

STATE OF MINNESOTA

SEVENTY-SECOND SESSION - 1982

EIGHTY-SECOND DAY

SAINT PAUL, MINNESOTA, FRIDAY, MARCH 5, 1982

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

Prayer was offered by Reverend Ronald Duty, Luther Northwestern Seminaries, Minneapolis, Minnesota.

The roll was called and the following members were present:

Aasness	Ewald	Knickerbocker	O'Connor	Sherwood
Ainley	Fjoslien	Kostohryz	Ogren	Sieben, M.
Anderson, B.	Forsythe	Kvam	Olsen	Simoneau
Anderson, G.	Frerichs	Laidig	Onnen	Skoglund
Anderson, I.	Greenfield	Lehto	Osthoff	Stadum
Battaglia	Gruenes	Lemen	Otis	Staten
Begich	Gustafson	Levi	Peterson, B.	Stowell
Berkelman	Hanson	Long	Peterson, D.	Stumpf
Blatz	Harens	Ludeman	Piepho	Sviggum
Brinkman	Hauge	Luknic	Pogemiller	Swanson
Byrne	Haukoos	Mann	Redalen	Tomlinson
Carlson, D.	Heap	Marsh	Reding	Valan
Carlson, L.	Heinitz	McCarron	Rees	Valento
Clark, J.	Himle	McDonald	Reif	Vanasek
Clark, K.	Hoberg	McEachern	Rice	Vellenga
Clawson	Hokanson	Mehrkens	Rodriguez, C.	Weaver
Dahlvang	Hokr	Metzen	Rodriguez, F.	Welch
Dean	Jacobs	Minne	Rose	Welker
Dempsey	Jennings	Munger	Rothenberg	Wenzel
Den Ouden	Johnson, C.	Murphy	Samuelson	Wieser
Drew	Johnson, D.	Nelsen, B.	Sarna	Wigley
Eken	Jude	Nelson, K.	Schafer	Wynia
Ellioff	Kahn	Niehaus	Schoenfeld	Zubay
Ellingson	Kaley	Norton	Schreiber	Spkr. Sieben, H.
Erickson	Kalis	Novak	Shea	
Evans	Kelly	Nysether	Sherman	

A quorum was present.

Anderson, R.; Esau; Halberg; Searles and Voss were excused.

Brandl was excused until 2:55 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Niehaus moved that further reading of the Journal be dis-

pensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 2117, 2167, 2199, 1875, 2012, 2073, 1758, 2058, 1572, 1499, 2011 and 1872 and S. F. Nos. 1625, 1790, 1791, 1812, 1792, 1970, 1605, 1814 and 1837 have been placed in the members' files.

S. F. No. 1605 and H. F. No. 2012, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Onnen moved that S. F. No. 1605 be substituted for H. F. No. 2012 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1481 and H. F. No. 1559, 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. 1481 be substituted for H. F. No. 1559 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 GOVERNOR
SAINT PAUL 55155

March 3, 1982

The Honorable Harry A. Sieben, Jr.
Speaker of the House
State of Minnesota

Dear Speaker Sieben:

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

H. F. No. 1616, relating to counties; permitting the counties to spend a certain sum for promotion of development;

Sincerely,

ALBERT H. QUIE
Governor

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

March 4, 1982

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jack Davies
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1982 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 1982</i>	<i>Date Filed 1982</i>
	1616	381	March 3	March 4

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

Anderson, I., from the Committee on Taxes to which was referred:

H. F. No. 1176, A bill for an act relating to the environment; establishing an environmental response, compensation and compliance fund to pay for removal and remedial action associated with certain hazardous substances released into the environment and for other purposes; providing for liability for cleanup costs, personal injury and economic loss resulting from releases of hazardous substances; authorizing rewards for information on violations; providing for pipeline testing; imposing taxes, fees, and penalties; appropriating money; amending Minnesota

Statutes 1980, Sections 116.03, Subdivision 3; 466.01, by adding a subdivision; and 466.04, Subdivision 1; proposing new law coded as Minnesota Statutes, Chapter 115B; proposing new law coded in Minnesota Statutes, Chapter 116.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [115B.01] [CITATION.]

Sections 1 to 22 may be cited as the Environmental Response and Liability Act.

Sec. 2. [115B.02] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] For the purposes of sections 1 to 22, the following terms have the meanings given them.

Subd. 2. [ACT OF GOD.] "Act of God" means an unanticipated grave natural disaster or other natural phenomenon of an exceptional, inevitable, and irresistible character, the effects of which could not have been prevented or avoided by the exercise of due care or foresight.

Subd. 3. [AGENCY.] "Agency" means the pollution control agency.

Subd. 4. [DAMAGES.] "Damages" means damages for economic loss or personal injury or the loss of natural resources as specified in section 3.

Subd. 5. [DIRECTOR.] "Director" means the director of the pollution control agency.

Subd. 6. [FACILITY.] "Facility" means:

(a) Any building, structure, installation, equipment, pipe or pipeline (including any pipe into a sewer or publicly owned treatment works), well, pit, pond, lagoon, impoundment, ditch, landfill, storage container, motor vehicle, rolling stock, or aircraft;

(b) Any watercraft of any description, or other artificial contrivance used or capable of being used as a means of transportation on water; or

(c) Any site or area where a hazardous substance has been deposited, stored, disposed of, or placed, or otherwise come to be located.

"Facility" does not include any consumer product in consumer use.

Subd. 7. [FEDERAL SUPERFUND ACT.] "Federal Superfund Act" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Section 9601 et seq.

Subd. 8. [FUND.] "Fund" means the environmental response, compensation and compliance fund established under section 17.

Subd. 9. [HAZARDOUS SUBSTANCE.] "Hazardous substance" means:

(a) Any commercial chemical designated pursuant to the Federal Water Pollution Control Act, under 33 U.S.C. Section 1321(b)(2)(A);

(b) Any hazardous air pollutant listed pursuant to the Clean Air Act, under 42 U.S.C. Section 7412;

(c) Any hazardous waste; and

(d) Any PCB as defined in section 116.36.

"Hazardous substance" does not include natural gas, natural gas liquids, liquefied natural gas, synthetic gas usable for fuel, or mixtures of such synthetic gas and natural gas.

Subd. 10. [HAZARDOUS WASTE.] "Hazardous waste" means:

(a) Any hazardous waste as defined in section 116.06, subdivision 13, and any substance identified as a hazardous waste pursuant to rules adopted by the agency under section 116.07; and

(b) Any hazardous waste as defined in the Resource Conservation and Recovery Act, under 42 U.S.C. Section 6903, which is listed or has the characteristics identified under 42 U.S.C. Section 6921, not including any hazardous waste the regulation of which has been suspended by act of congress.

Subd. 11. [NATURAL RESOURCES.] "Natural resources" has the meaning given it in section 116B.02, subdivision 4.

Subd. 12. [RELEASE.] "Release" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environ-

ment which occurred at a point in time or which continues to occur.

"Release" does not include:

(a) Emissions from the engine exhaust of a motor vehicle, rolling stock, aircraft, watercraft, or pipeline pumping station engine;

(b) Release of source, byproduct, or special nuclear material from a nuclear incident, as those terms are defined in the Atomic Energy Act of 1954, under 42 U.S.C. Section 2014, if the release is subject to requirements with respect to financial protection established by the federal nuclear regulatory commission under 42 U.S.C. Section 2210;

(c) Release of source, byproduct or special nuclear material from any processing site designated pursuant to the Uranium Mill Tailings Radiation Control Act of 1978, under 42 U.S.C. Section 7912(a)(1) or 7942(a); or

(d) Any release resulting from the normal application of fertilizer or normal application of recommended levels of approved agricultural or silvicultural chemicals or disposal by a farmer of emptied pesticide containers or residues from a pesticide as defined in section 18A.21, subdivision 25, which were used by the farmer, if the containers are triple rinsed and the residues are disposed of on the farm in a manner consistent with instructions on the pesticide label.

Subd. 13. [REMEDY OR REMEDIAL ACTION.] "Remedy" or "remedial action" means those actions consistent with permanent remedy taken instead of or in addition to removal actions in the event of a release or threatened release of a hazardous substance into the environment, to prevent, minimize or eliminate the release of hazardous substances to protect the public health or welfare or the environment.

"Remedy" or "remedial action" includes, but is not limited to:

(a) Actions at the location of the release such as storage, confinement, perimeter protection using dikes, trenches, or ditches, clay cover, neutralization, cleanup of released hazardous substances or contaminated materials, recycling or reuse, diversion, destruction, segregation of reactive wastes, dredging or excavations, repair or replacement of leaking containers, collection of leachate and runoff, onsite treatment or incineration, provision of alternative water supplies, and any monitoring and maintenance reasonably required to assure that these actions protect the public health and welfare and the environment; and

(b) *The costs of permanent relocation of residents and businesses and community facilities when the agency determines that, alone or in combination with other measures, relocation is more cost effective than and environmentally preferable to the transportation, storage, treatment, destruction, or secure disposition offsite of hazardous substances, or may otherwise be necessary to protect the public health or welfare.*

"Remedy" or "remedial action" does not include offsite transport of hazardous substances, or the storage, treatment, destruction, or secure disposition offsite of hazardous substances or contaminated materials unless the agency determines that these actions:

(1) Are more cost effective than other remedial actions;

(2) Will create new capacity to manage hazardous substances in addition to those located at the affected facility, in compliance with section 116.07 and subtitle C of the Solid Waste Disposal Act, 42 U.S.C. Section 6921 et seq.; or

(3) Are necessary to protect public health or welfare or the environment from a present or potential risk which may be created by further exposure to the continued presence of the substances or materials.

Subd. 14. [REMOVE OR REMOVAL.] "Remove" or "removal" means:

(a) The cleanup or removal of released hazardous substances from the environment;

(b) Necessary actions taken in the event of a threatened release of hazardous substances into the environment;

(c) Actions necessary to monitor, assess, and evaluate a release or threatened release of hazardous substances;

(d) disposal or processing of removed material; or

(e) Other actions necessary to prevent, minimize, or mitigate damage to the public health or welfare or to the environment, which may otherwise result from a release or threatened release.

"Remove" or "removal" includes, but is not limited to, security fencing or other measures to limit access, provision of alternative water supplies, temporary evacuation and housing of threatened individuals not otherwise provided for, action taken pursuant to the Federal Superfund Act, under 42 U.S.C. Section 9604(b), and any emergency assistance which may be provided under the Disaster Relief Act of 1974, 42 U.S.C. Section 5121 et seq.

Subd. 15. [RESPOND OR RESPONSE.] "Respond" or "response" means remove, removal, remedy, and remedial action.

Subd. 16. [WATER.] "Water" has the meaning given to the term "waters of the state" in section 115.01, subdivision 9.

Sec. 3. [115B.03] [LIABILITY FOR RESPONSE COSTS AND DAMAGES.]

Subdivision 1. [GENERAL RULE.] Except as otherwise provided in subdivisions 3 to 10 and section 4, and notwithstanding any other provision or rule of law, any person who is responsible for a release or threatened release of a hazardous substance from a facility shall be strictly liable, jointly and severally, for:

(a) All reasonable and necessary costs of removal, or remedial action incurred by the state, a political subdivision of the state or the United States;

(b) Any other reasonable and necessary costs or expenses incurred by any person to remove a hazardous substance; and

(c) All damages for economic loss or loss due to personal injury or disease or loss of natural resources resulting from such a release including:

(1) Any injury to, destruction of, or loss of any real or personal property, including relocation costs;

(2) Any loss of use of real or personal property;

(3) Any injury to, destruction of, or loss of natural resources, including the reasonable costs of assessing such injury, destruction, or loss;

(4) Any loss of income or profits or impairment of earning capacity resulting from personal injury or disease or from injury to or destruction of real or personal property or natural resources without regard to the ownership of such property or resources; and

(5) All medical expenses, rehabilitation costs or burial expenses due to personal injury or disease.

Subd. 2. [RESPONSIBLE PERSON.] For the purpose of subdivision 1, a person is responsible for a release or threatened release of a hazardous substance from a facility if the person:

(a) *Owned or operated the facility at the time the hazardous substance was placed or came to be located in or on the facility, during the time of the release or threatened release, or at any time between those occurrences;*

(b) *Owned or possessed the hazardous substance and arranged, by contract, agreement or otherwise, for the disposal, treatment or transport for disposal or treatment of the hazardous substance; or*

(c) *Accepted the hazardous substance for transport to a disposal or treatment facility and either selected the facility to which it was transported or disposed of the substance in a manner contrary to law.*

Subd. 3. [TRANSPORTATION OF HOUSEHOLD REFUSE.] *A person who accepts only household refuse for transport to a treatment or disposal facility is not liable under subdivision 1 for the release or threatened release of any hazardous substance unless he knew or reasonably should have known that the hazardous substance was present in the refuse. For the purpose of this subdivision, household refuse means garbage, trash, or septic tank sanitary wastes generated by single or multiple residences, hotels, motels, restaurants and other similar facilities.*

Subd. 4. [DEFENSES AVAILABLE TO RESPONSIBLE PERSONS.] *There shall be no liability under subdivision 1 for any person otherwise liable if the person establishes by a preponderance of the evidence that the release or threatened release was caused solely by:*

- (a) *An act of God;*
- (b) *An act of war; or*
- (c) *An act or omission of a third party.*

"Third party" for the purposes of clause (c) does not include an employee or agent of the defendant, or a person whose act or omission occurs in connection with a contractual relationship, existing directly or indirectly, with the defendant.

The defense provided in clause (c) applies only if the defendant establishes by a preponderance of the evidence that he exercised due care with respect to the hazardous substance concerned, taking into consideration the characteristics of the hazardous substance in light of all relevant facts and circumstances which he knew or should have known, and that he took precautions against foreseeable acts or omissions of a third party and the consequences that could foreseeably result from those acts or omissions.

Subd. 5. [DEFENSE AVAILABLE TO OWNER OF REAL PROPERTY.] *An owner of real property is not liable for damages under subdivision 1, clause (c), if he:*

(a) *Shows by a preponderance of the evidence that he neither knew nor reasonably should have known that any hazardous substance was present on the property before the release or threatened release; and*

(b) *Notifies the agency of the release or threatened release as soon as practicable after he knows about it.*

Subd. 6. [CERTAIN EMPLOYEE CLAIMS NOT COVERED.] *Except for a third party who is subject to liability under section 176.061, subdivision 5, there is no liability under subdivision 1 for personal injury or disease of employees arising out of and in the course of employment which is compensable under chapter 176.*

Subd. 7. [NATURAL RESOURCES.] *No liability with respect to natural resources shall be imposed when the defendant has demonstrated that:*

(a) *The damages to natural resources complained of were specifically identified as an irreversible and irretrievable commitment of natural resources in an approved final state or federal environmental impact statement, or other comparable approved final environmental analysis; and*

(b) *The facility or project was operating within the terms of its permit or license.*

Subd. 8. [LIABILITY FOR A THREATENED RELEASE.] *Liability for a threatened release of a hazardous substance is limited to the recovery by the agency of reasonable and necessary response costs pursuant to section 15, subdivision 7.*

Subd. 9. [LIABILITY OF POLITICAL SUBDIVISIONS.] *The liability of a political subdivision under this section is subject to the limits imposed under section 466.04, subdivision 1.*

Subd. 10. [ACTS OF EMPLOYEES.] *When a person who is responsible for a release or threatened release as provided in subdivision 2 is an employee who is acting in the scope of his employment:*

(a) *The employee is liable under subdivision 1 only if he failed to exercise due care with respect to the hazardous substance; and*

(b) *His employer shall be considered a person responsible for the release or threatened release and shall be liable under sub-*

division 1 regardless of the degree of care exercised by the employee.

Subd. 11. [AWARD OF COSTS.] Upon motion of a party prevailing in an action under sections 1 to 11 the court may award costs, disbursements and reasonable attorney fees and witness fees to that party.

Sec. 4. [115B.04] [EXEMPTION FROM LIABILITY.]

A person shall not be liable under sections 1 to 12:

(a) For damages as a result of acts taken or omitted in preparation for, or in the course of rendering care, assistance, or advice to the director or agency pursuant to section 14 or in accordance with the national hazardous substance response plan pursuant to the Federal Superfund Act, under 42 U.S.C. Section 9605, or at the direction of an on-scene coordinator appointed under that plan, with respect to an incident creating a danger to public health or welfare or the environment as a result of any release or threatened release of a hazardous substance;

(b) For damages or response costs as a result of the release or threatened release of a hazardous substance from a hazardous waste facility as defined under section 115A.03, for which a permit has been issued pursuant to section 116.07 or pursuant to subtitle C of the Solid Waste Disposal Act, 42 U.S.C. Section 6921 et seq., if the hazardous substance is specifically identified in the permit and the release is within the limits allowed in the permit for release of that substance;

(c) For damage or response costs as a result of the release of a hazardous substance: (1) if the hazardous substance is specifically identified in a federal or state permit held by the person and the release is within the limits allowed therein, (2) if the release results from circumstances identified and reviewed and made a part of the public record of a federal or state agency with respect to a permit held by the person, and the permit was issued or modified under federal or state law, and the release was subject to a condition of the permit, (3) if the release is any emission into the air subject to a permit held by the person or is in compliance with control rules or regulations adopted pursuant to state or federal law, or (4) if the release is the introduction of any pollutant into a publicly owned treatment works when the pollutant is specified in, and is in compliance with, applicable pretreatment standards under state or federal law; or

(d) If his liability has been transferred to and assumed by the federal post-closure liability fund pursuant to the Federal Superfund Act, under 42 U.S.C. Section 9607(k).

Sec. 5. [115B.05] [PROVING CAUSATION OF PERSONAL INJURY OR DISEASE.]

In adjudicating under sections 1 to 12 the question of whether a plaintiff's personal injury or disease was caused by the release of a hazardous substance, the question shall be submitted to the trier of fact if the plaintiff shows evidence sufficient to enable the trier of fact to find that it is more likely than not that the plaintiff's exposure to the hazardous substance found in the release caused or significantly contributed to the injury or disease suffered by the plaintiff. Evidence to a reasonable medical certainty that a release of a hazardous substance caused or significantly contributed to a plaintiff's injury or disease is not necessary for the question of causation to be submitted to the trier of fact.

Nothing in this section affects the burden of persuasion on the question of whether the release of a hazardous substance caused a personal injury or disease. That burden remains with the plaintiff.

Sec. 6. [115B.06] [APPORTIONMENT OF LIABILITY; LIMITATION; CONTRIBUTION.]

Subdivision 1. [APPORTIONMENT FACTORS.] *For the purposes of subdivisions 2 and 3, any person held jointly and severally liable under section 3 may seek an apportionment of the common liability. In apportioning the liability of any party under this section, the trier of fact shall consider the following:*

(a) The ability of the party to demonstrate that his contribution to a release of a hazardous substance can be distinguished;

(b) The amount of hazardous substance involved;

(c) The degree of toxicity of the hazardous substance involved;

(d) The degree of involvement and care exercised in manufacturing, treating, transporting, and disposing of the hazardous substance;

(e) The degree of cooperation with federal, state, or local officials to prevent any harm to the public health or the environment; and

(f) Knowledge of the hazardous nature of the substance.

Subd. 2. [LIMITATION OF LIABILITY.] *If a person who is held jointly and severally liable under section 3 is able to demonstrate by a preponderance of evidence that his share of*

the common liability can be apportioned and that his actions were not a significant factor in causing or contributing to the release or the damages resulting from it, then the liability of that person shall be limited to his proportionate share of the common liability.

Subd. 3. [CONTRIBUTION.] *Any person held jointly and severally liable under section 3 who is required to pay more than that person's proportionate share of the common liability is entitled to seek contribution from any other person liable for the damages to the extent of their proportionate liability.*

Sec. 7. [115B.07] [CIVIL PENALTIES; FAILURE TO TAKE REQUESTED ACTIONS.]

Any person responsible for a release or threatened release of a hazardous substance, pollutant, or contaminant from a facility shall forfeit and pay to the state a penalty in an amount to be determined by the court of not more than \$10,000 per day for each day that the person fails to take response actions or to make reasonable progress in completing response actions requested as provided in this section. A request for emergency removal action shall be made by the director. Other requests for response actions shall be made by the agency. The request shall be in writing, shall state the action requested, the reasons for the action, and a reasonable time by which the action must be begun and completed taking into account the urgency of the action for protection of the public health, welfare, and environment.

The penalty provided under this section may be recovered by an action brought by the attorney general in the name of the state in connection with an action to recover expenses of the agency under section 15, subdivision 7, or by a separate action in the district court of Ramsey County. All penalties recovered under this section shall be deposited in the fund.

Sec. 8. [115B.08] [AGREEMENTS TO TRANSFER LIABILITY; INSURANCE AND SUBROGATION.]

No indemnification, hold harmless, conveyance, or similar agreement shall be effective to transfer the liability imposed under section 3 from the owner or operator of a facility or from any person who may be liable under section 3 to any other person. Nothing in this section shall be construed:

(a) To prohibit any party who may be liable under section 3 from entering an agreement by which that party is insured, held harmless or indemnified for part or all of that liability;

(b) To prohibit the enforcement of any insurance, hold harmless or indemnification agreement; or

(c) To bar any cause of action brought by a party who may be liable under section 3 or by an insurer or guarantor, whether by right of subrogation or otherwise.

Sec. 9. [115B.09] [STATUTE OF LIMITATIONS.]

No person may recover for any injury or loss pursuant to sections 3 to 11 unless the action is commenced within six years from the date of discovery of the injury or loss.

Sec. 10. [115B.10] [OTHER REMEDIES PRESERVED.]

Nothing in sections 1 to 12 shall affect the right of any person to bring a legal action or use any remedy available under any other provision of state or federal law, including common law, to recover for injury, disease or economic loss resulting from a release of any hazardous substance, or for removal or the costs of removal of that hazardous substance.

Sec. 11. [115B.11] [DOUBLE RECOVERY PROHIBITED.]

A person who recovers response costs or damages pursuant to sections 1 to 12 may not recover the same costs or damages pursuant to any other law. A person who recovers response costs or damages pursuant to any other state or federal law may not recover for the same costs or damages pursuant to sections 1 to 12.

Sec. 12. [115B.12] [APPLICATION OF SECTIONS 1 TO 11.]

Sections 1 to 11 apply to any release or threatened release of a hazardous substance occurring on or after July 1, 1982, including any release which began before July 1, 1982 and continued after that date. Sections 1 to 11 do not apply to a release or threatened release which occurred wholly before July 1, 1982, regardless of the date of discovery of any injury or loss caused by the release or threatened release.

Sec. 13. [APPLICATION TO CERTAIN ACTIONS.]

The provisions of sections 1 to 12 do not apply to any action brought before January 1, 1982 by any person who may be liable for the release of a hazardous substance for the purpose of determining liability for that release as between that person and any other person who may be liable for the release.

Sec. 14. [115B.13] [DISPOSITION OF FACILITIES.]

Subdivision 1. [CLOSED DISPOSAL FACILITIES; USE OF PROPERTY.] *No person shall use any property on or in*

which hazardous waste remains after closure of a disposal facility as defined in section 115A.03, subdivision 10, in any way that disturbs the integrity of the final cover, liners, or any other components of any containment system, or the function of the disposal facility's monitoring systems, unless the agency finds that the disturbance:

(a) Is necessary to the proposed use of the property, and will not increase the potential hazard to human health or the environment; or

(b) Is necessary to reduce a threat to human health or the environment.

Subd. 2. [RECORDING OF AFFIDAVIT AND NOTATION.] Before any transfer of ownership of any property which the owner knew or should have known was used as the site of a disposal facility as defined in section 115A.03, subdivision 10, or which the owner knew or should have known was subject to extensive contamination by release of a hazardous substance, the owner shall record with the county recorder of the county in which the property is located an affidavit that discloses to any potential transferee:

(a) That the land has been used to dispose of P waste or that the land has been contaminated by a release of a hazardous substance;

(b) The identity, quantity, location, condition and circumstances of the disposal or contamination to the full extent known or ascertainable; and

(c) That the use of the property may be restricted as provided in subdivision 1.

