hennepin county if the defendant is located or resides in Hennepin county. The provisions of this section shall not apply to the assignee of such a cause or when the transaction in question was made by mail or telephone.*

(b) Notwithstanding the provisions of clause (a), or any rule of court to the contrary, the conciliation court of Hennepin county has jurisdiction to determine an action brought pursuant to section 504.20 for the recovery of a deposit on rental property located in whole or in part in Hennepin county, and the summons in the action may be served anywhere within the state of Minnesota.

Sec. 3. Minnesota Statutes 1976, Section 488A.29, Subdivision 3, is amended to read:

Subd. 3. [JURISDICTION.] (a) Excepting actions involving title to real estate, the court has jurisdiction to hear, conciliate, try and determine civil actions at law where the amount in controversy does not exceed the sum of \$1000. (THE TERRITORIAL JURISDICTION OF THE COURT IS CO-EXTENSIVE WITH THE GEOGRAPHIC BOUNDARIES OF THE COUNTY OF RAMSEY) *The civil action may be filed in Ramsey county if the defendant is located or resides in Ramsey county or if the transaction took place in Ramsey county. The provisions of this section shall not apply to the assignee of such a cause or when the transaction in question was made by mail or telephone."*

(b) Notwithstanding the provisions of clause (a) or any rule of court to the contrary, the conciliation court of Ramsey county has jurisdiction to determine an action brought pursuant to section 504.20 for the recovery of a deposit on rental property located in whole or in part in Ramsey county, and the summons in the action may be served anywhere in the state of Minnesota.

Delete the title in its entirety and insert:

"A bill for an act relating to venue of conciliation courts; amending Minnesota Statutes 1976, Sections 487.30, Subdivision 1; 488A.12, Subdivision 3; and 488A.29, Subdivision 3."

With the recommendation that when so amended 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. 2019, A bill for an act relating to marriage; providing that the clerk of county court may solemnize marriages; amending Minnesota Statutes 1976, Section 517.04.

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. 2025, A bill for an act relating to the city of Chisholm; police and firemen's relief associations; reversion of funds and bond of treasurer.

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. 2032, A bill for an act relating to state employees; improving testing procedures; tightening provisions relating to provisional appointments; providing for a pilot reliability-based band width certification program; appropriating money; amending Minnesota Statutes 1976, Sections 43.13, by adding a subdivision; and 43.20, Subdivision 2.

Reported the same back with the following amendments:

Page 1, after line 10, insert:

"Section 1. Minnesota Statutes 1976, Section 43.13, Subdivision 1, is amended to read:

43.13 [EXAMINATIONS.] Subdivision 1. [FAIR TESTS; RECORDS.] All examinations for positions in the classified service shall relate to those matters which will fairly test the capacity and fitness of the persons examined to efficiently discharge the duties of the (OFFICE OR EMPLOYMENT) *position* sought by them. Each applicant in an oral examination shall be rated individually by each examiner who shall sign his rating of the applicant. The average of the (EXAMINERS,) *examiners'* separate ratings, if more than one examiner conducts the oral examinations, is the applicant's oral examination rating. (THE

APPOINTING AUTHORITY MAY PAY REASONABLE TRAVEL EXPENSES ACTUALLY INCURRED TO APPLICANTS INVITED FOR ORAL EXAMINATIONS FOR THOSE POSITIONS WHERE UNUSUAL DIFFICULTY IN RECRUITING QUALIFIED APPLICANTS IS BEING ENCOUNTERED.)”.

Page 1, line 20, delete “*open-competitive basis an*”.

Page 2, after line 19, insert:

“Sec. 4. Minnesota Statutes 1976, Section 43.14, Subdivision 1, is amended to read:

43.14 [EXAMINATION REFUSED; APPEAL; BOND.] Subdivision 1. [REASONS FOR REFUSAL.] The commissioner may refuse to examine an applicant, or after examination may refuse to certify an eligible, who is found to lack any of the preliminary requirements established for the examination for the position (OR EMPLOYMENT) for which he applies; or who is physically so disabled as to be rendered unfit for the proper performance of the duties of the position to which he seeks appointment; or who is addicted to habit-forming drugs or is an habitual user of intoxicating liquors to excess; (OR WHO HAS BEEN GUILTY OF ANY CRIME INVOLVING MORAL TURPITUDE OR OF INFAMOUS OR NOTORIOUSLY DISGRACEFUL CONDUCT;) or who has been dismissed from the public service for delinquency or misconduct; or who has made a false statement of any material fact; or who, directly or indirectly, shall give, render or pay, or promise to give, render or pay, any money, service, or other valuable thing to any person for, or on account of, or in connection with, his test, appointment, or proposed appointment; or who practiced, or attempted to practice, any deception or fraud in his application, in his certificate, in his examination, or in securing his eligibility or appointment; or who refuses to furnish testimony as required in section 43.07.

Sec. 5. Minnesota Statutes 1976, Chapter 43, is amended by adding a section to read:

[43.162] [VALIDITY OF APPLICATIONS.] *No person shall be appointed to a position in the civil service until the appointing authority has made reasonable effort to verify any information contained in the prospective employee's job application which relates to the ability of the person to perform the job. The commissioner shall establish procedures, which shall not be promulgated as rules, for use by an appointing authority in performing this verification function. Notice of the verification responsibilities of the appointing authority for misrepresentations shall be conspicuously printed on all state employment application forms.*

Sec. 6. Minnesota Statutes 1976, Section 43.18, is amended to read:

43.18 [VACANCIES.] Subdivision 1. [NOTICE.] Appointing (OFFICERS) *authorities* shall give written notice to the commissioner of personnel of their intention to establish new positions and of the existence of any vacancy to be filled (IN ANY OFFICE OR EMPLOYMENT) in the classified service, and, within a reasonable time after the receipt of this notice, the commissioner shall certify, from the list of eligibles, appropriate for the (GRADE AND) class in which the position is classified, names in the manner as provided in this section.

Subd. 2. [PROMOTIONS.] In the case of positions to be filled by examinations other than open competitive examinations, the commissioner shall certify, from the list of eligibles, appropriate for the (GRADE AND) class in which the position is classified, the first three names on such list together with any additional names of persons having an examination rating within three points of the person on the list with the highest examination rating *and with any additional names of persons having the same score as the last name certified in accordance with the above*, except as provided in sections 43.23 and 43.19, subdivision 1.

Subd. 3. [ORIGINAL ENTRY.] In the case of positions to be filled by open competitive examination, the commissioner shall certify the first ten names on the list *together with any additional names of persons having the same score as the tenth name so certified*. Appointments from the list shall only be made from the (FIRST TEN AVAILABLE ELIGIBLES) *names so certified*. The commissioner shall promulgate rules so that a determination of unavailability by an appointing authority will be based on a statement of unavailability from the eligible or lack of response by the eligible to notification by certified mail of the open position. Before requesting a recertification based on unavailability or rejection of an eligible, the appointing authority shall demonstrate the unavailability of an eligible or shall provide reasons for requesting the removal of an eligible's name from the certification.

Subd. 4. [APPOINTMENT; PROBATION.] The appointing (OFFICER) *authority* shall appoint on probation, with sole reference to merit and fitness, one of the said candidates, whose name is certified in the manner above set forth, to fill such vacancy, except as provided in section 43.23. Seniority in length of service shall also be one of the factors in an appointment in the manner as provided by personnel rule. The provisions of this section shall not apply when the (OFFICE OR) employment *situation* is among those listed in section 43.20, for which competitive examinations are not required.

Sec. 7. Minnesota Statutes 1976, Section 43.19, Subdivision 1, is amended to read:

43.19 [VACANCIES; PROMOTIONS; DISMISSALS.]
Subdivision 1. [VACANCIES FILLED BY PROMOTION.]

(1) Vacancies in positions shall be filled, so far as practicable, by promotion from among persons holding positions in the classified service, and, subject to such exceptions as the commissioner may provide, from the lower class (OR GROUP WITHIN THE PARTICULAR CLASSIFICATION,) and in accordance with section 43.18 and personnel rules. Except as provided in clause (2), promotions shall be based upon merit and fitness, to be ascertained by competitive examinations in which the employee's efficiency (, CHARACTER,) and *job-related* conduct shall (ALL) constitute a factor. For positions defined by personnel rule as "non-managerial" seniority shall also constitute a factor.

(2) The commissioner may authorize the appointing authority of any state (OFFICE OR DEPARTMENT) *agency* to promote any employee in that (OFFICE OR DEPARTMENT) *agency* to a position (OF) *in* a higher (GRADE OR) class requiring peculiar and exceptional qualifications of an administrative, scientific, professional, or expert character, following a non-competitive examination, which shall be practical and shall involve only the duties of the position.

(3) The commissioner shall give the non-competitive examinations provided for in clause (2) upon request of any appointing authority, in accordance with personnel rules."

Page 2, line 30, delete "*Before*" and insert "*When*".

Page 2, line 31, delete "*give*".

Page 2, delete line 32.

Page 3, delete line 1, and insert "*certify to the commissioner that he has determined that all persons on an incomplete appropriate list are unsuitable or unavailable for appointment.*".

Page 3, line 21, delete "*permanent*" and insert "*probationary*".

Page 3, line 23, delete all language after "*capacity*".

Page 3, delete lines 24 and 25.

Page 3, line 26, delete "*not be successful*".

Page 3, line 26, delete "*permanent*" and insert "*probationary*".

Page 3, line 28, delete "*a*" and insert "*the same*".

Page 3, line 28, delete "*comparable to*" and insert "*as*".

Page 3, after line 29, insert:

"Sec. 9. Minnesota Statutes 1976, Section 43.20, Subdivision 3, is amended to read:

Subd. 3. In case of an emergency, an appointment may be made without regard to the provisions of this chapter, but in no case shall it continue longer than ten working days, and in no case shall successive emergency appointments be made; this provision shall apply to both persons and positions; and no person shall receive more than three emergency appointments in any one or different positions within (ONE YEAR) *any 12 month period.*

Sec. 10. Minnesota Statutes 1976, Section 43.20, Subdivision 5, is amended to read:

Subd. 5. Where the services to be rendered by an appointee are for a temporary period not to exceed six months, the commissioner shall certify from an eligible list for the temporary service any person he deems qualified; the acceptance or refusal by an eligible of a temporary appointment shall not affect his standing on the register for permanent employment, nor shall the period of temporary service be counted as a part of the probationary period in case of subsequent appointment to a permanent position. (NO PERSON SHALL RECEIVE MORE THAN ONE TEMPORARY APPOINTMENT WITHIN ONE YEAR.) No temporary appointment shall exceed six months except to fill a vacancy created by an approved leave of absence not to exceed one year or where the commissioner grants an extension of temporary appointment to the maximum of one year in the best interests of the state.

Sec. 11. Minnesota Statutes 1976, Section 43.20, is amended by adding a subdivision to read:

Subd. 7. Where the position to be filled is of a routine, service nature involving unskilled tasks, the performance of which cannot be directly related to qualifications beyond a minimum competency level, the commissioner may authorize the administration of a basic qualifying selection process designed to ascertain which candidates could perform the tasks of the job in a satisfactory manner. Any candidate found so qualified may be certified and appointed to such a position.

Sec. 12. Minnesota Statutes 1976, Section 43.32, Subdivision 11, is amended to read:

Subd. 11. [REVIEW OF TRAINING PLANS.] The head of each department shall be responsible, with the advice and

counsel of the commissioner, for planning, budgeting and conducting training programs within the scope of the overall training plan. He shall submit his training plans and budgets for each year of the biennium to the commissioner for review and comment prior to the implementation of any program, but in any case no later than six weeks after the budget appropriations are approved.

For purposes of training, the commissioner may accept funds from any source and may be reimbursed by the various departments for reasonable program cost. *Monies transferred to the commissioner pursuant to this subdivision are appropriated to the commissioner to perform training functions as provided herein.*

Sec. 13. Minnesota Statutes 1976, Section 43.327, Subdivision 1, is amended to read:

43.327 [TRAVEL AND RELOCATION EXPENSES.]
Subdivision 1. [COMMISSIONER TO MAKE RULES ON RELOCATION.] The commissioner shall make personnel rules relating to the expenses of moving state (OFFICERS AND) employees, their families and household goods to new stations, subsistence, realtor fees, and such other expenses as may be incident to assignment to such stations.

Sec. 14. Minnesota Statutes 1976, Section 43.327, Subdivision 2, is amended to read:

Subd. 2. [COMMISSIONER TO MAKE RULES ON TRAVEL.] The commissioner shall make personnel rules relating to travel of state (OFFICERS AND) employees on state business and expenses incurred thereon. *When unusual difficulty in recruiting qualified applicants is being encountered the commissioner may authorize the appointing authority to pay travel expenses incurred by applicants invited for oral examinations or for employment interviews in the same manner and amounts authorized by personnel rules for state employees.*

Sec. 15. Minnesota Statutes 1976, Section 43.491, is amended by adding a subdivision to read:

Subd. 5. *Notwithstanding the restrictions contained in section 43.44, subdivision 2, a state employee who retires prior to age 65 and who is eligible for, applies for and receives an annuity under a state retirement program shall be eligible to continue to participate at his own expense in the hospital benefits coverage and medical benefits coverage provided for other state employees by sections 43.42 to 43.50. The retired employee may also, at his own expense, continue hospital benefits coverage and medical benefits coverage for his dependents who meet the general dependent eligibility requirements for those coverages. The cov-*

erage may be maintained until the employee and the employee's spouse each become eligible for medicare. Within 30 days after the effective date of this section or within 30 days after the effective date of his retirement, whichever day is later, the employee shall notify the commissioner or his designee of his intention to continue the coverage. The commissioner shall establish forms and procedures for exercise of the option provided by this section and for payment of necessary premiums."

Page 4, line 4, delete "*expected*".

Page 4, line 4, delete "*open to competitive*".

Page 4, line 5, delete "*examination*" and insert "*filled*".

Page 4, line 8, after "*must*" insert "*be expected to have vacancies to be filled by open competitive examination in that upcoming year and must*".

Page 4, line 21, delete "*certified*".

Page 4, line 21, after "*of*" and before "*eligibles*" insert "*certified*".

Page 4, line 27, delete "*certified*".

Page 4, line 27, after "*of*" and before "*eligibles*" insert "*certified*".

Page 4, line 32, delete "*certified*".

Page 4, line 32, after "*list*" insert "*of certified eligibles*".

Page 5, line 8, delete "*certified*".

Page 5, line 8, after "*list*" insert "*of certified eligibles*".

Page 5, line 9, after "*Names*" insert "*of certified eligibles*".

Page 5, line 10, delete "*certified*".

Page 5, line 22, delete "*certified*".

Page 5, line 23, after "*of*" insert "*certified*".

Page 6, line 8, after "*rules*" insert "*and*".

Page 7, after line 13, insert:

"Sec. 18. Minnesota Statutes, 1977 Supplement, Section 121.16, Subdivision 1, is amended to read:

121.16 [COMMISSIONER OF EDUCATION.] Subdivision 1. The department shall be under the administrative control of the commissioner of education which office is established. The commissioner shall be the secretary of the state board. He shall be appointed by the state board with the approval of the governor under the provisions of section 15.06. For purposes of section 15.06, the board shall be the appointing authority.

The commissioner shall be a person who possesses educational attainment and breadth of experience in the administration of public education and of the finances pertaining thereto commensurate with the spirit and intent of this code. The commissioner *may appoint two deputy commissioners who shall serve in the unclassified service and shall appoint other employees as may be necessary for the organization of the department.* He shall perform such duties as the law and the rules of the state board may provide and be held responsible for the efficient administration and discipline of the department. He shall make recommendations to the board, and he shall be charged with the execution of powers and duties which the state board may prescribe, from time to time, to promote public education in the state, to safeguard the finances pertaining thereto, and to enable the state board to carry out its duties.

Sec. 19. Minnesota Statutes 1976, Section 43.24, Subdivision 1, is amended to read:

43.24 [REMOVAL.] Subdivision 1. [WRITTEN STATEMENT.] No permanent employee in the classified service, under the provisions of this chapter or the rules made pursuant thereto, shall be removed, discharged, suspended without pay for more than 30 days, or reduced in pay or position, except for just cause, which shall not be religious or political, or because of the employee's race, sex, disability or age, subject however to the mandatory retirement ages specified by law. In case of any disciplinary action, as enumerated in this section, the employee shall, before the action is taken, be furnished with a statement, in writing, setting forth the reasons for the disciplinary action, be permitted five days time to reply thereto, in writing, or upon his request, to appear personally and reply to the head of the department. A copy of the statement and the employee's reply, if any, shall be filed with the commissioner prior to the effective date thereof. *Any permanent employee in the classified service who is removed, discharged, suspended without pay, or reduced in pay or position, shall be notified no later than the effective date of the action of his right to appeal the action to the board."*

Page 7, line 15, after the period insert "Section 16 shall expire June 30, 1980. Procedures relating to examinations announced

prior to May 1, 1978, shall be completed pursuant to law in effect on April 30, 1978. Certifications of eligibles in force on May 1, 1978, shall remain effective pursuant to law in effect on April 30, 1978."

Renumber the sections.

Further amend the title:

Page 1, line 6, after "programs;" insert "altering certain requirements for appointment and benefit eligibility; establishing special procedures for filling certain positions; providing for modified reimbursements of costs; providing for a notice to certain employees; providing for deputy commissioners of education;"

Page 1, line 7, after "43.13," insert "Subdivision 1, and".

