

STATE OF MINNESOTA

SEVENTY-FIRST SESSION - 1980

EIGHTY-THIRD DAY

SAINT PAUL, MINNESOTA, THURSDAY, MARCH 20, 1980

The House of Representatives convened at 11:30 a.m. and was called to order by the Speaker.

Prayer was offered by the Chaplain.

The roll was called and the following members were present:

Aasness	Drew	Kahn	Nelson	Searles
Adams	Eken	Kaley	Niehaus	Sherwood
Ainley	Elioff	Kalis	Norman	Sieben, H.
Albrecht	Ellingson	Kelly	Novak	Sieben, M.
Anderson, B.	Erickson	Kempe	Nysether	Simoneau
Anderson, D.	Esau	Knickerbocker	Olsen	Stadum
Anderson, G.	Evans	Kostohryz	Onnen	Stoa
Anderson, I.	Ewald	Kroening	Osthoff	Stowell
Anderson, R.	Faricy	Kvam	Otis	Sviggum
Battaglia	Fjoslien	Laidig	Patton	Swanson
Begich	Forsythe	Lehto	Pehler	Thiede
Berglin	Friedrich	Levi	Peterson, B.	Tomlinson
Berkelman	Fritz	Long	Peterson, D.	Valan
Biersdorf	Fudro	Ludeman	Piepho	Valento
Blatz	Greenfield	Luknic	Pleasant	Vanasek
Brinkman	Halberg	Mann	Prahl	Voss
Byrne	Haukoos	McCarron	Redalen	Waldorf
Carlson, D.	Heap	McDonald	Reding	Weaver
Carlson, L.	Heinitz	McEachern	Rees	Welch
Casserly	Hoberg	Mehrkens	Reif	Welker
Clark	Hokanson	Metzen	Rice	Wenzel
Clawson	Jacobs	Minne	Rodriguez	Wieser
Corbid	Jaros	Moe	Rose	Wigley
Crandall	Jennings	Munger	Rothenberg	Wynia
Dean	Johnson, C.	Murphy	Sarna	Zubay
Dempsey	Johnson, D.	Nelsen, B.	Schreiber	Spkr. Norton
Den Ouden	Jude	Nelsen, M.	Searle	

A quorum was present.

The Chief Clerk proceeded to read the Journal of the preceding day. Stoa 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. No. 2369 have been placed in the members' files.

S. F. No. 1633 and H. F. No. 2441, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Anderson, I., moved that the rules be so far suspended that S. F. No. 1633 be substituted for H. F. No. 2441 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1658 and H. F. No. 2435, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Greenfield moved that S. F. No. 1658 be substituted for H. F. No. 2435 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1847 and H. F. No. 2168, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Wigley moved that S. F. No. 1847 be substituted for H. F. No. 2168 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1398 and H. F. No. 2223, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Kroening moved that the rules be so far suspended that S. F. No. 1398 be substituted for H. F. No. 2223 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1719 and H. F. No. 2063, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Tomlinson moved that the rules be so far suspended that S. F. No. 1719 be substituted for H. F. No. 2063 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1775 and H. F. No. 1780, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Simoneau moved that the rules be so far suspended that S. F. No. 1775 be substituted for H. F. No. 1780 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

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

March 18, 1980

The Honorable Fred C. Norton
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 1980 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 1980</i>	<i>Date Filed 1980</i>
	455	355	March 18	March 18
824		356	March 18	March 18
888		357	March 18	March 18
1114		358	March 18	March 18
1438		359	March 18	March 18
1625		360	March 18	March 18

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

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

March 19, 1980

The Honorable Fred C. Norton
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 1980 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 1980</i>	<i>Date Filed 1980</i>
951		361	March 18	March 19
1010		362	March 18	March 19
1215		363	March 18	March 19

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

Prahl from the Committee on Commerce, Economic Development and Housing to which was referred:

H. F. No. 2273, A bill for an act relating to cooperative associations; requiring the articles of incorporation or the bylaws of a newly formed association to specifically authorize the election of directors by mail votes; amending Minnesota Statutes 1978, Section 308.071.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 308.071, is amended to read:

308.071 [COOPERATIVE ASSOCIATIONS, ELECTION OF DIRECTORS.] Subdivision 1. No action heretofore or hereafter taken by the board of directors nor the election of any director of any cooperative association organized under sections 308.05 to 308.18 shall be held to be invalid by reason of any (SUCH) director (HERETOFORE) having been elected at an election at which any stockholder voted by mail (IN ACCORDANCE WITH PROVISIONS FOR MAIL VOTES EXISTING IN THE ARTICLES OF INCORPORATION OR BYLAWS OF SUCH COOPERATIVE ASSOCIATION) prior to (JANUARY 1, 1956) *the effective date of this act.*

Subd. 2. (IF VOTING BY MAIL IS AUTHORIZED BY THE ARTICLES OF INCORPORATION OR THE BYLAWS OF ANY SUCH COOPERATIVE ASSOCIATION, THEN ANY STOCKHOLDER OF SUCH ASSOCIATION MAY, AT ANY ELECTION OF ANY DIRECTOR OF SUCH ASSOCIATION WHICH SHALL BE HELD HEREAFTER AND PRIOR TO JANUARY 1, 1958, VOTE BY MAIL IN THE SAME MANNER AS IS PRESCRIBED BY SECTION 308.07. THIS SHALL NOT BE CONSTRUED AS A DECLARATION OF LEGISLATIVE INTENT AS TO WHETHER OR NOT THE STATUTES, PRIOR TO THIS AMENDMENT, PERMIT THE MAILING OF BALLOTS FOR DIRECTOR'S ELECTIONS.) *No stockholders shall vote by mail for a director unless mail voting is authorized by the articles of incorporation or the bylaws of the association. The ballot shall be in such form as the board of directors of the association shall prescribe for use in electing directors. The stockholder shall mark his ballot for the candidate or candidates of his choice and mail it to the association in a sealed plain envelope inside another envelope bearing his name. If the ballot of the stockholder is received by the association on or before the date of the meeting, the ballot shall be accepted and counted as the vote of the absent stockholder.*

Subd. 3. *If voting by mail is authorized by the articles of incorporation or the bylaws of a cooperative telephone association, a stockholder or member of the association may, at the election of any director of the association held hereafter, vote by mail in the manner prescribed in the articles of incorporation or bylaws of the association and the mail voting shall be by secret ballot.*

Sec. 2. Minnesota Statutes 1978, Chapter 308, is amended by adding a section to read:

[308.105] [VOTING BY MEMBERS.] *Whenever a vote of members or stockholders of a cooperative association is required or provided for on any matter, including a petition pursuant to section 216B.02, subdivision 4, the spouse of the member or stockholder may vote on behalf of the member or stockholder unless the member or stockholder has indicated otherwise.*

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

Delete the title and insert:

"A bill for an act relating to cooperative associations; validating elections of directors by mail voting; authorizing mail voting for directors of cooperative associations; providing for voting by members' spouses; amending Minnesota Statutes 1978, Section 308.071; and Chapter 308, by adding a section."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, I., from the Committee on General Legislation and Veterans Affairs to which was referred:

S. F. No. 756, A bill for an act relating to taxation; providing income tax credit for contributions to candidates for federal and local public offices; clarifying application of the tax credit in certain special elections; amending Minnesota Statutes 1978, Section 290.06, Subdivision 11.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes, 1979 Supplement, Section 290.06, Subdivision 11, is amended to read:

Subd. 11. [CONTRIBUTIONS TO POLITICAL PARTIES AND CANDIDATES.] In lieu of the credit against taxable net income provided by section 290.21, subdivision 3, clause (e), a taxpayer may take a credit against the tax due under this chapter of 50 percent (BUT NOT MORE THAN \$50) of his contributions to (A POLITICAL PARTY AND) *any candidate for elective state or federal office and to any political party. The maximum credit for an individual shall not exceed \$50 and, for a married couple (,) filing jointly, (MAY TAKE A SIMILAR CREDIT OF) shall not (MORE THAN) exceed \$100.* No credit shall be allowed under this subdivision for a contribution to any candidate *as defined in section 10A.01, subdivision 5, other than a candidate for elective judicial office or a candidate in a special election, who has not signed an agreement to limit his campaign expenditures as provided in section 10A.32, subdivision 3b.* (THE COMMISSIONER OF REVENUE SHALL PROVIDE IN THE TAX INSTRUCTION BOOKLET LANGUAGE UNDERSTANDABLE TO A PERSON OF AVERAGE INTELLIGENCE WHICH STATES THAT THE TAXPAYER MAY ONLY CLAIM A CREDIT AGAINST HIS TAX DUE FOR CONTRIBUTIONS TO CANDIDATES FOR (A) JUDICIAL OFFICE OR (B) STATEWIDE OR LEGISLATIVE OFFICE

WHO HAVE AGREED TO LIMIT THEIR EXPENDITURES. FOR PURPOSES OF THIS SUBDIVISION, "CANDIDATE" MEANS A CANDIDATE AS DEFINED IN SECTION 10A.01, SUBDIVISION 5 OTHER THAN A COUNTY COURT, PROBATE COURT OR COUNTY MUNICIPAL COURT JUDGESHIP. THE DEPARTMENT OF REVENUE SHALL PROVIDE ON THE FIRST PAGE OF THE MINNESOTA TAX FORM AN APPROPRIATE PROVISION FOR THE CREDIT PROVIDED BY THIS SUBDIVISION.)

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

Sec. 2. [EFFECTIVE DATE.] *This act is effective for contributions made during taxable years beginning after December 31, 1979.*

Further, amend the title as follows:

Page 1, line 3, after the second "for" insert "elective state or"

Page 1, line 3, delete "and"

Page 1, line 4, delete "local public"

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

The report was adopted.

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

S. F. No. 1759, A bill for an act relating to counties; providing for sheriffs and deputies compensation and expenses; permitting compensation for use of automobiles; amending Minnesota Statutes 1978, Section 387.20, Subdivisions 1 and 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 385.02, Subdivision 1, is amended to read:

385.02 [DEPUTIES; BONDS.] Subdivision 1. [APPOINTMENT OF DEPUTIES.] County treasurers may by certificate in writing appoint one or more deputies, who, before entering upon their duties, shall file with the county recorder such certificates, with their oaths of office endorsed thereon. Such deputies may sign all papers and do all other things which county treasurers may themselves do. *County treasurers are re-*

sponsible for the acts of their deputies and may revoke their appointments at pleasure.

Sec. 2. Minnesota Statutes 1978, Section 387.20, Subdivision 1, is amended to read:

387.20 [SALARIES; APPEALS.] Subdivision 1. The sheriffs of all counties of the state with less than 75,000 inhabitants according to the 1960 federal census shall receive yearly salaries for all services rendered by them for their respective counties, not less than the following amounts according to the then last preceding federal census:

- (a) In counties with less than 10,000 inhabitants, \$6,000;
- (b) In counties with 10,000 but less than 20,000 inhabitants, \$6,500;
- (c) In counties with 20,000 but less than 30,000 inhabitants, \$7,000;
- (d) In counties with 30,000 but less than 40,000 inhabitants, \$7,500;
- (e) In counties with 40,000 or more inhabitants, \$8,000.

In addition to such salary each sheriff shall be reimbursed for all expenses incurred by him in the performance of his official duties for his county and his claim for such expenses shall be prepared, allowed, and paid in the same manner as other claims against counties are prepared, allowed, and paid except that the expenses incurred by such sheriffs in the performance of service required of them in connection with insane persons either by a probate court or by law and a per diem for deputies and assistants necessarily required under such performance of such services shall be allowed and paid as provided by the law regulating the apprehension, examination, and commitment of insane persons; provided that any sheriff or deputy receiving an annual salary shall pay over any per diem received by him to the county in the manner and at the time prescribed by the county board, but not less often than once each month.

All claims for livery hire shall state the purpose for which such livery was used and have attached thereto a receipt for the amount paid for such livery signed by the person of whom it was hired (AND IF THE SHERIFF USES HIS OWN TEAM OR AUTOMOBILE HE SHALL BE ALLOWED THEREFOR THE SAME AMOUNT WHICH WOULD BE CHARGED REASONABLY BY ANY OTHER PERSON FOR THE USE OF SUCH TEAM OR AUTOMOBILE UNDER THE SAME CIRCUMSTANCES).

A county may pay a sheriff or deputy as compensation for the use of his own automobile in the performance of official duties a mileage allowance prescribed by the county board or a monthly or other periodic allowance in lieu of mileage. The allowance for automobile use is not subject to limits set by other law.

Sec. 3. Minnesota Statutes 1978, Section 387.20, Subdivision 6, is amended to read:

Subd. 6. The county board by resolution shall provide the budget for (1) the salaries of deputies, jailers, matrons, bailiffs, clerks and other employees in the office of the sheriff; (2) other expenses necessary in the performance of the duties of said office, including the reimbursement of the sheriff or his designee for necessary and reasonable expenses incurred in furnishing board, laundry and other services to prisoners in the county jail, provided that the county board may at its option provide for the furnishing of these services to the prisoners, (AND) (3) the payment of premiums of any bonds or license fees required of the sheriff or any deputy or other employee in said office and (4) *mileage allowances prescribed by the board* and the board is authorized to appropriate funds therefor and for the salary of the sheriff.

Sec. 4. Minnesota Statutes 1978, Chapter 387, is amended by adding a section to read:

[387.145] [CHIEF DEPUTY; APPOINTMENT IN CERTAIN COUNTIES.] *Notwithstanding the provision of any law to the contrary the sheriff of any county which has 100,000 or more inhabitants according to the 1980 federal census or the latest federal census thereafter may appoint a chief deputy or first assistant with the approval of the county board.*

Sec. 5. Laws 1961, Chapter 249, Section 2, as amended by Laws 1965, Chapter 629, Section 2, is amended to read:

Sec. 2. [DAKOTA COUNTY, COMMISSIONERS' EXPENSE.] Each member of the board of county commissioners shall be allowed (A SUM NOT TO EXCEED \$1,000 PER YEAR, WHICH SAID SUM SHALL BE PAYABLE IN EQUAL MONTHLY INSTALLMENTS) *an annual sum as determined by the county board as and for expense account.*

Sec. 6. *Sections 1, 2, 3, and 4 of this act shall be effective on the day following final enactment. Section 5 of this act shall be effective upon compliance with Minnesota Statutes, 1979 Supplement, Section 645.021, Subdivision 3."*

Delete the title in its entirety and insert:

"A bill for an act relating to counties; providing for the responsibilities and appointments of deputy county treasurers; providing for sheriffs and deputies compensation and expenses; permitting compensation for use of automobiles; authorizing the county board of Dakota County to set amount for expense account; Minnesota Statutes 1978, Sections 385.02, Subdivision 1; 387.20, Subdivisions 1 and 6; and Chapter 387, by adding a section; and Laws 1961, Chapter 249, Section 2, as amended."

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 2273 was read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1633, 1658, 1847, 1398, 1719, 1775 and 1759 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Blatz introduced:

H. F. No. 2464, A bill for an act relating to insurance; regulating anticipated loss ratios on certain policies; amending Minnesota Statutes 1978, Section 62A.02, Subdivision 3.

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

Wenzel; Piepho; Sieben, M.; Pehler and Hoberg introduced:

H. F. No. 2465, A bill for an act relating to taxation; income tax; providing a credit for contributions to institutions of higher education; amending Minnesota Statutes 1978, Chapter 290, by adding a section.

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

Evans, Sieben, H., and Searles introduced:

H. F. No. 2466, A bill for an act relating to unemployment compensation; regulating contribution rates of employers; amending Minnesota Statutes 1978, Sections 268.04, Subdivision 25; Minnesota Statutes, 1979 Supplement, Sections 268.06, Subdivision 8; and 268.09, Subdivision 1.

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

Eken, Evans and Jacobs introduced:

H. F. No. 2467, A bill for an act relating to public welfare; appropriating money for construction of a detoxification center on the White Earth Indian reservation.

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

Simoneau introduced:

H. F. No. 2468, A bill for an act relating to taxation; sales and use tax; clarifying the exemption of wrapping paper purchased for custom meat processing; amending Minnesota Statutes, 1979 Supplement, Section 297A.25, Subdivision 1.

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

HOUSE ADVISORIES

The following House Advisory was introduced:

Osthoff, Clark, Biersdorf, Nelson and Evans introduced:

H. A. No. 56, A proposal to study purchasing practices of all governmental units and agencies with regard to small business and minority setaside programs.

The advisory was referred to the Committee on Commerce, Economic Development and Housing.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 1778, A bill for an act relating to Independent School District No. 466; permitting the sale of certain land.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 711, A bill for an act relating to highway traffic regulations; authorizing physician's trained mobile intensive care paramedics to withdraw blood for the purpose of determining the presence of alcohol or controlled substances under the implied consent law; amending Minnesota Statutes 1978, Section 169.123, Subdivision 3.

H. F. No. 1427, A bill for an act relating to banks; raising the amount of an employee loan possible without prior board approval; amending Minnesota Statutes 1978, Section 48.08.

H. F. No. 1623, A bill for an act relating to insurance; providing for the operation of the Minnesota life and health insurance guaranty association; correcting certain oversights and ambiguities; making certain improvements; amending Minnesota Statutes 1978, Sections 61B.02, Subdivision 1; 61B.05, by adding a subdivision; 61B.07, Subdivisions 1, 2, 3 and 7; and 61B.15.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendment to:

S. F. No. 364, A bill for an act relating to peace officers; requiring uniform colors and identification for law enforcement motor vehicles and uniforms of peace officers and security guards; amending Minnesota Statutes 1978, Section 169.98.

And the Senate respectfully requests that a Conference Committee be appointed thereon. Messrs. McCutcheon, Willet and Sillers have been appointed as such committee on the part of the Senate.

Said Senate File is herewith transmitted to the House with the request that the House appoint a committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Lehto moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two Houses on S. F. No. 364. The motion prevailed.

Mr. Speaker:

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

S. F. Nos. 1700, 1797, 1903 and 1995.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. Nos. 1985, 2094 and 2109.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1700, A bill for an act relating to insurance; regulating suicide provisions in life insurance contracts; amending Minnesota Statutes 1978, Chapter 61A, by adding a section.

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

S. F. No. 1797, A bill for an act relating to the Minnesota zoological garden; supplementing and clarifying the authority of the zoological garden board in regard to penalties for rule violations; regulating the use of the name or mark of the garden; providing penalties; amending Minnesota Statutes 1978, Section 85A.02, Subdivision 7; and Chapter 333, by adding sections.

The bill was read for the first time.

Kempe moved that S. F. No. 1797 and H. F. No. 1822, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1903, A bill for an act relating to energy; modifying certain planning and zoning statutes to remove barriers to biomass energy production; prohibiting the destruction of certain biomass usable as fuel; amending Minnesota Statutes, 1979 Sup-

plement, Sections 394.25, Subdivision 3; and 394.27, Subdivision 7; 462.357, Subdivisions 1 and 6.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

S. F. No. 1995, A bill for an act relating to municipal industrial revenue bonds; providing for reports; amending Minnesota Statutes 1978, Chapter 474, by adding a section.

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

S. F. No. 1985, A bill for an act relating to municipal industrial development; requiring consideration of certain policy matters; defining projects; amending Minnesota Statutes 1978, Section 474.02, Subdivision 1b; and Minnesota Statutes, 1979 Supplement, Section 474.01, Subdivision 7a.

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

S. F. No. 2094, A bill for an act relating to game and fish; excluding bears from the definition of fur bearing animals; requiring licenses of persons providing guide services for bear hunters; specifying fees; requiring tagging of bears taken in the state; providing for free fishing licenses for certain mentally retarded and disabled residents; extending the muskrat trapping season; changing the times of day during which certain wild animals may be taken; authorizing a season for taking sandhill cranes; regulating bear baiting; allowing sale of bear hides and claws; altering the end date of certain fishing seasons; allowing possession of dip nets under certain circumstances; amending Minnesota Statutes 1978, Sections 97.40, Subdivision 7; 98.46, Subdivisions 4, 16 and 22; 98.47, Subdivisions 15 and 16; 100.27, Subdivision 5; 100.29, Subdivisions 1 and 31; 100.30; 101.41, Subdivision 2; Minnesota Statutes, 1979 Supplement, Sections 100.27, Subdivision 4; and 101.42, Subdivision 18.

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

S. F. No. 2109, A bill for an act relating to transportation; permitting establishment of toll bridges on county highways and county state aid highways; authorizing the issuance of revenue bonds to finance their cost; amending Minnesota Statutes 1978, Chapter 165, by adding a section.

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

PROGRESS REPORTS ON CONFERENCE COMMITTEES

Progress by the Conference Committee was reported to the House on the following bills: S. F. Nos. 129, 410, 768 and 1584.

CONSENT CALENDAR

H. F. No. 2197 was reported to the House.

There being no objection, H. F. No. 2197 was continued on the Consent Calendar for one day.

S. F. No. 1707 was reported to the House.

Friedrich moved to amend S. F. No. 1707, as follows:

After the enacting clause insert:

"Section 1. Minnesota Statutes 1978, Section 205.03, Subdivision 3, is amended to read:

Subd. 3. [OTHER TOWNS.] In any election of town officers in a town other than a town described in subdivision 2, the town board, by resolution adopted prior to the giving of notice of the election, may designate the time, *in no event less than three hours*, during which the polls shall remain open for the next succeeding and all subsequent town elections (, PROVIDED THAT THE POLLS SHALL OPEN NO LATER THAN 10:00 A.M. AND SHALL CLOSE NO EARLIER THAN 5:00 P.M., EXCEPT A TOWN BOARD MAY DESIGNATE A TIME FOR CLOSING LATER THAN 5:00 P.M. BUT NOT LATER THAN 8:00 P.M.) The resolution shall remain in force until revoked by the town board."

Page 4, after line 20, insert:

"Sec. 6. [EFFECTIVE DATE.] *This act is effective the day after final enactment.*"

Renumber the sections accordingly

Further, amend the title as follows:

Page 1, line 2, after the semicolon insert "providing for towns to set their own hours for town elections; requiring polls to be open at least three hours;"

Page 1, line 6, after "Sections" insert "205.03, Subdivision 3;"

The motion prevailed and the amendment was adopted.

S. F. No. 1707, A bill for an act relating to towns; requiring a majority of voters to permit town zoning; clarifying the ballot question; requiring hearing and notice before certain actions; requiring notice of changes; amending Minnesota Statutes 1978, Sections 366.11; 366.12; 366.13; and 366.15.

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

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 4 nays as follows:

Those who voted in the affirmative were:

Aasness	Drew	Jude	Nelson	Sherwood
Adams	Eken	Kahn	Niehaus	Sieben, H.
Ainley	Elioff	Kaley	Norman	Sieben, M.
Albrecht	Ellingson	Kalis	Novak	Simoneau
Anderson, B.	Erickson	Kelly	Nysether	Stadium
Anderson, D.	Esau	Kempe	Olsen	Stoa
Anderson, G.	Evans	Knickerbocker	Onnen	Stowell
Anderson, I.	Ewald	Kroening	Otis	Sviggum
Anderson, R.	Faricy	Kvam	Pehler	Swanson
Battaglia	Fjoslien	Lehto	Peterson, B.	Thiede
Begich	Forsythe	Levi	Peterson, D.	Tomlinson
Berglin	Friedrich	Long	Piepho	Valan
Berkelman	Fudro	Ludeman	Pleasant	Valento
Biersdorf	Greenfield	Luknic	Prahl	Voss
Blatz	Halberg	Mann	Redalen	Waldorf
Brinkman	Haukoos	McCarron	Reding	Weaver
Byrne	Heap	McDonald	Rees	Welch
Carlson, D.	Heinitz	McEachern	Reif	Welker
Carlson, L.	Hoberg	Mehrkins	Rodriguez	Wenzel
Clark	Hokanson	Metzen	Rose	Wieser
Clawson	Jacobs	Minne	Rothenberg	Wigley
Crandall	Jaros	Munger	Sarna	Wynia
Dean	Jennings	Murphy	Schreiber	Zubay
Dempsey	Johnson, C.	Nelsen, B.	Searle	Spkr. Norton
Den Ouden	Johnson, D.	Nelsen, M.	Searles	

Those who voted in the negative were:

Corbid	Fritz	Osthoff	Patton
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The bill was passed, as amended, and its title agreed to.

H. F. No. 1262, A bill for an act relating to the city of Breezy Point; relating to its tax levy for general purposes; repealing Laws 1971, Chapter 110.

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:

Aasness	Den Ouden	Johnson, D.	Nelson	Searles
Adams	Drew	Kahn	Niehaus	Sherwood
Ainley	Eken	Kaley	Norman	Sieben, H.
Albrecht	Elioff	Kalis	Novak	Sieben, M.
Anderson, B.	Ellingson	Kelly	Nysether	Simoneau
Anderson, D.	Erickson	Kempe	Olsen	Stadum
Anderson, G.	Esau	Knickerbocker	Onnen	Sviggum
Anderson, I.	Evans	Kostohryz	Osthoff	Swanson
Anderson, R.	Ewald	Kroening	Otis	Thiede
Battaglia	Faricy	Kvam	Patton	Tomlinson
Begich	Fjoslien	Lehto	Pehler	Valan
Berglin	Forsythe	Levi	Peterson, B.	Valento
Berkelman	Friedrich	Long	Peterson, D.	Voss
Biersdorf	Fritz	Ludeman	Piepho	Waldorf
Blatz	Fudro	Luknic	Pleasant	Weaver
Brinkman	Greenfield	Mann	Prahl	Welch
Byrne	Halberg	McCarron	Redalen	Welker
Carlson, D.	Haukoos	McDonald	Reding	Wenzel
Carlson, L.	Heap	McEachern	Rees	Wieser
Casserly	Heinitz	Mehrkens	Reif	Wigley
Clark	Hoberg	Metzen	Rodriguez	Wynia
Clawson	Hokanson	Minne	Rose	Zubay
Corbid	Jacobs	Munger	Rothenberg	Spkr. Norton
Crandall	Jaros	Murphy	Sarna	
Dean	Jennings	Nelsen, B.	Schreiber	
Dempsey	Johnson, C.	Nelsen, M.	Searle	

The bill was passed and its title agreed to.

S. F. No. 1963 was reported to the House.

McEachern moved to amend S. F. No. 1963, as follows:

Page 1, after the enacting clause, insert:

"Section 1. Minnesota Statutes, 1979 Supplement, Section 204A.23, is amended to read:

204A.23 [COMPENSATION.] The compensation for services performed under the Minnesota election law shall be as follows:

(a) To presidential electors from funds appropriated to the secretary of state for this purpose, \$35 for each day's attendance at the capitol, and an amount for each mile necessarily traveled in going to and returning from St. Paul, equal to the amount allowed for state employees in accordance with regulation under section 471.665, subdivision 1;

(b) To persons, other than county, city or township employees during their normal work day, appointed or designated by the county auditor to carry ballots to or from the county auditor's office, a sum not less than the prevailing Minnesota minimum wage for each hour necessarily spent and an amount for each mile of necessary travel, equal to the amount allowed for

state employees in accordance with regulation under section 471.665, subdivision 1;

(c) To members of county canvassing boards, (\$5 FOR EACH EIGHT HOURS OF SERVICE AS MEMBERS OF THE CANVASSING BOARD AND SEVEN AND ONE-HALF CENTS FOR EACH MILE OF NECESSARY TRAVEL EACH DAY; PROVIDED THAT IN COUNTIES NOW OR HERE-AFTER HAVING A POPULATION OF 600,000 OR MORE THE MEMBERS OF THE COUNTY CANVASSING BOARDS IN THOSE COUNTIES SHALL BE PAID \$12 FOR EACH EIGHT HOURS OF SERVICE AS MEMBERS OF THE CANVASSING BOARD, AND MILEAGE) *a sum not less than the prevailing Minnesota minimum wage for each hour necessarily spent and an amount for each mile of necessary travel, equal to the amount allowed for state employees pursuant to section 471.665, subdivision 1;*

(d) The compensation for election judges in home rule charter and statutory cities shall be fixed by the governing body of the city. The compensation of election judges in unorganized territory shall be fixed by the county board. The compensation for election judges in towns shall be fixed by the town board. *A county or a town election judge shall receive, and an election judge who travels to pick up election supplies or to deliver election returns to the county auditor shall receive, in addition to other compensation authorized by this section, a sum not less than the prevailing Minnesota minimum wage for each hour spent performing these duties, plus mileage in the same amount as allowed for state employees pursuant to section 471.665, subdivision 1; and*

(e) To special peace officers, an amount for each hour of service rendered by direction of the judges, to be fixed as in the case of judges of election."

Renumber the sections accordingly

Further, amend the title, as follows:

Page 1, line 2, delete "taxation" and insert "local government"

Page 1, line 2, delete everything after the first semicolon and insert "fixing compensation for county canvassing boards and county and township election judges;"

Page 1, line 6, after "Sections" insert "204A.23;"

The motion prevailed and the amendment was adopted.

S. F. No. 1963, A bill for an act relating to taxation; property tax administration; eliminating mandatory assessors meetings; amending Minnesota Statutes 1978, Sections 273.03, Subdivision

1; 273.04; and Minnesota Statutes, 1979 Supplement, Sections 270.06; and 273.061, Subdivision 8.

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

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

Those who voted in the affirmative were:

Aasness	Drew	Jude	Nelson	Searles
Adams	Eken	Kahn	Niehaus	Sherwood
Ainley	Elioff	Kaley	Norman	Sieben, H.
Albrecht	Ellingson	Kalis	Novak	Sieben, M.
Anderson, B.	Erickson	Kelly	Nysether	Simoneau
Anderson, D.	Esau	Kempe	Olsen	Stadum
Anderson, G.	Evans	Knickerbocker	Onnen	Stowell
Anderson, I.	Ewald	Kostohryz	Osthoff	Sviggum
Anderson, R.	Farley	Kroening	Otis	Swanson
Battaglia	Fjoslien	Kvam	Patton	Thiede
Begich	Forsythe	Lehto	Pehler	Tomlinson
Berglin	Friedrich	Levi	Peterson, B.	Valan
Berkelman	Fritz	Long	Peterson, D.	Valento
Biersdorf	Fudro	Ludeman	Piepho	Vanasek
Blatz	Greenfield	Luknic	Pleasant	Voss
Brinkman	Halberg	Mann	Prahl	Waldorf
Byrne	Haukoos	McCarron	Redalen	Weaver
Carlson, D.	Heap	McDonald	Reding	Welch
Carlson, L.	Heinitz	McEachern	Rees	Welker
Clark	Hoberg	Mehrkens	Reif	Wenzel
Clawson	Hokanson	Metzen	Rodriguez	Wieser
Corbid	Jacobs	Minne	Rose	Wigley
Crandall	Jaros	Munger	Rothenberg	Wynia
Dean	Jennings	Murphy	Sarna	Zubay
Dempsey	Johnson, C.	Nelsen, B.	Schreiber	Spkr. Norton
Den Ouden	Johnson, D.	Nelsen, M.	Searle	

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

S. F. No. 1815 was reported to the House.

Murphy moved to amend S. F. No. 1815, as follows:

Page 1, line 18, delete "*leaving*" and insert "*filing*"

Page 1, line 18, delete "*in the office of*" and insert "*with*"

Page 1, line 19, after "*commissioner*" insert "*or his representative*"

The motion prevailed and the amendment was adopted.

S. F. No. 1815, A bill for an act relating to commerce; providing for service of legal process on nonresident brokers and salespersons licensed to do business in Minnesota; amending Minnesota Statutes 1978, Section 82.31, Subdivision 3.

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

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

Those who voted in the affirmative were:

Aasness	Eken	Kahn	Nelson	Sherwood
Adams	Elioff	Kaley	Niehaus	Sieben, H.
Ainley	Ellingson	Kalis	Norman	Sieben, M.
Albrecht	Erickson	Kelly	Novak	Simoneau
Anderson, B.	Esau	Kempe	Nysether	Stadum
Anderson, D.	Evans	Knickerbocker	Olsen	Stowell
Anderson, G.	Ewald	Kostohryz	Onnen	Swiggun
Anderson, I.	Faricy	Kroening	Osthoff	Swanson
Anderson, R.	Fjoslien	Kvam	Otis	Thiedo
Battaglia	Forsythe	Lehto	Pehler	Tomlinson
Begich	Friedrich	Levi	Peterson, B.	Valan
Berglin	Fritz	Long	Peterson, D.	Valento
Berkelman	Fudro	Ludeman	Piepho	Voss
Blatz	Greenfield	Luknic	Pleasant	Waldorf
Brinkman	Halberg	Mann	Prahl	Weaver
Byrne	Haukoos	McCarron	Redalen	Welch
Carlson, D.	Heap	McDonald	Reding	Welker
Carlson, L.	Heinitz	McEachern	Rees	Wenzel
Clark	Hoberg	Mehrkins	Reif	Wieser
Clawson	Hokanson	Metzen	Rodriguez	Wigley
Corbid	Jacobs	Minne	Rose	Wynia
Crandall	Jaros	Moe	Rothenberg	Zubay
Dean	Jennings	Munger	Sarna	Spkr. Norton
Dempsey	Johnson, C.	Murphy	Schreiber	
Den Ouden	Johnson, D.	Nelsen, B.	Searle	
Drew	Jude	Nelsen, M.	Searles	

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

S. F. No. 978, A bill for an act relating to banks and trust companies; allowing substitution of certain banks and trust companies in fiduciary capacities maintained by certain banks and trust companies.

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:

Aasness	Battaglia	Carlson, L.	Drew	Fjoslien
Adams	Begich	Casserly	Eken	Forsythe
Ainley	Berglin	Clark	Elioff	Fritz
Albrecht	Berkelman	Clawson	Ellingson	Fudro
Anderson, B.	Biersdorf	Corbid	Erickson	Greenfield
Anderson, D.	Blatz	Crandall	Esau	Halberg
Anderson, G.	Brinkman	Dean	Evans	Haukoos
Anderson, I.	Byrne	Dempsey	Ewald	Heap
Anderson, R.	Carlson, D.	Den Ouden	Faricy	Heinitz

Hoberg	Levi	Niehaus	Rees	Thiede
Hokanson	Long	Norman	Reif	Tomlinson
Jacobs	Ludeman	Novak	Rodriguez	Valan
Jaros	Luknic	Nysether	Rose	Valento
Jennings	Mann	Olsen	Rothenberg	Voss
Johnson, D.	McCarron	Onnen	Sarna	Waldorf
Jude	McDonald	Osthoff	Schreiber	Weaver
Kahn	McEachern	Otis	Searle	Welch
Kaley	Mehrkens	Patton	Searles	Welker
Kalis	Metzen	Pehler	Sherwood	Wenzel
Kelly	Minne	Peterson, B.	Sieben, H.	Wieser
Kempe	Moe	Peterson, D.	Sieben, M.	Wigley
Knickerbocker	Munger	Piepho	Simoneau	Wynia
Kostohryz	Murphy	Pleasant	Stadum	Zubay
Kroening	Nelsen, B.	Prahl	Stowell	Spkr. Norton
Kvam	Nelsen, M.	Redalen	Sviggum	
Lehto	Nelson	Reding	Swanson	

The bill was passed and its title agreed to.

S. F. No. 1403, A bill for an act relating to workers' compensation; providing that certain farmers shall not be considered employees; amending Minnesota Statutes 1978, Section 176.011, Subdivision 11a, 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:

Aasness	Den Ouden	Jude	Nelsen, M.	Searles
Adams	Drew	Kahn	Nelson	Sherwood
Ainley	Eken	Kaley	Niehaus	Sieben, H.
Albrecht	Elioff	Kalis	Norman	Sieben, M.
Anderson, B.	Ellingson	Kelly	Novak	Simoneau
Anderson, D.	Erickson	Kempe	Nysether	Stadum
Anderson, G.	Esau	Knickerbocker	Olsen	Stoa
Anderson, I.	Evans	Kostohryz	Onnen	Stowell
Anderson, R.	Ewald	Kroening	Osthoff	Sviggum
Battaglia	Faricy	Kvam	Otis	Swanson
Begich	Fjoslien	Lehto	Patton	Thiede
Berglin	Forsythe	Levi	Pehler	Tomlinson
Berkelman	Fritz	Long	Peterson, B.	Valan
Biersdorf	Fudro	Ludeman	Peterson, D.	Valento
Blatz	Greenfield	Luknic	Piepho	Vanasek
Brinkman	Halberg	Mann	Pleasant	Voss
Byrne	Haukoos	McCarron	Prahl	Waldorf
Carlson, D.	Heap	McDonald	Redalen	Weaver
Carlson, L.	Heinitz	McEachern	Reding	Welch
Casserly	Hoberg	Mehrkens	Rees	Welker
Clark	Hokanson	Metzen	Reif	Wenzel
Clawson	Jacobs	Minne	Rodriguez	Wieser
Corbid	Jaros	Moe	Rose	Wigley
Crandall	Jennings	Munger	Rothenberg	Wynia
Dean	Johnson, C.	Murphy	Sarna	Zubay
Dempsey	Johnson, D.	Nelsen, B.	Searle	Spkr. Norton

The bill was passed and its title agreed to.

