

STATE OF MINNESOTA

SEVENTIETH SESSION - 1978

EIGHTY-EIGHTH DAY

SAINT PAUL, MINNESOTA, FRIDAY, MARCH 10, 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 | Jensen | Munger | Searle |
| Adams | Corbid | Jude | Murphy | Searles |
| Albrecht | Cumiskey | Kahn | Neisen | Sherwood |
| Anderson, B. | Dean | Kaley | Nelsen, B. | Sieben, H. |
| Anderson, D. | Den Ouden | Kalis | Nelsen, M. | Sieben, M. |
| Anderson, G. | Eckstein | Kelly, R. | Nelson | Simoneau |
| Anderson, I. | Eken | Kelly, W. | Niehaus | Skoglund |
| Anderson, R. | Ellingson | Kempe, A. | Norton | Smogard |
| Battaglia | Enebo | Kempe, R. | Novak | Spanish |
| Beauchamp | Erickson | King | Onnen | Stanton |
| Begich | Esau | Knickerbocker | Osthoff | Stoa |
| Berg | Evans | Kostohryz | Pehler | Suss |
| Berglin | Ewald | Kroening | Peterson | Swanson |
| Berkelman | Faricy | Kvam | Petrafeso | Tomlinson |
| Biersdorf | Fjoslien | Laidig | Pleasant | Vanasek |
| Birnstihl | Forsythe | Langseth | Prahl | Waldorf |
| Brandl | Friedrich | Lehto | Redalen | Welch |
| Braun | Fudro | Lemke | Reding | Wenstrom |
| Brinkman | Fugina | Mangan | Rice | Wenzel |
| Byrne | George | Mann | Rose | White |
| Carlson, A. | Gunter | McCarron | 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 |

A quorum was present.

Johnson, Patton and Voss were excused. Arlandson was excused until 3:00 p.m.

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

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 2377, 2426, 1758, 2291, 1246, 1786, 669, 2041, 2098, 2197, 2233, 2250, 1575, 1754, 2196, 1286 and 1885 and S. F. Nos. 620, 1071, 1606, 1842, 2342, 318, 912, 438, 1693 and 1431 have been placed in the members' files.

PETITIONS AND COMMUNICATIONS

The following communication was received:

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

March 9, 1978

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

I have the honor to inform you that the following enrolled Acts of the 1978 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

| <i>S.F. No.</i> | <i>H.F. No.</i> | <i>Session Laws Chapter No.</i> | <i>Date Approved 1978</i> | <i>Date Filed 1978</i> |
|---------------------|---------------------|-------------------------------------|-------------------------------|----------------------------|
| | 356 | 470 | March 9 | March 9 |
| | 1860 | 471 | March 9 | March 9 |
| | 1879 | 472 | March 9 | March 9 |
| | 1882 | 473 | March 9 | March 9 |
| 265 | | 474 | March 9 | March 9 |
| 1613 | | 475 | March 9 | March 9 |
| 1637 | | 476 | March 9 | March 9 |
| 1698 | | 477 | March 9 | March 9 |

| S.F. No. | H.F. No. | Session Laws Chapter No. | Date Approved 1978 | Date Filed 1978 |
|-------------|-------------|-----------------------------|-----------------------|--------------------|
| 1787 | | 478 | March 9 | March 9 |
| 1802 | | 479 | March 9 | March 9 |

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

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

H. F. No. 2307, A bill for an act relating to intoxicating liquor; hours and days of sale; amending Minnesota Statutes 1976, Section 340.14, Subdivision 1.

Reported the same back with the following amendments:

Page 1, line 20, delete "or" and insert "and".

Page 2, after line 12, insert:

"Sec. 2. Minnesota Statutes 1976, Section 340.07, Subdivision 8, is amended to read:

Subd. 8. "Wholesaler" means any person engaged in the business of selling intoxicating liquor from stock maintained in a warehouse within the state to retail dealers.

Sec. 3. 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:

Line 3, after the semicolon, insert "requiring wholesalers to maintain a warehouse stock;"

Line 3, delete "Section" and insert "Sections 340.07, Subdivision 8;"

Line 4, before the period 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. 2461, A bill for an act relating to public utilities; telephone companies; assessment for costs of regulation; approval of capital expenditures; amending Minnesota Statutes 1976, Chapter 237, by adding sections; and Section 237.01; repealing Minnesota Statutes 1976, Section 237.29, as amended.

Reported the same back with the following amendments:

Page 1, delete lines 10 to 23.

Page 2, delete all the language.

Page 3, delete all the language.

Page 4, delete lines 1 to 25.

Renumber the remaining sections in sequence.

Page 6, after line 29, insert a section to read:

"Sec. 3. This act shall be effective on April 1, 1978."

Further amend the title as follows:

Line 3, delete "approval of".

Line 4, delete "capital expenditures;"

Line 5, delete "sections; and" and insert "a".

Line 6, delete "237.01".

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. 2516, A bill for an act relating to certain commercial transactions; amending provisions of the uniform commercial code governing investment securities and related provisions; amending Minnesota Statutes 1976, Sections 336.1-201; 336.5-114; 336.8-102; 336.8-103; 336.8-104; 336.8-105; 336.8-106; 336.8-107; 336.8-201; 336.8-202; 336.8-203; 336.8-204; 336.8-205; 336.8-206; 336.8-207; 336.8-208; 336.8-301; 336.8-302; 336.8-303; 336.8-304; 336.8-305; 336.8-306; 336.8-307; 336.8-308; 336.8-309; 336.8-310; 336.8-311; 336.8-312; 336.8-313; 336.8-314; 336.8-315; 336.8-316; 336.8-317; 336.8-318; 336.8-319; 336.8-320; 336.8-401; 336.8-402; 336.8-403; 336.8-404; 336.8-405; 336.8-406; 336.9-103; 336.9-203; 336.9-302; 336.9-304; 336.9-305; 336.9-309; 336.9-312; and Chapter 336, by adding sections; Minnesota Statutes, 1977 Supplement, Section 336.9-105.

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

The report was adopted.

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

S. F. No. 1021, A bill for an act relating to natural resources; recodifying statutes relating to certain conservation areas; abolishing consolidated conservation areas fund; repealing obsolete provisions; appropriating money; amending Minnesota Statutes 1976, Sections 84A.01; 84A.03; 84A.07; 84A.10; 84A.51, Subdivision 4; 84A.52; 84A.55, Subdivisions 1, 3, 6, 8, 9, 10, 11, and 12; 282.23, Subdivision 8; 282.14; 282.16, Subdivision 1, and by adding subdivisions; 282.19; 282.21; and Laws 1961, Chapter 612, Section 1; repealing Minnesota Statutes 1976, Sections 84A.02; 84A.04; 84A.08; 84A.09; 84A.11; 84A.20 to 84A.23; 84A.26 to 84A.33; 84A.36 to 84A.42; 84A.50; 84A.51, Subdivisions 1, 2, and 3; 84A.53; 84A.54; 84A.55, Subdivision 14; and 282.221 to 282.226.

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

The report was adopted.

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

S. F. No. 1120, A bill for an act relating to public waters; their classification and drainage; providing for venue of certain actions involving the commissioner of natural resources; amending Minnesota Statutes 1976, Chapter 105, by adding a section.

Reported the same back with the following amendments:

Page 1, line 13, delete "*action*".

Page 1, line 14, delete "*for declaratory judgment*" and insert "*appeal*".

Page 1, line 14, delete "*chapter 555*" and insert "*section 105.47 or 15.0424*".

Page 1, line 18, delete "*105.38*" and insert "*105.37*".

With the recommendation that when so amended the bill pass.

The report was adopted.

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

S. F. No. 1656, A bill for an act relating to parks; authorizing the use of certain appropriated money for the acquisition and development of recreation facilities for the handicapped at Islands of Peace park; amending Laws 1977, Chapter 352, Section 1.

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

The report was adopted.

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

S. F. No. 1727, A bill for an act relating to state parks; deleting certain lands from the boundaries of Itasca state park; amending Laws 1976, Chapter 110, Section 2, Subdivision 2.

Reported the same back with the following amendments:

Page 2, line 1, after the semicolon insert "*the Southwest Quarter of the Southwest Quarter*".

Page 2, line 1, strike "South Half" and insert "*Southeast Quarter*".

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

The report was adopted.

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

S. F. No. 1743, A bill for an act relating to natural resources; clarifying the procedure for designation of wild, scenic and recreational rivers; amending Minnesota Statutes 1976, Section 104.35, Subdivisions 2 and 3.

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

The report was adopted.

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

H. F. No. 1995, A bill for an act relating to credit life and accident and health insurance; requiring notice of right to cancel and receive refund upon prepayment of indebtedness; amending Minnesota Statutes, 1977 Supplement, Section 62B.05.

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

The report was adopted.

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

H. F. No. 1998, A bill for an act relating to commerce; credit unions; modifying reserve fund requirements; amending Minnesota Statutes 1976, Section 52.17.

Reported the same back with the following amendments:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 52.17, is amended to read:

52.17 [RESERVE FUND.] Every credit union shall maintain a reserve fund, which shall be used as a reserve against bad loans and other losses, and shall not be used to pay expenses of

the credit union or otherwise distributed, except in case of liquidation. (ALL ENTRANCE FEES, IF ANY, FINES, AND EACH YEAR, BEFORE THE DECLARATION OF A DIVIDEND, TEN PERCENT OF THE GROSS EARNINGS, SHALL BE SET ASIDE AS A RESERVE FUND AGAINST BAD LOANS AND OTHER LOSSES. WHEN THE RESERVE FUND EQUALS 7 1/2 PERCENT OF THE OUTSTANDING LOANS TO MEMBERS AND RISK ASSETS, EXCLUDING LOANS TO OTHER CREDIT UNIONS, FIVE PERCENT OF GROSS EARNINGS SHALL BE SET ASIDE IN THE RESERVE FUND. WHEN THE RESERVE FUND EQUALS TEN PERCENT OF THE OUTSTANDING LOANS AND RISK ASSETS, NO FURTHER TRANSFER OF GROSS EARNINGS TO THE RESERVE FUND SHALL BE REQUIRED. IF THE RESERVE FUND BECOMES LESS THAN TEN PERCENT OF THE OUTSTANDING LOANS TO MEMBERS AND RISK ASSETS THEN THE SCHEDULE OF ALLOCATION TO THE RESERVE FUND SHALL APPLY UNTIL THE TEN PERCENT RATIO OF RESERVES TO LOANS OUTSTANDING TO MEMBERS AND RISK ASSETS IS AGAIN ESTABLISHED.) *At the end of each monthly accounting period the gross income shall be determined. From this amount, there shall be set aside, as a statutory reserve against losses on loans and against other losses as may be specified in rules prescribed by the commissioner of banks, sums in accordance with the following schedule:*

(a) *A credit union in operation for more than four years and having assets of \$500,000 or more shall set aside (1) ten percent of gross income until the statutory reserve shall equal four percent of the total of outstanding loans and risk assets, then (2) five percent of gross income until the statutory reserve shall equal six percent of the total of outstanding loans and risk assets;*

(b) *A credit union in operation less than four years or having assets of less than \$500,000 shall set aside (1) ten percent of gross income until the statutory reserve shall equal seven percent of the total of outstanding loans and risk assets, then (2) five percent of gross income until the statutory reserve shall equal ten percent of the total outstanding loans and risk assets. Whenever the statutory reserve falls below the percent of the total of outstanding loans and risk assets required by clause (a) or (b), it shall be replenished in the manner provided by clause (a) or (b) by regular contributions to maintain the stated reserve goals.*

Loans to other credit unions shall not be included in computing outstanding loans and risk assets pursuant to clauses (a) and (b).

There shall also be established, and at all times maintained, a reserve of not less than ten percent of the amount of the deposits, which shall be in cash and balances due from solvent

banks or which may be, in whole or in part, short term obligations guaranteed as to principal and interest by the U.S. government or in certificates of deposit of a federally insured bank or in a passbook or other account in a federally insured savings and loan association or in balances due from Minnesota central credit union or ICU services corporation or U.S. central credit union.”.

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. 2147, A bill for an act relating to commerce; credit unions; authorizing approval of lines of credit by credit committee; amending Minnesota Statutes 1976, Sections 52.10 and 52.16.

Reported the same back with the following amendments:

Strike everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1976, Section 52.10, is amended to read:

52.10 [CREDIT COMMITTEE; POWERS.] The credit committee shall have the general supervision of all loans to members as provided herein. Applications for (SUCH) loans shall be on a form prepared by the credit committee, shall set forth the purpose for which the loan is desired, the security, if any, offered and such other data as may be required. Within the meaning of this section an assignment of shares or deposits or the endorsement of a note may be deemed security. *Except where the credit committee approves the extension of a self-replenishing line of credit pursuant to sections 52.16, subdivision 2, at least a majority of the members of the credit committee shall pass on all (SUCH) loans and approval must be in writing and by unanimous vote of the members present. The credit committee shall meet as often as may be necessary after due notice to each member thereof. Provided, however, in the case of any credit union having total assets in excess of \$10,000, the board of directors may authorize the credit committee to appoint one or more loan officers. Loan officers, subject to the supervision of the committee, may be delegated authority by the credit committee, to act on all or some applications for loans and to approve them, reporting thereon to the credit committee at their next meeting or within 15 days. The credit committee and the board of directors, meeting jointly and acting collectively as a whole, shall have*

the general supervision of all loans to a member who is a director, officer, or a member of the credit or supervisory committee whenever the application exceeds the amount of (SUCH) *the* member's holdings in shares and deposits. Application for (SUCH) *these* loans shall be in similar form as may be required to be furnished to the credit committee for a loan in the case of any other member. At least a majority of the members of the credit committee and of the board of directors at a joint meeting and acting collectively as a whole, shall pass on all such loans in the absence of the applicant, and the approval of (SUCH) *the* loan must be in writing and by unanimous vote of all members present. The credit committee and the board of directors shall meet for this purpose as often as may be necessary after due notice to each member thereof.

Sec. 2. Minnesota Statutes 1976, Section 52.16, is amended to read:

52.16 [MAY LOAN MONEY, CONDITIONS.] *Subdivision 1.* A credit union may loan to members. Loans must be for a provident or productive purpose and are made subject to the conditions contained in the bylaws. A borrower may repay his loan, in whole or in part, any day the office of the credit union is open for business. Except for loans secured by first real estate mortgages on homes owned and occupied, of the character made to other members, no director, officer, or member of the credit or supervisory committee may become liable, as a borrower or endorser for other borrowers, or both, to the credit union in which he holds office, beyond the amount of his holdings in shares and deposits therein, unless the loan shall have been approved in the manner provided by section 52.10.

Subd. 2. Upon application by a member, the credit committee may approve in advance a self-replenishing line of credit, and advances may be granted to a member within the limit of the extension of credit. Where a self-replenishing line of credit has been approved, additional loan applications may be required.

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

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:

S. F. No. 1662, A bill for an act relating to commerce; redefining "banking day"; amending Minnesota Statutes 1976, Section 336.4-104.

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

The report was adopted.

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

H. F. No. 2010, A bill for an act relating to municipal elections; providing for the hours of voting; establishing procedures for establishing candidacy; establishing filing fees; providing for the printing of election materials and ballots; providing for publication and posting of sample ballots; amending Minnesota Statutes 1976, Sections 205.021; 205.03; 205.13; 205.14, Subdivisions 1 and 3; and 205.16, Subdivision 2, and by adding a subdivision; repealing Minnesota Statutes 1976, Section 365.60.

Reported the same back with the following amendments:

Page 4, line 13, strike "council" and insert "*governing body*".

Page 4, line 19, strike "council" and insert "*governing body*".

Page 5, line 6, delete "*In all statutory*".

Page 5, line 7, delete "*and home rule charter cities and in all towns*".

Page 5, line 8, delete "*the*" and insert "*any*".

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2451, A bill for an act relating to elections; providing that public facilities be available for precinct caucuses; fixing the charge for their use; amending Minnesota Statutes 1976, Section 202A.15, by adding a subdivision.

Reported the same back with the following amendments:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Chapter 202A, is amended by adding a section to read:

[202A.192] [USE OF PUBLIC FACILITIES.] *Every statutory city, home rule charter city, county, town, school dis-*

trict and other public agency, including the university of Minnesota and other public colleges and universities, shall make their facilities available for the holding of precinct caucuses and legislative district or county conventions required by chapter 202A. A charge for the use of the facilities may be imposed in an amount that does not exceed the lowest amount charged to any public or private group.

Sec. 2. Minnesota Statutes 1976, Section 202A.65, Subdivision 3, is amended to read:

Subd. 3. [NOMINATING PETITIONS, TIME FOR FILING.] In all cases other than those provided in subdivision 2, nominating petitions shall be filed (NOT LATER THAN THE SEVENTH DAY) *during the filing period* preceding the election at which the vacancy is to be filled.

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

Further, delete the title and insert:

"A bill for an act relating to elections; providing that public facilities be available for precinct caucuses; fixing the charge for their use; providing for the filing of certain nominating petitions; amending Minnesota Statutes 1976, Chapter 202A, by adding a section; and Section 202A.65, Subdivision 3."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

S. F. No. 744, A bill for an act relating to elections; defining member of a political party; altering various provisions relating to publication of constitutional amendment explanation, ballots, judges, summary statements, canvasses and returns; amending Minnesota Statutes 1976, Chapter 204A, by adding a section; and Sections 3.21; 200.02, by adding a subdivision; 204A.18, Subdivision 1; 204A.32, Subdivision 4; 204A.42, Subdivision 1; 204A.45, Subdivision 1; 204A.46, Subdivisions 1, 2, 3 and 4; 204A.47; and 204A.51, Subdivisions 2 and 3; repealing Minnesota Statutes 1976, Sections 204A.45, Subdivision 2; and 204A.48.

Reported the same back with the following amendments:

Page 2, line 26, after "who" insert ": (a)".

Page 2, line 28, after "*constitution*" insert "*, (b) voted for a majority of that party's candidates in the last general election,*" after "*or*" insert "*(c)*" and after "*to*" delete "*support*" and insert "*vote for*".