Page 1, line 8, delete "and" and insert "43.14, Subdivision 1; 43.18; 43.19, Subdivision 1;"

Page 1, line 8, after "43.20," delete "Subdivision" and insert "Subdivisions".

Page 1, line 8, after "2" insert ", 3 and 5, and by adding a subdivision; 43.24, Subdivision 1; 43.32, Subdivision 11; 43.327, Subdivisions 1 and 2; 43.491, by adding a subdivision; and Chapter 43, by adding a section; and Minnesota Statutes, 1977 Supplement, Section 121.16, Subdivision 1."

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

The report was adopted.

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

H. F. No. 2041, A bill for an act relating to labor and employment; prohibiting mandatory retirement of public or private employees; rights and remedies of employees; amending Minnesota Statutes 1976, Sections 356.32; 422A.13, Subdivision 2; 423.075, Subdivision 1; 473.606, Subdivision 5; and Chapter 181, by adding a section; and Minnesota Statutes, 1977 Supplement, Section 363.02, Subdivision 6; repealing Minnesota Statutes 1976, Sections 125.12, Subdivision 5; 163.07, Subdivision 2a; 352B.075; 354A.21; and 423.26; and Minnesota Statutes, 1977 Supplement, Sections 43.051, Subdivisions 1, 2 and 4; and 354.44, Subdivision 1a.

Reported the same back with the following amendments:

Page 9, line 6, delete "*June 1, 1978*" and insert "*March 15, 1978*".

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. 2096, A bill for an act relating to state lands; authorizing conveyance of a certain parcel of land in Beltrami county.

Reported the same back with the following amendments:

Page 1, line 7, delete "On July 7, 1967 the state of Minnesota granted a".

Page 1, delete lines 8 to 16.

Page 1, line 17, delete "portion,".

Page 2, after line 5, insert a paragraph to read:

"The auditor and the treasurer shall deposit \$4,000 of the proceeds from the sale of the above described land in the forfeited tax sale fund of Beltrami county and deposit the remaining proceeds of the sale in the county's general fund."

With the recommendation that when so amended 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. 2155, A bill for an act relating to retirement; validating certain administrative expenses from the special fund of the Austin firefighter's relief association.

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. 2162, A bill for an act relating to courts; increasing the maximum salary for district court reporters; amending Minnesota Statutes 1976, Section 486.05, Subdivision 1.

Reported the same back with the following amendments:

Page 2, after line 22, insert a section to read:

"Sec. 2. Minnesota Statutes 1976, Section 486.06, is amended to read:

486.06 [CHARGE FOR TRANSCRIPT.] (IN ADDITION TO SUCH SALARY,) The reporter may charge for a transcript of his record ordered by any person other than the judge 35 cents per folio thereof and seven and one-half cents per folio for each manifold or other copy thereof when so ordered that it can be made with such transcript. (THIS SECTION SHALL NOT APPLY TO THE FOURTH JUDICIAL DISTRICT) *Any portion of fees received for transcripts remaining after deductions for actual cash expenses incurred to prepare the transcripts shall be deposited in the county general revenue fund.*"

Amend the title:

Page 1, line 3, after the semicolon, insert "disposition of transcript fees;"

Page 1, line 4, delete "Section" and insert "Sections".

Page 1, line 4, after "1" insert "; and 486.06".

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. 2163, A bill for an act relating to retirement; providing annual benefit adjustments to disabled members of the public employees retirement association and survivors of deceased members; amending Minnesota Statutes 1976, Section 353.271, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert the following:

"Section 1. Minnesota Statutes 1976, Chapter 356, is amended by adding a section to read:

[356.41] [BENEFIT ADJUSTMENTS.] *Disability benefits and survivor benefits payable to a disabilitant or a survivor now or hereafter receiving benefits from any public pension fund which participates in the Minnesota adjustable fixed benefit fund shall be adjusted in the same manner, at the same times and in the same amounts as are benefits payable from the Minnesota adjustable fixed benefit fund to retirees of that public pension fund. No recipient shall, however, be entitled to more than one adjustment at one time by reason of this section.*

Sec. 2. *In addition to increases granted pursuant to section 1, each fund included therein shall, on the effective date of this act, pay an increase equal to four percent to disabilitants and eligible survivors who were receiving benefits prior to July 1, 1976 and who did not receive an increase from or an increase equal to the increase from the Minnesota adjustable fixed benefit fund paid or payable January 1, 1978.*

Sec. 3. *This act is effective July 1, 1978."*

Further amend the title as follows:

Page 1, delete lines 2 to 6 and insert the following: "relating to retirement; adjustment of benefits of disabilitants and survivors under public pension funds; amending Minnesota Statutes 1976, Chapter 356, by adding a section."

With the recommendation that when so amended 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. 2165, A bill for an act relating to negligence actions; recovery in actions under the rules of comparative negligence; amending Minnesota Statutes 1976, Section 604.01, Subdivision 1.

Reported the same back with the following amendments:

Page 1, line 15, delete "*combined*".

Page 1, line 16, delete "*or persons*".

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. 2218, A bill for an act relating to courts; providing for administration of the tax court; amending Minnesota Statutes, 1977 Supplement, Section 271.02.

Reported the same back with the following amendments:

Strike everything after the enacting clause and insert:

“Section 1. Minnesota Statutes, 1977 Supplement, Section 271.01, is amended by adding a subdivision to read:

Subd. 6. [PENDING CASES.] A case arising under the tax laws of this state, as defined in subdivision 5, which was pending on July 1, 1977 may be transferred to the tax court by the district court in which it was pending.

Sec. 2. Minnesota Statutes, 1977 Supplement, Section 271.02, is amended to read:

271.02 [OFFICERS.] The judges of the tax court (OF APPEALS) shall choose a chief judge of the tax court (OF APPEALS). The chief judge of the tax court (OF APPEALS) shall appoint one of the judges to serve as the administrator, who shall be custodian of the court's files and records, and shall coordinate and make hearing assignments. The administrator may appoint up to two employees who shall be in the unclassified service. The judge who is appointed the administrator may delegate his duties as administrator to the employees whom he has appointed and may select one employee to act in his place as the assistant administrator. The clerk of district court in each county shall be the clerk of the tax court in that county. *Filing fees and library fees deposited with the clerk of district court in his capacity as clerk of the tax court and in cases originally commenced in district court and transferred to the tax court shall be retained by the clerk of district court.* The tax court clerk in each county shall be subject to the supervision of the administrator in tax court matters.

Sec. 3. Minnesota Statutes, 1977 Supplement, Section 271.04, is amended to read:

271.04 [HEARINGS.] The tax court shall hold hearings and meetings as may be prescribed by the rules of the tax court. The principal office of the tax court shall be at the capitol, but it shall hold hearings at any other place within the state, so that taxpayers may appear before the court with as little inconvenience and expense to the taxpayer as is practicable. The tax court shall be allowed to use the district court and county court court room in all of the counties. The administrator of the tax

court shall consult with the district and county court judges involved before a schedule of court room to be used by the tax court is established. Each tax court judge may hear and decide cases. Upon petition by a party to a case, or upon a motion by a tax court judge, and approval by a majority of the tax court, a case may be tried before the entire tax court. When an appeal is taken by a resident taxpayer from an order of the commissioner, *not involving property taxes*, venue for the case shall be, at the election of the taxpayer, in Ramsey county or in the district court judicial district in which the taxpayer resides. Venue shall be in Ramsey county for an appeal taken by a non-resident taxpayer from an order of the commissioner. Venue for all other cases arising under the tax laws of the state shall be in the same judicial district as if the case was being tried in district court.

Sec. 4. Minnesota Statutes, 1977 Supplement, Section 271.06, Subdivision 2, is amended to read:

Subd. 2. [TIME; NOTICE; INTERVENTION.] Except as otherwise provided by law, within 60 days after notice of the making and filing of (SUCH) *an order of the commissioner* (, OR UPON THE FINAL DETERMINATION OF ANY MATTER CONCERNING THE TAX LAWS LISTED IN SECTION 271.01, SUBDIVISION 5) *of revenue*, the appellant, or his attorney, shall serve a notice of appeal upon the commissioner (OR THE APPROPRIATE UNIT OF GOVERNMENT) and file the original, with proof of such service, with the tax court (OF APPEALS) *administrator or with the clerk of district court acting as clerk of the tax court*; provided, that a tax court (OF APPEALS) judge, for cause shown, may by written order extend the time for appealing for an additional period(,) not exceeding 30 days. (IN RAMSEY COUNTY, NOTICE OF APPEAL MAY BE FILED WITH THE TAX COURT CLERK OR WITH THE ADMINISTRATOR. THE TAX COURT SHALL PRESCRIBE A FILING SYSTEM SO THAT THE NOTICE OF APPEAL FILED WITH THE TAX COURT CLERK IS FORWARDED TO THE ADMINISTRATOR. IN ANY APPEAL CONCERNING PROPERTY VALUATION, FOR WHICH THE STATE BOARD OF EQUALIZATION OR COMMISSIONER OF REVENUE HAS ISSUED AN ORDER, THE OFFICER ISSUING THE ORDER SHALL BE NOTIFIED OF THE FILING OF AN APPEAL.) The notice of appeal shall be in the form prescribed by the tax court. Within five days after receipt, the commissioner shall transmit a copy of the notice of appeal to the attorney general in all cases where the amount at issue exceeds \$100. The attorney general shall represent the commissioner, if requested, upon all such appeals except in cases where the attorney general has appealed in behalf of the state, or in other cases where he deems it against the interests of the state to represent the commissioner, in which event the attorney general may intervene or be substituted as an appellant in behalf of the state at any stage of the proceedings.

Upon a final determination of any other matter concerning the tax laws listed in section 271.01, subdivision 5, the taxpayer or his attorney may file a petition or notice of appeal as provided by law with the clerk of district court, acting in the capacity of clerk of the tax court, with proof of service of the petition or notice of appeal as required by law and within the time required by law. As used in this subdivision, "final determination" includes a notice of assessment and equalization for the year in question received from the local assessor, an order of the local board of equalization, or an order of a county board of equalization.

The tax court shall prescribe a filing system so that the notice of appeal or petition filed with the tax court clerk is forwarded to the tax court administrator. In the case of an appeal or a petition concerning property valuation for which the assessor, a local board of equalization, a county board of equalization, or the commissioner of revenue has issued an order, the officer issuing the order shall be notified of the filing of the appeal. The notice of appeal or petition shall be in the form prescribed by the tax court.

Sec. 5. Minnesota Statutes 1976, Section 274.19, Subdivision 4, is amended to read:

Subd. 4. Any person who claims that his class 2a property has been unfairly or unequally assessed, or that such property has been assessed at a valuation greater than its real or actual value, or that the tax levied against the same is illegal, in whole or in part, or has been paid, or that the property is exempt from the tax so levied, may have the validity of his claim, defense or objection determined by the district court of the county in which the tax is levied or by the tax court by filing a petition for such determination, in the office of the clerk of the district court on or before the first day of September of the year in which such tax becomes payable. A petition for determination under this section may be transferred by the district court to the tax court.

Sec. 6. Minnesota Statutes 1976, Section 274.19, Subdivision 5, is amended to read:

Subd. 5. (PAYMENT OF THE TAX SHALL BE A CONDITION PRECEDENT TO THE FILING OF A PETITION FOR REVIEW BY THE DISTRICT COURT) *The right to continue prosecution of the petition shall be conditioned upon the payment of the tax when due unless the court permits the (PETITION TO BE FILED) petitioner to continue prosecution of the petition without payment, or with a reduced payment, pursuant to section 277.011, subdivision 3. The petitioner, upon ten days notice to the county attorney and to the county auditor, given at least ten days prior to the last day of August, may apply to the court for permission to (FILE THE PETITION) continue*

prosecution of the petition without (SUCH) payment or with a reduced payment.

Sec. 7. Minnesota Statutes, 1977 Supplement, Section 277.011, Subdivision 1, is amended to read:

277.011 [DEFENSE OR OBJECTION TO TAX ON PERSONAL PROPERTY.] Subdivision 1. [SERVICE AND FILING OF PETITION.] Any person who claims that his personal property has been unfairly or unequally assessed, or that such property has been assessed at a valuation greater than its real or actual value, or that the tax levied against the same is illegal, in whole or in part, or has been paid, or that the property is exempt from the tax so levied, may have the validity of his claim, defense or objection determined by the district court of the county in which the tax is levied *or by the tax court* by serving two copies of a petition for such determination upon the county auditor and one copy each on the county treasurer and the county attorney and filing the same, with proof of such service, in the office of the clerk of the district court on or before the first day of July of the year in which such tax becomes payable. The county auditor shall immediately forward one copy of the petition to the appropriate governmental authority in a home-rule charter or statutory city or town in which the property is located, if that city or town employs its own certified assessor. *A petition for determination under this section may be transferred by the district court to the tax court.*

Sec. 8. Minnesota Statutes 1976, Section 277.011, Subdivision 3, is amended to read:

Subd. 3. [PAYMENT OF TAX.] (BEFORE FILING SUCH PETITION, AND AS A CONDITION PRECEDENT THERETO) *If the proceedings instituted by the filing of the petition have not been completed before July 1 next following the filing of the petition,* the petitioner shall pay to the county treasurer 50 percent of the tax levied for (SUCH) the year against the property involved, unless permission to file the petition without such payment is obtained as herein provided (, WHICH PAYMENT SHALL BE ENDORSED BY THE COUNTY TREASURER ON THE ORIGINAL PETITION BEFORE THE SAME MAY BE FILED). The petitioner, upon ten days notice to the county attorney and to the county auditor, given at least ten days prior to the first day of July, may apply to the court for permission to file the petition without such payment; and, if it is made to appear

(1) That the proposed review is to be taken in good faith;

(2) That there is probable cause to believe that the property may be held exempt from the tax levied or that the tax may be determined to be less than 50 percent of the amount levied; and

(3) That it would work a hardship upon petitioner to pay (SUCH) 50 percent of the tax.

The court may permit the (PETITION TO BE FILED) *petitioner to continue to prosecute the petition* without (SUCH) payment, or may fix a lesser amount to be paid as a condition (PRECEDENT) to the right to (FILE) *continue to prosecute* the same. Payment of the amount so fixed shall be endorsed on the order by the county treasurer.

Sec. 9. Minnesota Statutes, 1977 Supplement, Section 278.01, is amended to read:

278.01 [DEFENSE OR OBJECTION TO TAX ON LAND; SERVICE AND FILING.] (a) Any person having any estate, right, title, or interest in or lien upon any parcel of land, who claims that such property has been partially, unfairly, or unequally assessed, or that such parcel has been assessed at a valuation greater than its real or actual value, or that the tax levied against the same is illegal, in whole or in part, or has been paid, or that the property is exempt from the tax so levied, may have the validity of his claim, defense, or objection determined by the district court of the county in which the tax is levied *or by the tax court* by serving two copies of a petition for such determination upon the county auditor and one copy each on the county treasurer and the county attorney and filing the same, with proof of such service, in the office of the clerk of the district court (ON OR) before the first day of June of the year in which such tax becomes payable. The county auditor shall immediately forward one copy of the petition to the appropriate governmental authority in a home rule charter or statutory city or town in which the property is located if that city or town employs its own certified assessor. *A petition for determination under this section may be transferred by the district court to the tax court.*

(b) Any person having any estate, right, title or interest in or lien upon any parcel which is classified as homestead under the provisions of section 273.13, subdivisions 6, 6a, 7, 7b, 10 or 12, who claims that said parcel has been assessed at a valuation which exceeds by ten percent or more the valuation which the parcel would have if it were valued at the average assessment/sales ratio for real property in the same class, in that portion of the county in which that parcel is located, for which the commissioner is able to establish and publish a sales ratio study as determined by the applicable real estate assessment/sales ratio study published by the commissioner of revenue, may have the validity of his claim, defense, or objection determined by the district court of the county in which the tax is levied *or by the tax court* by serving two copies of a petition for such determination upon the county auditor and one copy each on the county treasurer and the county attorney and filing the same, with proof of such service, in the office of the clerk of the district

court (ON OR) before the first day of June of the year in which such tax becomes payable. The county auditor shall immediately forward one copy of the petition to the appropriate governmental authority in a home rule charter or statutory city or town in which the property is located if that city or town employs its own certified assessor. *A petition for determination under this section may be transferred by the district court to the tax court.*

Sec. 10. Minnesota Statutes 1976, Section 278.03, is amended to read:

278.03 [PAYMENT OF PORTION OF TAX.] (BEFORE FILING SUCH PETITION AND AS A CONDITION PRECEDENT THERETO) *If the proceedings instituted by the filing of the petition have not been completed before the first day of June next following the filing, the petitioner shall pay to the county treasurer (AT LEAST) 50 percent of the tax levied for such year against the property involved, unless permission to (FILE) continue prosecution of the petition without such payment is obtained as herein provided (, WHICH PAYMENT SHALL BE ENDORSED BY THE COUNTY TREASURER ON THE ORIGINAL PETITION BEFORE THE SAME MAY BE FILED. PERMISSION TO FILE SUCH PETITION WITHOUT SUCH PAYMENT MAY BE).* *If the proceedings instituted by the filing of the petition have not been completed by the next November 1, the petitioner shall pay to the county treasurer 50 percent of the unpaid balance of the taxes levied for the year against the property involved, unless permission to continue prosecution of the petition without payment is obtained as herein provided. The petitioner, upon ten days notice to the county attorney and to the county auditor, given at least ten days prior to the first day of June or the first day of November, may apply to the court for permission to (FILE) continue prosecution of the petition without (SUCH PAYMENTS) payment; and, if it is made to appear*