S. F. No. 1716, A bill for an act relating to workers' compensation; providing an annual date for adjusting supplementary benefit levels; amending Minnesota Statutes 1978, Section 176.132, 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 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Drew	Kahn	Niehaus	Sherwood
Adams	Eken	Kaley	Norman	Sieben, H.
Ainley	Elioff	Kalis	Novak	Sieben, M.
Albrecht	Ellingson	Kelly	Nysether	Simoneau
Anderson, B.	Erickson	Kempe	Olsen	Stadum
Anderson, D.	Esau	Knickerbocker	Onnen	Stoa
Anderson, G.	Evans	Kostohryz	Osthoff	Stowell
Anderson, I.	Ewald	Kroening	Otis	Swiggum
Anderson, R.	Faricy	Kvam	Patton	Swanson
Battaglia	Fjoslien	Lehto	Pehler	Thiede
Begich	Forsythe	Levi	Peterson, B.	Tomlinson
Berglin	Fritz	Long	Peterson, D.	Valan
Berkelman	Fudro	Ludeman	Piepho	Valento
Biersdorf	Greenfield	Luknic	Pleasant	Vanasek
Blatz	Halberg	Mann	Prahl	Voss
Brinkman	Haukoos	McCarron	Redalen	Waldorf
Byrne	Heap	McDonald	Reding	Weaver
Carlson, D.	Heinitz	McEachern	Rees	Welch
Carlson, L.	Hoberg	Mehrkens	Reif	Welker
Casserly	Hokanson	Metzen	Rodriguez	Wenzel
Clark	Jacobs	Minne	Rose	Wieser
Clawson	Jaros	Munger	Rothenberg	Wigley
Crandall	Jennings	Murphy	Sarna	Wynia
Dean	Johnson, C.	Nelsen, B.	Schreiber	Zubay
Dempsey	Johnson, D.	Nelsen, M.	Searle	Spkr. Norton
Den Ouden	Jude	Nelson	Searles	

The bill was passed and its title agreed to.

S. F. No. 1796, A bill for an act relating to economic development; regulating development loans to Indians; amending Minnesota Statutes 1978, Section 362.40, Subdivisions 2 and 8; Minnesota Statutes, 1979 Supplement, Section 362.40, Subdivision 9; repealing Minnesota Statutes 1978, Section 362.40, Subdivision 3.

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

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

Those who voted in the affirmative were:

Aasness	Adams	Ainley	Albrecht	Anderson, B.
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Anderson, D.	Esau	Kempe	Norman	Sieben, H.
Anderson, G.	Evans	Knickerbocker	Novak	Sieben, M.
Anderson, I.	Ewald	Kostohryz	Nysether	Simoneau
Anderson, R.	Faricy	Kroening	Olsen	Stadum
Battaglia	Fjoslien	Kvam	Onnen	Stoa
Begich	Forsythe	Laidig	Osthoff	Stowell
Berglin	Fritz	Lehto	Otis	Sviggum
Berkelman	Fudro	Levi	Patton	Swanson
Biersdorf	Greenfield	Long	Pehler	Thiede
Blatz	Halberg	Ludeman	Peterson, B.	Tomlinson
Brinkman	Haukoos	Luknic	Peterson, D.	Valan
Byrne	Heap	Mann	Piepho	Valento
Carlson, D.	Heinitz	McCarron	Pleasant	Vanasek
Carlson, L.	Hoberg	McDonald	Prahl	Voss
Clark	Hokanson	McEachern	Redalen	Waldorf
Clawson	Jacobs	Mehrrens	Reding	Weaver
Crandall	Jaros	Metzen	Rees	Welch
Dean	Jennings	Minne	Reif	Welker
Dempsey	Johnson, C.	Moe	Rice	Wenzel
Den Ouden	Johnson, D.	Munger	Rodriguez	Wieser
Drew	Jude	Murphy	Rose	Wigley
Eken	Kahn	Nelsen, B.	Rothenberg	Wynia
Elioff	Kaley	Nelsen, M.	Sarna	Zubay
Ellingson	Kalis	Nelson	Schreiber	Spkr. Norton
Erickson	Kelly	Niehaus	Sherwood	

The bill was passed and its title agreed to.

S. F. No. 1892, A bill for an act relating to workers' compensation; allowing flexibility in election of insurance coverage for certain businesses, partnerships and corporations; amending Minnesota Statutes, 1979 Supplement, Section 176.012.

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:

Aasness	Crandall	Hoberg	Ludeman	Osthoff
Adams	Dean	Hokanson	Luknic	Otis
Ainley	Dempsey	Jacobs	Mann	Patton
Albrecht	Den Ouden	Jaros	McCarron	Pehler
Anderson, B.	Drew	Jennings	McDonald	Peterson, B.
Anderson, D.	Eken	Johnson, C.	McEachern	Peterson, D.
Anderson, G.	Elioff	Johnson, D.	Mehrrens	Piepho
Anderson, I.	Ellingson	Jude	Metzen	Pleasant
Anderson, R.	Erickson	Kahn	Minne	Prahl
Battaglia	Esau	Kaley	Moe	Redalen
Begich	Evans	Kalis	Munger	Reding
Berglin	Ewald	Kelly	Murphy	Rees
Berkelman	Faricy	Kempe	Nelsen, B.	Reif
Biersdorf	Fjoslien	Knickerbocker	Nelsen, M.	Rice
Blatz	Fritz	Kostohryz	Nelson	Rodriguez
Brinkman	Fudro	Kroening	Niehaus	Rose
Byrne	Greenfield	Kvam	Norman	Rothenberg
Carlson, D.	Halberg	Laidig	Novak	Sarna
Carlson, L.	Haukoos	Lehto	Nysether	Schreiber
Clark	Heap	Levi	Olsen	Searle
Clawson	Heinitz	Long	Onnen	Searles

Sherwood	Stoa	Tomlinson	Waldorf	Wieser
Sieben, H.	Stowell	Valan	Weaver	Wigley
Sieben, M.	Sviggum	Valento	Welch	Wynia
Simoneau	Swanson	Vanasek	Welker	Zubay
Stadum	Thiede	Voss	Wenzel	Spkr. Norton

The bill was passed and its title agreed to.

SPECIAL ORDERS

CALL OF THE HOUSE

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

Aasness	Eken	Kahn	Nelsen, M.	Schreiber
Adams	Elioff	Kaley	Nelson	Searles
Ainley	Ellingson	Kalis	Niehaus	Sherwood
Albrecht	Esau	Kelly	Norman	Sieben, H.
Anderson, B.	Evans	Kempe	Novak	Sieben, M.
Anderson, D.	Faricy	Knickerbocker	Nysether	Simoneau
Anderson, G.	Fjoslien	Kvam	Olsen	Stadum
Anderson, R.	Forsythe	Laidig	Onnen	Stoa
Battaglia	Friedrich	Lehto	Otis	Stowell
Begich	Fritz	Levi	Patton	Sviggum
Berglin	Fudro	Long	Pehler	Thiede
Berkelman	Greenfield	Ludeman	Peterson, B.	Tomlinson
Biersdorf	Halberg	Luknic	Peterson, D.	Valan
Blatz	Haukoos	Mann	Piepho	Valento
Brinkman	Heap	McCarron	Pleasant	Vanasek
Byrne	Heinitz	McDonald	Prahl	Voss
Carlson, D.	Hoberg	McEachern	Redalen	Waldorf
Carlson, L.	Hokanson	Mehrrens	Reding	Weaver
Clark	Jacobs	Metzen	Rees	Welker
Clawson	Jaros	Minne	Reif	Wenzel
Crandall	Jennings	Moe	Rodriguez	Wieser
Dempsey	Johnson, C.	Munger	Rose	Wigley
Den Ouden	Johnson, D.	Murphy	Rothenberg	Wynia
Drew	Jude	Nelsen, B.	Sarna	Zubay

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

H. F. No. 1661 was reported to the House.

Sherwood moved to amend H. F. No. 1661 as follows:

Page 1, after line 11, insert:

"Section 1. Minnesota Statutes 1978, Section 340.02, Subdivision 8, is amended to read:

Subd. 8. [PERSONS ELIGIBLE.] Licenses hereunder shall be issued only to persons who are citizens of the United States and who are of good moral character and repute, who have

attained the age of (19) 21 years and who are proprietors of the establishments for which the licenses are issued.

Sec. 2. Minnesota Statutes 1978, Section 340.035, Subdivision 1, is amended to read:

340.035 [PERSONS UNDER 19 YEARS; PENALTY.] Subdivision 1. It shall be unlawful for any:

(1) Licensee or his employee to sell or serve non-intoxicating malt liquor to any person under the age of (19) 21 years or to permit any person under the age of (19) 21 years to consume non-intoxicating malt liquor on the licensed premises;

(2) Person other than the parent or legal guardian to procure non-intoxicating malt liquor for any person under the age of (19) 21 years;

(3) Person to induce a person under the age of (19) 21 years to purchase or procure non-intoxicating malt liquor;

(4) Person under the age of (19) 21 years to misrepresent his age for the purpose of obtaining non-intoxicating malt liquor;

(5) Person under the age of (19) 21 years to consume any non-intoxicating malt liquor unless in the company of his parent or guardian;

(6) Person under the age of (19) 21 years to have in his possession any non-intoxicating malt liquor, with intent to consume same at a place other than the household of his parent or guardian. Possession of such non-intoxicating malt liquor at a place other than the household of his parent or guardian shall be prima facie evidence of intent to consume the same at a place other than the household of his parent or guardian."

Page 1, after line 21, insert:

"Sec. 4. Minnesota Statutes 1978, Section 340.119, Subdivision 2, is amended to read:

Subd. 2. A bottle club may allow members to bring and keep a personal supply of intoxicating liquors in lockers assigned to such members. A bottle club or any unincorporated society which shall have more than 50 members and which shall have, for more than a year, owned, hired, or leased space in a building of such extent and character as may be suitable and adequate for reasonable and comfortable accommodations for its members, may allow members to bring and keep a personal supply of intoxicating liquors in lockers assigned to such members. Every bottle, container, or other receptacle containing intoxicating

liquor stored by members shall have attached to it a label signed by the member of the club. All liquor on the premises of the club shall be labeled as herein required, and any not being actually used or consumed by the owner thereof shall be kept in a locker designated to the use of such member. It shall be unlawful for any club member under (19) 21 years of age to be assigned a locker for the storage of intoxicating liquor, or to consume or display or be permitted to consume or display intoxicating liquor on any premises owned or controlled by such private club.

Sec. 5. Minnesota Statutes 1978, Section 340.13, Subdivision 12, is amended to read:

Subd. 12. [LICENSES; PERSONS ELIGIBLE.] No license shall be issued to other than a citizen of the United States (19) 21 years of age or over who shall be of good moral character and repute, nor to any person who within five years prior to the application of such license has been convicted of any wilful violation of any law of the United States or the state of Minnesota or of any local ordinance with regard to the manufacture, sale, distribution, or possession for sale or distribution of intoxicating liquor, nor to any person whose license under the intoxicating liquor act shall be revoked for any wilful violation of any such laws or ordinances.

Sec. 6. Minnesota Statutes 1978, Section 340.14, Subdivision 1a, is amended to read:

Subd. 1a. [PERSONS DENIED ACCESS.] No intoxicating liquor shall be sold, furnished, or delivered for any purpose to any (MINOR) *person under 21 years of age* or to any person obviously intoxicated or to any of the persons to whom sale is prohibited by statute. *Any person violating the provisions of this subdivision is guilty of a gross misdemeanor and in addition to any criminal penalty imposed, if the violator is a licensee or employee thereof, the license of the licensee shall be suspended for a period of one year.*

Sec. 7. Minnesota Statutes 1978, Section 340.403, Subdivision 3, is amended to read:

Subd. 3. [LICENSE GRANTED.] Upon the filing of an application, the approval of the bond, and the payment of the license fee, the commissioner shall grant the license unless it shall appear that the applicant: (1) is not a citizen of the United States; or (2) is not (19) 21 years of age or over; or (3) has been convicted of a felony under the laws of this state; or (4) has had his license revoked within a period of one year prior to the filing of his application; or (5) has not been a resident of Minnesota or has not been qualified as a corporation to do business in Minnesota for more than 90 days prior to application. In the event the applicant is a corporation its

managing officers must possess the qualifications herein stated in respect to (1), (2), (3), and (4).

No wholesale malt beverage license shall be granted to any person unless he shall have within the state of Minnesota warehouse space either owned or leased by him and shall have adequate delivery facilities to perform the function of wholesaling malt beverages. Provided that the requirements of this subdivision as to residence and warehouse space shall not apply to any wholesaler in an adjoining state which permits Minnesota resident licensees to deliver malt beverages to retailers without warehousing in that state or to any wholesaler in an adjoining state delivering malt beverages manufactured in Minnesota.

Sec. 8. Minnesota Statutes 1978, Section 340.73, Subdivision 1, is amended to read:

340.73 [PERSONS TO WHOM SALES ARE ILLEGAL.] Subdivision 1. It shall be unlawful for any person, except a licensed pharmacist to sell, give, barter, furnish, deliver, or dispose of, in any manner, either directly or indirectly, any spirituous, vinous, malt, or fermented liquors in any quantity, for any purpose, whatever, to any person under the age of (19) 21 years, or to any intoxicated person, or to any public prostitute."

Page 2, after line 7, insert:

"Sec. 10. Minnesota Statutes 1978, Section 340.731, is amended to read:

340.731 [PERSONS UNDER 19 YEARS, FORBIDDEN ACTS OR STATEMENTS.] It shall be unlawful for (1) a person under the age of (19) 21 years to enter any premises licensed for the retail sale of alcoholic beverages or any municipal liquor store for the purpose of purchasing, or having served or delivered to him or her, any alcoholic beverage containing more than one-half of one percent of alcohol by volume or

(2) a person under the age of (19) 21 years to consume any intoxicating liquor or to purchase, attempt to purchase or have another purchase for him or her any intoxicating liquor; or

(3) any person to misrepresent or misstate his or her age, or the age of any other person for the purpose of inducing any licensee or any employee of any licensee, or any employee of any municipal liquor store, to sell, serve or deliver any alcoholic beverage to a person under the age of (19) 21 years; or

(4) a person under the age of (19) 21 years to have in his possession any intoxicating liquor, with intent to consume same at a place other than the household of his parent or guardian. Possession of such intoxicating liquor at a place other than the

household of his parent or guardian shall be prima facie evidence of intent to consume the same at a place other than the household of his parent or guardian.

Sec. 11. Minnesota Statutes 1978, Section 340.78, is amended to read:

340.78 [SALES TO CERTAIN PERSONS, AFTER NOTICE.] Every person selling liquor to a person under the age of (19) 21 years, habitual drunkard, or person under guardianship, after written notice by a parent, husband, wife, child, guardian, master, or employer of such age, habitual drunkenness, or guardianship, or in the case of an habitual drunkard after written notice by the mayor, chief of police, or any member of the council of the municipality in which such habitual drunkard resides, or member of the county board of the county in which such habitual drunkard resides, and within one year after such notice in case of an habitual drunkard, and in other cases during the time the person is under the age of 19 years, or guardianship, shall be guilty of a *gross* misdemeanor."

Page 2, line 13, strike "19" and insert "21"

Page 2, after line 19, insert:

"Sec. 13. Minnesota Statutes 1978, Section 340.80, is amended to read:

340.80 [INDUCING CERTAIN PERSONS TO ENTER LIQUOR ESTABLISHMENTS; PENALTY.] Any person who shall assist, procure or induce any person under the age of (19) 21 years or other person to whom the sale of liquor is by law forbidden, to enter or visit any saloon, bar, buffet or public drinking place for the purpose of obtaining intoxicating liquors, is guilty of a gross misdemeanor; and, upon conviction, punished therefor according to the laws of the state.

Sec. 14. Minnesota Statutes 1978, Section 340.81, is amended to read:

340.81 [EXCLUSION OF CERTAIN PERSONS FROM LIQUOR ESTABLISHMENTS AFTER NOTICE; PENALTY.] No person under the age of (19) 21 years, intemperate drinker, habitual drunkard, inmate of a poor or alms house, or person under guardianship, shall be allowed in any room where intoxicating liquor is sold in less quantities than five gallons as a beverage, after written notice upon the licensee or his agent, by parent, husband, wife, child, guardian, master or employer of such age, intemperate drinking, habitual drunkenness or guardianship, or in the case of an intemperate drinker, inmate of a poor or alms house, or habitual drunkard, after written notice by the mayor, chief of police, judge of the municipal court, or any member of the council of the municipality in which such

intemperate drinker, or habitual drunkard, resides, or member of the county board of the county in which such inmate of a poor or alms house, intemperate drinker or habitual drunkard resides, and within one year after such notice, in case of an inmate of a poor or alms house, intemperate drinker or habitual drunkard, and in other cases during the time the person is under the age of (19) 21 years or guardianship. Any violation of this section shall be guilty of a misdemeanor."

Page 3, line 2, delete "19" and insert "21"

Page 3, line 3, after "*convicted*" insert "*of*,"

Page 3, line 5, delete the comma

Page 3, line 5, insert a comma after "*for*"

Page 3, after line 10, insert:

"Sec. 16. Minnesota Statutes 1978, Section 169.13, Subdivision 2, is amended to read:

Subd. 2. [IMPLIED CONSENT; CONDITIONS; ELECTION AS TO TYPE OF TEST.] (a) Any person who drives, operates, or is in physical control of a motor vehicle within this state consents, subject to the provisions of this section and section 169.121, to a chemical test of his blood, breath, or urine for the purpose of determining the presence of alcohol or a controlled substance. The test shall be administered at the direction of a peace officer. The test may be required of a person when an officer has reasonable and probable grounds to believe the person was driving, operating, or in physical control of a motor vehicle in violation of section 169.121 and one of the following conditions exist: (1) the person has been lawfully placed under arrest for violation of section 169.121, or an ordinance in conformity therewith; or (2) the person has been involved in a motor vehicle accident or collision resulting in property damage, personal injury, or death; or (3) the person has refused to take the screening test provided for by section 169.121, subdivision 6; or (4) the screening test was administered and recorded an alcohol concentration of 0.10 or more. Any person may decline to take a direct blood test and elect to take either a breath or urine test, whichever is available and offered. No action may be taken against the person for declining to take a direct blood test unless either a breath or urine test was available and offered.

(b) At the time a chemical test specimen is requested, the person shall be informed:

(1) that if testing is refused, the person's right to drive will be revoked for a period of six months *or if the person is under 21 years of age, for a period of one year; and*

(2) that if a test is taken and the results indicate that the person is under the influence of alcohol or a controlled substance, the person will be subject to criminal penalties and the person's right to drive may be revoked for a period of 90 days *or if the person is under 21 years of age, the person's right to drive will be revoked for a period of one year*; and

(3) that the person has a right to consult with an attorney but that this right is limited to the extent that it cannot unreasonably delay administration of the test or the person will be deemed to have refused the test; and

(4) that after submitting to testing, the person has the right to have additional tests made by a person of his own choosing.

Sec. 17. Minnesota Statutes 1978, Section 169.123, Subdivision 4, is amended to read:

Subd. 4. [REFUSAL, CONSENT TO PERMIT TEST; REVOCATION OF LICENSE.] If a person refuses to permit chemical testing, none shall be given, but the peace officer shall report the refusal to the commissioner of public safety and the authority having responsibility for prosecution of misdemeanor offenses for the jurisdiction in which the acts occurred. If a person submits to chemical testing and the test results indicate an alcohol concentration of 0.10 or more, the results of the test shall be reported to the commissioner of public safety and to the authority having responsibility for prosecution of misdemeanor offenses for the jurisdiction in which the acts occurred.

Upon certification by the peace officer that there existed reasonable and probable grounds to believe the person had been driving, operating, or in physical control of a motor vehicle while under the influence of alcohol or a controlled substance and that the person refused to submit to chemical testing, the commissioner of public safety shall revoke the person's license or permit to drive, or his nonresident operating privilege, for a period of six months, *or if the person was under 21 years of age at the time of the refusal, for a period of one year*. Upon certification by the peace officer that there existed reasonable and probable grounds to believe the person had been driving, operating or in physical control of a motor vehicle while under the influence of alcohol or a controlled substance and that the person submitted to chemical testing and the test results indicate an alcohol concentration of 0.10 or more, the commissioner of public safety shall revoke the person's license or permit to drive, or his nonresident operating privilege, for a period of 90 days *or, if the person was under the age of 21 years at the time of the test, for a period of one year*.

If the person is a resident without a license or permit to operate a motor vehicle in this state, the commissioner of public

safety shall deny to the person the issuance of a license or permit for the same period after the date of the alleged violation as provided herein for revocation, subject to review as hereinafter provided.

Sec. 18. [EFFECTIVE DATE.] *Sections 1 to 17 are effective September 1, 1980. For purposes of sections 1 to 17, a person who has attained the age of 19 years prior to September 1, 1980 shall be deemed to have attained the age of 21 years. Sections 3, 6, 9, 12, 15, 16, and 17 apply to offenses committed on or after September 1, 1980.*

Renumber the sections as appropriate

Delete the title in its entirety and insert:

"A bill for an act relating to alcoholic beverages; increasing the age for licensing, sale, consumption, possession and furnishing; establishing minimum period of license revocation for certain persons convicted of driving while intoxicated, refusing or failing chemical test; increasing and changing penalties for furnishing alcoholic beverages to certain persons; amending Minnesota Statutes 1978, Sections 169.121, Subdivision 3; 169.123, Subdivisions 2 and 4; 340.02, Subdivision 8; 340.035, Subdivisions 1 and 2; 340.119, Subdivision 2; 340.13, Subdivision 12; 340.14, Subdivision 1a; 340.403, Subdivision 3; 340.73, Subdivisions 1 and 3; 340.731; 340.78; 340.79; 340.80; and 340.81."

A roll call was requested and properly seconded.

Nelson and Simoneau moved to amend the Sherwood amendment to H. F. No. 1661, as follows:

Page 1, delete lines 14 through 21 and insert:

"340.035 [PERSONS UNDERAGE; PENALTY.] Subdivision 1. It shall be unlawful for any:

(1) Licensee or his employee to sell or serve non-intoxicating malt liquor to any person under the age of 19 years *in the case of on-sale licensees or 21 in the case of off-sale licensees* or to permit any person under the age of 19 years to consume non-intoxicating malt liquor on the licensed premises;

(2) Person other than the parent or legal guardian to procure non-intoxicating malt liquor for any person under the age of 19 years;

(3) Person to induce a person under the age of 19 years *in the case of on-sale and 21 years in the case of off-sale* to purchase or procure non-intoxicating malt liquor;

(4) Person under the age of 19 years *in the case of on-sale and 21 years in the case of off-sale* to misrepresent his age for the purpose of obtaining non-intoxicating malt liquor;

(5) Person under the age of 19 years to consume any non-intoxicating malt liquor unless in the company of his parent or guardian;

(6) Person under the age of 19 years to have in his possession any non-intoxicating malt liquor, with intent to consume same at a place other than the household of his parent or guardian. Possession of such non-intoxicating malt liquor at a place other than the household of his parent or guardian shall be prima facie evidence of intent to consume the same at a place other than the household of his parent or guardian."

Page 2, delete lines 1 through 18

Page 3, line 28, after "age" insert "*at off-sale or under 19 years of age at on-sale*"

Page 4, delete lines 32 and 33 and insert:

"340.73 [PERSONS TO WHOM SALES ARE ILLEGAL.] Subdivision 1. It shall be unlawful for any person, except a licensed pharmacist to sell, give, barter, furnish, deliver, or dispose of, in any manner, either directly or indirectly, any spirituous, vinous, malt, or fermented liquors in any quantity, for any purpose, whatever, to any person under the age of 19 years or 21 years *in the case of a sale by an off-sale licensee*, or to any intoxicated person, or to any public prostitute."

Page 5, delete lines 1 through 6

Page 5, delete lines 10 through 33 and insert:

"340.731 [PERSONS UNDERAGE, FORBIDDEN ACTS OR STATEMENTS.] It shall be unlawful for (1) a person under the age of 19 years *in the case of on-sale licensed premises and 21 years in the case of off-sale licensed premises* to enter any premises licensed for the retail sale of alcoholic beverages or any municipal liquor store for the purpose of purchasing, or having served or delivered to him or her, any alcoholic beverage containing more than one-half of one percent of alcohol by volume or

(2) a person under the age of 19 years to consume any intoxicating liquor or to purchase, attempt to purchase or have another purchase for him or her any intoxicating liquor *at or from other than an off-sale licensee or under the age of 21 years to purchase, attempt to purchase or have another purchase for him or her any intoxicating liquor at or from an off-sale licensee*; or

(3) any person to misrepresent or misstate his or her age, or the age of any other person for the purpose of inducing any licensee or any employee of any licensee, or any employee of any municipal liquor store, to sell, serve or deliver any alcoholic beverage to a person under the age of 19 years *in the case of an on-sale licensee or 21 years in the case of an off-sale licensee*; or

(4) a person under the age of 19 years *if purchased from other than an off-sale licensee or 21 years if purchased from an off-sale licensee* to have in his possession any intoxicating liquor, with intent to consume same at a place other than the household of his parent or guardian. Possession of such intoxicating liquor at a place other than the household of his parent or guardian shall be prima facie evidence of intent to consume the same at a place other than the household of his parent or guardian."

Page 6, delete lines 1 and 2

Page 6, delete lines 5 through 18 and insert:

"340.78 [SALES TO CERTAIN PERSONS, AFTER NOTICE.] Every person selling liquor to a person under the age of 19 years *if other than an off-sale licensee or 21 years if an off-sale licensee*, habitual drunkard, or person under guardianship, after written notice by a parent, husband, wife, child, guardian, master, or employer of such age, habitual drunkenness, or guardianship, or in the case of an habitual drunkard after written notice by the mayor, chief of police, or any member of the council of the municipality in which such habitual drunkard resides, or member of the county board of the county in which such habitual drunkard resides, and within one year after such notice in case of an habitual drunkard, and in other cases during the time the person is under the age of 19 years *or 21 years in the case of sales by an off-sale licensee*, or guardianship, shall be guilty of a misdemeanor."

Page 6, delete lines 23 through 31 and insert:

"340.80 [INDUCING CERTAIN PERSONS TO ENTER LIQUOR ESTABLISHMENTS; PENALTY.] Any person who shall assist, procure or induce any person under the age of 19 years *or 21 years in the case of sales by an off-sale licensee* or other person to whom the sale of liquor is by law forbidden, to enter or visit any saloon, bar, buffet or public drinking place for the purpose of obtaining intoxicating liquors, is guilty of a gross misdemeanor; and, upon conviction, punished therefor according to the laws of the state."

Page 7, delete lines 1 through 23 and insert:

"340.81 [EXCLUSION OF CERTAIN PERSONS FROM LIQUOR ESTABLISHMENTS AFTER NOTICE; PENALTY.]

No person under the age of 19 years or 21 years in the case of off-sale licensed premises, intemperate drinker, habitual drunkard, inmate of a poor or alms house, or person under guardianship, shall be allowed in any room where intoxicating liquor is sold in less quantities than five gallons as a beverage, after written notice upon the licensee or his agent, by parent, husband, wife, child, guardian, master or employer of such age, intemperate drinking, habitual drunkenness or guardianship, or in the case of an intemperate drinker, inmate of a poor or alms house, or habitual drunkard, after written notice by the mayor, chief of police, judge of the municipal court, or any member of the council of the municipality in which such intemperate drinker, or habitual drunkard, resides, or member of the county board of the county in which such inmate of a poor or alms house, intemperate drinker or habitual drunkard resides, and within one year after such notice, in case of an inmate of a poor or alms house, intemperate drinker or habitual drunkard, and in other cases during the time the person is under the age of 19 years or guardianship. Any violation of this section shall be guilty of a misdemeanor."

A roll call was requested and properly seconded.

The question was taken on the Nelson and Simoneau amendment to the Sherwood amendment and the roll was called. There were 63 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Adams	Elioff	Levi	Norman	Sieben, M.
Ainley	Ellingson	Long	Novak	Simoneau
Anderson, G.	Evans	Ludeman	Osthoff	Stoa
Berglin	Fudro	McCarron	Otis	Swiggum
Biersdorf	Greenfield	McEachern	Pehler	Vanasek
Byrne	Hoberg	Mehrkins	Peterson, D.	Voss
Carlson, L.	Jaros	Metzen	Prahl	Welch
Casserly	Johnson, C.	Minne	Rees	Welker
Clark	Jude	Moe	Rice	Wenzel
Clawson	Kahn	Munger	Sarna	Wynia
Corbid	Kelly	Murphy	Schreiber	Spkr. Norton
Crandall	Kostohryz	Nelsen, M.	Searles	
Eken	Lehto	Nelson	Sieben, H.	

Those who voted in the negative were:

Aasness	Drew	Jennings	Olsen	Stowell
Albrecht	Erickson	Johnson, D.	Onnen	Swanson
Anderson, B.	Esau	Kaley	Patton	Thiede
Anderson, D.	Ewald	Kalis	Peterson, B.	Tomlinson
Anderson, I.	Faricy	Kempe	Piepho	Valan
Anderson, R.	Fjoslien	Knickerbocker	Pleasant	Valento
Battaglia	Forsythe	Kroening	Redalen	Waldorf
Begich	Friedrich	Kvam	Reding	Weaver
Berkelman	Fritz	Laidig	Reif	Wieser
Blatz	Halberg	Luknic	Rodriguez	Wigley
Brinkman	Haukoos	Mann	Rose	Zubay
Carlson, D.	Heap	McDonald	Rothenberg	
Dean	Heinitz	Nelsen, B.	Searle	
Dempsey	Hokanson	Niehaus	Sherwood	
Den Ouden	Jacobs	Nysether	Stadum	

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

Stoa moved to amend the Sherwood amendment to H. F. No. 1661 as follows:

Page 8, line 27, strike "six months" and insert "*one year*"

Page 8, line 27, delete "*or if the*"

Page 8, delete line 28 to the semi-colon

Page 8, line 33, strike "may" and insert "*shall*"

Page 9, line 1, strike "90 days" and insert "*one year*"

Page 9, line 1, delete "*or if the person is under*"

Page 9, delete line 2

Page 9, line 3, delete the new language

Page 9, line 33, strike "six months" and insert "*one year*"

Page 9, line 33, delete "*, or if the person was under 21 years of age*"

Page 10, line 1, delete the new language

Page 10, line 11, strike "90 days" and insert "*one year*"

Page 10, line 11, delete "*or, if the person was under the age of 21 years*"

Page 10, line 12, delete the new language

A roll call was requested and properly seconded.

The question was taken on the Stoa amendment to the Sherwood amendment and the roll was called. There were 130 yeas and 4 nays as follows:

Those who voted in the affirmative were:

Aasness	Anderson, R.	Carlson, D.	Dempsey	Evans
Adams	Battaglia	Carlson, L.	Den Ouden	Ewald
Ainley	Begich	Casserly	Drew	Faricy
Albrecht	Berglin	Clark	Eken	Fjoslien
Anderson, B.	Berkelman	Clawson	Elioff	Forsythe
Anderson, D.	Biersdorf	Corbid	Ellingson	Friedrich
Anderson, G.	Blatz	Crandall	Erickson	Fritz
Anderson, I.	Byrne	Dean	Esau	Fudro

Greenfield	Knickerbocker	Munger	Redalen	Sviggum
Halberg	Kostohryz	Murphy	Reding	Swanson
Haukoos	Kroening	Nelsen, B.	Rees	Thiede
Heap	Kvam	Nelsen, M.	Reif	Tomlinson
Heinitz	Laidig	Nelson	Rice	Valan
Hoberg	Lehto	Niehaus	Rodriguez	Valento
Hokanson	Levi	Norman	Rose	Vanasek
Jacobs	Long	Novak	Rothenberg	Voss
Jaros	Ludeman	Nysether	Sarna	Waldorf
Jennings	Luknic	Olsen	Schreiber	Weaver
Johnson, C.	Mann	Onnen	Searles	Welch
Johnson, D.	McCarron	Osthoff	Sherwood	Welker
Jude	McDonald	Otis	Sieben, H.	Wenzel
Kahn	McEachern	Pehler	Sieben, M.	Wieser
Kaley	Mehrakens	Peterson, B.	Simoneau	Wigley
Kalis	Metzen	Peterson, D.	Stadum	Wynia
Kelly	Minne	Piepho	Stoa	Zubay
Kempe	Moe	Prahl	Stowell	Spkr. Norton

Those who voted in the negative were:

Brinkman Patton Pleasant Searle

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

The question recurred on the Sherwood amendment, as amended, and the roll was called. There were 71 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Aasness	Fjoslien	Kempe	Nysether	Sviggum
Ainley	Forsythe	Knickerbocker	Onnen	Swanson
Albrecht	Friedrich	Kostohryz	Peterson, B.	Thiede
Anderson, D.	Fritz	Kroening	Redalen	Valan
Anderson, R.	Halberg	Kvam	Reding	Valento
Battaglia	Haukoos	Laidig	Rees	Waldorf
Biersdorf	Heap	Levi	Reif	Weaver
Blatz	Heinitz	Luknic	Rodriguez	Welker
Carlson, D.	Hoberg	Mann	Rose	Wenzel
Carlson, L.	Hokanson	McDonald	Rothenberg	Wieser
Den Ouden	Jennings	Mehrakens	Searle	Zubay
Drew	Johnson, D.	Murphy	Searles	
Eken	Kaley	Nelsen, B.	Sherwood	
Erickson	Kalis	Nelsen, M.	Simoneau	
Esau	Kelly	Norman	Stadum	

Those who voted in the negative:

Adams	Crandall	Jude	Novak	Sieben, H.
Anderson, B.	Dean	Kahn	Olsen	Sieben, M.
Anderson, G.	Dempsey	Lehto	Osthoff	Stoa
Anderson, I.	Elioff	Long	Otis	Stowell
Begich	Ellingson	Ludeman	Patton	Tomlinson
Berglin	Evans	McCarron	Pehler	Vanasek
Berkelman	Ewald	McEachern	Peterson, D.	Voss
Brinkman	Faricy	Metzen	Piepho	Welch
Byrne	Fudro	Minne	Pleasant	Wigley
Casserly	Greenfield	Moe	Prahl	Wynia
Clark	Jacobs	Munger	Rice	Spkr. Norton
Clawson	Jaros	Nelson	Sarna	
Corbid	Johnson, C.	Niehaus	Schreiber	

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

Searle was excused from 2:35 p.m. to 3:30 p.m.

Drew moved to amend H. F. No. 1661, as amended, as follows:

Page 1, line 21, delete "one year" insert "10 days"

Page 2, line 7, delete "one year" insert "10 days"

Page 2, line 19, delete "one year" insert "10 days"

Page 4, line 2 of the Sherwood amendment delete "one year" insert "10 days"

A roll call was requested and properly seconded.

The question was taken on the Drew amendment and the roll was called. There were 12 yeas and 121 nays as follows:

Those who voted in the affirmative were:

Brinkman	Drew	Hoberg	Rice	Valan
Dean	Forsythe	Peterson, B.	Searles	
Dempsey	Fritz	Piepho		

Those who voted in the negative were:

Aasness	Elioff	Kelly	Niehaus	Simoneau
Adams	Ellingson	Kempe	Norman	Stadum
Ainley	Erickson	Knickerbocker	Novak	Stoa
Albrecht	Esau	Kostohryz	Nysether	Stowell
Anderson, B.	Evans	Kroening	Olsen	Svigum
Anderson, D.	Ewald	Kvam	Onnen	Swanson
Anderson, G.	Faricy	Laidig	Osthoff	Thiede
Anderson, I.	Fjoslien	Lehto	Otis	Tomlinson
Anderson, R.	Friedrich	Levi	Patton	Valento
Battaglia	Fudro	Long	Pehler	Vanasek
Begich	Greenfield	Ludeman	Peterson, D.	Voss
Berglin	Halberg	Luknic	Pleasant	Waldorf
Berkelman	Haukoos	Mann	Prahl	Weaver
Biersdorf	Heap	McCarron	Redalen	Welch
Blatz	Heinitz	McDonald	Reding	Welker
Byrne	Hokanson	McEachern	Rees	Wenzel
Carlson, D.	Jacobs	Mehrkens	Reif	Wieser
Carlson, L.	Jaros	Metzen	Rodriguez	Wigley
Casserly	Jennings	Minne	Rose	Wynia
Clark	Johnson, C.	Moe	Rothenberg	Zubay
Clawson	Johnson, D.	Munger	Sarna	Spkr. Norton
Corbid	Jude	Murphy	Schreiber	
Crandall	Kahn	Nelsen, B.	Sherwood	
Den Ouden	Kaley	Nelsen, M.	Sieben, H.	
Eken	Kalis	Nelson	Sieben, M.	