An owner must also file an affidavit within 60 days after any material change in any matter required to be disclosed under clauses (a) to (c) with respect to property for which an affidavit has already been recorded.

When an affidavit is recorded, the owner shall record with the county recorder a notation on the deed to the property which states the existence of a hazardous substance on the property and the place where the recorded affidavit may be found.

If the owner or any subsequent owner of the property removes the hazardous substance, together with any residues, liner, and contaminated underlying and surrounding soil, that owner may record a notation to the deed indicating the removal of the hazardous substance.

Failure to record an affidavit or notation as provided in this subdivision does not affect or prevent any transfer of ownership of the property.

Subd. 3. [DUTY OF COUNTY RECORDER.] *The county recorder shall record all affidavits and notations presented to him in accordance with subdivision 2. The affidavits shall be recorded in a manner which will assure their disclosure in the ordinary course of a title search of the subject property.*

Subd. 4. [PENALTIES.] (a) *Any person who knowingly violates the provisions of subdivision 1 is subject to a civil fine of not more than \$100,000, and shall be liable under section 3 for any release or threatened release of any hazardous substance resulting from the violation.*

(b) *Any person who knowingly fails to record an affidavit or notation as required by subdivision 2 shall be liable under section 3 for any release or threatened release of any hazardous substance from a facility located on that property.*

(c) *A civil fine may be imposed and recovered by an action brought by a county attorney or by the attorney general in the district court of the county in which the property is located.*

(d) *Any civil fines recovered under this subdivision shall be deposited in the fund.*

Sec. 15. [115B.14] [STATE RESPONSE TO RELEASES OF HAZARDOUS SUBSTANCES.]

Subdivision 1. [REMOVAL AND REMEDIAL ACTION.] *Whenever there is a release or substantial threat of release from a facility into the environment of any pollutant or contaminant which presents an imminent and substantial danger to the public health or welfare, or whenever a hazardous substance is released or there is a threatened release of a hazardous substance into the environment from a facility:*

(a) *The agency may take any removal or remedial action relating to the hazardous substance, pollutant, or contaminant which the agency deems necessary to protect the public health or welfare or the environment. Before taking any action the agency shall:*

(1) *Request any responsible party known to the agency to take actions which the agency deems reasonable and necessary to protect the public health, welfare or the environment, stating the reasons for the actions, a reasonable time for beginning and completing the actions taking into account the urgency of the actions for protecting the public health, welfare and environ-*

ment, and the intention of the agency to take action if the requested actions are not taken as requested; and

(2) Determine that the actions requested by the agency will not be taken by any known responsible party in the manner and within the time requested.

(b) The director may take removal action which he deems necessary to protect the public health, welfare or the environment if the director determines that the release or threatened release constitutes an emergency requiring immediate action to prevent, minimize or mitigate damage to the public health, welfare or the environment. Before taking any action the director shall make reasonable efforts in light of the urgency of the action to follow the procedure provided in clause (a).

No removal action taken by any person shall be construed as an admission of liability for a release or threatened release.

Subd. 2. [POLLUTANT OR CONTAMINANT.] For the purposes of this section and section 7, "pollutant" or "contaminant" includes, but is not limited to, any element, substance, compound, or mixture, including disease-causing agents, which after release from a facility into the environment and upon exposure, ingestion, inhalation, or assimilation into any organism, either directly from the environment or indirectly by ingestion through food chains, will or may reasonably be anticipated to cause death, disease, behavioral abnormalities, cancer, genetic mutation, physiological malfunctions (including malfunctions in reproduction) or physical deformations, in the organisms or their offspring. "Pollutant" or "contaminant" does not include natural gas, natural gas liquids, liquefied natural gas, synthetic gas usable for fuel, or mixtures of such synthetic gas and natural gas.

Subd. 3. [OTHER ACTIONS.] Whenever the agency or director is authorized to act pursuant to subdivision 1 or whenever the agency or director has reason to believe that a release of a hazardous substance, pollutant or contaminant has occurred or is about to occur, or that illness, disease, or complaints thereof may be attributable to exposure to a hazardous substance, pollutant, or contaminant, the agency or director may undertake investigations, monitoring, surveys, testing, and other information gathering necessary or appropriate to identify the existence and extent of the release or threat thereof, the source and nature of the hazardous substances, pollutants or contaminants involved, and the extent of danger to the public health or welfare or to the environment. In addition, the agency may undertake planning, legal, fiscal, economic, engineering, architectural, and other studies or investigations necessary or appropriate to plan and direct a response action, to recover the costs of the response action, and to enforce the provisions of sections 1 to 15.

Subd. 4. [DUTY TO PROVIDE INFORMATION.] Any person who is responsible for a release or threatened release as provided in section 3, subdivision 2, including a release or threatened release of a pollutant or contaminant, when requested by the agency, or any member, employee or agent thereof who is authorized by the agency, shall furnish to the agency any information which he may have or may reasonably obtain which is relevant to the release or threatened release.

Subd. 5. [ACCESS TO INFORMATION AND PROPERTY.] The agency or any member, employee or agent thereof authorized by the agency, upon presentation of credentials, may:

(a) Examine and copy any books, papers, records, memoranda or data of any person who the agency has reason to believe is responsible for a release or threatened release as provided in section 3, subdivision 2, including a release of a pollutant or contaminant; and

(b) Enter upon any property, public or private, for the purpose of taking any action authorized by this section including obtaining information, examining records, conducting surveys or investigations, and taking removal or remedial action.

Subd. 6. [CLASSIFICATION OF DATA.] Except as otherwise provided in this subdivision, data obtained from any person pursuant to subdivision 4 or 5 is public data as defined in section 15.162. Upon certification by the subject of the data that the data relates to sales figures, processes or methods of production unique to that person, or information which would tend to affect adversely the competitive position of that person, the director shall classify the data as private or nonpublic data as defined in section 15.162. Notwithstanding any other law to the contrary, data classified as private or nonpublic under this subdivision may be disclosed when relevant in any proceeding under sections 1 to 15, or to other public agencies concerned with the implementation of sections 1 to 15.

Subd. 7. [RECOVERY OF EXPENSES.] Any reasonable and necessary expenses incurred by the agency or director pursuant to this section including administrative and legal expenses may be recovered in a civil action brought by the attorney general under sections 1 to 12 or under any other law. The agency's certification of expenses shall be prima facie evidence that the expenses are reasonable and necessary. Any expenses incurred pursuant to this section which are recovered by the attorney general pursuant to sections 3 to 11 or any other law shall be deposited in the fund and may be appropriated only for additional response actions as provided in section 17, subdivision 2, clause (b) or (c).

Subd. 8. [ACTIONS RELATING TO NATURAL RESOURCES.] For the purpose of this subdivision, the state is

the trustee of the air, water and wildlife of the state. An action pursuant to sections 1 to 12 for damages with respect to air, water or wildlife may be brought by the attorney general in the name of the state as trustee for those natural resources. Any damages recovered by the attorney general pursuant to sections 1 to 12 or any other law for injury to, or loss of natural resources resulting from the release of a hazardous substance shall be deposited in the fund and may be appropriated only for rehabilitation or restoration of natural resources as provided in section 17, subdivision 2, clause (e).

Subd. 9. [ACTIONS RELATING TO PESTICIDES.] When the commissioner of agriculture has reported an incident involving the release of pesticides under the provisions of section 18A.37, and the agency determines that the incident constitutes a release of a hazardous substance, pollutant or contaminant, the agency shall authorize the commissioner, subject to the provisions of subdivision 13, to take any action which the agency would be authorized to take under subdivisions 1 to 5. Subject to the provisions of section 17, subdivision 3, the agency shall reimburse the commissioner from the fund for the reasonable and necessary expenses incurred in taking those actions and may recover any amount spent from the fund under subdivision 7.

Subd. 10. [ACTIONS RELATING TO OCCUPATIONAL SAFETY AND HEALTH.] The agency, director and the commissioner of labor and industry shall make reasonable efforts to coordinate any actions taken under this section and under sections 182.65 to 182.674 to avoid duplication or conflict of actions or requirements with respect to a release or threatened release affecting the safety of any conditions or place of employment.

Subd. 11. [ACTIONS RELATING TO HEALTH.] The agency and director shall make reasonable efforts to coordinate and consult with the commissioner of health in planning and directing response actions with respect to a release or threatened release affecting the public health. If the commissioner of health, upon the request of the agency, takes any actions authorized under this section, the agency shall reimburse the commissioner from the fund for the reasonable and necessary expenses incurred in taking those actions and may recover any amount spent from the fund under subdivision 7.

Subd. 12. [LIMIT ON ACTIONS BY POLITICAL SUBDIVISIONS.] When the agency or director has requested a person who is responsible for a release or threatened release to take any response action under subdivision 1, no political subdivision shall request or order that person to take any action which conflicts with the action requested by the agency or director.

Subd. 13. [PRIORITIES; RULES.] By January 1, 1983, the agency shall, following appropriate study and investigation and following at least one public hearing, prepare and submit

a report to the legislative commission on waste management which:

(a) identifies the sites and facilities within the state where the past disposal or storage of hazardous substances and pollutants and contaminants has created or threatens to create a significant hazard to the public health, safety and welfare;

(b) describes the hydrogeologic setting, the nature and source of the polluting substance involved, the location and use of waters potentially affected by the pollution, and the potential risk associated with each of the sites;

(c) recommends remedial and removal actions which should be undertaken to prevent or mitigate the hazard involved for each of the sites and facilities identified; and

(d) provides an estimate of the costs of completing the recommended actions for each of the sites and facilities identified.

By August 1, 1982, the agency shall establish a temporary list of priorities among releases or threatened releases for the purpose of taking remedial action and, to the extent practicable consistent with the urgency of the action, for taking removal action under this section. The temporary list, with any necessary modifications, shall remain in effect until nine months after criteria for determining priorities are published in the national contingency plan pursuant to the Federal Superfund Act, under 42 U.S.C. Section 9605. By that date, the agency shall adopt rules establishing state criteria for determining priorities among releases and threatened releases. After rules are adopted, a permanent priority list shall be established, and may be modified from time to time, according to the criteria set forth in the rules. Before any list is established under this subdivision the agency shall publish the list in the state register and allow 30 days for comments on the list by the public.

The temporary list and the rules required by this subdivision shall be based upon the relative risk or danger to public health or welfare or the environment, taking into account to the extent possible the population at risk, the hazardous potential of the hazardous substances at the facilities, the potential for contamination of drinking water supplies, the potential for direct human contact, the potential for destruction of sensitive ecosystems, the administrative and financial capabilities of the agency, and other appropriate factors.

Subd. 14. [REWARDS FOR INFORMATION.] The agency may, subject to the availability of legislative appropriation, establish an informer fund for the purpose of rewarding persons furnishing information regarding violations of sections 1 to 15, which information leads to the arrest and conviction of a violator

or the imposition of a civil fine or punitive damages pursuant to sections 1 to 15. No official or employee of the agency shall be entitled to a reward pursuant to this subdivision. The agency shall maintain confidential the identity of the informant in all instances wherein disclosure is not essential to prosecution of the violation or recovery of civil penalties.

Sec. 16. [PURPOSES OF FUND, TAXES AND FEES.]

In establishing the environmental response, compensation and compliance fund and imposing the tax in section 19, it is the purpose of the legislature to:

(a) Encourage treatment and disposal of hazardous waste in a manner that adequately protects the public health and welfare and the environment;

(b) Encourage responsible parties to provide the response actions necessary to protect the public and the environment from the effects of the release of hazardous substances;

(c) Encourage the use of alternatives to land disposal of solid and hazardous waste including resource recovery, recycling, neutralization and reduction;

(d) Provide state agencies with the financial resources needed to prepare and implement an effective and timely state response to the release of hazardous substances, including investigation, planning, removal and remedial action;

(e) Compensate local units of government for increased governmental expenses and loss of revenue and to provide other appropriate assistance to mitigate any adverse impact on communities in which commercial hazardous waste processing or disposal facilities are located under the siting process provided in chapter 115A; and

(f) Recognize the environmental and public health costs of land disposal of solid waste and of the use and disposal of hazardous substances and to place the burden of financing state waste management activities on those whose products and services contribute to waste management problems and increase the risks of harm to the public and the environment.

Sec. 17. [ENVIRONMENTAL RESPONSE, COMPENSATION AND COMPLIANCE FUND.]

Subdivision 1. [ESTABLISHMENT.] The environmental response, compensation and compliance fund is created as an account in the state treasury and may be spent only for the purposes provided in subdivision 2.

Subd. 2. [PURPOSES FOR WHICH MONEY MAY BE SPENT.] *Subject to appropriation by the legislature the money in the fund may be spent for any of the following purposes:*

(a) *Preparation by the agency for taking removal or remedial action under section 15, including investigation, monitoring and testing activities, enforcement and compliance efforts relating to the release of hazardous substances, pollutants or contaminants;*

(b) *Removal and remedial actions taken or authorized by the agency or director under section 15 and payment of the state share of the cost of remedial action which may be carried out under a cooperative agreement with the federal government pursuant to the Federal Superfund Act, under 42 U.S.C. Section 9604(c)(3) for actions related to facilities other than those located under the siting authority of chapter 115A;*

(c) *Removal and remedial actions taken or authorized by the agency or director under section 15 and payment of the state share of the cost of remedial action which may be carried out under a cooperative agreement with the federal government pursuant to the Federal Superfund Act, under 42 U.S.C. Section 9604(c)(3) for actions related to commercial hazardous waste facilities located under the siting authority of chapter 115A;*

(d) *Compensation to local units of government as provided by law, after submission by the waste management board of the report required under section 115A.08, subdivision 5, to mitigate any adverse impact of the location of commercial hazardous waste processing or disposal facilities located pursuant to the siting authority of chapter 115A;*

(e) *Planning and implementation by the commissioner of natural resources of the rehabilitation, restoration or acquisition of natural resources to remedy injuries or losses to natural resources resulting from the release of a hazardous substance;*

(f) *Inspection and monitoring by the agency, or by local units of government with agency approval, of commercial hazardous waste facilities located under the siting authority of chapter 115A;*

(g) *Grants by the agency or the waste management board to demonstrate alternatives to land disposal of solid and hazardous waste including reduction, separation, pretreatment, processing and resource recovery, for education of persons involved in regulating and handling solid and hazardous waste, and to assist counties to develop comprehensive waste management plans; and*

(h) Intervention and environmental mediation by the legislative commission on waste management under chapter 115A.

Subd. 3. [LIMIT ON CERTAIN EXPENDITURES.] The director or agency may not spend any money under subdivision 2, clause (b) or (c) for removal or remedial actions to the extent that the costs of those actions may be compensated from any fund established under the Federal Superfund Act, 42 U.S.C. Section 9600 et seq. The director or agency shall determine the extent to which any of the costs of those actions may be compensated under the federal act based on the likelihood that the compensation will be available in a timely fashion taking into account:

(a) The urgency of the removal or remedial actions and the priority assigned under the Federal Superfund Act to the release which necessitates those actions;

(b) The availability of money in the funds established under the Federal Superfund Act; and

(c) The consistency of any compensation for the cost of the proposed actions under the Federal Superfund Act with the national contingency plan, if such a plan has been adopted under that act.

Subd. 4. [REVENUE SOURCES.] Revenue from the following sources shall be deposited in the environmental response, compensation and compliance fund:

(a) The proceeds of the tax imposed pursuant to section 19, including interest and penalties;

(b) All money recovered by the state under section 15, subdivisions 7 and 8;

(c) All money paid to the agency in matters relating to the enforcement of sections 1 to 14 or any other statute or rule related to the regulation of hazardous waste or hazardous substances, including civil penalties and money paid under any agreement, stipulation or settlement;

(d) All interest attributable to investment of money deposited in the fund; and

(e) All money received in the form of gifts, grants, reimbursement or appropriation from any source for any of the purposes provided in subdivision 2, except federal grants.

Subd. 5. [RECOMMENDATION BY LCWM.] The legislative commission on waste management shall make recommendations on appropriations from the fund to the standing legislative committees on finance and appropriations.

Subd. 6. [REPORT TO LEGISLATURE.] At the end of each fiscal year, the agency shall submit to the senate finance committee, the house appropriations committee and the legislative commission on waste management a report detailing the activities for which money from the environmental response, compensation and compliance fund has been spent during that year.

Sec. 18. [TAXES AND FEES; DEFINITIONS.]

Subdivision 1. [APPLICATION.] The definitions provided in this section apply to sections 18 to 22.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of revenue.

Subd. 3. [MIXED MUNICIPAL SOLID WASTE.] "Mixed municipal solid waste" means the waste defined in section 115A.02, subdivision 21.

Subd. 4. [SOLID WASTE DISPOSAL FACILITY.] "Solid waste disposal facility" means real or personal property which is primarily used for the land disposal of mixed municipal solid waste.

Subd. 5. [GENERATOR.] "Generator" means a person who generates hazardous waste and who is required to disclose the generation of hazardous waste under the hazardous waste rules of the agency adopted under section 116.07.

Subd. 6. [OPERATOR.] "Operator" means the permittee, owner, or other person in control of the facility under a lease, contract, or other arrangement.

Subd. 7. [LONG TERM CONTAINMENT.] "Long term containment" means land disposal or storage for a period of more than one year.

Subd. 8. [TREATMENT.] "Treatment" means any material, technique or process designed to change the physical, chemical or biological character or composition of a hazardous waste in order to: (a) neutralize it; (b) render it nonhazardous or less hazardous; (c) render it safer to transport, store or dispose of; (d) make it amenable to storage; or (e) reduce its volume.

Sec. 19. [HAZARDOUS WASTE GENERATOR TAX.]

Subdivision 1. [TAX IMPOSED; EXCLUSIONS.] Each generator of hazardous waste shall pay the tax imposed by this section based upon the volume and destination of the hazardous wastes generated. The tax imposed by this section does not apply to hazardous wastes destined for recycling or reuse or to used crankcase oil.

Subd. 2. [LONG TERM CONTAINMENT WITHOUT TREATMENT.] *Hazardous waste destined for long term containment without treatment shall be taxed at the rate of 20 cents per gallon of liquid or \$20 per cubic yard of solid.*

Subd. 3. [LONG TERM CONTAINMENT AFTER TREATMENT.] *Hazardous waste destined for long term containment after treatment shall be taxed at the rate of 16 cents per gallon of liquid or \$16 per cubic yard of solid.*

Subd. 4. [OTHER TREATMENT.] *Hazardous waste destined for treatment to produce a material which is not hazardous, including treatment permitted by the agency in a sewage treatment works, or hazardous waste which is destined for destructive treatment by incineration, shall be taxed at the rate of eight cents per gallon of liquid or \$8 per cubic yard of solid.*

Subd. 5. [ON-SITE TREATMENT; REDUCED TAX.] *Hazardous wastes which are treated in a manner provided in subdivision 3 or 4 before the wastes are transported along any public street or highway as defined in section 169.01, subdivision 29, or are put into any sewer system as permitted by the agency, shall be taxed at one-half the rate at which they would otherwise be taxed.*

Subd. 6. [DISPOSITION OF PROCEEDS.] *The proceeds of the tax imposed under this section including any interest and penalties, less the commissioner's costs of administration, shall be deposited in the fund and may be appropriated for any purpose provided in section 17, subdivision 2, except the purposes provided in clauses (b) and (c) of that subdivision.*

Subd. 7. [PAYMENT BY OUT OF STATE GENERATORS.] *A generator of any hazardous waste which is generated outside of this state and is transported into this state for long term containment or treatment as described in subdivisions 2 to 4 shall pay the tax imposed by this section at the first point at which the hazardous wastes are received by a person in this state for storage, treatment or long term containment. The tax shall be paid to the person who first receives the wastes in this state at the time the waste is received and shall be remitted by that person to the commissioner of revenue quarterly in the form and manner provided by the commissioner.*

Sec. 20. [SEVERABILITY.]

If any tax imposed under section 19 is found to be invalid because of the purpose for which the proceeds were appropriated or made available under section 17, subdivision 2, the proceeds of that tax shall not be appropriated or available for the objectionable purposes, but the tax shall continue to be imposed and the proceeds shall be appropriated and made available for other purposes provided in section 17, subdivision 2.

Sec. 21. [TAX ADMINISTRATION AND ENFORCEMENT.]

Subdivision 1. [QUARTERLY REPORTS AND PAYMENTS; EXCEPTION.] *By the fourteenth day following the last day of each calendar quarter beginning after December 31, 1982, every person liable for payment of a tax under section 19 shall make and file with the commissioner of revenue a report under oath, in the form and containing the information required by the commissioner. The amount of the tax due shall be remitted together with the form. The commissioner may establish rules under which a generator of a low volume of hazardous wastes may file the report and pay the tax annually.*

Subd. 2. [AMENDED RETURNS.] *Any taxpayer who finds that a return filed under this section as originally filed is in error may correct the error by filing an amended return. If the taxpayer is entitled to a refund due to the correction, the amended return will serve as a claim for the refund provided it is filed no later than three years after the original return is filed.*

Subd. 3. [EXCHANGE OF INFORMATION.] *Notwithstanding the provisions of section 116.075 or 290.61 or any other law to the contrary, the department of revenue and the pollution control agency may provide each other with the information necessary for the enforcement of section 19. Information disclosed in a return filed pursuant to this section or information exchanged between the department and the agency shall be public records unless the information is of the type determined to be for the confidential use of the agency pursuant to section 116.075 or is trade secret information classified pursuant to section 15.1673.*

Subd. 4. [PAYMENT BY OUT-OF-STATE GENERATORS.] *A generator of any hazardous waste which is generated outside of this state and is transported into this state for long term containment or treatment as described in section 19, subdivisions 2 to 4 shall pay the tax imposed by this section at the first point at which the hazardous wastes are received by a person in this state for storage, treatment or long term containment. The tax shall be paid to the person who first receives the wastes in this state at the time the waste is received and shall be remitted by that person to the commissioner of revenue quarterly in the form and manner provided by the commissioner.*

Subd. 5. [DUTIES OF THE AGENCY.] *The agency shall provide to the commissioner the names and addresses of all persons known to the agency who are subject to tax under section 19, together with any information which the agency possesses concerning the amount of hazardous waste generated and disposed of by those persons. The agency shall notify the commissioner of any suspected inaccurate or fraudulent declaration or*

return and may audit any person subject to tax under section 19 when requested by the commissioner.

Subd. 6. [PENALTIES; ENFORCEMENT.] The audit, penalty and enforcement provisions applicable to taxes imposed under chapter 290 apply to the tax imposed under section 19 and those provisions shall be administered by the commissioner.

Subd. 7. [RULES.] The commissioner may adopt temporary and permanent rules necessary to implement the provisions of this section. The agency may adopt temporary and permanent rules necessary to implement the provisions of section 19.

Sec. 22. [HAZARDOUS WASTE ADMINISTRATION FEES.]

Subdivision 1. [FEE SCHEDULES.] The agency shall establish the fees provided in subdivisions 2 and 3 in the manner provided in section 16A.128 in order to raise an amount of fees sufficient to cover the non-federally funded portion of the amount appropriated to the agency for that year for permitting, inspection, monitoring and enforcement expenses of the hazardous waste activities of the agency, excluding any amount appropriated under section 17, subdivision 2, clauses (a) and (f). Fees collected from hazardous waste activities shall approximate the expenses of the agency for regulation of hazardous waste. The legislature may appropriate additional amounts which need not be raised by fees or may provide that the fees shall cover a proportion of the appropriation for the division in order to assure adequate funding for the regulatory and enforcement functions of the division related to its hazardous waste activities. All fees collected by the agency under this section shall be deposited in the general fund.

Subd. 2. [HAZARDOUS WASTE GENERATOR FEE.] Each generator of hazardous waste shall pay a fee on the hazardous waste which he generates. The agency shall compute the amount of the fee due based on the hazardous waste disclosures submitted by the generators and other information available to the agency. The agency shall annually prepare a statement of the amount of the fee due from each generator. The fee shall be paid annually commencing with the first day of the calendar quarter after the date of the statement.