- (1) That the proposed review is to be taken in good faith;
- (2) That there is probable cause to believe that the property may be held exempt from the tax levied or that the tax may be determined to be less than 50 percent of the amount levied; and
- (3) That it would work a hardship upon petitioner to pay 50 percent of such taxes,

The court may permit *the petitioner to continue prosecution of the petition (TO BE FILED) without (SUCH) payment, or may fix a lesser amount to be paid as a condition (PRECEDENT TO THE RIGHT TO FILE THE SAME. PAYMENT OF THE AMOUNT SO FIXED SHALL BE ENDORSED ON THE ORDER BY THE COUNTY TREASURER) of continuing the prosecution of the petition.*

(IF THE COURT SHALL ALLOW THE FILING OF THE PETITION WITHOUT SUCH PAYMENT OR FIX THE AMOUNT TO BE PAID, THEN THE MATTER SHALL STAND FOR TRIAL WITHOUT FURTHER PAYMENT. IN ALL OTHER CASES, IF THE PROCEEDINGS INSTITUTED BY THE FILING OF SUCH PETITION HAVE NOT BEEN COMPLETED BEFORE NOVEMBER FIRST, NEXT FOLLOWING THE FILING OF SUCH PETITION, THE PETITIONER SHALL PAY 50 PERCENT OF THE REMAINING UNPAID TAXES FOR THE CURRENT YEAR OR 50 PERCENT OF THE REMAINING UNPAID TAXES BASED UPON THE PROBABLE VALUE OF SUCH PROPERTY, IF THE VALUE HAS BEEN FOUND BY THE COURT UPON APPLICATION AS AFORESAID.) Failure to make payment of (SUCH ADDITIONAL) *the amount required when due* shall operate automatically to dismiss the petition and all proceedings thereunder unless (SUCH) *the payment is waived by an order of the court* (UPON APPLICATION AS HEREINAFTER PROVIDED. THE PETITIONER, UPON TEN DAYS' NOTICE TO THE COUNTY ATTORNEY AND TO THE COUNTY AUDITOR, GIVEN AT LEAST TEN DAYS PRIOR TO NOVEMBER FIRST, MAY APPLY TO THE COURT FOR AN ORDER WAIVING THE REQUIREMENT OF SUCH ADDITIONAL PAYMENT, UPON THE SAME GROUNDS AS SET FORTH HEREIN, FOR RELIEF FROM THE REQUIREMENT TO PAY THE ORIGINAL 50 PERCENT OF SUCH TAXES, EXCEPT THAT HE MUST SHOW THAT THE TAX MAY BE DETERMINED TO BE LESS THAN 75 PERCENT OF THE AMOUNT LEVIED) *permitting the petitioner to continue prosecution of the petition without payment.* The county treasurer shall, *upon request of the petitioner*, issue duplicate receipts for (SUCH ADDITIONAL) *the tax payment*, one of which shall be filed by the petitioner in (SUCH) *the proceeding.*

Sec. 11. Minnesota Statutes 1976, Section 356.30, is amended by adding a subdivision to read:

Subd. 4. A judge of the tax court who is a member of the judges' retirement fund by reason of Laws 1977, Chapter 307, Section 28, shall nevertheless be entitled to a combined service annuity in accordance with this section.

Sec. 12. *This act is effective July 1, 1977."*

Further, strike the title and insert:

"A bill for an act relating to the tax court; providing for review of certain tax matters by the tax court; modifying procedures that condition the right to prosecute the tax matter; specifying qualifications of judges; providing for administration of the tax court; amending Minnesota Statutes 1976, Sections 274.19, Subdivisions 4 and 5; 277.011, Subdivision 3; 278.03; 356.30, by adding a subdivision; and Minnesota Statutes, 1977

Supplement, Sections 271.01, by adding a subdivision; 271.02; 271.04; 271.06, Subdivision 2; 277.011, Subdivision 1; and 278.01.”.

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. 2219, A bill for an act relating to the city of Eagan; volunteer firemen's service pensions; amending Laws 1975, Chapter 43, Section 1.

Reported the same back with the following amendments:

Page 1, line 9, delete “FIREMEN’S” and insert “FIRE-FIGHTER’S”.

Page 1, line 10, strike “firemen’s” and insert “*firefighter’s*”.

Page 1, line 11, strike “firemen’s” and insert “*firefighter’s*”.

Page 1, line 13, delete “\$200” and insert “\$160”.

Page 1, line 20, strike “firemen’s” and insert “*firefighter’s*”.

Page 2, line 4, strike “firemen” and insert “*firefighter*”.

Page 2, line 5, delete “\$10” and insert “\$8”.

Page 2, line 8, delete “\$300” and insert “\$240”.

Page 2, line 13, delete “\$1,500” and insert “\$1,200”.

Further, amend the title as follows:

Page 1, line 2, delete “firemen’s” and insert “*firefighter’s*”.

With the recommendation that when so amended 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. 2223, A bill for an act relating to Hennepin county municipal court; authorizing the establishment of three subur-

ban court locations; amending Minnesota Statutes 1976, Section 488A.01, Subdivision 9.

Reported the same back with the following amendments:

Page 1, line 13, strike "Bloomington, St. Louis Park,".

Page 1, line 14, strike "Wayzata, and Crystal, and at such other places in" and insert "*and in at least four other suburban locations disbursed throughout*".

Page 2, line 1, strike "shall" and insert "*may*".

Page 2, line 1, strike "the municipalities of Golden Valley,".

Page 2, strike lines 2 to 4.

Page 2, line 5, strike "so designated in clause (a) above and".

Page 2, delete lines 10 to 17.

Further amend the title as follows:

Page 1, line 3, delete "three".

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. 2224, A bill for an act relating to the city of Nashwauk; police relief pensions and widows benefits; officers of association; amending Laws 1943, Chapter 196, Sections 4, as amended; and 8.

Reported the same back with the following amendments:

Page 2, line 11, after "department" insert "*, plus an additional \$3 per month for each year of service*".

Page 3, line 20, after the period add "*The increases provided for in section 1 of the act shall apply to service pensioners or widows who are receiving service pensions or widow's benefits on the effective date of this act. The increases shall begin to accrue on the first day of the month next following the effective date of this act.*".

With the recommendation that when so amended 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. 2228, A bill for an act relating to retirement; authorizing an annuity for the surviving spouse of a certain deceased former member of the public employees retirement association.

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. 2236, A bill for an act relating to insurance; removing the limitation on the expense factor in setting workers' compensation insurance premiums; referring rates for expenses to the workers' compensation study commission; amending Minnesota Statutes, 1977 Supplement, Section 79.07; Laws 1977, Chapter 342, Section 27, Subdivision 1.

Reported the same back with the following amendments:

Page 3, after line 7, insert:

"Sec. 3. Minnesota Statutes 1976, Section 176.181, Subdivision 2, is amended to read:

Subd. 2. [COMPULSORY INSURANCE; SELF-INSURERS.] Every employer, except the state and its municipal subdivisions, liable under this chapter to pay compensation shall insure payment of such compensation with some insurance carrier authorized to insure such liability in this state, or obtain a written order from the commissioner (OF THE DEPARTMENT) of labor and industry exempting such employer from insuring his liability for compensation and permitting him to self-insure such liability. *The commissioner may also allow as he deems appropriate two or more employers to enter into agreements to pool their liabilities under chapter 176 for the purpose of qualifying as self-insurers.* With the approval of the commissioner (OF THE DEPARTMENT) of labor and industry, any employer may exclude medical, chiropractic and hospital benefits as required by this chapter. An employer conducting

distinct operations at different locations may either insure or self-insure such other portion of his operations which may be determined by the commissioner (OF THE DEPARTMENT) of labor and industry to be a distinct and separate risk. An employer desiring to be exempted from insuring his liability for compensation shall make application to the commissioner (OF THE DEPARTMENT) of labor and industry, showing his financial ability to pay such compensation, whereupon by written order the commissioner (OF THE DEPARTMENT) of labor and industry may make such exemption as it deems proper. The commissioner (OF THE DEPARTMENT) of labor and industry may require further statements of financial ability of the employer to pay compensation. Upon ten days written notice the commissioner (OF THE DEPARTMENT) of labor and industry may revoke (ITS) *his* order granting such exemption, in which event the employer shall immediately insure his liability. As a condition for the granting of an exemption the commissioner (OF THE DEPARTMENT) of labor and industry may require the employer to furnish such security as it considers sufficient to insure payment of all claims under this chapter. If the required security is in the form of currency or negotiable bonds, the commissioner (OF THE DEPARTMENT) of labor and industry shall deposit same with the state treasurer. In the event of any default upon the part of a self-insurer to abide by any final order or decision of the commissioner (OF THE DEPARTMENT) of labor and industry directing and awarding payment of compensation and benefits to any employee or the dependents of any deceased employee, then upon at least ten days notice to such self-insurer, the commissioner (OF THE DEPARTMENT) of labor and industry may by written order to the state treasurer require him to sell the pledged and assigned securities or such part thereof as is necessary to pay the full amount of any such claim or award with interest thereon. This authority to sell may be exercised from time to time to satisfy any order or award of the commissioner (OF THE DEPARTMENT) of labor and industry or any judgment obtained thereon. When such securities are sold the money so obtained shall be deposited in the state treasury to the credit of the commissioner (OF THE DEPARTMENT) of labor and industry and awards made against any such self-insurer by the commissioner (OF THE DEPARTMENT) of labor and industry shall be paid to the persons entitled thereto by the state treasurer upon warrants prepared by the commissioner (OF THE DEPARTMENT) of labor and industry and approved by the commissioner of finance out of the proceeds of the sale of such securities. Where the security is in the form of a surety bond or personal guaranty the commissioner (OF THE DEPARTMENT) of labor and industry, at any time, upon at least ten days notice and opportunity to be heard, may require the surety to pay the amount of the award, the payments to be enforced in like manner as the award may be enforced.

Sec. 4. *This act is effective the day following its final enactment.*"

Further amend the title:

Line 6, after "amending" insert "Minnesota Statutes 1976, Section 176.181, Subdivision 2;".

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. 2278, A bill for an act relating to the city of Brooklyn Center; firemen's relief association; amending Laws 1967, Chapter 815, Sections 1; 2; 3; 4; 5; 7; and 8, Subdivision 1.

Reported the same back with the following amendments:

Page 1, line 10, delete "FIREMEN'S" and insert "FIRE-FIGHTER'S".

Page 1, line 13, strike "firemen's" and insert "*firefighter's*".

Page 3, line 8, strike "firemen's" and insert "*firefighter's*".

Page 3, line 12, delete "\$250" and insert "\$150".

Page 3, line 23, strike "firemen's" and insert "*firefighter's*".

Page 3, line 27, delete "\$250" and insert "\$150".

Page 4, line 17, strike "firemen's" and insert "*firefighter's*".

Page 5, line 5, strike "firemen's" and insert "*firefighter's*".

Page 5, line 21, strike "firemen's" and insert "*firefighter's*".

Page 7, line 22, strike "firemen's" and insert "*firefighter's*".

Page 7, line 23, strike "firemen's" and insert "*firefighter's*".

Page 7, line 32, strike "firemen's" and insert "*firefighter's*".

Page 8, line 8, strike "firemen's" and insert "*firefighter's*".

Further, amend the title as follows:

Page 1, line 2, delete "firemen's" and insert "*firefighter's*".

With the recommendation that when so amended 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. 2279, A bill for an act relating to the city of Brooklyn Center; police membership in public employees police and fire fund; repealing Laws 1967, Chapter 736.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [BROOKLYN CENTER; POLICEMAN'S PENSION FUND.] Notwithstanding any law to the contrary, as of March 26, 1978, all active sworn police officers and deferred annuitants of the police department of the city of Brooklyn Center shall cease to be members of the Brooklyn Center policeman's pension fund and shall cease to have any accrual of or rights to benefits from such pension fund. As of March 26, 1978, active sworn police officers and deferred annuitants shall be members of the public employees police and fire fund operated pursuant to Minnesota Statutes, Sections 353.63 to 353.68.

Sec. 2. [PURCHASE OF PRIOR SERVICE CREDIT IN POLICE AND FIRE FUND.] Active sworn police officers and deferred annuitants shall receive service credit in the public employees police and fire fund as if they had been members of such fund since their date of employment by the Brooklyn Center police department or June 16, 1967, for those police officers whose date of employment by the Brooklyn Center police department was prior to June 16, 1967.

Sec. 3. [ADDITIONAL PRIOR SERVICE CREDIT.] Any active sworn police officer or deferred annuitant who has pension coverage transferred from the Brooklyn Center policeman's pension fund to the public employees police and fire fund pursuant to section 1 shall be eligible to receive credit in the public employees police and fire fund for any or all periods of service as a sworn police officer employed by the Brooklyn Center police department prior to June 16, 1967. Service credit in the public employees police and fire fund for each active sworn police officer or deferred annuitant who elects to purchase additional prior service credit shall be granted when the officer or the city of Brooklyn Center repays all refunds taken by the officer and interest received pursuant to Minnesota Statutes, Section 353.34, Subdivisions 1 and 2, plus interest at six percent per annum compounded annually.

Sec. 4. [TRANSFER OF FUNDS.] Notwithstanding any law to the contrary, as of March 26, 1978, the funds of the Brook-

lyn Center policeman's pension fund shall be transferred to the Brooklyn Center employees retirement fund which as of the same date shall pay out of such fund to the public employees police and fire fund the amount determined by the actuary for the public employees police and fire fund to be necessary to fund past service obligations to a funded ratio of 80 percent for sworn police officers and deferred annuitants being transferred as though June 16, 1967, were the date of employment for each police officer whose date of employment was prior to June 16, 1967. The Brooklyn Center employees retirement fund shall also pay to the public employees police and fire fund, to purchase additional prior service credit, an amount equal to all refunds taken and interest received pursuant to Minnesota Statutes, Section 353.34, Subdivisions 1 and 2, plus interest at six percent per annum compounded annually for those police officers and deferred annuitants being transferred who had previously purchased service credit prior to June 16, 1967, in the Brooklyn Center policeman's pension fund. Any police officer or deferred annuitant being transferred who was employed by the city of Brooklyn Center police department prior to June 16, 1967, and who had not purchased service credit prior to June 16, 1967, in the Brooklyn Center policeman's pension fund may purchase additional prior service credit by repaying to the public employees police and fire fund all refunds taken and interest received pursuant to Minnesota Statutes, Section 353.34, Subdivisions 1 and 2, plus interest at six percent per annum compounded annually. The balance of the funds transferred from the Brooklyn Center policeman's pension fund to the Brooklyn Center employees retirement fund shall be used to pay future obligations of the Brooklyn Center employees retirement fund.

Sec. 5. [CREDITING OF MEMBERS' ACCOUNTS.] As of March 26, 1978, the city of Brooklyn Center shall provide the public employees retirement association all pertinent information regarding members' accounts for members being transferred. The public employees retirement association shall credit to each member's account in the public employee police and fire fund the amounts which the member contributed to the Brooklyn Center policeman's pension fund.

Sec. 6. Laws 1967, Chapter 736, is repealed.

Sec. 7. This act shall be effective upon approval by the governing body of the city of Brooklyn Center and upon compliance with Minnesota Statutes, Section 645.021."

With the recommendation that when so amended 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. 2282, A bill for an act relating to the city of Plymouth; firemen's relief association benefits.

Reported the same back with the following amendments:

Page 1, line 8, delete "firemen's" and insert "firefighter's".

Page 1, line 8, after "may" insert "be amended to".

Page 1, line 12, after "69.06" insert "and the bylaws of the association".

Page 1, line 13, delete "firemen's" and insert "firefighter's".

Page 1, line 14, delete "pension" and insert "benefit".

Page 1, line 16, delete "pension" and insert "benefit".

Page 1, line 18, delete "pension" and insert "benefit".

Page 1, line 19, delete "pension" and insert "benefit".

Page 1, line 21, delete "firemen's" and insert "firefighter's".

Page 2, line 10, delete "Minnesota Statutes, Section".

Page 2, line 11, delete "69.44 or other law" and insert "any law to the contrary".

Page 2, line 12, after the first "disability" insert a period and delete the balance of the line.

Page 2, line 13, delete "provided that".

Further, amend the title as follows:

Page 1, line 2, delete "firemen's" and insert "firefighter's".