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

Stoa moved to amend H. F. No. 1661, as amended, as follows:

Page 2, line 26, strike "30 days" and insert "*one year*"

Page 3, line 1, strike "90 days" and insert "*one year*"

Page 3, lines 1 to 7, delete the new language

A roll call was requested and properly seconded.

The question was taken on the Stoa amendment and the roll was called. There were 130 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Aasness	Drew	Jude	Nelsen, B.	Searles
Adams	Eken	Kahn	Nelsen, M.	Sherwood
Ainley	Elloff	Kaley	Nelson	Sieben, H.
Albrecht	Ellingson	Kalis	Norman	Sieben, M.
Anderson, B.	Erickson	Kelly	Novak	Simoneau
Anderson, D.	Esau	Kempe	Nysether	Stadum
Anderson, G.	Evans	Knickerbocker	Olsen	Stoa
Anderson, I.	Ewald	Kostohryz	Onnen	Stowell
Battaglia	Faricy	Kroening	Osthoff	Sviggum
Begich	Fjoslien	Kvam	Otis	Swanson
Berglin	Forsythe	Laidig	Patton	Thiede
Berkelman	Friedrich	Lehto	Pehler	Tomlinson
Biersdorf	Fritz	Levi	Peterson, B.	Valan
Blatz	Fudro	Long	Peterson, D.	Valento
Brinkman	Greenfield	Ludeman	Piepho	Vanasek
Byrne	Halberg	Luknic	Pleasant	Voss
Carlson, D.	Haukoos	Mann	Prahl	Waldorf
Carlson, L.	Heap	McCarron	Redalen	Weaver
Cassery	Heinitz	McDonald	Reding	Welch
Clark	Hoberg	McEachern	Reif	Welker
Clawson	Hokanson	Mehrkens	Rice	Wenzel
Corbid	Jacobs	Metzen	Rodriguez	Wieser
Crandall	Jaros	Minne	Rose	Wigley
Dean	Jennings	Moe	Rothenberg	Wynia
Dempsey	Johnson, C.	Munger	Sarna	Zubay
Den Ouden	Johnson, D.	Murphy	Schreiber	Spkr. Norton

Those who voted in the negative were:

Anderson, R. Niehaus Rees

The motion prevailed and the amendment was adopted.

Piepho was excused from 3:00 p.m. to 3:30 p.m.

Kostohryz moved to amend H. F. No. 1661, as amended, as follows:

Page 1, line 20, delete "*shall*" insert "*may*"

Page 1, line 21, delete "*of*" insert "*up to*"

Page 2, line 6, delete "shall" insert "may"

Page 2, line 6, delete "of" insert "up to"

Page 2, line 18, delete "shall" insert "may"

Page 2, line 19, delete "of" insert "up to"

In the Sherwood amendment page 4, line 1, delete "shall" insert "may"

Page 4, line 2, delete "of" insert "up to"

A roll call was requested and properly seconded.

Brinkman moved that H. F. No. 1661, as amended, be re-referred to the Committee on Criminal Justice.

A roll call was requested and properly seconded.

The question was taken on the motion to re-refer H. F. No. 1661, as amended, to the Committee on Criminal Justice and the roll was called.

Brinkman moved that those not voting be excused from voting. The motion did not prevail.

There were 48 yeas and 84 nays as follows:

Those who voted in the affirmative were:

Adams	Clark	Johnson, C.	Murphy	Sarna
Anderson, G.	Clawson	Jude	Nelson	Sieben, H.
Anderson, I.	Dempsey	Kahn	Osthoff	Sieben, M.
Anderson, R.	Elioff	Long	Otis	Stoa
Begich	Ellingson	Ludeman	Patton	Tomlinson
Berglin	Evans	McCarron	Pehler	Voss
Biersdorf	Faricy	McEachern	Peterson, D.	Wenzel
Brinkman	Fudro	Metzen	Prahl	Wigley
Byrne	Greenfield	Minne	Rees	
Casserly	Jacobs	Moe	Rice	

Those who voted in the negative were:

Aasness	Dean	Haukoos	Knickerbocker	Nelsen, B.
Ainley	Den Ouden	Heap	Kostohryz	Nelsen, M.
Albrecht	Drew	Heinitz	Kroening	Neihaus
Anderson, B.	Eken	Hoberg	Kvam	Norman
Anderson, D.	Erickson	Hokanson	Laidig	Novak
Battaglia	Esau	Jaros	Lehto	Nysether
Berkelman	Ewald	Jennings	Levi	Olsen
Blatz	Fjoslien	Johnson, D.	Luknic	Onnen
Carlson, D.	Forsythe	Kaley	Mann	Peterson, B.
Carlson, L.	Friedrich	Kalis	McDonald	Pleasant
Corbid	Fritz	Kelly	Mehrkens	Redalen
Crandall	Halberg	Kempe	Munger	Reding

Reif	Searles	Sviggum	Vanasek	Wieser
Rodriguez	Sherwood	Swanson	Waldorf	Wynia
Rose	Simoneau	Thiede	Weaver	Zubay
Rothenberg	Stadum	Valan	Welch	Spkr. Norton
Schreiber	Stowell	Valento	Welker	

The motion did not prevail.

The question recurred on the Kostohryz amendment and the roll was called. There were 26 yeas and 106 nays as follows:

Those who voted in the affirmative were:

Brinkman	Ewald	Kroening	Reding	Welch
Carlson, D.	Forsythe	Nelsen, B.	Rice	Wieser
Dean	Jaros	Niehaus	Rose	
Dempsey	Kempe	Olsen	Searles	
Drew	Knickerbocker	Patton	Simoneau	
Evans	Kostohryz	Redalen	Tomlinson	

Those who voted in the negative were:

Aasness	Den Ouden	Jude	Nelsen, M.	Stadum
Adams	Eken	Kahn	Nelson	Stoa
Ainley	Elioff	Kaley	Norman	Stowell
Albrecht	Ellingson	Kalis	Novak	Sviggum
Anderson, B.	Erickson	Kelly	Nysether	Swanson
Anderson, D.	Esau	Kvam	Onnen	Thiede
Anderson, G.	Faricy	Laidig	Osthoff	Valan
Anderson, I.	Fjoslien	Lehto	Otis	Valento
Anderson, R.	Friedrich	Levi	Pehler	Vanasek
Battaglia	Fritz	Long	Peterson, B.	Voss
Begich	Fudro	Ludeman	Peterson, D.	Waldorf
Berglin	Greenfield	Luknic	Pleasant	Weaver
Berkelman	Halberg	Mann	Prahl	Welker
Biersdorf	Haukoos	McCarron	Rees	Wenzel
Blatz	Heap	McDonald	Reif	Wigley
Byrne	Heinitz	McEachern	Rodriguez	Wynia
Carlson, L.	Hoberg	Mehrkens	Rothenberg	Zubay
Casserly	Hokanson	Metzen	Sarna	Spkr. Norton
Clark	Jacobs	Minne	Schreiber	
Clawson	Jennings	Moe	Sherwood	
Corbid	Johnson, C.	Munger	Sieben, H.	
Crandall	Johnson, D.	Murphy	Sieben, M.	

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

MOTION FOR RECONSIDERATION

Anderson, I., moved that the vote whereby the Nelson and Simoneau amendment was not adopted earlier be now reconsidered.

A roll call was requested and properly seconded.

The question was taken on the motion to reconsider and the roll was called. There were 76 yeas and 58 nays as follows:

Those who voted in the affirmative were:

Adams	Crandall	Kostohryz	Novak	Simoneau
Ainley	Dempsey	Lehto	Osthoff	Stoa
Anderson, G.	Eken	Levi	Otis	Tomlinson
Anderson, I.	Elioff	Long	Patton	Valan
Anderson, R.	Ellingson	Mann	Pehler	Vanasek
Begich	Evans	McCarron	Peterson, D.	Voss
Berglin	Faricy	McEachern	Piepho	Welch
Berkelman	Fudro	Mehrrens	Prahl	Welker
Biersdorf	Greenfield	Metzen	Reding	Wenzel
Brinkman	Hoberg	Minne	Rees	Wieser
Byrne	Jacobs	Moe	Rice	Wynia
Carlson, L.	Jaros	Munger	Sarna	Spkr. Norton
Casserly	Johnson, C.	Murphy	Schreiber	
Clark	Jude	Nelsen, M.	Searles	
Clawson	Kahn	Nelson	Sieben, H.	
Corbid	Kelly	Norman	Sieben, M.	

Those who voted in the negative were:

Aasness	Ewald	Kaley	Nysether	Stadum
Albrecht	Fjoslien	Kalis	Olsen	Stowell
Anderson, B.	Forsythe	Kempe	Onnen	Svigum
Anderson, D.	Friedrich	Knickerbocker	Peterson, B.	Swanson
Battaglia	Fritz	Kroening	Pleasant	Thiede
Blatz	Halberg	Kvam	Redalen	Valento
Carlson, D.	Haukoos	Laidig	Reif	Waldorf
Dean	Heap	Ludeman	Rodriguez	Weaver
Den Ouden	Heinitz	Luknic	Rose	Wigley
Drew	Hokanson	McDonald	Rothenberg	Zubay
Erickson	Jennings	Nelsen, B.	Searle	
Esau	Johnson, D.	Niehaus	Sherwood	

The motion prevailed and the Nelson and Simoneau amendment was reported to the House.

Nelson and Simoneau moved to amend H. F. No. 1661, as amended, as follows:

In the Sherwood amendment:

Page 1, delete lines 14 through 21 and insert:

"340.035 [PERSONS UNDERAGE; PENALTY.] Subdivision 1. It shall be unlawful for any:

(1) Licensee or his employee to sell or serve non-intoxicating malt liquor to any person under the age of 19 years in the case of on-sale licensees or 21 in the case of off-sale licensees or to permit any person under the age of 19 years to consume non-intoxicating malt liquor on the licensed premises;

(2) Person other than the parent or legal guardian to procure non-intoxicating malt liquor for any person under the age of 19 years;

(3) Person to induce a person under the age of 19 years *in the case of on-sale and 21 years in the case of off-sale* to purchase or procure non-intoxicating malt liquor;

(4) Person under the age of 19 years *in the case of on-sale and 21 years in the case of off-sale* to misrepresent his age for the purpose of obtaining non-intoxicating malt liquor;

(5) Person under the age of 19 years to consume any non-intoxicating malt liquor unless in the company of his parent or guardian;

(6) Person under the age of 19 years to have in his possession any non-intoxicating malt liquor, with intent to consume same at a place other than the household of his parent or guardian. Possession of such non-intoxicating malt liquor at a place other than the household of his parent or guardian shall be prima facie evidence of intent to consume the same at a place other than the household of his parent or guardian."

Page 2, delete lines 1 through 18

Page 3, line 28, after "age" insert "*at off-sale or under 19 years of age at on-sale*"

Page 4, delete lines 32 and 33 and insert:

"340.73 [PERSONS TO WHOM SALES ARE ILLEGAL.] Subdivision 1. It shall be unlawful for any person, except a licensed pharmacist to sell, give, barter, furnish, deliver, or dispose of, in any manner, either directly or indirectly, any spirituous, vinous, malt, or fermented liquors in any quantity, for any purpose, whatever, to any person under the age of 19 years *or 21 years in the case of a sale by an off-sale licensee*, or to any intoxicated person, or to any public prostitute."

Page 5, delete lines 1 through 6

Page 5, delete lines 10 through 33 and insert:

"340.731 [PERSONS UNDERAGE, FORBIDDEN ACTS OR STATEMENTS.] It shall be unlawful for (1) a person under the age of 19 years *in the case of on-sale licensed premises and 21 years in the case of off-sale licensed premises* to enter any premises licensed for the retail sale of alcoholic beverages or any municipal liquor store for the purpose of purchasing, or having served or delivered to him or her, any alcoholic beverage containing more than one-half of one percent of alcohol by volume or

(2) a person under the age of 19 years to consume any intoxicating liquor or to purchase, attempt to purchase or have an-

other purchase for him or her any intoxicating liquor at or from other than an off-sale licensee or under the age of 21 years to purchase, attempt to purchase or have another purchase for him or her any intoxicating liquor at or from an off-sale licensee; or

(3) any person to misrepresent or misstate his or her age, or the age of any other person for the purpose of inducing any licensee or any employee of any licensee, or any employee of any municipal liquor store, to sell, serve or deliver any alcoholic beverage to a person under the age of 19 years in the case of an on-sale licensee or 21 years in the case of an off-sale licensee; or

(4) a person under the age of 19 years if purchased from other than an off-sale licensee or 21 years if purchased from an off-sale licensee to have in his possession any intoxicating liquor, with intent to consume same at a place other than the household of his parent or guardian. Possession of such intoxicating liquor at a place other than the household of his parent or guardian shall be prima facie evidence of intent to consume the same at a place other than the household of his parent or guardian."

Page 6, delete lines 1 and 2

Page 6, delete lines 5 through 18 and insert:

"340.78 [SALES TO CERTAIN PERSONS, AFTER NOTICE.] Every person selling liquor to a person under the age of 19 years if other than an off-sale licensee or 21 years if an off-sale licensee, habitual drunkard, or person under guardianship, after written notice by a parent, husband, wife, child, guardian, master, or employer of such age, habitual drunkenness, or guardianship, or in the case of an habitual drunkard after written notice by the mayor, chief of police, or any member of the council of the municipality in which such habitual drunkard resides, or member of the county board of the county in which such habitual drunkard resides, and within one year after such notice in case of an habitual drunkard, and in other cases during the time the person is under the age of 19 years or 21 years in the case of sales by an off-sale licensee, or guardianship, shall be guilty of a misdemeanor."

Page 6, delete lines 23 through 31 and insert:

"340.80 [INDUCING CERTAIN PERSONS TO ENTER LIQUOR ESTABLISHMENTS; PENALTY.] Any person who shall assist, procure or induce any person under the age of 19 years or 21 years in the case of sales by an off-sale licensee or other person to whom the sale of liquor is by law forbidden, to enter or visit any saloon, bar, buffet or public drinking place for the purpose of obtaining intoxicating liquors, is guilty of a gross misdemeanor; and, upon conviction, punished therefor according to the laws of the state."

Page 7, delete lines 1 through 23 and insert:

“340.81 [EXCLUSION OF CERTAIN PERSONS FROM LIQUOR ESTABLISHMENTS AFTER NOTICE; PENALTY.] No person under the age of 19 years or 21 years in the case of off-sale licensed premises, intemperate drinker, habitual drunkard, inmate of a poor or alms house, or person under guardianship, shall be allowed in any room where intoxicating liquor is sold in less quantities than five gallons as a beverage, after written notice upon the licensee or his agent, by parent, husband, wife, child, guardian, master or employer of such age, intemperate drinking, habitual drunkenness or guardianship, or in the case of an intemperate drinker, inmate of a poor or alms house, or habitual drunkard, after written notice by the mayor, chief of police, judge of the municipal court, or any member of the council of the municipality in which such intemperate drinker, or habitual drunkard, resides, or member of the county board of the county in which such inmate of a poor or alms house, intemperate drinker or habitual drunkard resides, and within one year after such notice, in case of an inmate of a poor or alms house, intemperate drinker or habitual drunkard, and in other cases during the time the person is under the age of 19 years or guardianship. Any violation of this section shall be guilty of a misdemeanor.”

A roll call was requested and properly seconded.

The question was taken on the Nelson and Simoneau amendment and the roll was called. There were 73 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Adams	Eken	Ludeman	Osthoff	Simoneau
Ainley	Elloff	Mann	Otis	Stoa
Anderson, G.	Ellingson	McCarron	Patton	Sviggum
Anderson, I.	Evans	McEachern	Pehler	Tomlinson
Begich	Fudro	Mehrkens	Peterson, D.	Valan
Berglin	Greenfield	Metzen	Piepho	Vanasek
Biersdorf	Hoberg	Minne	Prahl	Voss
Brinkman	Jaros	Moe	Reding	Welch
Byrne	Johnson, C.	Munger	Rees	Welker
Carlson, L.	Jude	Murphy	Rice	Wenzel
Casserly	Kahn	Nelsen, M.	Sarna	Wieser
Clark	Kelly	Nelson	Schreiber	Wynia
Clawson	Lehto	Niehaus	Searles	Spkr. Norton
Corbid	Levi	Norman	Sieben, H.	
Crandall	Long	Novak	Sieben, M.	

Those who voted in the negative were:

Aasness	Berkelman	Drew	Forsythe	Heinitz
Albrecht	Blatz	Erickson	Friedrich	Hokanson
Anderson, B.	Carlson, D.	Esau	Fritz	Jacobs
Anderson, D.	Dean	Ewald	Halberg	Jennings
Anderson, R.	Dempsey	Faricy	Haukoos	Johnson, D.
Battaglia	Den Ouden	Fjoslien	Heap	Kaley

Kalis	Luknic	Pleasant	Sherwood	Weaver
Kempe	McDonald	Redalen	Stadum	Wigley
Knickerbocker	Nelsen, B.	Reif	Stowell	Zubay
Kostohryz	Nysether	Rodriguez	Swanson	
Kroening	Olsen	Rose	Thiede	
Kvam	Onnen	Rothenberg	Valento	
Laidig	Peterson, B.	Searle	Waldorf	

The motion prevailed and the amendment was adopted.

H. F. No. 1661, A bill for an act relating to alcoholic beverages; increasing the age for licensing, sale, consumption, possession and furnishing; establishing minimum period of license revocation for certain persons convicted of driving while intoxicated, refusing or failing chemical test; increasing and changing penalties for furnishing alcoholic beverages to certain persons; amending Minnesota Statutes 1978, Sections 169.121, Subdivision 3; 169.123, Subdivisions 2 and 4; 340.02, Subdivision 8; 340.035, Subdivisions 1 and 2; 340.119, Subdivision 2; 340.13, Subdivision 12; 340.14, Subdivision 1a; 340.403, Subdivision 3; 340.73, Subdivisions 1 and 3; 340.731; 340.78; 340.79; 340.80; and 340.81.

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

The question was taken on the passage of the bill and the roll was called. There were 86 yeas and 48 nays as follows:

Those who voted in the affirmative were:

Aasness	Erickson	Kelly	Nelsen, M.	Sherwood
Ainley	Esau	Kempe	Nelson	Simoneau
Albrecht	Evans	Knickerbocker	Niehaus	Stadum
Anderson, D.	Fjoslien	Kostohryz	Norman	Sviggunn
Anderson, G.	Forsythe	Kroening	Novak	Swanson
Anderson, R.	Friedrich	Kvam	Nysether	Thiede
Battaglia	Fritz	Laidig	Onnen	Valan
Biersdorf	Halberg	Lehto	Peterson, B.	Valento
Blatz	Haukoos	Levi	Pleasant	Vanasek
Byrne	Heap	Ludeman	Redalen	Waldorf
Carlson, D.	Heinitz	Luknic	Reding	Weaver
Carlson, L.	Hoberg	Mann	Reif	Welker
Crandall	Hokanson	McDonald	Rodriguez	Wieser
Dempsey	Jennings	Mehrkens	Rose	Zubay
Den Ouden	Johnson, C.	Minne	Rothenberg	
Drew	Johnson, D.	Munger	Schreiber	
Eken	Kaley	Murphy	Searle	
Ellingson	Kalis	Nelsen, B.	Searles	

Those who voted in the negative were:

Adams	Casserly	Faricy	Long	Otis
Anderson, B.	Clark	Fudro	McCarron	Patton
Anderson, I.	Clawson	Greenfield	McEachern	Pehler
Begich	Corbid	Jacobs	Metzen	Peterson, D.
Berglin	Dean	Jaros	Moe	Piepho
Berkelman	Elioff	Jude	Olsen	Prahl
Brinkman	Ewald	Kahn	Osthoff	Rees

Rice
Sarna
Sieben, H.

Sieben, M.
Stoa
Stowell

Tomlinson
Voss
Welch

Wenzel
Wigley
Wynia

Spkr. Norton

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

CALL OF THE HOUSE LIFTED

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

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

REPORTS OF STANDING COMMITTEES

Prahl from the Committee on Commerce, Economic Development and Housing to which was referred:

H. F. No. 615, A bill for an act relating to commerce; providing for the licensing and regulation of mobile home dealers, brokers and salespersons; transferring certain responsibilities from the commissioner of administration to the commissioner of securities; prescribing certain additional duties for the commissioner of securities; providing penalties; amending Minnesota Statutes 1978, Sections 82.17, Subdivision 8; 168.27, Subdivision 20; 327.51, Subdivision 3; and 327.55, Subdivisions 1, 3 and 4; repealing Minnesota Statutes 1978, Section 327.55, Subdivisions 2, 5 and 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 327.43, Subdivision 1, is amended to read:

327.43 [ENTRANCE AND TRANSFER FEES PROHIBITED; SECURITY DEPOSITS LIMITED.] Subdivision 1. No fee other than the periodic rental payment specified in the lease or rental agreement may be charged to a mobile home park tenant or prospective tenant or any agent of a tenant or prospective tenant for the right to obtain or retain a space or lot, provided that a lessor may impose a reasonable charge for goods and services actually furnished by or at his expense in setting up a mobile home on a space or lot.

Sec. 2. Minnesota Statutes, 1979 Supplement, Section 327.43, Subdivision 2, is amended to read:

Subd. 2. No lessor shall deny any mobile home park tenant the right to sell said tenant's mobile home within the park or

require the tenant to remove the mobile home from the park solely on the basis of the sale thereof unless the home is more than 15 years old. The lessor may reserve the right to approve the purchaser of said mobile home as a tenant, but such permission may not be unreasonably withheld, and the lessor shall not exact a commission or fee with respect to the price realized by the seller unless the lessor has acted as agent for the seller in the sale pursuant to a written contract. *The rights of a tenant as provided in this subdivision shall also extend to any party holding a security interest in the tenant's mobile home who chooses to exercise its rights under a security agreement to repossess and sell the mobile home and who so notifies the lessor in writing. Temporary vacancy of a mobile home during a period not to exceed 90 days when the mobile home is being sold shall not be cause for removal so long as the mobile home is maintained in a manner consistent with the reasonable regulations of the mobile home park.*

Sec. 3. Minnesota Statutes, 1979 Supplement, Section 327.44, is amended to read:

327.44 [TERMINATION FOR CAUSE.] A lessor may recover possession of land upon which an occupied mobile home is situated only if:

(a) The tenant fails to comply with a local ordinance or state law or regulation relating to mobile homes within the time the ordinance, law or regulation provides or, if no time is provided, within a reasonable time after the tenant has received written notice of noncompliance;

(b) The tenant fails to comply with the terms and conditions of the lease or rental agreement within 30 days after the tenant has received written notice of the alleged noncompliance except the 30 day notice shall not apply to nonpayment of rent;

(c) The owner voluntarily ceases to operate as a park all or the part of the mobile home park occupied by the tenant, and the tenant has received six months written notice of the planned cessation of operation;

(d) The tenant conducts himself upon the mobile home park premises in a manner which substantially annoys or endangers the health or safety of other tenants or causes substantial damage to the mobile home park premises and has received 30 days written notice to vacate, except the park owner may require the tenant to vacate immediately if the tenant violates this clause a second or subsequent time after receipt of the notice;

(e) The mobile home park owner intends to make improvements to the mobile home park premises which necessitate removal of the tenant's mobile home from the park and the tenant has received 90 days' written notice; or

(f) (A LEASE OF A TERM OF AT LEAST ONE YEAR EXPIRES AND THE LESSOR SEEKS TO RECOVER POSSESSION WITHIN 15 DAYS AFTER EXPIRATION.) *The lessor seeking to recover possession on grounds of nonpayment of rent or utilities gives ten days written notice to the tenant, and to any party holding a security interest in the mobile home known to the lessor, to pay the amounts then owing and cure the default. If neither the tenant nor the secured party cures within ten days from receipt of notice, the lessor may commence legal proceedings to recover possession.*

Sec. 4. Minnesota Statutes 1978, Section 327.51, Subdivision 1, is amended to read:

327.51 [DEFINITIONS.] Subdivision 1. As used in sections 327.51 to (327.55) 14 of this act, the terms defined in this section have the meanings given them.

Sec. 5. Minnesota Statutes 1978, Section 327.51, is amended by adding a subdivision to read:

Subd. 12. "Trust account" means a demand deposit or checking account maintained for the purpose of segregating trust funds from other funds.

Sec. 6. Minnesota Statutes 1978, Section 327.51, is amended by adding a subdivision to read:

Subd. 13. "Trust funds" means funds received by a dealer in a fiduciary capacity as a part of a mobile home sale transaction, pending the consummation or termination of a transaction, and includes all down payments, earnest money deposits, rents for clients, tax and insurance escrow payments, damage deposits, and any funds received on behalf of any person.

Sec. 7. Minnesota Statutes 1978, Section 327.51, is amended by adding a subdivision to read:

Subd. 14. "Net listing agreement" means any agreement by any dealer to sell, offer for sale, solicit or advertise the sale of a mobile home on behalf of any person which provides for the dealer to receive any consideration from any person other than a commission based on a percentage of the price at which the home is actually sold.

Sec. 8. Minnesota Statutes 1978, Section 327.55, Subdivision 1, is amended to read:

327.55 [MANUFACTURERS AND DEALERS; LICENSES.] Subdivision 1. [LICENSE.] No person, copartnership or corporation shall engage in the business, either exclusively or in addition to any other occupation, of selling or manufacturing mobile homes, new or used, or shall offer to sell, solicit

or advertise the sale of mobile homes, new or used, without first having acquired a license therefor as hereinafter provided. Application for such license and renewal thereof, shall be made to the commissioner, shall be in writing, and duly verified by oath. The applicant shall submit such information as the commissioner may require, upon blanks provided by the commissioner for such purpose. No application shall be granted nor a license issued to anyone, until and unless the applicant shall furnish proof satisfactory to the commissioner of the following:

(1) That the applicant has an established place of business; an established place of business when used in this section, means a permanent enclosed building or structure either owned in fee or leased at which a permanent business of bartering, trading and selling of mobile homes will be carried on as such in good faith and not for the purpose of evading this section, and at which place of business shall be kept and maintained the books, records, and files necessary to conduct the business at such place and shall not mean residence, tents, temporary stands, or other temporary quarters, nor permanent quarters occupied pursuant to any temporary arrangement;

(2) That if the applicant desires to sell, solicit or advertise the sale of (BOTH) new (AND USED) mobile homes, he must have a bona fide contract or franchise in effect with a manufacturer or distributor of the new mobile home he proposes to deal in.

(3) That the applicant has secured a surety bond executed by the applicant as principal and issued by a surety company admitted to do business in this state, which shall be in the amount of (\$10,000) \$50,000, and be conditioned upon the faithful compliance by the applicant with all of the laws and rules and regulations of this state pertaining to such business, *including sections 325.772 and 325.79*. Any third party sustaining injuries within the terms of the bond may proceed against the principal and surety without making the state a party to such proceedings. Provided, however, that the aggregate liability of the surety to all such persons for all such losses or damages shall in no event, exceed the amount of such bond.

(4) That the applicant has established a trust account as required by section 12, subdivision 2, unless the applicant intends to limit his business to selling, offering for sale, soliciting or advertising the sale of new mobile homes.

Sec. 9. Minnesota Statutes 1978, Section 327.55, Subdivision 4, is amended to read:

Subd. 4. [LICENSES; REVOCATION.] Such license may be revoked by the commissioner upon proof satisfactory to him of either of the following:

(1) Violations of any of the provisions of this chapter or of sections 325.772 or 325.79;

(2) Violation of or refusal to comply with the requests and order of the commissioner;

(3) Failure to make or provide to the commissioner all listings, notices, and reports required by him;

(4) Failure to pay to the commissioner all taxes, fees, and arrears due from and by such dealer;

(5) Failure to duly apply for renewal of license provided for herein;

(6) Revocation of previous license, of which the records of the commissioner relating thereto shall be prima facie evidence of such previous revocation;

(7) Failure of continued occupancy of an established place of business;

(8) Sale of a new and unused current model mobile home other than the make of mobile home described in the franchise or contract filed with the original application or renewal thereof without permission from the commissioner;

(9) Sale of a new and unused current model mobile home to anyone except for consumer use, or to a dealer duly licensed to sell the same make of mobile home; or

(10) Material misstatement or misrepresentation in application for license or renewal thereof.

Sec. 10. Minnesota Statutes 1978, Chapter 327, is amended by adding a section to read:

[327.551] [DEALER'S RECORDS.] *Subdivision 1. [RETENTION.] A licensed dealer shall retain for three years copies of all listings, deposit receipts, purchase money contracts, cancelled checks, trust account records and such other documents as may reasonably be related to carrying on the business of a dealer. The retention period shall run from the date of the closing of the transaction or from the date of the listing if the transaction is not consummated.*

Subd. 2. [EXAMINATION OF RECORDS.] The commissioner may make examinations within or without this state of each dealer's records at such reasonable time and in such scope as is necessary to enforce the provisions of this chapter.

Sec. 11. Minnesota Statutes 1978, Chapter 327, is amended by adding a section to read:

[327.552] [RESPONSIBILITY OF DEALERS.] *Each dealer shall be held responsible for the activities of any person employed by or acting on behalf of that dealer when such activities occur in connection with the sale or attempted sale of a mobile home. Each officer of a corporation licensed as a dealer shall be held responsible for the activities of any person employed by or acting on behalf of the corporation when such activities occur in connection with the sale or attempted sale of a mobile home.*

Sec. 12. Minnesota Statutes 1978, Chapter 327, is amended by adding a section to read:

[327.553] [DUTIES.] *Subdivision 1. [DISCLOSURE REQUIRED.] Prior to the consummation of the sale of any mobile home other than a new mobile home, each dealer shall disclose to all parties to the transaction all charges, payments, commissions and other fees paid or payable in connection with the transaction. This subdivision shall not require any dealer to disclose any consideration received for having acted as an insurance agent, as defined in section 60A.02, subdivision 7, in connection with the transaction, nor shall this subdivision require any dealer to disclose any consideration received in return for the dealer having agreed to any contingent liability in connection with the financing of the sale.*

Subd. 2. [TRUST ACCOUNT REQUIRED.] Each dealer shall maintain a trust account; provided that a dealer who limits his business to dealing in new mobile homes shall not be required to maintain a trust account. A trust account shall not be an interest bearing account except by agreement of the parties and subject to regulations of the commissioner.

Subd. 3. [SEGREGATION OF FUNDS.] A dealer shall deposit all trust funds received in a trust account. A dealer shall deposit only trust funds in a trust account and shall not commingle personal funds or other funds in that account, except that a dealer may deposit and maintain a sum from his personal funds not to exceed one hundred dollars in a trust account, which sum shall be specifically identified and used to pay service charges relating to the trust account.

Subd. 4. [TRUST INFORMATION REQUIRED.] Each dealer shall provide the financial institutions and the trust account identification numbers used by the dealer to comply with the provisions of this section at the time of application for a license or renewal of license by the dealer. The dealer shall immediately report to the commissioner any change of trust account status including changes in financial institutions, account identification numbers, or additional accounts in the same or an-

other financial institution. No dealer may close an existing trust account without giving ten days written notice to the commissioner.

Sec. 13. Minnesota Statutes 1978, Chapter 327, is amended by adding a section to read:

[327.554] [PROHIBITIONS.] *Subdivision 1. [LICENSE REQUIRED.] No person, partnership, association or corporation shall, either exclusively or in addition to any other occupation, sell, offer to sell, solicit or advertise the sale of mobile homes, new or used, without being licensed as a dealer as provided in section 327.55.*

Subd. 2. [ADVERTISING LICENSED.] No person, partnership, association or corporation shall advertise as a mobile home dealer, or as a lister, broker or agent for the sale of mobile homes, without being licensed as a dealer as provided in section 327.55.

Subd. 3. [NET LISTING PROHIBITED.] No dealer shall use or offer to use a net listing agreement unless the agreement includes a binding promise by the dealer to purchase the mobile home on his own account at a price specified in the agreement in the event the mobile home is not otherwise sold within a specified period of time.

Sec. 14. Minnesota Statutes 1978, Chapter 327, is amended by adding a section to read:

[327.56] [REMEDIES AND ENFORCEMENT.] *In addition to the procedures provided in section 327.55, subdivisions 1 and 5, any person or dealer who is found in violation of section 12 or 13 shall be deemed in violation of section 325.79, subdivision 1, and the provisions of section 325.907 shall apply.*

Sec. 15. [EFFECTIVE DATE.] *Sections 1 to 7, 9 to 12 and 14 are effective the day following final enactment. Section 8 is effective July 1, 1980. Section 13 is effective the day following final enactment, provided that section 13 shall not rescind or void any otherwise valid net listing agreement executed and in effect prior to the effective date. No previously existing net listing agreement shall be renewed or extended except in accordance with section 13."*

Amend the title as follows:

Page 1, line 3, delete " , brokers and"

Page 1, delete lines 4 to 13 and insert:

“; imposing certain duties and prohibiting certain practices; providing penalties; amending Minnesota Statutes 1978, Sections 327.43, Subdivision 1; 327.51, Subdivision 1, and by adding subdivisions; 327.55, Subdivisions 1 and 4; and Chapter 327, by adding sections; and Minnesota Statutes, 1979 Supplement, Sections 327.43, Subdivision 2; and 327.44.”

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1121, A bill for an act relating to taxation; property; eliminating the requirement for providing certificates of rent paid for purposes of the property tax refund; amending Minnesota Statutes 1978, Section 290A.19.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“ARTICLE I

INCOME TAX

Section 1. Minnesota Statutes, 1979 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 *through December 31, 1979*.

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 this chapter 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.

(THE AMENDMENTS MADE TO SECTIONS 219(C) (3) AND 220(C) (4) (EXTENDING THE TIME FOR WHICH A TAXPAYER IS DEEMED TO HAVE MADE A CONTRIBUTION TO AN INDIVIDUAL RETIREMENT ACCOUNT FOR THE TAXABLE YEAR) BY SECTION 157(A) OF P.L. 95-600 SHALL BE EFFECTIVE FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1977.)

The provisions of section 4 of P.L. 95-458, and sections 131, 133, 134, 141, 152, 156, 157, and 405 of P.L. 95-600 (relating to pensions, individual retirement accounts, deferred compensation plans, and to the sale of a residence) shall be effective at the same time that these provisions became effective for federal income tax purposes.