The agency may exempt generators of small quantities of hazardous wastes otherwise subject to the fee if it finds that the cost of administering a fee on those generators is excessive relative to the proceeds of the fee. The fee shall consist of a minimum fee for each generator not exempted by the agency and an additional fee which generally reflects the quantity of wastes generated by the generator.

If any metropolitan counties recover the costs of administering county hazardous waste regulations by charging fees, the fees charged by the agency outside of those counties shall not exceed the fees charged by those counties. The agency shall not charge a fee in any metropolitan county which charges such a fee. The agency shall impose a surcharge on the fees charged by the metropolitan counties and by the agency to reflect the agency's expenses in carrying out its statewide hazardous waste regulatory responsibilities. The surcharge imposed on the fees charged by the metropolitan counties shall be collected by the metropolitan counties in the form and manner in which the counties collect their generator fees. Metropolitan counties shall remit the proceeds of the surcharge to the agency by the last day of the month following the month in which they were collected.

Subd. 3. [FACILITY FEES.] *The agency shall charge an original permit fee, a reissuance fee and an annual operator's fee for any hazardous waste facility permitted by the agency. The agency may include reasonable and necessary costs of any environmental review required under chapter 116D in the original permit fee for any hazardous waste facility.*

Sec. 23. Minnesota Statutes 1980, Section 116.03, Subdivision 3, is amended to read:

Subd. 3. The director of the pollution control agency is the state agent to apply for, receive, and disburse federal funds made available to the state by federal law or rules and regulations promulgated thereunder for any purpose related to the powers and duties of the pollution control agency or the director. He shall comply with any and all requirements of such federal law or such rules and regulations promulgated thereunder to enable him to apply for, receive, and disburse such funds. All such moneys received by the director shall be deposited in the state treasury and are hereby annually appropriated to him for the purposes for which they are received. None of such moneys in the state treasury shall cancel and they shall be available for expenditure in accordance with the requirements of federal law.

(NO APPLICATION FOR FEDERAL FUNDS UNDER THIS SUBDIVISION SHALL BE SUBMITTED TO FEDERAL AUTHORITIES FOR APPROVAL UNLESS THE PROPOSED BUDGET FOR THE EXPENDITURE OF FEDERAL FUNDS IS APPROVED BY THE GOVERNOR AND REPORTED TO THE LEGISLATIVE COMMITTEES DESIGNATED IN SECTION 16.165 AND, WHEN THE LEGISLATURE IS NOT IN SESSION, REPORTED TO THE STANDING COMMITTEE ON FINANCE OF THE SENATE AND THE STANDING COMMITTEE ON APPROPRIATIONS OF THE HOUSE OF REPRESENTATIVES.)

The provisions of section 3.3005 shall not apply to emergency response moneys available without requirement of a state match

under the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C., Sections 9601 to 9657. The receipt of the moneys shall be reported to the legislative advisory commission.

Sec. 24. [116.102] [PIPELINE TESTING.]

Subdivision 1. [TEST REQUIRED.] *Any pipeline from which a release occurs or has occurred after January 1, 1981, shall be tested for integrity and shall be operated at no more than 90 percent of maximum operating pressure until integrity is certified.*

Subd. 2. [DETAILS; REPORTS; CERTIFICATION.] *Testing shall be conducted within the section of the pipeline from which the release occurred and shall conform with the requirements of the United States Department of Transportation Regulations for Transportation of Liquids by Pipeline, Code of Federal Regulations, title 42, part 195, subpart E—Hydrostatic Testing, except that only water shall be used as a test medium and the test pressure shall be maintained for at least three hours throughout the part of the system being tested. Appropriation and disposal of the test medium shall conform with the requirements of applicable law. Any pipeline failures occurring during testing shall be reported immediately to the agency. In addition, a written report containing all relevant information regarding the extent of any pollution of land or water resulting from a failure during testing as well as information regarding recovery of the material lost during testing and reclamation of the affected area shall be submitted to the agency within a reasonable period.*

Certification of integrity as demonstrated by successful testing, including a written report containing all pertinent data from the test, shall be submitted to the agency within eight months after the discovery of the release or within eight months after the effective date of this section, whichever occurs later.

Subd. 3. [ADDITIONAL TESTING.] *In addition to any tests required under subdivisions 2 and 3, the agency may require testing of any pipeline on the basis of relevant factors including but not limited to age of the pipe, measures taken to protect the pipe, location, potential effect of a release on health or welfare or the environment, and past incidence of releases.*

Subd. 4. [DEFINITIONS.] *As used in this section, the following term has the meaning given:*

"Maximum operating pressure" means the maximum operating pressure allowable under the United States Department of Transportation Regulations for Transportation of Liquids by

Pipeline, Code of Federal Regulations, title 42, part 195, subpart F—Operation and Maintenance.

Sec. 25. Minnesota Statutes 1980, Section 466.01, is amended by adding a subdivision to read:

Subd. 3. For the purposes of sections 466.01 to 466.15, "release" and "hazardous substance" have the meanings given in section 2.

Sec. 26. Minnesota Statutes 1980, Section 466.04, Subdivision 1, is amended to read:

Subdivision 1. [LIMITS; PUNITIVE DAMAGES.] Liability of any municipality on any claim within the scope of sections 466.01 to 466.15 shall not exceed

(a) \$100,000 when the claim is one for death by wrongful act or omission and \$100,000 to any claimant in any other case;

(b) \$300,000 for any number of claims arising out of a single occurrence;

(c) *Twice the limits provided in clauses (a) and (b) when the claim arises out of the release or threatened release of a hazardous substance, whether the claim is brought under sections 1 to 12 or under any other law.*

No award for damages on any such claim shall include punitive damages.

Sec. 27. [APPROPRIATIONS; APPROVED COMPLEMENT.]

Subdivision 1. [DEDICATED FUND.] *The appropriations in subdivisions 2 and 3 are from the environmental response, compensation and compliance fund, and are available until July 1, 1983.*

Subd. 2. [RESPONSE ACTIONS.] *All revenues deposited in the fund before July 1, 1983, except the proceeds of the tax imposed under section 19 and any money recovered under section 15, subdivision 8, are appropriated to the agency for actions under section 17, subdivision 2, clause (b).*

Subd. 3. [PREPARATION FOR RESPONSE.] *All revenues deposited in the fund before July 1, 1983 as proceeds of the tax imposed under section 19 are appropriated to the agency for the purposes of section 17, subdivision 2, clause (a).*

Subd. 4. [GENERAL FUND.] *The appropriations in subdivisions 5 and 6 are from the general fund for the biennium*

ending June 30, 1983. The commissioner of finance shall reimburse the general fund for these appropriations by transferring these amounts from the environmental response, compensation and compliance fund not later than June 30, 1983.

Subd. 5. [REVENUE DEPARTMENT.] The sum of \$ is appropriated from the general fund to the department of revenue for development costs and other expenses to enforce the provisions of sections 19 to 21. The approved complement of the department is increased by . . positions.

Subd. 6. [POLLUTION CONTROL AGENCY.] The sum of \$ is appropriated from the general fund to the pollution control agency to adopt rules and take other actions necessary to prepare the agency to implement its authority under sections 15, and 19 to 21. The approved complement of the agency is increased by . . positions.

Sec. 28. [APPROPRIATION.]

There is appropriated from the general fund \$2,700,000 to the environmental response, compensation and compliance fund.

Sec. 29. [EFFECTIVE DATE.]

Sections 19 to 21 and 23 and 24 are effective the day following final enactment except that the tax imposed by section 19 is effective January 1, 1983. Section 22 is effective July 1, 1983. The remaining sections of this act are effective July 1, 1982."

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

The report was adopted.

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

H. F. No. 1440, A bill for an act relating to game and fish; expanding the list of counties in which the use of snowmobiles may be authorized in connection with taking beaver or otter; amending Minnesota Statutes 1980, Section 100.29, Subdivision 30.

Reported the same back with the following amendments:

Page 1, line 24, after "vehicle" insert "in any county"

Page 1, line 25, strike "in" and delete "Kittson, Roseau,"

Page 1, delete line 26

Page 2, line 1, delete the new language and strike "Lake"

Page 2, line 2, strike everything before the period

Amend the title as follows:

Page 1, line 2, delete "expanding the list of"

Page 1, line 3, delete "counties in which" and insert "allowing the commissioner of natural resources to authorize"

Page 1, line 3, delete "may be"

Page 1, line 4, delete "authorized"

With the recommendation that when so amended the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 1494, A bill for an act relating to agriculture; creating a family farm finance agency; authorizing the agency to issue debt obligations and to make loans for the acquisition of farm land; transferring the family farm security program to the agency; appropriating money; amending Minnesota Statutes 1980, Sections 41.51; 41.52, Subdivisions 1, 5, 8, 9 and 10, and by adding subdivisions; 41.54, Subdivision 4; 41.55; 41.56; 41.57; 41.58; 41.59, Subdivisions 1 and 2; and 41.60; proposing new law coded in Minnesota Statutes, Chapter 41; repealing Minnesota Statutes 1980, Section 41.53.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 41.51, is amended to read:

41.51 [LEGISLATIVE FINDINGS; PURPOSE.]

(IN ORDER TO AID FARMERS IN OBTAINING CREDIT FOR THE ACQUISITION OF FARM REAL ESTATE, THERE IS ESTABLISHED A FAMILY FARM SECURITY PROGRAM WHICH SHALL PROVIDE STATE MONEY IN GUARANTEE OF LOANS MADE ACCORDING TO THE PROVISIONS OF LAWS 1976, CHAPTER 210.)

The legislature finds:

(a) *That the high cost and unavailability of loans to farmers for the purchase of farm land, particularly for young farmers,*

threatens the continued existence of the family farm in Minnesota;

(b) That the high cost and the unavailability of credit cannot be remedied by private enterprise and private financial institutions; and

(c) That the creation of a family farm finance agency will increase the availability of credit for acquisition of farm land at a more reasonable cost and will encourage additional investment of private capital in the agricultural sector of the state economy.

It is the purpose of sections 41.51 to 41.61 to aid farmers in obtaining credit at a reasonable cost for the acquisition of farm land and to encourage the investment of private capital in a manner that will foster the continued existence and prosperity of the family farm and will contribute to a healthy agricultural economy in Minnesota.

Sec. 2. Minnesota Statutes 1980, Section 41.52, Subdivision 1, is amended to read:

Subdivision 1. For the purposes of (LAWS 1976, CHAPTER 210) sections 41.51 to 41.61 the following terms shall have the meanings given.

Sec. 3. Minnesota Statutes 1980, Section 41.52, is amended by adding a subdivision to read:

Subd. 1a. "Agency" means the family farm finance agency established in section 10.

Sec. 4. Minnesota Statutes 1980, Section 41.52, is amended by adding a subdivision to read:

Subd. 1b. "Bonds" means any bonds, notes, debentures, interim certificates, grant or revenue anticipation notes or any other evidences of indebtedness.

Sec. 5. Minnesota Statutes 1981 Supplement, Section 41.52, Subdivision 5, is amended to read:

Subd. 5. "Family farm (SECURITY) loan" (, EXCEPT IN THE CASE OF A SELLER-SPONSORED LOAN, MEANS A LOAN SECURED BY A FIRST REAL ESTATE MORTGAGE. IN THE CASE OF A SELLER-SPONSORED LOAN, IT MEANS A LOAN SECURED EITHER BY A REAL ESTATE MORTGAGE EVIDENCED BY ONE OR MORE NOTES OR SECURED BY A CONTRACT FOR DEED. IT SHALL BE USED FOR ACQUISITION OF FARM LAND AND SHALL BE APPROVED BY THE COMMISSIONER. THIS LOAN SHALL BE GUARANTEED AND MAY QUALIFY FOR A PAYMENT ADJUSTMENT AS DEFINED IN SUBDIVISION 10 AND MAY BE A SELLER-SPONSORED LOAN AS DEFINED IN SUBDIVISION 8) *means a loan for the acquisition of farm land.*

Sec. 6. Minnesota Statutes 1980, Section 41.52, is amended by adding subdivisions to read:

Subd. 5a. "Family farm first mortgage loan" means a family farm loan made or purchased by the agency pursuant to section 15, subdivision 2.

Subd. 5b. "Family farm down payment loan" means a family farm loan made or purchased by the agency pursuant to section 15, subdivision 3.

Sec. 7. Minnesota Statutes 1981 Supplement, Section 41.52, Subdivision 8, is amended to read:

Subd. 8. "Seller-sponsored loan" means a loan in which part or all of the purchase price of the farm is financed by a loan from the seller of the property who is a natural person, a partnership or a family farm corporation as defined in section 500.24, and the remainder of the loan, if any, is supplied by a lender as defined in subdivision 7 (OR OTHER PERSON), *by another person, or by the agency.* This loan shall be secured by a real estate mortgage evidenced by one or more notes that may carry different interest rates, or by a contract for deed.

Sec. 8. Minnesota Statutes 1981 Supplement, Section 41.52, Subdivision 9, is amended to read:

Subd. 9. "(FAMILY FARM) State loan guarantee" means an agreement that in the event of default the (STATE OF MINNESOTA SHALL) *agency will* pay the lender 90 percent of the sums due and payable under (THE FIRST) *a real estate mortgage (, OR, IN THE CASE OF A SELLER-SPONSORED LOAN, 90 PERCENT OF THE SUMS DUE AND PAYABLE UNDER THE NOTE AND MORTGAGE) held by a lender to secure a family farm loan or contract for deed.*

Sec. 9. Minnesota Statutes 1980, Section 41.52, Subdivision 10, is amended to read:

Subd. 10. "(PAYMENT) Interest adjustment" means an amount of money equal to four percent interest on the principal balance of (THE) *a family farm (SECURITY) loan.*

Sec. 10. [41.521] [FAMILY FARM FINANCE AGENCY.]

Subdivision 1. [ESTABLISHMENT; BOARD.] The family farm finance agency is created and authorized to act within the scope of the powers and duties provided in sections 41.51 to 41.61 in order to carry out the purposes of those sections. The powers of the agency are vested in a board as provided in section 41.54. The board is responsible for management and control of the agency. A majority of the members, excluding vacant member-

ships, is a quorum. When a quorum is present at any meeting of which notice has been given to or waived by all absent members in the manner provided in bylaws adopted by the vote of a majority of all members, any action of the agency may be taken by the vote of a majority of the members present. Fewer than a quorum may hear reports and adjourn from time to time.

Subd. 2. [ADMINISTRATION OF AGENCY.] An officer or employee of the department of agriculture may be designated by the agency to act as executive director. The agency shall operate as a division of the department of agriculture. The commissioner of agriculture shall provide the agency with necessary staff, office space, and administrative services. The agency and the housing finance agency shall cooperate to the extent practicable to minimize duplication of effort and encourage efficient administration of the bonding and loan programs of those agencies.

Sec. 11. Minnesota Statutes 1980, Section 41.54, Subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] (THERE IS ESTABLISHED A) The board of the family farm (ADVISORY COUNCIL COMPOSED OF SEVEN) finance agency shall consist of seven members. The members of the board shall annually elect the chairman and other officers as they deem necessary. The remaining members shall be appointed by the (COMMISSIONER OF AGRICULTURE AS FOLLOWS) governor with the advice and consent of the senate and shall meet the following qualifications:

(a) Two shall be officers (FROM) of a commercial lending institution;

(b) One shall be a dairy farmer;

(c) One shall be a livestock farmer;

(d) One shall be a cash grain farmer;

(e) One shall be an officer from a farm credit association;

(f) One shall be an agricultural economist.

Sec. 12. Minnesota Statutes 1981 Supplement, Section 41.54, Subdivision 2, is amended to read:

Subd. 2. [TERMS AND COMPENSATION.] The compensation and removal of board members (OF THE COUNCIL) and appointments to fill vacancies on the board shall be governed by section (15.059) 15.0575. (THE COUNCIL SHALL MEET MONTHLY OR MORE OFTEN AS NEEDED.)

The terms of the members serving on January 15, 1981, shall end on the first Monday in April in the year indicated as follows:

(a) The dairy farmer and one officer from a commercial lending institution, 1982;

(b) The cash grain farmer and the officer from a farm credit association, 1983;

(c) The livestock farmer and one officer from a commercial lending institution, 1984; and

(d) The agricultural economist, 1985.

After a term expires as provided in clauses (a) to (d), all successors shall be appointed for four year terms. The terms of the present officers from a commercial lending institution shall be decided by lot subject to clauses (a) and (c).

Sec. 13. Minnesota Statutes 1980, Section 41.54, Subdivision 4, is amended to read:

Subd. 4. [ADDITIONAL DUTIES.] (THE DUTIES OF THE COUNCIL SHALL BE AS FOLLOWS) *In addition to its other powers and duties under chapter 41, the board shall:*

(a) (TO) *Periodically* review and appraise the (FAMILY FARM SECURITY PROGRAM) *programs of the agency;*

((B) TO GIVE ADVICE AND COUNSEL TO THE COMMISSIONER REGARDING THE FAMILY FARM SECURITY PROGRAM;)

((C) TO REVIEW) (b) *Approve or disapprove* all applications for family farm (SECURITY) loans *which may be made, purchased or participated in by the agency or for which a state loan guarantee may be made* (AND MAKE RECOMMENDATIONS TO THE COMMISSIONER AS TO THEIR DISPOSITION; and

((D) TO) (c) Make recommendations to the (COMMISSIONER OF AGRICULTURE,) legislature and the public on or before December 31 of each year regarding any needed state policy or program changes to foster and promote the economic health and viability of the family farm.

Sec. 14. Minnesota Statutes 1980, Section 41.54, is amended by adding a subdivision to read:

Subd. 6. [COUNCIL MEMBERS TO BECOME BOARD MEMBERS; VACANCIES.] *Notwithstanding any other law, the members of the advisory council serving on the effective date*

of this section shall be the members of the board of the agency for the terms as provided in this section. When any of those members cease to serve as members of the board for any reason, the vacancy shall be filled by appointment of a new member by the governor with the advice and consent of the senate as provided in subdivision 1.

Sec. 15. [41.541] [SPECIFIC POWERS OF AGENCY.]

Subdivision 1. [POWERS.] The agency shall have the specific powers and duties set forth in this section.

Subd. 2. [FAMILY FARM FIRST MORTGAGE LOANS.] Subject to the provisions of section 41.55, the agency may make or purchase from an originating lender a family farm first mortgage loan.

Subd. 3. [DOWN PAYMENT LOANS.] Subject to the provisions of section 41.55, the agency may make or purchase from an originating lender a family farm down payment loan in an amount not exceeding the difference between the purchase price of the farm land and:

(a) The amount of a family farm first mortgage loan secured by that land; or

(b) The amount of a family farm loan made by a lender which is secured by a first mortgage on the land or by a contract for deed.

A down payment loan for the purchase of farm land which is subject to a family farm first mortgage loan shall be secured by a mortgage subordinate to the lien of the first mortgage.

Subd. 4. [STATE LOAN GUARANTEE.] Subject to the provisions of section 41.55, the agency may agree in the event of default of a family farm loan to pay the lender 90 percent of the sum due and owing under a first mortgage or contract for deed held by the lender to secure the loan. A state loan guarantee shall be void only if the guaranteed loan was obtained by fraud or material misrepresentation of which the original lender or subsequent holder had actual knowledge.

Subd. 5. [INTEREST ADJUSTMENT.] Subject to the provisions of sections 41.55 and 41.58, the agency may pay an interest adjustment on a family farm loan secured by a real estate mortgage or contract for deed held by a lender.

Subd. 6. [LOANS BY FEDERAL LAND BANK; STATE PARTICIPATION AND GUARANTEE.] The agency may participate in or provide a state loan guarantee for a family farm loan made by the federal land bank. The state share of any loan

and any state loan guarantee under this subdivision may be secured by a mortgage lien subordinate to the lien of the federal land bank. The agency may not act under this subdivision until it has entered an agreement with the federal land bank which identifies the type of family farm loans in which the agency will participate or which it will guarantee, and specifies the duties and obligations of the agency and the federal land bank with regard to family farm loans in which the agency participates or which it guarantees. The agreement shall be consistent as far as practicable with the eligibility criteria provided in section 41-55, subdivision 1, and with the intent and purposes of chapter 41. The agreement shall provide that the state will share in any losses or gains realized by the federal land bank from loans in which the agency participates or which it guarantees.

Subd. 7. [COMMITMENTS AND SERVICE CONTRACTS.] The agency may make commitments to lenders to purchase family farm first mortgage or down payment loans, and may enter agreements with lenders to service and process those loans or other family farm loans for which a state loan guarantee or interest adjustment is sought.

Subd. 8. [GUARANTEES.] The agency may procure from any agency or instrumentality of the state or federal government, a private mortgage insurance company, or any other private or public agency an agreement to insure or guarantee the payment of all or a portion of a family farm first mortgage or down payment loan.

Subd. 9. [AGREEMENTS.] The agency may enter into agreements with any department, agency or instrumentality of the United States or this state and with lenders including loan agreements with contracting parties for the purpose of planning, regulating and providing for the acquisition of farm land by means of a family farm first mortgage or down payment loan or a family farm loan in which the state participates or which is subject to a state loan guarantee or interest adjustment.

Subd. 10. [SECONDARY MARKET GUARANTEES WITHOUT RECOURSE.] In the case of all state loan guarantees, except seller-sponsored loan guarantees, the agency may extend said guarantees to a bona fide purchaser of the guaranteed portion of the note and mortgage executed by an original lender and borrower without recourse by the agency against said bona fide purchaser of said guaranteed portion, provided the agency is made the named beneficiary of a title insurance policy insuring marketable title to the farm land in question and the agency is given the written opinion of original lender's counsel that the original loan transaction was fully closed, that disbursements were made correctly, that lender's security was properly perfected and constitutes a valid first lien upon the property, that original borrower's note is a valid and binding obligation, and that all conditions deemed desirable to assure the validity and legal enforceability of the note and mortgage and all agree-

ments delivered to the original lender in connection with the original loan have been complied with satisfactorily. In the event title insurance is, as a practical matter, unavailable or an undue hardship, the agency may provide said guarantee without recourse by the agency against said bona fide purchaser provided the agency is given the written opinion of competent local counsel concerning marketable title and the written opinion of original lender's counsel that the original loan transaction was fully closed, that disbursements were made correctly, that lender's security was properly perfected and constitutes a valid first lien upon the property, that original borrower's note is a valid and binding obligation, and that all conditions deemed desirable to assure the validity and legal enforceability of the note and mortgage and all agreements delivered to the original lender in connection with the original loan have been complied with satisfactorily. The making of such a guarantee without recourse shall not affect the rights the state of Minnesota may have with respect to the original lender, mortgagor, or any other party.

Sec. 16. [41.542] [GENERAL POWERS.]

Subdivision 1. [POWERS.] For the purpose of exercising the specific powers granted in section 15 and effectuating the other provisions of sections 41.51 to 41.61, the agency shall have the general powers granted in this section.

Subd. 2. [MAY SUE.] It may sue and be sued.

Subd. 3. [SEAL.] It may have a seal and alter the same at will.

Subd. 4. [RULEMAKING.] It may adopt rules necessary to implement the provisions of sections 41.51 to 41.61. The rules are subject to the provisions of the administrative procedure act, sections 15.041 to 15.052.

Subd. 5. [PERSONAL PROPERTY.] It may acquire, hold and dispose of personal property for its corporate purposes.

Subd. 6. [AGREEMENTS.] It may enter into agreements or other transactions with any federal or state agency, any person, or any domestic or foreign partnership, corporation, organization, or association.

Subd. 7. [REAL PROPERTY.] It may acquire real property or interest therein in its own name by purchase or foreclosure where acquisition is necessary or appropriate to protect any loan in which the agency has an interest.

Subd. 8. [SALE OF DEBT OR SECURITY INSTRUMENT.] It may sell at public or private sale any note, mortgage or other instrument or obligation evidencing or securing a loan.