With the recommendation that when so amended 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. 2286, A bill for an act relating to retirement; increased benefits of former probate judges; payment by the Minnesota state retirement system; appropriating money; amending Minnesota Statutes 1976, Chapter 490, by adding a section.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert the following:

"Section 1. Minnesota Statutes 1976, Chapter 490, is amended by adding a section to read:

[490.107] [RETIREMENT BENEFITS; INCREASE AND PAYMENT.] (1) *Effective July 1, 1978, all retirement and disability benefits payable pursuant to sections 490.11, 490.12, subdivisions 1 and 2, and 487.06, commencing with the monthly benefit payment accruing on and after July 1, 1978 shall be paid by the Minnesota state retirement system.*

(2) *On the effective date of this act the balance of the sums appropriated to the commissioner of finance by Laws 1977, Chapter 432, for payment of the disability benefit made pursuant to sections 490.11 and 490.12, subdivision 1, shall be paid to the Minnesota state retirement system, judges retirement fund.*

(3) *Prior to July 1, 1978, the county auditors of the counties which on the effective date of this act are liable for the payment of retirement benefits pursuant to sections 487.06 and 490.12, subdivision 2, shall certify to the executive director of the Minnesota state retirement system the amount of the monthly benefit that the former judge of that county is or will be entitled to receive and, on June 30, 1978, and each June 30 thereafter, shall pay to the Minnesota retirement system an amount equal to the annual retirement benefit due such retired judge for the following fiscal year plus \$25 for administrative expense. In the event of the death of the retired judge, the director shall refund to the county any unexpended balance of the moneys the county had paid.*

(4) *On July 1, 1978, the retirement benefits due and payable as certified by the county auditors and disability benefit paid by the state pursuant to Minnesota Statutes, 1977 Supplement, Section 15A.083, Subdivision 3, shall be increased in accordance with the following schedule:*

<i>Benefit payments which initially had commenced:</i>	<i>Shall be increased on July 1, 1978 by the following percentages:</i>
<i>Prior to July 1, 1969</i>	<i>19.4</i>
<i>Between 7/1/69 and 6/30/70</i>	<i>15.3</i>
<i>Between 7/1/70 and 6/30/71</i>	<i>13.0</i>
<i>Between 7/1/71 and 6/30/72</i>	<i>8.2</i>
<i>Between 7/1/72 and 6/30/76</i>	<i>4.0</i>

(5) *On and after July 1, 1978, these retirement and disability benefits shall be payable from the judges retirement fund but shall thereafter be adjusted in the same manner and at the same time as other benefits payable from the Minnesota adjustable fixed benefit fund. The benefit level in effect on July 1, 1978, including the increase pursuant to clause (4), shall be deemed to be the originally determined benefit for the purpose of future adjustments.*

Sec. 2. [APPROPRIATION.] *There is hereby appropriated from the general fund to the executive director of the Minnesota state retirement system, to be deposited in the judges retirement fund, the sum of \$10,000 to be available for the fiscal year ending June 30, 1979, for the payment of the increases provided in section 1, clause (4).*

Sec. 3. *This act is effective the day following final enactment."*

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

The report was adopted.

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

H. F. No. 2330, A bill for an act relating to retirement; consolidation of the police relief association of the city of Thief River Falls into the public employees police and fire fund.

Reported the same back with the following amendments:

Page 2, line 5, after "entitled" insert "to elect on or before January 1, 1980".

Page 3, line 5, after "amount" insert "at least".

Page 3, line 6, delete "\$" and insert "\$52,788".

Page 4, line 21, delete "Notwithstanding any contrary".

Page 4, line 22, delete "provisions of Minnesota Statutes, Chapter 69,".

Page 4, line 25, after the second "section" insert "pursuant to Minnesota Statutes, Section 69.031, Subdivision 5".

Page 5, after line 16, insert a section to read:

"Section 9. [SAVINGS PROVISION FOR CERTAIN MEMBERS.] Any member of the relief association who has at least

20 years of service credited by the relief association on the effective date of the act, who has future pension coverage transferred to the public employees police and fire fund pursuant to section 1, and who has made the purchase of prior service pursuant to section 2 shall be entitled to a minimum service pension from the public employees police and fire fund when otherwise entitled to retire and commence receipt of a service pension in an amount equal to one half of the member's annual rate of salary in effect on the earlier of the effective date of this act or June 30, 1978."

Renumber the following section.

With the recommendation that when so amended 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. 2332, A bill for an act relating to retirement; local police, salaried firefighters and volunteer firefighters relief associations; specifying allowable administrative expenses; amending Minnesota Statutes 1976, Sections 69.40; 423.32; 423.38; 423.51; 423.808; 424.16; and 424.31.

Reported the same back with the following amendments:

Page 8, after line 19, insert sections to read as follows:

"Sec. 9. Laws 1974, Chapter 382, Section 4, Subdivision 3, is amended to read as follows:

Subd. 3. The board of trustees shall have exclusive control and management of all funds received by its treasurer under the provisions of Minnesota Statutes, Sections 424.30 and 424.31 and funds derived for the investment of these funds, and such funds when received, shall be kept in a special fund on the books of the secretary and treasurer of the association and never disbursed for any purpose except the following:

- (a) For the relief of sick, injured and disabled members;
- (b) For the payment of pensions to disabled firemen and their widows and orphans of firemen;
- (c) For the payment of pensions to retired firemen pursuant to the laws of the state and the bylaws of the association;
- (d) For the payment of such death or funeral benefits as may be from time to time stipulated in the bylaws of the association;

(e) For (THE PAYMENT OF ALL EXPENSES OF ADMINISTERING SUCH FUND, INCLUDING THE SECRETARY'S AND TREASURER'S SALARIES, AND INCLUDING) payments from the fund for the purchase of insurance to cover either the disability or death of a member declaring the special fund as beneficiary (AND INCLUDING EXPENSES IN CONNECTION WITH THE INVESTMENT AND PROTECTION OF MONEYS IN SAID FUND);

(f) For the payment of premiums for health insurance policies;

(g) *For the payment of premiums on medical insurance coverage on recipients of service, disability, or dependency pensions; provided that the amount per capita so expended does not exceed the amount per capita expended for similar coverage by the city of St. Cloud for municipal employees;*

(h) *For the payment of administrative expenses of the association as authorized pursuant to section 8 of this act.*

Sec. 10. [PURCHASE OF PRIOR SERVICE; CERTAIN PERA MEMBERS.] *A person who has at least 20 years of service as a firefighter for the city of St. Cloud, who commenced service prior to April, 1953, at the age of 36 and who is a member of the public employees police and fire fund shall be entitled to purchase one year of service credit for the year 1953 in the public employees police and fire fund. To purchase the prior service, the person shall pay to the public employees police and fire fund an amount equal to the employee contribution rate as specified in Minnesota Statutes, Section 353.65, Subdivision 2, applied to his annual salary at the rate in effect on the date which he applies to make the purchase of prior service. Upon receipt of the specified employee contribution, the executive director of the public employees retirement association shall certify to the city of St. Cloud a required municipal contribution in an amount equal to the employer contribution rate as specified in Minnesota Statutes, Section 353.65, Subdivision 3, applied to the person's annual salary at the rate in effect on the date which he applied to make the purchase of prior service. The city of St. Cloud shall make the required contribution within 60 days of receiving certification from the executive director. Failure of the city to make the required contribution within the specified time period shall be treated as an omitted salary deduction under Minnesota Statutes, Section 353.27, Subdivision 12."*

Renumber subsequent section accordingly.

Further, amend the title:

Page 1, line 7, after "424.31" insert "; and Laws 1974, Chapter 382, Section 4, Subdivision 3".

With the recommendation that when so amended 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. 2401, A bill for an act relating to the Minnesota-Wisconsin boundary area commission; providing that the terms of commissioners shall be staggered; amending Minnesota Statutes 1976, Section 1.33.

Reported the same back with the following amendments:

Page 1, line 15, strike “, but at the pleasure of the governor”.

With the recommendation that when so amended 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. 2419, A bill for an act relating to courts; supreme court; providing for publishing of reports of decisions; amending Minnesota Statutes 1976, Section 480.12.

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. 2466, A bill for an act relating to privacy of data on individuals; definitions, determination and emergency classification; amending Minnesota Statutes, 1977 Supplement, Sections 15.162, Subdivision 2a; and 15.1642, Subdivisions 3 and 5; repealing Minnesota Statutes, 1977 Supplement, Section 15.1642, Subdivision 4.

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

The report was adopted.

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

H. F. No. 933, A bill for an act relating to Ramsey county; amending the Ramsey county code by rearranging certain provisions therein relating to welfare and by deleting obsolete provisions therein relating to welfare; amending Laws 1974, Chapter 435, Sections 1.0204 and 3.13.

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

The report was adopted.

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

H. F. No. 1227, A bill for an act relating to commerce; providing for deposits of public funds in thrift institutions; amending Minnesota Statutes 1976, Sections 118.005; 118.01; 118.09; 118.11; and 118.16; repealing Minnesota Statutes 1976, Section 118.17.

Reported the same back with the following amendments:

Strike everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1976, Section 51A.21, is amended by adding a subdivision to read:

Subd. 18. To accept and maintain treasury tax and loan accounts of the United States and to pledge collateral to secure the treasury tax or loan accounts, in accordance with the regulations of the Department of the Treasury of the United States.

Sec. 2. Minnesota Statutes, 1977 Supplement, Section 52.04, Subdivision 1, is amended to read:

52.04 [POWERS.] Subdivision 1. A credit union shall have the following powers:

(1) To receive the savings of its members either as payment on shares or as deposits, including the right to conduct Christmas clubs, vacation clubs, and other such thrift organizations within its membership;

(2) To make loans to members for provident or productive purposes as provided in section 52.16;

(3) To make loans to a cooperative society or other organization having membership in the credit union;

(4) To deposit in state and national banks and trust companies authorized to receive deposits;

(5) To invest in any investment legal for savings banks or for trust funds in the state;

(6) To borrow money as hereinafter indicated;

(7) To adopt and use a common seal and alter the same at pleasure; and

(8) To make payments on shares of and deposit with any other credit union chartered by this or any other state or operating under the provisions of the federal credit union act, in amounts not exceeding in the aggregate 25 percent of its unimpaired assets providing that payments on shares of and deposit with credit unions chartered by other states shall be restricted to credit unions insured by the National Credit Union Administration. The restrictions imposed by this clause shall not apply to share accounts and deposit accounts of Minnesota central credit union in U.S. central credit union;

(9) To contract with any licensed insurance company or society to insure the lives of members to the extent of their share accounts, in whole or in part, and to pay all or a portion of the premium therefor;

(10) To indemnify each director, officer, or committee member, or former director, officer, or committee member against all expenses, including attorney's fees but excluding amounts paid pursuant to a judgment or settlement agreement, reasonably incurred by him in connection with or arising out of any action, suit, or proceeding to which he is a party by reason of being or having been a director, officer, or committee member of the credit union, except with respect to matters as to which he shall be finally adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of his duties. Such indemnification shall not be exclusive of any other rights to which he may be entitled under any bylaw, agreement, vote of members, or otherwise; and

(11) Upon written authorization from a member, retained at the credit union, to make payments to third parties by withdrawals from the member's share or deposit accounts or through proceeds of loans made to such member, or by permitting the credit union to make such payments from the member's funds prior to deposit; to permit draft withdrawals from member accounts; however, this clause does not permit a credit union to establish demand deposits (checking accounts) for its members;

(12) To inform its members as to the availability of various group purchasing plans which are related to the promotion of

thrift or the borrowing of money for provident and productive purposes by means of informational materials placed in the credit union's office, through its publications, or by direct mailings to members by the credit union;

(13) To facilitate its members' voluntary purchase of types of insurance incidental to promotion of thrift or the borrowing of money for provident and productive purposes including, but not limited to the following types of group or individual insurance: Fire, theft, automobile, life and temporary disability; to be the policy holder of a group insurance plan or a sub-group under a master policy plan and to disseminate information to its members concerning the insurance provided thereunder; to remit premiums to an insurer or the holder of a master policy on behalf of a credit union member, provided that the credit union shall obtain written authorization from such member for remittance by share or deposit withdrawals or through proceeds of loans made by such members, or by permitting the credit union to make such payments from the member's funds prior to deposit; and to accept from the insurer reimbursement for the actual cost of ministerial tasks performed pertaining to insurance;

(14) To contract with another credit union to furnish services which either could otherwise perform. Contracted services under this clause are subject to regulation and examination by the commissioner of banks like other services;

(15) In furtherance of the twofold purpose of promoting thrift among its members and creating a source of credit for them at legitimate rates of interest for provident purposes, and not in limitation of the specific powers herinbefore conferred, to have all the powers enumerated, authorized, and permitted by this chapter, and such other rights, privileges and powers as may be incidental to, or necessary for, the accomplishment of the objectives and purposes of the credit union; (AND)

(16) To rent safe deposit boxes to its members provided the credit union obtains adequate insurance or bonding coverage for losses which might result from the rental of safe deposit boxes (.);

(17) *Notwithstanding the provisions of section 52.05, to accept deposits of public funds in an amount secured by insurance or other means pursuant to chapter 118; and*

(18) *To accept and maintain treasury tax and loan accounts of the United States and to pledge collateral to secure the treasury tax or loan accounts, in accordance with the regulations of the Department of the Treasury of the United States.*

Sec. 3. Minnesota Statutes 1976, Section 118.005, is amended to read:

118.005 [DESIGNATION, PROTECTION OF DEPOSIT.] Subdivision 1. (EXCEPT AS OTHERWISE PROVIDED BY LAW,) The governing body of every (PUBLIC AUTHORITY, PUBLIC CORPORATION, PUBLIC COMMISSION, SPECIAL DISTRICT, OR OTHER POLITICAL SUBDIVISION OR AGENCY OF THE STATE, OR ANY OF ITS SUBDIVISIONS) *municipality* which has the power to receive and disburse funds, shall designate as a depository of (SUCH) *the insured funds* such national (OR), *insured state banks or thrift institutions as defined in section 51A.02, subdivision 23, or credit unions*, as it may deem proper. "*Municipality*" as used in this section is defined as in section 118.01.

Subd. 2. In the event the bank, *insured thrift institution or credit union* selected as a depository is a member of the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or insured by the National Credit Union Administration the custodian of (SUCH) *the funds* may deposit an amount not to exceed the maximum amount of insurance on (SUCH) *the deposits*. In the event it is desired to deposit a greater amount in any bank, *thrift institution, or credit union*, prior to (SUCH) *the deposit* the governing body or officer shall require the bank, *thrift institution or credit union* to furnish a bond, executed by a corporate surety company authorized to do business in the state in a sum at least equal to the estimated sum to be deposited in excess of the maximum amount of insurance. In lieu of (SUCH) *the bond*, the depository shall assign to the custodian of (SUCH) *the funds* collateral security in accordance with section 118.01.

Sec. 4. Minnesota Statutes 1976, Section 118.01, is amended to read:

118.01 [DEPOSITORY BONDS.] Any bank (OR), trust company, *thrift institution or credit union* authorized to do (A BANKING) business in this state, designated as a depository of funds of (COUNTY, CITY, TOWN, SCHOOL DISTRICT, HOSPITAL DISTRICT, PUBLIC AUTHORITY, PUBLIC CORPORATION, PUBLIC COMMISSION, SPECIAL DISTRICT, OTHER POLITICAL SUBDIVISION, OR AGENCY OF THE STATE OR OF ITS SUBDIVISIONS) *a municipality*, as provided by law may, in lieu of the corporate or personal surety bond required to be furnished to secure (SUCH) *the funds*, deposit with the custodian of (SUCH) *the funds*, (SUCH) *the bonds*, certificates of indebtedness, or warrants, except bonds secured by real estate, as are legally authorized investments for savings banks under the laws of the state, or the bonds of any of the insular possessions of the United States, or the bonds of any state, or its agency, the payment of the principal and interest of which, or either, is provided for otherwise than by direct taxation, or notes secured by first mortgages of future maturity, upon which interest is not past due, on improved real estate free from delinquent taxes, within the county wherein the (BANK OR

TRUST COMPANY) *depository* is located, or within counties immediately adjoining (SUCH) *the* county in the state of Minnesota. The total in amount of (SUCH) *the* collateral computed at its market value shall be at least ten percent more than the limit of deposit which would be permitted if a corporate or personal surety bond was furnished. The depository may at its discretion furnish both a bond and collateral aggregating the required amount. Any collateral so deposited shall be accompanied by an assignment thereof to the municipality designating (SUCH) *the* depository, which assignment shall recite that (SUCH) *the* depository shall pay over to the treasurer or his order on demand or, if a time deposit, when due, free of exchange or any other charges, all moneys deposited therein at any time during the period (SUCH) *the* collateral shall be so deposited and to pay the interest thereon when due at the agreed rate; and that, in case of any default upon the part of the depository, the governing body of the municipality making the designation shall have full power and authority to sell (SUCH) *the* collateral, or as much thereof as may be necessary to realize the full amount due the municipality and to pay over any surplus to the depository or its assigns. A depository may in its discretion deposit collateral of a value less than the total designation and may from time to time, during the period of its designation, deposit additional collateral and make withdrawals of excess collateral or substitute other collateral for that on deposit or any part thereof. Authority is vested in the treasurer to return the collateral to the depository when the trust so created is terminated and he shall, in the case of a reduction of the deposit, permit the depository to withdraw the excess portion thereof. All interest on the collateral so deposited when collected shall be paid to the depository so long as it is not in default. Before any collateral is deposited with the treasurer it shall first be approved by the same authority that designated the depository, but no such authority shall be necessary for the withdrawal of collateral. The closing of a depository shall be deemed a default upon the part of the depository and no demand upon the part of the municipality or its treasurer shall be necessary to establish (SUCH) *the* default. If a depository shall close, any time deposit placed therein shall immediately become due and payable. If both bond and collateral are furnished by a depository, all or any part of the collateral may be withdrawn without in any way impairing the full force and effect of the bond unless it shall contain a provision that the collateral shall not be withdrawn without the consent of the surety thereon. If a corporate surety bond is furnished by a depository, it shall be in a penal sum not to exceed the amount designated as the limit of deposit therein, notwithstanding any other provisions of law to the contrary. At no time shall the treasurer maintain a deposit in any depository against collateral in excess of 90 percent of the market value thereof. Any provision of law authorizing any (HOSPITAL DISTRICT,) municipality to designate banks as depositories shall be construed to include trust companies, *thrift institutions and credit unions* authorized to do (A BANKING) business. All bonds fur-

nished under the provisions of this section shall be approved by the governing body of the municipality making (SUCH) *the* designation and filed in the office of the county auditor as provided by section 124.05, and all collateral deposited under the provisions of this section shall be approved by the governing body of the municipality making such designation and after such approval deposited with the treasurer of such municipality, unless the governing body of such municipality shall by resolution fix and determine some other place for the safe-keeping of such collateral. Such collateral shall not be redeposited in the bank (OR), trust company, *thrift institution or credit union* furnishing the same.