Page 3, after line 7 insert a new section to read:

"Sec. 4. Minnesota Statutes 1976, Section 203A.12, Subdivision 2, is amended to read:

Subd. 2. [CANDIDATES AND OFFICES.] On all ballots the name of each candidate shall be printed at right angles with the length of the ballot. In the general election, except in the case of presidential electors, the political party designation of each candidate, or in the case of nonpartisan offices, the words, "Nominated without party designation", shall be printed above or below the name of the candidate. *No candidate may use the designation "Independent" or any other words which imply he is unaffiliated with a political party if he is affiliated with a political party as defined in section 10A.01, subdivision 16. For purposes of this section, "affiliated with a political party" includes participation in a party's most recent caucus in an election precinct, running in the primary for a partisan office in the last election, or running as a political party's candidate for an elective office in the last general election.* The political party designation for all candidates shall be printed in upper and lower case letters of the same type style and the upper case letters shall be at least one-half the height of the upper case letters used for names of the candidates. At the general election, below the name of the last candidate for each office shall be placed as many blank lines as there are offices of that kind to be filled, and on the blank lines the voter may write the names of persons not printed on the ballot for whom he desires to vote, and when no person has filed for an office to be filled, the title of the office shall be printed on the ballot with as many blank lines below the title as there are offices to be filled, on which the voter's choice may be written. On the left side of the ballot and on a line with the names of the candidates and the blank lines, there shall be placed a square, each square to be of the same size, in which the voter may designate his choice by a mark (X). Above the first name on each ballot shall be printed the words, "Put an (X) opposite the name of each candidate you wish to vote for, in the square indicated by the arrow," and on a line with the words and directly above the squares shall be printed a small arrow, or point, pointing downward. Directly underneath the official title of each office shall be printed the words, "Vote for one," or more, according to the number to be elected."

Renumber the following sections.

Further, amend the title as follows:

Page 1, line 3, after the semicolon insert "regulating candidate designations on the ballot;"

Page 1, line 9, after "subdivision;" insert "203A.12, Subdivision 2;"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

S. F. No. 997, A bill for an act relating to civil actions; abolishing all civil causes of action for breach of promise to marry, alienation of affections, criminal conversation and seduction.

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

The report was adopted .

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

H. F. No. 1835, A bill for an act relating to migrant labor; establishing a study commission on migrant labor; appropriating money.

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

The report was adopted.

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

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

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

The report was adopted.

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

S. F. No. 1425, A bill for an act relating to witnesses; exempting a registered nurse from testifying against a client; amending Minnesota Statutes 1976, Section 595.02.

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

The report was adopted.

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

S. F. No. 1548, A bill for an act relating to courts; changing fees collected by court clerks for certain actions and services; amending Minnesota Statutes 1976, Section 357.021, Subdivision 2; Chapter 525 by adding a section; and Minnesota Statutes, 1977 Supplement, Section 517.08, Subdivision 1.

Reported the same back with the following amendments:

Page 1, line 17, strike "\$15" and insert "\$20".

Page 4, line 9, after "sections" insert "524.3-301,".

Page 4, line 9, after "524.3-401" delete "or" and insert a comma.

Page 4, line 9, after "524.3-502" insert "or 525.541".

With the recommendation that when so amended the bill pass.

The report was adopted.

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

S. F. No. 1616, A bill for an act relating to probate; enacting the Uniform International Wills Act; amending Minnesota Statutes 1976, Chapter 524, by adding sections.

Reported the same back with the following amendments:

Page 1, after line 6, insert a section to read:

"Section 1. Minnesota Statutes 1976, Section 524.1-201, is amended to read:

524.1-201 [GENERAL DEFINITIONS.] Subject to additional definitions contained in the subsequent articles which are

applicable to specific articles or parts, and unless the context otherwise requires, in chapters 524 and 525:

(1) "Application" means a written request to the registrar for an order of informal probate or appointment under article III, part 3.

(2) "Beneficiary," as it relates to trust beneficiaries, includes a person who has any present or future interest, vested or contingent, and also includes the owner of an interest by assignment or other transfer and as it relates to a charitable trust, includes any person entitled to enforce the trust.

(3) "Child" includes any individual entitled to take as a child under law by intestate succession from the parent whose relationship is involved and excludes any person who is only a step-child, a foster child, a grandchild or any more remote descendant.

(4) "Claims" includes liabilities of the decedent whether arising in contract or otherwise and liabilities of the estate which arise after the death of the decedent including funeral expenses and expenses of administration. The term does not include taxes, demands or disputes regarding title of a decedent to specific assets alleged to be included in the estate, tort claims, foreclosure of mechanic's liens, or to actions pursuant to section 573.02.

(5) "Court" means the court or branch having jurisdiction in matters relating to the affairs of decedents. This court in this state is known as the probate court or county court.

(6) "Conservator" means a person who is appointed by a court to manage the estate of a protected person.

(7) "Devise," when used as a noun, means a testamentary disposition of real or personal property and when used as a verb, means to dispose of real or personal property by will.

(8) "Devisee" means any person designated in a will to receive a devise. In the case of a devise to an existing trust or trustee, or to a trustee on trust described by will, the trust or trustee is the devisee and the beneficiaries are not devisees.

(9) "Disability" means cause for a protective order as described by section 525.54.

(10) "Distributee" means any person who has received property of a decedent from his personal representative other than as a creditor or purchaser. A testamentary trustee is a distributee only to the extent of distributed assets or increment thereto remaining in his hands. A beneficiary of a testamentary trust to whom the trustee has distributed property received from a personal representative is a distributee of the personal rep-

representative. For purposes of this provision, "testamentary trustee" includes a trustee to whom assets are transferred by will, to the extent of the devised assets.

(11) "Estate" includes all of the property of the decedent, trust, or other person whose affairs are subject to this chapter as originally constituted and as it exists from time to time during administration.

(13) "Fiduciary" includes personal representative, guardian, conservator and trustee.

(14) "Foreign personal representative" means a personal representative of another jurisdiction.

(15) "Formal proceedings" means those conducted before a judge with notice to interested persons.

(16) "Guardian" means a person who has qualified as a guardian of a minor or incapacitated person pursuant to testamentary or court appointment, but excludes one who is merely a guardian ad litem.

(17) "Heirs" means those persons, including the surviving spouse, who are entitled under the statutes of intestate succession to the property of a decedent.

(18) "Incapacitated person" is as described in section 525.54, other than a minor.

(19) "Informal proceedings" means those conducted by (AN OFFICER OF THE COURT) *the judge, the registrar, or the person or persons designated by the judge* for probate of a will or appointment of a personal representative in accordance with sections 524.3-301 to 524.3-311.

(20) "Interested person" includes heirs, devisees, children, spouses, creditors, beneficiaries and any others having a property right in or claim against the estate of a decedent, ward or protected person which may be affected by the proceeding. It also includes persons having priority for appointment as personal representative, and other fiduciaries representing interested persons. The meaning as it relates to particular persons may vary from time to time and must be determined according to the particular purposes of, and matter involved in, any proceeding.

(22) "Lease" includes an oil, gas, or other mineral lease.

(23) "Letters" includes letters testamentary, letters of guardianship, letters of administration, and letters of conservatorship.

(25) "Mortgage" means any conveyance, agreement or arrangement in which property is used as security.

(26) "Nonresident decedent" means a decedent who was domiciled in another jurisdiction at the time of his death.

(27) "Organization" includes a corporation, government or governmental subdivision or agency, business trust, estate, trust, partnership or association, two or more persons having a joint or common interest, or any other legal entity.

(29) "Person" means an individual, a corporation, an organization, or other legal entity.

(30) "Personal representative" includes executor, administrator, successor personal representative, special administrator, and persons who perform substantially the same function under the law governing their status. "General personal representative" excludes special administrator.

(31) "Petition" means a written request to the court for an order after notice.

(32) "Proceeding" includes action at law and suit in equity.

(33) "Property" includes both real and personal property or any interest therein and means anything that may be the subject of ownership.

(34) "Protected person" is as described in section 525.54, subdivision 2.

(36) "Registrar" refers to the judge of the court or the person designated by the court to perform the functions of registrar as provided in section 524.1-307.

(37) "Security" includes any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in an oil, gas or mining title or lease or in payments out of production under such a title or lease, collateral trust certificate, transferable share, voting trust certificate or, in general, any interest or instrument commonly known as a security, or any certificate of interest or participation, any temporary or interim certificate, receipt or certificate of deposit for, or any warrant or right to subscribe to or purchase, any of the foregoing.

(38) "Settlement," in reference to a decedent's estate, includes the full process of administration, distribution and closing.

(39) "Special administrator" means a personal representative as described by sections 524.3-614 to 524.3-618.

(40) "State" includes any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession subject to the legislative authority of the United States.

(41) "Successor personal representative" means a personal representative, other than a special administrator, who is appointed to succeed a previously appointed personal representative.

(42) "Successors" means those persons, other than creditors, who are entitled to property of a decedent under his will, chapters 524 or 525.

(43) "Supervised administration" refers to the proceedings described in sections 524.3-501 to 524.3-505.

(44) "Testacy proceeding" means a proceeding to establish a will or determine intestacy.

(45) "Trust" includes any express trust, private or charitable, with additions thereto, wherever and however created. It also includes a trust created or determined by judgment or decree under which the trust is to be administered in the manner of an express trust. "Trust" excludes other constructive trusts, and it excludes resulting trusts, conservatorships, personal representatives, trust accounts as defined in chapter 528, custodial arrangements pursuant to sections 149.11 to 149.14, 318.01 to 318.06, 527.01 to 527.11, business trusts providing for certificates to be issued to beneficiaries, common trust funds, voting trusts, security arrangements, liquidation trusts, and trusts for the primary purpose of paying debts, dividends, interest, salaries, wages, profits, pensions, or employee benefits of any kind, and any arrangement under which a person is nominee or escrowee for another.

(46) "Trustee" includes an original, additional, or successor trustee, whether or not appointed or confirmed by court.

(47) "Ward" is as described in section 525.54, subdivision 1.

(48) "Will" includes codicil and any testamentary instrument which merely appoints an executor or revokes or revises another will."

Page 1, line 10, delete "1 to 10" and insert "2 to 11".

Page 1, line 13, delete "2 to 5" and insert "3 to 6".

Page 1, line 16, delete "9" and insert "10".

Page 2, line 7, delete "2 to 5" and insert "3 to 6".

Page 2, line 11, delete "1 to 10" and insert "2 to 11".

Page 3, line 28, delete "5" and insert "6".

Page 3, line 29, delete "3" and insert "4".

Page 4, line 5, delete "2 to 5" and insert "3 to 6".

Page 5, line 29, delete "1 to 10" and insert "2 to 11".

Page 5, line 31, delete "1 to 10" and insert "2 to 11".

Page 6, line 7, delete "1 to 7" and insert "2 to 8".

Page 6, line 10, delete "1 to 7" and insert "2 to 8".

Page 7, after line 15, insert sections to read as follows:

"Sec. 12. Minnesota Statutes, 1977 Supplement, Section 524.3-105, is amended to read:

524.3-105 [PROCEEDINGS AFFECTING DEVOLUTION AND ADMINISTRATION; JURISDICTION OF SUBJECT MATTER.] Any interested person in a decedent's estate may apply to the registrar for determination in the informal proceedings provided in this article, and may petition the court for orders in formal proceedings within the court's jurisdiction including but not limited to those described in this article. Interim orders approving or directing partial distributions, sale of property or granting other relief, including, but not limited to, waiving the lien of inheritance taxes on specific property may be issued by the court at any time during the pendency of an administration on the petition of the personal representative or any interested person. The court has exclusive jurisdiction of proceedings, to determine how decedents' estates subject to the laws of this state are to be administered, expended and distributed. The court has concurrent jurisdiction of any other action or proceeding concerning a succession or to which an estate, through a personal representative, may be a party, (EXCEPT) *including actions to determine title to property, (TORT ACTIONS, FORECLOSURE OF MECHANIC'S LIENS,)* *alleged to belong to the estate, and of any action or proceeding in which property distributed by a personal representative or its value is sought to be subjected to rights of creditors or successors of the decedent (AND ANY ACTIONS UNDER SECTION 573.02).*

The court shall not have jurisdiction of tort actions, foreclosure of mechanic liens, or of any action under section 573.02.

Sec. 13. Minnesota Statutes 1976, Section 524.3-306, is amended to read:

524.3-306 [INFORMAL PROBATE; NOTICE REQUIREMENTS.] The moving party must give notice as described by section 524.1-401 of his application for informal probate (1) to any person demanding it pursuant to section 524.3-204; and (2) to any personal representative of the decedent whose appointment has not been terminated. Upon issuance of the written statement by the registrar pursuant to section 524.3-302, notice of the informal probate proceedings, in the form prescribed by court rule, shall be given under the direction of the clerk of court by publication once a week for two consecutive weeks in a legal newspaper *in the county where the application is filed* and by mailing a copy of the notice by ordinary first class mail to all interested persons, other than creditors. Further if the decedent was born in a foreign country or left heirs or devisees in any foreign country, notice shall be given to the consul or other representative of such country, if he resides in this state and has filed a copy of his appointment with the secretary of state, or to the nominee or nominees of such consul or representative. If no such consul or representative exists, then notice shall be given to the chief diplomatic representative of such country at Washington, D.C. or to the secretary of state at St. Paul, Minnesota, who shall forward the same to such representative.

Sec. 14. Minnesota Statutes 1976, Section 524.3-310, is amended to read:

524.3-310 [INFORMAL APPOINTMENT PROCEEDINGS; NOTICE REQUIREMENTS.] The moving party must give notice as described by section 524.1-401 of his intention to seek an appointment informally; (1) to any person demanding it pursuant to section 524.3-204; and (2) to any person having a prior or equal right to appointment not waived in writing and filed with the court. Notice of the appointment of the personal representative shall be given under the direction of the clerk of court by publication once a week for two consecutive weeks in a legal newspaper *in the county where the application is filed* and by mailing a copy of the notice by ordinary first class mail to all interested persons, other than creditors. The notice, in the form prescribed by court rule, shall state that any heir, devisee or other interested person may be entitled to appointment as personal representative or may object to the appointment of the personal representative and that the personal representative is empowered to fully administer the estate including, after 30 days from the date of issuance of his letters, the power to sell, encumber, lease or distribute real estate, unless objections thereto are filed with the court (pursuant to section 524.3-607) and the court otherwise orders. Further, if the decedent was born in a foreign country or left heirs or devisees in any foreign country, notice shall be given to the consul or other representative of such country, if he resides in this state and has filed a copy of his appoint-

ment with the secretary of state, or to the nominee or nominees of such consul or representative. If no such consul or representative exists, then notice shall be given to the chief diplomatic representative of such country at Washington, D.C. or to the secretary of state at St. Paul, Minnesota, who shall forward the same to such representative. No defect in any notice nor in publication or service thereof shall limit or affect the validity of the appointment of the personal representative, his powers or other duties.

Sec. 15. Minnesota Statutes, 1977 Supplement, Section 524.3-714, is amended to read:

524.3-714 [PERSONS DEALING WITH PERSONAL REPRESENTATIVE; PROTECTION.] (a) A person who in good faith either assists a personal representative or deals with him for value is protected as if the personal representative properly exercised his power. The fact that a person knowingly deals with a personal representative does not alone require the person to inquire into the existence of a power or the propriety of its exercise. Except for restrictions on powers of supervised personal representatives which are endorsed on letters as provided in section 524.3-504, no provision in any will or order of court purporting to limit the power of a personal representative is effective except as to persons with actual knowledge thereof. A person is not bound to see to the proper application of estate assets paid or delivered to a personal representative. The protection here expressed extends to instances in which some procedural irregularity or jurisdictional defect occurred in proceedings leading to the issuance of letters, including a case in which the alleged decedent is found to be alive. The protection here expressed is not by substitution for that provided by comparable provisions of the laws relating to commercial transactions and laws simplifying transfers of securities by fiduciaries.

(b) If property is wrongfully transferred by a person acting as a personal representative to a person who is not in good faith, a subsequent good faith purchaser is protected as if the original transferee dealt in good faith. *Any purchaser in good faith is protected as if all prior transfers were made in good faith.*

Sec. 16. Minnesota Statutes 1976, Section 524.3-1003, is amended to read:

524.3-1003 [CLOSING ESTATES; BY SWORN STATEMENT OF PERSONAL REPRESENTATIVE.] (a) Unless prohibited by order of the court and except for estates being administered in supervised administration proceedings, a personal representative may close an estate by filing with the court no earlier than six months after the date of original appointment of a general personal representative for the estate, a statement stating that he, or a prior personal representative whom he has succeeded, has or have:

(1) published notice to creditors and that the first publication occurred more than six months prior to the date of the statement;

(2) fully administered the estate of the decedent by making payment, settlement or other disposition of all claims which were presented, expenses of administration and estate, inheritance and other taxes, except as specified in the statement, and that the assets of the estate have been inventoried and distributed to the persons entitled. If any claims, expenses or taxes remain undischarged, the statement shall state in detail other arrangements which have been made to accommodate outstanding liabilities; and

(3) sent a copy thereof to all distributees of the estate and to all creditors or other claimants of whom he is aware whose claims are neither paid nor barred and has furnished a full account in writing of his administration to the distributees whose interests are affected thereby.

(b) If no proceedings involving the personal representative are pending in the court one year after the closing statement is filed, the appointment of the personal representative terminates. *Letters of appointment remain in full force until one year after the filing of the closing statement at which time the authority of the personal representative shall terminate.*"

Renumber the sections.

Further, amend the title as follows:

Page 1, line 3, after the semicolon insert "specifying the appropriate county for purposes of publication; clarifying the duration of letters of appointment; providing for probate court jurisdiction; protecting certain good faith purchasers;"

Page 1, line 4, after "1976," insert "Sections 524.1-201; 524.3-306; 524.3-310; 524.3-1003;"

Page 1, line 4, before the period insert "; and Minnesota Statutes, 1977 Supplement, Sections 524.3-105 and 524.3-714".

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:

S. F. No. 1684, A bill for an act relating to federal aid to state government; requiring consultation with the legislative advisory commission prior to expenditure of certain federal aid.

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

The report was adopted.

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

S. F. No. 2183, A bill for an act relating to the administration of justice; providing for compensation of assistant public defenders; amending Minnesota Statutes 1976, Section 611.24.

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

The report was adopted.

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

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

Reported the same back with the following amendments:

Page 1, line 15, delete "Board" and insert "Commissioner".

Page 1, line 15, delete "state board" and insert "commissioner".

Page 1, delete lines 16 to 23.

Page 2, delete lines 1 to 4.

Page 2, delete lines 10 to 24.

Page 3, line 4, delete "divorce" and insert "dissolution".

Page 3, after line 12, insert:

"Subd. 11. "Consent to disclosure" means an affidavit filed with the state registrar which sets forth the following information:

- (a) The current name and address of the affiant;
- (b) Any previous name by which the affiant was known;
- (c) The original and adopted names, if known, of the adopted child whose original birth certificate is to be disclosed;
- (d) The place and date of birth of the adopted child;
- (e) The biological relationship of the affiant to the adopted child; and
- (f) The affiant's consent to disclosure of the original unaltered birth certificate of the adopted child."