Subd. 9. [INSURANCE.] It may procure insurance against any loss in connection with its property in the amounts, for the risks and from the insurers as may be necessary or desirable.

Subd. 10. [MODIFICATION OF TERMS.] It may consent, whenever it deems necessary or desirable in the fulfillment of its corporate purpose, to the modification of the rate of interest, time of payment, or any installment of principal or interest or any other term of any loan, loan commitment, contract or agreement of any kind to which the agency is a party.

Subd. 11. [ACCEPTANCE OF MONEY AND PROPERTY.] It may accept appropriations, gifts, grants, bequests and devises, and utilize or dispose of them to carry out its corporate purposes.

Subd. 12. [REPORT.] On or before January 1 of each year the agency shall submit a report to the legislature, as provided in section 3.195, concerning the actions of the agency and the status of loans granted and guaranteed during the preceding fiscal year.

Sec. 17. [41.543] [BONDS; POWERS AND DUTIES.]

Subdivision 1. [GENERAL POWERS.] The agency may borrow money to carry out and effectuate its corporate purpose and may issue its negotiable bonds as evidence of any borrowing in accordance with sections 462A.08 to 462A.13 and 462A.17, all with the force and effect stated and the incidental powers granted and the duties imposed in those sections.

Subd. 2. [OUTSTANDING AMOUNT LIMITED.] The aggregate principal amount of the agency's bonds outstanding at any one time, excluding the amount satisfied and discharged by payment or provision for payment in accordance with their terms, and deducting amounts held in debt service reserve funds therefor, shall not exceed \$20,000,000 unless authorized by another law.

Subd. 3. [BONDS PAYABLE FROM PARTICULAR MONEYS.] It may issue and sell bonds, payable solely from particular moneys, assets, or revenues derived from its program notwithstanding section 462A.08, subdivision 3.

Subd. 4. [SALE.] It may sell any of its bonds at public or private sale, at such price or prices as the agency shall determine.

Subd. 5. [LOAN TERMS.] It may establish and collect reasonable interest and amortization payments on loans, and in connection therewith may establish and collect or authorize the collection of reasonable fees and charges or require funds to be placed in escrow, sufficient to provide for the payment and security of its bonds, commitments, and other obligations and for the servicing thereof, to provide reasonable allowances for

or insurance against losses which may be incurred and to cover the cost of issuance of obligations and technical, consultative, and project assistance services. It shall require the payment of all processing, administrative and guarantee fees, and the deposit in escrow of all funds required by any federal agency or instrumentality guaranteeing any loan and shall comply and enforce compliance with all terms and conditions of each guarantee, and the prompt filing of all claims which may arise thereunder.

Subd. 6. [INVESTMENT OF CERTAIN FUNDS.] *It may cause any funds not required for immediate disbursement to be invested in direct obligations of or obligations guaranteed as to principal and interest by the United States, or in insured savings accounts, up to the amount of the insurance, in any institution the accounts of which are insured by the federal savings and loan insurance corporation or to be deposited in a savings or other account in a bank insured by the federal deposit insurance corporation or to be invested in time certificates of deposit issued by a bank insured by the federal deposit insurance corporation and maturing within one year or less. It may deposit funds in excess of the amount insured with security as provided in chapter 118. Notwithstanding the foregoing, it may invest and deposit funds into accounts established pursuant to resolutions or indentures securing its bonds or notes in such investments and deposit accounts or certificates, and with such security, as may be agreed therein with the holders or a trustee for the holders.*

Subd. 7. [NON-LIABILITY OF STATE.] *The state of Minnesota is not liable on bonds of the agency. The bonds of the agency are not a debt of the state. The bonds shall contain on the face thereof a statement of the provisions of this section.*

Subd. 8. [STATE PLEDGE AGAINST IMPAIRMENT OF CONTRACT.] *The state pledges and agrees with the holders of any bonds issued under this section that the state will not limit or alter the rights vested in the agency to fulfill the terms of any agreements made with the holders thereof, or in any way impair the rights and remedies of holders until the bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of the holders, are fully met and discharged. The agency is authorized to include this pledge and agreement of the state in any agreement with the holders of the bonds.*

Subd. 9. [STATE CONTROL OF AGENCY.] *The provisions of this section do not affect the power of the state to supervise and control the agency or to discontinue its operation or alter its organization, programs or activities or transfer its powers to a successor agency, provided that the action of the state is consistent with the provisions of subdivision 8 and that title to all property then owned by the agency will remain or vest in the agency, its successor, or the state, as the case may be.*

Subd. 10. [AGENCY PROPERTY AND OPERATION EXEMPT FROM TAXATION.] *The property of the agency and its income and operation shall be exempt from all taxation by the state or any of its political subdivisions. All bonds of the agency shall be exempt from all taxation by the state or any of its political subdivisions.*

Subd. 11. [BONDS EXEMPT FROM TAXATION.] *The state covenants with the purchasers and all subsequent holders and transferees of bonds issued by the agency in consideration of the acceptance of and payment for the bonds, that all bonds of the agency issued pursuant to this section and the income therefrom and all its fees, charges, gifts, grants, revenues, receipts, and other moneys received or to be received, pledges to pay or secure the payment of the bonds shall at all times be free and exempt from all state, city, county or other taxation provided by the laws of the state, except for estate and gift taxes and taxes on transfers, and except for the Minnesota corporate franchise tax measured by income, so long as the interest on federal bonds is included in the income by which the tax is measured.*

Sec. 18. [41.544] [DEBT SERVICE RESERVE FUNDS.]

Subdivision 1. [CREATION.] *The agency may create special funds designated as debt service reserve funds, for the security of any issue of its bonds or notes. The agency may pay into each debt service reserve fund:*

(a) *Any proceeds of sale of bonds or notes to the extent provided in the resolution or indenture authorizing the issuance thereof;*

(b) *Any revenues from the loan or investment of such proceeds which are appropriated to the fund by the resolution or indenture; and*

(c) *Any moneys appropriated by the state only for the purposes of such funds.*

Subd. 2. [USE OF MONEY IN FUND.] *The money held in or credited to each debt service reserve fund, except as provided in this section, shall be used solely for the payment of the principal of bonds of the agency as the same mature, the purchase of such bonds, the payment of interest thereon, or the payment of any premium required when such bonds are redeemed before maturity; provided, that moneys in any fund shall not be withdrawn at any time in an amount that would reduce the amount of the fund to less than the amount which the agency shall determine to be reasonably necessary for the purposes of the fund, except for the purpose of paying principal or interest due on bonds secured by the fund, for the payment of which other moneys of the agency are not available.*

Subd. 3. [INVESTMENT.] Moneys in any debt service reserve fund not required for immediate use or disbursement may be invested in obligations of the state or the United States of America, or obligations the principal and interest of which are guaranteed by the state or the United States of America. In computing the amount of any debt service reserve fund for the purpose of this section, securities in which all or a portion of the fund are invested shall be valued at par or, if purchased at less than par, at their cost to the agency.

Subd. 4. [CERTIFICATION OF AMOUNTS NEEDED BY FUND.] In order to assure the payment of the principal of and interest on bonds of the agency and the continued maintenance of all debt service reserve funds created and established therefor, the agency shall annually determine and certify to the governor, on or before December 1:

(a) The amount, if any, then needed to restore each debt service reserve fund to the minimum amount required by the resolution or indenture establishing the fund, not exceeding the maximum amount of principal and interest to become due and payable in any subsequent year on all bonds or notes which are then outstanding and secured by such fund; and

(b) The amount, if any, determined by the agency to be needed in the then immediately ensuing fiscal year, with other funds pledged and estimated to be received during that year, for the payment of the principal and interest due and payable in that year on all then outstanding bonds and notes secured by a debt service reserve fund the amount of which is then less than the minimum amount agreed.

The governor shall include and submit to the legislature, in the budget for the following fiscal year, or in a supplemental budget if the regular budget for that year has previously been approved, the amounts certified to him by the agency in accordance with this subdivision.

Sec. 19. [41.545] [FINANCIAL INFORMATION.]

Financial information including but not limited to credit reports, financial statements and net worth calculations, received or prepared by the agency regarding any family farm loan and the name of each individual who is the recipient of a loan is private data on individuals pursuant to section 15.162, subdivision 5a.

Sec. 20. [41.546] [APPROPRIATION OF BOND PROCEEDS AND OTHER MONEY TO AGENCY.]

All proceeds of the agency's bonds, any amounts granted or appropriated to the agency for the making or purchase or the insurance or guarantee of loans or for bond reserves, all income

from their investment and all revenues from loans, fees and charges of the agency are annually appropriated to the agency for the accomplishment of its corporate purposes and shall be expended, administered and accounted for in accordance with the applicable provisions of all bond resolutions, indentures and other instruments, contracts, and agreements of the agency.

Sec. 21. Minnesota Statutes 1980, Section 41.55, is amended to read:

41.55 [ELIGIBILITY AND APPLICATIONS FOR LOANS, GUARANTEES AND INTEREST ADJUSTMENT.]

Subdivision 1. [ELIGIBILITY GENERALLY.] The agency may not make, purchase, participate in, guarantee or approve an interest adjustment for a family farm (SECURITY) loan (APPROVAL MAY BE GRANTED IF THE FOLLOWING CRITERIA ARE SATISFIED) unless the agency determines:

(a) That the applicant is a resident of the state of Minnesota, or shows sufficient evidence that he intends to become a resident;

(b) That the applicant has sufficient education, training, or experience in the type of farming for which he wishes the loan and (CONTINUED PARTICIPATION IN) *that the application outlines a farm management program, (APPROVED BY THE COMMISSIONER,) appropriate for the land to be acquired, or conforming to practices specified by any comprehensive plan of the local soil and water conservation district, which the applicant will follow for the duration of the family farm security loan;*

(c) That the applicant (,) *has demonstrated a need for the loan and that, with his dependents and spouse (HAVE) the applicant has a total net worth valued at less than \$75,000 (AND HAS DEMONSTRATED A NEED FOR THE LOAN), increased by the percentage of increase from January 1, 1981, to the date of the loan application in the consumer price index published by the federal department of labor which is considered by the agency to most closely reflect the prices of farm land and commodities;*

(d) That the applicant intends to purchase farm land to be used by the applicant for agricultural purposes;

(e) That the applicant is credit worthy according to standards prescribed by the (COMMISSIONER) agency;

(f) That the seller has not acquired the farm land for purposes of obtaining the income tax exemption allowed by (SEC-

TIONS) section 41.58 (AND LAWS 1976, CHAPTER 210, SECTION 12);

(g) *That the purchase price of the farm land does not exceed the appraisal value as determined under subdivision 5.*

Subd. 2. [FIRST MORTGAGE LOANS BY AGENCY.] *The agency may not make or purchase a family farm first mortgage loan unless the agency determines that:*

(a) *The ratio of the principal amount of the loan to the value of the farm land to be mortgaged does not exceed the ratio determined by the agency to provide sufficient security for holders of bonds secured by the mortgage and to assure marketability of those bonds:*

(b) *The income producing potential of the farm land to be acquired, as determined according to the rules of the agency, exceeds the amounts required annually for first mortgage loan amortization, conditioned upon the interest cost of bonds issued by the agency to finance the loan, and for down payment, taxes, insurance, seed and feed costs, equipment rental or purchase and other expenses necessary to implement and finance the applicant's farm management program;*

(c) *The purchase price of the farm land, in excess of the amount of the first mortgage loan, is paid in cash, or provision is made for the payment of part or all of the excess by a down payment loan or other loan or purchase contract subordinated to the first mortgage;*

(d) *The applicant will pay the first mortgage loan in not exceeding 20 equal annual installments including principal and interest on the declining principal balance at a rate not less than the interest rate on bonds to be issued by the agency to finance the loan;*

(e) *Marketable title to the land subject to the recorded first mortgage is established by title insurance or an opinion of counsel satisfactory to the agency; and*

(f) *The applicant agrees for the duration of the loan to furnish to the agency annual financial statements fairly presenting his financial condition in accordance with accepted accounting principles.*

Subd. 3. [DOWN PAYMENT LOANS.] *The agency may not approve an application for a down payment loan unless the agency finds that:*

(a) *The loan is for an amount not exceeding the balance of the purchase price of real estate subject to a family farm first*

mortgage loan, or a first mortgage or contract for deed held by a lender;

(b) The applicant demonstrates that, with the down payment loan, his other resources and credit are sufficient, but not more than sufficient, to supply or finance equipment and supplies necessary for the success of his approved farm management program;

(c) The loan will be secured by a recorded mortgage on the real estate purchased or assignment of the contract for deed; and

(d) If the land is subject to a family farm first mortgage loan, the mortgage securing the down payment loan is subordinate to the lien of that first mortgage but to no other lien on the land.

Subd. 4. [APPLICATION.] Any person desiring to acquire farm land may make application to the agency or to a lender for a family farm security first mortgage or down payment loan, a state loan guarantee or interest adjustment. If application is made to a lender, the lender shall forward the application to the agency for approval. The agency shall prescribe a screening process to determine eligibility and may arrange for local lenders to perform this function for the state. The agency may approve the application if it complies with the provisions of subdivision 1 and, for an application for an interest adjustment, with the provisions of section 41.57. The agency shall notify the applicant and any lender of its decision.

If the application is denied, the agency shall provide the applicant with a written statement of the reasons for the denial. If the circumstances of the applicant change such that he becomes eligible, he may reapply.

If the agency approves an application made to a lender, it shall retain a copy and return the original to the lender for completion of the transaction. All loans shall be on forms approved by the agency with the advice of the attorney general.

Subd. 5. [APPRAISAL.] The agency shall establish by rule an appraisal procedure to determine the value of any property before making, purchasing, or providing a family farm first mortgage or down payment loan, a state loan guarantee or an interest adjustment for a family farm loan and a procedure to determine the income potential of any property before making or purchasing a family farm first mortgage loan.

Sec. 22. Minnesota Statutes 1981 Supplement, Section 41.56, Subdivision 3, is amended to read:

Subd. 3. [DEFAULT, FILING CLAIM.] Within 90 days of a default on a (GUARANTEED) family farm (SECURITY) loan *which the agency has made, purchased, or guaranteed with a state loan guarantee*, the lender or agency shall send notice to the applicant stating that the (COMMISSIONER MUST BE NOTIFIED IF THE DEFAULT CONTINUES FOR 180 DAYS, AND THE CONSEQUENCES OF THAT DEFAULT) *applicant must make arrangements to meet his obligation within 180 days of the initial default and stating the consequences of failing to do so.* (THE) A lender and (THE) an applicant may agree to take any steps reasonable to assure the fulfillment of the loan obligation.

After 180 days from the initial default *on a state guaranteed loan*, if the applicant has not made arrangements to meet his obligation, the lender shall file a claim with the (COMMISSIONER) agency, identifying the loan and the nature of the default, and assigning to the (STATE) agency all of the lender's security and interest in the loan in exchange for payment according to the terms of the (FAMILY FARM SECURITY) state loan guarantee. In the case of a seller-sponsored loan, the seller may elect to pay the (COMMISSIONER) agency all sums owed the (COMMISSIONER) agency by the applicant and retain title to the property in lieu of payment by the (COMMISSIONER) agency under the terms of the loan guarantee. If the (COMMISSIONER) agency determines that the terms of the (FAMILY FARM SECURITY) state loan guarantee have been met, (HE) it shall authorize payment (OF STATE FUNDS) to the lender, and shall notify the defaulting party. The (STATE OF MINNESOTA) agency shall then succeed to the interest of the mortgagee or the vendor of the contract for deed. Taxes shall be levied and paid on the land as though the owner were a natural person and not a political subdivision of the state. (THE COMMISSIONER MAY, ON BEHALF OF THE STATE,) *After 180 days from the initial default of a loan which the agency has made or purchased, or when the agency has succeeded to the interest of a mortgagee or a vendor as provided in this subdivision, the agency may commence foreclosure or termination proceedings in the manner provided by law.*

Sec. 23. Minnesota Statutes 1981 Supplement, Section 41.56, Subdivision 4, is amended to read:

Subd. 4. [SALE OF DEFAULTED PROPERTY.] In the event that title to (THE) any property is acquired by the (STATE) agency, upon conveyance of title to the (STATE) agency and (EXPIRATION OF THE PERIOD OF REDEMPTION, THE COMMISSIONER SHALL), within 15 days of the expiration of (SUCH PERIOD,) *the period of redemption, the agency shall undertake to sell the property by publishing a notice of the impending sale at least once each week for four successive weeks in a legal newspaper and also in a newspaper of general distribution in the county in which the property to*

be sold is situated. (SUCH) *The notice shall (SPECIFY THE TIME AND PLACE IN THE COUNTY AT WHICH THE SALE WILL COMMENCE, A DESCRIPTION OF) describe the lots or tracts to be offered (,) and (A GENERAL STATEMENT OF) state the terms of the sale. (EXCEPT AS FURTHER PROVIDED IN THIS SUBDIVISION, THE TERMS AND METHOD OF SALE SHALL BE DETERMINED BY THE COMMISSIONER.)*

The agency shall first endeavor to sell the property to a person who is eligible for a family farm loan which is made, purchased, participated in, or guaranteed by the agency. If the agency is unable to effect a sale to an eligible person, it shall endeavor to sell the property for cash as provided in subdivision 4a. If the agency is unable to effect a sale to an eligible person or for cash as provided in subdivision 4a, or if the agency finds that sale to an eligible person or for cash would not best protect the interests of the state, the agency shall sell the property on the terms which the agency finds will best protect the interests of the state. The agency may lease any real property which it is unable to sell with reasonable promptness. In any event the agency shall sell any real property which it acquires within two years after the conveyance of title to the state or after the expiration of the period of redemption.

Subd. 4a. [SALE FOR CASH.] When the agency sells any real property for cash it shall follow the procedures provided in this subdivision. If the sale will be completed more than 15 days after the last published notice of sale as provided in subdivision 4, the agency shall publish another notice as provided in that subdivision. The (COMMISSIONER) agency shall sell the property to the highest bidder as determined by taking sealed bids or by bids at public auction (, PROVIDED THAT IN EITHER EVENT HE). The agency may refuse to accept any or all bids. If it accepts a bid, it shall (SELECT THE SUCCESSFUL BIDDER) do so within 15 days of the date of the last published notice of sale. Bidders shall submit bid security in the form of a certified check or bid bond in the amount of two percent of their bid price and the successful bidder shall remit the balance of the purchase price to the (COMMISSIONER) agency within 90 days of the date of sale. Upon remittance of (SUCH) the balance within 90 days of the date of sale, the (COMMISSIONER) agency shall transfer title to the property, including any acquired mineral rights, to the purchaser by quitclaim deed. In the event that the purchaser fails to remit any part of such balance within 90 days of the date of sale, the purchaser shall forfeit all rights to the property and any moneys paid thereon and the (STATE) agency shall recommence the sale process as specified in this subdivision.

Subd. 4b. [PROCEEDS OF SALE.] Proceeds from the sale of a parcel of property obtained by the (STATE) agency pursuant to this section shall be paid into the special account

authorized in section 41.61, subdivision 1, to the extent that funds from the special account were disbursed according to the terms of the (FAMILY FARM SECURITY) *state loan guarantee* and into the general fund to the extent that funds were disbursed as payment adjustments by the (COMMISSIONER) *agency*. Proceeds in excess of these amounts shall be paid to the lender to the extent that payment to the lender pursuant to the loan guarantee was less than the money due and payable to the lender under the family farm security loan. Proceeds in excess of these amounts shall be paid to cooperating agencies according to the terms of the family farm (SECURITY) memorandum of understanding. Additional proceeds, if any, shall be paid into the general fund.

Proceeds of the sale of property which secured a family farm loan which the agency made, purchased or participated in shall be deposited in the family farm loan fund, or other fund into which the proceeds must be deposited in accordance with the applicable provisions of all bond resolutions, indentures and other instruments, contracts, and agreements of the agency.

Sec. 24. Minnesota Statutes 1980, Section 41.57, is amended to read:

41.57 [(TERMS OF THE LOAN) INTEREST ADJUSTMENT.]

Subdivision 1. ([FORMS; APPRAISAL PROCEDURE; LIMITATIONS.] A FAMILY FARM SECURITY LOAN SHALL BE TRANSACTED ON FORMS APPROVED BY THE COMMISSIONER WITH THE ADVICE OF THE ATTORNEY GENERAL. THE COMMISSIONER SHALL ESTABLISH BY RULE AN APPRAISAL PROCEDURE. HE SHALL THEREBY DETERMINE THE VALUE AND INCOME POTENTIAL OF THE PROPERTY BEFORE GUARANTEEING A FAMILY FARM SECURITY LOAN. NO GUARANTEE SHALL BE MADE IF THE PURCHASE PRICE OF THE FARM LAND EXCEEDS THE APPRAISAL VALUE AS DETERMINED UNDER THE PROVISIONS OF THIS SUBDIVISION.)

(SUBD. 2.) [(PAYMENT) INTEREST ADJUSTMENT.] To be eligible for (PAYMENT) *an interest adjustment* a family farm (SECURITY) loan shall have a maximum term of 20 years, and (SHALL) provide for payments *to a lender* at least annually so that the loan (SHALL BE) *is* amortized over its term with equal annual payments of principal and interest, except that a loan to be amortized over a term of ten years or less need not provide for equal annual payments of principal and interest. During the first ten years of a family farm (SECURITY) loan *which has been approved for an interest adjustment*, the (COMMISSIONER) *agency* shall annually pay to the lender four percent of the outstanding balance due at the beginning of that year and the applicant shall pay the remainder of the pay-

ment due. After the tenth year, the applicant shall make payments according to the stated interest rate. The applicant may petition the (COMMISSIONER) *agency* for one ten year renewal of the (PAYMENT) *interest* adjustment. If a renewal is granted, in the 21st year the applicant shall reimburse the (COMMISSIONER) *agency* for the sums paid on the applicant's behalf under this subdivision. If no renewal is granted, the applicant shall reimburse the (COMMISSIONER) *agency* in the 11th year for the sums paid on the applicant's behalf under this subdivision. The obligation to repay the payment adjustment shall be a lien against the property.

Subd. (3) 2. [ANNUAL REVIEW OF NET WORTH.] The applicant, his dependents and spouse shall annually submit to the (COMMISSIONER) *agency* a statement of their net worth. If their net worth in any year exceeds the sum of \$135,000, *increased by the percentage of increase from January 1, 1981, to the date of the loan application in the consumer price index published by the federal department of labor which is considered by the agency to most closely reflect the prices of farm land and commodities*, the applicant shall be ineligible for (A PAYMENT) *an interest* adjustment in that year.

Sec. 25. Minnesota Statutes 1980, Section 41.58, Subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] The (COMMISSIONER) *agency* may provide a *state loan* guarantee to (THE LENDERS ON SELLER-SPONSORED LOANS) *a lender on a seller-sponsored loan* when the buyer satisfies the eligibility criteria in section 41.55. The commissioner may also provide (A PAYMENT) *an interest* adjustment on behalf of the applicant in the case of a seller-sponsored (LOANS) *loan*.

Sec. 26. Minnesota Statutes 1981 Supplement, Section 41.58, Subdivision 2, is amended to read:

Subd. 2. [NEGOTIABILITY AND MARKETABILITY.] A seller-sponsored loan shall be secured by a purchase money real estate mortgage evidenced by negotiable note or notes as defined in section 336.3-104 or by a contract for deed. The (COMMISSIONER) *agency* must be notified in writing within 30 days after a family farm security loan note is sold or exchanged or vendor's interest in a contract for deed is sold, exchanged, assigned or transferred.

Sec. 27. Minnesota Statutes 1980, Section 41.58, Subdivision 3, is amended to read:

Subd. 3. [TAXABILITY.] The interest earned by the seller of the property on a seller-sponsored loan that is (GUARANTEED BY THE COMMISSIONER SHALL BE) *subject to a*

state loan guarantee is excludable from gross income for purposes of chapter 290 for the year in which it is received.