(vi) *The Internal Revenue Code of 1954, as amended through December 31, 1979, shall be in effect for taxable years beginning after December 31, 1979.*

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) *the* 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) *the* 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) 1979, to the extent of the credit under section 38 of the Internal Revenue Code of 1954, as amended through December 31, (1976) 1979, that was previously allowed as a deduction either under section 290.01, subdivision 20 (b) (7) or under section 290.09, subdivision 24;

(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;

(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;

(12) To the extent deducted in computing the taxpayer's federal adjusted gross income for the taxable year, losses (REALIZED) *recognized* upon a transfer of property to the spouse or former spouse of the taxpayer in exchange for the release of the spouse's marital rights;

(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; and

(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 Minnesota, 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) *recognized* by a trust on the sale or exchange of property as defined in section 641(c)(1) of the Internal Revenue Code of 1954;

(16) An amount equal to one-sixth of any gain from the sale or other disposition of property deducted under sections 1202(a) and 1202(c)(1) of the Internal Revenue Code of 1954;

(17) *To the extent not included in the taxpayer's federal adjusted gross income, the amount of any gain, from the sale or other disposition of property having a lower adjusted basis for Minnesota income tax purposes than for federal income tax purposes. This modification shall not exceed the difference in basis. If the gain is considered a long term capital gain for federal income tax purposes, the modification shall be limited to 50 percent of the portion of the gain. This modification is limited to property that qualified for the energy credit contained in section 290.06, subdivision 14, and to property acquired in exchange for the release of the taxpayer's marital rights contained in section 290.14, clause (9); and*

(18) *The amount of any loss from a source outside of Minnesota which is not allowed under section 290.17 including any capital loss or net operating loss carryforwards or carrybacks resulting from the loss.*

(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 50 per centum of (SUCH) the 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) the 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) the 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) *the* amount is received as a refund or credited to another taxable year's income tax liability;

(6) To the extent included in federal adjusted gross income, *or the amount reflected as the ordinary income portion of a lump sum distribution under section 402(e) of the Internal Revenue Code of 1954*, notwithstanding any other law to the contrary, the amount received by any person (i) from the United States, its agencies or instrumentalities, the Federal Reserve Bank or from the state of Minnesota or any of its political or governmental subdivisions or from any other state or its political or governmental subdivisions, or a Minnesota volunteer firefighter's relief association, by way of payment as a pension, public employee retirement benefit, or any combination thereof, or (ii) as a retirement or survivor's benefit made from a plan qualifying under section 401, 403, 404, 405, 408, 409 or 409A of the Internal Revenue Code of 1954 (*, AS AMENDED THROUGH DECEMBER 31, 1977*). The maximum amount of this subtraction shall be \$10,000 less the amount by which the individual's federal adjusted gross income, *plus the ordinary income portion of a lump sum distributed as defined in section 402(e) of the Internal Revenue Code of 1954*, exceeds \$17,000. In the case of a volunteer firefighter who receives an involuntary lump sum distribution of his pension or retirement benefits, the maximum amount of this subtraction shall be \$10,000; this subtraction shall not be reduced by the amount of the individual's federal adjusted gross income in excess of \$17,000;

(7) In the case of property acquired on or after January 1, 1973, the amount of any credit to the taxpayer's federal tax liability under section 38 of the Internal Revenue Code of 1954, as amended through December 31, (1976) 1979, 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;

(8) To the extent included in the taxpayer's federal adjusted gross income for the taxable year, gain (REALIZED) *recognized* upon a transfer of property to the spouse or former spouse of the taxpayer in exchange for the release of the spouse's marital rights;

(9) 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;

(10) Interest, including payment adjustment to the extent that it is applied to interest, earned by the seller of the property on a family farm security loan executed after December 31, 1977

and before January 1, 1982 that is guaranteed by the commissioner of agriculture as provided in sections 41.51 to 41.60;

((11)) THE AMOUNT OF GAIN ON THE SALE OF THE TAXPAYER'S RESIDENCE EXCLUDED FROM THE FEDERAL GROSS INCOME OF THE TAXPAYER PURSUANT TO SECTION 121 OF THE INTERNAL REVENUE CODE OF 1954, AS AMENDED THROUGH DECEMBER 31, 1978 PROVIDED THAT A TAXPAYER WHO ELECTS UNDER THAT SECTION SHALL NOT, FOR THE PURPOSE OF THIS SUBDIVISION, ALSO TAKE AN EXCLUSION ACCORDING TO THE PROVISIONS OF SECTION 121 OF THE INTERNAL REVENUE CODE, AS AMENDED THROUGH DECEMBER 31, 1976;)

((12)) (11) The first \$3,000 of compensation for personal services in the armed forces of the United States or the United Nations, and the next \$2,000 of compensation for personal services in the armed forces of the United States or the United Nations wholly performed outside the state of Minnesota. *This modification does not apply to compensation defined in clause (b)(6); (AND)*

((13)) (12) The amount of any income earned for personal services rendered *outside of Minnesota* prior to the date when the taxpayer became a resident of Minnesota. *This modification does not apply to compensation defined in clause (b)(6);*

(13) *In the case of wages or salaries paid or incurred on or after January 1, 1977, the amount of any credit for employment of certain new employees under sections 44B and 51 to 53 of the Internal Revenue Code of 1954 which is claimed as a credit against the taxpayer's federal tax liability, 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;*

(14) *In the case of work incentive program expenses paid or incurred on or after January 1, 1979, the amount of any credit for expenses of work incentive programs under sections 40, 50A and 50B of the Internal Revenue Code of 1954 which is claimed as a credit against the taxpayer's federal tax liability, 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;*

(15) *Unemployment compensation to the extent includible in gross income for federal income tax purposes under section 85 of the Internal Revenue Code of 1954;*

(16) *To the extent included in federal adjusted gross income, severance pay that may be treated as a lump sum distribution under the provisions of section 290.032, subdivision 5;*

(17) *The amount of any income or gain which is not assignable to Minnesota under the provisions of section 290.17; and*

(18) *Minnesota exempt-interest dividends as provided by section 2.*

(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) *the* 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) *the* corporation is liquidated or the individual shareholder disposes of (HIS) *the* 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) *the* 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) *the* reserve is distributed to shareholders (SUCH) *the* 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) *the* 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) *the* 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) *the* 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. Minnesota Statutes 1978, Section 290.01, is amended by adding a subdivision to read:

Subd. 27. [MINNESOTA EXEMPT-INTEREST DIVIDENDS.] If, at the close of each quarter of its taxable year, at least 50 percent of the value (as defined in section 851(c)(4) of the Internal Revenue Code of 1954 as amended through December 31, 1979) of the total assets of a regulated investment company (as defined and limited by section 851 of the Internal Revenue Code of 1954 as amended through December 31, 1979 and to which sections 851 to 855 of the Code apply for the taxable year) consists of obligations described in subdivision 20, clause (b)(1), or section 290.08, subdivision 8 (determined without regard to subdivision 13), such company shall be qualified to pay Minnesota exempt-interest dividends, as defined herein, to its shareholders.

(A) A Minnesota exempt-interest dividend means any dividend or part thereof (other than a capital gain dividend as defined in subdivision 21, paragraph (5) or an exempt-interest dividend as defined in section 852(b)(5)(A) of the Internal Revenue Code of 1954, as amended through December 31, 1979) paid by a regulated investment company and designated by it as a Minnesota exempt-interest dividend in a written notice mailed to its shareholders not later than 45 days after the close of its taxable year. If the aggregate amount so designated with respect to a taxable year of the company (including Minnesota ex-

empt-interest dividends paid after the close of the taxable year as described in section 290.21, subdivision 6) is greater than the excess of—

(i) The amount of interest that would be excludable from gross income under section 290.08, subdivision 8 (determined without regard to subdivision 13), if the company were subject to chapter 290 (whether or not the company is subject to chapter 290), over

(ii) The amounts that would be disallowed as deductions under section 290.09, subdivisions 3(b) and 13, if the company were subject to chapter 290 (whether or not the company is subject to chapter 290), as a result of the company's ownership of obligations described in section 290.08, subdivision 8 (determined without regard to subdivision 13), the portion of such distribution which shall constitute a Minnesota exempt-interest dividend shall be only that proportion of the amount so designated as the amount of such excess for such taxable year bears to the amount so designated.

(B) A Minnesota exempt-interest dividend shall be treated by the shareholders for all purposes of chapter 290 as an item of interest excludable from gross income under subdivision 20, clause (b)(1), and section 290.08, subdivision 8 (subject to subdivision 13). Such purposes include but are not limited to—

(i) The determination of gross income and taxable income,

(ii) The determination of distributable net income under section 290.23,

(iii) The allowance of, or calculation of the amount of, any credit or deduction, and

(iv) The determination of the basis in the hands of any shareholder of any share of stock of the company.

Sec. 3. Minnesota Statutes, 1979 Supplement, Section 290.06, Subdivision 11, is amended to read:

Subd. 11. [CONTRIBUTIONS TO POLITICAL PARTIES AND CANDIDATES.] In lieu of the credit against taxable net income provided by section 290.21, subdivision 3, clause (e), a taxpayer may take a credit against the tax due under this chapter of 50 percent (BUT NOT MORE THAN \$50) of his contributions to (A POLITICAL PARTY AND CANDIDATE.) candidates for elective state, federal or local public office and to any political party. The maximum credit for an individual shall not exceed \$50 and, for a married couple (,) filing jointly, (MAY TAKE A SIMILAR CREDIT OF) shall not (MORE THAN) exceed \$100. No credit shall be allowed under this sub-

division for a contribution to any candidate *as defined in section 10A.01, subdivision 5*, other than a candidate for elective judicial office or a candidate in a special election, who has not signed an agreement to limit his campaign expenditures as provided in section 10A.32, subdivision 3b. (THE COMMISSIONER OF REVENUE SHALL PROVIDE IN THE TAX INSTRUCTION BOOKLET LANGUAGE UNDERSTANDABLE TO A PERSON OF AVERAGE INTELLIGENCE WHICH STATES THAT THE TAXPAYER MAY ONLY CLAIM A CREDIT AGAINST HIS TAX DUE FOR CONTRIBUTIONS TO CANDIDATES FOR (A) JUDICIAL OFFICE OR (B) STATE-WIDE OR LEGISLATIVE OFFICE WHO HAVE AGREED TO LIMIT THEIR EXPENDITURES. FOR PURPOSES OF THIS SUBDIVISION, "CANDIDATE" MEANS A CANDIDATE AS DEFINED IN SECTION 10A.01, SUBDIVISION 5 OTHER THAN A COUNTY COURT, PROBATE COURT OR COUNTY MUNICIPAL COURT JUDGESHIP. THE DEPARTMENT OF REVENUE SHALL PROVIDE ON THE FIRST PAGE OF THE MINNESOTA TAX FORM AN APPROPRIATE PROVISION FOR THE CREDIT PROVIDED BY THIS SUBDIVISION.)

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

Sec. 4. Minnesota Statutes, 1979 Supplement, Section 290.06, Subdivision 14, is amended to read:

Subd. 14. [RESIDENTIAL ENERGY CREDIT.] A credit of 20 percent of the first \$10,000 of renewable energy source expenditures, including the expenditures described in clauses (a), (b) and (d) if made by an individual taxpayer on a Minnesota building of six dwelling units or less and expenditures for biomass conversion equipment described in clause (c), and a credit of 15 percent of the first \$2,000 of energy conservation expenditures made by a taxpayer and installed in or on a dwelling unit located in Minnesota, may be deducted from the tax due under this chapter for the taxable year in which the expenditures were made. For purposes of this subdivision, the term "building" shall include a condominium or townhouse used by the taxpayer as a residence. In the case of qualifying expenditures incurred in connection with a building under construction by a contractor, the credit shall be deducted from the tax liability of the first individual to purchase the building for use as a principal residence or for residential rental purposes; the contractor shall not be eligible for the credit given pursuant to this subdivision for that expenditure.

A "renewable energy source expenditure" which qualifies shall include:

(a) Expenditures which qualify for the federal renewable energy source credit, pursuant to Section 44C of the Internal

Revenue Code of 1954, as amended through December 31, 1978, and any regulations promulgated pursuant thereto, *provided that, after December 31, 1980, any solar collector included in the claimed expenditure is certified by the energy agency. A solar collector is a device designed to absorb incident solar radiation, convert it to thermal energy, and transfer the thermal energy to a fluid passing through or in contact with the device. "Solar collector" shall not include passive solar energy systems as defined in clause (d);*

(b) Expenditures for earth sheltered dwelling units. For purposes of this credit, an "earth sheltered dwelling unit" shall mean a structure which complies with applicable building standards and which is constructed so that:

(1) 80 percent or more of the (WALL) roof area is covered with a minimum depth of 12 inches of earth; and

(2) 50 percent or more of the wall area is covered with a minimum depth of 12 inches of earth; and

(3) Those portions of the structure not insulated with a minimum of seven feet of earth shall have additional insulation;

(c) Expenditures for biomass conversion equipment *located in Minnesota* which produces ethanol, methane or methanol for use as a *gaseous or as a liquid fuel* which is not offered for sale; and

(d) Expenditures for passive solar energy systems. For purposes of this credit, a "passive solar energy system" is defined to include systems which utilize elements of the building and its operable components to heat or cool a building unit *with the sun's energy* by means of conduction, convection, radiation, or evaporation. A passive system shall include:

(1) Collection aperture, including glazing installed in south facing walls and roofs; and

(2) Storage element, including thermal mass in the form of water, masonry, rock, concrete, or other mediums which is designed to store heat collected from solar radiation.

A passive system may include:

(1) Control and distribution element, including fans, louvers, and air ducts; and/or

(2) Retention element, including movable insulation used to minimize heat loss caused by nocturnal radiation through areas used for direct solar heat gain during daylight hours.

Eligible passive expenditures shall be for equipment, materials or devices that are an integral part of the components listed above and essential to the functioning of a passive design which qualifies pursuant to rules promulgated by the commissioner of revenue in cooperation with the director of the energy agency. Expenditures for equipment, materials, or devices which are a part of the normal heating, cooling, or insulation system of a building are not eligible for the credit.

An "energy conservation expenditure" is an expenditure which qualifies for the federal energy conservation credit pursuant to section 44C of the Internal Revenue Code of 1954, as amended through December 31, 1979, and any regulations promulgated pursuant thereto.

If a credit for a renewable energy expenditure was allowed to a taxpayer under this subdivision for any prior taxable year, the dollar amount of the maximum renewable energy expenditure for which a taxpayer may qualify for a credit under this subdivision in subsequent years shall be \$10,000 reduced by the amount of renewable energy expenditures which a credit was claimed pursuant to this subdivision in prior years. A taxpayer shall never be allowed to claim more than \$10,000 of expenditures during the duration of the renewable energy credit.

If a credit for an energy conservation expenditure was allowed to a taxpayer under this subdivision for any prior taxable year, the dollar amount of the maximum energy conservation expenditure for which a taxpayer may qualify for a credit under this subdivision in subsequent years shall be \$2,000 reduced by the amount of energy conservation expenditures for which a credit was claimed pursuant to this subdivision in prior years.

(THE) A credit provided in this subdivision shall not be allowed in a taxable year if the (AMOUNT) sum of the (CREDIT) credits provided in this subdivision would be less than \$10.

If (THE) a credit allowable under this subdivision exceeds the amount of tax due in a taxable year, the excess credit shall not be refunded but may be carried forward to the succeeding taxable year and added to the credit allowable for that year. No amount attributable to renewable energy source expenditures may be carried forward to a taxable year beginning after December 31, 1984. No amount attributable to energy conservation expenditures may be carried forward to a taxable year beginning after December 31, 1982. In the case of energy conservation expenditures, excess credits may be carried back two years, in chronological order. No credit may be carried back to a taxable year beginning before January 1, 1978. For the purposes of sections 290.46 and 290.50, if the claim for refund relates to an overpayment attributable to an energy conservation credit carry-back under this subdivision, in lieu of the period of limitation prescribed in sections 290.46 and 290.50, the period of limitation

shall be that period which ends with the expiration of the 15th day of the 46th month following the end of the taxable year of the energy conservation credit which results in the carryback. In the case in which a taxpayer is entitled to a refund in a carryback year due to the carryback of the energy conservation credit, interest shall be computed only from the end of the taxable year in which the energy conservation credit occurs.

A shareholder in a family farm corporation and each partner in a partnership operating a family farm shall be eligible for the (CREDIT) credits provided by this subdivision in the same manner and to the same extent allowed a joint owner of property under (CLAUSE (A)) section 44C (d) of the Internal Revenue Code of 1954, as amended through December 31, 1979. "Family farm corporation" and "family farm" have the meanings given in section 500.24.

The (CREDIT) credits provided in this subdivision (IS) are subject to the provisions of Section 44C, (c) (7), (d) (1) to (3), and (e), of the Internal Revenue Code of 1954, as amended through December 31, 1978, and any regulations promulgated pursuant thereto.

The commissioner of revenue in cooperation with the director of the energy agency shall promulgate rules establishing additional qualifications and definitions for the credits provided in (CLAUSES (A) TO (D)) this subdivision.

Notwithstanding section 290.61, the commissioner of revenue may request the energy agency to assist in the review and auditing of the information furnished by the taxpayer for purposes of claiming this credit. The provisions of section 290.61 shall apply to employees of the energy agency who receive information furnished by a taxpayer for purposes of claiming this credit.

The director of the energy agency shall promulgate rules establishing the criteria for certification of solar collectors as required by clause (a). The criteria shall:

(1) Specify the testing procedures to be used in the evaluation of solar collectors;

(2) Establish minimum levels of collector quality for safety;

(3) Provide a means to determine the maintainability and structural integrity of solar collectors;

(4) Establish a system for evaluating and rating the thermal performance of solar collectors;

(5) Specify the procedures to follow to obtain certification of a solar collector;

(6) *Conform to the maximum extent practicable to the solar collector certification requirements of other states which have adopted certification procedures; and*

(7) *Allow for individual variation so as not to hamper the development of innovative solar collectors.*

The director of the energy agency may promulgate temporary rules pursuant to section 15.0412, subdivision 5 to establish this certification procedure.

(THIS SUBDIVISION IS) *The provisions relating to the credit for renewable energy source expenditures are effective for expenditures made during taxable years beginning after December 31, 1978 and before January 1, 1983. The credit for energy conservation expenditures is effective for expenditures made during taxable years beginning after December 31, 1979, and before January 1, 1983.*

Sec. 5. Minnesota Statutes 1978, Section 290.09, Subdivision 2, is amended to read:

Subd. 2. [TRADE OR BUSINESS EXPENSES; EXPENSES FOR PRODUCTION OF INCOME.] (a) In General. There shall be allowed as a deduction all the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business, including

(1) A reasonable allowance for salaries or other compensation for personal services actually rendered;

(2) Traveling expenses (including the entire amount expended for meals and lodging) while away from home in the pursuit of a trade or business; and

(3) Rentals or other payments required to be made as a condition to the continued use or possession, for purposes of the trade or business, of property to which the taxpayer has not taken or is not taking title or in which he has no equity. For purposes of the preceding sentence, the place of residence of a member of congress within the state shall be considered his home, but amounts expended by such members within each taxable year for living expenses shall not be deductible for income tax purposes in excess of \$3,000.

(4) *Entertainment, amusement, or recreation expenses shall be allowed under this subdivision only to the extent that they qualify as a deduction under section 274 of the Internal Revenue Code of 1954, as amended through December 31, 1979.*

(b) Expenses for Production of Income. In the case of an individual, there shall be allowed as a deduction all the ordinary and necessary expenses paid or incurred during the taxable year.

- (1) For the production or collection of income;
 - (2) For the management, conservation, or maintenance of property held for the production of income; or
 - (3) In connection with the determination, collection, or refund of any tax.
- (c) Campaign expenditures in an amount not to exceed the limits set out in section 210A.22, not subsequently reimbursed, which have been personally paid by a candidate for public office if the candidate has complied with the expenditure limitations set out in section 210A.22:

(No deduction shall be allowed under this clause for any contribution or gift which would be allowable as a credit under section 290.21 were it not for the percentage limitations set forth in such section);

- (d) All expense money paid by the legislature to legislators;

(e) The provisions of section 280A (disallowing certain expenses in connection with the business use of the home and rental of vacation homes) of the Internal Revenue Code of 1954, as amended through December 31, (1976) 1979, shall be applicable in determining the availability of any deduction under this subdivision.

Sec. 6. Minnesota Statutes, 1979 Supplement, Section 290.067, Subdivision 1, is amended to read:

290.067 [DEPENDENT CARE CREDIT.] Subdivision 1. [AMOUNT OF CREDIT.] A taxpayer may take as a credit against the tax due from him and his spouse, if any, under this chapter an amount equal to (50 PERCENT OF) the dependent care credit for which he is eligible pursuant to the provisions of section 44A of the Internal Revenue Code of 1954, as amended through December 31, (1978) 1979, subject to the limitations provided in subdivision 2.

Sec. 7. Minnesota Statutes 1978, Section 290.067, Subdivision 2, is amended to read:

Subd. 2. [LIMITATIONS.] The credit for expenses incurred for the care of each dependent shall not exceed (\$150) \$400 in any taxable year, and the total credit for all dependents of a claimant shall not exceed (\$300) \$800 in a taxable year. The total credit shall be reduced by (FIVE) eight percent of the amount by which the combined federal adjusted gross income of the claimant and his spouse, if any, exceeds (\$12,000) \$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. No expense for which a medical expense deduction is claimed pursuant to section 290.09, subdivision 10, shall be claimed as a dependent care expense.

Sec. 8. Minnesota Statutes, 1979 Supplement, Section 290.09, Subdivision 3, is amended to read:

Subd. 3. [INTEREST.] (a) All interest paid or accrued within the taxable year on indebtedness, except as hereinafter provided.

(b) Interest paid or accrued within the taxable year on indebtedness incurred or continued to purchase or carry obligations or securities the income from which is excludable from gross income under section 290.08, *or shares of a regulated investment company which during the taxable year of the holder thereof distributes Minnesota exempt-interest dividends as defined in section 2*, or on indebtedness incurred or continued in connection with the purchasing or carrying of a single premium life insurance, annuity, or endowment contract, shall not be allowed as a deduction. (For purposes of this paragraph, a contract shall be treated as a single premium contract if substantially all the premiums on the contract are paid within a period of four years from the date on which the contract is purchased, or if an amount is deposited after January 1, 1955 with the insurer for payment of a substantial number of future premiums on the contract.)

(c) If personal property or educational services are purchased under a contract which provides that payment of part or all of the purchase price is to be made in installments, and in which carrying charges are separately stated but the interest charge cannot be ascertained, then the payments made during the taxable year under the contract shall be treated for purposes of this paragraph as if they included interest equal to six percent of the average unpaid balance under the contract during the taxable year, and such interest shall be allowed as a deduction. For purposes of the preceding sentence, the average unpaid balance is the sum of the unpaid balance outstanding on the first day of each month beginning during the taxable year, divided by 12. In the case of any contract to which this paragraph applies, the amount treated as interest for any taxable year shall not exceed the aggregate carrying charges which are properly attributable to such taxable year.

For purposes of this subdivision the term "educational services" means any service including lodging which is purchased from an educational institution (as defined in section 151(e) (4) of the Internal Revenue Code of 1954, as amended through December 31, 1976) and which is provided for a student of such institution.

(d) A cash basis taxpayer may elect to deduct interest as it accrues on a reverse mortgage loan as defined in section 47.58,

subdivision 1, rather than when it is actually paid. This election must be made, if at all, in the first taxable year in which it is available to the cash basis taxpayer and, if made, shall be binding on the taxpayer for each subsequent taxable year until maturity of the loan.

Sec. 9. Minnesota Statutes 1978, Section 290.09, Subdivision 24, is amended to read:

Subd. 24. [ADDITIONAL INVESTMENT CREDIT DEDUCTIONS.] (a) The basis of any property placed in service before January 1, 1964, which base was reduced in accordance with the provisions of Laws 1963, Chapter 236, shall as of the first day of the taxpayer's first taxable year which begins after December 31, 1963, be increased by an amount equal to the reduction permitted under the aforesaid chapter 236.

(b) In the case of property disposed of on or before January 1, 1973, there shall be added to the taxpayer's income, in the year in which the property is disposed of, 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 under this section.

(c) *In the case of property acquired on or after January 1, 1980, a deduction shall be allowed to a family farm corporation as defined in section 500.24, subdivision 2 for the amount of any credit to the corporation's federal tax liability under section 38 of the Internal Revenue Code of 1954, as amended through December 31, 1979, 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.*

Sec. 10. Minnesota Statutes 1978, Section 290.09, Subdivision 28, is amended to read:

Subd. 28. [REAL ESTATE INVESTMENT TRUSTS; DEDUCTIBLE DIVIDENDS.] A "real estate investment trust," as defined in section 856 of the Internal Revenue Code of 1954, as amended through December 31, (1976) 1979, and to which sections 856 to (858) 860 of the Code apply for the taxable year, may deduct its dividends paid to the extent permitted by section (857(B) (2) (C)) 857(b) (2) (B) of the Code (, AND ITS CAPITAL GAINS DIVIDENDS PAID AS DEFINED AND LIMITED BY SECTION 857(B) (3) (C) OF THE CODE). Such a trust and its shareholders and beneficiaries shall be subject to all of the provisions of sections 857 and 858 of the Code which are applicable under this chapter, in determining their respective taxable net incomes, provided that the (EXCESS) amount determined and (SUBJECTED TO) *available for the al-*

ternative tax under section 857(b) (3) (A) (ii) of the Code shall be included in gross income subject to the deduction provided by section 290.16, subdivision 4.

Sec. 11. Minnesota Statutes, 1979 Supplement, Section 290.-091, is amended to read:

290.091 [MINIMUM TAX ON PREFERENCE ITEMS.]

(a) In addition to all other taxes imposed by this chapter there is hereby imposed, a tax which, in the case of a resident individual, estate or trust, shall be equal to 40 percent of the amount of the taxpayer's minimum tax liability for tax preference items pursuant to the provisions of sections (56) 55 to 58 and 443(d) of the Internal Revenue Code of 1954 as amended through December 31, (1976) 1979 except that for purposes of the tax imposed by this section, excess itemized deductions as defined in section 57(b) shall not include any deduction taken for Minnesota income tax paid and capital gain as defined in section 57(a) of the Internal Revenue Code shall not include that portion of any gain occasioned by sale, transfer or the granting of a perpetual easement pursuant to any eminent domain proceeding or threat thereof as described in section 290.13, subdivision 5. This modification shall apply to the years in which the gain or reduction in loss is actually included in federal adjusted gross income even though amounts received pursuant to the eminent domain proceedings were received in prior years. *In the case of a taxpayer other than a corporation, an amount equal to one-half of the net capital gain for the taxable year shall be used as the definition of capital gain in place of the deduction determined under section 1202 of the Internal Revenue Code.* In the case of a resident individual, estate or trust having preference items which could not be taken to reduce income from sources outside the state pursuant to section 290.17, subdivision 1, or any other taxpayer the tax shall equal 40 percent of that federal liability, multiplied by a fraction the numerator of which is the amount of the taxpayer's preference item income allocated to this state pursuant to the provisions of sections 290.17, subdivision 1, to 290.20, and the denominator of which is the taxpayer's total preference item income for federal purposes.

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

((C) THE PREFERENCE ITEMS FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1978 SHALL

NOT INCLUDE THE PORTION OF THE SALE OF RESIDENCE EXCLUDED UNDER SECTION 121 OF THE INTERNAL REVENUE CODE OF 1954 AS AMENDED THROUGH DECEMBER 31, 1978.)

Sec. 12. Minnesota Statutes, 1979 Supplement, Section 290.095, Subdivision 1, is amended to read:

290.095 [OPERATING LOSS DEDUCTION.] Subdivision 1. [ALLOWANCE OF DEDUCTION.] (a) There shall be allowed as a deduction for the taxable year the amount of any net operating loss deduction as defined in subdivision 2, clause (b); provided, however, that the modifications specified in subdivision 4 shall be made in computing the taxable net income for the taxable year before the net operating loss deduction shall be allowed.

(b) A net operating loss deduction shall be available under this section only to corporate taxpayers except as provided in subdivisions 6, 7 and 9 hereof, and, with respect to individuals, (ESTATES AND TRUSTS,) no deduction shall be allowed for or with respect to losses which constitute tax preference items as set forth in section 290.17, subdivision 1.

Sec. 13. Minnesota Statutes 1978, Section 290.095, is amended by adding a subdivision to read:

Subd. 10. [PRODUCT LIABILITY LOSS CARRYBACK.] *In the case of a taxpayer which has a product liability loss, as defined in section 172(i) of the Internal Revenue Code of 1954 as amended through December 31, 1979, for a taxable year beginning after September 30, 1979 (referred to as "loss year"), the product liability loss shall be a net operating loss carryback to each of the 10 taxable years preceding the loss year.*

Sec. 14. Minnesota Statutes 1978, Section 290.13, is amended by adding a subdivision to read:

Subd. 5a. [GAIN OR LOSS FROM SALE OR EXCHANGE TO EFFECTUATE POLICIES OF F.C.C.] *If the sale or exchange of property, including stock in a corporation, is certified by the Federal Communications Commission to be necessary or appropriate to effectuate a change in a policy of, or the adoption of a new policy by the commission with respect to the ownership and control of radio broadcasting stations, the sale or exchange shall, if the taxpayer so elects, be treated as an involuntary conversion of the property within the meaning of subdivision 5. For purposes of this subdivision, "radio broadcasting" includes telecasting.*

For purposes of subdivision 5 as made applicable by the provisions of this subdivision, stock of a corporation operating a radio broadcasting station, whether or not representing control of the

corporation, shall be treated as property similar or related in service or use to the property so converted. The part of the gain, if any, on the sale or exchange to which subdivision 5 is not applied shall nevertheless not be recognized, if the taxpayer so elects, to the extent that it is applied to reduce the basis for determining gain or loss on sale or exchange of property of a character subject to the allowance for depreciation under section 290.09, subdivision 7, remaining in the hands of the taxpayer immediately after the sale or exchange, or acquired in the same taxable year. The manner and amount of the reduction shall be determined under regulations prescribed by the commissioner. Any election made by the taxpayer under this subdivision shall be made by a statement to that effect in his return for the taxable year in which the sale or exchange takes place, and the election shall be binding for that taxable year and all subsequent taxable years.

The basis of property acquired on a sale or exchange treated as an involuntary conversion under this subdivision shall be determined pursuant to the provisions of subdivision 5.

Sec. 15. Minnesota Statutes, 1979 Supplement, Section 290.-14, is amended to read:

290.14 [GAIN OR LOSS ON DISPOSITION OF PROPERTY, BASIS.] The basis for determining the gain or loss from the sale or other disposition of property acquired on or after January 1, 1933, shall be the cost to the taxpayer of such property, with the following exceptions:

(1) If the property should have been included in the last inventory, it shall be the last inventory value thereof;

(2) If the property was acquired by gift, it shall be the same as it would be if it were being sold or otherwise disposed of by the last preceding owner not acquiring it by gift, if the facts required for this determination cannot be ascertained, it shall be the fair market value as of the date, or approximate date, of acquisition by (SUCH) *the* last preceding owner, as nearly as the requisite facts can be ascertained by the commissioner;

(3) If the property was acquired by gift through an inter vivos transfer in trust, it shall be the same as it would be if it were being sold or otherwise disposed of by the grantor;

(4) Except as otherwise provided in this clause, the basis of property in the hands of a person acquiring the property from a decedent or to whom the property passed from a decedent shall, if not sold, exchanged or otherwise disposed of before the decedent's death by (SUCH) *the* person, be the fair market value of the property at the date of decedent's death.

For the purposes of the preceding paragraph, the following property shall be considered to have been acquired from or to have passed from the decedent:

(a) Property acquired by bequest, devise, or inheritance, or by the decedent's estate from the decedent;

(b) Property transferred by the decedent during his lifetime in trust to pay the income for life to or on the order or direction of the decedent, with the right reserved to the decedent at all times before his death to revoke the trust;

(c) Property transferred by the decedent during his lifetime in trust to pay the income for life to or on the order or direction of the decedent with the right reserved to the decedent at all times before his death to make any change in the enjoyment thereof through the exercise of a power to alter, amend, or terminate the trust;

(d) Property passing without full and adequate consideration under a general power of appointment exercised by the decedent by will;

(e) In the case of a decedent's dying after December 31, 1956, property acquired from the decedent by reason of death, form of ownership, or other conditions (including property acquired through the exercise or non-exercise of a power of appointment), if by reason thereof the property is required to be included in determining the value of the decedent's gross estate for Minnesota inheritance tax purposes. In (SUCH) *this* case, if the property is acquired before the death of the decedent, the basis shall be the amount determined under the first paragraph of this clause reduced by the amount allowed to the taxpayer as deductions in computing taxable net income under this chapter or prior Minnesota income tax laws for exhaustion, wear and tear, obsolescence, amortization, and depletion on (SUCH) *the* property before the death of the decedent. (SUCH) *The* basis shall be applicable to the property commencing on the death of the decedent. This paragraph shall not apply to annuities described in section 290.08; and property described in paragraphs (a), (b), (c) and (d) of this clause.

This clause shall not apply to property which constitutes a right to receive an item of income in respect of a decedent under section 290.077. Nor shall it apply to restricted stock options described in section 290.078 which the employee has not exercised at death.

(5) If the property was acquired after December 31, 1932, upon an exchange described in section 290.13, subdivision 1, the basis shall be the same as in the case of the property exchanged, decreased in the amount of any money received by the taxpayer and increased in the amount of gain or decreased in the amount

of loss to the taxpayer that was recognized upon (SUCH) *the* exchange under the law applicable to the year in which the exchange was made. If the property so acquired consisted in part of the type of property permitted by section 290.13, subdivision 1, to be received without the recognition of gain or loss, and in part of other property, the basis provided in this clause shall be allocated between the properties, other than money, received, and for the purpose of the allocation there shall be assigned to (SUCH) *the* other property an amount equivalent to its fair market value at the date of the exchange. This clause shall not apply to property acquired by a corporation by the issuance of its stock or securities as the consideration, in whole or in part, for the transfer of the property to it;

(6) If substantially identical property was acquired in the place of stocks or securities which were sold or disposed of and in respect of which loss was not allowed as a deduction under section 290.09, subdivision 5, the basis in the case of property so acquired shall be the same as in the case of the stock or securities so sold or disposed of, increased by the excess of the repurchase price of (SUCH) *the* property over the sale price of (SUCH) *the* stock or securities, or decreased by the excess of the sale price of (SUCH) *the* stock or securities over the repurchase price of (SUCH) *the* property;

(7) If the property was acquired after December 31, 1932, as the result of a compulsory or involuntary conversion described in section 290.13, subdivision 5, the basis shall be the same as in the case of the property so converted, decreased in the amount of any money received by the taxpayer which was not expended in accordance with the provisions of law applicable to the year in which (SUCH) conversion was made, determining the taxable status of the gain or loss upon (SUCH) conversion, and increased in the amount of gain or decreased in the amount of loss to the taxpayer recognized upon (SUCH) conversion under the law applicable to the year in which (SUCH) conversion was made.

(8) Neither the basis nor the adjusted basis of any portion of real property shall, in the case of a lessor of (SUCH) *the* property, be increased or diminished on account of income derived by the lessor in respect of (SUCH) *the* property and excludable from gross income under section 290.08, subdivision 14.

If an amount representing any part of the value of real property attributable to buildings erected or other improvements made by a lessee in respect of (SUCH) *the* property was included in gross income of the lessor for any taxable year beginning before January 1, 1943, the basis of each portion of (SUCH) *the* property shall be properly adjusted for the amount (SO) included in gross income.

(9) If the property was acquired by the taxpayer as a transfer of property in exchange for the release of the taxpayer's

marital rights, the basis of the property shall be the same as it would be if it were being sold or otherwise disposed of by the person who transferred the property to the taxpayer.

(10) The basis of property subject to the provisions of section 1034 of the Internal Revenue Code of 1954, as amended through December 31, 1979 (relating to the rollover of gain on sale of principal residence) shall be the same as the basis for federal income tax purposes. The basis shall be increased by the amount of gain realized on the sale of a principal residence outside of Minnesota, while a nonresident of this state, which gain was not recognized because of the provisions of section 1034.

Sec. 16. Minnesota Statutes, 1979 Supplement, Section 290.-17, Subdivision 1, is amended to read:

290.17 [GROSS INCOME, ALLOCATION TO STATE.] Subdivision 1. [INCOME OF RESIDENT INDIVIDUALS, ESTATES AND TRUSTS.] The gross income of individuals during the period of time when they are residents of Minnesota (AND THE GROSS INCOME OF RESIDENT ESTATES AND TRUSTS) shall be their gross income as defined in section 290.-01, subdivision 20, except that the amount of otherwise deductible losses incurred in connection with income derived from sources outside the state shall be reduced by the sum of the taxpayer's items of tax preference as defined in section 57 of the Internal Revenue Code of 1954, as amended through December 31, 1978, which are attributable to losses incurred in connection with sources of income outside the state.

Sec. 17. Minnesota Statutes 1978, Section 290.26, Subdivision 2, is amended to read:

Subd. 2. [EMPLOYER CONTRIBUTIONS.] Contributions of an employer to an employee's trust or annuity plan and compensation under a deferred-payment plan *or to a simplified employee pension* shall be allowed as a deduction in accordance with the provisions of (SECTION) *Sections 404 or 408(k)* of the Internal Revenue Code of 1954, as amended through December 31, (1976) 1979 as adapted to the provisions of this (ACT) *chapter* under (REGULATIONS) *rules* issued by the commissioner of revenue.

Sec. 18. Minnesota Statutes, 1979 Supplement, Section 290.-37, Subdivision 1, is amended to read:

290.37 [FILING REQUIREMENTS FOR INDIVIDUALS.] Subdivision 1. [PERSONS MAKING RETURNS.] The commissioner of revenue shall annually determine the gross income levels at which individuals *and estates* shall be required to file a return for each taxable year.

The trustee or other fiduciary of property held in trust shall file a return with respect to the taxable net income of such trust if that exceeds an amount on which a tax at the rates herein provided would exceed the specific credits allowed, or if the gross income of such trust exceeds \$750, if in either case such trust belongs to the class of taxable persons.

Every corporation shall file a return with respect to its taxable net income if in excess of \$500, or if its gross income exceeds \$5,000. The return in this case shall be signed by an officer of the corporation.

The receivers, trustees in bankruptcy, or assignees operating the business or property of a taxpayer shall file a return with respect to the taxable net income of such taxpayer if that exceeds an amount on which a tax at the rates herein provided would exceed the specific credits allowed (or, if the taxpayer is a corporation, if the taxable net income exceeds \$500), or if such taxpayer's gross income exceeds \$5,000.

Such return shall (a) be verified or contain a written declaration that it is made under the penalties of criminal liability for wilfully making a false return, and (b) shall contain a confession of judgment for the amount of the tax shown due thereon to the extent not timely paid.

For purposes of this subdivision the term "gross income" shall mean gross income as defined in section 61 of the Internal Revenue Code of 1954, as amended through December 31, 1976, modified and adjusted in accordance with the provisions of sections 290.01, subdivision 20, clauses (b) (6) and (b) (11), 290.08, and 290.17 (AND 290.65).