Any (BANKING CORPORATION) *depository* pledging such securities, at any time it deems it advisable or desirable, may substitute obligations of the United States of America for all or any part of the securities pledged, except that no such (BANKING CORPORATION) *depository* shall substitute obligations of the United States which mature within one year from the date such obligations are first considered as a part of the (BANK'S) *depository's* reserve and which reserves are required by Minnesota Statutes 1967, (SECTION) *Sections 48.22, 51A.20 or 52.17*. The collateral so substituted shall be approved by the governing body of the (HOSPITAL DISTRICT,) municipality making such designation at its next official meeting.

Such securities so substituted shall, at the time of substitution, have a market value sufficient, together with the market value of the original securities for which no substitution is made, to equal or exceed \$110 for every \$100 of public deposits.

In the event of (SUCH) substitution the holder or custodian of the securities shall, on the same day, forward by registered or certified mail to the public corporation and the depository (BANK), a receipt specifically describing and identifying both the securities so substituted and those released and returned to the depository (BANK).

"Municipality" for the purpose of this section means county, city, town, school district, hospital district, public authority, public corporation, public commission, special district, other political subdivision, or agency of the state or of its subdivisions.

Sec. 5. Minnesota Statutes 1976, Section 118.09, is amended to read:

118.09 [TREASURER TO BE REIMBURSED FOR LOSSES.] Where the treasurer of any town, statutory city, or city of the fourth class shall reimburse (SUCH) *the* town or city for loss of funds of the town or city on deposit in any (BANK) *depository* which becomes insolvent such town or city shall reim-

burse the treasurer for the money so paid when a majority of the electors voting thereon at the annual town meeting or at any regular or special city election vote so to do; provided, that the notice of (SUCH) *the* annual meeting or election shall specify that (SUCH) *the* matter will be considered thereat.

Sec. 6. Minnesota Statutes 1976, Section 118.11, is amended to read:

118.11 [LIMITATION OF DEPOSITS NOT DEPENDENT ON CAPITAL AND SURPLUS; APPLICATION.] No designation of a bank (OR), trust company, *thrift institution or credit union* as a depository of state, county, town, city, school district, hospital district, or county sanitarium commission funds and no deposit of (SUCH) *the* funds in (SUCH) *the* designated depository shall be limited by the amount of the capital or surplus of (SUCH) *the* depository, but the authority designating (SUCH) *the* depository may nevertheless fix the limit of deposit to be made therein and shall require security therefor as provided by law.

This section shall apply to all cities, however organized.

Sec. 7. Minnesota Statutes 1976, Section 118.16, is amended to read:

118.16 [FAILURE TO PAY SALES AND USE TAXES.] Notwithstanding any law or regulation to the contrary, no banking or *thrift institution or credit union* shall act as a depository for any public funds if (SUCH) *the* banking or *thrift institution or credit union* does not pay sales and use taxes pursuant to chapter 297A to the state of Minnesota.

Sec. 8. *Minnesota Statutes 1976, Section 118.17, is repealed.*

Sec. 9. *This act is effective the day following final enactment."*

Further, strike the title in its entirety and insert:

"A bill for an act relating to commerce; providing for deposits of public funds in thrift institutions and credit unions; amending Minnesota Statutes, 1977 Supplement, Section 52.04, Subdivision 1; and Minnesota Statutes 1976, Sections 51A.21, by adding a subdivision; 118.005; 118.01; 118.09; 118.11; and 118.16; repealing Minnesota Statutes 1976, Section 118.17."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1268, A bill for an act relating to municipal obligations; revising provisions relating to advance refunding; amending Minnesota Statutes 1976, Section 475.67.

Reported the same back with the following amendments:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 475.67, is amended to read:

475.67 [REFUNDING BONDS AND OTHER OBLIGATIONS; VALIDITY; PROCEDURE.] Subdivision 1. No purchaser or owner of bonds or other obligations issued by a municipality for the purpose of refunding its outstanding obligations or floating indebtedness need inquire into the validity of the debts refunded by such bonds or other obligations. The determination by resolution of the governing body to issue the bonds or other obligations of the municipality for such purpose, as to such purchaser or owner, shall be conclusive evidence of the validity of the debts thereby refunded.

Subd. 2. As between the municipality and the owner or holder of any bond, warrant, or order so refunded, nothing in this section validates any invalid bond, warrant, or order.

Subd. 3. Obligations and interest thereon may be refunded if and when and to the extent that for any reason the taxes or special assessments, revenues, or other funds appropriated for their payment are not sufficient to pay all principal and interest due or about to become due thereon. *All obligations (BUT NOT) of one or more issues regardless of their source of payment and interest thereon may be refunded before (MATURITY) their due dates, if consistent with covenants made with the holders thereof, when determined by the governing body to be necessary or desirable for the reduction of (INTEREST) debt service cost to the municipality or for the extension or adjustment of the maturities in relation to the resources available for their payment, or in the case of obligations payable solely from a special fund, for the more advantageous sale of additional obligations payable from the same fund or to relieve the municipality of restrictions imposed by covenants made with the holders of the obligations to be refunded; provided the amount of interest which may be refunded from the proceeds of the refunding obligations shall not exceed the amount of proceeds estimated to be required in excess of the principal amount of refunded obligations to retire the refunded obligations in accordance with subdivision 6, but in no event shall the aggregate principal amount of the refunding obligations exceed by more than ten percent the aggregate principal amount of the obligations to be refunded. No gen-*

eral obligations, for which the full faith and credit of the issuer is pledged, shall be issued to refund special obligations previously issued for any purpose, payable solely from a special fund, unless such issuance is authorized by such election, hearing, petition, resolution, or other procedure as would have been required as a condition precedent to the original issuance of general obligations for the same purpose.

Subd. 4. Refunding obligations shall not be issued and sold more than six months before the (EARLIEST) date on which all obligations to be refunded thereby will have matured or (BECOME SUBJECT TO CALL) *have been called* for redemption in accordance with their terms, unless the actions and conditions described in the following subdivisions of this section are taken or exist at or before the time when the refunding obligations are delivered to the purchasers.

Subd. 5. The proceeds of the refunding obligations, *less any accrued interest or premium thereon required to be taken into account for purposes of meeting the debt service savings test set forth in subdivision 12 or otherwise deposited in the debt service fund established for the refunding obligations, less any amount set aside to pay the expenses of the refunding described in subdivision 12,* shall be deposited, together with any other funds available and appropriated by the governing body for the purpose, in escrow with a suitable banking institution within or without the state, whose deposits are insured by the Federal Deposit Insurance Corporation, and whose combined capital and surplus is not less than \$500,000.

Subd. 6. The funds so deposited shall be invested in securities maturing or callable at the option of the holder on such dates and bearing interest at such rates as shall be required to provide funds sufficient, with any cash retained in the escrow account, to pay when due the interest to accrue on each obligation (OF THE ISSUE) refunded to its maturity or, if prepayable *and called for redemption,* (TO AN) *the* earlier date on which it (MAY BE) *is* called for redemption, and to pay the principal amount of each such obligation at maturity or, if prepayable *and called for redemption,* at such earlier redemption date, and to pay any premium required for redemption on that date; and the governing body shall irrevocably appropriate for these purposes the escrow account and all payments of principal and interest on the securities deposited therein, provided that (IT MAY DIRECT PAYMENT, FROM) *any* funds in the escrow account in excess of the amounts from time to time needed for the foregoing purposes (, OF THE REASONABLE COMPENSATION OF THE BANKS ACTING AS ESCROW AGENT AND AS PAYING AGENT OR AGENTS FOR THE REFUNDED OBLIGATIONS) *may be remitted to the municipality.*

Subd. 7. *Provision shall be made for notice of the call of any refunded obligations to be redeemed before maturity (SHALL) to be given in accordance with their terms, and in accordance with section 475.54, subdivision 4 (NO SUCH OBLIGATION SHALL SUBSEQUENTLY BE CALLED FOR REDEMPTION ON ANY DATE EARLIER THAN THAT DESIGNATED IN THE NOTICE, UNLESS SUCH CALL IS REQUIRED BY THE TERMS OF THE REFUNDED BONDS TO BE MADE FROM FUNDS SUBSEQUENTLY BECOMING AVAILABLE FROM A DESIGNATED SOURCE), no later than 30 days after issuance of the refunding obligations.*

Subd. 8. Securities purchased for the escrow account shall be limited to general obligations of the United States, securities whose principal and interest payments are guaranteed by the United States, and securities issued by the following agencies of the United States: Banks for Cooperatives, Federal Home Loan Banks, Federal Intermediate Credit Banks, Federal Land Banks, and the Federal National Mortgage Association.

Subd. 9. The municipality shall enter into an agreement with the banking institution acting as escrow agent under which the agent shall acknowledge receipt of the cash and securities and their sufficiency to comply with the requirements of this section, and shall agree to hold them, and all money received in payment of principal and interest on the securities, in a special trust account, and to remit from this account to each paying agent for the refunded obligations sufficient funds to pay the principal and interest due thereon at each maturity, interest payment date, and redemption date. The agent may be directed to reinvest the balance held in the account from time to time in other securities of the kinds authorized in this section, maturing or subject to redemption at the times and in the amounts required to meet all payments of principal and interest when due on the refunded obligations, which securities may be purchased from its own investment department at prices not higher than those at which similar securities are currently being sold by it to others.

Subd. 10. The escrow agent shall be directed to cause notice of the call of the refunded obligations which are to be prepaid to be republished not more than 90 nor less than 45 days before the date fixed for their redemption, in the manner provided in subdivision 7; but failure to republish shall not affect the validity of the call for redemption.

Subd. 11. When advance refunding obligations have been issued pursuant to subdivisions 4 to 10, they shall not be refunded by the issuance of similar advance refunding obligations pursuant to these subdivisions until and unless either (i) as a result of the refunding the average life of the maturities is extended at least five years or (ii) all of the original obligations refunded have been actually retired by payment or by deposit at their respective maturities or redemption dates of sufficient funds.

Subd. 12. In the refunding of general obligations, for which the full faith and credit of the issuing municipality has been pledged, the following additional conditions shall be observed: (NO REFUNDING OBLIGATIONS SHALL BE ISSUED AND SOLD MORE THAN TEN YEARS BEFORE THE DATE ON WHICH ALL GENERAL OBLIGATIONS OF THE ISSUE TO BE REFUNDED WILL HAVE MATURED OR BEEN REDEEMED, AND) each such obligation, *if repayable*, shall be called for redemption (ON) *prior to its maturity in accordance with its terms no later than either (i) the earliest date on which it may be redeemed (IN ACCORDANCE WITH ITS TERMS) without payment of any premium, or (ii) if the obligation is only prepayable with payment of a premium, on the earliest date on which it may be redeemed with payment of the least premium required by its terms.* No refunding obligations shall be issued and sold more than six months before (SAID DATE) *the refunded obligations mature or are called for redemption in accordance with their terms, unless either (i) as a result of the refunding the average life of the maturities is extended at least five years or (ii) as of the nominal date of the refunding obligations the (AVERAGE ANNUAL NET INTEREST RATE OF) dollar amount of the debt service or interest only on the refunding obligations, computed to their stated maturity dates, after deducting any premium or adding any discount, is lower by at least (ONE FOURTH OF ONE) five percent (PER ANNUM) than (THE AVERAGE ANNUAL NET INTEREST RATE OF THE) the dollar amount of debt service or interest only, as the case may be, on all general obligations refunded, exclusive of any premium or discount, computed to their stated maturity dates; provided that in computing the (AVERAGE ANNUAL NET) dollar amount of debt service or interest (RATE OF) only on the refunding obligations, (THE) any expenses of the refunding payable from a source other than the proceeds of the refunding obligations or the interest derived from the investment thereof shall be added to the dollar amount of debt service or interest only on the refunding obligations. Expenses of the refunding include the amount, if any, in excess of the proceeds of the refunding obligations or the principal amount of obligations to be refunded, whichever is the greater, which is required to be deposited in escrow to provide cash and purchase securities sufficient to retire the refunded obligations and unaccrued interest thereon in accordance with subdivision (5) 6; charges of the escrow agent and of the paying agent for the refunding obligations; and expenses of printing and publications and of fiscal, legal, or other professional service necessarily incurred in the issuance of the refunding obligations.*

Sec. 2. *This act is effective on the day following final enactment."*

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1476, A bill for an act relating to municipalities; hospital, nursing home and health care facilities; authorizing municipalities to include refinancing of existing indebtedness in the cost of a project; amending Minnesota Statutes 1976, Sections 447.35; 447.45, Subdivision 1; 447.47; and 474.05.

Reported the same back with the following amendments:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 447.35, is amended to read:

447.35 [BONDS.] Each hospital district may borrow money by the issuance of its general obligation bonds for the acquisition and betterment of hospital and nursing home facilities (including, but without limitation, the provision of an adequate working capital for a new hospital or nursing home), for ambulances and related equipment, for refunding its outstanding bonds, and for funding valid outstanding orders, by the procedure and subject to all of the limitations and conditions set forth in chapter 475, and any future laws amending or supplementing the same, for the issuance of bonds by municipalities. *Except for revenue bonds issued pursuant to sections 447.45 through 447.50*, no bonds of a hospital district shall be deemed to be excluded from its net debt by virtue of the provisions of section 475.51, subdivision 4(5). Except as may be authorized by special law, the taxes initially levied by any district in accordance with section 475.61, for the payment of its bonds, upon property within each municipality included in the hospital district, shall be included in computing the limitations upon the levy of such municipality under section 275.10 or 275.11, as the case may be; but nothing herein shall limit the taxes required by section 475.74, to be levied by the district for payment of any deficiency in its bond sinking funds. If the tax required by section 475.61 to be levied for any year of the term of a bond issue upon property within any municipality included in the district would, when added to the taxes levied by such municipality for all purposes in the year preceding such issue, exceed the limitations prescribed in sections 275.10 or 275.11, the bonds shall not be issued without the consent by resolution of the governing body of such municipality. An election shall be required prior to the issuance of any but funding or refunding bonds. The proposition submitted at any such election shall be whether the hospital board shall be authorized to issue bonds of the district in a specified maximum amount, for the purpose of financing the acquisition and betterment of hospital and nursing home facilities, or of facilities of one of said types if it is not proposed to use the bond proceeds for facilities of the other type. Bonds issued by a hospital dis-

trict shall not constitute indebtedness for any purpose of any county, city, or town whose territory is included therein. The interest on such bonds shall be exempt from taxation by the state or any of its political subdivisions.

Sec. 2. Minnesota Statutes 1976, Section 447.45, Subdivision 1, is amended to read:

447.45 [HOSPITALS AND NURSING HOMES, FACILITIES FOR MENTALLY RETARDED; FINANCING AND LEASING.] Subdivision 1. Any county, city, or hospital district, except cities of the first class and counties in which are located any cities of the first class, is authorized, in addition to and not in substitution for any other power granted to it by law, to issue revenue bonds by resolution or resolutions of its governing body to finance the acquisition and betterment of hospital, nursing home and related medical facilities, or any of them, including but without limitation the payment of interest during construction and for a reasonable period thereafter and the establishment of reserves for bond payment and for working capital(; PROVIDED HOWEVER, THAT), *and, in connection with the acquisition of any existing hospital or nursing home facilities, to retire outstanding indebtedness incurred to finance the construction of the existing facilities.* The authority granted by this section shall not apply to any facility to which sections 145.71 to 145.83 apply, unless a certificate of need has been issued.

Sec. 3. Minnesota Statutes 1976, Section 447.47, is amended to read:

447.47 [LEASE OF FACILITIES TO NONPROFIT OR PUBLIC CORPORATION.] The county, city or hospital district may lease hospital or nursing home facilities for operation, administration, and maintenance by a nonprofit or public corporation as a community hospital or nursing home, open to all residents of the community upon equal terms, and may lease related medical facilities to any person, firm, association or corporation, upon such rentals and for such term, not exceeding 30 years, and subject to such other conditions as may be agreed. The lessee may be granted an option to renew the lease, for an additional term or terms upon such conditions and rentals, or to purchase the facilities at such price, as may be provided. The county, city or hospital district may by resolution or resolutions of its governing body undertake and agree to pay to the lessee of hospital or nursing home facilities annually, and to include in each annual budget and tax levy for hospital and nursing home purposes, a fixed compensation determined by the governing body to be just and proper compensation for services agreed to be performed by the lessee in the operation, administration, and maintenance of the hospital or nursing home as a community facility; for any investment by the lessee of its own funds or

funds granted or contributed to it in the construction or equipment of the hospital or nursing home; and for any auxiliary services to be provided or made available by the lessee through other facilities owned or operated by it; and services other than those provided for in the lease agreement may be compensated at such rates as may be agreed subsequently. Any lease agreement entered into hereunder shall, however, require the lessee to pay a net rental not less than the amount required to pay the principal and interest when due on all revenue bonds issued by the county, city or hospital district for the acquisition and betterment *and refinancing* of the leased facilities, and to maintain the agreed revenue bond reserve. No such lease agreement shall grant an option to the lessee to purchase the facilities at a price less than the amount of the bonds so issued and interest accrued thereon, except bonds and accrued interest paid from such net rentals before the option is exercised. To the extent that any such facilities are leased in accordance with this section for use by persons in private medical or dental or similar practice or in any other private business, a tax on the privilege of such use shall be imposed in the same amount and to the same extent as though the user were the owner of such space and shall be collected in the manner provided in section 272.01, subdivision 2.