Sec. 28. Minnesota Statutes 1980, Section 41.59, Subdivision 1, is amended to read:

Subdivision 1. [IMMEDIATE REPAYMENT OF LOAN.] Any applicant who sells or conveys the property (FOR) which is *subject to* a family farm (SECURITY) loan (WAS ISSUED) *which was made or purchased by the agency or for which a state loan guarantee was provided* shall immediately retire the entire indebtedness still owed to the lender and the (COMMISSIONER) agency. The new owner may negotiate (A FAMILY FARM SECURITY) *another* loan in his own right, but under no circumstances may the original loan be assumed by the new owner. This subdivision is not intended to prohibit the applicant from granting a security interest in the property for the purposes of securing an additional loan.

Any applicant who fails to maintain the land covered by a family farm security loan in active agricultural production for a period of time longer than one year shall be in default. Such a default may be waived by the (COMMISSIONER) *agency* in the event of a physical disability or other extenuating circumstances.

Sec. 29. Minnesota Statutes 1980, Section 41.59, Subdivision 2, is amended to read:

Subd. 2. [TAX PENALTY ON CAPITAL GAIN.] Chapter 290 shall apply to determine the amount of the gain realized on the sale of property (FOR) which is *subject to* a family farm (SECURITY) loan (HAS BEEN ISSUED) *which was made or purchased by the agency or for which a state loan guarantee was provided*. The tax imposed by chapter 290 shall be imposed on the following percentages of any gain realized on the sale of the property:

Time lapsed from issuance of loan

	At least	but less than	Percent
(a)		1 year	100
(b)	1 year	3 years	90
(c)	3 years	5 years	80
(d)	5 years	7 years	70
(e)	7 years	9 years	60
(f)	9 years	10 years	50

This tax shall no longer be applicable and the tax imposed by chapter 290 shall apply when the property (FOR WHICH A) *subject to the family farm (SECURITY) loan (WAS ISSUED)* has been held by the applicant for more than ten years after the issuance of the loan. Chapter 290 shall apply when the applicant has realized a loss on the sale of the property.

Sec. 30. Minnesota Statutes 1980, Section 41.60, is amended to read:

41.60 [DISCRIMINATION PROHIBITED.]

In carrying out their respective duties under (LAWS 1976, CHAPTER 210) *chapter 41*, the council and the (COMMISSIONER) *agency* shall not discriminate between applicants because of race, color, creed, religion, national origin, sex, marital status, disability, political or ideological persuasion.

Sec. 31. [41.505] [FAMILY FARM LOAN FUND.]

Subdivision 1. [CREATION.] There is created and established under the jurisdiction and control of the agency a revolving fund to be known as the family farm loan fund.

Subd. 2. [CONTENTS OF FUND.] There shall be paid into the family farm loan fund:

(a) All amounts appropriated and made available by the state for the purposes of the fund;

(b) Any money which the agency receives in repayment of family farm loans made from the fund or in which the fund participated;

(c) Proceeds of the sale of defaulted property on which the agency had a lien to secure a family farm loan made from the fund or in which the fund participated;

(d) Any other money which may be made available to the agency for the purpose of the fund from any other source;

(e) All revenues from the loan and investment of the proceeds of any issue of bonds which, in accordance with the provisions of the resolution or indenture under which the bonds or notes are issued, may be and are transferred to the family farm loan fund.

Subd. 3. [USE OF FUND; APPROPRIATION.] Amounts from time to time held in the family farm loan fund, including income from the investment thereof, are annually appropriated for the following purposes:

(a) To restore to any debt service reserve fund for bonds of the agency, if necessary, the minimum balance required to be maintained therein;

(b) To pay administrative expenses incurred by the agency pursuant to sections 41.51 to 41.61; and

(c) To make or participate in family farm loans including family farm first mortgage loans, down payment loans and loans of the federal land bank as provided in section 15, subdivision 6.

Sec. 32. [41.528] [GENERAL OBLIGATION BONDS.]

Subdivision 1. [PROCEDURE.] For the purpose of providing money to be appropriated to the family farm loan fund for the purposes provided in section 31, subdivision 3, clauses (b) and (c), the commissioner of finance, upon request of the governor, shall sell and issue Minnesota state family farm finance bonds for the prompt and full payment of which, with interest thereon, the full faith, credit and taxing powers of the state are irrevocably pledged. Bonds shall be issued pursuant to this section only as authorized by a law specifying the purpose thereof and the amount of the proceeds which may be expended for that purpose. Any accrued interest and premium received upon the sale thereof is appropriated and shall be credited to a separate bookkeeping account to be maintained in the state bond fund and designated as the Minnesota state family farm finance bond account. The bonds shall be issued, sold, executed, authenticated, and secured in the manner prescribed in section 16A.64. The bonds are issued pursuant to the Minnesota Constitution, Article XI, Section 5, clause (h), and further secured by Article XI, Section 7. All money appropriated and taxes levied for the payment of the bonds shall be credited to the Minnesota state family farm finance bond account.

Subd. 2. [FAMILY FARM FINANCE BOND ACCOUNT.] In order to reduce the amount of taxes otherwise required by the Minnesota Constitution, Article XI, Section 7, to be levied for the payment of interest and principal on the bonds authorized by this section, there is hereby appropriated annually to the family farm finance bond account in the state bond fund from the general fund in the state treasury a sum of money sufficient in amount, when added to the balance on hand on November 1 in each year in the family farm finance bond account, to pay all principal and interest due and to become due on the bonds within the then ensuing year and to and including July 1 in the second ensuing year. The moneys received and on hand pursuant to the appropriation annually made by this subdivision are available in the state bond fund prior to the levy of the tax in any year required by the Minnesota Constitution, Article XI, Section 7, and shall be used to reduce the amount of tax otherwise required to be levied.

Subd. 3. [APPLICATION OF OTHER SECTIONS.] None of the provisions of sections 17, 18, or 20 apply to bonds issued or sold under this section.

Sec. 33. [TRANSITION TO NEW AGENCY.]

The transfer of all responsibilities of the department of agriculture under chapter 41, to the family farm finance agency shall be accomplished as provided in section 15.039.

Sec. 34. [BOND AUTHORIZATION.]

The commissioner of finance is authorized upon the request of the governor to sell and issue Minnesota state family farm finance bonds for the purposes provided in section 31, subdivision 3, clauses (b) and (c), in the aggregate principal amount of \$20,000,000, in the manner and upon the conditions prescribed in section 32 and in article XI of the Minnesota Constitution. Except as provided in section 36, subdivision 1, all of the proceeds of the bonds are appropriated to the family farm loan fund for expenditure as provided in section 31, subdivision 3, clauses (b) and (c).

Sec. 35. [APPROPRIATION.]

Subdivision 1. The sum of \$185,000 is appropriated from the family farm loan fund to the board of the family farm finance agency for expenses necessary to organize and prepare the agency for operation.

Subd. 2. The approved complement of the department of agriculture is increased by two positions, which shall be assigned to the family farm finance agency when the agency is in operation.

Sec. 36. [REPEALER.]

Minnesota Statutes 1980, Sections 41.53; 41.54, Subdivisions 3 and 5; and 41.56, Subdivisions 5 and 6; and Minnesota Statutes 1981 Supplement, Section 41.56, Subdivisions 1 and 2, are repealed.

Sec. 37. [EFFECTIVE DATE.]

This act is effective August 1, 1982."

Delete the title and insert:

"A bill for an act relating to agriculture; creating a family farm finance agency; authorizing the agency to issue bonds and to make loans for the acquisition of farm land; transferring the family farm security program to the agency; appropriating money; amending Minnesota Statutes 1980, Sections 41.51;

41.52, Subdivisions 1 and 10, and by adding subdivisions; 41.54, Subdivisions 1 and 4, and by adding a subdivision; 41.55; 41.57; 41.58, Subdivisions 1 and 3; 41.59, Subdivisions 1 and 2; and 41.60; Minnesota Statutes 1981 Supplement, Sections 41.52, Subdivisions 5, 8, and 9; 41.54, Subdivision 2; 41.56, Subdivisions 3 and 4; and 41.58, Subdivision 2; proposing new law coded in Minnesota Statutes, Chapter 41; repealing Minnesota Statutes 1980, Sections 41.53; 41.54, Subdivisions 3 and 5; and 41.56, Subdivisions 5 and 6; and Minnesota Statutes 1981 Supplement, Section 41.56, Subdivisions 1 and 2."

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

The report was adopted.

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

H. F. No. 1816, A bill for an act relating to the environment; expediting the receipt of federal moneys for emergency response to hazardous waste releases; expediting the variance issuance procedures of the pollution control agency; amending Minnesota Statutes 1980, Sections 116.03, Subdivision 3; and 116.07, Subdivision 5.

Reported the same back with the following amendments:

Page 2, line 11, delete "*as amended*"

Page 2, delete line 12

Page 2, line 13, delete "*sections*" and insert "*42 U.S.C. Sections*"

Page 2, line 18, strike "*the requirements of*"

Page 2, strike line 19

Page 2, line 20, strike "*it may by regulation prescribe*" and insert "*its rules as provided in section 15.0412, subdivision 1a,*"

Page 2, line 21, before "*promote*" insert "*to*"

Page 2, line 29, after the period, insert "*The variance rules shall provide for notice and opportunity for hearing before a variance is granted.*"

Page 2, line 30, strike "*No*" and insert "*A*"

Page 2, line 32, strike "*shall*" and insert "*may*" and after "*variances*" insert "*after notice and public hearing*"

Page 2, line 33, strike "*law,*"

Page 2, line 36, strike “, except after notice and public”

Page 3, line 1, strike “hearing”

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1838, A bill for an act relating to natural resources; extending the time during which the commissioner of natural resources may extend timber permits; amending Laws 1981, Chapter 305, Section 11.

Reported the same back with the following amendments:

Page 1, after line 7, insert:

“Section 1. Minnesota Statutes 1980, Section 90.201, is amended to read:

90.201 [VOID TIMBER SALES (, WHEN VOID); REFUNDS; ADJUSTMENT OF SALE TERMS.]

Subdivision 1. [VOID SALES; REFUNDS.] Any sale of timber made by fraud or mistake or in violation of the provisions of this chapter shall be void, the permit issued thereon shall be of no effect, and the holder shall be required to surrender the same. In case of a sale made by mistake the amount (SO) paid shall be refunded to the permit holder, or at his request the commissioner may credit the refund as payment upon any other timber purchased by the permit holder. If timber has been cut on a permit which required cancellation due to error by the state, it may be sold at single stumpage rate without formalities.

Subd. 2. [REFUNDS ON FINAL BILLING; INTEREST PAYMENT ON LATE REFUNDS.] The commissioner shall refund to a permit holder any amount paid on a timber sale which exceeds the value of the timber cut under that sale as determined on a final statement transmitted pursuant to section 90.181. The permit holder may request that the commissioner credit the refund as payment on another permit held by that permit holder.

Any refund of cash which is due to a permit holder as determined on a final statement transmitted pursuant to section 90.181 which is not paid to the permit holder within 45 days after the date of that statement shall bear interest at the rate determined pursuant to section 549.09 unless the refund is credited

on another permit held by that permit holder. Interest shall be paid from the date of the final statement. No interest shall be paid in an amount of \$1 or less.

Subd. 3. [REAPPRAISAL OF DAMAGED TIMBER.]
When timber under a valid permit is damaged or destroyed by natural causes, including fire, windstorm, or flood, the commissioner may reappraise the timber and make a correction in the permit.

Subd. 4. [SETTLEMENT OF PERMIT OBLIGATIONS.]
When a permit holder dies or becomes permanently incapacitated, the commissioner may compromise and settle the remaining obligations to the state."

Page 1, line 13, strike "Section 90.191" and insert "Chapter 90"

Page 1, line 14, delete "June 30" and insert "December 31"

Page 1, lines 16 and 18, strike "section 90.191" and insert "chapter 90"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon insert "requiring payment of interest on late refunds to timber sale permit holders; authorizing reappraisal of damaged or destroyed timber sold under a permit; authorizing settlement of permit obligations when a permittee is incapacitated or deceased;"

Page 1, line 4, after "amending" insert "Minnesota Statutes 1980, Section 90.201; and"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1844, A bill for an act relating to game and fish; removing the restriction upon issuance of wild turkey licenses; amending Minnesota Statutes 1980, Section 100.271, Subdivision 3a.

Reported the same back with the following amendments:

Page 1, after line 7, insert:

"Section 1. [98.456] [TURKEY HUNTER GUIDE LICENSE.] *No person shall for compensation engage in the business or occupation of guiding hunters in seeking to take turkeys without an annual license from the commissioner. The commissioner shall promulgate rules governing qualifications for issuance and administration of licenses required by this section. No license shall be issued under this section after the day prior to the opening of the season for taking turkeys.*

Sec. 2. Minnesota Statutes 1981 Supplement, Section 98.46, Subdivision 4, is amended to read:

Subd. 4. Fees for the following licenses, to be issued to residents only, shall be:

(1) To trap fur bearing animals, except beaver, for residents over the age of 13 and under the age of 18, \$3.50;

(2) To trap fur bearing animals, except beaver, for residents 18 years of age and older, \$13;

(3) To buy or sell raw furs anywhere within the state including the privilege of selling to resident manufacturers or to unlicensed non-residents, representing unlicensed non-residents as a broker or agent, or conducting a fur auction wherein sales are made to unlicensed non-residents or resident manufacturers, \$100, provided that any employee, partner or officer buying or selling at the established place of business only for the licensee may secure a supplemental license for \$50;

(4) To trap beaver during an open season or by permit when doing damage, \$2.50;

(5) To guide bear hunters, \$75;

(6) *To guide turkey hunters, \$20."*

Page 1, line 12, strike "within either" and insert "*during any*" and strike "two" and insert "*five*"

Renumber the section

Amend the title as follows:

Page 1, line 5, before the period insert "; and Minnesota Statutes 1981 Supplement, Section 98.46, Subdivision 4; proposing new law coded in Minnesota Statutes, Chapter 98"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1864, A bill for an act relating to credit unions; providing for maximum interest rates on the unpaid balance of loans made by a credit union; making a temporary, superseding interest rate provision permanent; amending Minnesota Statutes 1980, Section 52.14, Subdivision 2; repealing Minnesota Statutes 1980, Section 52.14, Subdivision 1.

Reported the same back with the following amendments:

Page 1, after line 9, insert:

"Section 1. Minnesota Statutes 1980, Section 48.153, Subdivision 1a, is amended to read:

Subd. 1a. ((A) NOTWITHSTANDING SUBDIVISION 1,) A bank organized under the laws of this state, or a national banking association doing business in this state, making a loan of money not exceeding \$35,000 repayable in installments, may charge, at the time the loan is made, a rate of interest upon the unpaid principal balance of the amount financed of 12 percent a year, or the rate of interest authorized by section (334.011) 48.195, whichever is greater. If the rate of interest charged is permitted by section (334.011) 48.195 at the time the loan is made, the rate does not later become usurious because of a fluctuation in the federal discount rate.

((B) THIS SUBDIVISION SUPERSEDES SUBDIVISION 1 FROM APRIL 8, 1980 UNTIL JUNE 30, 1982.)

Sec. 2. Minnesota Statutes 1980, Section 48.153, Subdivision 3a, is amended to read:

Subd. 3a. ((A) NOTWITHSTANDING SUBDIVISION 3,) A savings bank organized (PURSUANT TO) *under* chapter 50, a savings association or savings and loan association subject to the provisions of sections 51A.01 to 51A.57, or a savings and loan association chartered under the laws of the United States, that has its principal place of business in this state, may make a loan for consumer purposes to a natural person in an amount not exceeding \$25,000 repayable in installments, and may charge a rate of interest upon the unpaid principal balance of the amount financed of 12 percent a year, or the rate of interest authorized by section (334.011) 48.195, whichever is greater. If the rate of interest charged is permitted by section (334.011) 48.195 at the time the loan is made, the rate does not later become usurious because of a fluctuation in the federal discount rate.

((B) THIS SUBDIVISION SUPERSEDES SUBDIVISION 3 FROM APRIL 8, 1980 UNTIL JUNE 30, 1982.)

Sec. 3. Minnesota Statutes 1981 Supplement, Section 48.195, is amended to read:

48.195 [INTEREST RATES; USURY LIMIT FOR (BANKS) DEPOSITORY INSTITUTIONS.]

Notwithstanding any law to the contrary, (BANKS AND) a bank, savings (BANKS) bank, savings association, savings and loan association, or credit union organized under the laws of this state (AND ANY), or a national bank or federally chartered savings bank, savings and loan association, or credit union, doing business in this state, may charge on any loan or discount made or upon any note, bill or other evidence of debt, except an extension of credit made pursuant to section 48.185, interest at a rate of not more than four and one-half percent in excess of the discount rate, including any surcharge thereon, on 90 day commercial paper in effect at the federal reserve bank located in the Ninth Federal Reserve District."

Page 1, lines 15 and 17, strike "334.011" and insert "48.195"

Page 1, line 23, delete "Section" and insert "Sections 48.153, Subdivisions 1 and 3; and"

Page 1, line 23, delete "is" and insert "are"

Page 1, after line 24 insert

"Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective the day following final enactment."

Renumber the sections

Amend the title as follows:

Page 1, line 2, delete "credit unions" and insert "financial institutions"

Page 1, line 4, after the first "a" insert "bank, savings bank, savings association, or"

Page 1, line 6, delete "Section" and insert "Sections 48.153, Subdivisions 1a and 3a; and" and after the semicolon insert "and Minnesota Statutes 1981 Supplement, Section 48.195;"

Page 1, line 7, delete "Section" and insert "Sections 48.153, Subdivisions 1 and 3; and"

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

The report was adopted.

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

H. F. No. 1935, A bill for an act relating to waters and watercraft safety; clarifying certain watercraft definitions and changing registration fees; amending Minnesota Statutes 1980, Sections 361.02, by adding subdivisions; and 361.03, Subdivision 3.

Reported the same back with the following amendments:

Page 1, delete lines 14 to 19

Page 2, line 2, delete "*and all watercraft,*"

Page 2, delete line 3

Page 2, line 4, delete "*less,*"

Page 2, after line 18, insert a new section to read:

"Sec. 3. Minnesota Statutes 1980, Section 361.03, Subdivision 12, is amended to read:

Subd. 12. [EXEMPTIONS.] No license hereunder shall be required for the following described watercraft:

(a) Watercraft which is covered by a license or number in full force and effect pursuant to federal law or a federally approved licensing or numbering system of another state, and which has not been within this state for more than 90 consecutive days, the aforesaid 90 consecutive days shall not include days in which a watercraft is laid up at dock over winter or for repairs at any Lake Superior port, or any other Minnesota port.

(b) Watercraft from a country other than the United States which have not been within this state for more than 90 consecutive days, the aforesaid 90 consecutive days shall not include days in which a watercraft is laid up at dock over winter or for repairs at any Lake Superior port, or any other Minnesota port.

(c) Watercraft owned by the United States, a state, or a political subdivision thereof except watercraft used for recreational purposes.

(d) Ship's lifeboat.

(e) Watercraft which has a valid marine document issued by the United States government.

(f) *Nonmotorized watercraft nine feet in length or less.*"

Renumber the section.

Amend the title as follows:

Page 1, line 5, delete "subdivisions" and insert "a subdivision"

Page 1, line 6, delete "Subdivision 3" and insert "Subdivisions 3 and 12"

With the recommendation that when so amended the bill pass.

The report was adopted.

Sieben, M., from the Committee on Appropriations to which was referred:

H. F. No. 1961, A bill for an act relating to natural resources; authorizing the acquisition of certain state water access sites.

Reported the same back with the following amendments:

Page 1, line 9, delete everything after "The"

Page 4, after line 3, insert

"Sec. 2. [ALTERNATIVE SITE.]

Before the lands described in section 1 are developed, the commissioner of natural resources will determine if an alternative water access site exists in the vicinity of the lands described in section 1. If such lands exist, the commissioners of natural resources and administration may sell or exchange the lands described in section 1 in accordance with chapters 16 and 94."

Renumber the section

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1982, A bill for an act relating to forestry; establishing a forest research management policy and plan; realignment of forestry boundaries; establishing a forest management fund and accounting system; making various changes in forestry laws; amending Minnesota Statutes 1980, Sections 16A.125, Subdivision 5; 89.001, Subdivision 6, and by adding subdivisions; 89.01, Subdivision 6; 89.021, Subdivision 1; 89.036; 89.37, Subdivisions 2, 3, 3a, and 4; 90.251, Subdivisions 1 and 4; 197.447; 282.01, Subdivisions 1 and 3; 282.02; and 282.132; Minnesota Statutes 1981 Supplement, Section 282.04, Subdivision 1; proposing new law coded in Minnesota Statutes, Chapters 88, 89, 90, and 282; repealing Minnesota Statutes 1980, Sections 282.031; 282.032; 282.033; 282.034; 282.035; 282.036; and 282.037.

Reported the same back with the following amendments:

Pages 1 and 2, delete section 1 and insert:

"Section 1. [SHORT TITLE.]

Sections 1 to 31 may be cited as the Forest Resource Management Act of 1982."

Page 2, after line 32, insert:

"Subd. 13. [FOREST LANDS UNDER THE AUTHORITY OF THE COMMISSIONER.] "Forest lands under the authority of the commissioner" means state forest lands and other forest lands managed by the commissioner outside of state forest, except for tax-forfeited lands held in trust for the taxing districts and for the following units of the outdoor recreation system as defined in section 86A.04: state parks, state trails, state wildlife management areas, state scientific and natural areas, state water access sites, state historic sites, state rest areas and state wilderness areas."

Page 2, line 36, after "lands" insert "*under the authority of the commissioner*"

Page 3, line 6, delete "*state forest lands or other*"

Page 3, line 9, delete "*state forest land and other forest land*" and insert "*forest lands*"

Page 3, line 10, delete "*his*" and after "*authority*" insert "*of the commissioner*"

Page 3, line 17, delete "*land under his*" and insert "*lands under the*"

Page 3, line 18, after "*authority*" insert "*of the commissioner*"

Page 4, line 15, after "base" insert "*, compatible with the data base of the Minnesota land management information center,*"

Page 6, after line 18, insert:

"Sec. 7. [89.014] [PRESENTATION TO LEGISLATURE.]

The completed forest resource management plan and unit plans shall be presented at hearings before the standing committees of each house of the legislature with jurisdiction over natural resources or appropriation matters."

Page 6, line 19, delete "[89.014]" and insert "[89.015]"

Page 6, line 24, delete "state forest land" and insert "forest lands"

Page 6, line 25, delete "his" and insert "the"

Page 6, line 25, after "authority" insert "of the commissioner"

Page 8, line 2, delete "10" and insert "11"

Page 8, line 27, delete "and" and insert

"(c) Money from the sale of tree planting stock as provided in section 89.37, subdivision 4; and"

Reletter remaining clause

Page 9, delete lines 4 to 6

Reletter the clauses

Page 11, line 15, reinstate the stricken language

Page 11, line 16, delete "are annually appropriated" and insert "forest management fund pursuant to section 10 and are available"

Page 12, line 8, after "RESEARCH" insert "AND EXTENSION"

Page 12, line 9, delete "ACTIVITIES ENUMERATED" and insert "AGRICULTURE EXPERIMENT STATION"

Page 12, line 31, delete everything before "To"

Page 13, after line 3, insert:

*"Subd. 2. [AGRICULTURAL EXTENSION SERVICE.]
The director of the agricultural extension service at the Universi-*

ty of Minnesota is authorized to conduct, support, and cooperate in forestry extension activities including, but not limited to, the following:

(a) Providing educational programs that will enable individuals to recognize and capture opportunities for managing forests for purposes of recreation, timber, water, wildlife, forage, and other purposes;

(b) Using educational programs to disseminate the results of forestry research;

(c) Providing for the forestry educational needs of the private, nonindustrial forest landowner;

(d) Assisting in providing continuing education programs for professionally trained resource managers;

(e) Providing educational programs that will enhance in harvesting, processing, and marketing of wood;

(f) Assisting in the identification of topics in need of forestry research.