Sec. 19. Minnesota Statutes 1978, Section 290.49, Subdivision 10, is amended to read:

Subd. 10. [INCORRECT DETERMINATION OF FEDERAL ADJUSTED GROSS INCOME.] Notwithstanding any other provision of this chapter, if a taxpayer whose gross income is determined under section 290.01, subdivision 20, omits from income such an amount as will under the Internal Revenue Code of 1954, as amended through December 31, 1976 extend the statute of limitations for the assessment of federal income taxes; or otherwise incorrectly determines his federal adjusted gross income resulting in adjustments by the Internal Revenue Service then the period of assessment and determination of tax shall be the same as that under the Internal Revenue Code of 1954, as amended through December 31, 1976. *When a change is made to federal income during the extended time provided under this subdivision, the provisions under section 290.56 regarding additional extensions apply.*

Sec. 20. Minnesota Statutes 1978, Section 290.971, Subdivision 1, is amended to read:

290.971 [ELECTION OF CERTAIN SMALL BUSINESS CORPORATIONS AS TO TAXABLE STATUS; DEFINITIONS.] Subdivision 1. [SMALL BUSINESS CORPORATION.] For purposes of this chapter, the term "small business corporation" means a domestic corporation of the United States which is not a member of an affiliated group (as defined in section 1504 of the Internal Revenue Code of 1954, as amended through December 31, (1976) 1979) and which does not

(1) have ((EXCEPT AS PROVIDED IN SUBDIVISION 5)) more than (TEN) 15 shareholders;

(2) have as a shareholder a person (other than an estate and other than a trust described in subdivision 6) who is not an individual;

(3) have a nonresident alien as a shareholder; and

(4) have more than one class of stock, and has elected under the provisions of section 1372(a) of the Internal Revenue Code of 1954, as amended through December 31, (1976) 1979 to be taxed as a small business corporation under the provisions of said Internal Revenue Code of 1954, as amended through December 31, (1976) 1979.

Sec. 21. Minnesota Statutes 1978, Section 290.971, Subdivision 3, is amended to read:

Subd. 3. [STOCK OWNED BY HUSBAND AND WIFE.] For purposes of subdivision 1(1) (STOCK WHICH)

((1) IS COMMUNITY PROPERTY OF A HUSBAND AND WIFE (OR THE INCOME FROM WHICH IS COMMUNITY INCOME) UNDER THE APPLICABLE COMMUNITY PROPERTY LAW OF A STATE, OR)

((2) IS HELD BY A HUSBAND AND WIFE AS JOINT TENANTS, TENANTS BY THE ENTIRETY, OR TENANTS IN COMMON, OR)

((3) WAS, ON THE DATE OF DEATH OF A SPOUSE, STOCK DESCRIBED IN PARAGRAPH (1) OR (2), AND IS, BY REASON OF SUCH DEATH, HELD BY THE ESTATE OF THE DECEASED SPOUSE AND THE SURVIVING SPOUSE, OR BY THE ESTATES OF BOTH SPOUSES (BY REASON OF THEIR DEATHS ON THE SAME DATE), IN THE SAME PROPORTION AS HELD BY THE SPOUSES BEFORE SUCH DEATH, OR)

((4) WAS, ON THE DATE OF THE DEATH OF A SURVIVING SPOUSE, STOCK DESCRIBED IN PARAGRAPH (3), AND IS, BY REASON OF SUCH DEATH, HELD BY THE ESTATES OF BOTH SPOUSES IN THE SAME PROPORTION AS HELD BY THE SPOUSES BEFORE THEIR DEATHS, SHALL BE TREATED AS OWNED BY ONE SHAREHOLDER) *a husband and wife (and their estates) shall be treated as one shareholder.*

Sec. 22. Minnesota Statutes 1978, Section 290.971, Subdivision 6, is amended to read:

Subd. 6. [CERTAIN TRUSTS PERMITTED AS SHAREHOLDERS.] For purposes of subdivision 1, the following trusts may be shareholders:

(1) (a) A trust all of which is treated as owned by the grantor (*who is an individual who is a citizen or resident of the United States*) under section 671 to 679 of the Internal Revenue Code of 1954, as amended through December 31, (1976) 1979.

(b) *A trust which was described in subparagraph (a) immediately before the death of the grantor and which continues in existence after such death, but only for the 60-day period beginning on the day of the grantor's death. If a trust is described in the preceding sentence and if the entire corpus of the trust is includable in the gross estate of the grantor, the preceding sentence shall be applied by substituting "2-year period" for "60-day period."*

(2) A trust created primarily to exercise the voting power of stock transferred to it.

(3) Any trust with respect to stock transferred to it pursuant to the terms of a will, but only for the 60 day period beginning on the day on which (SUCH) *the* stock is transferred to it.

In the case of a trust described in paragraph (1), the grantor shall be treated as the shareholder.

In the case of a trust described in paragraph (2), each beneficiary of the trust shall, for the purposes of subdivision 1, paragraph (1), be treated as a shareholder.

Sec. 23. Minnesota Statutes 1978, Section 290.972, Subdivision 1, is amended to read:

290.972 [ELECTION BY SMALL BUSINESS CORPORATION.] Subdivision 1. [ELIGIBILITY.] Except as provided in subdivision 6 any small business corporation (SUBJECT TO THE LAWS IMPOSED BY THIS CHAPTER,) and its shareholders may, in accordance with the provisions of this section, elect to have (SAID) *the* corporation and its shareholders

taxed as though (SAID) *the* corporation were a partnership. (SUCH) *The* election shall be valid only if all persons who are shareholders in (SUCH) *the* corporation on the day on which the election is made

((1) ON THE FIRST DAY OF THE FIRST TAXABLE YEAR FOR WHICH SUCH ELECTION IS EFFECTIVE, IF SUCH ELECTION IS MADE ON OR BEFORE SUCH FIRST DAY, OR)

((2) ON THE DAY ON WHICH THE ELECTION IS MADE, IF THE ELECTION IS MADE AFTER SUCH FIRST DAY,)

consent to (SUCH) *the* election.

Sec. 24. Minnesota Statutes 1978, Section 290.972, Subdivision 3, is amended to read:

Subd. 3. [WHERE AND HOW MADE.] (1) [IN GENERAL.] An election under subdivision 1 may be made by a small business corporation for any taxable year at any time during the (FIRST MONTH OF SUCH) *preceding* taxable year, or at any time during the (MONTH PRECEDING SUCH FIRST MONTH) *first 75 days of the taxable year*. (SUCH) *The* election shall be made in (SUCH) a manner as the commissioner shall prescribe by (REGULATION) *rule*.

(2) [TREATMENT OF CERTAIN LATE ELECTIONS.]
If

(a) *a small business corporation makes an election under subdivision 1 for any taxable year, and*

(b) *such election is made after the first 75 days of the taxable year and on or before the last day of such taxable year,*

then such election shall be treated as made for the following taxable year.

(3) In case of sickness, absence, or other disability, or when in the judgment of the commissioner good cause exists, he may upon application extend the time for making the election under subdivision 1 for not more than twelve months following the close of the taxable year for which the election is sought (; PROVIDED, HOWEVER, THAT AN APPLICATION FOR AN EXTENSION OF TIME WITH RESPECT TO TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1960 AND PRIOR TO DECEMBER 31, 1963 MAY BE FILED NOT LATER THAN DECEMBER 31, 1965).

Sec. 25. Minnesota Statutes 1978, Section 290.972, Subdivision 5, is amended to read:

Subd. 5. [TERMINATION.] (1) [NEW SHAREHOLDERS.] (A) An election under subdivision 1 made by a small business corporation shall terminate if any person who was not a shareholder in (SUCH) *the* corporation

((I) ON THE FIRST DAY OF THE FIRST TAXABLE YEAR OF THE CORPORATION FOR WHICH THE ELECTION IS EFFECTIVE, IF SUCH ELECTION IS MADE ON OR BEFORE SUCH FIRST DAY, OR)

((II)) on the day on which the election is made (, IF SUCH ELECTION IS MADE AFTER SUCH FIRST DAY),

becomes a shareholder in (SUCH) *the* corporation and affirmatively refuses to consent to (SUCH) *the* election on or before the 60th day after the day on which he acquires the stock.

(B) If the person acquiring the stock is the estate of a decedent, the period under subparagraph (A) for affirmatively refusing to consent to the election shall expire on the 60th day after whichever of the following is the earlier:

(i) The day on which the executor or administrator of the estate qualifies; or

(ii) The last day of the taxable year of the corporation in which the decedent died.

(C) Any termination of an election under subparagraph (A) by reason of the affirmative refusal of any person to consent to (SUCH) *the* election shall be effective for the taxable year of the corporation in which (SUCH) *the* person becomes a shareholder in the corporation (AND FOR ALL SUCCEEDING TAXABLE YEARS OF THE CORPORATION) *or, if later, the first taxable year for which the election would otherwise have been effective, and for all succeeding taxable years of the corporation.*

(2) [REVOCATION.] An election under subdivision 1 made by a small business corporation may be revoked by it for any taxable year of the corporation after the first taxable year for which the election is effective. An election may be revoked only if all persons who are shareholders in the corporation on the day on which the revocation is made consent to the revocation. A revocation under this paragraph shall be effective

(A) for the taxable year in which made, if made before the close of the first month of (SUCH) *the* taxable year,

(B) for the taxable year following the taxable year in which made, if made after the close of (SUCH) *the* first month,

and for all succeeding taxable years of the corporation. (SUCH) *The revocation shall be made in (SUCH) a manner as the commissioner shall prescribe by (REGULATION) rule.*

(3) [CEASES TO BE SMALL BUSINESS CORPORATION.] An election under subdivision 1 made by a small business corporation shall terminate if at any time

(A) after the first day of the first taxable year of the corporation for which the election is effective, if such election is made on or before such first day, or

(B) after the day on which the election is made, if such election is made after such first day,

the corporation ceases to be a small business corporation (as defined in section 290.971, subdivision 1). Such termination shall be effective for the taxable year of the corporation in which the corporation ceases to be a small business corporation and for all succeeding taxable years of the corporation.

(4) [FOREIGN INCOME.] An election under subdivision 1 made by a small business corporation shall terminate if for any taxable year of the corporation for which the election is in effect, such corporation derives more than 80 percent of its gross receipts from sources outside the United States. Such termination shall be effective for the taxable year of the corporation in which it derives more than 80 percent of its gross receipts from sources outside the United States, and for all succeeding taxable years of the corporation.

(5) [PASSIVE INVESTMENT INCOME.] (A) Except as provided in subparagraph (B), an election under subdivision 1 made by a small business corporation shall terminate if, for any taxable year of the corporation for which the election is in effect, such corporation has gross receipts more than 20 percent of which is passive investment income. Such termination shall be effective for the taxable year of the corporation in which it has gross receipts of such amount, and for all succeeding taxable years of the corporation.

(B) Subparagraph (A) shall not apply with respect to a taxable year in which a small business corporation has gross receipts more than 20 percent of which is passive investment income, if

(i) such taxable year is the first taxable year in which the corporation commenced the active conduct of any trade or business or the next succeeding taxable year; and

(ii) the amount of passive investment income for such taxable year is less than \$3,000.

(C) For purposes of this paragraph, the term "passive investment income" means gross receipts derived from royalties, rents, dividends, interest, annuities, and sales or exchanges of stock or securities (gross receipts from such sales or exchanges being taken into account for purposes of this paragraph only to the extent of gains therefrom). Gross receipts derived from sales or exchanges of stock or securities for purposes of this paragraph shall not include amounts received by an electing small business corporation which are treated under section 331 of the Internal Revenue Code of 1954, as amended through December 31, (1976) 1979 (relating to corporate liquidations), as payments in exchange for stock where the electing small business corporation owned more than 50 percent of each class of the stock of the liquidating corporation.

Sec. 26. [DIRECTION TO REVISOR.] *In the next and subsequent editions of Minnesota Statutes the revisor of statutes shall substitute the words "Internal Revenue Code of 1954, as amended through December 31, 1979" for the words "Internal Revenue Code of 1954, as amended through December 31, 1976" or "Internal Revenue Code of 1954, as amended through December 31, 1977" or "Internal Revenue Code of 1954, as amended through December 31, 1978" wherever such words occur in chapter 290, except section 290.01, subdivision 20.*

Sec. 27. [REPEALER.] *Minnesota Statutes 1978, Section 290.971, Subdivision 5 and Minnesota Statutes, 1979 Supplement, Section 290.23, Subdivision 16 are repealed.*

Sec. 28. [EFFECTIVE DATE.] *Except as otherwise provided, section 1, clause (b)(13) is effective for taxable years beginning after December 31, 1976, and section 1, clauses (a)(12), (a)(17), (a)(18), (b)(6) (but only in regard to the changes relating to lump sum distributions), (b)(8), (b)(11), (b)(12), (b)(14), (b)(16), and (b)(17) are effective for taxable years beginning after December 31, 1978. For purposes of allowable carrybacks, section 1, clauses (b)(13) and (b)(14) are effective at the same time the carrybacks were allowable for federal income tax purposes. Section 3 is effective for political contributions made during taxable years beginning after December 31, 1979. Sections 6 and 7 are effective for taxable years beginning after December 31, 1980. Section 14 is effective for sales and exchanges occurring after December 31, 1975. Sections 12, 16 through 18, 20 through 25, and 27 are effective for taxable years beginning after December 31, 1978. Section 19 is effective July 1, 1980.*

The rest of this article is effective for taxable years beginning after December 31, 1979, except as otherwise provided.

ARTICLE II

PROPERTY TAX

Section 1. Minnesota Statutes 1978, Section 168.012, Subdivision 9, is amended to read:

Subd. 9. Mobile homes shall not be taxed as motor vehicles using the public streets and highways and shall be exempt from the motor vehicle tax provisions of this chapter. *Except as provided in section 273.13*, mobile homes shall be taxed as personal property. The provisions of Minnesota Statutes 1957, Section 272.02 or any other act providing for tax exemption shall be inapplicable to mobile homes, except such mobile homes as are held by a licensed dealer and exempted as inventory. House trailers not used on the highway during any calendar year shall be taxed as mobile homes if occupied as human dwelling places.

Sec. 2. Minnesota Statutes 1978, Chapter 273, is amended by adding a section to read:

[273.1106] [DELAYED ASSESSMENT OF HOMESTEAD IMPROVEMENTS.] *Subdivision 1. In determining the value of lands for the purpose of taxation, the first \$45,000 in market value of improvements per homestead dwelling unit to any single or multiple dwelling structures or to buildings accessory to homestead dwelling unit shall not be regarded as increasing the value of the property for a period of six years from the date of commencement of the improvements except as follows: Thirty-three and one-third percent of the value of the improvement shall be considered at the end of two years from the date of the improvement. At the expiration of a two year period thereafter an additional 33-1/3 percent of the value of the improvement shall be considered. At the end of six years the total value of the improvement shall be considered. This section shall apply only to improvements made to a dwelling unit which was originally constructed ten or more years prior to the time of making the improvement.*

Subd. 2. Application for delayed assessments shall be on forms prescribed by the county assessor of the county in which the homestead is located. When delayed assessment is granted, the assessor shall record a notice thereof with the register of deeds of the county which shall set forth the amount of market value to be added at the expiration of each period by reason of the delayed assessment. Filing fees shall be collected by the assessor from the person making application and forwarded to the register of deeds together with the notice described above within 30 days after granting the delayed assessment. Subsequent applications for delayed assessment of additional improvements shall be granted only to the extent of \$15,000 less that portion of the fair market value of prior improvements which remain unassessed under a prior delayed assessment.

Sec. 3. Minnesota Statutes, 1979 Supplement, Section 273.122, is amended to read:

273.122 [FLEXIBLE HOMESTEAD BASE VALUE.] Subdivision 1. [HOMESTEAD BASE VALUE.] For (1979) 1980, the homestead base value shall mean (\$21,000) *\$30,000* of market value of any property which qualifies as homestead property for assessment purposes, *except that the class 3cc homestead base value shall mean \$33,000 of market value.* The homestead base value *and class 3cc homestead base value* shall be increased in any subsequent assessment year as provided in subdivision 2.

Subd. 2. [HOMESTEAD BASE VALUE INDEX.] In assessment years subsequent to (1979) 1980, the homestead base value *and the class 3cc homestead base value* shall be adjusted pursuant to the homestead base value index. The homestead base value index shall be computed by the equalization aid review committee for each year immediately preceding an assessment year. This index is computed in the following manner. The annual statewide average market value of homestead property as indicated by bona fide real estate sales during the year shall be divided by the statewide average market value of all homestead property sold in (1978) 1979. This quotient is multiplied by 100. For each increase of a full 3-1/2 points in the index the homestead base value *and the class 3cc homestead base value* shall be increased \$1,000 in the following assessment year. On or before December 1 of any year preceding an assessment year the commissioner of revenue shall certify the homestead base value *and the class 3cc homestead base value* for that year.

Sec. 4. Minnesota Statutes 1978, Section 273.13, Subdivision 3, is amended to read:

Subd. 3. [CLASS 2a; MOBILE HOMES; SECTIONAL STRUCTURES.] (a) *Except as provided in this subdivision* all mobile homes (, AS DEFINED IN SECTION 168.011, SUBDIVISION 8,) shall constitute class 2a and shall be valued and assessed at (40) 28 percent of the market value thereof. The valuation of class 2a property shall be subject to review and the taxes payable thereon in the manner provided in (LAWS 1975, CHAPTER 376) section 274.19. *For purposes of this section, a "mobile home" means a structure transportable in one or more sections, which is built on a permanent chassis, and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and contains the plumbing, heating, air conditioning, and electrical systems therein, including any accessory structure which is an addition or supplement to the mobile home and, when installed, becomes a part of the mobile home.*

(b) *A mobile home which meets each of the following criteria shall be valued and assessed as an improvement to real property, the appropriate real property classification shall ap-*

ply, and the valuation shall be subject to review and the taxes payable in the manner provided for real property:

(i) The owner of the unit holds title to the land upon which it is situated;

(ii) The unit is affixed to the land by a permanent foundation or is installed at its location in accordance with the mobile homes building code contained in sections 327.31 to 327.34, and the rules adopted thereto, or is affixed to the land in a manner comparable to other real property in the taxing district; and

(iii) The unit is connected to public utilities, has a well and septic tank system, or is serviced by water and sewer facilities comparable to other real property in the taxing district.

(c) A mobile home which meets each of the following criteria shall be assessed at the rate provided by the appropriate real property classification but shall be classified as 2a property, and the valuation shall be subject to review and the taxes payable thereon in the manner provided in section 274.19:

(i) The owner of the unit is a lessee of the land pursuant to the terms of a lease;

(ii) The unit is affixed to the land by a permanent foundation or is installed at its location in accordance with the mobile homes building code contained in sections 327.31 to 327.34, and the rules adopted thereto, or is affixed to the land in a manner comparable to other real property in the taxing district; and

(iii) The unit is connected to public utilities, has a well and septic tank system, or is serviced by water and sewer facilities comparable to other real property in the taxing district.

(d) Sectional structures shall be valued and assessed as an improvement to real property provided the owner of the structure holds title to the land upon which it is located or is a qualifying lessee of the land under the provisions of section 273.19. For purposes of this clause "sectional structure" means a building or structural unit which has been in whole or substantial part manufactured or constructed at an off site location to be wholly or partially assembled on site alone or with other units and attached to a permanent foundation.

(e) The commissioner of revenue may promulgate rules pursuant to the administrative procedure act for the purpose of establishing additional criteria for the classification of mobile homes and sectional structures pursuant to the provisions of this subdivision.

Sec. 5. Minnesota Statutes, 1979 Supplement, Section 273.13, Subdivision 4, is amended to read:

Subd. 4. [CLASS 3.] (a) Tools, implements and machinery of an electric generating, transmission or distribution system or a pipeline system transporting or distributing water, gas, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings, which are fixtures, all agricultural land, except as provided by classes 1, 3b, 3e, all buildings and structures assessed as personal property and situated upon land of the state of Minnesota or the United States government which is rural in character and devoted or adaptable to rural but not necessarily agricultural use shall constitute class 3 and shall be valued and assessed at 33-1/3 percent of the market value thereof, except as provided in clause (b). Except as provided in subdivision 5a, all real property devoted to temporary and seasonal residential occupancy for recreational purposes, and which is not devoted to commercial purposes for more than 200 days in the year preceding the year of assessment, shall be class 3 property and assessed accordingly. For this purpose, property is devoted to commercial use on a specific day if it is used, or offered for use, and a fee is charged for such use.

(b) For taxes assessed in 1979, payable in 1980, agricultural land and real property devoted to temporary and seasonal residential occupancy for recreation purposes which is classified as class 3 shall be assessed at 25 percent of its market value, and for taxes assessed in 1980, payable in 1981 and thereafter, it shall be assessed at (22) 19 percent of its market value.

Sec. 6. Minnesota Statutes, 1979 Supplement, Section 273.13, Subdivision 5a, is amended to read:

Subd. 5a. [CLASS 3A.] Class 3a shall constitute commercial use real property which abuts a lakeshore line and is devoted to temporary and seasonal residential occupancy for recreational purposes but not devoted to commercial purposes for more than 200 days in the year preceding the year of assessment, which includes a portion used as a homestead by the owner, with the following limitations: the area of the property which shall be included in class 3a shall not exceed 100 feet of lakeshore footage for each cabin or *campsite* located on the property, up to a total of 800 feet, and 500 feet in depth measured away from the lakeshore. Class 3a shall be assessed at 12 percent of the market value thereof in 1979, for taxes payable in 1980, and *at 11 percent for taxes payable in 1981 and thereafter*. The remainder of the parcel shall be classified and assessed according to the provisions of subdivision 4.

Sec. 7. Minnesota Statutes, 1979 Supplement, Section 273.13, Subdivision 6, is amended to read:

Subd. 6. [CLASS 3B.] Agricultural land, except as provided by class 1 hereof, and which is used for the purposes of a homestead shall constitute class 3b and shall be valued and assessed at 12 percent of its market value in 1979, for taxes pay-

able in 1980 and at 11 percent for taxes payable in 1981 and thereafter. The property tax to be paid on class 3b property as otherwise determined by law less any reduction received pursuant to section 273.135, regardless of whether or not the market value is in excess of the homestead base value, shall be reduced by 50 percent of the tax for taxes payable in 1980, and (55) 60 percent thereafter; provided that the amount of said reduction shall not exceed \$550 for taxes payable in 1980, and (\$600) \$700 thereafter. Valuation subject to relief shall be limited to 240 acres of land, most contiguous surrounding, bordering, or closest to the house occupied by the owner as his dwelling place, and such other structures as may be included thereon utilized by the owner in an agricultural pursuit, provided that noncontiguous land shall constitute class 3b only if the homestead is classified as class 3b and the detached land is located in the same township or city or not farther than two townships or cities or combination thereof from the homestead. If the market value is in excess of the homestead base value, the amount in excess of that sum shall be valued and assessed at 25 percent of its market value in 1979, for taxes payable in 1980, and at (22) 17 percent thereafter. The first \$12,000 market value of each tract of real estate which is rural in character and devoted or adaptable to rural but not necessarily agricultural use, used for the purpose of a homestead shall be exempt from taxation for state purposes; except as specifically provided otherwise by law.

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

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

Effective for the 1981 assessment and in subsequent years, the assessor shall determine and list separately on his records the market value of the homestead dwelling and the one acre of land on which that dwelling is located. If any farm buildings or structures are located on this homesteaded acre of land, their market value shall not be included in this separate determination.

Sec. 8. Minnesota Statutes, 1979 Supplement, Section 273.13, Subdivision 7, is amended to read:

Subd. 7. [CLASS 3C, 3CC.] All other real estate and class 2a property, except as provided by classes 1 and 3cc, which is used for the purposes of a homestead, shall constitute class 3c, and shall be valued and assessed at 18 percent of the market value thereof in 1979, for taxes payable in 1980 and at (17) 15

percent thereafter. The property tax to be paid on class 3c property as otherwise determined by law, less any reduction received pursuant to section 273.135, regardless of whether or not the market value is in excess of the homestead base value, shall be reduced by 50 percent of the amount of such tax for taxes payable in 1980, and (55) 60 percent thereafter; provided that the amount of said reduction shall not exceed \$550 for taxes payable in 1980, and (\$600) \$700 thereafter. If the market value is in excess of the sum of the homestead base value, the amount in excess of that sum shall be valued and assessed at 30 percent of market value in 1979, for taxes payable in 1980 and at (28) 25 percent thereafter. The first \$12,000 market value of each tract of such real estate used for the purposes of a homestead shall be exempt from taxation for state purposes; except as specifically provided otherwise by law. Class 3cc property shall include only real estate which is used for the purposes of a homestead by (a) any blind person, if such blind person is the owner thereof or if such blind person and his or her spouse are the sole owners thereof; or (b) any person (hereinafter referred to as veteran) who: (1) served in the active military or naval service of the United States and (2) is entitled to compensation under the laws and regulations of the United States for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude motion without the aid of braces, crutches, canes, or a wheelchair, and (3) with assistance by the administration of veterans affairs has acquired a special housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability; or (c) any person who: (1) is permanently and totally disabled and (2) is receiving (i) aid from any state as a result of that disability, or (ii) supplemental security income for the disabled, or (iii) workers' compensation based on a finding of total and permanent disability, or (iv) social security disability, or (v) aid under the Federal Railroad Retirement Act of 1937, 45 United States Code Annotated, Section 228b(a)5; which aid is at least 90 percent of the total income of such disabled person from all sources. Class 3cc property shall be valued and assessed at five percent of the market value thereof. Permanently and totally disabled for the purpose of this subdivision means a condition which is permanent in nature and totally incapacitates the person from working at an occupation which brings him an income. The property tax to be paid on class 3cc property as otherwise determined by law, less any reduction received pursuant to section 273.135, regardless of whether or not the market value is in excess of the homestead base value, for all purposes shall be reduced by 50 percent of the amount of such tax for taxes payable in 1980, and (55) 60 percent thereafter; provided that the amount of said reduction shall not exceed \$550 for taxes payable in 1980, and (\$600) \$700 thereafter. If the market value is in excess of the sum of \$28,000 for taxes payable in 1980, \$33,000 for taxes payable in 1981, and indexed pursuant to section 273.-122 in subsequent years, the amount in excess of that sum shall

be valued and assessed at 25 percent in 1979 for taxes payable in 1980 and (22) 17 percent thereafter, in the case of agricultural land used for a homestead, and 30 percent in the case of all other real estate used for a homestead for taxes payable in 1980 and (28) 25 percent for taxes payable in subsequent years.

Sec. 9. Minnesota Statutes, 1979 Supplement, Section 273.13, Subdivision 14a, is amended to read:

Subd. 14a. [BUILDINGS AND APPURTENANCES ON LAND NOT OWNED BY OCCUPANT.] The property tax to be paid in respect of the value of all buildings and appurtenances thereto owned and used by the occupant as a permanent residence, which are located upon land subject to property taxes and the title to which is vested in a person or entity other than the occupant, for all purposes shall be reduced by 50 percent of the amount of the tax in respect of said value as otherwise determined by law for taxes payable in 1980, and (55) 60 percent thereafter, but not by more than \$550 for taxes payable in 1980, and (\$600) \$700 thereafter.

Sec. 10. Minnesota Statutes, 1979 Supplement, Section 273.13, Subdivision 19, is amended to read:

Subd. 19. [CLASS 3D, 3DD.] Residential real estate containing four or more units, other than seasonal residential, recreational and homesteads shall be classified as class 3d property and shall have a taxable value equal to 40 percent of market value *for taxes payable in 1980 and 38 percent for taxes payable in 1981 and thereafter*. Residential real estate containing three or less units, other than seasonal residential, recreational and homesteads, shall be classified as class 3dd property and shall have a taxable value equal to 32 percent of market value *for taxes payable in 1980 and 28 percent for taxes payable in 1981 and thereafter*.

Residential real estate as used in this subdivision means real property used or held for use by the owner thereof, or by his tenants or lessees as a residence for rental periods of 30 days or more, but shall not include homesteads, or real estate devoted to temporary or seasonal residential occupancy for recreational purposes. Where a portion of a parcel of property qualified for class 3d or 3dd and a portion does not qualify for class 3d or 3dd the valuation shall be apportioned according to the respective uses.

Residential real estate containing less than three units when entitled to homestead classification for one or more units shall be classed as 3b, 3c or 3cc according to the provisions of subdivisions 6 and 7.

Sec. 11. Minnesota Statutes 1978, Section 273.13, is amended by adding a subdivision to read:

Subd. 17d. [NEIGHBORHOOD REAL ESTATE TRUSTS.] When a structure, consisting of one or more dwelling units, is owned by a neighborhood real estate trust and at least 60 percent of the dwelling units are leased to or occupied by a lower income family as defined by section 8 of the United States Housing Act of 1937, as amended, the structure shall be assessed at 20 percent of the market value. This subdivision shall not apply to any portion of the structure used for nonresidential purposes.

For purposes of this subdivision, neighborhood real estate trust means an entity which (a) is a nonprofit corporation organized under chapter 317; (b) has as its principal purpose providing housing for lower income families in a specific geographic community designated in its articles or bylaws; (c) limits membership with voting rights to residents of the designated community; and (d) has a board of directors consisting of at least seven directors, 60 percent of whom are voting members and 25 percent of whom are elected by resident members of buildings owned by the trust.

Sec. 12. The 1979 adjusted assessed values determined under the provisions of section 124.212 shall be computed using the classification ratios which were in effect for taxes payable in 1980.

Sec. 13. Minnesota Statutes, 1979 Supplement, Section 275.50, Subdivision 5, is amended to read:

Subd. 5. Notwithstanding any other law to the contrary for taxes levied in 1979 payable in 1980 and thereafter, "special levies" means those portions of ad valorem taxes levied by governmental subdivisions to:

(a) satisfy judgments rendered against the governmental subdivision by a court of competent jurisdiction in any tort action, or to pay the costs of settlements out of court against the governmental subdivision in a tort action when substantiated by a stipulation for the dismissal of the action filed with the court of competent jurisdiction and signed by both the plaintiff and the legal representative of the governmental subdivision, but only to the extent of the increase in levy for such judgments and out of court settlements over levy year 1970, taxes payable in 1971;

(b) pay the costs of complying with any written lawful order (INITIALLY) issued (PRIOR TO JANUARY 1, 1977) by the state of Minnesota, or the United States, or any agency or subdivision thereof, which is authorized by law, statute, special act or ordinance and is enforceable in a court of competent jurisdiction, or any stipulation agreement or permit for treatment works or disposal system for pollution abatement in lieu of a lawful order signed by the governmental subdivision and the state of Minnesota, or the United States, or any agency or subdi-

vision thereof which is enforceable in a court of competent jurisdiction. The commissioner of revenue shall in consultation with other state departments and agencies, develop a suggested form for use by the state of Minnesota, its agencies and subdivisions in issuing orders pursuant to this subdivision;

(c) pay the costs to a governmental subdivision for their minimum required share of any program otherwise authorized by law, including the administrative costs of social services but not administrative costs of public assistance programs or of county welfare systems, for which matching funds have been appropriated by the state of Minnesota or the United States, but only to the extent that the costs to the governmental subdivision for the program exceed those expended in calendar year 1970, subject to rules promulgated by the commissioner of revenue pursuant to the administrative procedures act. Amounts levied pursuant to this clause which are in excess of the amount necessary to meet the minimum required share of a program shall be deducted from the general levy made in the following year;

(d) pay the costs not reimbursed by the state or federal government, of payments made to or on behalf of recipients of aid under any public assistance program authorized by law;

(e) pay the costs of principal and interest on bonded indebtedness, or, effective for taxes levied in 1973 and years thereafter, to reimburse for the amount of liquor store revenues used to pay the principal and interest due in the year preceding the year for which the levy limit is calculated on municipal liquor store bonds;

(f) pay the costs of principal and interest on certificates of indebtedness, except tax anticipation or aid anticipation certificates of indebtedness, issued for any corporate purpose except current expenses or funding an insufficiency in receipts from taxes or other sources or funding extraordinary expenditures resulting from a public emergency;

(g) fund the payments made to the Minnesota state armory building commission pursuant to section 193.145, subdivision 2, to retire the principal and interest on armory construction bonds;

(h) provide for the bonded indebtedness portion of payments made to another political subdivision of the state of Minnesota;

(i) pay the amounts required to compensate for a decrease in revenues from public service enterprises, municipal liquor stores, licenses, permits, fines and forfeits and no other, to the extent that the aggregate of revenues from these sources in the calendar year preceding the year of levy are less than the aggregate of revenues from these sources in calendar year 1971. "Rev-

enues" from a public service enterprise or a municipal liquor store shall mean the net income or loss of such public service enterprise or municipal liquor store, determined by subtracting total expenses from total revenues, and before any contribution to or from the governmental subdivision. "Fines" for a municipal court means the net amount remaining after subtracting total municipal court expenses from total collections of municipal court fines. A governmental subdivision shall qualify for this special levy only if the decrease in aggregate revenues as computed herein and divided by the population of the governmental subdivision in the preceding levy year is equal to or greater than two percent of the per capita levy limitation for the preceding levy year;

(j) pay the amounts required to compensate for a decrease in mobile homes property tax receipts to the extent that the governmental subdivision's portion of the total levy in the current levy year, pursuant to section 273.13, subdivision 3, as amended, is less than the distribution of the mobile homes tax to the governmental subdivision pursuant to section 273.13, subdivision 3, in calendar year 1971;

(k) pay the amounts required, in accordance with section 275.075, to correct for a county auditor's error of omission in levy year 1971 or a subsequent levy year, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(l) pay amounts required to correct for an error of omission in the levy certified to the appropriate county auditor or auditors by the governing body of a city or town with statutory city powers in a levy year, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(m) pay the increased cost of municipal services as the result of an annexation or consolidation ordered by the Minnesota municipal board in levy year 1971 or a subsequent levy year, but only to the extent and for the levy years as provided by the board in its order pursuant to section 414.01, subdivision 15. Special levies authorized by the board shall not exceed 50 percent of the levy limit base of the governmental subdivision and may not be in effect for more than three years after the board's order;

(n) pay the increased costs of municipal services provided to new private industrial and nonresidential commercial development, to the extent that the extension of such services are not paid for through bonded indebtedness or special assessments,

and not to exceed the amount determined as follows. The governmental subdivision may calculate the aggregate of:

(1) The increased expenditures necessary in preparation for the delivering of municipal services to new private industrial and nonresidential commercial development, but limited to one year's expenditures one time for each such development;

(2) The amount determined by dividing the overall levy limitation established pursuant to sections 275.50 to 275.56, and exclusive of special levies and special assessments, by the total taxable value of the governmental subdivision, and then multiplying this quotient times the total increase in assessed value of private industrial and nonresidential commercial development within the governmental subdivision. For the purpose of this clause, the increase in the assessed value of private industrial and nonresidential commercial development is calculated as the increase in assessed value over the assessed value of the real estate parcels subject to such private development as most recently determined before the building permit was issued. In the fourth levy year subsequent to the levy year in which the building permit was issued, the increase in assessed value of the real estate parcels subject to such private development shall no longer be included in determining the special levy.

The aggregate of the foregoing amounts, less any costs of extending municipal services to new private industrial and nonresidential commercial development which are paid by bonded indebtedness or special assessments, equals the maximum amount that may be levied as a "special levy" for the increased costs of municipal services provided to new private industrial and nonresidential commercial development. In the levy year following the levy year in which the special levy made pursuant to this clause is discontinued, one-half of the amount of that special levy made in the preceding year shall be added to the permanent levy base of the governmental subdivision;

(o) recover a loss or refunds in tax receipts incurred in non-special levy funds resulting from abatements or court action in the previous year pursuant to section 275.48;

(p) pay amounts required by law to be paid to reduce unfunded accrued liability of public pension funds, including interest thereon, in accordance with the actuarial standards and guidelines specified in sections 69.71 to 69.776 and 356.215 reduced for levy year 1977 and subsequent years by 106 percent of the amount levied for that purpose in 1976, payable in 1977. For the purpose of this special levy, the estimated receipts expected from the state of Minnesota pursuant to sections 69.011 to 69.031 or any other state aid expressly intended for the support of public pension funds shall be considered as a deduction in determining the required levy for the normal costs of the public pension funds. No amount of these aids shall be

considered as a deduction in determining the governmental subdivision's required levy for the reduction of the unfunded accrued liability of public pension funds;

(q) the amounts allowed under section 174.27 to establish and administer a commuter van program;

(r) pay the costs of financial assistance to local governmental units and certain administrative, engineering, and legal expenses pursuant to Laws 1979, Chapter 253, Section 3;

(s) *pay reasonable and necessary expenses incurred in preventing, preparing for or repairing the effects of a natural disaster. For purposes of this clause, "natural disaster" means the occurrence of or the threat of an occurrence of widespread or severe property damage, injury or loss of life resulting from natural causes, limited to fire, flood, earthquake, windstorm, wave action, oil spill, or other water contamination requiring action to avert danger or damage, volcanic activity, drought or air contamination. The emergency services division of the state department of public safety shall formulate standards by which an occurrence of any of the aforementioned natural phenomena would be deemed a natural disaster by reason of the level of damage, injury or loss of life or property that has occurred or would occur if preventive action was not taken;*

(t) *pay the cost of complying with a law enacted by the 1971 or a subsequent legislature that directly requires a new or altered activity of the government after levy year 1979, taxes payable in 1980, but only to the extent of the increased cost of the activity resulting from legislatively mandated changes initially effective after levy year 1979, taxes payable in 1980; and*

(u) *pay the cost of complying with the social security amendments of 1977, Pub. L. 95-216, 91 Stat. 1509, but only to the extent of the resulting increased social security costs after levy year 1979, taxes payable in 1980.*

Sec. 14. Minnesota Statutes 1978, Section 275.52, Subdivision 2, is amended to read:

Subd. 2. The levy limit base, as adjusted for previous increases pursuant to this section, may be increased each year by the governing body of the governmental subdivision affected thereby in the amount not to exceed (SIX) eight percent of the previous year's levy limit base.