Renumber the subdivisions in sequence.

Page 3, line 14, delete "board" and insert "commissioner".

Page 3, line 16, delete "board" and insert "commissioner".

Page 3, line 19, delete "board" and insert "commissioner".

Page 3, line 21, after "by" insert "state and".

Page 3, line 24, delete "board" and insert "commissioner".

Page 3, line 27, delete "board" and insert "commissioner".

Page 3, line 32, after "supervise" insert "local registrars in".

Page 4, line 1, after "thereunder" delete the remaining language.

Page 4, delete line 2 to the period.

Page 4, line 7, after "state" insert "or local".

Page 4, line 30, delete "board" and insert "commissioner".

Page 5, line 10, delete "board" and insert "commissioner".

Page 5, after line 15, insert:

"Subd. 2. The commissioner shall establish by rule an orderly mechanism for the registration of births including at least a designation for who must file the birth certificate, a procedure for registering births which occur in moving conveyances, and a provision governing the names of the parent or parents to be entered on the birth certificate."

Page 5, delete lines 16 to 32.

Page 6, delete lines 1 to 15.

Page 6, line 16, delete "6" and insert "3".

Page 6, delete lines 27 to 32.

Page 7, line 1, delete "child" and insert "such information as the commissioner may by rule require to identify the foundling".

Page 7, line 10, delete "filed" and insert "registered".

Page 7, line 11, after "certificate" insert "for registration".

Page 7, line 13, delete "board" and insert "commissioner".

Page 7, line 14, delete "be rejected" and insert "not be registered".

Page 8, line 18, after "or" delete all the language.

Page 8, delete line 19.

Page 8, line 20, delete "birth certificate" and insert "section 144.1761".

Page 9, line 4, after "order" insert "or section 144.1761".

Page 9, line 10, delete ", subdivision 5," and insert "and".

Page 9, line 12, delete "issued and".

Page 9, line 13, after "presentation of" delete all the language.

Page 9, line 14, delete "shall include".

Page 9, line 16, delete "evidence" and insert "information".

Page 9, line 22, delete "shall" and insert "may".

Page 9, after line 28, insert:

"Sec. 9. [AMENDMENT OF VITAL RECORDS.] Upon the order of a court of this state, upon the request of a court of another state, or upon the filing of an acknowledgment of paternity with the state registrar or the appropriate court which is not disputed by the mother named on the original birth certificate within a reasonable time after being informed of the filing, a new birth certificate shall be registered consistent with

the findings of the court or with the acknowledgment of paternity.”.

Renumber the sections in sequence.

Page 10, line 2, after “disposition.” delete the remaining language.

Page 10, delete lines 3 to 30 and insert:

“Subd. 2. The commissioner of health shall establish in rule an orderly mechanism for the registration of deaths including at least a designation for who must file the death certificate, a procedure for the registration of deaths in moving conveyances, and provision to include cause and certification of death and assurance of registration prior to final disposition.”.

Page 10, line 31, delete “4” and insert “3”.

Page 11, line 6, after “death” delete the remaining language.

Page 11, line 8, delete “after delivery”.

Page 11, line 8, after “registrar” delete “on a form”.

Page 11, delete lines 9 to 32.

Page 12, delete lines 1 to 8 and insert “as prescribed by rule by the commissioner.”.

Page 13, delete lines 5 to 16.

Page 13, line 20, after “information” delete the remaining language.

Page 13, delete line 21 and insert “. Physical access to vital records may be limited to state and local registrars and their employees pursuant to rules promulgated by the commissioner in order to protect vital records from loss, mutilation or destruction.”.

Page 13, line 22, after “Disclosure of” delete “illegitimacy of birth or of” and insert “information pertaining to births out of wedlock or”.

Page 13, line 27, delete “state board” and insert “commissioner”.

Page 14, line 3, delete “board” and insert “commissioner”.

Page 14, after line 3, insert:

"Subd. 4. The state registrar may permit persons performing medical research access to the information restricted in subdivision 2 if those persons agree in writing not to disclose private data on individuals.

Subd. 5. When a resident of another state is born or dies in this state, the state registrar shall send a report of the birth or death to the state of residence."

Page 14, delete line 32.

Page 15, delete lines 1 to 17.

Renumber the sections.

With the recommendation that when so amended the bill pass.

The report was adopted.

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

S. F. No. 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.

Reported the same back with the following amendments:

Page 2, line 20, after "control." insert the following:

"The state board of chiropractic examiners shall annually require reports of licensed chiropractors or colleges on:

- (1) Number of patients seen;*
- (2) Number of total visits occurring; and*
- (3) Number of blood samples performed each year.*

The board of chiropractic examiners shall annually report this information to the commissioner of health."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

S. F. No. 1282, A bill for an act relating to public health; authorizing school superintendents appointed to county nursing committees to designate certain other persons to serve in their place; amending Minnesota Statutes 1976, Section 145.12.

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

The report was adopted.

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

S. F. No. 1510, A bill for an act relating to vocational rehabilitation; sheltered workshops and work activity programs; authorizing certain tax levies and fund sources for these programs; amending Minnesota Statutes 1976, Section 129A.06.

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

The report was adopted.

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

S. F. No. 1602, A bill for an act relating to nonprofit corporations; concerning corporations for dependent children; regarding reimbursement for adoption services expenses; amending Minnesota Statutes 1976, Section 317.65, Subdivision 7.

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

The report was adopted.

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

S. F. No. 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.

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

The report was adopted.

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

S. F. No. 1779, A bill for an act relating to public health; requiring owner identification marks on removable dental prostheses; prescribing penalties.

Reported the same back with the following amendments:

Page 2, line 3, delete "social security number" and insert "name of the patient".

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. 2047, A bill for an act relating to the city of Minneapolis; modifying the certification procedure for vacancies in the classified service.

Reported the same back with the following amendments:

Page 1, line 14, after the period delete the remainder of the line.

Page 1, delete lines 15 to 22.

Page 2, delete lines 1 to 8 and insert "Where there is a single request from an employing officer or body to fill more than one vacancy from the same list of the eligible register the civil service commission shall certify one additional person for each additional vacancy to be filled."

Page 2, line 14, after the period delete the remainder of the line.

Page 2, delete lines 15 to 31 and insert "Where there is a single request from an employing officer or body to fill more than one vacancy from the same list of the eligible register the civil service commission shall certify one additional person for each additional vacancy to be filled."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1699, A bill for an act relating to taxation; providing that compensation for service in the Minnesota national guard be exempt from the income tax; amending Minnesota Statutes 1976, Section 290.01, Subdivision 20.

Reported the same back with the following amendments:

Strike everything after the enacting clause and insert the following:

"Section 1. Minnesota Statutes, 1977 Supplement, Section 290.01, Subdivision 20, is amended to read:

Subd. 20. [GROSS INCOME.] Except as otherwise provided in this chapter, the term "gross income," as applied to corporations includes every kind of compensation for labor or personal services of every kind from any private or public employment, office, position or services; income derived from the ownership or use of property; gains or profits derived from every kind of disposition of, or every kind of dealing in, property; income derived from the transaction of any trade or business; and income derived from any source; except that gross income shall not include "exempt function income" of a "home-owners association" as those terms are defined in Section 528 of the Internal Revenue Code of 1954, as amended.

For each of the taxable years beginning after December 31, 1960 and prior to January 1, 1971, the term "gross income" in its application to individuals, estates, and trusts, shall mean the adjusted gross income as computed for federal income tax purposes as defined in the Internal Revenue Code of 1954, as amended through December 31, 1970 for the applicable taxable year, with the modifications specified in this section.

For each of the taxable years beginning after December 31, 1970, the term "gross income" in its application to individuals, estates, and trusts shall mean the adjusted gross income as computed for federal income tax purposes as defined in the Internal Revenue Code of 1954, as amended through the date specified herein for the applicable taxable year, with the modifications specified in this section.

(i) The Internal Revenue Code of 1954, as amended through December 31, 1970, shall be in effect for taxable years beginning after December 31, 1970 and prior to January 1, 1973.

(ii) The Internal Revenue Code of 1954, as amended through December 31, 1972, shall be in effect for taxable years beginning after December 31, 1972.

(iii) The Internal Revenue Code of 1954, as amended through December 31, 1973, shall be in effect for taxable years beginning after December 31, 1973.

(iv) The Internal Revenue Code of 1954, as amended through December 31, 1974, shall be in effect for the taxable years beginning after December 31, 1974.

(v) The Internal Revenue Code of 1954, as amended through December 31, 1976, including the amendments made to section 280A (relating to licensed day care centers) in H.R. 3477 as it passed the Congress on May 16, 1977, shall be in effect for the taxable years beginning after December 31, 1976. The provisions of the Tax Reform Act of 1976, P.L. 94-455, which affect adjusted gross income shall become effective for purposes of chapter 290 at the same time they become effective for federal income tax purposes. Section 207 (relating to extension of period for nonrecognition of gain on sale or exchange of residence) and section 402 (relating to time for making contributions to pension plans of self employed people) of P.L. 94-12 shall be effective for taxable years beginning after December 31, 1974.

References to the Internal Revenue Code of 1954 in clauses (a), (b) and (c) following shall mean the code in effect for the purpose of defining gross income for the applicable taxable year.

(a) Modifications increasing federal adjusted gross income. There shall be added to federal adjusted gross income:

(1) Interest income on obligations of any state other than Minnesota or a political subdivision of any such other state exempt from federal income taxes under the Internal Revenue Code of 1954;

(2) Interest income on obligations of any authority, commission, or instrumentality of the United States, which the laws of the United States exempt from federal income tax, but not from state income taxes;

(3) Income taxes imposed by this state or any other taxing jurisdiction, to the extent deductible in determining federal adjusted gross income and not credited against federal income tax;

(4) Interest on indebtedness incurred or continued to purchase or carry securities the income from which is exempt from tax under this chapter, to the extent deductible in determining federal adjusted gross income;

(5) Amounts received as reimbursement for an expense of sickness or injury which was deducted in a prior taxable year to the extent that the deduction for such reimbursed expenditure resulted in a tax benefit;

(6) The amount of any federal income tax overpayment for any previous taxable year, received as refund or credited to another taxable year's income tax liability, proportionate to the percentage of federal income tax that was claimed as a deduction in determining Minnesota income tax for such previous taxable year.

The overpayment refund or credit, determined with respect to a husband and wife on a joint federal income tax return for a previous taxable year, shall be reported on joint or separate Minnesota income tax returns. In the case of separate Minnesota returns, the overpayment shall be reported by each spouse proportionately according to the relative amounts of federal income tax claimed as a deduction on his or her separate Minnesota income tax return for such previous taxable year;

(7) In the case of a change of residence from Minnesota to another state or nation, the amount of moving expenses which exceed total reimbursements and which were therefore deducted in arriving at federal adjusted gross income;

(8) In the case of property disposed of on or after January 1, 1973, the amount of any increase in the taxpayer's federal tax liability under section 47 of the Internal Revenue Code of 1954, as amended through December 31, 1976, to the extent of the credit under section 38 of the Internal Revenue Code of 1954, as amended through December 31, 1976, that was previously allowed as a deduction either under section 290.01, subdivision 20 (b) (9) or under section 290.09, subdivision 24; and

(9) Expenses and losses arising from a farm which are not allowable under section 290.09, subdivision 29;

(10) Expenses and depreciation attributable to substandard buildings disallowed by section 290.101; and

(11) The amount by which the gain determined pursuant to section 41.59, subdivision 2 exceeds the amount of such gain included in federal adjusted gross income;

(13) Interest income from qualified scholarship funding bonds as defined in section 103(e) of the Internal Revenue Code of 1954, as amended through December 31, 1976, if the nonprofit corporation is domiciled outside of Minnesota;

(14) Exempt-interest dividends, as defined in section 852 (b)(5)(A) of the Internal Revenue Code of 1954, as amended through December 31, 1976, not included in federal adjusted gross income pursuant to section 852(b)(5)(B) of the Internal Revenue Code of 1954, as amended through December 31, 1976, except for that portion of such exempt-interest dividends derived from interest income on obligations of the state of Minne-

sota, any of its political or governmental subdivisions, any of its municipalities, or any of its governmental agencies or instrumentalities;

(15) The amount of any excluded gain realized by a trust on the sale or exchange of property as defined in section 641 (c) (1).

(b) Modifications reducing federal adjusted gross income. There shall be subtracted from federal adjusted gross income:

(1) Interest income on obligations of any authority, commission or instrumentality of the United States to the extent includible in gross income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) The portion of any gain, from the sale or other disposition of property having a higher adjusted basis for Minnesota income tax purposes than for federal income tax purposes, that does not exceed such difference in basis; but if such gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to fifty per centum of such portion of the gain. This modification shall not be applicable if the difference in basis is due to disallowance of depreciation pursuant to section 290.101.

(3) Interest or dividend income on securities to the extent exempt from income tax under the laws of this state authorizing the issuance of such securities but includible in gross income for federal income tax purposes;

(4) Losses, not otherwise reducing federal adjusted gross income assignable to Minnesota, arising from events or transactions which are assignable to Minnesota under the provisions of sections 290.17 to 290.20, including any capital loss or net operating loss carryforwards or carrybacks resulting from such losses;

(5) If included in federal adjusted gross income, the amount of any credit received, whether received as a refund or credit to another taxable year's income tax liability, pursuant to chapter 290A, and the amount of any overpayment of income tax to Minnesota, or any other state, for any previous taxable year, whether such amount is received as a refund or credited to another taxable year's income tax liability;

(6) The amount of any pension or benefit which is excluded from gross income under the provisions of section 290.08, subdivision 6; and

(7) In the case of property acquired on or after January 1, 1973, the amount of any credit to the taxpayer's federal tax lia-

bility under section 38 of the Internal Revenue Code of 1954, as amended through December 31, 1976, but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter ;

(10) The amount of any distribution from a qualified pension or profit sharing plan included in federal adjusted gross income in the year of receipt to the extent of any contribution not previously allowed as a deduction by reason of a change in federal law which was not adopted by Minnesota law for a taxable year beginning in 1974 or later.

(11) The first \$2,000 of compensation for personal services in the Minnesota national guard or the Reserve Armed Forces of the United States.

(c) Modifications affecting shareholders of electing small business corporations under section 1372 of the Internal Revenue Code of 1954, or section 290.972 of this chapter.

(1) Shareholders in a small business corporation, which has elected to be so taxed under the Internal Revenue Code of 1954, but has not made an election under section 290.972 of this chapter, shall deduct from federal adjusted gross income the amount of any imputed income from such corporation and shall add to federal adjusted gross income the amount of any loss claimed as a result of such stock ownership. Also there shall be added to federal adjusted gross income the amount of any distributions in cash or property made by said corporation to its shareholders during the taxable year.

(2) In cases where the small business corporation has made an election under section 1372 of the Internal Revenue Code of 1954, but has not elected under section 290.972 of this chapter and said corporation is liquidated or the individual shareholder disposes of his stock and there is no capital loss reflected in federal adjusted gross income because of the fact that corporate losses have exhausted the shareholders basis for federal purposes, such shareholders shall be entitled, nevertheless, to a capital loss commensurate to their Minnesota basis for the stock.

(3) In cases where the election under section 1372 of the Internal Revenue Code of 1954 antedates the election under section 290.972 of this chapter and at the close of the taxable year immediately preceding the effective election under section 290.972 the corporation has a reserve of undistributed taxable income previously taxed to shareholders under the provisions of the Internal Revenue Code of 1954, in the event and to the extent that such reserve is distributed to shareholders such distribution shall be taxed as a dividend for purposes of this act.

Items of gross income includible within these definitions shall be deemed such regardless of the form in which received. Items of gross income shall be included in gross income of the taxable year in which received by a taxpayer unless properly to be accounted for as of a different taxable year under methods of accounting permitted by section 290.07, except that (1) amounts transferred from a reserve or other account, if in effect transfers to surplus, shall, to the extent that such amounts were accumulated through deductions from gross income or entered into the computation of taxable net income during any taxable year, be treated as gross income for the year in which the transfer occurs, but only to the extent that such amounts resulted in a reduction of the tax imposed by this act, and (2) amounts received as refunds on account of taxes deducted from gross income during any taxable year shall be treated as gross income for the year in which actually received, but only to the extent that such amounts resulted in a reduction of the tax imposed by this act.

(d) Modification in computing taxable income of the estate of a decedent. Amounts allowable under section 291.07, subdivision 1(2) in computing Minnesota inheritance tax liability shall not be allowed as a deduction in computing the taxable income of the estate unless there is filed within the time and in the manner and form prescribed by the commissioner a statement that the amounts have not been allowed as a deduction under section 291.07 and a waiver of the right to have such amounts allowed at any time as deductions under section 291.07. The provisions of this paragraph shall not apply with respect to deductions allowed under section 290.077 (relating to income in respect of decedents). In the event that the election made for federal tax purposes under section 642(g) of the Internal Revenue Code of 1954 differs from the election made under this paragraph appropriate modification of the estate's federal taxable income shall be made to implement the election made under this paragraph in accordance with regulations prescribed by the commissioner.

Sec. 2. The adjutant general shall study and evaluate alternative methods of promoting enlistment and reenlistment in the Minnesota national guard. Based upon this study, he shall report his findings and make appropriate recommendations to the governor and the legislature no later than January 1, 1979.

Sec. 3. [EFFECTIVE DATE.] This act is effective for taxable years beginning after December 31, 1977."

Further, amend the title as follows:

Line 3, after "guard" insert "or the reserve armed forces of the United States".

Line 4, after the semicolon, insert "directing the adjutant general to study enlistment and reenlistment incentives;".

Line 5, delete "1976" and insert ", 1977 Supplement".

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2250, A bill for an act relating to taxation; conforming deductions for individual income tax; reducing certain income tax rates; increasing credits available to certain taxpayers; authorizing the commissioner of revenue to prescribe new forms; exempting newsprint and ink from sales tax; repealing employer's excise tax; amending Minnesota Statutes 1976, Sections 290.06, Subdivision 3d; 290.10; 297A.14; 297A.25, Subdivision 1; and Minnesota Statutes, 1977 Supplement, Sections 290.06, Subdivision 2c; 290.09, Subdivisions 4, 5, and 10; and 290.21, Subdivision 3; repealing Minnesota Statutes 1976, Sections 290.031, Subdivisions 1, 2, 3, 5 and 6; 290.21, Subdivision 7; and Minnesota Statutes, 1977 Supplement, Section 290.031, Subdivision 4.