In implementing this subdivision, all appropriate educational methods may be used.

To ensure efficient and effective accomplishment of forestry extension goals and objectives, the director of the state extension service shall cooperate with the commissioner in the development and implementation of the forest resources management policy and plan, and shall encourage close cooperation between forestry extension staffs in county, state, and federal service, and between personnel involved in forestry research and land management in all public and private agencies.

Sec. 20. Minnesota Statutes 1980, Section 90.201, is amended to read:

90.201. [VOID TIMBER SALES (, WHEN VOID); REFUNDS; ADJUSTMENT OF SALE TERMS.]

Subdivision 1. [VOID SALES; REFUNDS.] Any sale of timber made by fraud or mistake or in violation of the provisions of this chapter shall be void, the permit issued thereon shall be of no effect, and the holder shall be required to surrender the same. In case of a sale made by mistake the amount (SO) paid shall be refunded to the permit holder, or at his request the commissioner may credit the refund as payment upon any other timber purchased by the permit holder. If timber has been cut on a permit which required cancellation due to error by the state, it may be sold at single stumpage rate without formalities.

Subd. 2. [REFUNDS ON FINAL BILLING; INTEREST PAYMENT ON LATE REFUNDS.] *The commissioner shall refund to a permit holder any amount paid on a timber sale which exceeds the value of the timber cut under that sale as determined on a final statement transmitted pursuant to section 90.181. The permit holder may request that the commissioner credit the refund as payment on another permit held by that permit holder.*

Any refund of cash which is due to a permit holder as determined on a final statement transmitted pursuant to section 90.181 which is not paid to the permit holder within 45 days after the date of that statement shall bear interest at the rate determined pursuant to section 549.09 unless the refund is credited on another permit held by that permit holder. Interest shall be paid from the date of the final statement. No interest shall be paid in an amount of \$1 or less.

Subd. 3. [REAPPRAISAL OF DAMAGED TIMBER.] *When timber under a valid permit is damaged or destroyed by natural causes, including fire, windstorm, or flood, the commissioner may reappraise the timber and make a correction in the permit.*

Subd. 4. [SETTLEMENT OF PERMIT OBLIGATIONS.] *When a permit holder dies or becomes permanently incapacitated, the commissioner may compromise and settle the remaining obligations to the state."*

Page 13, line 15, after the period insert "The standards shall not be subject to the rule-making provisions of chapter 15."

Page 14, delete lines 14 to 31

Page 23, line 10, before the period insert " , except in the case of oral or sealed bid auction sales, the down payment shall be 20 percent of the full sale value, and the remaining 80 percent shall be paid prior to entry. In the case of auction sales that are partitioned and sold as a single sale with predetermined cutting blocks, the down payment shall be 20 percent of the full sale price of the entire timber sale which may be held until the satisfactory completion of the sale or applied in whole or in part to the final cutting block. The value of each separate block must be paid in full before any cutting may begin in that block. With the permission of the county administrator the purchaser may enter unpaid blocks and cut necessary timber incidental to developing logging roads as may be needed to log other blocks provided that no timber may be removed from an unpaid block until separately scaled and paid for"

Page 27, line 5, delete "10" and insert "11"

Page 28, line 3, delete "25" and insert "26"

Page 28, after line 23, insert:

"Sec. 34. [EFFECTIVE DATE.]

Sections 10, 11, 14, 15, 16, 17 and 30 are effective July 1, 1982. The remaining sections of this act are effective the day following final enactment."

Renumber the sections

Amend the title as follows:

Page 1, line 7, delete "Subdivision 6, and"

Page 1, line 10, after "and 4;" insert "90.201," and delete "Subdivisions 1 and 4" and insert "Subdivision 1"

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

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2033, A bill for an act relating to agriculture; providing for the licensing and regulation of certain grain buyers; providing a penalty; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 223; repealing Minnesota Statutes 1980, Chapter 223, as amended; and Sections 232.01; 232.02, as amended; 232.04; and 232.06, Subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [PURPOSE.]

The grain industry is an important source of revenue for many of Minnesota's citizens, and the regulation of grain buyers is consistent with the public welfare. It is the purpose of sections 2 to 8 to give the commissioner of agriculture the authority to regulate grain buyers.

Sec. 2. [223.15] [CITATION.]

Sections 2 to 6 may be cited as the grain buyers act.

Sec. 3. [223.16] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For the purpose of sections 2 to 6 the terms defined in this section have the meanings given them.

Subd. 2. [BOND.] "*Bond*" means an obligation acceptable to and running to the state, as obligee, for the purpose of indemnifying producers of grain against the breach of a contract by a grain buyer.

Subd. 3. [COMMISSIONER.] "*Commissioner*" means the commissioner of agriculture or the commissioner's designee.

Subd. 4. [GRAIN.] "*Grain*" means any cereal grain, coarse grain or oilseed in unprocessed form for which a standard has been established by the United States secretary of agriculture or the Minnesota board of grain standards.

Subd. 5. [GRAIN BUYER.] "*Grain buyer*" means a person who purchases grain from a producer with the exception of a person who purchases seed grain for crop production or who purchases grain as feed for the person's own livestock.

Subd. 6. [GRAIN WAREHOUSE.] "*Grain warehouse*" means an elevator, flour, cereal or feed mill, malthouse or warehouse in which grain belonging to a person other than the warehouse operator is received for purchase or storage.

Subd. 7. [ITINERANT GRAIN BUYER.] "*Itinerant grain buyer*" means a person who travels from place to place to purchase grain for resale using a truck, semitrailer or trailer owned or operated by that person.

Subd. 8. [NONWAREHOUSE GRAIN BUYER.] "*Nonwarehouse grain buyer*" means a person without a private or public grain warehouse license who is licensed to engage in the business of purchasing grain for resale, excluding an itinerant grain buyer. A nonwarehouse grain buyer need not use his own vehicles to transport the purchased grain.

Subd. 9. [PERSON.] "*Person*" means a corporation, company, joint stock company or association, partnership, firm or individual and includes their agents, trustees, assignees or duly appointed receivers.

Subd. 10. [PRIVATE GRAIN WAREHOUSE OPERATOR.] "*Private grain warehouse operator*" means a person licensed to operate a grain warehouse for the sole purpose of purchasing, handling, processing and shipping grain or its byproducts who is not licensed by the commissioner to accept grain belonging to others for storage. "*Private grain warehouse operator*" includes any person licensed under the United States Warehouse Act, Title 7, Chapter 11.

Subd. 11. [PRODUCER.] "*Producer*" means a person who owns or manages a grain producing or growing operation and holds or shares the responsibility for marketing the grain produced.

Subd. 12. [PUBLIC GRAIN WAREHOUSE OPERATOR.] *"Public grain warehouse operator" means a person operating a grain warehouse in which grain belonging to persons other than the grain warehouse operator is accepted for storage or purchase or who offers grain storage or warehouse facilities to the public for hire.*

Subd. 13. [SEMITRAILER.] *"Semitrailer" means a vehicle described in Minnesota Statutes, Section 168.011, Subdivision 14, used to haul grain.*

Subd. 14. [TRAILER.] *"Trailer" means a vehicle described in section 168.011, subdivision 13, used to haul grain.*

Subd. 15. [TRUCK.] *"Truck" means a single unit vehicle described in section 168.011, subdivision 10, used to haul grain.*

Sec. 4. [223.17] [LICENSES; BONDING; CLAIMS; DISBURSEMENTS.]

Subdivision 1. [LICENSES.] *An application for a grain buyer's license must be filed with the commissioner and the license issued before any grain may be purchased. The types of grain buyers' licenses are:*

- (a) private grain warehouse operator's license;*
- (b) public grain warehouse operator's license;*
- (c) nonwarehouse grain buyer's license; and*
- (d) itinerant grain buyer's license.*

Public grain warehouse operators' licenses cover both grain buying and grain storage. The applicant for a grain buyer's license shall identify all grain buying locations owned or controlled by the grain buyer and all vehicles owned or controlled by the grain buyer used to transport purchased grain.

Subd. 2. [LICENSE RENEWAL.] *A license must be renewed annually. If a person receives more than one license from the commissioner, the licenses shall be issued at the same time, but only after all conditions for each license are met. Multiple licenses should be combined into one license if possible.*

Subd. 3. [GRAIN BUYERS AND STORAGE FUND; FEES.] *The commissioner shall set the fees for inspections and licenses under sections 2 to 6 at levels necessary to pay the expenses of administering and enforcing sections 2 to 6.*

There is created in the state treasury the grain buyers and storage fund. Fees and penalties collected pursuant to sections

2 to 6 shall be paid into the state treasury and credited to the grain buyers and storage fund. Money in the grain buyers and storage fund, including interest earned on the money in the fund and any money appropriated by the legislature for the purposes of sections 2 to 6, is annually appropriated to the commissioner for the administration and enforcement of sections 2 to 6.

Subd. 4. [BOND.] Before a license is issued, the applicant for a grain buyers license shall file with the commissioner a bond in a penal sum prescribed by the commissioner but not more than the following amounts:

(a) \$10,000 for each private or public grain warehouse up to a maximum of five grain warehouses;

(b) \$10,000 for each semitrailer used by an itinerant grain buyer up to a maximum of five semitrailers;

(c) \$5,000 for each truck used by an itinerant grain buyer up to a maximum of five trucks;

(d) \$5,000 for each trailer used by an itinerant grain buyer up to a maximum of five trailers; and

(e) \$50,000 for each nonwarehouse grain buyer.

In lieu of the bond required by this subdivision the applicant may deposit with the state treasurer cash, a certified check, a cashier's check, a postal, bank, or express money order, assignable bonds or notes of the United States, or an assignment of a bank savings account or investment certificate or an irrevocable bank letter of credit, in the same amount as would be required for a bond.

Subd. 5. [VOLUNTARY EXTENSION OF CREDIT.] Upon demand by a seller of grain, a grain buyer shall pay 90 percent of the estimated or actual value of grain purchased at the time the physical possession of the grain is conveyed from the seller to the grain buyer. The grain buyer shall complete final settlement as rapidly as possible through ordinary diligence. Any transaction wherein this demand is not exercised constitutes a voluntary extension of credit and is not afforded protection under the grain buyer's bond.

Subd. 6. [CONFIDENTIAL STATEMENTS REQUIRED.] For the purpose of fixing or changing the amount of a required bond or for any other proper reason, the commissioner may require financial statements from a licensee. If the licensee fails to furnish financial statements or to furnish any new bond required, the commissioner may immediately suspend the license and the licensee shall surrender the license to the commissioner. Within 15 days the licensee may request an administrative hear-

ing subject to chapter 15 to determine whether the license should be revoked. If no request is made within 15 days, the commissioner shall revoke the license. All financial statements submitted to the commissioner are confidential.

Subd. 7. [BOND CLAIMS.] A producer claiming to be damaged by a breach of the conditions of a bond of a licensed grain buyer may file a written claim with the commissioner. The claim must state the facts constituting the claim. The claim must be filed with the commissioner within 180 days of the breach of the conditions of the bond. If the commissioner believes that a claim is valid, the commissioner may immediately suspend the license, in which case the licensee shall surrender the license to the commissioner. Within 15 days the licensee may request an administrative hearing subject to chapter 15 to determine whether the license should be revoked. If no request is made within 15 days, the commissioner shall revoke the license.

Subd. 8. [BOND DISBURSEMENT.] (a) The bond shall provide for payment of loss caused by the grain buyer's failure to pay, upon the owner's demand, the purchase price of grain sold to the grain buyer. The bond shall be conditioned upon the grain buyer being duly licensed as provided herein. The bond shall not cover any transaction which constitutes a voluntary extension of credit.

(b) Upon notification of default, the commissioner shall determine the validity of all claims and notify all parties having filed claims. An aggrieved party may appeal the commissioner's determination by requesting, within 15 days, that the commissioner initiate a contested case proceeding. In the absence of such a request, or following the issuance of a final order in a contested case, the surety company shall issue payment to those claimants entitled to payment. When the commissioner determines it necessary, the commissioner may apply to the district court for an order appointing a trustee or receiver to manage and supervise the operations of the grain buyer in default. The commissioner may participate in any resulting court proceeding as an interested party.

(c) If a grain buyer has become liable to more than one producer by reason of breaches of the conditions of the bond and the amount of the bond is insufficient to pay the entire liability to all producers entitled to the protection of the bond, the proceeds of the bond shall be apportioned among the bona fide claimants.

(d) The bond shall not be cumulative from one licensing period to the next. The maximum liability of the bond shall be its face value for the licensing period.

A person buying grain without first obtaining a grain buyer's license is guilty of a misdemeanor. Each day of operation without a grain buyer's license constitutes a separate offense.

Sec. 6. [223.19] [RULES.]

The commissioner may promulgate rules to carry out the provisions of sections 2 to 6.

Sec. 7. [APPROPRIATION.]

The sum of \$30,000 is appropriated to the commissioner for establishment of the grain buyers and storage fund pursuant to section 4. The amount appropriated pursuant to this section shall be repaid to the general fund by July 1, 1983.

Sec. 8. [REPEALER.]

Minnesota Statutes 1980, Sections 223.04; 223.07; 223.08; 223.09; 223.10; 223.11; 232.01; 232.02, Subdivisions 4, 5, 6, 7, 8 and 9; 232.03; 232.04; and 232.06, Subdivision 5; Minnesota Statutes 1981 Supplement, Sections 223.01; 223.02; 223.03; 223.05; and 232.02, Subdivisions 1, 2 and 3, are repealed. Sections 1 to 7 are repealed July 1, 1983 except that the provisions of section 4, subdivisions 7 and 8 shall remain in effect for the settlement of any claims.

Sec. 9. [EFFECTIVE DATE.]

This act is effective July 1, 1982."

Delete the title and insert:

"A bill for an act relating to agriculture; providing for the licensing and regulation of certain grain buyers; providing a penalty; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 223; repealing Minnesota Statutes 1980, Sections 223.04; 223.07 to 223.11; 232.01; 232.02, Subdivisions 4, 5, 6, 7, 8 and 9; 232.03; 232.04; and 232.06, Subdivision 5; Minnesota Statutes 1981 Supplement, Sections 223.01; 223.02; 223.03; 223.05; and 232.02, Subdivisions 1, 2 and 3."

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

The report was adopted.

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

H. F. No. 2125, A bill for an act relating to the Red River watershed; naming all counties in which the special taxing

authority of certain watershed districts applies; amending Laws 1976, Chapter 162, Section 1.

Reported the same back with the following amendments:

Page 1, line 17, strike "the 1974 edition of"

Page 1, line 22, strike "the 1974 edition of"

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

The report was adopted.

Mann from the Committee on Transportation to which was referred:

H. F. No. 2132, A bill for an act relating to highway traffic regulations; including a person in a wheelchair within the definition of pedestrian; amending Minnesota Statutes 1980, Sections 169.01, Subdivision 24; and 169.21, Subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 169.01, Subdivision 24, is amended to read:

Subd. 24. [PEDESTRIAN.] "Pedestrian" means any person afoot or in a wheelchair.

Sec. 2. Minnesota Statutes 1980, Section 169.01, is amended by adding a subdivision to read:

Subd. 24a. [WHEELCHAIR.] *For the purposes of chapter 169 "wheelchair" is defined to include any manual or motorized wheelchair, scooter, tricycle, or similar device used by a handicapped person as a substitute for walking.*

Sec. 3. Minnesota Statutes 1980, Section 169.21, Subdivision 5, is amended to read:

Subd. 5. [WALK ON LEFT SIDE OF ROADWAY.] *Pedestrians when walking or moving in a wheelchair along a roadway shall, when practicable, walk or move on the left side of the roadway or its shoulder giving way to oncoming traffic. Where sidewalks are provided and are accessible and usable it shall be unlawful for any pedestrian to walk or move in a wheelchair along and upon an adjacent roadway.*

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following their final enactment."

Amend the title as follows:

Page 1, line 5, after "Subdivision 24" insert ", and by adding a subdivision"

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

The report was adopted.

McCarron from the Committee on Reapportionment and Elections to which was referred:

H. F. No. 2194, A bill for an act relating to elections; fixing expenditure limits for campaigns for certain offices; amending Minnesota Statutes 1980, Section 210A.22.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1981 Supplement, 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 amounts expended for meals and lodging other than amounts which are lavish or extravagant under the circumstances) 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.

(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) *one-third of the salary of the office sought, for the year the election is held, by the candidate, but no less than \$100*, 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, EVEN THOUGH THE CANDIDATE'S EXPENDITURES ARE LIMITED UNDER OTHER STATE OR FEDERAL LAWS);

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

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

(f) 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, 1979, shall be applicable in determining the availability of any deduction under this subdivision.

(g) 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.

Sec. 2. [REPEALER.]

Minnesota Statutes 1980, Section 210A.22, is repealed."

Amend the title as follows:

Page 1, line 3, after "amending" insert "Minnesota Statutes 1981 Supplement, Section 290.09, Subdivision 2; repealing"

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

The report was adopted.

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

H. F. No. 2195, A bill for an act relating to local government; providing for the economic development of University Avenue in the cities of Minneapolis and St. Paul; creating an authority to develop and implement transit, housing, and economic development projects; authorizing bonding; providing for a tax levy, special assessments, and eminent domain; appropriating money.

Reported the same back with the following amendments:

Page 1, line 16, delete "construct" and insert "evaluate the feasibility of"

Page 3, delete lines 8 to 36

Page 4, delete lines 1 to 30 and lines 32 to 36

Page 5, line 1, delete "Subd. 2. [SPECIAL DUTIES.]" and "also" and "special"

Page 5, line 3, after "with" insert "local community and business organizations and"

Page 5, line 6, after "plan" insert "by March 15, 1983"

Page 5, line 7, after "zone" insert:

"The comprehensive plan shall evaluate the costs, benefits, and feasibility of a project using a rapid transit system coordinated with accelerated investment in housing and commerce to revitalize and develop the University Avenue corridor between the cities of Minneapolis and St. Paul and the University of Minnesota. The plan shall include findings on the costs and benefits and on the technical, economic, and financial feasibility of the project. The report may include recommendations on legal, institutional, and financial methods of implementing the project. The metropolitan council and the metropolitan transit commis-

sion shall provide technical and staff assistance to the authority for developing the plan"

Page 5, delete lines 17 to 36

Page 6, delete lines 1 to 16

Pages 6 to 13, delete sections 7, 8, 9, 10, 11, 12, 13, 14 and 15

Page 13, line 9, delete "APPROPRIATIONS" and insert "APPROPRIATION"

Page 13, delete lines 10 to 14 and insert:

"Subdivision 1. [AMOUNT.] The sum of \$100,000 is appropriated from the general fund to the authority upon receipt of a resolution of the authority requesting payment, together with documentation showing that the requirements of subdivision 2 have been satisfied.

Subd. 2. [REQUIREMENTS.] The appropriation in this section is contingent upon the commitment to the authority of an additional \$100,000 or the equivalent in services, from the cities or from private sources. At least 30 days before requesting payment of the appropriation under subdivision 1, the authority shall submit to the chairs of the house appropriations and senate finance committees a work plan for the study, a description of how the study will be managed and staffed, and documentation of the \$100,000 matching commitment required. The committees shall review and make advisory recommendations to the authority."

Renumber the sections

Page 13, line 16, delete "16" and insert "6"

Amend the title as follows:

Page 1, line 6, delete "authorizing"

Page 1, delete lines 7 and 8 and insert "providing for a preliminary comprehensive plan; appropriating money."

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

The report was adopted.

Jude from the Committee on Judiciary to which was referred:

H. F. No. 2245, A bill for an act relating to real property; providing that covenants, conditions, restrictions or extensions

thereof annexed to a grant, devise or conveyance of land that are or become nominal shall not operate as a basis of forfeiture; removing a time limitation on the duration of covenants, conditions and restrictions; amending Minnesota Statutes 1980, Section 500.20, Subdivision 1; repealing Minnesota Statutes 1980, Section 500.20, Subdivision 2.

Reported the same back with the following amendments:

Page 1, after line 22, insert:

"Sec. 2. [508.545] [CONTRACTS FOR DEED; MODIFICATION.]

Notwithstanding any law to the contrary, a renegotiated contract for deed or an agreement modifying the terms of a contract for deed which was valid at its inception shall not be construed as creating a mortgage or an equitable mortgage. This section does not modify any other requirements relating to contracts for deed."

Page 1, after line 25, insert:

"Sec. 4. [EFFECTIVE DATE.]

Section 2 is curative and is effective the day after final enactment as to all modifications and renegotiations occurring before, on, or after that date."

Renumber the section

Amend the title as follows:

Page 1, line 7, after the semicolon, insert "providing that contracts for deed do not create a mortgage;"

Page 1, line 9, after the semicolon, insert "proposing new law coded in Minnesota Statutes, Chapter 508;"

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

The report was adopted.

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

S. F. No. 411, A bill for an act relating to game and fish; limiting eligibility for antlerless deer permits in certain restricted hunting areas; amending Minnesota Statutes 1980, Section 97.48, Subdivision 24.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 97.48, Subdivision 24, is amended to read:

Subd. 24. The commissioner may limit the number of persons who may hunt deer *or bear in any areas*, when he determines that **(THE GAME SUPPLY OR AREA OPEN TO HUNTING IS TOO SMALL FOR UNRESTRICTED HUNTING)** *it is necessary to prevent an overharvest or to provide for a suitable distribution of hunters*, and he may establish by order any practicable method, including a drawing, for impartially determining the persons who may hunt in such areas. *Beginning with data available for the 1981 seasons, the commissioner shall give preference to hunters who have previously unsuccessfully applied for the license in question.*

Sec. 2. Minnesota Statutes 1980, Section 97.49, Subdivision 1a, is amended to read:

Subd. 1a. (a) For purposes of this subdivision, "deer license" means a license issued by the commissioner under the provisions of section 98.46, subdivision 2, clauses (2) and (3) and subdivision 14, clauses (2) and (3).

(b) It is the policy of this state that at least (\$1) \$2 from each deer license issued by the commissioner shall be used for the purpose of deer habitat improvement.

Sec. 3. Minnesota Statutes 1980, Section 97.49, is amended by adding a subdivision to read:

Subd. 1b. (a) *For the purposes of this subdivision, "resident deer license" means a license issued by the commissioner under the provisions of section 98.46, subdivision 2, clauses (2) and (3), and "resident bear license" means a license issued by the commissioner under the provisions of section 98.46, subdivision 2, clause (7).*

(b) *It is the policy of this state that at least \$1 from each resident deer license and each resident bear license shall be used to fund deer and bear management programs, including the computerized licensing system.*

Sec. 4. Minnesota Statutes 1980, Section 98.455, is amended to read:

98.455 [BEAR HUNTING GUIDE LICENSE.]