Sec. 4. Minnesota Statutes 1976, Section 474.01, is amended by adding a subdivision to read:

Subd. 9. The welfare of the state further requires the active promotion, encouragement, and development of adequate health care facilities, to the end that adequate health care services might be made available to all residents of the state at reasonable cost.

Sec. 5. Minnesota Statutes 1976, Section 474.02, is amended by adding a subdivision to read:

Subd. 1c. The term "project" shall also include any properties, real or personal, whether or not now in existence, used or useful in connection with a revenue producing enterprise, whether or not operated for profit, engaged in providing health care services, including, without limitation, hospitals, nursing homes, and related medical facilities.

Sec. 6. Minnesota Statutes 1976, Section 474.03, is amended to read:

474.03 [POWERS.] Any municipality or redevelopment agency, in addition to the powers prescribed elsewhere by the laws of this state, shall have the power to:

(1) Acquire, construct, and hold any lands, buildings, easements, water and air rights, improvements to lands and buildings, and capital equipment to be located permanently or used exclusively on a designated site and solid waste disposal and pollution control equipment, regardless of where located, which are deemed necessary in connection with a project to be situated

within the state, whether wholly or partially within or without the municipality or redevelopment agency, and construct, reconstruct, improve, better, and extend such project;

(2) Issue revenue bonds, in anticipation of the collection of revenues of such project, to finance, in whole or in part, the cost of the acquisition, construction, reconstruction, improvement, betterment, or extension thereof;

(3) *Issue revenue bonds to pay all or any part of the outstanding indebtedness of a contracting party engaged primarily in the operation of one or more nonprofit hospitals or nursing homes, theretofore incurred in the acquisition or betterment of its existing hospital or nursing home facilities, including, to the extent deemed necessary by the governing body of the municipality or redevelopment agency, any unpaid interest on such indebtedness accrued or to accrue to the date on which such indebtedness is finally paid; if revenue bonds are issued for this purpose, the refinancing and the existing properties of the contracting party shall be deemed to constitute a project under section 474.02, subdivision 1c;*

((3)) (4) Enter into a revenue agreement with any person, firm, or public or private corporation or federal or state governmental subdivision or agency in such manner that payments required thereby to be made by the contracting party shall be fixed, and revised from time to time as necessary, so as to produce income and revenue sufficient to provide for the prompt payment of principal of and interest on all bonds issued hereunder when due, and the revenue agreement shall also provide that the contracting party shall be required to pay all expenses of the operation and maintenance of the project including, but without limitation, adequate insurance thereon and insurance against all liability for injury to persons or property arising from the operation thereof, and all taxes and special assessments levied upon or with respect to the project and payable during the term of the revenue agreement, during which term a tax shall be imposed and collected pursuant to the provisions of section 272.01, subdivision 2, for the privilege of using and possessing the project, in the same amount and to the same extent as though the contracting party were the owner of all real and personal property comprising the project;

((4)) (5) Pledge and assign to the holders of such bonds or a trustee therefor all or any part of the revenues of one or more projects and define and segregate such revenues or provide for the payment thereof to a trustee, whether or not such trustee is in possession of the project under a mortgage or otherwise;

((5)) (6) Mortgage or otherwise encumber such projects in favor of the municipality or redevelopment agency, the holders of such bonds, or a trustee therefor, provided that in creating any such mortgages or encumbrances a municipality or redevel-

opment agency shall not have the power to obligate itself except with respect to the project;

((6)) (7) Make all contracts, execute all instruments, and do all things necessary or convenient in the exercise of the powers herein granted, or in the performance of its covenants or duties, or in order to secure the payment of its bonds; including, but without limitation, a contract entered into prior to the construction of the project authorizing the contracting party, subject to such terms and conditions as the municipality or redevelopment agency shall find necessary or desirable and proper, to provide for the construction, acquisition, and installation of the buildings, improvements, and equipment to be included in the project by any means available to the contracting party and in the manner determined by the contracting party and without advertisement for bids as may be required for the construction or acquisition of other municipal facilities;

((7)) (8) Enter into and perform such contracts and agreements with other municipalities, political subdivisions, and state agencies, authorities, and institutions as the respective governing bodies of the same may deem proper and feasible for or concerning the planning, construction, lease, purchase, mortgaging or other acquisition, and the financing of a project, and the maintenance thereof, including an agreement whereby one municipality issues its revenue bonds in behalf of one or more other municipalities, which contracts and agreements may establish a board, commission, or such other body as may be deemed proper for the supervision and general management of the facilities of the project; provided, no municipality or redevelopment agency shall enter into or perform any contract or agreement with any school district under which the municipality or redevelopment agency issues its revenue bonds or otherwise provides for the construction of school facilities and the school leases or otherwise acquires these facilities;

((8)) (9) Accept from any authorized agency of the federal government loans or grants for the planning, construction, acquisition, leasing, purchase, or other provision of any project, and enter into agreements with such agency respecting such loans or grants;

((9)) (10) Sell and convey all properties acquired in connection with such projects, including without limitation the sale and conveyance thereof subject to such mortgage as herein provided, and the sale and conveyance thereof under an option granted to the lessee of the project, for such price, and at such time as the governing body of the municipality or redevelopment agency may determine, provided, however, that no sale or conveyance of such properties shall ever be made in such manner as to impair the rights or interests of the holder, or holders, of any bonds issued under the authority of this chapter;

((10)) (11) Issue revenue bonds to refund, in whole or in part, bonds previously issued by such municipality or redevelopment agency under the authority of this chapter;

((11)) (12) If so provided in the revenue agreement, terminate the agreement and re-enter or repossess the project upon the default of the contracting party, and operate, lease, or sell the project in such manner as may be authorized or required by the provisions of the revenue agreement or of the resolution or indenture securing the bonds issued for the project; any revenue agreement which includes provision for a conveyance of real estate to the contracting party may be terminated in accordance with the revenue agreement, notwithstanding that such revenue (AGENT) *agreement* may constitute an equitable mortgage provided that no municipality or redevelopment agency shall have power otherwise to operate any project referred to in this chapter as a business or in any manner whatsoever, and nothing herein authorizes any municipality or redevelopment agency to expend any funds on any project herein described, other than the revenues of such projects, or the proceeds of revenue bonds and notes issued hereunder, or other funds granted to the municipality or redevelopment agency for the purposes herein contemplated, except as may be otherwise permitted by law and except to enforce any right or remedy under any revenue agreement or related agreement for the benefit of the bondholders or for the protection of any security given in connection with a revenue agreement, provided that the public cost of redevelopment of land paid by a city or its redevelopment agency shall not be deemed part of the cost of any project situated on such land;

((12)) (13) Invest or deposit, or authorize a trustee to invest or deposit, any money on hand in funds or accounts established in connection with a project or payment of bonds issued therefor, to the extent they are not presently needed for the purposes for which such funds or accounts were created, in accordance with section 471.56, as amended; and

((13)) (14) Waive or require the furnishing of a contractors payment and performance bond of the kind described in section 574.26 and if such bond shall be required, then the provisions of chapter 514 relating to liens for labor and materials, shall not be applicable in respect of any work done or labor or materials supplied for the project, and if such bond be waived then the said provisions of chapter 514 shall apply in respect of work done or labor or materials supplied for the project.

Sec. 7. Minnesota Statutes 1976, Section 474.06, is amended to read:

474.06 [MANNER OF ISSUANCE OF BONDS: INTEREST RATE.] Bonds authorized under this chapter shall be issued in accordance with the provisions of chapter 475 relating

to bonds payable from income of revenue producing conveniences, except that public sale shall not be required, and the bonds may mature at any time or times in such amount or amounts within 30 years from date of issue and may be sold at a price equal to such percentage of the par value thereof, plus accrued interest, and bearing interest at such rate or rates, as may be agreed by the contracting party, the purchaser, and the municipality or redevelopment agency, notwithstanding any limitation of interest rate or cost of the amounts of annual maturities contained in any other law. When bonds authorized under this chapter are issued, they shall state whether they are issued for a project defined in section 474.02, subdivisions 1, 1a, (OR) 1b, or 1c.

Sec. 8. [EFFECTIVE DATE.] *This act is effective the day following its final enactment.*"

Amend the title as follows:

Line 7, after "447.47;" insert "474.01, by adding a subdivision; 474.02, by adding a subdivision; 474.03;"

Line 7, delete "474.05" and insert "474.06".

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1799, A bill for an act relating to the city of Albert Lea; authorizing the annexation of certain land located outside the city limits.

Reported the same back with the following amendments:

Page 2, after line 23, insert a new section to read:

"Sec. 2. The city of Albert Lea may not annex land under the provisions of section 414.033 if the border of the land annexed by this act is necessary to fulfill the 60 percent requirement of the section until the land abuts the city."

Page 2, line 25, after "Albert Lea" insert "and the town board of Pickerel Lake".

Renumber the remaining section accordingly.

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1910, A bill for an act relating to Itasca county; authorizing the exchange of certain riparian tax forfeited land for certain privately owned non-riparian land.

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

The report was adopted.

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

H. F. No. 2048, A bill for an act relating to municipalities; purpose and name of range association of municipalities and schools; amending Minnesota Statutes 1976, Section 471.58.

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

The report was adopted.

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

H. F. No. 2176, A bill for an act relating to the Minneapolis police department; providing for certain employee appointments; amending Laws 1961, Chapter 108, Section 1, as amended.

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

The report was adopted.

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

H. F. No. 2341, A bill for an act relating to the city of St. Paul; providing and authorizing issuance of general obligation bonds for capital improvement budget purposes; amending Laws 1971, Chapter 773, Section 1, as amended.

Reported the same back with the following amendments:

Page 1, line 18, delete "*thereafter in*".

Page 1, line 20, after "*section,*" insert "*for a five year period commencing in 1980,*".

Page 2, line 1, before "*Commencing*" insert "*For the five year period*".

Page 2, line 1, delete "*and in each year*".

Page 2, line 2, delete "*thereafter*".

With the recommendation that when so amended the bill pass.

The report was adopted.

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

S. F. No. 910, A bill for an act relating to local government; amending powers and duties of the Minnesota municipal board; regulating the incorporation, annexation, detachment, consolidation and boundary adjustments of certain local governmental units; amending Minnesota Statutes 1976, Sections 414.01, Subdivisions 1, 2, 5, 7a, 8, 12, 14, and 15; 414.011, Subdivision 5, and by adding subdivisions; 414.02; 414.031; 414.033, Subdivisions 1, 2, 3, 5, 6, 7, and by adding a subdivision; 414.041; 414.06; 414.061, Subdivisions 1 and 4; 414.065; 414.067; 414.07; 414.09; and Chapter 414, by adding sections; repealing Minnesota Statutes 1976, Sections 414.021; 414.032; 414.033, Subdivision 4; 414.034; and 414.068.

Reported the same back with the following amendments:

Page 39, line 12, after "*municipality,*" insert "*on its own motion*".

Page 39, line 12, strike "*application*" and insert "*the petition*".

Page 39, line 13, strike "*property*" and "*, provided, however, that*" and insert "*of property in the completely surrounded area*".

Page 39, line 15, strike "*annexations of unincorporated property*" and insert "*consolidations of two or more municipalities*".

Page 39, line 15, strike "*section*" and insert "*sections*".

Page 39, line 16, delete "*2,*" and the comma after "*3*".

Page 39, line 16, before the period insert "*and 414.09*".

Page 39, after line 16, insert:

"Sec. 27. Minnesota Statutes 1976, Section 414.061, is amended by adding a subdivision to read:

"Subd. 4a. Upon the petition of all of the owners of property of a portion of a municipality which at no point joins the major portion of the municipality but which at some point joins another municipality the board may initiate proceedings for the concurrent detachment and annexation of said portion. In such cases the board shall conduct hearings and issue its order as in the case of consolidations of two or more municipalities under sections 414.041, subdivisions 3 and 5, and 414.09."

Renumber the sections.

Amend the title as follows:

Line 13, after "4" insert ", and by adding a subdivision".

With the recommendation that when so amended the bill pass.

The report was adopted.

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

S. F. No. 1699, A bill for an act relating to the town of Little Falls; allowing the town to contract for the lighting of town roads; allowing reimbursement for electrical service costs; providing for special assessments.

Reported the same back with the following amendments:

Page 1, line 9, after "Falls" insert "or Belle Prairie in Morrison county".

Page 1, line 11, after "designated" insert "in the town".

Page 1, line 14, before the period insert "having jurisdiction over the affected area".

Page 2, line 12, after "Falls" insert "or Belle Prairie".

Further, amend the title as follows:

Page 1, line 2, delete "town" and insert "towns".

Page 1, line 2, after "Falls" insert "and Belle Prairie in Morrison county".

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

The report was adopted.

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

S. F. No. 1713, A bill for an act relating to the city of Minneapolis; providing for the extended assignment of city employees to the riverfront development coordination board.

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

The report was adopted.

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

S. F. No. 1959, A bill for an act relating to towns; providing for supervisors to control legal actions; amending Minnesota Statutes 1976, Sections 365.10; 365.40; and 366.01, by adding a subdivision.

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

The report was adopted.

Fudro from the Committee on Transportation to which was referred:

H. F. No. 2188, A bill for an act relating to drivers' licenses; providing for automatic reinstatement of nonresident driving privilege in certain circumstances; providing limited protection to a resident whose driving privilege in another state has been suspended or revoked; amending Minnesota Statutes 1976, Section 171.15; and Chapter 171, by adding a section.

Reported the same back with the following amendments:

Page 2, line 17, delete "*a foreign state*" and insert "*the contiguous states*".

Page 2, line 20, delete "*foreign state*" and insert "*contiguous states*".

Page 2, delete lines 29 to 31.

With the recommendation that when so amended the bill pass.

The report was adopted.

Fudro from the Committee on Transportation to which was referred:

H. F. No. 2429, A bill for an act relating to the city of Mankato; prohibiting regulation of the rates of the public transit system by the public service commission.

Reported the same back with the following amendments:

Page 1, line 9, delete "city" and insert "cities".

Page 1, line 9, after "Mankato" insert "and North Mankato".

Page 1, line 10, after "counties" insert "for regularly scheduled services only".

Further amend the title as follows:

Page 1, line 2, delete "city" and insert "cities".

Page 1, line 2, after "Mankato" insert "and North Mankato".

With the recommendation that when so amended the bill pass.

The report was adopted.

Fudro from the Committee on Transportation to which was referred:

H. F. No. 2441, A bill for an act relating to transportation; adding new routes to the trunk highway system.

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

The report was adopted.

Fudro from the Committee on Transportation to which was referred:

H. F. No. 2475, A bill for an act relating to trade regulations; requiring air supplies in service stations.

Reported the same back with the following amendments:

Page 1, line 11, after "public" insert "while such service station is open for business".

Page 1, after line 11, insert:

"Sec. 2. A violation of section 1 is a petty misdemeanor."

Further amend the title as follows:

Page 1, line 3, after "stations" insert "; providing a penalty".

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1009, 1513, 1672, 2075, 2077, 2211, 2266, 2268, 2124, 2432, 1851, 1991, 2086, 2204, 2361, 1943, 1994, 2002, 2004, 2146, 2194, 2214, 2216, 2272, 2367, 794, 1403, 1760, 1770, 1865, 1900, 1945, 1948, 2019, 2025, 2041, 2096, 2155, 2162, 2163, 2165, 2218, 2219, 2223, 2224, 2228, 2236, 2278, 2279, 2282, 2330, 2332, 2401, 2419, 2466, 933, 1227, 1268, 1476, 1799, 1910, 2048, 2176, 2341, 2188, 2429, 2441 and 2475 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1955, 910, 1699, 1713 and 1959 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Johnson, Faricy, Eken, Berg and Searle introduced:

H. F. No. 2506, A bill for an act relating to education; appropriating money to the Minnesota historical society for an interpretive center at Traverse des Sioux.

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

Schulz, Suss, Den Ouden and Esau introduced:

H. F. No. 2507, A bill for an act relating to programs for Minnesota Sioux Indian communities; appropriating money for home improvement grants and legal assistance; amending Minnesota Statutes, 1977 Supplement, Section 16.97, Subdivision 1.

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

Wenzel, Wenstrom and Nelson introduced:

H. F. No. 2508, A resolution relating to energy; opposing the deregulation of oil and natural gas.

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

Wenzel; Wenstrom; Sieben, H.; Braun and Biersdorf introduced:

H. F. No. 2509, A resolution urging the Congress and President of the United States to remove prohibitions upon construction of high voltage transmission lines on highway and game refuge lands.

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

Stoa, Laidig, King, Wieser and Berglin introduced:

H. F. No. 2510, A bill for an act relating to public health; establishing a preventive dental health program for certain children; appropriating money; amending Minnesota Statutes 1976, Chapter 144, by adding a section.