Reported the same back with the following amendments:

Strike everything after the enacting clause and insert:

"ARTICLE I

Section 1. Minnesota Statutes 1976, Section 290.06, Subdivision 3d, is amended to read:

Subd. 3d. [CREDITS AGAINST TAX.] The taxes due as computed in accordance with section 290.06, subdivisions 2c and 3c shall be credited with the following amounts:

(1) A credit equal to his tax liability in the case of:

(a) An unmarried claimant with an income of (\$4,400) \$4,800 or less;

(b) A claimant with one dependent, with an income of (\$5,200) \$5,800 or less;

(c) A claimant with two dependents, with an income of (\$6,000) \$6,900 or less;

(d) A claimant with three dependents, with an income of (\$6,700) \$7,800 or less;

(e) A claimant with four dependents, with an income of (\$7,300) \$8,400 or less; and

(f) A claimant with five or more dependents, with an income of (\$7,800) \$8,900 or less.

(2) In the case of a claimant with an income in excess of that set forth in the appropriate category of clause (1), he may pay a tax equal to 15 percent of that portion of his income that is in excess of the amount set forth in the appropriate category of clause (1), or his tax obligation as it would have been in the absence of section 290.012 and this subdivision, whichever is less.

(3) The total income of the claimant and his spouse, if any, shall be the figure employed for the purposes of this subdivision. No individual dependent upon and receiving his chief support from any other individual may be a claimant under section 290.012 and this subdivision. The commissioner of revenue shall prescribe the additional forms or alterations in existing forms as necessary to comply with the provisions of section 290.012 and this subdivision. All claimants shall submit their returns on these forms.

The commissioner of revenue shall provide alternative tax tables which will include these credits.

Sec. 2. Minnesota Statutes 1976, Chapter 290, is amended by adding a section to read:

[290.068] [INCOME TAX CREDIT FOR HOMEMAKERS.]

Subdivision 1. [CREDIT.] A taxpayer may take as a credit against the tax due from him and his spouse, if any, under Minnesota Statutes, Chapter 290, an amount computed according to this section to help meet the cost and recognize the value of providing care for the child of the taxpayer in his own home. To qualify for the credit provided in this section, the taxpayer or his spouse shall devote his time to caring for his children and their home rather than being employed outside the home. The person who qualifies for the credit by devoting substantially all of his time to duties involved in caring for his child and home shall be referred to in this section as "the homemaker".

Subd. 2. [AMOUNT.] Subject to the provisions of subdivisions 3 and 4, the amount of the credit for which a homemaker is eligible shall be determined according to the following schedule:

(1) *For each child under the age of six residing in the home of the taxpayer, \$60, and*

(2) For each child between the ages of six and 13 residing in the home of the taxpayer, \$30; provided that the total credit available to any taxpayer shall not exceed \$120.

Subd. 3. [INCOME LIMITATION.] The total credit available pursuant to subdivision 2 shall be reduced by five percent of the amount by which the combined federal adjusted gross income of the claimant and his spouse, if any, exceeds \$15,000. A married claimant shall file his income tax return for the year for which he claims the credit either jointly or separately on one form with his spouse. In the case of a married claimant only one spouse may claim the credit.

Subd. 4. [EMPLOYMENT LIMITATION.] If at any time during the taxable year for which the credit is claimed, the homemaker is employed outside the home, the credit shall be reduced as follows:

(1) *If the homemaker is consistently employed on a part-time basis, the credit for which he would otherwise be eligible pursuant to subdivisions 2 and 3 shall be reduced by subtracting from that credit the amount found by multiplying the credit amount by a fraction, the numerator of which is the average number of hours worked by the claimant each week, and the denominator of which is 40; and*

(2) *No credit may be claimed for any month in which the homemaker is employed for more than 35 hours each week.*

Sec. 3. [APPROPRIATION.] A sum sufficient to pay the claims for credit to be given pursuant to section 3 shall be appropriated annually to the commissioner of revenue from the general fund in the state treasury.

Sec. 4. Minnesota Statutes, 1977 Supplement, Section 290.06, Subdivision 3c, is amended to read:

Subd. 3c. [CREDITS AGAINST TAX.] Notwithstanding the provisions of subdivision 3a for taxable years which begin after December 31, 1977, the taxes due under the computation in accordance with section 290.06 shall be credited with the following amounts:

(1) *In the case of an unmarried individual, and, except as provided in paragraph 6, in the case of the estate of a decedent, (\$30) \$40, and in the case of a trust, \$5;*

(2) *In the case of a married individual, living with husband or wife, and in the case of a head of a household, (\$60) \$80. If such husband and wife make separate returns the personal exemption may be taken by either or divided between them;*

(3) In the case of an individual, (\$30) \$40 for each person (other than husband or wife) dependent upon and receiving his chief support from the taxpayer. One taxpayer only shall be allowed this credit with respect to any given dependent. In the case of the head of a household, a credit for one dependent shall be disallowed. A payment to a divorced or separated wife, other than a payment of the kind referred to in section 290.072, subdivision 3, shall not be considered a payment by the husband for the support of any dependent.

(4) (a) In the case of an unmarried individual who has attained the age of 65 before the close of his taxable year, an additional (\$30) \$20;

(b) In the case of an unmarried individual who is blind at the close of the taxable year, an additional (\$30) \$20;

(c) In the case of a married individual, living with husband or wife, an additional (\$30) \$20 for each spouse who has attained the age of 65 before the close of the individual's taxable year, and an additional (\$30) \$20 for each spouse who is blind at the close of the individual's taxable year. If such husband and wife make separate returns, these credits may be taken by either or divided between them;

(d) For the purposes of sub-paragraphs (b) and (c) of paragraph (4), an individual is blind if his central visual acuity does not exceed 20/200 in the better eye with correcting lenses, or if his visual acuity is greater than 20/200 but is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees.

(e) In the case of an unmarried individual who is deaf at the close of the taxable year, an additional (\$30) \$20.

(f) In the case of a married individual, an additional (\$30) \$20 for each spouse who is deaf at the close of the taxable year. If the husband and wife make separate returns, these credits may be taken by either or divided between them.

(g) In the case of an individual, an additional (\$30) \$20 for each person (other than a spouse) who is deaf and dependent upon and receiving his chief support from the taxpayer.

(h) For the purposes of subparagraphs (e), (f) and (g) of paragraph (4), an individual is deaf if the average loss in the speech frequencies (500-2000 Hertz) in the better ear, unaided, is 92 decibels, American National Standards Institute, or worse.

(5) In the case of an insurance company, it shall receive a credit on the tax computed as above equal in amount to any taxes

based on premiums paid by it during the period for which the tax under Extra Session Laws 1967, Chapter 32, is imposed by virtue of any law of this state, other than the surcharge on premiums imposed by Extra Session Laws 1933, Chapter 53, as amended;

(6) In the case of a non-resident individual, credits under paragraphs 1, 2, 3 and 4 shall be apportioned in the proportion of the gross income from sources in Minnesota to the gross income from all sources, and in any event a minimum credit of \$5 shall be allowed.

Sec. 5. [EFFECTIVE DATE.] *Sections 1, 2 and 4 are effective for taxable years beginning after December 31, 1977.*

ARTICLE II

Section 1. Minnesota Statutes 1976, Chapter 290A, is amended by adding a section to read:

[290A.045] [HOME HEATING CREDIT.] *An additional refund shall be allowed each claimant as a partial reimbursement for the costs incurred for heating the claimant's home. The home heating credit shall be paid to a claimant whose household income is less than \$11,000 in accordance with the following schedule. For a claimant earning:*

- Up to \$999, a credit of \$50;*
- \$1,000 to \$1,999, a credit of \$45;*
- \$2,000 to \$2,999, a credit of \$40;*
- \$3,000 to \$3,999, a credit of \$35;*
- \$4,000 to \$4,999, a credit of \$30;*
- \$5,000 to \$5,999, a credit of \$28;*
- \$6,000 to \$6,999, a credit of \$26;*
- \$7,000 to \$7,999, a credit of \$24;*
- \$8,000 to \$8,999, a credit of \$22;*
- \$9,000 to \$10,999, a credit of \$20.*

Sec. 2. Minnesota Statutes, 1977 Supplement, Section 290A.06, is amended to read:

290A.06 [FILING TIME LIMIT, LATE FILING.] Any claim (FOR PROPERTY TAXES PAYABLE) *pursuant to sections 290A.01 to 290A.23* shall be filed with the department of revenue on or before August 31 of the year in which the property taxes are due and payable. The commissioner may extend the time for filing these claims for a period not to exceed six months in the case of sickness, absence, or other disability, or when in his judgment other good cause exists.

A claim filed after the original or extended due date shall be allowed, but the amount of credit shall be reduced by five percent of the amount otherwise allowable, plus an additional five percent for each month of delinquency, not exceeding a total reduction of 25 percent which may be cancelled or reduced by the commissioner in the case of sickness, absence, or other disability, or when in his judgment other good cause exists. In any event no claim shall be allowed if the claim is filed two years after the original due date for filing the claim.

Sec. 3. Minnesota Statutes 1976, Section 290A.07, Subdivision 1, is amended to read:

290A.07 [TIME FOR PAYMENT.] Subdivision 1. Allowable claims filed pursuant to (THE PROVISIONS OF LAWS 1975, CHAPTER 437, ARTICLE 1) *sections 290A.01 to 290A.23* shall be paid by the commissioner from the general fund.

Sec. 4. Minnesota Statutes 1976, Section 297A.25, Subdivision 1, is amended to read:

297A.25 [EXEMPTIONS.] Subdivision 1. The following are specifically exempted from the taxes imposed by sections 297A.01 to 297A.44:

(a) The gross receipts from the sale of food products including but not limited to cereal and cereal products, butter, cheese, milk and milk products, oleomargarine, meat and meat products, fish and fish products, eggs and egg products, vegetables and vegetable products, fruit and fruit products, spices and salt, sugar and sugar products, coffee and coffee substitutes, tea, cocoa and cocoa products;

(b) The gross receipts from the sale of prescribed drugs and medicine intended for use, internal or external, in the cure, mitigation, treatment or prevention of illness or disease in human beings and products consumed by humans for the preservation of health, including prescription glasses, therapeutic and prosthetic devices, but not including cosmetics or toilet articles notwithstanding the presence of medicinal ingredients therein;

(c) The gross receipts from the sale of and the storage, use or other consumption in Minnesota of tangible personal property,

tickets, or admissions, electricity, gas, or local exchange telephone service, which under the Constitution or laws of the United States or under the Constitution of Minnesota, the state of Minnesota is prohibited from taxing;

(d) The gross receipts from the sale of tangible personal property (i) which, without intermediate use, is shipped or transported outside Minnesota and thereafter used in a trade or business or is stored, processed, fabricated or manufactured into, attached to or incorporated into other tangible personal property transported or shipped outside Minnesota and thereafter used in a trade or business outside Minnesota, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce (storage shall not constitute intermediate use); or (ii) which the seller delivers to a common carrier for delivery outside Minnesota, places in the United States mail or parcel post directed to the purchaser outside Minnesota, or delivers to the purchaser outside Minnesota by means of the seller's own delivery vehicles, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(e) The gross receipts from the sale of packing materials used to pack and ship household goods, the ultimate destination of which is outside the state of Minnesota and which are not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(f) The gross receipts from the sale of and storage, use or consumption of petroleum products upon which a tax has been imposed under the provisions of chapter 296, whether or not any part of said tax may be subsequently refunded;

(g) The gross receipts from the sale of clothing and wearing apparel except the following:

(i) all articles commonly or commercially known as jewelry, whether real or imitation; pearls, precious and semi-precious stones, and imitations thereof; articles made of, or ornamented, mounted or fitted with precious metals or imitations thereof; watches; clocks; cases and movements for watches and clocks; gold, gold-plated, silver, or sterling flatware or hollow ware and silver-plated hollow ware; opera glasses; lorgnettes; marine glasses; field glasses and binoculars.

(ii) articles made of fur on the hide or pelt, and articles of which such fur is the component material or chief value, but only if such value is more than three times the value of the next most valuable component material.

(iii) perfume, essences, extracts, toilet waters, cosmetics, petroleum jellies, hair oils, pomades, hair dressings, hair re-

storatives, hair dyes, aromatic cachous and toilet powders. The tax imposed by this act shall not apply to lotion, oil, powder, or other article intended to be used or applied only in the case of babies.

(iv) trunks, valises, traveling bags, suitcases, satchels, overnight bags, hat boxes for use by travelers, beach bags, bathing suit bags, brief cases made of leather or imitation leather, salesmen's sample and display cases, purses, handbags, pocketbooks, wallets, billfolds, card, pass, and key cases and toilet cases.

(h) The gross receipts from the sale of and the storage, use, or consumption of all materials, including chemicals, fuels, petroleum products, lubricants, packaging materials, including returnable containers used in packaging food and beverage products, feeds, seeds, fertilizers, electricity, gas and steam, used or consumed in agricultural or industrial production of personal property intended to be sold ultimately at retail, whether or not the item so used becomes an ingredient or constituent part of the property produced. Such production shall include, but is not limited to, research, development, design or production of any tangible personal property, manufacturing, processing (other than by restaurants and consumers) of agricultural products whether vegetable or animal, commercial fishing, refining, smelting, reducing, brewing, distilling, printing, mining, quarrying, lumbering, generating electricity and the production of road building materials. Such production shall not include painting, cleaning, repairing or similar processing of property except as part of the original manufacturing process. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures, used in such production and fuel, electricity, gas or steam used for space heating or lighting, are not included within this exemption; however, accessory tools, equipment and other short lived items, which are separate detachable units used in producing a direct effect upon the product, where such items have an ordinary useful life of less than 12 months, are included within the exemption provided herein;

(i) The gross receipts from the sale of and storage, use or other consumption in Minnesota of tangible personal property (except as provided in section 297A.14) which is used or consumed in producing any publication regularly issued at average intervals not exceeding three months, and any such publication. For purposes of this subsection, "publication" as used herein shall include, without limiting the foregoing, a legal newspaper as defined by Minnesota Statutes 1965, Section 331.02, and any supplements or enclosures with or part of said newspaper; and the gross receipts of any advertising contained therein or therewith shall be exempt. For this purpose, advertising in any such publication shall be deemed to be a service and not tangible personal property, and persons or their agents who publish or sell such newspapers shall be deemed to be engaging in a service with respect to gross receipts realized from such newsgathering or

publishing activities by them, including the sale of advertising. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures used in such publication and fuel, electricity, gas or steam used for space heating or lighting, are not exempt;

(j) The gross receipts from all sales of tangible personal property to, and all storage, use or consumption of such property by, the United States and its agencies and instrumentalities or a state and its agencies, instrumentalities and political subdivisions;

(k) The gross receipts from the isolated or occasional sale of tangible personal property in Minnesota not made in the normal course of business of selling that kind of property, and the storage, use, or consumption of property acquired as a result of such a sale;

(l) The gross receipts from sales of rolling stock and the storage, use or other consumption of such property by railroads, freight line companies, sleeping car companies and express companies taxed on the gross earnings basis in lieu of ad valorem taxes. For purposes of this clause "rolling stock" is defined as the portable or moving apparatus and machinery of any such company which moves on the road, and includes, but is not limited to, engines, cars, tenders, coaches, sleeping cars and parts necessary for the repair and maintenance of such rolling stock.

(m) The gross receipts from sales of airflight equipment and the storage, use or other consumption of such property by airline companies taxed under the provisions of sections 270.071 to 270.079. For purposes of this clause, "airflight equipment" includes airplanes and parts necessary for the repair and maintenance of such airflight equipment, and flight simulators.

(n) The gross receipts from the sale of telephone central office telephone equipment used in furnishing intrastate and interstate telephone service to the public.

(o) The gross receipts from the sale of and the storage, use or other consumption by persons taxed under the in lieu provisions of chapter 298, of mill liners, grinding rods and grinding balls which are substantially consumed in the production of taconite, the material of which primarily is added to and becomes a part of the material being processed.

(p) The gross receipts from the sale of tangible personal property to, and the storage, use or other consumption of such property by, any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious or educational purposes if the property purchased is

to be used in the performance of charitable, religious or educational functions, or any senior citizen group organized and operated exclusively for pleasure, recreation and other non-profit purposes, no part of the net earnings of which inures to the benefit of any private shareholders;

(q) The gross receipts from the sale of caskets and burial vaults;

(r) The gross receipts from the sale of cigarettes.

(s) The gross receipts from the sale of an automobile or other conveyance if the purchaser is assisted by a grant from the United States in accordance with 38 United States Code, Section 1901, as amended.

(t) The gross receipts from the sale to the licensed aircraft dealer of an aircraft for which a commercial use permit has been issued pursuant to section 360.654, if the aircraft is resold while the permit is in effect.

(u) The gross receipts from the sale of building materials to be used in the construction or remodeling of a residence when the construction or remodeling is financed in whole or in part by the United States in accordance with 38 United States Code, Sections 801 to 805, as amended. This exemption shall not be effective at time of sale of the materials to contractors, sub-contractors, builders or owners, but shall be applicable only upon a claim for refund to the commissioner of revenue filed by recipients of the benefits provided in Title 38 United States Code, Chapter 21, as amended. The commissioner shall provide by regulation for the refund of taxes paid on sales exempt in accordance with this paragraph.

(v) The gross receipts from the sale of textbooks which are prescribed for use in conjunction with a course of study in a public or private school, college, university and business or trade school to students who are regularly enrolled at such institutions. For purposes of this clause a "public school" is defined as one that furnishes course of study, enrollment and staff that meets standards of the state board of education and a private school is one which under the standards of the state board of education, provides an education substantially equivalent to that furnished at a public school. Business and trade schools shall mean such schools licensed pursuant to section 141.25.

(w) The gross receipts from the sale of and the storage of material designed to advertise and promote the sale of merchandise or services, which material is purchased and stored for the purpose of subsequently shipping or otherwise transferring outside the state by the purchaser for use thereafter solely outside the state of Minnesota.