No person shall for compensation engage in the business or occupation of placing bait for bear or guiding hunters in seeking to take bear without an annual license from the commissioner. The commissioner shall promulgate rules governing qualifications for, issuance and administration of licenses required by this section. No license shall be issued under this section after the day prior to the opening of the season for taking bear by firearms, and all license agents shall return all stubs and unsold license blanks to the county auditor at a time and in a manner to be determined by the commissioner. *No license to take bear is necessary to guide bear hunters unless the guide is shooting or attempting to shoot a bear.*

Sec. 5. Minnesota Statutes 1980, Section 100.29, Subdivision 14, is amended to read:

Subd. 14. It shall be unlawful to take deer or moose from any artificial scaffold, platform, or other construction higher than (SIX) *nine* feet above the ground, or to take any big game animal or timber wolf with the aid of dogs or horses. *The height restrictions in this subdivision shall not apply to portable stands that are chained, belted, clamped, or tied with rope.*

Sec. 6. Minnesota Statutes 1980, Section 100.29, Subdivision 18, is amended to read:

Subd. 18. *Except as provided in this subdivision, it shall be unlawful to place decoys or erect blinds in public waters or on public lands more than one hour before the open season for waterfowl (. IT SHALL BE UNLAWFUL) or, thereafter, to place decoys in any public waters or on public lands more than one hour before sunrise (OR TO RESERVE OR PREEMPT A SHOOTING LOCATION IN PUBLIC WATERS OR ON PUBLIC LANDS, OR TO SO ATTEMPT, BY THE DEVICE OF LEAVING DECOYS, OR A BOAT, UNATTENDED IN PUBLIC WATERS OR ON PUBLIC LANDS BETWEEN SUNSET AND ONE HOUR BEFORE SUNRISE. THIS SUBDIVISION SHALL NOT APPLY TO DESIGNATED HUNTING STATIONS ESTABLISHED ON PUBLIC LANDS BY ORDER OF THE COMMISSIONER TO REGULATE HUNTING THERE-ON) each day of the open waterfowl season. During the open season for waterfowl it shall be unlawful to leave decoys, or an unattended boat used for hunting waterfowl, in public waters between sunset and one hour before sunrise unless the decoys or boat are adjacent to private lands under the control of the hunter and there is not a natural growth of weeds, rushes, flags, or other vegetation growing in water sufficient to partially conceal a hunter or a boat. It shall be unlawful at all times of the year to leave decoys in public waters between sunset and one hour before sunrise if the decoys constitute a navigational hazard.*

Sec. 7. Minnesota Statutes 1980, Section 101.42, Subdivision 18, is amended to read:

Subd. 18. Except as otherwise specifically permitted, it shall be unlawful to have in possession in an automobile or any vehicle or on their person, or at or near any waters, a spear, *fish* trap, net, dip net, seine, or any other device capable of taking fish, (WHICH MAY BE POSSESSED BETWEEN THE HOURS OF SUNRISE AND SUNSET) *or to take any fish by means of such devices* during the period of February 16 to April 30, inclusive, except when acting under permit or contract to trap or seine from the division of (FISHERIES, DURING THE PERIOD OF FEBRUARY 16 TO APRIL 30, INCLUSIVE AND EXCEPT THAT) *fish and wildlife*. Spears, dip nets, bows and arrows, and devices permitted in section 101.51 used for the taking of rough fish may be possessed between the hours of sunrise and sunset after April 30. This subdivision does not apply to nets used in the taking of trout and smelt in season or to seines or traps used for the taking of minnows for bait *or to legal angling equipment*.

Sec. 8. Minnesota Statutes 1981 Supplement, Section 98.46, Subdivision 2, is amended to read:

Subd. 2. Fees for the following licenses, to be issued to residents only, shall be:

- (1) To take small game, \$7;
- (2) To take deer with firearms, (\$14) \$15;
- (3) To take deer with bow and arrow, (\$14) \$15;
- (4) To take fish by angling, \$6.50;
- (5) Combination husband and wife, to take fish by angling, \$10.50;
- (6) To take moose, \$140 for an individual or for a party of not to exceed four persons;
- (7) To take bear only, (\$14) \$15;
- (8) To take turkeys, \$10, in addition to a small game license;
- (9) To take raccoon, bobcat, coyote or fox with the aid of dogs, \$7.50, in addition to a small game license.

Sec. 9. [DISPOSAL OF CERTAIN SURPLUS EQUIPMENT.]

Notwithstanding the provisions of section 16.07, or any other law, the commissioner of natural resources is authorized to negotiate the sale of surplus state equipment to the Leech Lake Band of Chippewa Indians. This authorization is limited to equipment in the possession of the Leech Lake Band of Chippewa Indians and being used for enforcement of game and fish laws on March 1, 1982.

Sec. 10. [MILLE LACS BAND OF CHIPPEWA INDIANS.]

The commissioner, in consultation with the Mille Lacs Band of Chippewa Indians and other interested persons, shall review and evaluate the claimed right of the Mille Lacs Band to hunt, trap, fish and gather wild rice within the original boundaries of the Mille Lacs Indian Reservation and on contiguous waters free of state regulation and control. Based on this review the commissioner shall submit a report to the legislature by January 1, 1983, which shall include, but not be limited to, a discussion of the desirability and feasibility of entering into an agreement with the Mille Lacs Band similar to the agreements authorized by sections 97.431 to 97.433. Nothing herein shall be construed to authorize the commissioner to enter into any such agreement.

Sec. 11. [APPROPRIATION; COMPUTERIZED LICENSING SYSTEM.]

The sum of \$180,000 is appropriated from the game and fish fund to the commissioner of natural resources to develop and operate computerized licensing systems for the period ending June 30, 1983.

Sec. 12. [APPROPRIATION; EMERGENCY FEEDING.]

The sum on \$250,000 is appropriated from the game and fish fund to the commissioner of natural resources for the emergency feeding of deer, pheasants, and other wild animals during the winter of 1982. All money so appropriated which is unencumbered on July 1, 1982, shall revert to the game and fish fund.

Sec. 13. [EFFECTIVE DATE.]

Sections 1, 4, and 5 are effective the day after final enactment. Sections 2 and 3 are effective March 1, 1983."

Delete the title and insert:

"A bill for an act relating to wild animals; providing additional authority for the commissioner of natural resources to limit the numbers of deer and bear hunters under certain circumstances; increasing resident deer and bear license fees; appropriating money for deer and bear management, computerized licensing systems, and emergency feeding of wild animals during

the winter of 1982; clarifying provisions concerning possession of certain equipment usable in taking fish; increasing the deer license habitat amount; authorizing the review of a possible agreement between the commissioner and the Mille Lacs Band of Chippewa Indians; clarifying the guide license to take bear; authorizing negotiated sale of certain surplus equipment; amending Minnesota Statutes 1980, Sections 97.48, Subdivision 24; 97.49, Subdivision 1a, and by adding a subdivision; 98.455; 100.29, Subdivisions 14 and 18; 101.42, Subdivision 18; and Minnesota Statutes 1981 Supplement, Section 98.46, Subdivision 2."

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

The report was adopted.

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

S. F. No. 536, A bill for an act relating to local government; providing for the board membership and powers of the Moose Lake and Windemere area sanitary sewer district; amending Laws 1974, Chapter 400, Section 3, Subdivision 12, as amended; and Section 4, Subdivision 2, as amended; repealing Laws 1974, Chapter 400, Section 8, Subdivision 5, as amended.

Reported the same back with the following amendments:

Page 1, after line 10, insert:

"Section 1. Laws 1971, Chapter 478, Section 2, Subdivision 17, is amended to read:

Subd. 17. "Current costs of acquisition, betterment and debt service" means interest and principal estimated to be due during the budget year on bonds issued to finance said acquisition and betterment and all other costs of acquisition and betterment estimated to be (PAID) *incurred* during such year (FROM FUNDS OTHER THAN) *but not otherwise payable out of* bond proceeds and federal or state grants.

Sec. 2. Laws 1971, Chapter 478, Section 8, as amended by Laws 1974, Chapter 377, Section 9, is amended to read:

Sec. 8. [BUDGET.]

The board shall prepare and adopt, on or before December 31, 1971, and on or before September 1, 1972, and each year thereafter, a budget showing for the following calendar year or other fiscal year determined by the board, sometimes referred to in this act as the budget year, *the* estimated (RECEIPTS OF MONEY) *revenue* from all sources, including but not limited to

(PAYMENTS BY EACH LOCAL GOVERNMENT UNIT), *income earned in the operation of the district disposal system*, federal or state grants, taxes on property, and funds on hand at the beginning of the year, and estimated (EXPENDITURES) *expenses* for:

(1) Credits to each local government unit under section 6, subdivision 4;

(2) Deferred payments under section 9, subdivision 3;

(3) Costs of operation, administration and maintenance of the district disposal system;

(4) Costs of acquisition and betterment of the district disposal system; and

(5) Debt service, including principal and interest, on general obligation bonds and certificates issued pursuant to section 13, obligations assumed under section 6, subdivision 3, and any money judgments entered by a court of competent jurisdiction. (EXPENDITURES) *Expenses* within these general categories, and such others as the board may from time to time determine, shall be itemized in such detail as the board shall prescribe. The board and its officers, agents and employees shall not (SPEND MONEY) *incur an expense* for any purpose other than debt service without having set forth such expense in the budget nor in excess of the amount set forth in the budget therefor, and no obligation to (MAKE) *incur* such an (EXPENDITURE) *expense* shall be enforceable except as the obligation of the person or persons incurring it; providing that the board may amend the budget at any time by transferring from one purpose to another any (SUMS) *revenue* except (MONEY) for debt service and bond proceeds and by increasing (EXPENDITURES) *expenses* in any amount by which (CASH RECEIPTS) *revenue* during the budget year (ACTUALLY) *is estimated* to exceed the total amounts designated in the original budget. The creation of any obligation pursuant to section 13 or the (RECEIPT) *award* of any federal or state grant is a sufficient budget designation of the proceeds for the purpose for which it is authorized, and of the tax or other revenue pledged to pay the obligation and interest on it, whether or not specifically included in any annual budget. The budget shall contain, in addition to the provisions above, *the estimated (RECEIPTS OF MONEY FROM) revenue from income earned in the operation of solid waste disposal sites or facilities and estimated (EXPENDITURES) expenses for the operation of such solid waste disposal sites or facilities. Revenues from the operation of disposal sites or facilities shall not be used to fund in whole or in part the maintenance or operation of the district disposal system as that term is defined in section 2 above.*

Sec. 3. Laws 1971, Chapter 478, Section 9, Subdivision 1, is amended to read:

Sec. 9. [ALLOCATION OF COSTS.]

Subdivision 1. [DEFINITION OF CURRENT COSTS.] The estimated cost of administration, operation, maintenance and debt service of the district disposal system (TO BE PAID BY THE BOARD IN EACH FISCAL YEAR) and the estimated costs of acquisition and betterment of the system which (ARE TO BE PAID DURING THE YEAR FROM FUNDS OTHER THAN) *the board shall incur in the budget year other than cost of acquisition and betterment which are payable out of state or federal grants and bond proceeds and all other previously (UNALLOCATED PAYMENTS MADE) unrecovered costs incurred by the board pursuant to this act to be allocated in such year are referred to as current costs and shall be (ALLOCATED) recovered by the board (TO) from the local government units as hereinafter provided in the budget for such year.*

Sec. 4. Laws 1971, Chapter 478, Section 9a, Subdivision 1, as added by Laws 1974, Chapter 377, Section 10 is amended to read:

Sec. 9a. [ALLOCATION OF COST OF OPERATION OF SOLID WASTE DISPOSAL SITES OR FACILITIES.]

Subdivision 1. [DEFINITION OF CURRENT COSTS.] The estimated cost to the district of the administration, operation, maintenance and debt service of solid waste disposal sites or facilities and the estimated costs of acquisition and betterment of the disposal sites or facilities which (ARE TO BE PAID FROM FUNDS, OTHER THAN) *the board shall incur in the budget year, other than cost of acquisition and betterment which are payable out of state or federal grants and bond proceeds, and all other previously (UNALLOCATED PAYMENTS MADE) unrecovered costs incurred by the board are referred to as current costs and shall be recovered by the board through a system of user charges."*

Page 2, after line 5, insert:

"Sec. 7. [CITY OF SANDSTONE LAND EXCHANGE.]

Subdivision 1. The city of Sandstone, hereafter called the city, is the owner of certain tracts of land located within the county of Pine, state of Minnesota, more particularly described as the:

*Southeast Quarter of the Northwest Quarter (SE1/4 NW1/4),
Northeast Quarter of the Southeast Quarter (NE1/4 SE1/4),
Southeast Quarter of the Southeast Quarter (SE1/4 SE1/4),
Southwest Quarter of the Southeast Quarter (SW1/4 SE1/4),
Southeast Quarter of the Southwest Quarter (SE1/4 SW1/4),
of Section Three (3), Township Forty-Two (42) North, Range*

Twenty (20) West, and the Northeast Quarter of the Northwest Quarter (NE1/4 NW1/4), Northwest Quarter of the Northeast Quarter (NW1/4 NE1/4), of Section Ten (10), Township Forty-Two (42) North, Range Twenty (20) West, the above described property constituting tax forfeited land conveyed to the city by the state of Minnesota by deeds of conveyance dated February 13, 1959 and May 15, 1959.

Subd. 2. The United States government, department of interior, fish and wildlife service, hereafter called the federal government, is the owner of a certain tract or tracts of land located in close proximity to the city and constituting a part of the Sandstone unit of the Rice Lake national wildlife refuge.

Subd. 3. The city desires to acquire certain portions of that tract or tracts of land owned by the federal government for use in the location and construction of a wastewater stabilization pond and setback area. The federal government in turn, desires to acquire certain portions of the land described in subdivision 1 and owned by the city, for wildlife management purposes.

Subd. 4. The city may negotiate an agreement with appropriate authorities of the federal government and may execute the required conveyance to the federal government of all or any portion of the lands described in subdivision 1 in exchange for the conveyance by the federal government to the city of lands of a substantially equal valuation owned by the federal government which are suitable and desirable for the location and construction of a wastewater stabilization pond and setback area. Land conveyed by the city is hereby released from the reservation for public use required by Minnesota Statutes, Section 282.01, Subdivision 1, and stated in the deeds described in subdivision 1 of this section as being exclusively for public recreational, camping, picnic grounds and park purposes, and is also released from the accompanying reversion."

Renumber the sections

Page 2, line 10, delete "This act is" and insert "Sections 5, 6, and 8 are"

Page 2, line 12, after the period insert "Section 7 is effective upon approval by the Sandstone city council and compliance with Minnesota Statutes, Section 645.021, Subdivision 3."

Amend the title as follows:

Page 1, line 2, after the semicolon insert "providing for powers of the Western Lake Superior Sanitary District;"

Page 1, line 4, after the semicolon, insert "authorizing the city of Sandstone to exchange certain lands with the federal

government;" and after "amending" insert "Laws 1971, Chapter 478, Section 2, Subdivision 17; Section 8, as amended; Section 9, Subdivision 1; and Section 9a, Subdivision 1, as amended;"

With the recommendation that when so amended the bill pass.

The report was adopted.

McCarron from the Committee on Reapportionment and Elections to which was referred:

S. F. No. 639, A bill for an act relating to metropolitan government; requiring that metropolitan council boundaries be redrawn after each federal census; amending Minnesota Statutes 1980, Section 473.123, Subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 473.123, Subdivision 2, is amended to read:

Subd. 2. [TERMS AND APPORTIONMENT.] (COMMENCING THE FIRST MONDAY IN JANUARY, 1975,) The council members shall be appointed by the governor from each of the districts described in subdivision 3. The terms of the members shall be as follows: members representing even numbered districts for terms ending the first Monday in (JANUARY, 1977) *February, 1985*; members representing odd numbered districts for terms ending the first Monday in (JANUARY, 1979) *February, 1983*.

The districts boundaries shall be redrawn by the legislature after each decennial federal census so that each has substantially equal population. A municipality may not be divided in forming a district unless the municipality's population is at least 1/16 of the population of the metropolitan area, as that term is defined in section 473.121, subdivision 2. The redistricting shall be effective December 31 in the year of each decade ending in the numeral "2". Within two months thereafter, the governor shall appoint members from all newly drawn districts in which no incumbent member resides. Members appointed after the redistricting following each federal census from odd numbered districts shall serve terms ending the first Monday in February of the year ending in 7. Those from even numbered districts shall serve terms ending the first Monday in February of the year ending in 5. The terms of incumbent council members representing districts for which new members are appointed by the governor after a redistricting are extended to the first Monday in February of the year the appointee takes office. Thereafter the term of each member shall be for a term of four years and until

his successor is appointed and qualified *or until a subsequent redistricting.*

Members of the council serving as of the first Monday in January, (1975) 1982 shall continue to serve the district described in subdivision 3 in which they reside for the term herein prescribed for that district, provided that if more than one such member resides in the same district (THE GOVERNOR SHALL DESIGNATE ONE OF THEM) *the member who has the longest remaining term shall continue* to serve as the council member from the district and the terms of the other members are thereupon terminated. The governor shall appoint as members of the council one resident of each district described in subdivision 3 in which no present member of the council resides to serve for the term herein defined. (FOR THE PURPOSE OF THIS SUBDIVISION THE RESIDENCE OF PRESENT MEMBERS OF THE COUNCIL SERVING AS OF THE FIRST MONDAY IN JANUARY, 1975 SHALL BE THEIR RESIDENCE AS OF JULY 1, 1974.)

Sec. 2. Minnesota Statutes 1980, Section 473.123, Subdivision 3, is amended to read:

Subd. 3. [MEMBERSHIP.] (SIXTEEN) Members of the metropolitan council shall be appointed by the governor on a nonpartisan basis, after consulting with all members of the legislature from the area composing the council district for which the member is to be appointed, by and with the advice and consent of the senate. Each (SUCH) council member shall reside in the council district which he represents. Each council district shall be represented by one member of the council. Council districts are hereby created as follows:

((1) THE FIRST COUNCIL DISTRICT CONSISTS OF THAT PART OF THE CITY OF ST. PAUL DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE CENTER LINE OF UNIVERSITY AVENUE WITH THE WEST CITY LIMITS, EXTENDING EASTERLY ALONG THE CENTER LINE OF UNIVERSITY AVENUE TO THE CENTER LINE OF RICE STREET, EXTENDING SOUTHERLY ALONG THE CENTER LINE OF RICE STREET TO THE CENTER LINE OF INTERSTATE 94, EXTENDING EASTERLY ALONG THE CENTER LINE OF INTERSTATE 94 TO THE CENTER LINE OF SUMMIT AVENUE EXTENDED, EXTENDING SOUTHWESTERLY ALONG THE CENTER LINE OF SUMMIT AVENUE EXTENDED AND SUMMIT AVENUE TO THE CENTER LINE OF KELLOGG BOULEVARD, EXTENDING SOUTHEASTERLY ALONG THE CENTER LINE OF KELLOGG BOULEVARD TO THE CENTER LINE OF EAGLE STREET, EXTENDING SOUTHEASTERLY ALONG THE CENTER LINE OF EAGLE STREET TO THE MAIN CHANNEL OF THE MISSISSIPPI RIVER, EXTENDING SOUTHWESTERLY, WESTERLY, AND NORTHERLY ALONG THE MAIN CHANNEL OF THE

MISSISSIPPI RIVER TO THE WEST CITY LIMITS, AND EXTENDING NORTHERLY ALONG THE WEST CITY LIMITS, AND EXTENDING NORTHERLY ALONG THE WEST CITY LIMITS TO THE POINT OF ORIGIN.)

((2) THE SECOND COUNCIL DISTRICT CONSISTS OF THAT PART OF THE COUNTY OF RAMSEY CONSISTING OF THE CITIES OF LAUDERDALE, FALCON HEIGHTS, AND ROSEVILLE; AND THAT PART OF THE CITY OF ST. PAUL DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE CENTER LINE OF UNIVERSITY AVENUE WITH THE WEST CITY LIMITS, EXTENDING EASTERLY ALONG THE CENTER LINE OF UNIVERSITY AVENUE TO THE CENTER LINE OF RICE STREET, EXTENDING NORTHERLY ALONG THE CENTER LINE OF RICE STREET TO THE BURLINGTON NORTHERN RAILROAD RIGHT OF WAY, EXTENDING EASTERLY ALONG THE BURLINGTON NORTHERN RAILROAD RIGHT OF WAY TO THE CENTER LINE OF SYLVAN STREET, EXTENDING NORTHERLY ALONG THE CENTER LINE OF SYLVAN STREET TO THE CENTER LINE OF MAGNOLIA AVENUE WEST, EXTENDING EASTERLY ALONG THE CENTER LINE OF MAGNOLIA AVENUE WEST TO THE CENTER LINE OF AGATE STREET, EXTENDING NORTHERLY ALONG THE CENTER LINE OF AGATE STREET TO THE CENTER LINE OF JESSAMINE AVENUE WEST EXTENDED, EXTENDING EASTERLY ALONG THE CENTER LINE OF JESSAMINE AVENUE WEST EXTENDED TO THE CENTER LINE OF INTERSTATE 35E, EXTENDING NORTHERLY ALONG THE CENTER LINE OF INTERSTATE 35E TO THE NORTH CITY LIMITS, AND EXTENDING WESTERLY, SOUTHERLY, WESTERLY, SOUTHERLY, WESTERLY, NORTHERLY, WESTERLY, AND SOUTHERLY ALONG THE CITY LIMITS TO THE POINT OF ORIGIN.)

((3) THE THIRD COUNCIL DISTRICT CONSISTS OF THAT PART OF THE CITY OF ST. PAUL DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE CENTER LINE OF INTERSTATE 35E WITH THE NORTH CITY LIMITS, EXTENDING SOUTHERLY ALONG THE CENTER LINE OF INTERSTATE 35E TO THE CENTER LINE OF JESSAMINE AVENUE WEST EXTENDED; EXTENDING WESTERLY ALONG THE CENTER LINE OF JESSAMINE AVENUE WEST EXTENDED TO THE CENTER LINE OF AGATE STREET, EXTENDING SOUTHERLY ALONG THE CENTER LINE OF AGATE STREET TO THE CENTER LINE OF MAGNOLIA AVENUE WEST, EXTENDING WESTERLY ALONG THE CENTER LINE OF MAGNOLIA AVENUE WEST TO THE CENTER LINE OF SYLVAN STREET, EXTENDING SOUTHERLY ALONG THE CENTER LINE OF SYLVAN STREET TO THE BURLINGTON NORTHERN RAILROAD RIGHT OF WAY, EXTENDING WESTERLY ALONG THE BURLINGTON NORTHERN

RAILROAD RIGHT OF WAY TO THE CENTER LINE OF RICE STREET, EXTENDING SOUTHERLY ALONG THE CENTER LINE OF RICE STREET TO THE CENTER LINE OF INTERSTATE 94, EXTENDING EASTERLY ALONG THE CENTER LINE OF INTERSTATE 94 TO THE CENTER LINE OF SUMMIT AVENUE EXTENDED, EXTENDING SOUTHWESTERLY ALONG THE CENTER LINE OF SUMMIT AVENUE EXTENDED AND SUMMIT AVENUE TO THE CENTER LINE OF KELLOGG BOULEVARD, EXTENDING SOUTHEASTERLY ALONG THE CENTER LINE OF KELLOGG BOULEVARD TO THE CENTER LINE OF EAGLE STREET, EXTENDING SOUTHEASTERLY ALONG THE CENTER LINE OF EAGLE STREET TO THE MAIN CHANNEL OF THE MISSISSIPPI RIVER, EXTENDING SOUTHWESTERLY ALONG THE MAIN CHANNEL OF THE MISSISSIPPI RIVER TO THE SOUTH CITY LIMITS, EXTENDING EASTERLY, NORTHERLY, EASTERLY, SOUTHERLY, EASTERLY, SOUTHEASTERLY, EASTERLY, NORTHERLY, AND WESTERLY ALONG THE CITY LIMITS TO THE POINT OF ORIGIN.)

((4) THE FOURTH COUNCIL DISTRICT CONSISTS OF THAT PART OF THE COUNTY OF RAMSEY CONSISTING OF THE TOWN OF WHITE BEAR; THE CITIES OF ARDEN HILLS, GEM LAKE, LITTLE CANADA, MOUNDSVIEW, NEW BRIGHTON, NORTH OAKS, NORTH ST. PAUL, SHOREVIEW, AND VADNAIS HEIGHTS; THAT PART OF THE CITY OF WHITE BEAR LAKE LYING IN THE COUNTY OF RAMSEY; AND THAT PART OF THE CITY OF MAPLEWOOD LYING NORTH OF THE CENTER LINE OF LARPEN TEUR AVENUE.)