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

Scheid introduced:

H. F. No. 2511, A bill for an act relating to unemployment compensation; waiving interest penalties for certain excusable delays in payment of employer contributions; amending Minnesota Statutes 1976, Section 268.16, Subdivision 1, and by adding a subdivision.

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

Casserly, Munger, Pehler, Sieben, H., and Waldorf introduced:

H. F. No. 2512, A bill for an act relating to solid and hazardous wastes and toxic substances; providing for technology assessments and related research directed to certain goals; requiring studies and reports by the state planning agency, the pollution control agency, and the energy agency; establishing a temporary state solid and hazardous waste advisory task force; appropriating money.

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

Petrafeso introduced:

H. F. No. 2513, A bill for an act relating to the department of transportation; establishing a transit vehicle replacement assistance fund program; appropriating money.

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

HOUSE ADVISORIES

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

Sarna, Osthoff, Braun and Biersdorf introduced:

H. A. No. 79, A proposal for a department study of the feasibility of a sportsman's advisory commission.

The advisory was referred to the Committee on Environment and Natural Resources.

Laidig, Norton, Faricy, Friedrich and Sherwood introduced:

H. A. No. 80, A proposal to investigate the number of uninsured registered motor vehicles operating upon public highways.

The advisory was referred to the Committee on Financial Institutions and Insurance.

Lemke, Kostohryz, Fudro, Hanson and Pleasant introduced:

H. A. No. 81, A proposal for a study of intrastate motor rates compared to interstate rates.

The advisory was referred to the Committee on Transportation.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 1930, A resolution urging the President, Congress and Secretary of Transportation to provide necessary grants and loans to the Milwaukee Road.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1936, A bill for an act relating to Independent School District No. 272 (Eden Prairie) and Independent School District No. 273 (Edina); providing for the transfer of territory from Independent School District No. 272 to Independent School District No. 273.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 2312, A bill for an act relating to Independent School District No. 272 (Eden Prairie) and Independent School District No. 271 (Bloomington); providing for the transfer of territory from Independent School District No. 272 to Independent School District No. 271.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1191, A bill for an act relating to taxation; creating special districts to be called tax increment financing districts; providing for tax increment financing of renewal and development projects; amending Minnesota Statutes 1976, Chapter 273, by adding sections; Sections 458.192, Subdivision 11; 462.585, Subdivision 1; 472A.06; 473F.02, Subdivision 3; 474.10, Subdivision 2; and repealing Minnesota Statutes 1976, Sections 458.192, Subdivision 12; 462.545, Subdivision 5; 462.585, Subdivisions 2, 3 and 4; 472A.07; and 472A.08.

PATRICK E. FLAHAVEN, Secretary of the Senate

Pehler moved that the House refuse to concur in the Senate amendments to H. F. No. 1191, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two Houses. The motion prevailed.

Mr. Speaker :

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

S. F. Nos. 1693, 1754, 2234 and 2264.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker :

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

S. F. Nos. 1137, 1206, 1622 and 1664.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker :

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

S. F. Nos. 1630, 1704 and 1720.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker :

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

S. F. Nos. 1752, 1891 and 2342.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker :

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

S. F. No. 1951.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker :

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

S. F. Nos. 1495, 1690, 1830 and 1943.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1693, 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.

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

S. F. No. 1754, A bill for an act relating to highway traffic regulations; authorized emergency vehicles; approval of specifications and equipment test fees for lighting and vehicle safety equipment; warning devices on certain vehicles; and vehicle modification standards; amending Minnesota Statutes 1976, Sections 169.01, Subdivision 5; 169.468, Subdivision 2; 169.65; and 169.75; Minnesota Statutes, 1977 Supplement, Section 169.305, Subdivision 1; repealing Minnesota Statutes 1976, Section 169.47, Subdivision 2.

The bill was read for the first time.

Lemke moved that S. F. No. 1754 and H. F. No. 2112, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2234, A bill for an act relating to Ramsey county; changing the day of county board meetings; amending Laws 1974, Chapter 435, Section 2.05, as amended.

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

S. F. No. 2264, A bill for an act relating to statutory cities; providing for uniformity in bidding requirements for local government contracts; amending Minnesota Statutes 1976, Section 412.311.

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

S. F. No. 1137, A bill for an act relating to chiropractic; further defining the practice of chiropractic; amending Minnesota Statutes 1976, Section 148.01, Subdivision 3, and by adding a subdivision.

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

S. F. No. 1206, A bill for an act relating to aircraft; clarifying compulsory insurance requirements; requiring maintenance of liability coverage only during periods of contemplated aircraft use or operation; amending Minnesota Statutes 1976, Section 360.59, Subdivision 10.

The bill was read for the first time.

Fjoslien moved that S. F. No. 1206 and H. F. No. 1256, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1622, A bill for an act relating to game and fish; requiring a trout stamp; providing for disposition of the proceeds; appropriating funds; amending Minnesota Statutes 1976, Section 98.46, by adding a subdivision; Minnesota Statutes, 1977 Supplement, Sections 97.432; 98.46, Subdivision 2a; and 98.50, Subdivision 5.

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

S. F. No. 1664, A bill for an act relating to public waters; clarifying certain provisions concerning public waters; establishing certain priorities for use of water in processing agricultural products; amending Minnesota Statutes 1976, Section 105.391, Subdivision 1; and Minnesota Statutes, 1977 Supplement, Section 105.41, Subdivision 1a.

The bill was read for the first time.

Kelly, W., moved that S. F. No. 1664 and H. F. No. 2116, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1630, A bill for an act relating to elections; providing certain safeguards against improper voter registration and casting of absentee ballots; revising forms and procedures for administering absentee ballot laws; prescribing certain powers and duties of and granting temporary rulemaking power to the secretary of state; eliminating civil service appointment of election judges in first class cities; prescribing penalties; amending Minnesota Statutes 1976, Sections 201.121; 201.15; 201.27; 204A.14, Subdivision 2; 207.04; 207.06; 207.08; 207.09; 207.30, Subdivisions 2, 3, 4, 5 and 6; Chapters 201, by adding a section; and 207, by adding a section; Minnesota Statutes, 1977 Supplement, Sections 201.061, Subdivision 3; 201.071, Subdivision 4; 204A.13, Subdivisions 2 and 6; 204A.17, Subdivision 1; 204A.175; 207.02; 207.03; 207.05, Subdivision 1; 207.10; 207.11; and 207.31; repealing Minnesota Statutes 1976, Sections 204A.17, Subdivision 2; 207.101; 207.12; 207.13; and 207.30, Subdivision 1.

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

S. F. No. 1704, A bill for an act relating to the city of Minneapolis and the housing and redevelopment authority in and for the city of Minneapolis; establishing a program setting aside a portion of services and materials for small businesses.

The bill was read for the first time.

Casserly moved that S. F. No. 1704 and H. F. No. 1912, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1720, A bill for an act relating to game and fish; revising certain provisions regarding placement of blinds and decoys; amending Minnesota Statutes 1976, Section 100.29, Subdivision 18.

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

S. F. No. 1752, A bill for an act relating to nursing homes; authorizing sharing of administrators between certain hospitals and nursing homes; amending Minnesota Statutes 1976, Section 144A.04, Subdivision 5.

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

S. F. No. 1891, A bill for an act relating to taxation; property tax; exempting certain cities containing utility plants from per capita levy limitations; amending Minnesota Statutes 1976, Section 275.11, by adding a subdivision.

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

S. F. No. 2342, A bill for an act relating to Olmsted county; authorizing the board of county commissioners to finance an addition to and to renovate the Olmsted county hospital.

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

S. F. No. 1951, A bill for an act relating to marriage; providing that the clerk of court may solemnize marriages; amending Minnesota Statutes 1976, Section 517.04.

The bill was read for the first time.

Sieben, H., moved that S. F. No. 1951 and H. F. No. 2019, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1495, A bill for an act relating to municipal obligations; revising provisions relating to advance refunding; amending Minnesota Statutes 1976, Section 475.67.

The bill was read for the first time.

Neisen moved that S. F. No. 1495 and H. F. No. 1268, now on the Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1690, A bill for an act relating to the Minneapolis-Saint Paul metropolitan airports commission; providing a maximum amount and funding terms for commission debt; amending Minnesota Statutes 1976, Section 473.667, Subdivisions 2 and 4, and by adding a subdivision.

The bill was read for the first time.

Sieben, H., moved that S. F. No. 1690 and H. F. No. 1913, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1830, A bill for an act relating to corporations; modifying certain filing fees for domestic corporations; providing a uniform fee for filing instruments with the secretary of state; amending Minnesota Statutes 1976, Sections 300.49, Subdivision 1; and 301.071, Subdivision 2.

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

S. F. No. 1943, A bill for an act relating to forests; regulating the maintenance of fires therein; amending Minnesota Statutes 1976, Sections 88.01, by adding a subdivision; 88.10; 88.16; 88.17; 88.22; 88.73; 88.75, Subdivision 1; 88.76; 88.77; and 88.78.

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

PROGRESS REPORTS ON CONFERENCE COMMITTEES

Pursuant to Joint Rule 2.06, progress on S. F. No. 823 was reported to the House.

The following conference committee report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 405

A bill for an act relating to gambling; authorizing the operation of certain gambling devices by licensed organizations; providing a penalty; amending Minnesota Statutes 1976, Sections 325.54, Subdivision 1; 340.14, Subdivision 2; 609.75; 609.76; Chapters 349, by adding a section; and 609, by adding a section.

March 1, 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. 405, 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. 405 be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 325.54, Subdivision 1, is amended to read:

325.54 [GAMBLING DEVICE; POSSESSION OF.] Subdivision 1. [INTENTIONAL POSSESSION; WILFUL KEEPING.] The intentional possession or wilful keeping of a gambling device upon any licensed premises is cause for the revocation of any license under which the licensed business is carried on upon the premises where the gambling device is found, *provided that possession of gambling devices commonly known as "paddlewheels" or "tipboards" or apparatus used in conducting raffles on the premises of a nonprofit organization and operated by organizations licensed for such operation pursuant to section 3 shall not be cause for revocation of a license.*

Sec. 2. Minnesota Statutes 1976, Section 340.14, Subdivision 2, is amended to read:

Subd. 2. [RESTRICTIONS.] Every licensee shall be responsible for the conduct of his place of business and for conditions of sobriety and order therein. No licensee shall keep, possess, or operate, or permit the keeping, possession, or operation of, on the licensed premises, or in any room adjoining the licensed premises, any slot machine, dice, or any gambling device or apparatus, nor permit any gambling therein, nor permit the licensed premises or any room in the same, or in any adjoining building, directly or indirectly under its control to be used as a resort for prostitutes or other disorderly persons, *except that*

gambling devices may be kept or operated and raffles conducted on licensed premises and adjoining rooms when such activities are licensed by the local unit of government pursuant to section 3. No person under 18 years of age shall be employed in any rooms constituting the place in which intoxicating liquors are sold at retail "on-sale", except that persons under 18 years of age may be employed as musicians or to perform the duties of a busboy or dishwashing services in places defined as a restaurant or hotel or motel serving food in rooms in which intoxicating liquors are sold at retail "on-sale".

Sec. 3. Minnesota Statutes 1976, Chapter 349, is amended by adding a section to read:

[349.26] [GAMBLING DEVICES.] *Subdivision 1. For the purposes of this section the terms defined in this section have the meanings given them.*

Subd. 2. "Gambling devices" mean those gambling devices known as "paddlewheels" or "tipboards", or apparatus used in conducting raffles.

Subd. 3. "Paddlewheel" means a wheel marked off into sections containing one or more numbers, and which, after being turned or spun, uses a pointer or marker to indicate winning chances.

Subd. 4. "Tipboard" means a board, placard or other device measuring at least 12 inches square, marked off in a grid or similar pattern, in which each section contains a hidden number or numbers, or other symbol, which determines the winning chances.

Subd. 5. "Raffle" means a game in which a participant buys a ticket for a chance at a prize with the winner determined by a random drawing.

Subd. 6. "Profit" means the gross receipts from the operation of gambling devices and the conduct of raffles, less reasonable sums expended for prizes, local licensing fees, taxes and maintenance costs for the devices.

Subd. 7. Nothing in this section shall be construed to authorize any use, possession or operation of:

(a) Any gambling device which is activated by the insertion of a coin or token; or

(b) Any gambling game or device in which the winning numbers, tickets or chances are in any way determined by the outcome of any athletic contest or sporting event.

Subd. 8. Any county or city may establish a system for the licensing of organizations to operate gambling devices and to conduct raffles. The system may include a fee for each license in an amount to be determined by the local governing body. Licenses issued pursuant to this section shall be valid for one year, and may be suspended or revoked for any violation of this section. A local governing body shall act on a license application within 180 days from the date of application, but shall not issue a license until at least 30 days after the date of the application. Nothing in this section shall be construed to prohibit a county or city from adopting rules or ordinances for the operation of gambling devices or the conduct of raffles that are more restrictive than state law, including rules or ordinances prohibiting the operation of such devices.

Subd. 9. Licenses shall be issued only to a fraternal, religious, veterans or other nonprofit organization covered by section 290.05, subdivision 1, clause (i) or (k), which organization has been in existence for at least three years and has at least 30 active members, as defined in section 349.12, subdivision 2.

Subd. 10. Profits from the operation of gambling devices or the conduct of raffles shall be used solely for lawful purposes as defined in section 349.12, subdivision 6, and as authorized at a regular meeting of the organization.

Subd. 11. All operation of gambling devices and the conduct of raffles shall be under the supervision of a single gambling manager designated by the organization. The gambling manager shall be responsible for gross receipts and profits from gambling devices and raffles and for their operation. The gambling manager shall give a fidelity bond in the sum of \$10,000 in favor of the organization conditioned on the faithful performance of his duties, and the bond and the waiver thereof shall be subject to the same provisions as those applying to the bond required of a bingo manager pursuant to section 349.17, subdivision 7. A person may act as both gambling manager and bingo manager for a single organization, but a gambling manager for a single organization shall not act as either a gambling manager or bingo manager for any other organization. A gambling manager for an organization shall be an active member of the organization, as defined in section 349.12, subdivision 2.

Subd. 12. No compensation shall be paid to any person in connection with the operation of a gambling device or the conduct of a raffle by a licensed organization. No person who is not an active member of an organization, or its auxiliary, or the spouse or surviving spouse of an active member may participate in the organization's operation of a gambling device or conduct of a raffle.

Subd. 13. Each organization licensed to operate gambling devices shall keep records of its gross receipts, expenses and

profits for each single gathering or occasion at which gambling devices are operated or a raffle is conducted. All deductions from gross receipts for each single gathering or occasion shall be documented with receipts or other records indicating the amount, a description of the purchased item or service or other reason for the deduction, and the recipient. The distribution of profits shall be itemized as to payee, purpose, amount and date of payment.

Gross receipts from the operation of gambling devices and the conduct of raffles shall be segregated from other revenues of the organization, including bingo gross receipts, and placed in a separate account. Each organization shall have separate records of its gambling operations. The person who accounts for gross receipts, expenses and profits from the operation of gambling devices or the conduct of raffles shall not be the same person who accounts for other revenues of the organization, except that such person may be the same person who accounts for bingo gross receipts, expenses and profits.

Each organization licensed to operate gambling devices or to conduct raffles shall report monthly to its membership, and to the licensing local unit of government, its gross receipts, expenses and profits from gambling devices or raffles, and the distribution of profits itemized as required in this subdivision.

Records required by this section shall be preserved for three years, and organizations shall make available their records relating to operation of gambling devices and the conduct of raffles for public inspection at reasonable times and places.

Subd. 14. Gambling devices shall be operated and raffles conducted by a licensed organization only upon premises which it owns or leases except that tickets for raffles conducted in accordance with this section may be sold off the premises. Leases, unless authorized in another location by the local unit of government, shall be for a period of not less than one year and shall be in writing. No lease shall provide that rental payments be based on a percentage of receipts or profits from gambling devices or raffles. Copies of all leases shall be provided to the licensing local unit of government.

Subd. 15. Total prizes from the operation of paddlewheels and tipboards awarded in any single day in which they are operated shall not exceed \$500. Total prizes resulting from any single spin of a paddlewheel, or from any single tipboard, shall not exceed \$100. Total prizes awarded in any calendar year by any organization from the operation of paddlewheels and tipboards and the conduct of raffles shall not exceed \$15,000. Merchandise prizes shall be valued at fair market retail value.

Subd. 16. Violation of any provision of this section is a misdemeanor. This subdivision shall not preclude civil or criminal action under other applicable law or preclude any agency of gov-

ernment from investigating or prosecuting violations of the provisions of this section.

Sec. 4. Minnesota Statutes 1976, Section 609.75, Subdivision 1, is amended to read:

609.75 [GAMBLING; DEFINITIONS.] Subdivision 1. [LOTTERY.] A lottery is a plan (DESIGNED FOR OR RESULTING IN ANY PRIVATE PECUNIARY GAIN TO THE SPONSORS OR THEIR AGENTS, AND) which provides for the distribution of money, property or other reward or benefit to persons selected by chance from among participants some or all of whom have given a consideration for the chance of being selected. Acts in this state in furtherance of a lottery conducted outside of this state are included notwithstanding its validity where conducted.