(x) *The gross receipt from the sale of residential heating fuels in the following manner:*

(i) *all fuel oil, propane gas, and L.P. gas sold to residential customers for residential use;*

(ii) *natural gas sold to residential customers who use natural gas for their primary source of residential heat, for the billing months of November, December, January, February, March and April;*

(iii) *electricity sold to residential customers who use electricity for their primary source of residential heat, for the billing months of November, December, January, February, March and April.*

Sec. 5. [EFFECTIVE DATE.] *Sections 1, 2 and 3 are effective for property tax refunds filed for 1979 and subsequent years. Section 4 is effective the day following final enactment.*

ARTICLE III

Section 1. Minnesota Statutes 1976, Section 290.06, Subdivision 1, is amended to read:

290.06 [RATES OF TAX; CREDITS AGAINST TAX.] Subdivision 1. [COMPUTATION, CORPORATIONS.] The privilege and income taxes imposed by this chapter upon corporations shall be computed by applying to their taxable net income in excess of the applicable credits allowed under section 290.21 the (RATE OF) following rates:

(1) *On the first \$20,000, six percent; provided that, in the case of a corporation having taxable net income allocated to this state pursuant to the provisions of sections 290.19 or 290.20, the amount of its income subject to this rate shall be that proportion of \$20,000, which its income allocable to this state bears to its total taxable net income; and*

(2) *On the remainder, 12 percent. The amount of tax payable by a corporation required to file a return shall not be less than \$100.*

Sec. 2. Minnesota Statutes 1976, Section 290.19, Subdivision 1, is amended to read:

290.19 [NET INCOME; ALLOCATION TO STATE, METHODS.] Subdivision 1. [COMPUTATION, BUSINESS CONDUCTED PARTLY WITHIN STATE; APPORTIONMENT.] The taxable net income from a trade or business carried on partly within and partly without this state shall be computed by deduct-

ing from the gross income of such business, wherever derived, deductions of the kind permitted by section 290.09, so far as connected with or allocable against the production or receipt of such income. The remaining net income shall be apportioned to Minnesota (AS FOLLOWS):

(1) (IF THE BUSINESS CONSISTS OF THE MINING, PRODUCING, SMELTING, REFINING, OR ANY COMBINATION OF THESE ACTIVITIES OF COPPER AND NICKEL ORES, OR OF THE MANUFACTURE OF PERSONAL PROPERTY AND THE SALE OF SAID PROPERTY WITHIN AND WITHOUT THE STATE, THE REMAINDER SHALL BE APPORTIONED TO MINNESOTA) on the basis of the percentage (OBTAINED BY TAKING) *which is the (ARITHMETICAL AVERAGE) sum* of the following three percentages:

(a) (i) *If the business consists of the mining, producing, smelting, refining, or any combination of these activities of copper and nickel ores, or of the manufacture of personal property and the sale of said property within and without the state, 70 percent of the percentage which the sales made within this state is of the total sales wherever made; (ii) in all other cases, 70 percent of the percentage which the sales, gross earnings, or receipts from business operations, in whole or in part, within this state bear to the total sales, gross earnings, or receipts from business operations wherever conducted:*

(b) *15 percent of the percentage which the total tangible property, real, personal, and mixed, owned or rented, and used by the taxpayer in this state during the tax period in connection with such trade or business is of the total tangible property, real, personal, or mixed, wherever located, owned or rented and, used by the taxpayer in connection with such trade or business during the tax period; and,*

(c) *15 percent of the percentage which the taxpayer's total payrolls paid or incurred in this state or paid in respect to labor performed in this state in connection with such trade or business is of the taxpayer's total payrolls paid or incurred in connection with such entire trade or business;*

((D) THE PERCENTAGE OF SUCH REMAINDER TO BE ASSIGNED TO THIS STATE SHALL NOT BE IN EXCESS OF THE SUM OF THE FOLLOWING PERCENTAGES: 70 PERCENT OF THE PERCENTAGE DETERMINED UNDER CLAUSE (1) (A), 15 PERCENT OF THE PERCENTAGE DETERMINED UNDER CLAUSE (1) (B), and 15 PERCENT OF THE PERCENTAGE DETERMINED UNDER CLAUSE (1) (C);)

((2) (A) IN ALL OTHER CASES THE REMAINDER SHALL BE APPORTIONED TO MINNESOTA ON THE

BASIS OF THE PERCENTAGE OBTAINED BY TAKING THE ARITHMETICAL AVERAGE OF THE FOLLOWING THREE PERCENTAGES:)

((1) THE PERCENTAGE WHICH THE SALES, GROSS EARNINGS, OR RECEIPTS FROM BUSINESS OPERATIONS, IN WHOLE OR IN PART, WITHIN THIS STATE BEAR TO THE TOTAL SALES, GROSS EARNINGS, OR RECEIPTS FROM BUSINESS OPERATIONS WHEREVER CONDUCTED;)

((2) THE PERCENTAGE WHICH THE TOTAL TANGIBLE PROPERTY, REAL, PERSONAL, AND MIXED, OWNED OR RENTED, AND USED BY THE TAXPAYER IN THIS STATE DURING THE TAX PERIOD IN CONNECTION WITH SUCH TRADE OR BUSINESS IS OF THE TOTAL TANGIBLE PROPERTY, REAL, PERSONAL, OR MIXED, WHEREVER LOCATED, OWNED, OR RENTED, AND USED BY THE TAXPAYER IN CONNECTION WITH SUCH TRADE OR BUSINESS DURING THE TAX PERIOD; AND)

((3) THE PERCENTAGE WHICH THE TAXPAYER'S TOTAL PAYROLLS PAID OR INCURRED IN THIS STATE OR PAID IN RESPECT TO LABOR PERFORMED IN THIS STATE IN CONNECTION WITH SUCH TRADE OR BUSINESS IS OF THE TAXPAYER'S TOTAL PAYROLLS PAID OR INCURRED IN CONNECTION WITH SUCH ENTIRE TRADE OR BUSINESS;)

((4) THE PERCENTAGE OF SUCH REMAINDER TO BE ASSIGNED TO THIS STATE SHALL NOT BE IN EXCESS OF THE SUM OF THE FOLLOWING PERCENTAGES: 70 PERCENT OF THE PERCENTAGE DETERMINED UNDER CLAUSE (2) (A) (1), 15 PERCENT OF THE PERCENTAGE DETERMINED UNDER CLAUSE (2) (A) (2), AND 15 PERCENT OF THE PERCENTAGE DETERMINED UNDER CLAUSE (2) (A) (3);)

((B)) (2) If the methods prescribed under clause ((2) (A)) (1) for a trade or business described in clause (1) (a) (ii) will not properly reflect taxable net income assignable to the state, there may be used, if practicable and if such use will properly and fairly reflect such income, the percentage which the sales, gross earnings, or receipts from business operations, in whole or in part, within this state bear to the total sales, gross earnings, or receipts from business operations wherever conducted; or the separate or segregated accounting method;

(3) The sales, payrolls, earnings, and receipts referred to in this section shall be those for the taxable year in respect of which the tax is being computed. The property referred to in this section shall be the average of the property owned or used by the

taxpayer during the taxable year in respect of which the tax is being computed.

(4) If for any reason, the net income allocation methods prescribed by this act are declared unconstitutional by a court of competent jurisdiction, the methods which were in effect prior to the effective date of this act shall be used to determine the allocation of net income to this state from the effective date of the court decision until the legislature enacts a new procedure.

Sec. 3. Minnesota Statutes 1976, Section 290.361, Subdivision 2, is amended to read:

Subd. 2. [COMPUTATION OF TAXABLE NET INCOME.] The taxable net income shall be computed in the manner provided by this chapter except that in the case of national and state banks: (a) the rate shall be (13.64 PERCENT UNTIL JANUARY 1, 1974 AND 12 PERCENT THEREAFTER) *the rate provided in section 290.06, subdivision 1*; (b) the basic date for the purpose of computing gain or loss and depreciation shall be January 1, 1940, instead of January 1, 1933; (c) property consisting of investments in bonds, stocks, notes, debentures, mortgages, certificates, or any evidence of indebtedness, and any property acquired in liquidation thereof when such property is held for investment or for sale, shall not be deemed to be capital assets; and (d) in computing net income there shall be allowable as a deduction from gross income, in addition to deductions otherwise provided for in this act, any dividend (not including any distribution in liquidation) paid, within the taxable year, to the United States or to any instrumentality thereof exempt from federal income taxes, on the preferred stock of the bank owned by the United States or such instrumentality.

Sec. 4. [EFFECTIVE DATE.] *This article shall be effective for taxable years beginning after December 31, 1977."*

Further, strike the title and insert:

"A bill for an act relating to taxation; increasing credits available to certain taxpayers; removing sales taxes on residential heating fuels; providing additional refunds for residential heating costs for certain taxpayers; reducing the income tax rate on corporations; eliminating the arithmetic average from the formula used for the apportionment of trade or business income among states; amending Minnesota Statutes 1976, Sections 290.06, Subdivisions 1 and 3d; 290.19, Subdivision 1; 290.361, Subdivision 2; 290A.07, Subdivision 1; 297A.25, Subdivision 1; Chapter 290, by adding a section; and Chapter 290A, by adding a section; and Minnesota Statutes, 1977 Supplement, Sections 290.06, Subdivision 3c; and 290A.06."

With the recommendation that when so amended the bill pass.

MINORITY REPORT

March 10, 1978

We, the undersigned, being a minority of the Committee on Taxes, recommend that H. F. No. 2250 do pass with the following amendments:

Strike everything after the enacting clause and insert:

"Section 1. Any amount in excess of \$50 million in the state general fund at the close of a fiscal year shall be transferred to a taxpayers' protection fund to be returned to the taxpayers of the state in the following manner:

(a) The total amount transferred shall be divided by the total number of Minnesota personal income tax credits claimed during the calendar year in which the fiscal year ends.

(b) The resulting quotient shall appear as a direct personal credit against the tax due on each return filed during the next calendar year, with the computations and credit deductions made automatically by the commissioner of revenue. For joint returns the credit shall be doubled.

Sec. 2. Minnesota Statutes, 1977 Supplement, Section 290.06, Subdivision 2c, is amended to read:

Subd. 2c. [SCHEDULE OF RATES FOR INDIVIDUALS, ESTATES AND TRUSTS.] (a) For taxable years beginning after December 31, 1977, the income taxes imposed by this chapter upon individuals, estates and trusts, other than those taxable as corporations, shall be computed by applying to their taxable net income in excess of the applicable credits allowed by section 290.21, the following schedule of rates:

(1) On the first (\$500) \$1,000, one and (SIX-TENTHS) *nine-tenths* percent;

((2) ON THE SECOND \$500, TWO AND TWO-TENTHS PERCENT;)

((3)) (2) On the next \$1,000, three and five-tenths percent;

((4)) (3) On the next \$1,000, five and (EIGHT-TENTHS) *three-tenths* percent;

((5)) (4) On the next \$1,000, (SEVEN) *six* and three-tenths percent;

((6)) (5) On the next \$1,000, (EIGHT) *seven* and (EIGHT-TENTHS) *nine-tenths* percent;

((7)) (6) On the next \$2,000, (TEN) *nine* and (TWO-TENTHS) *six-tenths* percent;

((8)) (7) On the next \$2,000, (ELEVEN) *ten* and (FIVE-TENTHS) *eight-tenths* percent;

((9)) (8) On the next \$3,500, twelve and (EIGHT-TENTHS) *three-tenths* percent;

((10)) (9) On all over \$12,500, and not over \$20,000, (FOURTEEN) *thirteen and five-tenths* percent;

((11)) (10) On all over \$20,000 and not over \$25,000, (FIFTEEN) *fourteen and five-tenths* percent;

((12)) (11) On all over \$25,000 and not over \$35,000, sixteen percent;

((13)) (12) On all over \$35,000 and not over \$50,000, seventeen percent;

((14)) (13) On the remainder, eighteen percent.

(b) In lieu of a tax computed according to the rates set forth in clause (a) of this subdivision, the tax of any individual taxpayer whose taxable net income for the taxable year, reduced by the applicable credits allowed by section 290.21, is less than \$20,000 shall be computed in accordance with tables prepared and issued by the commissioner of revenue based on income brackets of not more than \$100. The amount of tax for each bracket shall be computed at the rates set forth in this subdivision, provided that the commissioner may disregard a fractional part of a dollar unless it amounts to 50 cents or more, in which case it may be increased to \$1.

Sec. 3. Minnesota Statutes 1976, Section 290.06, is amended by adding a subdivision to read:

Subd. 3e. [INFLATION ADJUSTMENT.] For taxable years beginning after December 31, 1977, the credits provided by subdivision 3c shall be adjusted for inflation. The commissioner of revenue shall annually determine the percentage increase in the consumer price index for the Minneapolis-St. Paul metropolitan area with 1967 as a base year. The commissioner shall determine the increase from July 1, 1977 to June 30 each year, and he shall announce the percentage figure by September 1, each year. The amount of each credit in subdivision 3c shall be multiplied by that percentage. The product of each calculation shall be added to each credit to produce inflation adjusted

credits for each succeeding year; provided that if the product exceeds a whole dollar amount it shall be raised to the next highest whole dollar.

Sec. 4. Minnesota Statutes 1976, Section 290.06, Subdivision 1, is amended to read:

290.06 [RATES OF TAX; CREDITS AGAINST TAX.]
Subdivision 1. [COMPUTATION, CORPORATIONS.] The privilege and income taxes imposed by this chapter upon corporations shall be computed by applying to their taxable net income in excess of the applicable credits allowed under section 290.21 the (RATE OF) following rates:

(1) *On the first \$20,000, six percent; provided that, in the case of a corporation having taxable net income allocated to this state pursuant to the provisions of sections 290.19 or 290.20, the amount of its income subject to this rate shall be that proportion of \$20,000, which its income allocable to this state bears to its total taxable net income; and*

(2) *On the remainder, 12 percent. The amount of tax payable by a corporation required to file a return shall not be less than \$100.*

Sec. 5. Minnesota Statutes 1976, Section 290.361, Subdivision 2, is amended to read:

Subd. 2. [COMPUTATION OF TAXABLE NET INCOME.] The taxable net income shall be computed in the manner provided by this chapter except that in the case of national and state banks: (a) the rate shall be (13.64 PERCENT UNTIL JANUARY 1, 1974 AND 12 PERCENT THEREAFTER) *the rate provided in section 290.06, subdivision 1*; (b) the basic date for the purpose of computing gain or loss and depreciation shall be January 1, 1940, instead of January 1, 1933; (c) property consisting of investments in bonds, stocks, notes, debentures, mortgages, certificates, or any evidence of indebtedness and any property acquired in liquidation thereof when such property is held for investment or for sale, shall not be deemed to be capital assets; and (d) in computing net income there shall be allowable as a deduction from gross income, in addition to deductions otherwise provided for in this act, any dividend (not including any distribution in liquidation) paid, within the taxable year, to the United States or to any instrumentality thereof exempt from federal income taxes, on the preferred stock of the bank owned by the United States or such instrumentality.

Sec. 6. Minnesota Statutes 1976, Section 290.06, is amended by adding a subdivision to read:

Subd. 3f. [HOMEMAKER CREDIT.] A claimant with gross income of \$15,000 or less who has one or more dependent

children 12 years of age or under whose spouse elects to remain at home for the exclusive purpose of providing care and attention to those dependent children shall be entitled to a credit against any tax due under this chapter of \$50 for each such dependent child.

Sec. 7. Minnesota Statutes 1976, Section 290.13, is amended by adding a subdivision to read:

Subd. 11. [SALE OR EXCHANGE OF HOMESTEAD.] If the owner of homestead property, as classified in section 273.13, sells the homestead after holding it for one year, the owner shall recognize the capital gain realized on the transaction less five percent. The owner shall reduce the amount of capital gain recognized by an additional five percent for each additional year he has held the homestead up to a maximum of 20 years, after which the owner shall recognize no capital gain at all when he sells the homestead. For purposes of this subdivision the holding periods of successive homesteads purchased pursuant to the provisions of Internal Revenue Code, Section 1034, shall be added together. For purposes of this subdivision the term homestead shall include no more than the land on which the homestead is situated and ten contiguous acres.

The exemption from recognition of capital gain provided in this subdivision shall be available only when the sale price of a homestead does not exceed 150 percent of the annual statewide average market value of homestead property for the year immediately preceding the year of the sale as determined by the department of revenue pursuant to section 273.122, subdivision 2; provided that when the sale price of homestead property does exceed 150 percent of such average market value, the taxpayer selling the property may, for the purposes of this section, reduce the sale price to 150 percent of such average market value, reduce the purchase price by the same percentage as the reduction in the sale price, and give the resulting prorated capital gain the exemption treatment provided in this section.

Sec. 8. Minnesota Statutes 1976, Section 297A.25, Subdivision 1, is amended to read:

297A.25 [EXEMPTIONS.] Subdivision 1. The following are specifically exempted from the taxes imposed by sections 297A.01 to 297A.44:

(a) The gross receipts from the sale of food products including but not limited to cereal and cereal products, butter, cheese, milk and milk products, oleomargarine, meat and meat products, fish and fish products, eggs and egg products, vegetables and vegetable products, fruit and fruit products, spices and salt, sugar and sugar products, coffee and coffee substitutes, tea, cocoa and cocoa products;

(b) The gross receipts from the sale of prescribed drugs and medicine intended for use, internal or external, in the cure, mitigation, treatment or prevention of illness or disease in human beings and products consumed by humans for the preservation of health, including prescription glasses, therapeutic and prosthetic devices, but not including cosmetics or toilet articles notwithstanding the presence of medicinal ingredients therein;

(c) The gross receipts from the sale of and the storage, use or other consumption in Minnesota of tangible personal property, tickets, or admissions, electricity, gas, or local exchange telephone service, which under the Constitution or laws of the United States or under the Constitution of Minnesota, the state of Minnesota is prohibited from taxing;

(d) The gross receipts from the sale of tangible personal property (i) which, without intermediate use, is shipped or transported outside Minnesota and thereafter used in a trade or business or is stored, processed, fabricated or manufactured into, attached to or incorporated into other tangible personal property transported or shipped outside Minnesota and thereafter used in a trade or business outside Minnesota, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce (storage shall not constitute intermediate use); or (ii) which the seller delivers to a common carrier for delivery outside Minnesota, places in the United States mail or parcel post directed to the purchaser outside Minnesota, or delivers to the purchaser outside Minnesota by means of the seller's own delivery vehicles, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(e) The gross receipts from the sale of packing materials used to pack and ship household goods, the ultimate destination of which is outside the state of Minnesota and which are not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(f) The gross receipts from the sale of and storage, use or consumption of petroleum products upon which a tax has been imposed under the provisions of chapter 296, whether or not any part of said tax may be subsequently refunded;

(g) The gross receipts from the sale of clothing and wearing apparel except the following:

(i) all articles commonly or commercially known as jewelry, whether real or imitation; pearls, precious and semi-precious stones, and imitations thereof; articles made of, or ornamented, mounted or fitted with precious metals or imitations thereof; watches; clocks; cases and movements for watches and clocks; gold, gold-plated, silver, or sterling flatware or hollow ware and

silver-plated hollow ware; opera glasses; lorgnettes; marine glasses; field glasses and binoculars.

(ii) articles made of fur on the hide or pelt, and articles of which such fur is the component material or chief value, but only if such value is more than three times the value of the next most valuable component material.