Sec. 15. Minnesota Statutes 1978, Section 275.52, Subdivision 5, is amended to read:

Subd. 5. For taxes levied in (1977) 1980 payable in (1978 OR FOR TAXES LEVIED IN 1978 PAYABLE IN 1979) 1981 and subsequent years a city other than a city of the first class,

town, or county not containing a city of the first class which, in the preceding levy year, levied at least 98 percent of its total limited levy amount, may determine to levy in excess of the limitation provided in sections 275.50 to 275.56 by not to exceed 10 percent of its levy limit base by passing a resolution setting forth the amount by which the levy limit is proposed to be exceeded. The resolution shall be published for four successive weeks in the official newspaper of the governmental subdivision or if there is no official newspaper, in a newspaper of general circulation therein, together with a notice fixing a date for a public hearing on the proposed increase which hearing shall be held not less than four weeks nor more than six weeks after the first publication of the resolution. Following the public hearing, the governing body may determine to take no further action, or in the alternative, adopt a resolution authorizing the levy as originally proposed, or adopt a resolution approving a levy in such lesser amount as it so determines. The resolution shall be published in the official newspaper of the governmental subdivision or if there is no official newspaper, in a newspaper of general circulation therein. If within 30 days thereafter, a petition signed by voters equal in number to five percent of the votes cast in the governmental subdivision in the last general election or 2,000 voters, whichever is less, requesting a referendum on the proposed resolution is filed with the clerk or recorder of the governmental subdivision if the governmental subdivision is a city or town, or with the county auditor if the governmental subdivision is a county, the resolution shall not be effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at any such referendum. A levy increased pursuant to this subdivision, whether not challenged or approved at a referendum held at a special or general election held prior to October 1 in any levy year, increases the allowable levy in that same levy year and provides a permanent adjustment to the levy limit base of the governmental subdivision for future levy years. There shall be no reduction in distributions of formula aids to the governmental subdivision as a result of the additional levy.

The excess levy authorized by this subdivision is a one-time levy adjustment to the levy limit base. If an adjustment was made after June 3, 1977, pursuant to this subdivision, in an amount less than ten percent of the base, calculated at the time of the adjustment, an additional adjustment to the current levy limit base is authorized in an amount equal to ten percent less the percent by which it was previously adjusted.

Sec. 16. Minnesota Statutes 1978, Section 276.09, is amended to read:

276.09 [SETTLEMENT BETWEEN AUDITOR AND TREASURER.] On the (LAST) fifth day of (FEBRUARY) March, (MAY) June, and (OCTOBER) November, of each year,

the county treasurer shall make full settlement with the county auditor of (HIS) *all* receipts (AND COLLECTIONS) *collected by him* for all purposes, from the date of the last settlement up to and including each day mentioned (, AND). The *county* auditor shall, within 30 days after each settlement, send an abstract of same to the state auditor in (SUCH) *the* form (AS) *prescribed by* the state auditor (MAY PRESCRIBE). At each settlement the treasurer shall make complete returns of (HIS COLLECTIONS) *the receipts* on the current tax list, showing the amount collected on account of the several funds included in the list.

For purposes of this section, "receipts" shall include all tax payments received by the county treasurer on or before the settlement date.

Sec. 17. Minnesota Statutes 1978, Section 276.10, is amended to read:

276.10 [APPORTIONMENT AND DISTRIBUTION OF FUNDS.] On the (LAST) *settlement* day (OF FEBRUARY) *in March*, (MAY) *June*, and (OCTOBER) *November*, of each year, the county auditor and county treasurer shall (MAKE DISTRIBUTION OF) *distribute* all undistributed funds (REMAINING) in the treasury, apportioning (THE SAME) *them*, as provided by law, and placing (THE SAME) *them* to the credit of the state, town, city, (OR) school district, *special district* and each county fund. Within 20 days after (SUCH) *the* distribution is completed, the county auditor shall make a report (THEREOF) *of it* to the state auditor, in (SUCH) *the* form (AS) *prescribed by* the state auditor (MAY PRESCRIBE). The county auditor shall issue his warrant for the payment of (ANY) moneys (REMAINING) in the county treasury to the credit of the state, town, city, (OR) school district, *or special districts* on application of the persons entitled to receive (THE SAME) *them*.

Sec. 18. Minnesota Statutes 1978, Section 276.11, is amended to read:

276.11 [WHEN TREASURER SHALL PAY FUNDS.] As soon as practical after each settlement in (FEBRUARY) *March*, (MAY) *June*, and (OCTOBER) *November* the county treasurer shall pay over to the state treasurer or the treasurer of any town, city, (OR) school district, *or special district*, on the warrant of the county auditor, all (MONEYS RECEIVED BY HIM) *receipts* arising from taxes levied (AND COLLECTED) *by and* belonging to the state, or to such municipal corporation, or other body, and deliver up all orders and other evidences of indebtedness of such municipal corporation or other body, taking triplicate receipts therefor. He shall file one of the receipts with the county auditor, and shall return one by mail on the day of its reception to the clerk of the town, city, or school district, *or special*

district to which (SUCH) payment was made (, WHO). The clerk shall preserve the (SAME) receipt in his office. Upon written request of the state, a municipal corporation or other public body, the county treasurer (IS AUTHORIZED AND DIRECTED TO) shall, to the extent practicable, make (SUCH) partial payments of amounts collected periodically in advance of (FINAL SETTLEMENTS AS MAY BE PRACTICABLE) the next settlement and distribution. Accompanying each payment (TO THE STATE TREASURER OR TREASURER OF ANY TOWN, CITY, OR SCHOOL DISTRICT) shall be a statement prepared by the county treasurer designating the years for which taxes included in the payment were collected and, for each year, the amount of (SUCH) the taxes and any penalties thereon. The county treasurer shall upon written request of the state, a municipal corporation or other public body pay at least 70 percent of the estimated collection (WITHIN) 30 days after the settlement date. He shall pay the balance of the amounts collected to the state or to a municipal corporation or other body within 60 days after the settlement date, provided, however, that after 45 days interest shall accrue at a rate of eight percent per annum to the credit of and shall be paid to the state, municipal corporation or other body. Interest shall be payable upon appropriation from the general revenue fund of the county and, if not paid, may be recovered by the state, municipal corporation, or other body, in a civil action.

Sec. 19. [DULUTH, CITY OF; REVIEW OF ASSESSMENTS BY ST. LOUIS COUNTY ASSESSOR.] *Assessments for property tax purposes made by the city assessor of the city of Duluth shall be reviewed by the county assessor of St. Louis county. If the St. Louis county assessor finds that assessments made by the Duluth city assessor are incorrect, he may adjust the assessments either upward or downward.*

Sec. 20. Minnesota Statutes 1978, Section 429.061, Subdivision 1, is amended to read:

429.061 [ASSESSMENT PROCEDURE.] Subdivision 1. [CALCULATION, NOTICE.] *At any time after (A CONTRACT IS LET OR THE WORK ORDERED BY DAY LABOR,) the expense incurred or to be incurred in (ITS) making an improvement shall be calculated under the direction of the council (.), the council shall (THEN) determine by resolution the amount of the total expense the municipality will pay, other than the amount, if any, which it will pay as a property owner, and the amount to be assessed. Thereupon the clerk, with the assistance of the engineer or other qualified person selected by the council, shall calculate the proper amount to be specially assessed for the improvement against every assessable lot, piece or parcel of land, without regard to cash valuation, in accordance with the provisions of section 429.051. The proposed assessment roll shall be filed with the clerk and be open to public inspection.*

tion. The clerk shall thereupon, under the council's direction, publish notice that the council will meet to consider the proposed assessment. Such notice shall be published in the newspaper at least once and shall be mailed to the owner of each parcel described in the assessment roll. For the purpose of giving mailed notice under this subdivision, owners shall be those shown to be such on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer; but other appropriate records may be used for this purpose. Such publication and mailing shall be no less than two weeks prior to such meeting of the council. Except as to the owners of tax exempt property or property taxes on a gross earnings basis, every property owner whose name does not appear on the records of the county auditor or the county treasurer shall be deemed to have waived such mailed notice unless he has requested in writing that the county auditor or county treasurer, as the case may be, include his name on the records for such purpose. Such notice shall state the date, time, and place of such meeting, the general nature of the improvement, the area proposed to be assessed, that the proposed assessment roll is on the file with the clerk, and that written or oral objections thereto by any property owner will be considered. *No appeal may be taken as to the amount of any assessment adopted pursuant to subdivision 2, unless a written objection signed by the affected property owner is filed with the municipal clerk prior to the assessment hearing or presented to the presiding officer at the hearing, and unless the objection is supported by the written or oral testimony of a person other than the owner who is familiar with real property values in the area of the proposed assessment.* The notice shall also state that an owner may appeal an assessment to district court pursuant to section 429.081 by serving notice of the appeal upon the mayor or clerk of the municipality within 20 days after the adoption of the assessment and filing such notice with the district court within ten days after service upon the mayor or clerk. The notice shall also inform property owners of the provisions of sections 435.193 to 435.195 and the existence of any deferment procedure established pursuant thereto in the municipality.

Sec. 21. Minnesota Statutes 1978, Section 429.061, Subdivision 2, is amended to read:

Subd. 2. [ADOPTION; INTEREST.] At such meeting or at any adjournment thereof the council shall hear and pass upon all objections to the proposed assessment, whether presented orally or in writing. The council may amend the proposed assessment as to any parcel and by resolution adopt the same as the special assessment against the lands named in the assessment roll. Notice of any adjournment of the hearing shall be adequate if the minutes of the meeting so adjourned show the time and place when and where the hearing is to be continued, or if three days notice thereof be published in the newspaper.

The council may consider any objection to the amount of a proposed assessment as to a specific parcel of land at an adjourned hearing upon further notice to the affected property owner as it deems advisable. At the adjourned hearing the council or a committee of it may hear further written or oral testimony on behalf of the objecting property owner and may consider further written or oral testimony from appropriate city officials and other witnesses as to the amount of the assessment. The council or committee shall prepare a record of the proceedings at the adjourned hearing and written findings as to the amount of the assessment. The amount of the assessment as finally determined by the council shall become a part of the adopted assessment roll. All objections to the assessments not received at the assessment hearing in the manner prescribed by the section are waived.

The assessment, with accruing interest, shall be a lien upon all private and public property included therein, from the date of the resolution adopting the assessment, concurrent with general taxes; but the lien shall not be enforceable against public property as long as it is publicly owned, and during such period the assessment shall be recoverable from the owner of such property only in the manner and to the extent provided in section 435.19. Except as provided below, all assessments shall be payable in equal annual installments extending over such period, not exceeding 30 years, as the resolution determines, payable on the first Monday in January in each year, but the number of installments need not be uniform for all assessments included in a single assessment roll if a uniform criterion for determining the number of installments is provided by the resolution. The first installment of each assessment shall be included in the first tax rolls completed after its adoption and shall be payable in the same year as the taxes contained therein; except that the payment of the first installment of any assessment levied upon unimproved property may be deferred until a designated future year, or until the platting of the property or the construction of improvements thereon, upon such terms and conditions and based upon such standards and criteria as may be provided by resolution of the council. In any event, every assessment the payment of which is so deferred, when it becomes payable, shall be divided into a number of installments such that the last installment thereof will be payable not more than 30 years after the levy of the assessment. All assessments shall bear interest at such rate as the resolution determines, not exceeding eight percent per annum, except that the rate may in any event equal the average annual interest rate on bonds issued to finance the improvement for which the assessments are levied. To the first installment of each assessment shall be added interest on the entire assessment from a date specified in the resolution levying the assessment, not earlier than the date of the resolution, until December 31 of the year in which the first installment is payable, and to each subsequent installment shall be added interest for one year on all unpaid installments; or alternatively, any assessment may be made payable in equal annual installments including principal and interest, each in the amount annually required to pay the

principal over such period with interest at such rate as the resolution determines, not exceeding the maximum period and rate specified above. In the latter event no prepayment shall be accepted under subdivision 3 without payment of all installments due to and including December 31 of the year of prepayment, together with the original principal amount reduced only by the amounts of principal included in such installments, computed on an annual amortization basis. When payment of an assessment is deferred, as authorized in this subdivision, interest thereon for the period of deferment may be made payable annually at the same times as the principal installments of the assessment would have been payable if not deferred; or interest for this period may be added to the principal amount of the assessment when it becomes payable; or, if so provided in the resolution levying the assessment, interest thereon to December 31 of the year before the first installment is payable may be forgiven.

Sec. 22. Minnesota Statutes 1978, Section 429.081, is amended to read:

429.081 [APPEAL TO DISTRICT COURT.] Within 30 days after the adoption of the assessment, any person aggrieved and not precluded by failure to object prior to or at the assessment hearing may appeal to the district court by serving a notice upon the mayor or clerk of the municipality. The notice shall be filed with the clerk of the district court within ten days after its service. The municipal clerk shall furnish appellant a certified copy of objections filed in the assessment proceedings, the assessment roll or part complained of, and all papers necessary to present the appeal. The appeal shall be placed upon the calendar of the next general term commencing more than five days after the date of serving the notice and shall be tried as other appeals in such cases. The court shall either affirm the assessment or set it aside and order a reassessment as provided in section 429.071, subdivision 2. If appellant does not prevail upon the appeal, the costs incurred shall be taxed by the court and judgment entered therefor. All objections to the assessment shall be deemed waived unless presented on such appeal. This section provides the exclusive method of appeal from a special assessment levied pursuant to this chapter.

Sec. 23. [EFFECTIVE DATE.] Sections 1 and 3 through 11 and 13 through 15 and 19 are effective for taxes levied in 1980 payable in 1981 and subsequent years. Section 2 is effective for taxes levied in 1981 payable in 1982 and subsequent years. Section 16 through 18 are effective the day following final enactment.

ARTICLE III

PROPERTY TAX REFUND

Section 1. Minnesota Statutes, 1979 Supplement, Section 290A.03, Subdivision 3, is amended to read:

Subd. 3. [INCOME.] "Income" means the sum of the following:

(a) federal adjusted gross income as defined in the Internal Revenue Code of 1954 as amended through December 31, (1976) 1979; and

(b) the sum of the following amounts to the extent not included in clause (a):

(i) additions to federal adjusted gross income as provided in Minnesota Statutes, Section 290.01, Subdivision 20, Clause (a)(1), (a)(2), (a)(3), (a)(9), (a)(14), and (a)(15);

(ii) all nontaxable income;

(iii) recognized net long term capital gains;

(iv) dividends excluded from federal adjusted gross income under section 116 of the Internal Revenue Code of 1954;

(v) cash public assistance and relief;

(vi) any pension or annuity (including railroad retirement benefits, all payments received under the federal social security act, supplemental security income, and veterans disability pensions), which was not exclusively funded by the claimant or spouse, or which was funded exclusively by the claimant or spouse and which funding payments were excluded from federal adjusted gross income in the years when the payments were made;

(vii) nontaxable interest received from the state or federal government or any instrumentality or political subdivision thereof;

(viii) workers' compensation;

(ix) unemployment benefits;

(x) nontaxable strike benefits; and

(xi) the gross amounts of payments received in the nature of disability income or sick pay as a result of accident, sickness, or other disability, whether funded through insurance or otherwise. In the case of an individual who files an income tax return on a fiscal year basis, the term "federal adjusted gross income" shall mean federal adjusted gross income reflected in the fiscal year ending in the calendar year. "Income" does not include

(a) amounts excluded pursuant to the Internal Revenue Code, Sections 101(a), 102, 117, and 121 (AS AMENDED THROUGH DECEMBER 31, 1978);

(b) amounts of any pension or annuity which was exclusively funded by the claimant or spouse and which funding payments were not excluded from federal adjusted gross income in the years when the payments were made;

(c) gifts from nongovernmental sources;

(d) surplus food or other relief in kind supplied by a governmental agency;

(e) relief granted under sections (273.012, SUBDIVISION 2 OR) 290A.01 to 290A.21; (OR)

(f) child support payments received under a temporary or final decree of dissolution or legal separation; or

(g) *federal adjusted gross income shall be reduced by wage or salary expense, or expense of work incentive programs which are not allowed as a deduction under provisions of section 280C of the Internal Revenue Code of 1954.*

Sec. 2. Minnesota Statutes 1978, Section 290A.06, is amended to read:

290A.06 [FILING TIME LIMIT, LATE FILING.] Any claim for property taxes payable 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. *Any claim for rent constituting property taxes shall be filed with the department of revenue on or before August 31 of the year following the year in which the rent was paid.* 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 *initial* claim is filed two years after the original due date for filing the claim.

The time limit on redetermination of claims for refund and examination of records shall be governed by sections 290.49, 290.50, and 290.56.

Sec. 3. Minnesota Statutes 1978, Section 290A.11, is amended by adding a subdivision to read:

Subd. 1a. If the commissioner is notified pursuant to section 375.192, subdivision 1, that a reduction in assessed value was granted and the claimant's property taxes were decreased, the department shall redetermine the claim and notify the claimant of the redetermination and the reasons therefor. The redetermination shall be final unless appealed to the Minnesota tax court within 60 days of notice thereof.

Sec. 4. Minnesota Statutes 1978, Section 290A.17, is amended to read:

290A.17 [PUBLISHING OR RELEASING INFORMATION ON CLAIMS.] The provisions of section 290.61 relating to the confidential nature of income tax returns shall be applicable to claims filed pursuant to the provisions of chapter 290A. *When it is necessary to adjust or audit a claim that is required to include or recognize the income of another person, or information furnished by that person, the commissioner is authorized to disclose the income and other information of all people involved, to each person involved, so that a proper claim may be allowed.*

Nothing herein shall be construed to prohibit the commissioner from publishing or releasing the information concerning amounts of property tax accrued and the relief granted to taxpayers without including information which would identify individual taxpayers. The commissioner may examine income tax returns as he deems necessary and may utilize the information in legal and administrative proceedings to insure proper administration of sections 290A.01 to 290A.21, notwithstanding section 290.61.

Sec. 5. Minnesota Statutes 1978, Section 290A.18, is amended to read:

290A.18 [RIGHT TO FILE CLAIM.] If a person entitled to relief under sections 290A.01 to (290A.21) *290A.23* dies prior to (FILING A CLAIM OR) receiving relief, the surviving spouse (OR), dependent or personal representative of the person shall be entitled to file the claim and receive relief. (IF THERE IS NO SURVIVING SPOUSE OR DEPENDENT, THE RIGHT TO THE CREDIT SHALL LAPSE.)

Sec. 6. Minnesota Statutes 1978, Section 290A.19, is amended to read:

290A.19 [OWNER OR MANAGING AGENT TO FURNISH RENT CERTIFICATE; PENALTY.] The owner or managing agent of any property for which rent is paid for occupancy as a homestead shall furnish a certificate of rent paid to each per-

son who is a renter on December 31, in the form prescribed by the commissioner. If the renter moves prior to December 31, the (OBLIGATION OF THE) owner or managing agent shall (BE TO) *at his option* either provide the certificate to the renter at the time he moves, (UPON THE RENTER'S REQUEST,) or mail the certificate to the forwarding address *if an address has been provided* by the renter. The certificate shall be made available to the renter not later than February 15 of the year following the year in which the rent was paid. Any owner or managing agent who willfully fails to furnish a certificate as provided herein shall be liable to the commissioner for a penalty of \$20 for each act or failure to act. The penalty shall be assessed and collected in the manner provided in chapter 290 for the assessment and collection of income tax.

Sec. 7. Minnesota Statutes 1978, Section 375.192, Subdivision 1, is amended to read:

375.192 [REDUCTIONS IN ASSESSED VALUATION OF REAL PROPERTY.] Subdivision 1. Notwithstanding section 270.07, upon written application by the owner of the property, the county board of each county shall have power to grant such reduction, for the current year, of the assessed valuation of any real property in that county which erroneously has been classified, for tax purposes, as non-homestead property, as is necessary to give it the assessed valuation which it would have received if it had been classified correctly. The application shall be made on a form prescribed by the commissioner of revenue. It shall include *the social security number of the applicant and* a statement of facts of ownership and occupancy, and shall be sworn to by the owner of the property before an officer authorized to take acknowledgements. Before it is acted upon by the county board, the application shall be referred to the county assessor, or if the property is located in a city of the first class having a city assessor, to such assessor, who shall investigate the facts and attach his report of such investigation to the application.

With respect to abatements relating to the current year's tax processed through June 30, the county auditor shall notify the commissioner of revenue on or before July 31 of that same year of all applications granted pursuant to this subdivision. Subsequently, with respect to abatements relating to the current year's tax processed after June 30 through the balance of the year, the county auditor shall notify the commissioner of revenue on or before the following January 31 of all such applications granted pursuant to this subdivision. The form submitted by the county auditor shall be prescribed by the commissioner of revenue and shall contain the information which the commissioner deems necessary.

Sec. 8. [EFFECTIVE DATE.] Sections 1, 5 and 6 are effective for claims based on rent paid in 1979 and subsequent years and property taxes payable in 1980 and subsequent years. Sec-

tion 2 is effective for claims based on rent paid in 1975 and subsequent years and property taxes payable in 1976 and subsequent years. Section 4 is effective the day after final enactment.

ARTICLE IV

STATE REIMBURSEMENTS

Section 1. Minnesota Statutes 1978, Section 124.212, Subdivision 2, is amended to read:

Subd. 2. Except as may otherwise be provided in this section, the following words and phrases when used in this section shall have the meanings herein ascribed to them.

(1) "Adjusted maintenance cost" means the state and local current expense for pupils in elementary and secondary schools, exclusive of transportation, veterans training program, community services, and after reduction for receipts from the sale of authorized items sold to the individual pupil by the school such as lunches, items of personal use, or other items specifically authorized by law or under the procedures set forth in sections 120.71 to 120.76, and after reduction for receipts from quasi-school activities when the school board has assumed direction and control of same. For purposes of determining the adjusted maintenance costs, the state department of education shall use only figures from the annual financial reports of the districts for the prior year and any supplementary documents received by it on or before August 1 of the current year. For any district which has not transmitted to the department of education before August 1, its annual financial report for the prior year, the figures from the most recent financial report of that district received on or before August 1, shall be used for purposes of calculating its certified levy and foundation aid.

(2) "Adjusted assessed valuation" shall mean the assessed valuation of the taxable property notwithstanding the provisions of section 275.49 of the school district as adjusted by the equalization aid review committee. *In determining adjusted assessed valuation, property which qualifies for the reimbursement specified in section 3, subdivision 1, shall be treated as if it were classified as 3b or 3c in the case of homestead property, or as 3d in the case of nonhomestead property.*

Sec. 2. *The 1979 adjusted assessed values for taxes payable in 1981 determined under the provisions of section 124.212 shall be adjusted so that property which qualifies for the reimbursement specified in section 3, subdivision 1, shall be treated as if it were classified as 3b or 3c in the case of homestead property, or as 3d in the case of nonhomestead property.*

Sec. 3. Minnesota Statutes 1978, Chapter 273, is amended by adding a section to read:

[273.139] [SUBSIDIZED HOUSING REIMBURSEMENT.] *Subdivision 1. [REDUCED ASSESSMENT REIMBURSEMENT.] (a) Each taxing jurisdiction shall receive reimbursement in 1981 and subsequent years for the difference between the tax determined pursuant to clause (b) and the tax actually payable by the owner of property which qualifies for the assessment categories described by section 273.13, subdivisions 17 and 17b, and on property that qualifies as class 3cc pursuant to section 273.13, subdivision 7.*

(b) The county auditor shall calculate the tax on the property described in clause (a) in the same manner as the property would be assessed, if it were classified as 3b or 3c in the case of homestead property, or as 3d in the case of nonhomestead property.

(c) The difference between the amount calculated pursuant to clause (b) and the amount of tax actually payable by the owner on property described in clause (a) shall be certified by the county auditor and reported to the commissioner of revenue as part of the 1981 and subsequent years abstracts of tax lists required to be filed with the commissioner by section 275.29. The commissioner shall make payments on July 15 of 1981 and subsequent years to the taxing jurisdictions containing the property in the same proportion that the ad valorem tax was distributed.

Subd. 2. When computing mill rates pursuant to sections 275.08 and 275.09, the county auditor shall regard property described in subdivision 1, clause (a) as if it were valued as class 3b or 3c in the case of homestead property, or class 3d in the case of nonhomestead property.

Subd. 3. [PUBLIC HOUSING REIMBURSEMENT.] For 1981 and subsequent years, cities, towns, and counties shall receive a reimbursement for providing services to public housing based upon the number of public housing units. A public housing unit shall qualify for this reimbursement if it is owned by a housing and redevelopment authority, was built under or currently receives financial assistance through title II of the United States Housing Act of 1937, and was occupied for at least six months of the preceding year by a person or family of low or moderate income as defined in section 462A.03, subdivision 10. All housing and redevelopment authorities that own public housing units shall, by November 1 of each year certify to the county auditor the number of qualifying public housing units and the cities and towns in which they are located. The county auditor shall report to the commissioner of revenue, as part of the 1981 and subsequent years abstracts of tax lists required to be filed with the commissioner by section 275.29, the number of qualifying units for each city and township in the county.

On July 15 of 1981 and each subsequent year the commissioner shall make a payment of \$100 for each qualifying public housing unit. The \$100 shall be divided by the commissioner between the county and the city or town in proportion to the ratio of their respective mill rates.

Sec. 4. Minnesota Statutes 1978, Section 273.13, Subdivision 17b, is amended to read:

Subd. 17b. [VALUATION OF FARMERS HOME ADMINISTRATION PROPERTY IN MUNICIPALITIES OF UNDER 10,000.] Notwithstanding any other provision of law, any structure

(a) situated on real property that is used for housing for the elderly or for low and moderate income families as defined by the farmers home administration,

(b) located in a municipality of less than 10,000 population,

(c) financed by a direct loan or insured loan from the farmers home administration, and

(d) which qualifies under subdivision 17a, shall, for 15 years from the date of the completion of the original construction or for the original term of the loan, be assessed at five percent of the (ADJUSTED) market value thereof, provided that the fair market value as determined by the assessor is based on the normal approach to value using normal unrestricted rents. *The five percent assessment rate shall apply only to structures which qualify for that rate and paid taxes accordingly in 1981. Structures which initially qualify for assessment under this subdivision in 1981 and subsequent years shall be assessed at 20 percent of their market value.*

Sec. 5. Minnesota Statutes 1978, Section 275.51, is amended by adding a subdivision to read:

Subd. 5. [TREATMENT OF SUBSIDIZED HOUSING REIMBURSEMENT.] *For taxes payable in 1982 and subsequent years, the levy limit determined pursuant to other provisions of sections 275.50 through 275.59 shall be reduced by the amount of the public housing reimbursement received in the previous year pursuant to section 3, subdivision 3. For taxes payable in 1982 and subsequent years, the reduced assessment reimbursement pursuant to section 3, subdivision 1, shall be considered as part of the property tax levy subject to the limitation provided by sections 275.50 through 275.59.*

Sec. 6. Minnesota Statutes 1978, Section 276.04, is amended to read:

276.04 [NOTICE OF RATES; PROPERTY TAX STATEMENTS.] On receiving the tax lists from the county auditor, the county treasurer shall, if directed by the county board, give three weeks' published notice in a newspaper specifying the rates of taxation for all general purposes and the amounts raised for each specific purpose. He shall, whether or not directed by the county board, cause to be printed on all tax statements, or on an attachment, a tabulated statement of the dollar amount due to each taxing authority and the amount to be paid to the state of Minnesota from the parcel of real property for which a particular tax statement is prepared. The dollar amounts due the state, county, township or municipality and school district shall be separately stated but the amounts due other taxing districts, if any, may be aggregated. The property tax statements for class 2a property shall contain the same information that is required on the tax statements for real property. The county treasurer shall mail to taxpayers statements of their personal property taxes due, such statements to be mailed not later than February 15 (except in the case of Class 2a property), statements of the real property taxes due shall be mailed not later than January 31; provided, that the validity of the tax shall not be affected by failure of the treasurer to mail such statement. Such real and personal property tax statements shall contain the market value, as defined in section 272.03, subdivision 8, used in determining the tax. (THE STATEMENT SHALL ALSO INCLUDE THE BASE TAX AS DEFINED IN SECTION 273.011, SUBDIVISION 4, FOR QUALIFIED PROPERTY AS DEFINED IN SECTION 273.011 FOR WHICH THE CREDIT PROVIDED FOR IN SECTION 273.012 IS CLAIMED.) The statement shall show the amount attributable to section 273.132 as "state paid agricultural credit" and the amount attributable to section 273.13, subdivisions 6 and 7 as "state paid homestead credit". (THE COMMISSIONER OF REVENUE SHALL PROVIDE EACH COUNTY AUDITOR WITH THE NAMES OF THOSE PERSONS IN THE ASSESSOR'S DISTRICT WHO HAVE FILED AND QUALIFIED FOR THE PROPERTY TAX CREDIT PURSUANT TO SECTIONS 273.011 AND 273.012 AND SHALL INFORM THE ASSESSOR OF THE BASE TAX OF THOSE PERSONS.) *The statement shall show the reduction attributable to the aid given pursuant to section 3 and shall indicate that the reduction is paid by the state of Minnesota.* If so directed by the county board, the treasurer shall visit places in the county as he deems expedient for the purpose of receiving taxes and the county board is authorized to pay the expenses of such visits and of preparing duplicate tax lists.

Sec. 7. [APPROPRIATION.] *There is annually appropriated from the general fund to the commissioner of revenue an amount necessary to make the payments required by section 3.*

Sec. 8. *This article is effective the day following final enactments.*

ARTICLE V

MISCELLANEOUS

Section 1. Minnesota Statutes 1978, Section 297.03, Subdivision 6, is amended to read:

Subd. 6. [TAX METER MACHINES.] (1) The commissioner may authorize any person licensed as a distributor to stamp packages with a tax meter machine, approved by him, which shall be provided by the distributor. He may provide for the use of such a machine by the distributor, supervise and check its operation, provide for the payment of the tax on any package so stamped, subject to the discount provided in subdivision 5, and in that connection require the furnishing of a corporate surety bond in a suitable amount to guarantee the payment of the tax.

(2) *The commissioner may authorize any person licensed as a distributor to stamp packages with a heat-applied tax stamping machine, approved by him, which shall be provided by the distributor. The commissioner shall supervise and check the operation of the machines and shall provide for the payment of the tax on any package so stamped, subject to the discount provided in subdivision 5. The commissioner may sell heat-applied stamps on a credit basis under conditions prescribed by him, and in that connection require the furnishing of a corporate surety bond in an amount suitable to guarantee payment of the tax stamps so purchased by a distributor. The stamps shall be sold by the commissioner at a price which includes the tax after giving effect to the discount provided in subdivision 5.*

Sec. 2. Minnesota Statutes 1978, Section 297A.02, is amended to read:

297A.02 [IMPOSITION OF TAX.] Except as otherwise provided in Extra Session Laws 1971, Chapter 31, Article 1, there is hereby imposed an excise tax of four percent of the gross receipts from sales at retail, as hereinbefore defined, made by any person in this state (AFTER OCTOBER 31, 1971).

(NOTWITHSTANDING THE FOREGOING, THE TAX IMPOSED HEREBY UPON SALES AT RETAIL THROUGH COIN-OPERATED VENDING MACHINES SHALL BE THREE PERCENT OF THE GROSS RECEIPTS OF SUCH STATES.)

Sec. 3. Minnesota Statutes 1978, 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 there-with 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 tacomite, 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 or association of groups that in general limits membership to persons age 55 or older and is 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, subcontractors, 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, coal, wood, steam, propane gas, and L.P. gas sold to residential customers for residential use;

(ii) natural gas sold for residential use to customers who are metered and billed as residential users and 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 for residential use to customers who are metered and billed as residential users and who use electricity for their primary source of residential heat, for the billing months of November, December, January, February, March and April.

(y) *The gross receipts from the sale or use of tickets or admissions to the premises of or events sponsored by an association, corporation or other group of persons which provides an opportunity for citizens of the state to participate in the creation, performance or appreciation of the arts and which qualifies as a tax-exempt organization within the meaning of section 290.05, subdivision 1, clause (i).*

Sec. 4. Minnesota Statutes 1978, Chapter 298, is amended by adding a section to read:

[298.75] [GRAVEL REMOVAL; PRODUCTION TAX.]

Subdivision 1. A county may impose upon every person, firm, corporation or association, hereafter referred to as "operator," engaged in the business of removing gravel from gravel pits or deposits, a production tax in an amount not to exceed ten cents per cubic yard of gravel removed.

Subd. 2. On October 1, 1980, and thereafter on the first day of each calendar quarter in each county in which a tax is imposed pursuant to this act, every operator shall make and file with the county auditor of the county in which the gravel is removed, a correct report under oath, in such form and containing such

information as the auditor shall require relative to the quantity of gravel removed during the preceding calendar quarter. The report shall be accompanied by a remittance of the amount of tax due.

Subd. 3. If any operator fails to make the report required by subdivision 2 or files an erroneous report, the county auditor shall determine the amount of tax due and notify the operator by registered mail of the amount of tax so determined. An operator may, within 30 days from the date of mailing the notice, file in the office of the county auditor a written statement of objections to the amount of taxes determined to be due. The statement of objections shall be deemed to be a petition within the meaning of Minnesota Statutes, Chapter 278, and shall be governed by sections 278.02 to 278.13.

Subd. 4. It is a misdemeanor for any operator to remove gravel from a pit or deposit unless all taxes due under this section have been paid or objections thereto have been filed pursuant to subdivision 3.

Subd. 5. All moneys collected as taxes under this section shall be deposited in the county treasury and credited as follows, for expenditure by the county board:

(a) Sixty percent to the county road and bridge fund for expenditure for the maintenance, construction and reconstruction of roads traveled by vehicles hauling gravel;

(b) Thirty percent to the town road and bridge fund, for expenditure for maintenance, construction and reconstruction of roads traveled by vehicles hauling gravel, in a manner determined by the county; and

(c) Ten percent to a special reserve fund which is hereby established, for expenditure for the restoration of abandoned gravel pits or deposits upon lands to which the county holds title or upon tax forfeited lands within the county.

Sec. 5. Minnesota Statutes 1978, Chapter 298, is amended by adding a section to read:

[298.76] Section 4 shall not supersede any local law.

Sec. 6. [APPROPRIATION.] The sum of \$30,000 is appropriated annually from the general fund in the state treasury to the commissioner of revenue for the purchase of heat-applied stamps.

Sec. 7. [EFFECTIVE DATE.] Section 2 is effective for sales made after July 31, 1980. Section 3 is effective for tickets sold or admissions charged after July 31, 1980.

ARTICLE VI

MUNICIPAL BONDS INTEREST RATES

Section 1. Minnesota Statutes 1978, Section 474.06, is amended to read:

474.06 [MANNER OF ISSUANCE OF BONDS; INTEREST RATE.] Bonds authorized under this chapter shall be issued in accordance with the provisions of chapter 475 relating to bonds payable from income of revenue producing conveniences, except that public sale shall not be required, and the bonds may mature at any time or times in such amount or amounts within 30 years from date of issue and may be sold at a price equal to such percentage of the par value thereof, plus accrued interest, and bearing interest at such rate or rates, *not exceeding nine percent per year*, as may be agreed by the contracting party, the purchaser, and the municipality or redevelopment agency, notwithstanding any limitation of interest rate or cost or of the amounts of annual maturities contained in any other law. When bonds authorized under this chapter are issued, they shall state whether they are issued for a project defined in section 474.02, subdivisions 1, 1a, 1b, or 1c.

Sec. 2. Minnesota Statutes 1978, Section 475.55, is amended to read:

475.55 [EXECUTION; NEGOTIABILITY; INTEREST RATES.] Subdivision 1. All obligations shall be signed by officers authorized by resolution of the governing body or by persons authorized to sign on behalf of a bank designated by the resolution as authenticating agent, and shall express the amount and the terms of payment. *Interest on obligations authorized by resolution before July 1, 1982 shall not exceed the rate of twelve percent per annum, payable half yearly.* Interest (THEREON) on obligations authorized thereafter shall not exceed the rate of seven percent per annum, payable half yearly. All obligations shall be negotiable investment securities as provided in the uniform commercial code, chapter 336, article 8. The validity of an obligation shall not be impaired by the fact that one or more officers authorized to execute it shall have ceased to be in office before delivery to the purchaser or shall not have been in office on the formal issue date of the obligation. Every obligation shall be signed manually by one officer or authenticating agent. Other signatures and the seal of the issuer may be printed, lithographed, stamped or engraved thereon and on any interest coupons to be attached thereto. The seal need not be used.