Sec. 5. Minnesota Statutes 1976, Section 609.75, Subdivision 3, is amended to read:

Subd. 3. [WHAT ARE NOT BETS.] The following are not bets:

(1) A contract to insure, indemnify, guarantee or otherwise compensate another for a harm or loss sustained, even though the loss depends upon chance.

(2) A contract for the purchase or sale at a future date of securities or other commodities.

(3) Offers of purses, prizes or premiums to the actual contestants in any bona fide contest for the determination of skill, speed, strength, endurance, or quality or to the bona fide owners of animals or other property entered in such a contest.

(4) The game of bingo when conducted in compliance with sections 349.11 to 349.23.

(5) A private social bet not part of or incidental to organized, commercialized, or systematic gambling.

(6) *The operation of a gambling device or the conduct of a raffle as defined in section 3, by an organization licensed for such operation by a local unit of government pursuant to section 3.*

Sec. 6. Minnesota Statutes 1976, Chapter 609, is amended by adding a section to read:

[609.761] [OPERATION PERMITTED.] *Notwithstanding sections 609.755 and 609.76, a fraternal, religious, veterans or other nonprofit organization may set up or operate a gambli-*

ing device or conduct a raffle as defined in section 3, if licensed by the local unit of government and conducted pursuant to section 3, and a person may manufacture, sell or offer for sale a gambling device to the organization."

Further, amend the title as follows:

Page 1, line 6, after "609.75" insert ", Subdivisions 1 and 3".

Page 1, line 7, delete "609.76;".

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

House Conferees: LEO J. REDING, ROBERT C. JENSEN and STANLEY J. FUDRO.

Senate Conferees: TOM A. NELSON, JACK I. KLEINBAUM and EDWARD J. GEARTY.

Reding moved that the report of the Conference Committee on H. F. No. 405 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 405, A bill for an act relating to gambling; authorizing the operation of certain gambling devices by licensed organizations; providing a penalty; amending Minnesota Statutes 1976, Sections 325.54, Subdivision 1; 340.14, Subdivision 2; 609.75; 609.76; Chapters 349, by adding a section; and 609, by adding a section.

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. There were 90 yeas and 41 nays as follows:

Those who voted in the affirmative were:

Abeln	Clawson	Jude	Neisen	Sieben, M.
Adams	Cohen	Kahn	Nelsen, M.	Simoneau
Anderson, I.	Cummiskey	Kaley	Nelson	Smogard
Anderson, R.	Eckstein	Kalis	Norton	Spanish
Arlandson	Ellingson	Kempe, A.	Novak	Stanton
Beauchamp	Evans	Knickerbocker	Osthoff	Suss
Begich	Faricy	Kostohryz	Patton	Swanson
Berg	Fudro	Kroening	Pehler	Tomlinson
Berglin	Fugina	Lehto	Petrafeso	Vanasek
Berkelman	George	Mangan	Prahl	Voss
Biersdorf	Gunter	Mann	Redalen	Welch
Birnstihl	Hanson	McCarron	Reding	White
Brandl	Heinitz	McCollar	Rose	Wieser
Braun	Hokanson	McEachern	St. Onge	Wigley
Brinkman	Jacobs	Metzen	Sarna	Williamson
Byrne	Jaros	Moe	Scheid	Wynia
Carlson, L.	Jensen	Munger	Searles	Zubay
Casserly	Johnson	Murphy	Sieben, H.	Speaker Sabo

Those who voted in the negative were:

Albrecht	Den Ouden	Kelly, W.	Niehaus	Skoglund
Anderson, B.	Eken	Kempe, R.	Onnen	Stoa
Anderson, D.	Enebo	King	Peterson	Waldorf
Anderson, G.	Erickson	Kvam	Pleasant	Wenstrom
Battaglia	Esau	Laidig	Samuelson	Wenzel
Carlson, D.	Ewald	Langseth	Savelkoul	
Clark	Fjoslien	Lemke	Schulz	
Corbid	Forsythe	McDonald	Searle	
Dean	Friedrich	Nelsen, B.	Sherwood	

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

CONSENT CALENDAR

H. F. No. 1884, A bill for an act relating to highway traffic regulations; prohibiting passing a school bus when it is stopped and is displaying stop signals; providing penalties; amending Minnesota Statutes 1976, Section 169.44, Subdivision 1.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 1220, A bill for an act relating to courts; providing for law clerks to assist district judges; amending Minnesota Statutes 1976, Section 484.545, Subdivision 1.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 1400 was reported to the House.

Suss moved that H. F. No. 1400 be returned to its author. The motion prevailed.

H. F. No. 1663, A bill for an act relating to retirement; authorizing a combined service annuity and the purchase of prior service credit for certain university employees.

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

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2159, A bill for an act relating to courts; permitting personal jurisdiction over non-residents for causes of action relating to tortious acts; revising the provision to accord with federal constitutional requirements; amending Minnesota Statutes 1976, Section 543.19, Subdivision 1.

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

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

Those who voted in the affirmative were:

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

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

The bill was passed and its title agreed to.

H. F. No. 2281, A bill for an act relating to conveyances; providing for the adoption of uniform conveyancing forms to replace certain forms in use; amending Minnesota Statutes 1976, Section 507.09.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 1797 was reported to the House.

Schulz moved to amend H. F. No. 1797, as follows:

Page 1, after line 15, insert:

"Sec. 2. The resolution or ordinance of the city council for the sale of land authorized in section 1 shall not be effective until it has been approved by a majority of the votes cast on the question at a regular or a special election if a petition asking for an election on the question signed by voters equal to five percent of the number of voters at the last regular election is filed with the city within 30 days following the publication of the resolution or ordinance."

Renumber the remaining section.

The motion prevailed and the amendment was adopted.

H. F. No. 1797, A bill for an act relating to the city of Zumbrota; authorizing the sale of certain public land.

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

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

Those who voted in the affirmative were:

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

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

H. F. No. 2298, A bill for an act relating to highway traffic regulation; change of course; clarifying requirement to signal

a turn; amending Minnesota Statutes 1976, Section 169.19, Subdivision 4.

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

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 4 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, D. Beauchamp Brinkman Samuelson

The bill was passed and its title agreed to.

H. F. No. 1141, A bill for an act relating to local government compliance with plans for wild, scenic or recreational river areas; providing for a study and recommendations concerning the amount and distribution of costs associated therewith.

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

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

Those who voted in the affirmative were:

Abeln Adams Albrecht Anderson, B. Anderson, D.

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

The bill was passed and its title agreed to.

H. F. No. 1937 was reported to the House.

Peterson moved to amend H. F. No. 1937, as follows:

Page 2, line 5, reinsert the stricken language and before "*disposal*" insert "*or*".

Page 2, line 11, reinsert the stricken "farm fields" and before "*disposal*" insert "*or*".

The motion prevailed and the amendment was adopted.

H. F. No. 1937, A bill for an act relating to pollution control; providing for the receipt and appropriation of certain funds by the pollution control agency; further regulating the transport of sewage sludge; amending Minnesota Statutes 1976, Section 115.06, Subdivision 2; and Minnesota Statutes, 1977 Supplement, Section 169.80, Subdivision 2.

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

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

Those who voted in the affirmative were:

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

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

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

H. F. No. 2393 was reported to the House. Upon objection of ten members H. F. No. 2393 was stricken from the Consent Calendar and returned to General Orders.

H. F. No. 2005, A bill for an act relating to medical malpractice insurance; extending the temporary joint underwriting association for an additional two year period; amending Minnesota Statutes 1976, Section 62F.01; repealing Laws 1976, Chapter 242, Section 16.

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

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

Those who voted in the affirmative were:

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

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

The bill was passed and its title agreed to.

H. F. No. 2452, A bill for an act relating to state lands; directing the conveyance of Hastings state hospital surplus lands.

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

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 1870, A bill for an act relating to nursing; providing for issuance of certain licenses without examination to persons receiving certain training or licensing outside this state; amending Minnesota Statutes 1976, Section 148.291, Subdivision 3.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 932, A bill for an act relating to Ramsey county; amending the Ramsey county code by deleting an obsolete provision therein relating to the printing of the code; amending Laws 1974, Chapter 435, Section 1.0213.

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

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

Those who voted in the affirmative were:

Abeln	Battaglia	Braun	Cohen	Evans
Adams	Beauchamp	Brinkman	Corbid	Ewald
Albrecht	Begich	Byrne	Dean	Faricy
Anderson, B.	Berg	Carlson, A.	Den Ouden	Fjoslien
Anderson, D.	Berglin	Carlson, D.	Eckstein	Forsythe
Anderson, G.	Berkelman	Carlson, L.	Eken	Fudro
Anderson, I.	Biersdorf	Casserly	Ellingson	Fugina
Anderson, R.	Birnstihl	Clark	Enebo	George
Arlandson	Brandl	Clawson	Erickson	Gunter

Hanson	Kostohryz	Neisen	Rose	Stoa
Heinitz	Kroening	Nelsen, B.	St. Onge	Suss
Hokanson	Kvam	Nelsen, M.	Samuelson	Swanson
Jacobs	Laidig	Nelson	Sarna	Tomlinson
Jaros	Langseth	Niehaus	Savelkoul	Vanasek
Jensen	Lehto	Norton	Scheid	Voss
Johnson	Lemke	Novak	Schulz	Waldorf
Jude	Mangan	Onnen	Searle	Welch
Kahn	Mann	Osthoff	Searles	Wenstrom
Kaley	McCarron	Patton	Sherwood	Wenzel
Kalis	McCollar	Pehler	Sieben, H.	White
Kelly, R.	McDonald	Peterson	Sieben, M.	Wieser
Kelly, W.	McEachern	Petrafeso	Simoneau	Wigley
Kempe, A.	Metzen	Pleasant	Skoglund	Williamson
Kempe, R.	Moe	Prahl	Smogaid	Wynia
King	Munger	Redalen	Spanish	Zubay
Knickerbocker	Murphy	Reding	Stanton	Speaker Sabo

The bill was passed and its title agreed to.

H. F. No. 1914, A bill for an act relating to Koochiching county; authorizing the county law library to be supported by judicially imposed fee charges.

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

The question was taken on the passage of the bill and the roll was called. There were 121 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 1921, A bill for an act relating to local improvements; special assessments; eliminating certain limitations on special assessments by municipalities; amending Minnesota Statutes 1976, Section 429.011, Subdivision 2b.

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

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2051, A bill for an act relating to the city of Minneapolis; authorizing increased compensation for members of the board of park commissioners; amending Laws 1974, Chapter 181, Section 1.

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

The question was taken on the passage of the bill and the roll was called. There were 120 yeas and 5 nays as follows:

Those who voted in the affirmative were:

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

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

Those who voted in the negative were:

Kvam	McCollar	Niehaus	Prahl	Wieser
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The bill was passed and its title agreed to.

S. F. No. 1617, A bill for an act relating to evidence; eliminating the presumption of due care in negligence actions; repealing Minnesota Statutes 1976, Section 602.04.

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

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

The bill was passed and its title agreed to.

CALENDAR

H. F. No. 2043, A bill for an act relating to the legislature; continuation in or return of members to their employment after legislative sessions; prescribing a period during which a member may not be discharged except for good cause; political discrimination; amending Minnesota Statutes 1976, Section 3.083.

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

The question was taken on the passage of the bill and the roll was called. There were 110 yeas and 19 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, B.	Den Ouden	Forsythe	Onnen	Searle
Anderson, D.	Ericson	Heinitz	Pleasant	Skoglund
Anderson, R.	Esau	Kvam	Rose	Wieser
Carlson, D.	Fjoslien	Nelsen, B.	Savelkoul	

The bill was passed and its title agreed to.

H. F. No. 838, A bill for an act relating to natural resources; watershed districts; changing bonding provisions for managers; changing and clarifying administrative provisions; establishing a survey and data acquisition fund; creating fees for applications for permits and for field inspections; requiring a permit applicant to post a bond; providing penalties and enforcement provisions; amending Minnesota Statutes 1976, Sections 112.42, Subdivision 1; 112.43, Subdivision 1; 112.48, Subdivision 4; 112.49, by adding a subdivision; 112.50, Subdivision 1; 112.55; 112.61, by adding a subdivision; 112.62, by adding a subdivision; 112.69; 112.761, Subdivision 1; 112.85, Subdivision 1; and Chapter 112, by adding sections; repealing Laws 1969, Chapter 969.

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

The question was taken on the passage of the bill and the roll was called. There were 114 yeas and 13 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Abeln	Brandl	Eken	Samuelson	Wynia
Anderson, I.	Brinkman	Kvam	Skoglund	
Berglin	Clark	Niehaus	Wigley	

The bill was passed and its title agreed to.

H. F. No. 2192, A bill for an act relating to transportation; establishing a rail user loan guarantee program; creating a rail user loan guarantee account; prescribing powers and duties of the commissioner of transportation; appropriating money;

amending Minnesota Statutes 1976, Sections 362A.01, Subdivision 2; and 474.02, Subdivision 2.

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

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

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

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Norton requested immediate consideration of H. F. Nos. 2494 and 2493.

H. F. No. 2494 was reported to the House.

Wynia moved to amend H. F. No. 2494, as follows:

Page 13, line 31, delete "15" and insert "16".

Page 14, line 1, delete "16" and insert "17".

Page 18, line 11, to page 22, line 15, delete Section 22 and Section 23 from the bill.

Page 27, line 15, delete "24" and insert "22".

Renumber remaining sections accordingly.

Further amend the title:

Delete all of line 7.

Line 8, delete everything before "limiting".

Page 1, line 12 after the first "and" delete "4" and insert "by adding a subdivision" and after "124.564;" delete "and".

Delete line 13.

Page 1, line 14, delete everything before "repealing".

The motion prevailed and the amendment was adopted.

Kvam moved to amend H. F. No. 2494, as follows:

Page 14, lines 19 to 30, delete Section 12 from the bill. Renumber the following sections accordingly.

A roll call was requested and properly seconded.

The question was taken on the adoption of the amendment and the roll was called. There were 21 yeas and 103 nays as follows:

Those who voted in the affirmative were:

Albrecht	Heinitz	Nelsen, B.	Searles	Zubay
Berg	Kahn	Niehaus	Smogard	
Den Ouden	Kaley	Pleasant	Stanton	
Esau	McCollar	Redalen	Waldorf	
Fjoslien	McDonald	Rose	Wigley	

Those who voted in the negative were:

Abeln	Clark	Jensen	Moe	Sherwood
Adams	Clawson	Johnson	Munger	Sieben, H.
Anderson, B.	Cohen	Jude	Murphy	Sieben, M.
Anderson, D.	Corbid	Kalis	Neisen	Simoneau
Anderson, G.	Cummiskey	Kelly, R.	Nelson	Skoglund
Anderson, I.	Dean	Kelly, W.	Norton	Spanish
Anderson, R.	Eckstein	Kempe, A.	Novak	Stoa
Arlandson	Eken	Kempe, R.	Onnen	Suss
Battaglia	Ellingson	King	Osthoff	Swanson
Beauchamp	Enebo	Knickerbocker	Patton	Tomlinson
Begich	Erickson	Kostohryz	Pehler	Voss
Berglin	Evans	Kroening	Petrafeso	Welch
Berkelman	Ewald	Laidig	Prahl	Wenstrom
Birnstihl	Faricy	Langseth	Rice	Wenzel
Brandl	Forsythe	Lehto	St. Onge	White
Braun	Fugina	Lemke	Samuelson	Wieser
Byrne	George	Mangan	Sarna	Williamson
Carlson, A.	Hanson	Mann	Savelkoul	Wynia
Carlson, D.	Hokanson	McCarron	Scheid	Speaker Sabo
Carlson, L.	Jacobs	McEachern	Schulz	
Cassery	Jaros	Metzen	Searle	

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

H. F. No. 2494, A bill for an act relating to public improvements; authorizing the acquisition and betterment of public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of state building

bonds; limiting capital improvements at vocational-technical schools; appropriating money; amending Minnesota Statutes 1976, Sections 121.21, Subdivision 4a; 121.214, Subdivisions 1, 3, and 4; 124.564; and Minnesota Statutes, 1977 Supplement, Section 18.023, Subdivisions 1 and 3a; repealing Minnesota Statutes, 1977 Supplement, Sections 16.015 and 16.016.

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

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 4 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, R.	Kvam	Redalen	Wieser
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The bill was passed, as amended, and its title agreed to.

H. F. No. 2493 was reported to the House.

Carlson, D., and Weiser moved to amend H. F. No. 2493, as follows:

Page 9, line 23, delete "[16.323]".

Page 9, line 24, after "appropriated" insert "by this act".

The motion prevailed and the amendment was adopted.

H. F. No. 2493, A bill for an act relating to public improvements; authorizing alteration, repair, rehabilitation, equipping, and replacement of equipment of public buildings with certain conditions; postponing deadline for submission of capital budget; authorizing purchase and sale of public lands and buildings; appropriating money; amending Minnesota Statutes 1976, Section 16A.11, Subdivision 1.

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

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 5 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, R.	Kvam	Nelsen, B.	Pleasant	Wigley
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The bill was passed, as amended, and its title agreed to.

GENERAL ORDERS

There being no objection, the bills on General Orders for today were continued on General Orders one day.

MOTIONS AND RESOLUTIONS

Lemke and Schulz introduced:

House Resolution No. 20, A house resolution congratulating the Lake City Senior High School basketball team on winning the Class A basketball championship.

The resolution was referred to the Committee on Rules and Legislative Administration.

ADJOURNMENT

Anderson, I., moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Tuesday, March 7, 1978.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