(iii) perfume, essences, extracts, toilet waters, cosmetics, petroleum jellies, hair oils, pomades, hair dressings, hair restoratives, hair dyes, aromatic cachous and toilet powders. The tax imposed by this act shall not apply to lotion, oil, powder, or other article intended to be used or applied only in the case of babies.

(iv) trunks, valises, traveling bags, suitcases, satchels, overnight bags, hat boxes for use by travelers, beach bags, bathing suit bags, brief cases made of leather or imitation leather, salesmen's sample and display cases, purses, handbags, pocketbooks, wallets, billfolds, card, pass, and key cases and toilet cases.

(h) The gross receipts from the sale of and the storage, use, or consumption of all materials, including chemicals, fuels, petroleum products, lubricants, packaging materials, including returnable containers used in packaging food and beverage products, feeds, seeds, fertilizers, electricity, gas and steam, used or consumed in agricultural or industrial production of personal property intended to be sold ultimately at retail, whether or not the item so used becomes an ingredient or constituent part of the property produced. Such production shall include, but is not limited to, research, development, design or production of any tangible personal property, manufacturing, processing (other than by restaurants and consumers) of agricultural products whether vegetable or animal, commercial fishing, refining, smelting, reducing, brewing, distilling, printing, mining, quarrying, lumbering, generating electricity and the production of road building materials. Such production shall not include painting, cleaning, repairing or similar processing of property except as part of the original manufacturing process. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures, used in such production and fuel, electricity, gas or steam used for space heating or lighting, are not included within this exemption; however, accessory tools, equipment and other short lived items, which are separate detachable units used in producing a direct effect upon the product, where such items have an ordinary useful life of less than 12 months, are included within the exemption provided herein;

(i) The gross receipts from the sale of and storage, use or other consumption in Minnesota of tangible personal property (except as provided in section 297A.14) which is used or consumed in producing any publication regularly issued at average intervals not exceeding three months, and any such publication. For purposes of this subsection, "publication" as used herein

shall include, without limiting the foregoing, a legal newspaper as defined by Minnesota Statutes 1965, Section 331.02, and any supplements or enclosures with or part of said newspaper; and the gross receipts of any advertising contained therein or therewith shall be exempt. For this purpose, advertising in any such publication shall be deemed to be a service and not tangible personal property, and persons or their agents who publish or sell such newspapers shall be deemed to be engaging in a service with respect to gross receipts realized from such newsgathering or publishing activities by them, including the sale of advertising. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures used in such publication and fuel, electricity, gas or steam used for space heating or lighting, are not exempt;

(j) The gross receipts from all sales of tangible personal property to, and all storage, use or consumption of such property by, the United States and its agencies and instrumentalities or a state and its agencies, instrumentalities and political subdivisions;

(k) The gross receipts from the isolated or occasional sale of tangible personal property in Minnesota not made in the normal course of business of selling that kind of property, and the storage, use, or consumption of property acquired as a result of such a sale;

(l) The gross receipts from sales of rolling stock and the storage, use or other consumption of such property by railroads, freight line companies, sleeping car companies and express companies taxed on the gross earnings basis in lieu of ad valorem taxes. For purposes of this clause "rolling stock" is defined as the portable or moving apparatus and machinery of any such company which moves on the road, and includes, but is not limited to, engines, cars, tenders, coaches, sleeping cars and parts necessary for the repair and maintenance of such rolling stock.

(m) The gross receipts from sales of airflight equipment and the storage, use or other consumption of such property by airline companies taxed under the provisions of sections 270.071 to 270.079. For purposes of this clause, "airflight equipment" includes airplanes and parts necessary for the repair and maintenance of such airflight equipment, and flight simulators.

(n) The gross receipts from the sale of telephone central office telephone equipment used in furnishing intrastate and interstate telephone service to the public.

(o) The gross receipts from the sale of and the storage, use or other consumption by persons taxed under the in lieu provisions of chapter 298, of mill liners, grinding rods and grinding balls which are substantially consumed in the production of

taconite, the material of which primarily is added to and becomes a part of the material being processed.

(p) The gross receipts from the sale of tangible personal property to, and the storage, use or other consumption of such property by, any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious or educational purposes if the property purchased is to be used in the performance of charitable, religious or educational functions, or any senior citizen group organized and operated exclusively for pleasure, recreation and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders;

(q) The gross receipts from the sale of caskets and burial vaults;

(r) The gross receipts from the sale of cigarettes.

(s) The gross receipts from the sale of an automobile or other conveyance if the purchaser is assisted by a grant from the United States in accordance with 38 United States Code, Section 1901, as amended.

(t) The gross receipts from the sale to the licensed aircraft dealer of an aircraft for which a commercial use permit has been issued pursuant to section 360.654, if the aircraft is resold while the permit is in effect.

(u) The gross receipts from the sale of building materials to be used in the construction or remodeling of a residence when the construction or remodeling is financed in whole or in part by the United States in accordance with 38 United States Code, Sections 801 to 805, as amended. This exemption shall not be effective at time of sale of the materials to contractors, sub-contractors, builders or owners, but shall be applicable only upon a claim for refund to the commissioner of revenue filed by recipients of the benefits provided in Title 38 United States Code, Chapter 21, as amended. The commissioner shall provide by regulation for the refund of taxes paid on sales exempt in accordance with this paragraph.

(v) The gross receipts from the sale of textbooks which are prescribed for use in conjunction with a course of study in a public or private school, college, university and business or trade school to students who are regularly enrolled at such institutions. For purposes of this clause a "public school" is defined as one that furnishes course of study, enrollment and staff that meets standards of the state board of education and a private school is one which under the standards of the state board of education, provides an education substantially equivalent to that furnished at a public school. Business and trade schools shall mean such schools licensed pursuant to section 141.25.

(w) The gross receipts from the sale of and the storage of material designed to advertise and promote the sale of merchandise or services, which material is purchased and stored for the purpose of subsequently shipping or otherwise transferring outside the state by the purchaser for use thereafter solely outside the state of Minnesota.

(x) *The gross receipt from the sale of residential heating fuels in the following manner:*

(i) *all fuel oil, propane gas, and L.P. gas sold to residential customers for residential use;*

(ii) *natural gas sold to residential customers who use natural gas for their primary source of residential heat, for the billing months of November, December, January, February, March and April;*

(iii) *electricity sold to residential customers who use electricity for their primary source of residential heat, for the billing months of November, December, January, February, March and April.*

Sec. 9. [EFFECTIVE DATE.] *Section 1 shall be effective June 30, 1978. Sections 2 to 7 shall be effective for taxable years beginning after December 31, 1977. Section 8 shall be effective the day following final enactment."*

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

"A bill for an act relating to taxation; income tax; sales tax; establishing a taxpayers protection fund to return excess funds to the taxpayers; decreasing certain tax rates; providing adjustments to certain credits for inflation; changing corporate tax rates; providing a homemaker credit; exempting certain capital gains on homesteads held for more than one year from taxation; exempting certain residential heating fuels from the sales tax; amending Minnesota Statutes 1976, Sections 290.06, Subdivision 1, and by adding subdivisions; 290.13, by adding a subdivision; 290.361, Subdivision 2; and 297A.25, Subdivision 1; Minnesota Statutes, 1977 Supplement, Section 290.06, Subdivision 2c."

HENRY J. SAVELKOUL, DARREL L. PETERSON, ROBERT L. SEARLES, RAY O. PLEASANT, ADOLPH L. KVAM and JIM EVANS.

Savelkoul moved that the Minority Report on H. F. No. 2250 be substituted for the Majority Report and that the Minority Report be now adopted.

A roll call was requested and properly seconded.

CALL OF THE HOUSE

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

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

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

The question recurred on the adoption of the minority report and the roll was called. There were 37 yeas and 94 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

| | | | | |
|--------------|-----------|-------------|-----------|-----------|
| Abeln | Battaglia | Birnstihl | Casserly | Eken |
| Adams | Beauchamp | Brandl | Clark | Ellingson |
| Anderson, B. | Begich | Braun | Clawson | Enebo |
| Anderson, G. | Berg | Brinkman | Cohen | Faricy |
| Anderson, I. | Berglin | Byrne | Corbid | Fudro |
| Arlandson | Berkelman | Carlson, L. | Cummiskey | Fugina |

| | | | | |
|-----------|-----------|------------|------------|--------------|
| George | King | Munger | St. Onge | Suss |
| Gunter | Kostohryz | Murphy | Samuelson | Swanson |
| Hanson | Kroening | Neisen | Sarna | Tomlinson |
| Hokanson | Langseth | Nelsen, M. | Scheid | Vanasek |
| Jacobs | Lehto | Nelson | Schulz | Waldorf |
| Jaros | Lemke | Norton | Sieben, H. | Welch |
| Jensen | Mangan | Novak | Sieben, M. | Wenstrom |
| Jude | Mann | Osthoff | Simoneau | Wenzel |
| Kahn | McCarron | Pehler | Skoglund | White |
| Kalis | McCollar | Petrafeso | Smogard | Williamson |
| Kelly, R. | McEachern | Prahl | Spanish | Wynia |
| Kelly, W. | Metzen | Reding | Stanton | Speaker Sabo |
| Kempe, A. | Moe | Rice | Stoa | |

The minority report was not adopted.

The question recurred on the adoption of the majority report from the Committee on Taxes relating to H. F. No. 2250. The majority report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 2307, 2461, 2516, 1995, 1998, 2147, 2010, 2451, 2047, 1699 and 2250 were read for the second time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Kelly, W., moved that the rule therein be suspended and an urgency be declared so that H. F. No. 2250 be given its third reading and be placed upon its final passage. The motion prevailed.

Kelly, W., moved that the rules of the House be so far suspended that H. F. No. 2250 be given its third reading and be placed upon its final passage. The motion prevailed.

H. F. No. 2250 was reported to the House.

Rose moved to amend H. F. No. 2250, as follows:

Page 2, after line 27, insert a new section to read:

"Sec. 2. Minnesota Statutes 1976, Section 290.06, is amended by adding a subdivision to read:

Subd. 12. [POST SECONDARY EDUCATIONAL EXPENSES CREDIT.] A taxpayer may take as a credit against any tax due under this chapter a credit of \$60 for the amount such taxpayer paid to others for board and room, transportation, tuition and book expense for his own behalf or for that of any dependent taking a post secondary course of instruction in an accredited educational institution including community colleges,

state or private colleges or universities, professional schools, vocational schools or accredited paraprofessional schools."

Page 6, line 24, after "2" insert "3".

Renumber the sections in sequence.

Amend the title 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 36 yeas and 90 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

| | | | | |
|--------------|-----------|-----------|------------|--------------|
| Abeln | Clark | Jude | Moe | Sieben, M. |
| Adams | Clawson | Kahn | Munger | Simoneau |
| Anderson, B. | Corbid | Kalis | Murphy | Skoglund |
| Anderson, G. | Cummiskey | Kelly, R. | Neisen | Smogard |
| Anderson, I. | Eckstein | Kelly, W. | Nelsen, M. | Spanish |
| Arlandson | Eken | Kempe, A. | Nelson | Stoa |
| Battaglia | Ellingson | Kempe, R. | Norton | Suss |
| Beauchamp | Enebo | King | Novak | Swanson |
| Begich | Faricy | Kostohryz | Pehler | Tomlinson |
| Berg | Fudro | Langseth | Petrafeso | Vanasek |
| Berglin | Fugina | Lehto | Reding | Waldorf |
| Berkelman | George | Lemke | Rice | Welch |
| Birnstihl | Gunter | Mangan | St. Onge | Wenstrom |
| Brandl | Hanson | Mann | Samuelson | Wenzel |
| Braun | Hokanson | McCarron | Sarna | White |
| Brinkman | Jacobs | McCollar | Scheid | Williamson |
| Carlson, L. | Jaros | McEachern | Sherwood | Wynia |
| Cassery | Jensen | Metzen | Sieben, H. | Speaker Sabo |

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

H. F. No. 2250, A bill for an act relating to taxation; increasing credits available to certain taxpayers; removing sales taxes on residential heating fuels; providing additional refunds for residential heating costs for certain taxpayers; reducing the income tax rate on corporations; eliminating the arithmetic average from the formula used for the apportionment of trade or business income among states; amending Minnesota Statutes

1976, Sections 290.06, Subdivisions 1 and 3d; 290.19, Subdivision 1; 290.361, Subdivision 2; 290A.07, Subdivision 1; 297A.25; Subdivision 1; Chapter 290, by adding a section; and Chapter 290A, by adding a section; and Minnesota Statutes, 1977 Supplement, Sections 290.06, Subdivision 3c; and 290A.06.

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 | Clawson | Jaros | Munger | Searle |
| Adams | Cohen | Jensen | Murphy | Searles |
| Albrecht | Corbid | Jude | Neisen | Sherwood |
| Anderson, B. | Cummiskey | Kahn | Nelsen, B. | Sieben, H. |
| Anderson, D. | Dean | Kaley | Nelsen, M. | Sieben, M. |
| Anderson, G. | Den Ouden | Kalis | Nelson | Simoneau |
| Anderson, I. | Eckstein | Kelly, R. | 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 | Pehler | Suss |
| Berg | Evans | Kostohryz | Peterson | Swanson |
| Berglin | Ewald | Kroening | Petrafeso | Tomlinson |
| Berkelman | Faricy | Laidig | Pleasant | Vanasek |
| Biersdorf | Fjoslien | Langseth | Prahl | Waldorf |
| Birnstihl | Forsythe | Lehto | Redalen | Welch |
| Brandl | Friedrich | Lemke | Reding | Wenstrom |
| Braun | Fudro | Mangan | Rice | Wenzel |
| Brinkman | Fugina | Mann | Rose | White |
| Byrne | George | McCarron | St. Onge | Wieser |
| Carlson, A. | Gunter | McCollar | Samuelson | Wigley |
| Carlson, D. | Hanson | McDonald | Sarna | Williamson |
| Carlson, L. | Heinitz | McEachern | Savelkoul | Wynia |
| Casserly | Hokanson | Metzen | Scheid | Zubay |
| Clark | Jacobs | Moe | Schulz | Speaker Sabo |

The bill was passed and its title agreed to.

CALL OF THE HOUSE LIFTED

Savelkoul moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

SECOND READING OF SENATE BILLS

S. F. Nos. 1120, 1656, 1727, 1743, 1662, 744, 997, 403, 1425, 1548, 1616, 1684, 2183, 645, 1137, 1282, 1510, 1602, 1752 and 1779 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Fugina introduced:

H. F. No. 2526, A bill for an act relating to chemical testing and research; establishing the office of chemical testing; providing for its operation; providing for independent review and evaluation of certain chemicals and chemical testing projects; appropriating money.

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

Norton, for the Committee on Appropriations, introduced:

H. F. No. 2527, A bill for an act relating to the organization and operation of state government; clarifying, supplementing, and providing for deficiencies in appropriations for the expenses of state government with certain conditions; providing for payment of claims; shortening time for cancellation of certain drafts; authorizing fees and special accounts in certain cases; transferring duties; extending existence of advisory council on economic status of women; appropriating money; amending Minnesota Statutes 1976, Sections 3.736, Subdivision 7; 3.98, Subdivision 4; 10.15; 10A.20, Subdivision 3, as amended; 10A.27, Subdivision 4, as amended; 10.32, Subdivision 3, as amended; 15.061; 16.32, Subdivision 1; 16A.128; 16A.15, Subdivision 1; 16A.60; 16A.67, Subdivision 2; 60A.13, Subdivision 7; 60A.14, Subdivision 1; 136A.29, Subdivision 9; 242.385, Subdivision 1; 299C.10; 299C.11; 299D.03, Subdivision 6; 341.12; 363.03, Subdivision 2; 363.12, Subdivision 1; 363.14, Subdivision 1; 480.13; and Chapter 16A, by adding sections; Minnesota Statutes, 1977 Supplement, Sections 15A.083, Subdivision 4, and by adding a subdivision; 16.125, Subdivisions 1 and 3; 16.72, Subdivision 7; 43.42; 43.43, Subdivision 2; 120.17, Subdivision 7a; 139.18, Subdivision 2; 298.28, Subdivision 1; 473.591, Subdivision 3; 484.62; 484.68, Subdivision 6; and 484.68, by adding subdivisions; amending Laws 1976, Chapter 337, Sections 1, Subdivision 4; and 4; amending Laws 1977, Chapter 421, Section 13, by adding a subdivision; Laws 1977, Chapter 445, Section 3, Subdivision 3; Laws 1977, Chapter 454, Section 5, Subdivision 1; repealing Minnesota Statutes 1976, Sections 3.732, Subdivision 4; 16.171; 60A.13, Subdivisions 3 and 4; 162.19; 325.64 to 325.76; and 363.122.

The bill was read for the first time and laid over one day.

HOUSE ADVISORIES

Pursuant to rule 5.3, the following House Advisory was introduced:

Fjoslien, Sherwood, Wynia, Kahn and Lehto introduced:

H. A. No. 88, A proposal to study alternate sources of energy for heating and cooling.

The advisory was 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. 804 was reported to the House.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Norton requested immediate consideration of H. F. No. 1885.

H. F. No. 1885, A bill for an act relating to education; providing for aids to education, tax levies, and the distribution of tax revenues; granting certain powers and duties to teachers, school boards, school districts, county auditors, the commissioner of education, the commissioner of finance, and the state board of education; creating a legislative school finance study commission; revising the provisions governing effective date, levy limitations, and employee relations, in case of school district reorganization; allowing the experimental pairing of certain districts; limiting the liability of school bus contractors; increasing foundation aid, special education aid, capital expenditure aid and the capital expenditure levy limitation; providing a funding method for programs of secondary vocational education for handicapped children; increasing the reinstatement period for teachers on unrequested leave of absence; providing state funding for the employer's share of retirement contributions for teachers on extended leaves of absence; prohibiting wage reopening clauses in teachers' contracts; authorizing certain expenditures; transferring certain appropriated funds; appropriating money; amending Minnesota Statutes 1976, Sections 6.62, Subdivision 1; 121.904, Subdivision 7, and by adding a subdivision; 122.22, Subdivision 9, and by adding a subdivision; 122.23, Subdivisions 13, 15 and 18; 122.46, Subdivision 2; 123.37, Subdivision 1b; 124.17, Subdivision 3; 124.20; 124.212, by adding subdivisions; 124.74; 124.76; 125.12, Subdivisions 6a and 6b; 126.12; 127.29, Subdivision 1; 128A.02, by adding subdivisions; 134.03; 179.70, Subdivision 1; 275.125, Subdivisions 15, 16 and 18; 475.60, Subdivision 2; Chapter 122, by adding sections; Chapter 124, by adding a section; Minnesota Statutes, 1977 Supplement, Sections

121.912, Subdivision 1; 122.85, Subdivision 1; 124.17, Subdivisions 1 and 2; 124.19, Subdivision 1; 124.212, Subdivisions 5a, 7b and 8a; 124.213, Subdivisions 1 and 2; 124.222, Subdivision 6; 124.245, Subdivisions 1 and 2, and by adding a subdivision; 124.32, Subdivisions 1, 1a, 1b, 5, and by adding a subdivision; 124.38, Subdivision 7; 124.562, Subdivision 1; 124.572, Subdivi-2; 124.573, Subdivision 2; 125.60, Subdivisions 2 and 3, and by adding a subdivision; 125.61, Subdivisions 1, 2, 3, 4, 6, and by adding a subdivision; 176.011, Subdivision 9; 275.07; 275.124; 275.125, Subdivisions 9, and 11a; 354.094, Subdivisions 1 and 4; 354.66, Subdivisions 1 and 9; 354A.091, Subdivisions 1 and 4; and 354A.22, Subdivisions 1 and 9; repealing Minnesota Statutes 1976, Sections 120.07; 122.53; 124.02; Minnesota Statutes, 1977 Supplement, Sections 125.61, Subdivision 5; 128A.06; and Laws 1977, Chapter 447, Article IX, Section 8.