Subd. 2. The provisions of subdivision 1 shall supersede (ALL PROVISIONS OF) any (LAW OR CHARTER FIXING A) lower maximum interest rate *fixed by any other law or a city charter* with respect to obligations of the state or any municipality or governmental or public subdivision, district, corpora-

tion, commission, board, council, or authority of whatsoever kind, including warrants or orders issued in evidence of allowed claims for property or services furnished to the issuer, but shall not (RESTRICT THE POWER OF THE ISSUER TO FIX) *limit the interest on any obligation (IN ACCORDANCE WITH THE) issued pursuant to a law or charter authorizing (ITS ISSUANCE) the issuer to determine the rate or rates of interest.*

Subd. 3. Notwithstanding any contrary provisions of law or charter, special assessments pledged to the payment of obligations may bear interest at the rate the governing body by resolution determines, not exceeding the greater of (a) the maximum interest rate per annum which the obligations may bear under the provisions of subdivisions 1 and 2 plus one percent or (b) the maximum interest rate permitted to be charged against the assessments under the law or city charter pursuant to which the assessments were levied.

Sec. 3. Minnesota Statutes 1978, Section 475.60, Subdivision 2, is amended to read:

Subd. 2. [REQUIREMENTS WAIVED.] The requirements as to public sale shall not apply to:

(1) Obligations issued under the provisions of a home rule charter or of a law specifically authorizing a different method of sale, or authorizing them to be issued in such manner or on such terms and conditions as the governing body may determine;

(2) Obligations sold by an issuer in an amount not exceeding the total sum of (\$100,000) \$200,000 in any three month period;

(3) Obligations issued by a governing body other than a school board in anticipation of the collection of taxes or other revenues appropriated for expenditure in a single year, if sold in accordance with the most favorable of two or more proposals solicited privately; and

(4) Obligations sold to any board, department, or agency of the United States of America or of the state of Minnesota, in accordance with rules of regulations promulgated by such board, department, or agency.

Sec. 4. *Section 1 of this article is effective July 1, 1982. The other sections are effective the day after final enactment.*

Further, delete the title and insert:

"A bill for an act relating to taxation; updating the definition of gross income for income tax purposes for individuals, trusts and estates with certain modifications; providing for exempt-interest dividends for certain mutual funds; extending

the political contribution credit to congressional and local candidates; clarifying certain definitions; providing a tax credit for energy conservation expenditures; clarifying the renewable energy source credit; increasing the dependent care credit; extending investment tax credits to family corporations; making certain changes in the minimum tax and in the treatment of small business corporations; allowing a ten year carryback of product liability losses; providing for deferral of certain gains recognized in the disposition of broadcasting property; reducing certain property tax classification ratios; increasing homestead credits; changing the property tax status of certain mobile homes; providing for delayed assessments for certain improvements; increasing homestead base value; providing a classification for neighborhood real estate trusts; adjusting levy limits and providing for certain special levies; providing for certain hearings and appeals on special assessments; clarifying property tax settlements; clarifying certain property tax refund filing due dates; extending eligibility for property tax refunds to certain claimants; providing for adjustment of property tax refunds due to abatements; providing state reimbursement for certain property; authorizing heat applied tax stamping machines; increasing the sales tax on retail sales from vending machines; providing a sales tax exemption for certain arts admissions; fixing maximum interest rates on public obligations; excepting certain debt obligations from public sale requirement; appropriating money; amending Minnesota Statutes 1978, Sections 124.212, Subdivision 2; 168.012, Subdivision 9; 273.13, Subdivisions 3 and 17b, and by adding a subdivision; 275.51, by adding a subdivision; 275.52, Subdivisions 2 and 5; 276.04; 276.09; 276.10; 276.11; 290.01, by adding a subdivision; 290.09, Subdivisions 2, 24 and 28; 290.095, by adding a subdivision; 290.13, by adding a subdivision; 290.26, Subdivision 2; 290.49, Subdivision 10; 290.971, Subdivisions 1, 3 and 6; 290.972, Subdivisions 1, 3 and 5; 290A.11, by adding a subdivision; 290A.17; 290A.18; 290A.19; 297.03, Subdivision 6; 297A.02; 297A.25, Subdivision 1; 375.192, Subdivision 1; 429.061, Subdivisions 1 and 2; 429.081; 474.06; 475.55; 475.60, Subdivision 2; Chapters 273, by adding sections; and 298, by adding sections; Minnesota Statutes, 1979 Supplement, Sections 273.122; 273.13, Subdivisions 4, 5a, 6, 7, 14a and 19; 275.50, Subdivision 5; 290.01, Subdivision 20; 290.06, Subdivisions 11 and 14; 290.067, Subdivisions 1 and 2; 290.09, Subdivision 3; 290.091; 290.095, Subdivision 1; 290.14; 290.17, Subdivision 1; 290.37, Subdivision 1; 290A.03, Subdivision 3; repealing Minnesota Statutes 1978, Section 290.971, Subdivision 5; and Minnesota Statutes, 1979 Supplement, Section 290.23, Subdivision 16."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

S. F. No. 2095, A bill for an act relating to Hennepin County; providing for a county personnel system; providing various conditions of public employment; amending Laws 1965, Chapter 855, Sections 1, 2, 3, 4, as amended, 5, 6, as amended, 7, as amended, 8, 9, 10, 11, 12, 13, 14, 15, as amended, and 16; and Laws 1979, Chapter 198, Article I, Section 2; repealing Laws 1945, Chapter 607, as amended; Laws 1965, Chapter 855, Section 17; Laws 1967, Chapter 646, Sections 4, 5, 6, and 7, and Chapter 779; and Laws 1979, Chapter 198, Article III, Section 5.

Reported the same back with the following amendments:

Page 5, line 28, delete "*five*" and insert "*seven*"

Page 7, line 14, delete "\$35" and insert "\$50"

Page 8, line 17, delete "*three*" and insert "*four*"

Page 10, line 20, delete "*four-fifths*" and insert "*six-sevenths*"

Page 10, delete lines 21 to 27

Page 10, line 28, delete (6) and reinstate ((5))

Page 10, line 32, delete "*four-fifths*" and insert "*six-sevenths*"

Page 11, line 1, delete (7) and reinstate ((6))

Page 11, line 9, delete (8) and reinstate ((7))

Page 11, line 15, delete (9) and reinstate ((8))

Page 11, line 19, delete (10) and reinstate ((9))

Page 11, line 25, delete (11) and reinstate ((10))

Page 11, line 32, delete (12) and insert (11)

Page 31, delete lines 7 to 16

Renumber sections accordingly

Further amend the title as follows:

Page 1, line 7, after "13," delete "14,"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 615 and 1121 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 2095 was read for the second time.

SPECIAL ORDERS, Continued

H. F. No. 1730 was reported to the House.

Kroening moved to amend H. F. No. 1730 as follows:

Delete everything after the enacting clause and insert:

"Section 1. In any product liability action based on strict liability in tort commenced or maintained against a defendant other than the manufacturer, the non-manufacturing defendant shall be entitled to tender the defense of said action to the manufacturer, by filing with the trial court a notice of the tender of the defense and by filing an affidavit stating as follows:

(a) That the non-manufacturing defendant has exercised no control over the design or manufacture of the product or the instructions or warnings accompanying the product, relative to the alleged defect in the product which caused the injury, death or damage.

(b) That the non-manufacturing defendant had, at the time of sale, no actual knowledge of the defect in the product which caused the injury, death or damage;

(c) That the product left the control of the manufacturer with the alleged defect in the product which caused the injury, death or damage and the non-manufacturing defendant did no act or omission which may have caused or contributed to the defect which caused the injury, death or damage;

(d) That the non-manufacturing defendant did not order or request that the alleged specific defect which caused the injury, death or damage be included in the product.

Sec. 2. In the event that the tender is accepted by the manufacturer, the manufacturer shall assume responsibility for the defense of the action and shall be primarily responsible for the payment of any judgment rendered, without indemnity and/or contribution from the non-manufacturing defendant except where the manufacturer is unable to pay the full amount of the judgment.

Sec. 3. In the event that the manufacturer shall refuse to accept the tender of the defense, the manufacturer shall indemnify the non-manufacturing defendant for any judgment rendered against it, and shall also reimburse the non-manufacturing defendant for all attorney's fees expended in the defense of the action, together with all costs and economic losses incurred by the non-manufacturing defendant in connection therewith, unless it is shown by a preponderance of the evidence at trial that the facts required to be in the affidavit of the non-manufacturing defendant pursuant to Section 1 are incorrect."

Further, delete the title in its entirety and insert:

"A bill for an act relating to commerce; allowing for the tender of the defense by non-manufacturers."

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 50 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Elioff	Kempe	Nelsen, M.	Rodriguez
Battaglia	Faricy	Kroening	Nelson	Sarna
Begich	Fudro	Lehto	Novak	Sieben, H.
Berglin	Halberg	Long	Osthoff	Sieben, M.
Byrne	Hoberg	McEachern	Pehler	Swanson
Casserly	Hokanson	Metzen	Peterson, D.	Tomlinson
Clark	Jacobs	Minne	Prahl	Welch
Corbid	Jaros	Moe	Reding	Wenzel
Crandall	Jude	Munger	Rees	Wynia
Dempsey	Kahn	Murphy	Rice	Zubay

Those who voted in the negative were:

Aasness	Eken	Kaley	Niehaus	Searles
Adams	Erickson	Kalis	Norman	Sherwood
Ainley	Esau	Kelly	Nysether	Stadum
Albrecht	Evans	Knickerbocker	Olsen	Sviggum
Anderson, G.	Ewald	Kvam	Onnen	Thiede
Anderson, R.	Fjoslien	Laidig	Otis	Valan
Berkelman	Forsythe	Levi	Patton	Valento
Biersdorf	Friedrich	Ludeman	Peterson, B.	Voss
Brinkman	Haukoos	Luknic	Pleasant	Weaver
Carlson, L.	Heap	Mann	Redalen	Welker
Dean	Heinitz	McDonald	Reif	Wieser
Den Ouden	Jennings	Mehrken	Rose	Wigley
Drew	Johnson, D.	Nelsen, B.	Searle	

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

H. F. No. 1730, A bill for an act relating to commerce; limiting product liability actions against non-manufacturers.

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 96 yeas and 31 nays as follows:

Those who voted in the affirmative were:

Aasness	Elioff	Kalis	Novak	Simoneau
Adams	Erickson	Kelly	Nysether	Stadum
Ainley	Esau	Knickerbocker	Olsen	Stoa
Albrecht	Evans	Kostohryz	Onnen	Stowell
Anderson, B.	Ewald	Kvam	Osthoff	Sviggum
Anderson, D.	Fjoslien	Laidig	Otis	Swanson
Anderson, G.	Forsythe	Lehto	Patton	Thiede
Anderson, R.	Friedrich	Levi	Pehler	Valan
Berkelman	Fritz	Ludeman	Piepho	Valento
Biersdorf	Fudro	Luknic	Pleasant	Vanasek
Blatz	Haukoos	Mann	Prahl	Voss
Brinkman	Heap	McDonald	Redalen	Weaver
Byrne	Heinitz	McEachern	Rees	Welch
Carlson, D.	Hoberg	Mehrkens	Reif	Welker
Carlson, L.	Hokanson	Metzen	Rodriguez	Wieser
Dean	Jennings	Munger	Rose	Zubay
Dempsey	Johnson, C.	Nelsen, B.	Schreiber	
Den Ouden	Johnson, D.	Nelsen, M.	Searle	
Drew	Jude	Niehaus	Searles	
Eken	Kaley	Norman	Sherwood	

Those who voted in the negative were:

Anderson, I.	Crandall	Kempe	Peterson, D.	Wenzel
Battaglia	Faricy	Kroening	Reding	Wigley
Begich	Greenfield	Long	Rice	Wynia
Berglin	Halberg	Minne	Sarna	
Casserly	Jacobs	Moe	Sieben, H.	
Clark	Jaros	Murphy	Sieben, M.	
Corbid	Kahn	Peterson, B.	Tomlinson	

The bill was passed and its title agreed to.

H. F. No. 1743 was reported to the House.

Schreiber moved that H. F. No. 1743 be returned to its author. The motion prevailed.

H. F. No. 1794, A bill for an act relating to courts; providing for elections in a county court district.

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

The question was taken on the passage of the bill and the roll was called. There were 121 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Den Ouden	Kaley	Niehaus	Sieben, M.
Adams	Drew	Kalis	Norman	Simoneau
Ainley	Eken	Kelly	Novak	Stadum
Albrecht	Elioff	Kempe	Nysether	Stoa
Anderson, B.	Erickson	Knickerbocker	Olsen	Stowell
Anderson, D.	Esau	Kostohryz	Onnen	Sviggum
Anderson, G.	Evans	Kroening	Osthoff	Swanson
Anderson, I.	Ewald	Lehto	Otis	Tomlinson
Anderson, R.	Faricy	Levi	Patton	Valan
Battaglia	Fjoslien	Long	Pehler	Valento
Begich	Forsythe	Ludeman	Peterson, B.	Vanasek
Berglin	Friedrich	Luknic	Peterson, D.	Waldorf
Berkelman	Fritz	Mann	Piepho	Weaver
Biersdorf	Fudro	McCarron	Pleasant	Welch
Blatz	Greenfield	McDonald	Prahl	Welker
Brinkman	Haukoos	McEachern	Redalen	Wenzel
Byrne	Heap	Mehrkins	Reding	Wieser
Carlson, D.	Heinitz	Metzen	Rees	Wigley
Carlson, L.	Hoberg	Minne	Reif	Wynia
Casserly	Hokanson	Moe	Rodriguez	Zubay
Clark	Jacobs	Munger	Rothenberg	Sprk. Norton
Clawson	Jennings	Murphy	Sarna	
Corbid	Johnson, C.	Nelsen, B.	Searles	
Dean	Johnson, D.	Nelsen, M.	Sherwood	
Dempsey	Jude	Nelson	Sieben, H.	

The bill was passed and its title agreed to.

H. F. No. 1825, A bill for an act relating to children; specifying rights of stepparents to visit certain children.

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:

Aasness	Clawson	Halberg	Lehto	Olsen
Adams	Corbid	Haukoos	Levi	Onnen
Ainley	Crandall	Heap	Long	Osthoff
Albrecht	Dean	Heinitz	Ludeman	Otis
Anderson, B.	Dempsey	Hoberg	Luknic	Patton
Anderson, D.	Den Ouden	Hokanson	Mann	Pehler
Anderson, G.	Drew	Jacobs	McCarron	Peterson, B.
Anderson, I.	Eken	Jennings	McEachern	Peterson, D.
Anderson, R.	Elioff	Johnson, C.	Mehrkins	Piepho
Battaglia	Ellingson	Johnson, D.	Metzen	Pleasant
Begich	Erickson	Jude	Minne	Prahl
Berglin	Esau	Kahn	Moe	Redalen
Berkelman	Evans	Kaley	Munger	Reding
Biersdorf	Ewald	Kalis	Murphy	Rees
Blatz	Faricy	Kelly	Nelsen, B.	Reif
Brinkman	Fjoslien	Kempe	Nelsen, M.	Rice
Byrne	Forsythe	Knickerbocker	Nelson	Rodriguez
Carlson, D.	Friedrich	Kostohryz	Niehaus	Rose
Carlson, L.	Fritz	Kroening	Norman	Rothenberg
Casserly	Fudro	Kvam	Novak	Sarna
Clark	Greenfield	Laidig	Nysether	Schreiber

Searles	Stadium	Thiede	Waldorf	Wieser
Sherwood	Stoa	Tomlinson	Weaver	Wigley
Sieben, H.	Stowell	Valento	Welch	Wynia
Sieben, M.	Sviggum	Vanasek	Welker	Zubay
Simoneau	Swanson	Voss	Wenzel	Spkr. Norton

The bill was passed and its title agreed to.

H. F. No. 1835 was reported to the House.

Schreiber moved to amend H. F. No. 1835 as follows:

Page 5, after line 19, insert:

"Sec. 4. Minnesota Statutes 1978, Section 169.73, Subdivision 1, is amended to read:

169.73 [BUMPERS, SAFEGUARDS.] Subdivision 1. As used in this section "private passenger (AUTOMOBILE) *vehicle*" means a four wheeled (MOTOR VEHICLE DESIGNED PRINCIPALLY FOR CARRYING PASSENGERS NOT FOR HIRE ON PUBLIC STREETS AND HIGHWAYS, AND NOT DESIGNED PRINCIPALLY AS A DWELLING OR FOR CAMPING) *passenger automobile, station wagon, or truck of a gross vehicle weight of 9,000 pounds or less, as those terms are defined in section 168.011, or a jeep type automobile, but does not include any collector vehicle as defined in section 168.10.*

Sec. 5. Minnesota Statutes 1978, Section 169.73, Subdivision 2, is amended to read:

Subd. 2. All (MOTOR) *private passenger* vehicles shall be equipped with front and rear bumpers (OR WITH FRONT BUMPERS AND WITH REAR REFLECTORS, AS HEREIN PROVIDED, AND ALL TRAILERS AND SEMI-TRAILERS WEIGHING MORE THAN 1,500 POUNDS SHALL BE EQUIPPED WITH REAR BUMPERS OR WITH REAR REFLECTORS, AS HEREIN PROVIDED). (SUCH) *The bumpers shall be securely attached to the frame (THEREOF), and shall extend beyond the extreme front and rear points, respectively, of (SUCH) the vehicles. The center point of (SUCH) the bumpers shall be not more than 20, nor less than (14) 16, inches from the ground when the vehicle is unloaded, provided that two rigid cross-bars may be attached to any bumper to extend it so that it will reach into a point within the required height from the ground (; PROVIDED FURTHER, HOWEVER, THAT BUMPERS ON ALL PRIVATE PASSENGER AUTOMOBILES MANUFACTURED AND SOLD AFTER AUGUST 1, 1973, SHALL BE OF SUBSTANTIAL CONSTRUCTION, AND THAT THE CENTER POINT OF SUCH BUMPERS SHALL BE 14 TO 20 INCHES FROM THE GROUND WHEN THE VEHICLE IS UNLOADED AND THE VERTICAL MEASUREMENT OF SUCH BUMPERS SHALL NOT BE LESS THAN SIX INCHES. All*

TRUCKS AND TRAILERS MANUFACTURED AND SOLD AFTER JULY 1, 1955, HAVING A REAR PLATFORM OR TAILBOARD MORE THAN 20 INCHES ABOVE THE GROUND, EXCEPT PUBLIC UTILITY TRAILERS USED FOR HAULING REELS OF CABLE OR WIRE, POLE TRUCKS, DUMP TRUCKS, AND FARM TRUCKS AS DEFINED IN SECTION 168.011, SUBDIVISION 17, AND TRUCKS AND SEMI-TRAILERS TRANSPORTING LOGS, PULPWOOD AND OTHER RAW AND UNFINISHED FOREST PRODUCTS FROM THE PLACE OF PRODUCTION TO AN ASSEMBLY YARD OR RAIL HEAD WHEN SUCH TRANSPORTATION CONSTITUTES THE FIRST HAUL THEREOF, ARE REQUIRED WHEN OPERATING UPON THE HIGHWAYS OF THIS STATE, TO HAVE RIGID REAR SAFEGUARDS, SO CONSTRUCTED AS TO PREVENT ANY PART OF ANOTHER MOTOR VEHICLE FROM PENETRATING THE AREA IMMEDIATELY BELOW SUCH REAR PLATFORM OR TAILBOARD, WHEN SUCH TAILBOARD IS IN A VERTICAL POSITION).

Sec. 6. [REPEALER.] *Minnesota Statutes 1978, Section 169.73, Subdivisions 3, 4 and 5 are repealed.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after the semicolon insert "requiring bumpers on certain motor vehicles;"

Page 1, line 9, after "4;" delete "and" and before the period insert "; and 169.73, Subdivisions 1 and 2; repealing Minnesota Statutes 1978, Section 169.73, Subdivisions 3, 4 and 5"

The motion prevailed and the amendment was adopted.

Schreiber moved to amend H. F. No. 1835, as amended, as follows:

Page 5, after line 19, insert a section to read:

"Sec. 4. Minnesota Statutes 1978, Section 169.14, is amended by adding a subdivision to read:

Subd. 5b. When any segment of at least a quarter-mile in distance of any city street, municipal state aid street or town road on which a speed limit in excess of 30 miles per hour has been established pursuant to an engineering and traffic investigation by the commissioner meets the definition of "urban district" as defined in section 169.01, subdivision 59, the governing body of the city or town may by resolution declare the segment to be an urban district and may establish on the segment the speed limit for urban districts prescribed in subdivision 2. The speed limit so established shall be effective upon the erection

of appropriate signs designating the speed and indicating the beginning and end of the segment on which the speed limit is established, and any speed in excess of such posted limits shall be unlawful. A copy of the resolution shall be transmitted to the commissioner at least 10 days prior to the erection of the signs."

Renumber the sections in sequence

Further, amend the title as follows:

Page 1, line 7, after the semi-colon insert "allowing cities and towns to declare segments of city streets and town roads to be urban districts and to post urban district speed limits on them;"

Page 1, delete line 9, and insert "Subdivision 4; 169.09, Subdivisions 11 and 13; and 169.14, by adding a subdivision."

The motion prevailed and the amendment was adopted.

H. F. No. 1835, A bill for an act relating to motor vehicles; setting due dates for installment payments of motor vehicle registration taxes; extending the coroner's reporting time of deaths resulting from motor vehicle accidents; authorizing the use of accident reports by certain agencies for accident prevention pur-
istration taxes; extending the coroner's reporting time of deaths poses; allowing cities and towns to declare segments of city streets and town roads to be urban districts and to post urban district speed limits on them; amending Minnesota Statutes 1978, Sections 168.31, Subdivision 4; 169.09, Subdivisions 11 and 13; and 169.14, by adding a subdivision; 169.73, Subdivisions 1 and 2; repealing Minnesota Statutes 1978, Section 169.73, Subdivisions 3, 4 and 5.

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

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

Those who voted in the affirmative were:

Aasness	Casserly	Fudro	Kostohryz	Norman
Adams	Clark	Greenfield	Kroening	Novak
Ainley	Clawson	Halberg	Kvam	Nysether
Albrecht	Crandall	Haukoos	Laidig	Olsen
Anderson, B.	Dean	Heap	Levi	Onnen
Anderson, D.	Dempsey	Heinitz	Long	Osthoff
Anderson, G.	Den Ouden	Hoberg	Ludeman	Otis
Anderson, I.	Drew	Hokanson	Luknic	Pehler
Anderson, R.	Eken	Jacobs	Mann	Peterson, B.
Battaglia	Elioff	Jaros	McCarron	Peterson, D.
Begich	Ellingson	Jennings	McEachern	Piepho
Berglin	Erickson	Johnson, C.	Mehrkens	Pleasant
Berkelman	Esau	Johnson, D.	Metzen	Prahl
Biersdorf	Evans	Jude	Minne	Redalen
Blatz	Faricy	Kahn	Munger	Reding
Brinkman	Fjoslien	Kaley	Murphy	Rees
Byrne	Forsythe	Kalis	Nelsen, B.	Reif
Carlson, D.	Friedrich	Kelly	Nelson	Rodriguez
Carlson, L.	Fritz	Knickerbocker	Niehaus	Rose

Sarna	Sieben, M.	Thiede	Waldorf	Wigley
Schreiber	Simoneau	Tomlinson	Weaver	Wynia
Searle	Stadum	Valan	Welch	Zubay
Searles	Stowell	Valento	Welker	Spkr. Norton
Sherwood	Sviggum	Vanasek	Wenzel	
Sieben, H.	Swanson	Voss	Wieser	

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

H. F. No. 1890, A bill for an act relating to courts; Hennepin and Ramsey county district courts, juvenile divisions; authorizing appointment of district court judges to hear cases arising under the juvenile court act for terms up to six years; amending Minnesota Statutes 1978, Section 260.019, Subdivision 3.

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

The question was taken on the passage of the bill and the roll was called. There were 113 yeas and 12 nays as follows:

Those who voted in the affirmative were:

Aasness	Eken	Kalis	Nelsen, M.	Sherwood
Adams	Elioff	Kelly	Nelson	Sieben, H.
Ainley	Ellingson	Kempe	Niehaus	Sieben, M.
Albrecht	Erickson	Knickerbocker	Norman	Simoneau
Anderson, B.	Esau	Kostohryz	Novak	Stadum
Anderson, D.	Evans	Kroening	Nysether	Stowell
Anderson, G.	Ewald	Kvam	Olsen	Sviggum
Anderson, I.	Faricy	Laidig	Onnen	Swanson
Anderson, R.	Fjoslien	Lehto	Otis	Thiede
Battaglia	Friedrich	Levi	Patton	Tomlinson
Begich	Fritz	Long	Pehler	Valento
Berkelman	Fudro	Ludeman	Peterson, B.	Vanasek
Biersdorf	Halberg	Luknic	Piepho	Waldorf
Blatz	Haukoos	Mann	Pleasant	Weaver
Brinkman	Heap	McDonald	Prahl	Welch
Carlson, D.	Heinitz	McEachern	Redalen	Welker
Carlson, L.	Hoberg	Mehrrens	Reding	Wenzel
Clawson	Jacobs	Metzen	Rees	Wieser
Crandall	Jennings	Minne	Reif	Wigley
Dean	Johnson, C.	Moe	Rodriguez	Wynia
Dempsey	Johnson, D.	Munger	Rothenberg	Zubay
Den Ouden	Jude	Murphy	Schreiber	
Drew	Kaley	Nelsen, B.	Searles	

Those who voted in the negative were:

Berglin	Corbid	Kahn	Peterson, D.	Voss
Byrne	Greenfield	McCarron	Stoa	
Clark	Hokanson	Osthoff		

The bill was passed and its title agreed to.

H. F. No. 1930 was reported to the House.

Laidig moved that H. F. No. 1930 be continued on Special Orders for one day. The motion prevailed.

H. F. No. 1949, A bill for an act relating to zoning; providing for notice of hearings; changing notice provisions for variance hearings; amending Minnesota Statutes 1978, Section 394.26, Subdivision 2.

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

The question was taken on the passage of the bill and the roll was called. There were 92 yeas and 23 nays as follows:

Those who voted in the affirmative were:

Aasness	Drew	Kaley	Olsen	Simoneau
Ainley	Eken	Kelly	Onnen	Stadum
Albrecht	Ellingson	Kempe	Otis	Stowell
Anderson, B.	Erickson	Knickerbocker	Patton	Sviggum
Anderson, D.	Esau	Kostohryz	Pehler	Swanson
Anderson, G.	Evans	Kvam	Peterson, B.	Tomlinson
Anderson, R.	Ewald	Laidig	Piepho	Valento
Battaglia	Fjoslien	Levi	Pleasant	Voss
Begich	Forsythe	Ludeman	Redalen	Waldorf
Berkelman	Friedrich	Mann	Reding	Weaver
Biersdorf	Fritz	McDonald	Rees	Welch
Blatz	Greenfield	Mehrkens	Reif	Welker
Brinkman	Heap	Munger	Rodriguez	Wenzel
Carlson, D.	Heinitz	Murphy	Rothenberg	Wieser
Carlson, L.	Hoberg	Nelsen, B.	Sarna	Wigley
Clawson	Hokanson	Nelsen, M.	Schreiber	Zubay
Crandall	Jennings	Niehaus	Searles	
Dempsey	Johnson, C.	Novak	Sieben, H.	
Den Ouden	Jude	Nysether	Sieben, M.	

Those who voted in the negative were:

Adams	Haukoos	Long	Minne	Stoa
Berglin	Jaros	Luknic	Osthoff	Thiede
Elioff	Kalis	McCarron	Peterson, D.	Wynia
Faricy	Kroening	McEachern	Prahl	
Fudro	Lehto	Metzen	Rice	

The bill was passed and its title agreed to.

H. F. No. 2040, A bill for an act relating to government data; providing definitions; classifying data as public, private, confidential, non-public, or protected non-public; amending Minnesota Statutes 1978, Sections 15.162, by adding subdivisions; 15.165, Subdivision 3; 600.23, Subdivision 3; and Chapter 15, by adding sections; Minnesota Statutes, 1979 Supplement, Sections 15.162, Subdivision 2a; 15.163, Subdivisions 3, 5, and 9; 15.1642, Subdivisions 1 and 5; 15.166, Subdivision 4; 15.1692, Subdivision 2, and by adding a subdivision; 15.1693, by adding a subdivision; 15.1698, Subdivision 1, and by adding subdivisions; repealing Minnesota Statutes, 1979 Supplement, Section 15.1692, Subdivision 4.

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

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

Those who voted in the affirmative were:

Aasness	Ellingson	Kalis	Niehaus	Sieben, M.
Adams	Erickson	Kelly	Norman	Simoneau
Ainley	Esau	Kempe	Novak	Stadum
Albrecht	Evans	Knickerbocker	Nysether	Stoa
Anderson, B.	Ewald	Kostohryz	Olsen	Stowell
Anderson, D.	Faricy	Kroening	Onnen	Swiggum
Anderson, I.	Fjoslien	Kvam	Osthoff	Swanson
Anderson, R.	Forsythe	Laidig	Otis	Thiede
Battaglia	Friedrich	Lehto	Patton	Tomlinson
Begich	Fritz	Levi	Pehler	Valan
Berglin	Fudro	Long	Peterson, B.	Valento
Berkelman	Greenfield	Ludeman	Peterson, D.	Vanasek
Blatz	Haukoos	Luknic	Piepho	Voss
Brinkman	Heap	Mann	Prahl	Waldorf
Byrne	Heinitz	McCarron	Redalen	Weaver
Carlson, D.	Hoberg	McDonald	Reding	Welch
Carlson, L.	Hokanson	McEachern	Rees	Wenzel
Clark	Jacobs	Mehrkens	Reif	Wieser
Clawson	Jaros	Metzen	Rice	Wigley
Crandall	Jennings	Minne	Rodriguez	Wynia
Dean	Johnson, C.	Munger	Sarna	Zubay
Dempsey	Johnson, D.	Murphy	Searle	Spkr. Norton
Den Ouden	Jude	Nelsen, B.	Searles	
Drew	Kahn	Nelsen, M.	Sherwood	
Elioff	Kaley	Nelson	Sieben, H.	

The bill was passed and its title agreed to.

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

H. F. No. 2067, A bill for an act relating to financial institutions; modifying director's residence requirements for industrial loan and thrift companies; providing for a report to the commissioner in the event of a change of control; requiring insurance or guarantee of certificates of indebtedness sold or issued for investment; exempting certificates of indebtedness from the regulation of securities; amending Minnesota Statutes 1978, Sections 53.06; 53.09, Subdivision 2; Chapter 53, by adding a section; and Minnesota Statutes, 1979 Supplement, Section 80A.15, 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 128 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Aasness	Anderson, B.	Anderson, R.	Berkelman	Byrne
Adams	Anderson, D.	Battaglia	Biersdorf	Carlson, D.
Ainley	Anderson, G.	Begich	Blatz	Carlson, L.
Albrecht	Anderson, I.	Berglin	Brinkman	Casserly

Clark	Heap	Long	Otis	Simoneau
Clawson	Heinitz	Ludeman	Patton	Stadum
Crandall	Hoberg	Luknic	Pehler	Stoa
Dean	Hokanson	Mann	Peterson, B.	Stowell
Dempsey	Jacobs	McCarron	Peterson, D.	Sviggum
Den Ouden	Jaros	McDonald	Piepho	Swanson
Drew	Jennings	McEachern	Pleasant	Thiede
Eken	Johnson, C.	Mehrkins	Prahl	Tomlinson
Elioff	Johnson, D.	Metzen	Redalen	Valan
Ellingson	Jude	Minne	Reding	Valento
Erickson	Kahn	Munger	Rees	Vanasek
Esau	Kaley	Murphy	Reif	Voss
Evans	Kalis	Nelsen, B.	Rice	Waldorf
Ewald	Kelly	Nelsen, M.	Rodriguez	Weaver
Faricy	Kempe	Nelson	Rose	Welker
Fjoslien	Knickerbocker	Niehaus	Rothenberg	Wenzel
Forsythe	Kostohryz	Norman	Sarna	Wigley
Friedrich	Kroening	Novak	Searle	Wynia
Fritz	Kvam	Nysether	Searles	Zubay
Fudro	Laidig	Olsen	Sherwood	Spkr. Norton
Greenfield	Lehto	Onnen	Sieben, H.	
Haukoos	Levi	Osthoff	Sieben, M.	

Those who voted in the negative were:

Wieser

The bill was passed and its title agreed to.

H. F. No. 378 was reported to the House.

Otis moved that H. F. No. 378 be continued on Special Orders for one day. The motion prevailed.

H. F. No. 1768 was reported to the House.

There being no objection, H. F. No. 1768 was continued on Special Orders for one day.

H. F. No. 2047, A bill for an act relating to state government; raising the limit on the balance allowed to remain in the state auditor's revolving fund; empowering the state auditor to establish a personnel recruitment, hiring, promotional, and salary plan with the approval of the commissioner of the department of personnel; amending Minnesota Statutes 1978, Section 6.58; and Chapter 6, 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 125 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Aasness	Eken	Kahn	Nelson	Searle
Adams	Elioff	Kaley	Niehaus	Searles
Ainley	Ellingson	Kalis	Norman	Sherwood
Albrecht	Erickson	Kelly	Novak	Sieben, H.
Anderson, B.	Esau	Kempe	Nysether	Sieben, M.
Anderson, D.	Evans	Knickerbocker	Olsen	Simoneau
Anderson, G.	Ewald	Kostohryz	Onnen	Stadum
Anderson, I.	Faricy	Kroening	Osthoff	Stowell
Anderson, R.	Fjoslien	Kvam	Otis	Swiggum
Battaglia	Forsythe	Laidig	Patton	Swanson
Berglin	Friedrich	Lehto	Pehler	Thiede
Berkelman	Fritz	Levi	Peterson, B.	Tomlinson
Blatz	Fudro	Long	Peterson, D.	Valan
Brinkman	Greenfield	Ludeman	Piepho	Valento
Byrne	Halberg	Luknic	Pleasant	Voss
Carlson, D.	Haukoos	Mann	Prahl	Waldorf
Carlson, L.	Heap	McCarron	Redalen	Weaver
Casserly	Heinitz	McDonald	Reding	Welch
Clark	Hoberg	McEachern	Rees	Welker
Clawson	Hokanson	Mehrkens	Reif	Wenzel
Corbid	Jacobs	Minne	Rodriguez	Wieser
Crandall	Jaros	Munger	Rose	Wigley
Dean	Johnson, C.	Murphy	Rothenberg	Wynia
Dempsey	Johnson, D.	Nelsen, B.	Sarna	Zubay
Den Ouden	Jude	Nelsen, M.	Schreiber	Spkr. Norton

Those who voted in the negative were:

Drew Jennings

The bill was passed and its title agreed to.

H. F. No. 2090 was reported to the House.

Battaglia moved that H. F. No. 2090 be continued on Special Orders until Tuesday, March 25, 1980. The motion prevailed.

Ewald was excused while in Conference Committee.

H. F. No. 1095, A bill for an act relating to courts; authorizing certain actions against state officers to be tried in a county other than where the cause of action arose; providing for procedure for removal; amending Minnesota Statutes 1978, Sections 542.03; and 542.18.

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:

Aasness	Anderson, B.	Anderson, R.	Biersdorf	Carlson, D.
Adams	Anderson, D.	Battaglia	Blatz	Carlson, L.
Ainley	Anderson, G.	Begich	Brinkman	Casserly
Albrecht	Anderson, I.	Berglin	Byrne	Clark

Clawson	Heap	Long	Pehler	Stadum
Corbid	Heinitz	Ludeman	Peterson, B.	Stoa
Crandall	Hoberg	Mann	Peterson, D.	Stowell
Dean	Hokanson	McCarron	Piepho	Sviggum
Dempsey	Jacobs	McDonald	Pleasant	Swanson
Den Ouden	Jaros	McEachern	Prahl	Thiede
Drew	Jennings	Mehrkens	Redalen	Tomlinson
Eken	Johnson, C.	Metzen	Reding	Valan
Elihoff	Johnson, D.	Minne	Rees	Valento
Ellingson	Jude	Munger	Reif	Vanasek
Erickson	Kahn	Murphy	Rice	Waldorf
Esau	Kaley	Nelsen, B.	Rodriguez	Weaver
Evans	Kalis	Nelsen, M.	Rose	Welch
Faricy	Kelly	Nelson	Rothenberg	Welker
Fjoslien	Kempe	Niehaus	Sarna	Wenzel
Forsythe	Knickerbocker	Novak	Schreiber	Wieser
Friedrich	Kostohryz	Nysether	Searle	Wigley
Fritz	Kroening	Olsen	Searles	Wynia
Fudro	Kvam	Onnen	Sherwood	Zubay
Greenfield	Laidig	Osthoﬀ	Sieben, H.	Spkr. Norton
Halberg	Lehto	Otis	Sieben, M.	
Haukoos	Levi	Patton	Simoneau	

The bill was passed and its title agreed to.