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

The bill was passed and its title agreed to.

CONSENT CALENDAR

S. F. No. 1194 was reported to the House.

There being no objection, S. F. No. 1194 was continued on the Consent Calendar one day.

S. F. No. 1547, A bill for an act relating to Independent School District No. 624 and Independent School District No. 12; providing for the exchange of territory between the districts.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 1603, A bill for an act relating to Washington county; authorizing the city of Stillwater, the town of Stillwater and Washington county to jointly exercise planning and land use control powers; applying the authorization retroactively.

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

The bill was passed and its title agreed to.

CALENDAR

S. F. No. 1096, A bill for an act relating to highway traffic regulations; required equipment on certain vehicles; exempting military vehicles of the United States from wheel flap requirements; amending Minnesota Statutes 1976, Section 169.733.

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 76 yeas and 31 nays as follows:

Those who voted in the affirmative were:

| | | | | |
|--------------|-----------|---------------|------------|------------|
| Abeln | Cohen | Kahn | Neisen | Searle |
| Adams | Den Ouden | Kaley | Nelsen, M. | Searles |
| Albrecht | Eckstein | Kelly, R. | Niehaus | Sherwood |
| Anderson, B. | Ellingson | Kelly, W. | Norton | Sieben, H. |
| Anderson, D. | Erickson | Kempe, R. | Novak | Sieben, M. |
| Anderson, G. | Esau | King | Onnen | Simoneau |
| Anderson, I. | Fjoslien | Knickerbocker | Peterson | Smogard |
| Arlandson | Friedrich | Kvam | Petrafaso | Spanish |
| Beauchamp | Fugina | Laidig | Pleasant | Stanton |
| Berglin | Hanson | Langseth | Redalen | Stoa |
| Berkelman | Heinitz | Lemke | Reding | Tomlinson |
| Carlson, L. | Hokanson | Mann | Savelkoul | Waldorf |
| Casserly | Jacobs | Munger | Scheid | Welch |
| Clark | Jude | Murphy | Schulz | Wenstrom |

Wenzel Wieser Wigley Zubay Speaker Sabo
White

Those who voted in the negative were:

| | | | | |
|-------------|-----------|-----------|----------|------------|
| Battaglia | Corbid | George | Osthoff | Vanasek |
| Biersdorf | Cummiskey | Jensen | Rose | Williamson |
| Birnstihl | Dean | Kostohryz | St. Onge | Wynia |
| Brandl | Evans | Kroening | Sarna | |
| Carlson, A. | Ewald | Mangan | Skoglund | |
| Carlson, D. | Faricy | McDonald | Suss | |
| Clawson | Fudro | McEachern | Swanson | |

The bill was passed and its title agreed to.

H. F. No. 2233, A bill for an act relating to state government; directing the commissioner of administration to grant contract preference to American made products; amending Minnesota Statutes 1976, Chapter 16, by adding a section.

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

The question was taken on the passage of the bill and the roll was called. There were 91 yeas and 33 nays as follows:

Those who voted in the affirmative were:

| | | | | |
|--------------|-----------|---------------|------------|--------------|
| Abeln | Casserly | Kempe, R. | Nelson | Sieben, M. |
| Adams | Clark | Knickerbocker | Norton | Simoneau |
| Anderson, B. | Clawson | Kostohryz | Novak | Skoglund |
| Anderson, I. | Cohen | Kroening | Onnen | Smogard |
| Arlandson | Corbid | Laidig | Osthoff | Spanish |
| Battaglia | Eken | Langseth | Pehler | Stanton |
| Beauchamp | Ellingson | Lehto | Petrafeso | Suss |
| Begich | Enebo | Lemke | Prahl | Swanson |
| Berg | Ewald | Mangan | Reding | Welch |
| Berglin | Faricy | Mann | Rice | Wenstrom |
| Berkelman | Fudro | McCarron | Rose | Wenzel |
| Biersdorf | Fugina | McCollar | St. Onge | White |
| Birnstihl | George | McEachern | Samuelson | Wieser |
| Braun | Hanson | Metzen | Sarna | Wynia |
| Brinkman | Hokanson | Moe | Savelkoul | Speaker Sabo |
| Byrne | Jacobs | Munger | Scheid | |
| Carlson, A. | Jensen | Murphy | Schulz | |
| Carlson, D. | Jude | Neisen | Sherwood | |
| Carlson, L. | Kelly, W. | Nelsen, M. | Sieben, H. | |

Those who voted in the negative were:

| | | | | |
|--------------|-----------|----------|----------|------------|
| Albrecht | Eckstein | Heinitz | Niehaus | Tomlinson |
| Anderson, D. | Erickson | Kahn | Peterson | Vanasek |
| Anderson, G. | Esau | Kaley | Pleasant | Wigley |
| Brandl | Fjoslien | Kalis | Redalen | Williamson |
| Cummiskey | Forsythe | King | Searle | Zubay |
| Dean | Friedrich | Kvam | Searles | |
| Den Ouden | Gunter | McDonald | Stoa | |

The bill was passed and its title agreed to.

H. F. No. 1786, A bill for an act relating to children; requiring a welfare agency receiving a report of a maltreated minor to notify the local police department or county sheriff; amending Minnesota Statutes 1976, Section 626.556, Subdivisions 1, 3, 4, 6, 7, 8 and 9; and Minnesota Statutes, 1977 Supplement, Section 626.556, Subdivisions 2 and 11.

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

The bill was passed and its title agreed to.

H. F. No. 1790, A bill for an act relating to public employment labor relations; making certain matters mandatorily negotiable; allowing employees alternate remedies in grievance proceedings or civil service appeals; amending Minnesota Statutes 1976, Section 179.70, 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 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

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

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

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

Those who voted in the affirmative were:

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

| | | | | |
|-----------|-----------|------------|----------|--------------|
| Novak | Reding | Searle | Stanton | White |
| Onnen | Rice | Searles | Stoa | Wieser |
| Osthoff | Rose | Sherwood | Suss | Wigley |
| Pehler | St. Onge | Sieben, H. | Swanson | Williamson |
| Peterson | Samuelson | Sieben, M. | Vanasek | Zubay |
| Petrafeso | Sarna | Simoneau | Waldorf | Speaker Sabo |
| Pleasant | Savelkoul | Skoglund | Welch | |
| Prahl | Scheid | Smogard | Wenstrom | |
| Redalen | Schulz | Spanish | Wenzel | |

The bill was passed and its title agreed to.

H. F. No. 1353, A bill for an act relating to tax delinquent real estate; requiring notice to the commissioner of natural resources of forfeiture and sale of tax delinquent real estate; clarifying ownership of certain tax forfeited real estate; amending Minnesota Statutes 1976, Sections 281.23, Subdivision 8; 281.25; and 282.01, Subdivisions 1 and 3.

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 119 yeas and 7 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

| | | | | |
|--------------|-----------|-------------|----------|--------|
| Anderson, I. | Begich | Carlson, D. | St. Onge | Wieser |
| Battaglia | Biersdorf | | | |

The bill was passed and its title agreed to.

H. F. No. 669, A bill for an act relating to trespass; prohibiting trespass on certain lands of another for purposes of taking wild animals, fish or plants; limiting discharge of a firearm within 500 feet of an occupied building; amending Minnesota Statutes 1976, Sections 100.273; and 100.29, Subdivision 21; repealing Minnesota Statutes 1976, Section 100.29, Subdivision 22.

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 106 yeas and 19 nays as follows:

Those who voted in the affirmative were:

| | | | | |
|--------------|-----------|---------------|------------|--------------|
| Abeln | Cummiskey | Kahn | Murphy | Sieben, H. |
| Adams | Dean | Kaley | Neisen | Simoneau |
| Anderson, B. | Den Ouden | Kalis | Nelsen, B. | Smogard |
| Anderson, D. | Eken | Kelly, R. | Neisen, M. | Spanish |
| Anderson, G. | Ellingson | Kelly, W. | Nelson | Stanton |
| Anderson, R. | Enebo | Kempe, A. | Niehaus | Stoa |
| Arlandson | Erickson | Kempe, R. | Norton | Suss |
| Beauchamp | Esau | King | Onnen | Tomlinson |
| Berg | Evans | Krickerbocker | Pehler | Vanasek |
| Berglin | Ewald | Kroening | Peterson | Waldorf |
| Berkelman | Faricy | Laidig | Petrafeso | Welch |
| Birnstihl | Fjoslien | Langseth | Pleasant | Wenstrom |
| Braun | Forsythe | Lehto | Redalen | Wenzel |
| Brinkman | Friedrich | Lemke | Reding | Wieser |
| Byrne | Fudro | Mangan | St. Onge | Wigley |
| Carlson, A. | George | Mann | Samuelson | Williamson |
| Carlson, D. | Gunter | McCarron | Savelkoul | Zubay |
| Carlson, L. | Hanson | McDonald | Scheid | Speaker Sabo |
| Cassery | Hokanson | McEachern | Schulz | |
| Clawson | Jaros | Metzen | Searle | |
| Cohen | Jensen | Moe | Searles | |
| Corbid | Jude | Munger | Sherwood | |

Those who voted in the negative were:

| | | | | |
|--------------|-----------|-----------|------------|----------|
| Albrecht | Biersdorf | Kostohryz | Rice | Skoglund |
| Anderson, I. | Clark | McCollar | Rose | Swanson |
| Battaglia | Heinitz | Novak | Sarna | Wynia |
| Begich | Jacobs | Osthoff | Sieben, M. | |

The bill was passed and its title agreed to.

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

The bill was passed and its title agreed to.

S. F. No. 1431, A bill for an act relating to food; providing for inspection and license fees for certain coin operated food vending machines; amending Minnesota Statutes, 1977 Supplement, Section 28A.03; and Minnesota Statutes 1976, Section 28A.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 128 yeas and 1 nay as follows:

Those who voted in the affirmative were:

| | | | | |
|--------------|-------------|-----------|-----------|---------------|
| Abeln | Berglin | Clawson | Ewald | Jaros |
| Adams | Berkelman | Cohen | Faricy | Jensen |
| Albrecht | Biersdorf | Corbid | Fjoslien | Jude |
| Anderson, B. | Birnstihl | Cummiskey | Forsythe | Kahn |
| Anderson, D. | Brandl | Dean | Friedrich | Kaley |
| Anderson, G. | Braun | Den Ouden | Fudro | Kalis |
| Anderson, I. | Brinkman | Eckstein | Fugina | Kelly, R. |
| Anderson, R. | Byrne | Eken | George | Kelly, W. |
| Arlandson | Carlson, A. | Ellingson | Gunter | Kempe, A. |
| Battaglia | Carlson, D. | Enebo | Hanson | Kempe, R. |
| Beauchamp | Carlson, L. | Erickson | Heinitz | King |
| Begich | Casserly | Esau | Hokanson | Knickerbocker |
| Berg | Clark | Evans | Jacobs | Kostohryz |

| | | | | |
|-----------|------------|-----------|------------|--------------|
| Kroening | Munger | Petrafeso | Searles | Vanasek |
| Laidig | Murphy | Pleasant | Sherwood | Waldorf |
| Langseth | Neisen | Redalen | Sieben, H. | Welch |
| Lehto | Nelsen, B. | Reding | Sieben, M. | Wenstrom |
| Lemke | Nelsen, M. | Rice | Simoneau | Wenzel |
| Mangan | Nelson | Rose | Skoglund | White |
| Mann | Niehaus | St. Onge | Smogard | Wieser |
| McCarron | Norton | Samuelson | Spanish | Wigley |
| McCollar | Novak | Sarna | Stanton | Williamson |
| McDonald | Onnen | Savelkoul | Stoa | Wynia |
| McEachern | Osthoff | Scheid | Suss | Speaker Sabo |
| Metzen | Pehler | Schulz | Swanson | |
| Moe | Peterson | Searle | Tomlinson | |

Those who voted in the negative were:

Kvam

The bill was passed and its title agreed to.

H. F. No. 1976, A bill for an act relating to highway traffic regulations; prohibiting possession of certain traffic signs; granting immunity from prosecution to persons who voluntarily notify police of their possession of such signs; amending Minnesota Statutes 1976, Section 169.08.

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 115 yeas and 12 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

| | | | | |
|--------------|-------|------------|------|----------|
| Anderson, R. | Enebo | Kvam | Rice | St. Onge |
| Berglin | Jaros | McCarron | Rose | |
| Carlson, D. | Kahn | Nelsen, B. | | |

The bill was passed and its title agreed to.

H. F. No. 1286, A bill for an act relating to education; granting certain powers and duties relating to public libraries to the state board and the state department of education; providing grants for certain library systems; appropriating money; amending Minnesota Statutes 1976, Chapter 134, by adding sections; repealing Minnesota Statutes 1976, Sections 121.22; 121.23; 121.24; and 134.035.

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

The bill was passed and its title agreed to.

H. F. No. 1754, A bill for an act relating to education; eliminating and correcting certain obsolete provisions; planning task force; providing for removal of task force members; amending Minnesota Statutes 1976, Sections 120.05, Subdivision 1; 120.10,

Subdivision 4; 120.14; 120.15; 123.35, by adding a subdivision; 123.62; and 124.12, Subdivision 2; amending Minnesota Statutes, 1977 Supplement, Section 122.86, Subdivision 3; repealing Minnesota Statutes 1976, Section 121.11, Subdivisions 2, 3 and 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 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

| | | | | |
|--------------|------------|---------------|------------|--------------|
| Abeln | Clawson | Jensen | Munger | Searles |
| Adams | Cohen | Jude | Murphy | Sherwood |
| Albrecht | Corbid | Kahn | Neisen | Sieben, H. |
| Anderson, B. | Cummsiskey | Kaley | Nelsen, B. | Sieben, M. |
| Anderson, D. | Dean | Kalis | Nelsen, M. | Simoneau |
| Anderson, G. | Den Ouden | Kelly, R. | Nelson | Skoglund |
| Anderson, I. | Eckstein | Kelly, W. | Niehaus | Smogard |
| Anderson, R. | Eken | Kempe, A. | Norton | Spanish |
| Arlandson | Ellingson | Kempe, R. | Novak | Stanton |
| Battaglia | Enebo | King | Onnen | Stoa |
| Beauchamp | Erickson | Knickerbocker | Osthoff | Suss |
| Begich | Esau | Kostohryz | Pehler | Swanson |
| Berg | Evans | Kroening | Peterson | Tomlinson |
| Berglin | Ewald | Kvam | Petrafeso | Vanasek |
| Berkelman | Faricy | Laidig | Pleasant | Waldorf |
| Biersdorf | Fjoslien | Langseth | Redalen | Welch |
| Birnstihl | Forsythe | Lehto | Reding | Wenstrom |
| Brandl | Friedrich | Lemke | Rice | Wenzel |
| Braun | Fudro | Mangan | Rose | White |
| Brinkman | Fugina | 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 |
| Cassery | Jacobs | Metzen | Schulz | Speaker Sabo |
| Clark | Jaros | Moe | Searle | |

The bill was passed and its title agreed to.

H. F. No. 1599, A bill for an act relating to unemployment compensation; making certain development achievement center teachers ineligible for benefits during certain periods; amending Minnesota Statutes, 1977 Supplement, Section 268.08, Subdivision 6.

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

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

Those who voted in the affirmative were:

| | | | | |
|-------|-------|----------|--------------|--------------|
| Abeln | Adams | Albrecht | Anderson, B. | Anderson, D. |
|-------|-------|----------|--------------|--------------|

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

The bill was passed and its title agreed to.

H. F. No. 2151, A bill for an act relating to unclaimed property; providing for reporting of certain unclaimed intangible property; amending Minnesota Statutes 1976, Sections 345.38, by adding a subdivision; 345.54; and 345.55, by adding a subdivision; and Minnesota Statutes, 1977 Supplement, Section 345.41.

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

| | | | | |
|-----------|------------|-----------|----------|--------------|
| Sarna | Sherwood | Spanish | Vanasek | Wieser |
| Savelkoul | Sieben, H. | Stanton | Waldorf | Wigley |
| Scheid | Sieben, M. | Stoa | Welch | Williamson |
| Schulz | Simoneau | Suss | Wenstrom | Wynia |
| Searle | Skoglund | Swanson | Wenzel | Zubay |
| Searles | Smogard | Tomlinson | White | Speaker Sabo |

The bill was passed and its title agreed to.

H. F. No. 2052, A bill for an act relating to aeronautics; modifying airport zoning regulations to protect existing residential neighborhoods; amending Minnesota Statutes 1976, Sections 360.062; 360.066, Subdivision 1, and by adding a subdivision.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2256, A bill for an act relating to highway traffic regulation; concerning accident reports; making reports available for accident prevention purposes to additional agencies; concealing the identity of involved persons; amending Minnesota Statutes 1976, Section 169.09, Subdivision 13.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

Osthoff was excused at 5:00 p.m.

GENERAL ORDERS

Pursuant to rules of the House, the House resolved itself into the Committee of the Whole, with Sabo in the Chair, for the consideration of bills pending on General Orders of the Day. After some time spent therein the Committee arose.