H. F. No. 1962, A bill for an act relating to motor vehicles; permitting the use of foreign state dealer plates in certain circumstances; restricting sales of new motor vehicles by wholesalers; authorizing the use of in-transit plates on used vehicles; imposing certain duties on the registrar of motor vehicles; amending Minnesota Statutes 1978, Sections 168.181, Subdivision 2; 168.27, Subdivisions 6 and 17.

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

The question was taken on the passage of the bill and the roll was called. There were 122 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Aasness	Corbid	Heap	Lehto	Onnen
Adams	Crandall	Heinitz	Levi	Osthoﬀ
Ainley	Dean	Hoberg	Long	Otis
Anderson, B.	Dempsey	Hokanson	Luknic	Patton
Anderson, D.	Den Ouden	Jacobs	Mann	Pehler
Anderson, G.	Drew	Jaros	McCarron	Peterson, B.
Anderson, I.	Eken	Jennings	McDonald	Peterson, D.
Anderson, R.	Elihoff	Johnson, C.	McEachern	Piepho
Battaglia	Ellingson	Johnson, D.	Mehrkens	Pleasant
Begich	Erickson	Jude	Metzen	Prahl
Berglin	Esau	Kahn	Minne	Redalen
Berkelman	Evans	Kaley	Munger	Reding
Blatz	Faricy	Kalis	Murphy	Rees
Brinkman	Fjoslien	Kelly	Nelsen, B.	Reif
Byrne	Forsythe	Kempe	Nelson	Rice
Carlson, D.	Fritz	Knickerbocker	Niehaus	Rodriguez
Carlson, L.	Fudro	Kostohryz	Norman	Rothenberg
Casserly	Greenfield	Kroening	Novak	Sarna
Clark	Halberg	Kvam	Nysether	Schreiber
Clawson	Haukoos	Laidig	Olsen	Searles

Sherwood	Stoa	Vanasek	Welker	Zubay
Sieben, H.	Stowell	Voss	Wenzel	Spkr. Norton
Sieben, M.	Sviggum	Waldorf	Wieser	
Simoneau	Swanson	Weaver	Wigley	
Stadum	Tomlinson	Welch	Wynia	

Those who voted in the negative were:

Nelsen, M.

The bill was passed and its title agreed to.

H. F. No. 2043 was reported to the House.

Peterson, D., moved that H. F. No. 2043 be continued on Special Orders for one day. The motion prevailed.

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

H. F. No. 1035 was reported to the House.

Jude moved to amend H. F. No. 1035 as follows:

Pages 4 to 5, delete section 5 and insert:

"Sec. 5. [CIVIL ENFORCEMENT; INJUNCTION.] Any person who suffers pecuniary loss resulting from a violation of the provisions of sections 1 to 4 shall be entitled to bring an individual action to recover damages, costs and reasonable attorney's fees. The provisions of sections 1 to 4 may be enforced by injunction or any other available equitable or legal remedy."

Page 5, line 4, delete "5" and insert "4"

The motion prevailed and the amendment was adopted.

McDonald moved to amend H. F. No. 1035, as amended, as follows:

Page 4, line 30, add a new section to read:

"Sec. 5. [ACKNOWLEDGMENT.] Prior to each showing to an audience of a motion picture that has been trade screened as required by section 1 through 4, the exhibitor shall display on the screen for at least 30 seconds a statement that the exhibitor viewed such film prior to its being rented for public showing at this theater and that the exhibitor has determined that the content of the film is appropriate for the community. Such statement shall identify the theater and shall be signed by the owner or an officer of the owner."

Renumber the following sections accordingly

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

Anderson, G., moved to amend H. F. No. 1035, as amended, as follows:

Page 2, line 33, after "bidding" insert "by a distributor of more than three motion pictures per year"

Page 2, line 33, after "state." insert "With respect to any motion picture for which blind bidding is prohibited,"

The motion prevailed and the amendment was adopted.

Dean moved to amend H. F. No. 1035, as follows:

Page 3, delete lines 17 to 19

Renumber the following subdivisions

The motion prevailed and the amendment was adopted.

H. F. No. 1035, A bill for an act relating to trade regulation; prohibiting certain unfair and deceptive practices and unreasonable restraints of trade in the business of motion picture distribution; prescribing penalties.

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

The question was taken on the passage of the bill and the roll was called. There were 51 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Ainley	Crandall	Jude	Olsen	Swanson
Anderson, B.	Dean	Kelly	Pehler	Voss
Anderson, D.	Dempsey	Kempe	Prahl	Waldorf
Anderson, I.	Ellingson	Kostohryz	Redalen	Weaver
Anderson, R.	Evans	Kroening	Rice	Welch
Battaglia	Ewald	Long	Rodriguez	Wenzel
Carlson, D.	Forsythe	McCarron	Sarna	Wynia
Carlson, L.	Fudro	McEachern	Schreiber	
Casserly	Heinitz	Murphy	Sieben, M.	
Clawson	Hokanson	Niehaus	Simoneau	
Corbid	Jacobs	Novak	Stowell	

Those who voted in the negative were:

Aasness	Blatz	Elioff	Halberg	Johnson, D.
Albrecht	Brinkman	Erickson	Haukoos	Kahn
Anderson, G.	Byrne	Esau	Heap	Kaley
Begich	Clark	Fjoslien	Hoberg	Knickerbocker
Berglin	Den Ouden	Friedrich	Jaros	Kvam
Berkelman	Drew	Fritz	Jennings	Laidig
Biersdorf	Eken	Greenfield	Johnson, C.	Lehto

Levi	Munger	Peterson, D.	Searles	Valan
Ludeman	Nelsen, B.	Piepho	Sherwood	Valento
Luknic	Norman	Rees	Sieben, H.	Vanasek
McDonald	Nysether	Reif	Stadum	Welker
Mehrkens	Onnen	Rose	Sviggum	Wieser
Metzen	Osthooff	Rothenberg	Thiede	Zubay
Minne	Patton	Searle	Tomlinson	

The bill was not passed, as amended.

H. F. No. 1408, A bill for an act relating to motor vehicles; providing for the proration of taxes on certain vehicles on the basis of the registration period; providing for the issuance and use of certain motor vehicle dealer plates; adjusting the bond provisions for certain dealers; authorizing dealers' licenses for the sale of motorized bicycles; specifying grounds for suspension and revocation of dealers' licenses; amending Minnesota Statutes 1978, Sections 168.013, Subdivision 2; and 168.27, Subdivisions 2, 12, 20, 22 and 24.

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:

Aasness	Drew	Johnson, D.	Murphy	Schreiber
Adams	Eken	Jude	Nelsen, B.	Searles
Albrecht	Elioff	Kahn	Nelson	Sherwood
Anderson, B.	Ellingson	Kaley	Niehaus	Sieben, H.
Anderson, D.	Erickson	Kalis	Norman	Sieben, M.
Anderson, G.	Esau	Kelly	Novak	Simoneau
Anderson, I.	Evans	Kempe	Nysether	Stadum
Anderson, R.	Ewald	Knickerbocker	Olsen	Stowell
Battaglia	Faricy	Kostohryz	Onnen	Sviggum
Begich	Fjoslien	Kroening	Osthooff	Swanson
Berglin	Forsythe	Kvam	Otis	Tomlinson
Berkelman	Friedrich	Laidig	Patton	Valan
Blatz	Fritz	Lehto	Pehler	Valento
Brinkman	Fudro	Levi	Peterson, D.	Vanasek
Byrne	Greenfield	Long	Piepho	Voss
Carlson, D.	Halberg	Ludeman	Pleasant	Waldorf
Carlson, L.	Haukoos	Luknic	Prahl	Weaver
Casserly	Heap	Mann	Redalen	Welch
Clark	Heinitz	McCarron	Reding	Welker
Clawson	Hoberg	McDonald	Rees	Wenzel
Corbid	Hokanson	McEachern	Reif	Wieser
Crandall	Jacobs	Mehrkens	Rodriguez	Wigley
Dean	Jaros	Metzen	Rose	Wynia
Dempsey	Jennings	Minne	Rothenberg	Zubay
Den Ouden	Johnson, C.	Munger	Sarna	Spkr. Norton

The bill was passed and its title agreed to.

There being no objection the order of business reverted to Introduction and First Reading of House Bills.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Voss, for the Committee on Appropriations, introduced:

H. F. No. 2469, A bill for an act relating to public improvements; authorizing the acquisition and betterment of public land and buildings and other public improvements of a capital nature with certain conditions; creating the Minnesota district heating account; authorizing a program of loans to municipalities for district heating systems; establishing a loan program for wood fuel conversion projects; establishing grants-in-aid for construction or renovation of lockups, jails and other correctional facilities; requiring the establishment of rates by the public service commission which encourage cogeneration plants; authorizing issuance of state building bonds; appropriating money; amending Minnesota Statutes 1978, Sections 253.015; 412.321, Subdivision 1; 412.351; 412.361, Subdivision 3; Chapters 116H, by adding sections; 121, by adding a section; 138, by adding a section; 198, by adding a section; 216B, by adding a section; and Chapter 465, by adding a section.

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

Voss, for the Committee on Appropriations, introduced:

H. F. No. 2470, A bill for an act relating to public improvements; authorizing alteration, repair, rehabilitation, equipping, and replacement of equipment of public buildings with certain conditions; authorizing purchase and sale of public lands and buildings; appropriating money.

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

SPECIAL ORDERS, Continued

Osthoff was excused while in Conference Committee.

S. F. No. 1736 was reported to the House.

Johnson, D., moved to amend S. F. No. 1736 as follows:

Page 2, line 3, after the semi-colon insert *"except to locate markers placed to identify sectional corner positions and private boundary corners."*

The motion prevailed and the amendment was adopted.

Begich and Fjoslien moved to amend S. F. No. 1736, as follows:

Page 2, after line 30, insert:

"Sec. 2. Minnesota Statutes, 1979 Supplement, Section 164.08, Subdivision 2, is amended to read:

Subd. 2. [SHALL BE ESTABLISHED IN CERTAIN INSTANCES.] Upon petition presented to the town board by the owner of a tract of land containing at least five acres, who has no access thereto except over the lands of others, the town board by resolution shall establish a cartway at least two rods wide connecting the petitioner's land with a public road. In an unorganized territory, the board of county commissioners of the county in which the tract is located shall act as the town board. The proceedings of the town board shall be in accordance with section 164.07. The amount of damages (, IF ANY,) shall be paid by the petitioner to the town before such cartway is opened. *For the purposes of this subdivision damages shall mean the compensation, if any, awarded to the owner of the land upon which the cartway is established together with the cost of professional and other services which the town may incur in connection with the proceedings for the establishment of the cartway.*

Town road and bridge funds shall not be expended on the cartway unless the town board, or the county board acting as the town board in the case of a cartway established in an unorganized territory, by resolution determines that an expenditure is in the public interest. If no resolution is adopted to that effect, the grading or other construction work and the maintenance of the cartway is the responsibility of the petitioner, subject to the provisions of section 164.10. After the cartway has been constructed the town board, or the county board in the case of unorganized territory, may by resolution designate the cartway as a private driveway with the written consent of the affected landowner in which case from the effective date of the resolution no town road and bridge funds shall be expended for maintenance of the driveway; provided that the cartway shall not be vacated without following the vacation proceedings established under section 164.07.

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

And further, amend the title as follows:

Page 1, line 5, after the semicolon insert "providing for payment of damages by petitioners for cartways;"

Page 1, line 7, before the period insert "; and Minnesota Statutes, 1979 Supplement, Section 164.08, Subdivision 2"

The motion prevailed and the amendment was adopted.

S. F. No. 1736, A bill for an act relating to highways; providing a penalty for certain unlawful uses of or actions on public highways; prohibiting the erection of a fence on the right of way of a town road; amending Minnesota Statutes 1978, Section 160.27, Subdivision 5.

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

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Drew	Johnson, D.	Nelsen, B.	Schreiber
Adams	Eken	Jude	Nelsen, M.	Searle
Ainley	Elioff	Kahn	Nelson	Searles
Albrecht	Ellingson	Kaley	Niehaus	Sherwood
Anderson, B.	Erickson	Kalis	Norman	Sieben, H.
Anderson, D.	Esau	Kelly	Novak	Sieben, M.
Anderson, G.	Evans	Kempe	Nysether	Simoneau
Anderson, I.	Ewald	Knickerbocker	Olsen	Stadum
Anderson, R.	Faricy	Kostohryz	Onnen	Stowell
Battaglia	Fjoslien	Kroening	Osthoff	Sviggum
Begich	Forsythe	Kvam	Otis	Swanson
Berglin	Friedrich	Laidig	Patton	Thiede
Biersdorf	Fritz	Lehto	Pehler	Tomlinson
Blatz	Fudro	Levi	Peterson, B.	Valan
Brinkman	Greenfield	Long	Peterson, D.	Valento
Byrne	Halberg	Ludeman	Piepho	Voss
Carlson, D.	Haukoos	Luknic	Pleasant	Waldorf
Carlson, L.	Heap	Mann	Prahl	Weaver
Casserly	Heinitz	McCarron	Redalen	Welch
Clark	Hoberg	McEachern	Reding	Wenzel
Clawson	Hokanson	Mehrkens	Rees	Wieser
Crandall	Jacobs	Metzen	Reif	Wigley
Dean	Jaros	Minne	Rodriguez	Wynia
Dempsey	Jennings	Munger	Rothenberg	Zubay
Den Ouden	Johnson, C.	Murphy	Sarna	Spkr. Norton

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

S. F. No. 1709 was reported to the House.

Laidig moved to amend S. F. No. 1709, as follows:

Page 7, after line 2, insert:

"Sec. 6. Minnesota Statutes 1978, Section 241.26, Subdivision 1, is amended to read:

241.26 [PRIVATE EMPLOYMENT OF INMATES OF STATE CORRECTIONAL INSTITUTIONS IN COMMUNITY.] Subdivision 1. [BOARD.] When consistent with the public interest and the public safety, the board may, with the recommendation of the commissioner, conditionally release an inmate *who is eligible and being considered for parole under sec-*

tion 243.05, to work at paid employment, seek employment, or participate in a vocational training or educational program (, IF THE INMATE HAS SERVED AT LEAST ONE-HALF OF HIS TERM OF IMPRISONMENT AS REDUCED BY GOOD TIME EARNED BY THE INMATE). Release under this subdivision constitutes an extension of the limits of confinement and each inmate so released shall be confined in the institution from which released or in some other suitable place of confinement designated by the commissioner of corrections during the hours he is not employed, seeking employment, or engaged in a vocational training or educational program, or, if employed, seeking employment, or engaged in a vocational training or educational program, between the hours of such activity. A reasonable allowance for travel time and meals shall be permitted.

Sec. 7. Minnesota Statutes 1978, Section 241.26, Subdivision 2, is amended to read:

Subd. 2. [USE OF LOCAL DETENTION FACILITIES.] The commissioner of corrections shall designate state correctional institutions for participation in the program authorized in subdivision 1 and shall adapt facilities of such institutions to provide housing and supervision of inmates participating in such program. He may also enter into contractual agreements with appropriate city and county authorities for the confinement of and provision of other correctional services to such inmates whose employment, *educational* or vocational training programs so require, and such city and county authorities are hereby authorized to make and enter such contracts and agreements. When determined by the commissioner that the circumstances of a participant in the program authorized by subdivision 1 do not require the security of a public detention facility, he may contract with public and private agencies for the custody and separate care of such participant or house him in a community correction center.

Sec. 8. Minnesota Statutes 1978, Section 241.26, Subdivision 4, is amended to read:

Subd. 4. [REVOCATION.] The willful failure of an inmate to report to or return from planned employment, the seeking of employment, *educational* or vocational training, or furlough as provided in subdivision 3 shall be considered an escape under section 609.485. If an inmate violates any of the rules as provided for in subdivision 3, his work placement, *educational* or vocational training privileges may be withdrawn by the board granting such conditional release.

Sec. 9. Minnesota Statutes 1978, Section 243.05, is amended to read:

243.05 [BOARD; POWERS, LIMITATIONS.] The corrections board may parole any person sentenced to confinement in

the state prison, the state reformatory, or the Minnesota correctional institution for women, provided that no convict serving a life sentence for murder other than murder committed in violation of clause (1) of section 609.185 who has not been previously convicted of a felony shall be paroled until he has served 20 years, less the diminution which he would have been allowed for good conduct had his sentence been for 20 years; and provided further that no convict serving a life sentence for murder who has been previously convicted of a felony or though not previously convicted of a felony is serving a life sentence for murder in the first degree committed in violation of clause (1) of section 609.185 shall be paroled until he has served 25 years, less the diminution which would have been allowed for good conduct had his sentence been for 25 years; provided further that any convict sentenced prior to September 1, 1963 who would be eligible for parole had he been sentenced after September 1, 1963, shall be eligible for parole; provided further, in all cases where a convict is serving a life sentence for murder, unanimous consent of the corrections board shall be required for parole of such convict. *Any new rule or policy or change thereof adopted by the board which has the effect of postponing eligibility for parole shall have prospective effect only and shall apply only with respect to persons committing offenses after the effective date of the new rule or policy or change thereof.* Upon being paroled and released, such convicts shall be and remain in the legal custody and under the control of the corrections board, subject at any time to be returned to the state prison, the state reformatory, the Minnesota correctional institution for women, or other facility of the department of corrections established by law for the confinement or treatment of convicted persons and the parole rescinded by such board, when the legal custody of such convict shall revert to the commissioner of corrections. The written order of the corrections board, certified by the chairman of the board, shall be sufficient to any peace officer or state parole and probation agent to retake and place in actual custody any person on parole to the corrections board, but any state parole and probation agent may, without order of warrant, when it appears to him necessary in order to prevent escape or enforce discipline, take and detain a parolee to the corrections board for its action. The written order of the commissioner of corrections shall be sufficient to any peace officer or state parole and probation agent to retake and place in actual custody any person on probation under the supervision of the commissioner pursuant to section 609.135, but any state parole and probation agent may, without such order, when it appears to him necessary in order to prevent escape or enforce discipline, retake and detain such probationer and bring him before the court for further proceedings under section 609.14. Paroled persons, and those on probation under the supervision of the commissioner of corrections pursuant to section 609.135 may be placed within or without the boundaries of the state at the discretion of the board or of the commissioner of corrections, and the limits fixed for such persons may be enlarged or reduced according to their conduct.

In considering applications for parole or final release, the board shall not be required to hear oral argument from any attorney or other person not connected with the prison or the reformatory in favor of or against the parole or release of any prisoners, but it may institute inquiries by correspondence, taking testimony or otherwise, as to the previous history, physical or mental condition, and character of such prisoner, and to that end shall have authority to require the attendance of the warden of the state prison or the superintendent of the state reformatory or the Minnesota correctional institution for women and the production of the records of these institutions, and to compel the attendance of witnesses, and each member of the board is hereby authorized to administer oaths to witnesses for every such purpose.

Sec. 10. Minnesota Statutes 1978, Section 243.18, is amended to read:

243.18 [DIMINUTION OF SENTENCE.] Every (CONVICT) *inmate* sentenced for any term other than life, (WHETHER) confined in (THE STATE PRISON, THE STATE REFORMATORY, OR THE MINNESOTA CORRECTIONAL INSTITUTION FOR WOMEN,) *a state adult correctional facility* or on parole therefrom, may diminish the term of his sentence (AS FOLLOWS:)

((1) FOR EACH MONTH, COMMENCING ON THE DAY OF HIS ARRIVAL,) *one day for each two days* during which he has not violated any prison rule or discipline (, AND HAS LABORED WITH DILIGENCE AND FIDELITY, FIVE DAYS;)

((2) AFTER ONE YEAR OF SUCH CONDUCT, SEVEN DAYS FOR EACH MONTH;)

((3) AFTER TWO YEARS OF SUCH CONDUCT, NINE DAYS FOR EACH MONTH;)

((4) AFTER THREE YEARS, TEN DAYS FOR EACH MONTH FOR THE ENTIRE TIME THEREAFTER).

The commissioner of corrections, in view of the aggravated nature and frequency of offenses, may take away any or all of the good time previously gained, and, in consideration of mitigating circumstances or ignorance on the part of the (CONVICT) *inmate*, may afterwards restore him, in whole or in part, to the standing he possessed before such good time was taken away.

Sec. 11. Minnesota Statutes 1978, Chapter 244, is amended by adding a section to read:

[244.065] [PRIVATE EMPLOYMENT OF INMATES OF STATE CORRECTIONAL INSTITUTIONS IN COMMUN-

ITY.] *When consistent with the public interest and the public safety, the Minnesota corrections board may, with the recommendation of the commissioner, conditionally release an inmate to work at paid employment, seek employment, or participate in a vocational training or educational program, as provided in section 241.26, if the inmate has served at least one half of his term of imprisonment as reduced by good time earned by the inmate.*

Sec. 12. Minnesota Statutes 1978, Section 244.01, Subdivision 1, is amended to read:

244.01 [DEFINITIONS.] Subdivision 1. For purposes of sections 244.01 to 244.11, and section 11, the following terms shall have the meanings given them.

Sec. 13. Minnesota Statutes 1978, Section 244.01, Subdivision 2, is amended as follows:

Subd. 2. "Inmate" means any person who is convicted of a felony, is committed to the custody of the commissioner of corrections and is confined in a state correctional institution or released from a state correctional institution pursuant to sections (241.26, SUBDIVISION 1) 11, 244.05, and 244.07.

Sec. 14. Minnesota Statutes 1978, Section 244.04, Subdivision 2, is amended to read:

Subd. 2. By May 1, 1980, the commissioner shall promulgate rules specifying disciplinary offenses which may result in the loss of good time and the amount of good time which may be lost as a result of each disciplinary offense, *including provision for restoration of good time*. In no case shall an individual disciplinary offense result in the loss of more than 90 days of good time; *except that no inmate confined in segregation for violation of a disciplinary rule shall be placed on supervised release until discharged or released therefrom, nor shall an inmate in segregation for violation of a disciplinary rule for which he could also be prosecuted under the criminal laws earn good time while in segregation*. The loss of good time shall be considered to be a disciplinary sanction imposed upon an inmate; and the procedure for the loss of good time and the rights of the inmate in the procedure shall be those in effect for the imposition of other disciplinary sanctions at each state correctional institution.

Sec. 15. Minnesota Statutes 1978, Section 244.08, is amended to read:

244.08 [MINNESOTA CORRECTIONS BOARD; COMMISSIONER.] Subdivision 1. Effective May 1, 1980, the Minne-

sota corrections board shall have only those powers and duties vested in and imposed upon it in sections (241.26, SUBDIVISION 1) 11, 244.01 to 244.11, 609.10, 609.145, subdivision 1, 609.165, subdivision 2, and 609.346, subdivision 1, with relation to persons sentenced for crimes committed on or after May 1, 1980.

The Minnesota corrections board shall retain all powers and duties presently vested in and imposed upon it with relation to persons sentenced for crimes committed on or before April 30, 1980.

The Minnesota corrections board shall take into consideration, but not be bound by, the sentence terms embodied in the sentencing guidelines promulgated by the Minnesota sentencing guidelines commission and the penal philosophy embodied in sections (241.26, SUBDIVISION 1) 11, 244.01 to 244.11, 609.10, 609.145, subdivision 1, 609.165, subdivision 2, and 609.346, subdivision 1, in its deliberations relative to parole, probation, release, or other disposition of inmates who commit the crimes giving rise to their sentences on or before April 30, 1980.

Subd. 2. Nothing in sections (241.26, SUBDIVISION 1) 11, 244.01 to 244.11, 609.10, 609.145, subdivision 1, 609.165, subdivision 2, and 609.346, subdivision 1, shall be deemed to limit the powers and duties otherwise provided by law to the commissioner of corrections with regard to the management of correctional institutions or the disposition of inmates unless those powers and duties are inconsistent with the provisions of sections (241.26, SUBDIVISION 1) 11, 244.01 to 244.11, 609.10, 609.145, subdivision 1, 609.165, subdivision 2, and 609.346, subdivision 1, in which case those powers and duties shall be superseded by sections (241.26, SUBDIVISION 1) 11, 244.01 to 244.11, 609.10, 609.145, subdivision 1, 609.165, subdivision 2, and 609.346, subdivision 1.

Sec. 16. Laws 1978, Chapter 723, Article I, Section 19, is amended to read:

Sec. 19. [REPEALER.] Minnesota Statutes 1976, Sections (243.14; 243.18;) 246.43, as amended by Laws 1977; Chapter 130, Section 1; and 609.16 are repealed."

ReNUMBER the remaining section

Page 7, line 4, after the period insert "*Sections 6 to 8 and 10 to 15 are effective May 1, 1980. Sections 9 and 16 are effective the day following final enactment.*"

Amend the title as follows:

Page 1, line 7, after the semicolon insert "clarifying provisions relating to work release and temporary parole; amending provision concerning good time; limiting the powers of the Minnesota corrections board;"

Page 1, line 9, after the first "Subdivision 1;" insert "241.26, Subdivisions 1, 2 and 4; 243.05; 243.18;"

Page 1, line 10, after the semicolon insert "244.01, Subdivisions 1 and 2; 244.04, Subdivision 2; 244.08; Chapter 244, by adding a section;"

Page 1, line 11, before the period insert "; and Laws 1978, Chapter 723, Article I, Section 19"

The motion prevailed and the amendment was adopted.

S. F. No. 1709, A bill for an act relating to corrections; providing for licensing of correctional facilities; regulating inmate earnings; providing for the investment of money in the correctional industries revolving account; authorizing the commissioner of corrections to amend 11 MCAR, sections 2.402 to 2.403; amending Minnesota Statutes 1978, Sections 241.021, Subdivision 1; 243.24, Subdivision 1; 243.88, Subdivision 2; and Minnesota Statutes, 1979 Supplement, Section 241.27, Subdivision 2.

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

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Aasness	Dean	Jacobs	McEachern	Rees
Adams	Dempsey	Jaros	Mehrkens	Reif
Ainley	Den Ouden	Jennings	Metzen	Rodriguez
Albrecht	Drew	Johnson, C.	Minne	Rose
Anderson, B.	Eken	Johnson, D.	Munger	Rothenberg
Anderson, D.	Elioff	Jude	Murphy	Sarna
Anderson, G.	Ellingson	Kahn	Nelsen, B.	Schreiber
Anderson, I.	Erickson	Kaley	Nelson	Searle
Anderson, R.	Esau	Kalis	Niehaus	Searles
Battaglia	Evans	Kelly	Norman	Sherwood
Begich	Ewald	Kempe	Novak	Sieben, H.
Berglin	Faricy	Knickerbocker	Nysether	Sieben, M.
Berkelman	Fjoslien	Kostohryz	Olsen	Simoneau
Biersdorf	Forsythe	Kroening	Osthooff	Stadum
Blatz	Friedrich	Kvam	Patton	Stowell
Brinkman	Fritz	Laidig	Pehler	Sviggum
Byrne	Fudro	Lehto	Peterson, B.	Swanson
Carlson, D.	Greenfield	Levi	Peterson, D.	Thiede
Carlson, L.	Haukoos	Long	Piepho	Tomlinson
Casserly	Heap	Ludeman	Pleasant	Valan
Clark	Heinitz	Luknie	Prahl	Valento
Clawson	Hoberg	Mann	Redalen	Vanasek
Crandall	Hokanson	McCarron	Reding	Voss

Waldorf	Welch	Wenzel	Wigley	Zubay
Weaver	Welker	Wieser	Wynia	Spkr. Norton

Those who voted in the negative were:

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

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

H. F. No. 2134 was reported to the House.

Peterson, B., moved that H. F. No. 2134 be continued on Special Orders for one day. The motion prevailed.

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

H. F. No. 2262, A bill for an act relating to highway traffic regulations; including a constable within the meaning of the definition of peace officer in the implied consent law; amending Minnesota Statutes 1978, Section 169.123, 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 88 yeas and 32 nays as follows:

Those who voted in the affirmative were:

Aasness	Faricy	Kostohryz	Nysether	Sherwood
Adams	Fjoslien	Kroening	Olsen	Sieben, H.
Anderson, B.	Forsythe	Laidig	Osthoff	Sieben, M.
Anderson, D.	Fritz	Lehto	Patton	Simoneau
Anderson, G.	Fudro	Levi	Pehler	Stadum
Anderson, I.	Greenfield	Long	Peterson, D.	Swanson
Battaglia	Haukoos	Luknic	Pleasant	Tomlinson
Berkelman	Heap	Mann	Reding	Vanasek
Blatz	Heinitz	McCarron	Rees	Voss
Byrne	Hokanson	Metzen	Reif	Waldorf
Carlson, L.	Jacobs	Minne	Rice	Weaver
Cassery	Jaros	Munger	Rodriguez	Welch
Clark	Johnson, D.	Murphy	Rose	Wenzel
Drew	Jude	Nelsen, M.	Rothenberg	Wigley
Eken	Kahn	Nelson	Sarna	Wynia
Elioff	Kaley	Niehaus	Schreiber	Spkr. Norton
Ellingson	Kelly	Norman	Searle	
Erickson	Knickerbocker	Novak	Searles	

Those who voted in the negative were:

Albrecht	Crandall	Esau	Hoberg	Kvam
Anderson, R.	Dean	Evans	Jennings	Ludeman
Brinkman	Dempsey	Friedrich	Kalis	McEachern
Carlson, D.	Den Ouden	Halberg	Kempe	Mehrkens

Nelsen, B.
Onnen
Piepho

Prahl
Redalen
Stowell

Sviggum
Thiede
Valan

Welker
Wieser

Zubay

The bill was passed and its title agreed to.

H. F. No. 2086 was reported to the House.

Elioff moved that H. F. No. 2086 be continued on Special Orders for one day. The motion prevailed.

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

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Sieben, H., requested immediate consideration of S. F. Nos. 1807 and 1957.

S. F. No. 1807, A bill for an act relating to taxation; income; property tax refund; deleting obsolete and unnecessary provisions and references; amending Minnesota Statutes 1978, Sections 290.03; 290.07, Subdivision 4; 290.071, Subdivision 1; 290.073; 290.077, Subdivision 4; 290.08, Subdivisions 3, 8 and 13; 290.09, Subdivisions 5, 13 and 25; 290.095, Subdivisions 3 and 8; 290.131, Subdivision 1; 290.18, Subdivision 1; 290.28, Subdivision 3; 290.311, Subdivisions 1 and 2; 290.32; 290.361, Subdivision 2; 290.38; 290.40; 290.49, Subdivision 1; 290.62; 290.65, Subdivisions 2, 7, 9, 13 and 16; 290.92, Subdivisions 2a, 5, 13 and 15; 290.93, Subdivisions 5 and 9; 290.931, Subdivision 1; 290.932, Subdivision 1; 290.936; 290.97; 290.972, Subdivisions 2 and 3; 290A.07, Subdivision 1; Minnesota Statutes, 1979 Supplement, Sections 290.01, Subdivision 20; and 290A.03, Subdivisions 3 and 13; repealing Minnesota Statutes 1978, Sections 290.06, Subdivisions 2b, 3a and 3b; 290.08, Subdivisions 4 and 5; 290.086; 290.087; 290.09, Subdivisions 11 and 20; 290.095, Subdivision 6; 290.31, Subdivision 28; 290.34, Subdivision 4; 290.-361, Subdivision 4; 290.363; 290.45, Subdivision 2a; 290.49, Subdivision 9; 290.53, Subdivision 6; 290.65, Subdivisions 8, 14 and 15; 290.66; 290.68; 290.69; 290.93, Subdivision 12; 290.-932, Subdivision 5; 290.95; 290.96; and 290.972, Subdivision 7.

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:

Aasness
Adams
Ainley
Anderson, B.
Anderson, D.

Anderson, G.
Anderson, I.
Anderson, R.
Battaglia
Begich

Berkelman
Biersdorf
Blatz
Brinkman
Byrne

Carlson, D.
Carlson, L.
Casserly
Clark
Clawson

Corbid
Crandall
Dean
Dempsey
Den Ouden

Drew	Jennings	McEachern	Piepho	Sviggunn
Eken	Johnson, C.	Mehrkens	Pleasant	Swanson
Elioff	Johnson, D.	Metzen	Prahl	Thiede
Erickson	Jude	Minne	Redalen	Tomlinson
Esau	Kahn	Munger	Reding	Valan
Evans	Kaley	Murphy	Rees	Valento
Faricy	Kalis	Nelsen, B.	Reif	Vanasek
Fjoslien	Kelly	Nelsen, M.	Rice	Voss
Forsythe	Kempe	Nelson	Rodriguez	Waldorf
Friedrich	Knickerbocker	Niehaus	Rose	Weaver
Fritz	Kostohryz	Norman	Rothenberg	Welch
Fudro	Kroening	Novak	Sarna	Welker
Greenfield	Kvam	Nysether	Schreiber	Wenzel
Halberg	Laidig	Olsen	Searle	Wieser
Haukoos	Lehto	Onnen	Searles	Wigley
Heap	Levi	Osthoff	Sherwood	Wynia
Heinitz	Long	Otis	Sieben, H.	Zubay
Hoberg	Ludeman	Patton	Sieben, M.	Spkr. Norton
Hokanson	Luknic	Pehler	Simoneau	
Jacobs	Mann	Peterson, B.	Stadum	
Jaros	McCarron	Peterson, D.	Stowell	

The bill was passed and its title agreed to.

S. F. No. 1957, A bill for an act relating to transportation; exempting certain substituted aircraft from payment of the aircraft registration tax; limiting refunds under certain circumstances; clarifying the penalty assessed for late payment of registration tax; amending Minnesota Statutes 1978, Sections 360.55, by adding a subdivision; and 360.61.

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 2 nays as follows:

Those who voted in the affirmative were:

Aasness	Crandall	Hoberg	McCarron	Piepho
Adams	Dean	Hokanson	McEachern	Pleasant
Ainley	Dempsey	Jacobs	Mehrkens	Prahl
Albrecht	Den Ouden	Jaros	Metzen	Redalen
Anderson, B.	Drew	Jennings	Minne	Reding
Anderson, D.	Eken	Johnson, C.	Munger	Rees
Anderson, G.	Elioff	Johnson, D.	Murphy	Reif
Anderson, I.	Ellingson	Jude	Nelsen, B.	Rice
Anderson, R.	Erickson	Kahn	Nelsen, M.	Rodriguez
Battaglia	Esau	Kaley	Nelson	Rose
Begich	Evans	Kalis	Niehaus	Rothenberg
Berkelman	Faricy	Kelly	Norman	Sarna
Biersdorf	Fjoslien	Knickerbocker	Novak	Schreiber
Blatz	Forsythe	Kostohryz	Nysether	Searle
Brinkman	Friedrich	Kvam	Olsen	Searles
Byrne	Fritz	Laidig	Onnen	Sherwood
Carlson, D.	Fudro	Lehto	Osthoff	Sieben, H.
Carlson, L.	Greenfield	Levi	Otis	Sieben, M.
Casserly	Halberg	Long	Patton	Simoneau
Clark	Haukoos	Ludeman	Pehler	Stadum
Clawson	Heap	Luknic	Peterson, B.	Stowell
Corbid	Heinitz	Mann	Peterson, D.	Sviggunn

Swanson	Valento	Weaver	Wieser	Spkr. Norton
Thiede	Vanasek	Welch	Wigley	
Tomlinson	Voss	Welker	Wynia	
Valan	Waldorf	Wenzel	Zubay	

Those who voted in the negative were:

Kempe Kroening

The bill was passed and its title agreed to.

GENERAL ORDERS

Sieben, H., moved that the bills on General Orders for today be continued one day. The motion prevailed.

MOTIONS AND RESOLUTIONS

Rees moved that H. F. No. 2271 be returned to its author. The motion prevailed.

Prahl moved that H. F. No. 1160 be returned to its author. The motion prevailed.

Peterson, B., moved that H. F. No. 2337 be returned to its author. The motion prevailed.

Laidig moved that H. F. No. 1930 be returned to its author. The motion prevailed.

Sviggum moved that H. F. No. 1705 be returned to its author. The motion prevailed.

Crandall and Peterson, B., introduced:

House Resolution No. 43, A house resolution relating to extending congratulations to Tim Harrer for being selected to the coaches' All-American ice hockey team.

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

ADJOURNMENT

Sieben, H., moved that when the House adjourns today it adjourn until 12:30 p.m., Friday, March 21, 1980. The motion prevailed.

Sieben, H., moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:30 p.m., Friday, March 21, 1980.

EDWARD A. BURDICK, Chief Clerk, House of Representatives