REPORT OF COMMITTEE OF THE WHOLE

The Speaker resumed the Chair, whereupon the following proceedings of the Committee as kept by the Chief Clerk were reported to the House:

H. F. Nos. 2254, 2299, 2273 and 1317 which it recommended to pass.

H. F. No. 13 which it recommended progress until Monday, March 13, 1978 retaining its place on General Orders.

H. F. No. 1847 which it recommended progress until Friday, March 17, 1978 retaining its place on General Orders.

H. F. No. 2338 which it recommended progress until Saturday, March 18, 1978.

H. F. No. 2393 which it recommended progress until Monday, March 18, 1978.

S. F. No. 1690 which it recommended to pass with the following amendment offered by Sieben, H.:

Strike everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1976, Section 473.667, Subdivision 2, is amended to read:

Subd. 2. [BORROWING AUTHORIZATION.] No additional bonds shall be issued under the provisions of section 473.665, over and above the amount outstanding April 1, 1974. Except for refunding bonds and certificates of indebtedness, the *principal* amount of (BORROWING AUTHORIZED BY) *bonds that may be issued under this section*, over and above the amount of bonds of the commission outstanding (JULY 1, 1974) *March 1, 1978*, is limited to (\$20,000,000) *\$30,000,000* until and unless this limitation is increased by law. The pledge of revenues of the commission to its debt service fund in lieu of the taxes otherwise required by section 473.665 to be assessed and extended shall be and remain a first charge on all current revenues of the commission to the extent required annually to cancel such taxes.

Sec. 2. Minnesota Statutes 1976, Section 473.667, Subdivision 4, is amended to read:

Subd. 4. [DEBT SERVICE FUND.] The commission shall maintain permanently on its official books and records an account or accounts referred to herein collectively as the debt service fund, separate from all other funds and accounts, to record all receipts and disbursements of money for principal and interest payments on its bonds, and on certificates of indebtedness issued pursuant to subdivision 10. At or before the due date of each principal and interest payment on said bonds and certificates the treasurer shall remit from the debt service fund to the payment agent for the issue an amount sufficient for such payment, without further order from the commission. At or before the time of delivery of any series of bonds the commission shall withdraw from the proceeds thereof, or from revenues then on hand and available for the purpose, and shall deposit in the debt service fund such amount, if any, as may be required to establish in the fund a balance of cash and investments at least equal to the total amount of principal and interest then due and to become due on bonds of the commission to the end of the following year, *but not exceeding the total amount of principal and interest then due and to become due on bonds of the commission to the end of the second following year.* The commission shall also deposit in the fund (AS NEEDED AND AVAILABLE) *on or before Octo-*

ber 10 in each year, from revenues received in excess of budgeted current expenses of operation and maintenance of its property and of carrying on its business and activities, (AND IN EXCESS OF AMOUNTS REQUIRED TO CANCEL TAXES UNDER SUBDIVISION 2, SUCH AMOUNTS AS SHALL BE REQUIRED TO REIMBURSE THE FUND FOR BOND AND CERTIFICATE PAYMENTS AND TO PRODUCE A BALANCE OF CASH AND INVESTMENTS THEREIN BY OCTOBER 10 IN EACH YEAR AT LEAST EQUAL TO THE TOTAL AMOUNT OF PRINCIPAL AND INTEREST DUE AND TO BECOME DUE ON GENERAL OBLIGATION REVENUE) or from other available moneys, amounts at least sufficient to permit cancellation of the taxes referred to in subdivision 2 and to pay principal and interest due on the following year on general obligation revenue bonds of the commission; and, to the extent determined by the commission, sufficient to produce a balance of cash and investments therein not exceeding the total amount of principal and interest due and to become due on all bonds of the commission to the end of the second following year. If (THE) such revenues or other available moneys are insufficient in any year to produce the required minimum balance or any larger balance established by the commission, then unless provision is made for restoring the deficiency in accordance with the provisions of subdivision 8, the commission shall levy and appropriate to the debt service fund, and certify to the county auditors of all counties in the metropolitan area, a tax in accordance with subdivision 3 in an amount at least five percent in excess of the deficiency. For the purpose of determining the balance in the debt service fund at any time, investments held therein shall be valued at the principal amount payable at maturity if they mature in the following year, or otherwise at market value, plus the amount of interest receivable thereon to the end of the following year.

Sec. 3. Minnesota Statutes 1976, Section 473.667, is amended by adding a subdivision to read:

Subd. 8a. [REFUNDING BONDS.] The commission may issue general obligation revenue refunding bonds to refund bonds issued pursuant to subdivision 2 in accordance with section 475.67, subdivisions 1 to 11.

Sec. 4. *This act is effective the day after final enactment.*

S. F. No. 1943 which it recommended to pass with the following amendment offered by Stoa:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 88.01, is amended by adding a subdivision to read:

Subd. 23. [OPEN FIRE.] "*Open fire*" means a fire burning in matter, whether concentrated or dispersed, which is not contained within a fully enclosed firebox, structure or vehicle and from which the products of combustion are emitted directly to the open atmosphere without passing through an adequate stack, duct or chimney.

Sec. 2. Minnesota Statutes 1976, Section 88.10, is amended to read:

88.10 [FIGHTING FOREST FIRES, AUTHORITY OF STATE FOREST OFFICERS.] Subdivision 1. Under the direction of the commissioner, forest officers are charged with preventing and extinguishing forest fires in their respective districts and the performance of such other duties as may be required by him. They may arrest without warrant any person found violating any provisions of sections 88.03 to (88.21) 88.22, take him before a court of competent jurisdiction in the county charging the person so arrested, and the person so charged shall be arraigned and given a hearing on the complaint. The forest officers shall not be liable in civil action for trespass committed in the discharge of their duties. All authorized state forest officers, including rangers, guards, township fire wardens, smoke chasers, fire foremen or individuals legally employed as fire fighters, may in the performance of their duties of fire fighting go onto the property of any person, company, or corporation and in so doing may set backfires, dig or plow trenches, cut timber for clearing fire lines, dig water holes, remove fence wires to provide access to the fire or carry on all other customary activities necessary for the fighting of forest, prairie or brush fires without incurring a liability to anyone, except for damages arising out of wilful or gross negligence.

Subd. 2. Any forest officer may serve any warrant for the arrest of any person violating any provision of sections 88.03 to (88.21) 88.22 and for that purpose all forest officers are hereby vested with the same powers as constables or other similar officers of the courts issuing such warrants.

Sec. 3. Minnesota Statutes 1976, Section 88.16, is amended to read:

88.16 [STARTING FIRES; CAMPFIRES; INCINERATORS; BURNING BAN.] Subdivision 1. *Except as provided in subdivision 2*, it shall be unlawful, when the ground is not snow-covered, in any place where there are standing or growing native coniferous trees, or in areas of ground from which (NATIVE) *natural* coniferous trees have been cut, or where there are slashings of such trees, or native brush, timber, slashings thereof, or excavated stumps, or where there is peat or peat roots excavated or growing, to start or have any open fire(, OR ANY BACK FIRE,) without the written permission of the commissioner(,) or other authorized forest officer.

Subd. 2. No permit is required for the following open fires:

(a) A cooking or warming fire contained in a fireplace, fire-ring, charcoal grill, portable gas or liquid fueled camp stove or other similar container or device designed for the purpose of cooking or heating, if the area within a radius of five feet of the fire is kept clear of all combustible material.

(b) The burning of grass, leaves, rubbish, garbage, branches, and similar combustible material in an approved incinerator. An approved incinerator shall be constructed of fire resistant material, have a capacity of at least three bushels, be maintained with a minimum burning capacity of at least two bushels, and have a cover which is closed when in use and openings in the top or sides of one inch maximum diameter. No combustible material shall be nearer than three feet to the burner or incinerator when in use.

Subd. (2) 3. The occupant of any premises upon which any unauthorized fire is burning in the vicinity of forest lands, whether the fire was started by him or otherwise, shall promptly report the fire to the commissioner, or to the nearest forest officer or fire warden. Failure to make this report shall be deemed a violation of sections 88.03 to (88.21) 88.22 and the occupant of the premises shall be deemed prima facie guilty of negligence if the unreported fire spreads from the premises to the damage, loss, or injury of the state or any person.

Sec. 4. Minnesota Statutes 1976, Section 88.17, is amended to read:

88.17 [PERMISSION TO START FIRES; PROSECUTION FOR UNLAWFULLY STARTING FIRES.] Subdivision 1. Permission to set fire to any grass, stubble, peat, brush, raking of leaves, rubbish, garbage, branches, slashings or woods for the purpose of cleanup, clearing and improving land or preventing other fire shall be given whenever the same may be safely burned, upon such reasonable conditions and restrictions as the commissioner may prescribe, to prevent same from spreading and getting beyond control. This permission shall be in the form of a written permit signed by a regular forest officer or some other suitable person to be designated by him, as town fire warden, these permits to be on forms furnished by the commissioner. (THE COMMISSIONER, OR ANY OF HIS AUTHORIZED ASSISTANTS, MAY AT HIS DISCRETION IN CASES OF EXTREME DANGER REFUSE, REVOKE, OR POSTPONE THE USE OF PERMITS TO BURN WHEN SUCH ACT IS CLEARLY NECESSARY FOR THE SAFETY OF LIFE AND PROPERTY.) Any person setting any fire or burning anything under such permit shall keep the permit on his person while so engaged and produce and exhibit the permit to any forest officer, when requested to do so. (NO PERMIT IS RE-

QUIRED FOR THE BURNING OF GRASS, LEAVES, RUBBISH, GARBAGE, BRANCHES AND SIMILAR COMBUSTIBLE MATERIAL UNDER THE FOLLOWING CONDITIONS: (1) THE MATERIAL SHALL BE BURNED WITHIN AN INCINERATOR OR BURNER CONSTRUCTED OF FIRE RESISTANT MATERIAL HAVING A CAPACITY OF NOT LESS THAN THREE BUSHELS AND MAINTAINED WITH A MINIMUM BURNING CAPACITY OF NOT LESS THAN TWO BUSHELS, A COVER WHICH IS CLOSED WHEN IN USE, AND MAXIMUM OPENINGS IN THE TOP OR SIDES NO GREATER THAN ONE INCH IN DIAMETER; AND (2) NO COMBUSTIBLE MATERIAL SHALL BE NEARER THAN THREE FEET TO THE BURNER OR INCINERATOR WHEN IT IS IN USE.)

Subd. 2. In any prosecution under sections 88.03 to (88.21) 88.22 for unlawfully starting or setting or having or permitting the continuation or spread of any fire or back-fire, proof upon the part of the prosecution that such fire or back-fire originated upon, or was permitted to burn upon, or that it spread from, lands or premises occupied by the person charged with the offense, and that this person had knowledge of the fire and made no effort to put it out, shall be prima facie evidence that he is guilty. The burden of proof as to any matter in refutation of this prima facie guilt, or in extenuation or excuse, shall be and rest upon the person so appearing prima facie to be guilty.

Sec. 5. Minnesota Statutes 1976, Section 88.22, is amended to read:

88.22 [FOREST FIRE PREVENTION; CLOSING FOREST ROADS AND TRAILS; PROHIBITING OPEN FIRES AND SMOKING; REGULATING PRIVATE AND PUBLIC DUMPING AREAS; PENALTIES.] *Subdivision 1.* When the commissioner of natural resources shall determine that conditions conducive to forest fire hazards exist in the forest areas of the state and that the presence of persons in the forest areas tends to aggravate forest fire hazards, render forest trails impassable by driving thereon during wet seasons and hampers the effective enforcement of state timber trespass and game laws, he may by written order, close any road or trail leading into any land used for any conservation purposes, to all modes of travel except that considered essential such as residents traveling to and from their homes or in other cases to be determined by the authorized forest officers assigned to guard the area. The commissioner may also, upon such determination, by written order, (PROHIBIT THE BUILDING OF ALL CAMPFIRES EXCEPT BY PERMIT ISSUED BY AN AUTHORIZED OFFICER) *suspend the issuance of permits for open fires, revoke or suspend the operation of a permit previously issued and, to the extent he deems necessary, prohibit the building of all or some kinds of open fires in all or any part of a forest area regardless of whether a permit is otherwise required;* and the commissioner also may, by written order, prohibit smoking except at places of habitation or automobiles

or other enclosed vehicles properly equipped with an efficient ash tray.

Subd. 2. The commissioner may close any public or private dumping area, by posting such area as closed to dumping, whenever he deems it necessary for the prevention of forest fires. Thereafter no person shall deposit refuse of any kind within or adjacent to such closed area, or along the road leading thereto.

The commissioner shall establish such minimum standards governing public and private dumping areas as he deems necessary for the prevention of forest fires.

Subd. 3. Any violations of this section shall constitute a misdemeanor.

Sec. 6. Minnesota Statutes 1976, Section 88.73, is amended to read:

88.73 [ADMINISTRATION; DELEGATED POWERS AND DUTIES.] The director is hereby empowered and directed to administer and enforce sections 88.03 to (88.21) 88.22; and, to that end, he may make and enforce all necessary or convenient rules and regulations not inconsistent with the provisions and purposes of these sections. In every case the powers delegated to, and the duties imposed upon, the director, and other state or municipal representatives by sections 88.03 to (88.21) 88.22 shall be exercised and performed in good faith, without undue oppression, and in a manner as reasonable as the exigencies of the situation will permit.

Nothing in sections 88.03 to (88.21) 88.22 shall be construed as abrogating the laws specifically governing state parks or other public parks, or state or municipal forests. The provisions of all such laws and of sections 88.03 to (88.21) 88.22 shall be harmonized and both given effect wherever possible.

Nothing in sections 88.03 to (88.21) 88.22 shall be construed as restricting the state, or any political subdivision thereof, in the exercise of any power, right, or privilege which may be conferred by separate enactment of the legislature under authority of the so-called forest fire prevention amendment to the State Constitution, approved by vote of the electors of this state at the general election held in November, 1924.

Sec. 7. Minnesota Statutes 1976, Section 88.75, Subdivision 1, is amended to read:

88.75 [VIOLATIONS; PENALTIES.] Subdivision 1. Any person who violates any of the provisions of sections 88.03 to (88.21) 88.22 for which no specific penalty is therein prescribed shall be guilty of a misdemeanor and be punished accordingly.

Failure by any person to comply with any provision or requirement of sections 88.03 to (88.21) 88.22 to which such person is subject shall be deemed a violation thereof.

Any person who violates any provisions of sections 88.03 to (88.21) 88.22, in addition to any penalties therein prescribed, or hereinbefore in this section prescribed, for such violation, shall also be liable in full damages to any and every person suffering loss or injury by reason of such violation, including liability to the state, and any of its political subdivisions, for all expenses incurred in fighting or preventing the spread of, or extinguishing, any fire caused by, or resulting from, any violation of these sections. When a fire set by any person spreads to and damages or destroys property belonging to another, the person setting the fire shall be prima facie guilty of negligence in setting and allowing the same to spread.

At any time the state, or any political subdivision thereof, either of its own motion, or at the suggestion or request of the director, may bring an action in any court of competent jurisdiction to restrain, enjoin, or otherwise prohibit any violation of sections 88.03 to (88.21) 88.22, whether therein described as a crime or not, and likewise to restrain, enjoin, or prohibit any person from proceeding further in, with, or at any timber cutting or other operations without complying with the provisions of those sections, or the requirements of the director pursuant thereto; and the court may grant such relief, or any other appropriate relief, whenever it shall appear that the same may prevent loss of life or property by fire, or may otherwise aid in accomplishing the purposes of sections 88.03 to (88.21) 88.22.

Sec. 8. Minnesota Statutes 1976, Section 88.76, is amended to read:

88.76 [REWARDS.] Upon conviction of any person for violating any of the provisions of sections 88.03 to (88.21) 88.22, the director, at his discretion, may pay, from any money placed at his disposal under those sections, a reward of not more than \$25 to the person or persons giving the information leading to such conviction.

Sec. 9. Minnesota Statutes 1976, Section 88.77, is amended to read:

88.77 [DISPOSAL OF FINES AND PENALTIES.] Except as otherwise expressly provided in sections 88.03 to (88.21) 88.22, all moneys received as penalties for violations of the provisions of those sections, less the cost of collection, shall be paid into the treasury of the county in which the penalties for these violations were imposed; provided, that fines collected for violations of those sections, where prosecutions are instituted upon the complaint of town or city officers duly appointed by the

director as fire wardens, shall be paid into the treasury of the town or city where the offense was committed.

Sec. 10. Minnesota Statutes 1976, Section 88.78, is amended to read:

88.78 [APPEALS.] No appeal shall be allowed from a judgment in any court of a justice of the peace, or a municipal court, or other similar court, to the district court in any prosecution under sections 88.03 to (88.21) 88.22, unless the person appealing shall, within the time prescribed by law, enter into a recognizance, with sufficient sureties, or deposit cash bail in twice the amount of the fine and costs, to be approved by the justice, conditioned to appear before the district court on the first day of the next general term thereof to be held in and for the same county, and abide the judgment of the court therein.

The justice or judge may examine the proposed sureties under oath and, in such case, shall make and keep a record of their answers in respect to the kinds and amount of their property not exempt from execution, and he shall furnish a copy of the same to the director.

When an arrest shall have been made for violation of any of the provisions of sections 88.03 to (88.21) 88.22, or when information of such violation shall have been lodged with him, the county attorney of the county in which the offense was committed shall prosecute the accused with diligence and energy.

Sec. 11. [EFFECTIVE DATE.] *This act is effective the day following its final enactment.*

Further amend by striking the title and inserting:

"A bill for an act relating to natural resources; concerning forestry; regulating the maintenance of fires; 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."

H. F. No. 1823 which it recommended to pass with the following amendment offered by McCollar and Jacobs:

Page 2, line 9, after "A" insert "notarized".

Page 2, line 11, after "because" insert "of".

Page 2, strike lines 12 to 14 and insert "conscientiously held beliefs of the parent or guardian. This statement shall also be forwarded to the Commissioner of the Department of Health."

On the motion of Anderson, I., the report of the Committee of the Whole was adopted.

MOTIONS AND RESOLUTIONS

Stanton moved that the name of Anderson, G., be added as an author on H. F. No. 1091. The motion prevailed.

Fugina moved that the name of Spanish be added as an author on H. F. No. 2361. The motion prevailed.

Redalen moved that H. F. No. 2316 be returned to its author. The motion prevailed.

Anderson, B., moved that H. F. No. 2453 be returned to its author. The motion prevailed.

Cohen introduced:

House Concurrent Resolution No. 11, A house concurrent resolution designating May 1st of each year as Law Day U.S.A.

The resolution was referred to the Committee on Rules and Legislative Administration.

ADJOURNMENT

Anderson, I., moved that when the House adjourns today it adjourn until 10:30 a.m., Saturday, March 11, 1978. The motion prevailed.

Anderson, I., moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 10:30 a.m., Saturday, March 11, 1978.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