((5) THE FIFTH COUNCIL DISTRICT CONSISTS OF THAT PART OF THE COUNTY OF HENNEPIN CONSISTING OF THE CITY OF ROBBINSDALE; THAT PART OF THE CITY OF GOLDEN VALLEY DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE CENTER LINE OF TRUNK HIGHWAY NO. 100 WITH THE NORTH CITY LIMITS, EXTENDING SOUTHERLY ALONG THE CENTER LINE OF TRUNK HIGHWAY NO. 100 TO THE MINNESOTA WESTERN RAILROAD RIGHT OF WAY, EXTENDING EASTERLY ALONG THE MINNESOTA WESTERN RAILROAD RIGHT OF WAY TO THE EAST CITY LIMITS, AND EXTENDING NORTHERLY, WESTERLY, NORTHERLY, AND WESTERLY ALONG THE CITY LIMITS TO THE POINT OF ORIGIN; AND THAT PART OF THE CITY OF MINNEAPOLIS DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE MAIN CHANNEL OF THE MISSISSIPPI RIVER WITH THE NORTH CITY LIMITS, EXTENDING SOUTHERLY ALONG THE MAIN CHANNEL OF THE MISSISSIPPI RIVER TO THE BURLINGTON NORTHERN RAILROAD RIGHT OF WAY, EXTENDING SOUTHWESTERLY ALONG

THE BURLINGTON NORTHERN RAILROAD RIGHT OF WAY TO THE CENTER LINE OF SIXTH STREET NORTH EXTENDED, EXTENDING SOUTHEASTERLY ALONG THE CENTER LINE OF SIXTH STREET NORTH EXTENDED AND SIXTH STREET NORTH TO THE CENTER LINE OF HENNEPIN AVENUE, EXTENDING SOUTHWESTERLY ALONG THE CENTER LINE OF HENNEPIN AVENUE TO THE CENTER LINE OF FRANKLIN AVENUE WEST, EXTENDING WESTERLY ALONG THE CENTER LINE OF FRANKLIN AVENUE WEST TO THE CENTER LINE OF LAKE OF THE ISLES BOULEVARD EAST, EXTENDING SOUTHERLY ALONG THE CENTER LINE OF LAKE OF THE ISLES BOULEVARD EAST TO THE CENTER LINE OF LAKE CALHOUN BOULEVARD EAST, EXTENDING SOUTHERLY ALONG THE CENTER LINE OF LAKE CALHOUN BOULEVARD EAST TO THE CENTER LINE OF LAKE STREET WEST, EXTENDING WESTERLY ALONG THE CENTER LINE OF LAKE STREET WEST TO THE WEST CITY LIMITS, AND EXTENDING NORTHERLY, EASTERLY, NORTHERLY, AND EASTERLY ALONG THE CITY LIMITS TO THE POINT OF ORIGIN.)

((6) THE SIXTH COUNCIL DISTRICT CONSISTS OF THAT PART OF THE COUNTY OF HENNEPIN CONSISTING OF THAT PART OF THE CITY OF ST. ANTHONY LYING IN THE COUNTY OF HENNEPIN; AND THAT PART OF THE CITY OF MINNEAPOLIS DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE MAIN CHANNEL OF THE MISSISSIPPI RIVER WITH THE NORTH CITY LIMITS, EXTENDING SOUTHERLY ALONG THE MAIN CHANNEL OF THE MISSISSIPPI RIVER TO THE BURLINGTON NORTHERN RAILROAD RIGHT OF WAY, EXTENDING SOUTHWESTERLY ALONG THE BURLINGTON NORTHERN RAILROAD RIGHT OF WAY TO THE CENTER LINE OF SIXTH STREET NORTH EXTENDED, EXTENDING SOUTHEASTERLY ALONG THE CENTER LINE OF SIXTH STREET NORTH EXTENDED AND SIXTH STREET NORTH TO THE CENTER LINE OF HENNEPIN AVENUE, EXTENDING SOUTHWESTERLY ALONG THE CENTER LINE OF HENNEPIN AVENUE TO THE CENTER LINE OF LINCOLN AVENUE EXTENDED, EXTENDING EASTERLY ALONG THE CENTER LINE OF LINCOLN AVENUE EXTENDED TO THE CENTER LINE OF LYNDALE AVENUE SOUTH, EXTENDING SOUTHERLY ALONG THE CENTER LINE OF LYNDALE AVENUE SOUTH TO THE CENTER LINE OF TWENTY-FOURTH STREET EAST, EXTENDING EASTERLY ALONG THE CENTER LINE OF TWENTY-FOURTH STREET EAST TO THE CENTER LINE OF STEVENS AVENUE SOUTH, EXTENDING SOUTHERLY ALONG THE CENTER LINE OF STEVENS AVENUE SOUTH TO THE CENTER LINE OF TWENTY-FIFTH STREET EAST, EXTENDING EASTERLY ALONG THE CENTER LINE OF TWENTY-FIFTH STREET EAST TO THE CENTER LINE

OF FIFTEENTH AVENUE SOUTH, EXTENDING NORTHERLY ALONG THE CENTER LINE OF FIFTEENTH AVENUE SOUTH TO THE CENTER LINE OF TWENTY-FOURTH STREET EAST, EXTENDING EASTERLY ALONG THE CENTER LINE OF TWENTY-FOURTH STREET EAST TO THE CENTER LINE OF CEDAR AVENUE SOUTH, EXTENDING NORTHERLY ALONG THE CENTER LINE OF CEDAR AVENUE SOUTH TO THE CENTER LINE OF SIXTH STREET SOUTH; EXTENDING EASTERLY ALONG THE CENTER LINE OF SIXTH STREET SOUTH TO THE CENTER LINE OF TWENTY-SEVENTH AVENUE SOUTH EXTENDED, EXTENDING NORTHERLY ALONG THE CENTER LINE OF TWENTY-SEVENTH AVENUE SOUTH EXTENDED TO THE MAIN CHANNEL OF THE MISSISSIPPI RIVER, EXTENDING SOUTHEASTERLY ALONG THE MAIN CHANNEL OF THE MISSISSIPPI RIVER TO THE EAST CITY LIMITS, AND EXTENDING NORTHERLY, WESTERLY, NORTHERLY, WESTERLY, NORTHERLY, AND WESTERLY TO THE POINT OF ORIGIN; AND THAT PART OF THE COUNTY OF RAMSEY CONSISTING OF THAT PART OF THE CITY OF ST. ANTHONY LYING IN THE COUNTY OF RAMSEY.)

((7) THE SEVENTH COUNCIL DISTRICT CONSISTS OF THAT PART OF THE CITY OF MINNEAPOLIS DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE CENTER LINE OF LAKE STREET WEST WITH THE WEST CITY LIMITS, EXTENDING EASTERLY ALONG THE CENTER LINE OF LAKE STREET WEST TO THE CENTER LINE OF LAKE CALHOUN BOULEVARD EAST, EXTENDING NORTHERLY ALONG THE CENTER LINE OF LAKE CALHOUN BOULEVARD EAST TO THE CENTER LINE OF LAKE OF THE ISLES BOULEVARD EAST, EXTENDING NORTHERLY ALONG THE CENTER LINE OF LAKE OF THE ISLES BOULEVARD EAST TO THE CENTER LINE OF FRANKLIN AVENUE WEST, EXTENDING EASTERLY ALONG THE CENTER LINE OF FRANKLIN AVENUE WEST TO THE CENTER LINE OF HENNEPIN AVENUE, EXTENDING NORTHEASTERLY ALONG THE CENTER LINE OF HENNEPIN AVENUE TO THE CENTER LINE OF LINCOLN AVENUE EXTENDED, EXTENDING EASTERLY ALONG THE CENTER LINE OF LINCOLN AVENUE EXTENDED TO THE CENTER LINE OF LYNDALE AVENUE SOUTH, EXTENDING SOUTHERLY ALONG THE CENTER LINE OF LYNDALE AVENUE SOUTH TO THE CENTER LINE OF TWENTY-FOURTH STREET EAST, EXTENDING EASTERLY ALONG THE CENTER LINE OF TWENTY-FOURTH STREET EAST TO THE CENTER LINE OF STEVENS AVENUE SOUTH, EXTENDING SOUTHERLY ALONG THE CENTER LINE OF STEVENS AVENUE SOUTH TO THE CENTER LINE OF TWENTY-FIFTH STREET EAST, EXTENDING EASTERLY ALONG THE CENTER LINE OF TWENTY-FIFTH STREET EAST TO

THE CENTER LINE OF CHICAGO AVENUE SOUTH, EXTENDING SOUTHERLY ALONG THE CENTER LINE OF CHICAGO AVENUE SOUTH TO THE CENTER LINE OF THIRTY-EIGHTH STREET EAST, EXTENDING WESTERLY ALONG THE CENTER LINE OF THIRTY-EIGHTH STREET EAST TO THE CENTER LINE OF FOURTH AVENUE SOUTH, EXTENDING SOUTHERLY ALONG THE CENTER LINE OF FOURTH AVENUE SOUTH TO THE CENTER LINE OF FORTY-SECOND STREET EAST, EXTENDING WESTERLY ALONG THE CENTER LINE OF FORTY-SECOND STREET EAST TO THE CENTER LINE OF INTERSTATE 35W, EXTENDING SOUTHERLY ALONG THE CENTER LINE OF INTERSTATE 35W TO THE CENTER LINE OF FORTY-EIGHTH STREET EAST EXTENDED, EXTENDING WESTERLY ALONG THE CENTER LINE OF FORTY-EIGHTH STREET EAST EXTENDED AND FORTY-EIGHTH STREET EAST TO THE CENTER LINE OF NICOLLET AVENUE SOUTH, EXTENDING SOUTHERLY ALONG THE CENTER LINE OF NICOLLET AVENUE SOUTH TO THE CENTER LINE OF FIFTY-SEVENTH STREET EAST, EXTENDING EASTERLY ALONG THE CENTER LINE OF FIFTY-SEVENTH STREET EAST AND FIFTY-SEVENTH STREET EAST EXTENDED TO THE CENTER LINE OF INTERSTATE 35W, EXTENDING SOUTHERLY ALONG THE CENTER LINE OF INTERSTATE 35W TO THE SOUTH CITY LIMITS, AND EXTENDING WESTERLY, NORTHERLY, WESTERLY, AND NORTHERLY TO THE POINT OF ORIGIN.)

((8) THE EIGHTH COUNCIL DISTRICT CONSISTS OF THAT PART OF THE CITY OF MINNEAPOLIS DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE MAIN CHANNEL OF THE MISSISSIPPI RIVER WITH THE EAST CITY LIMITS, EXTENDING NORTHWESTERLY ALONG THE MAIN CHANNEL OF THE MISSISSIPPI RIVER TO THE CENTER LINE OF TWENTY-SEVENTH AVENUE SOUTH EXTENDED, EXTENDING SOUTHERLY ALONG THE CENTER LINE OF TWENTY-SEVENTH AVENUE SOUTH EXTENDED TO THE CENTER LINE OF SIXTH STREET SOUTH, EXTENDING WESTERLY ALONG THE CENTER LINE OF SIXTH STREET SOUTH TO THE CENTER LINE OF CEDAR AVENUE SOUTH, EXTENDING SOUTHERLY ALONG THE CENTER LINE OF CEDAR AVENUE SOUTH TO THE CENTER LINE OF TWENTY-FOURTH STREET EAST, EXTENDING WESTERLY ALONG THE CENTER LINE OF TWENTY-FOURTH STREET EAST TO THE CENTER LINE OF FIFTEENTH AVENUE SOUTH, EXTENDING SOUTHERLY ALONG THE CENTER LINE OF FIFTEENTH AVENUE SOUTH TO THE CENTER LINE OF TWENTY-FIFTH STREET EAST, EXTENDING WESTERLY ALONG THE CENTER LINE OF TWENTY-FIFTH STREET EAST TO THE CENTER LINE OF CHICAGO AVENUE SOUTH, EXTENDING SOUTHERLY

ALONG THE CENTER LINE OF CHICAGO AVENUE SOUTH, TO THE CENTER LINE OF THIRTY-EIGHTH STREET EAST, EXTENDING WESTERLY ALONG THE CENTER LINE OF THIRTY-EIGHTH STREET EAST TO THE CENTER LINE OF FOURTH AVENUE SOUTH, EXTENDING SOUTHERLY ALONG THE CENTER LINE OF FOURTH AVENUE SOUTH TO THE CENTER LINE OF FORTY-SECOND STREET EAST, EXTENDING WESTERLY ALONG THE CENTER LINE OF FORTY-SECOND STREET EAST TO THE CENTER LINE OF INTERSTATE 35W, EXTENDING SOUTHERLY ALONG THE CENTER LINE OF INTERSTATE 35W TO THE CENTER LINE OF FORTY-EIGHTH STREET EAST EXTENDED, EXTENDING WESTERLY ALONG THE CENTER LINE OF FORTY-EIGHTH STREET EAST EXTENDED AND FORTY-EIGHTH STREET EAST TO THE CENTER LINE OF NICOLLET AVENUE SOUTH, EXTENDING SOUTHERLY ALONG THE CENTER LINE OF NICOLLET AVENUE SOUTH TO THE CENTER LINE OF FIFTY-SEVENTH STREET EAST, EXTENDING EASTERLY ALONG THE CENTER LINE OF FIFTY-SEVENTH STREET EAST AND FIFTY-SEVENTH STREET EAST EXTENDED TO THE CENTER LINE OF INTERSTATE 35W, EXTENDING SOUTHERLY ALONG THE CENTER LINE OF INTERSTATE 35W TO THE SOUTH CITY LIMITS, AND EXTENDING EASTERLY, NORTHERLY, EASTERLY, AND NORTHERLY TO THE POINT OF ORIGIN.)

((9) THE NINTH COUNCIL DISTRICT CONSISTS OF THAT PART OF THE COUNTY OF HENNEPIN CONSISTING OF THE FORT SNELLING AREA; THE CITY OF RICHFIELD; AND THAT PART OF THE CITY OF BLOOMINGTON DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE CENTER LINE OF FRANCE AVENUE SOUTH WITH THE NORTH CITY LIMITS, EXTENDING SOUTHERLY ALONG THE CENTER LINE OF FRANCE AVENUE SOUTH TO THE CENTER LINE OF ONE HUNDRED SECOND STREET WEST, EXTENDING WESTERLY ALONG THE CENTER LINE OF ONE HUNDRED SECOND STREET WEST TO THE CENTER LINE OF JOHNSON AVENUE, EXTENDING SOUTHERLY ALONG THE CENTER LINE OF JOHNSON AVENUE TO THE MINNEAPOLIS, NORTHFIELD, AND SOUTHERN RAILROAD RIGHT OF WAY, EXTENDING SOUTHWESTERLY ALONG THE MINNEAPOLIS, NORTHFIELD, AND SOUTHERN RAILROAD RIGHT OF WAY TO THE CENTER LINE OF NORMANDEALE BOULEVARD, EXTENDING SOUTHERLY ALONG THE CENTER LINE OF NORMANDEALE BOULEVARD TO THE SOUTH CITY LIMITS, EXTENDING EASTERLY, NORTHEASTERLY, WESTERLY, NORTHERLY, AND WESTERLY ALONG THE CITY LIMITS TO THE POINT OF ORIGIN.)

((10) THE TENTH COUNCIL DISTRICT CONSISTS OF THAT PART OF THE COUNTY OF HENNEPIN CONSIST-

ING OF THE CITIES OF NEW HOPE, CRYSTAL AND ST. LOUIS PARK; AND THAT PART OF THE CITY OF GOLDEN VALLEY DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE CENTER LINE OF TRUNK HIGHWAY NO. 100 AND THE NORTH CITY LIMITS, EXTENDING SOUTHERLY ALONG THE CENTER LINE OF TRUNK HIGHWAY NO. 100 TO THE MINNESOTA WESTERN RAILROAD RIGHT OF WAY, EXTENDING EASTERLY ALONG THE MINNESOTA WESTERN RAILROAD RIGHT OF WAY TO THE EAST CITY LIMITS, EXTENDING SOUTHERLY, WESTERLY, SOUTHERLY, WESTERLY, AND NORTHERLY ALONG THE CITY LIMITS TO THE CENTER LINE OF OLSON MEMORIAL HIGHWAY, EXTENDING EASTERLY ALONG THE CENTER LINE OF OLSON MEMORIAL HIGHWAY TO THE CENTER LINE OF WINNETKA AVENUE NORTH, EXTENDING NORTHERLY ALONG THE CENTER LINE OF WINNETKA AVENUE NORTH TO THE NORTH CITY LIMITS, AND EXTENDING EASTERLY ALONG THE NORTH CITY LIMITS TO THE POINT OF ORIGIN.)

((11) THE ELEVENTH COUNCIL DISTRICT CONSISTS OF THAT PART OF THE COUNTY OF HENNEPIN CONSISTING OF THE CITIES OF EDINA, MEDICINE LAKE, MINNETONKA, PLYMOUTH, HOPKINS AND WAYZATA; AND THAT PART OF THE CITY OF GOLDEN VALLEY DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE CENTER LINE OF WINNETKA AVENUE NORTH AND THE NORTH CITY LIMITS, EXTENDING SOUTHERLY ALONG THE CENTER LINE OF WINNETKA AVENUE NORTH TO THE CENTER LINE OF OLSON MEMORIAL HIGHWAY; EXTENDING WESTERLY ALONG THE CENTER LINE OF OLSON MEMORIAL HIGHWAY TO THE WEST CITY LIMITS, AND EXTENDING NORTHERLY AND EASTERLY ALONG THE CITY LIMITS TO THE POINT OF ORIGIN.)

((12) THE TWELFTH COUNCIL DISTRICT CONSISTS OF THAT PART OF THE COUNTY OF ANOKA CONSISTING OF THE TOWNS OF BURNS, CROW, OAK GROVE, AND RAMSEY; THE CITIES OF ANOKA, BETHEL AND ST. FRANCIS; AND THAT PART OF THE COUNTY OF HENNEPIN CONSISTING OF THE TOWN OF HASSAN: THE CITIES OF CORCORAN, CHAMPLIN, DAYTON, GREENFIELD, INDEPENDENCE, LORETTO, MAPLE GROVE, MAPLE PLAIN, MEDINA, MINNETRISTA, OSSEO, ROGERS, ST. BONIFACIUS, BROOKLYN CENTER AND BROOKLYN PARK; AND THAT PART OF THE CITIES OF HANOVER AND ROCKFORD LYING IN THE COUNTY OF HENNEPIN.)

((13) THE THIRTEENTH COUNCIL DISTRICT CONSISTS OF THAT PART OF THE COUNTY OF ANOKA

CONSISTING OF THE TOWN OF HAM LAKE; THE CITIES OF EAST BETHEL, HILLTOP, COLUMBIA HEIGHTS, COON RAPIDS, AND FRIDLEY; AND THAT PART OF THE CITY OF SPRING LAKE PARK AND THE CITY OF BLAINE LYING IN ANOKA COUNTY; AND THAT PART OF THE COUNTY OF RAMSEY CONSISTING OF THAT PART OF THE CITIES OF SPRING LAKE PARK AND BLAINE LYING IN THE COUNTY OF RAMSEY.)

((14) THE FOURTEENTH COUNCIL DISTRICT CONSISTS OF THE COUNTY OF WASHINGTON; THAT PART OF THE COUNTY OF ANOKA CONSISTING OF THE TOWNS OF COLUMBUS AND LINWOOD; AND THE CITIES OF CENTERVILLE, CIRCLE PINES, LEXINGTON, AND LINO LAKES; THAT PART OF THE COUNTY OF DAKOTA CONSISTING OF THE TOWNS OF MARSHAN, NININGER, AND RAVENNA; THE CITY OF HASTINGS; AND THAT PART OF THE COUNTY OF RAMSEY CONSISTING OF THAT PART OF THE CITY OF MAPLEWOOD LYING SOUTH OF THE CENTER LINE OF LARPEN TEUR AVENUE.)

((15) THE FIFTEENTH COUNCIL DISTRICT CONSISTS OF THAT PART OF THE COUNTY OF DAKOTA CONSISTING OF THE TOWNS OF CASTLE ROCK, DOUGLAS, EAGAN, EMPIRE, EUREKA, GREENVALE, HAMPTON, RANDOLPH, SCIOTA, VERMILLION, AND WATERFORD, EXCLUDING THE CITY OF NORTHFIELD; THE CITIES OF APPLE VALLEY, BURNSVILLE, COATES, FARMINGTON, HAMPTON, INVER GROVE HEIGHTS, LILYDALE, MENDOTA, MENDOTA HEIGHTS, MIESVILLE, NEW TRIER, RANDOLPH, ROSEMOUNT, SUNFISH LAKE, VERMILLION, SOUTH ST. PAUL AND WEST ST. PAUL.)

((16) THE SIXTEENTH COUNCIL DISTRICT CONSISTS OF THE COUNTIES OF CARVER AND SCOTT, EXCLUDING THE CITY OF NEW PRAGUE; THAT PART OF THE COUNTY OF DAKOTA CONSISTING OF THE CITY OF LAKEVILLE; AND THAT PART OF THE COUNTY OF HENNEPIN CONSISTING OF THE CITIES OF DEEPHAVEN, EDEN PRAIRIE, EXCELSIOR, GREENWOOD, LONG LAKE, MINNETONKA BEACH, MOUND, ORONO, SHOREWOOD, SPRING PARK, TONKA BAY, AND WOODLAND; THAT PART OF THE CITY OF CHANHASSEN LYING IN THE COUNTY OF HENNEPIN; AND THAT PART OF THE CITY OF BLOOMINGTON DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE CENTER LINE OF FRANCE AVENUE SOUTH WITH THE NORTH CITY LIMITS, EXTENDING SOUTHERLY ALONG THE CENTER LINE OF FRANCE AVENUE SOUTH TO THE CENTER LINE OF ONE HUNDRED SECOND STREET WEST, EXTENDING WESTERLY

ALONG THE CENTER LINE OF ONE HUNDRED SECOND STREET WEST TO THE CENTER LINE OF JOHNSON AVENUE SOUTH, EXTENDING SOUTHERLY ALONG THE CENTER LINE OF JOHNSON AVENUE SOUTH TO THE MINNEAPOLIS, NORTHFIELD, AND SOUTHERN RAILROAD RIGHT OF WAY, EXTENDING SOUTHWESTERLY ALONG THE MINNEAPOLIS, NORTHFIELD AND SOUTHERN RAILROAD RIGHT OF WAY TO THE CENTER LINE OF NORMANDALE BOULEVARD, EXTENDING SOUTHERLY ALONG THE CENTER LINE OF NORMANDALE BOULEVARD TO THE SOUTH CITY LIMITS, AND EXTENDING WESTERLY, NORTHERLY, AND EASTERLY, ALONG THE CITY LIMITS TO THE POINT OF ORIGIN.)

(1) *The first council district consists of that part of the county of Anoka consisting of the cities of St. Francis, Bethel, East Bethel, Ramsey, Andover, Ham Lake, Anoka, Circle Pines, Lino Lakes, and Centerville, and the townships of Burns, Oak Grove, Linwood, and Columbus; that part of the county of Washington consisting of the cities of Forest Lake, Marine-on-St. Croix, Hugo, and Stillwater, and the townships of Forest Lake, New Scandia, May, and Stillwater; that part of the county of Hennepin consisting of the cities of Champlain, Dayton, and Rogers, and the township of Hassan; and that part of the city of Hanover lying in Hennepin County.*

(2) *The second council district consists of that part of the county of Washington consisting of the cities of Dellwood, Mahtomedi, Birchwood, Willernie, Pine Springs, Oakdale, Lake Elmo, Landfall, Woodbury, Newport, St. Paul Park, Cottage Grove, Oak Park Heights, Bayport, Lakeland, Lakeland Shores, Lake St. Croix Beach, St. Marys Point, and Afton, and the townships of Grant, Grey Cloud Island, Baytown, West Lakeland, and Denmark; that part of the city of Hastings lying in Washington County; that part of Dakota County consisting of the cities of Hastings, Coates, Vermillion, Farmington, Lakeville, Hampton, New Trier, Miesville, and Randolph, and the townships of Nininger, Ravenna, Marshan, Vermillion, Empire, Eureka, Castle Rock, Hampton, Douglas, Greenvale, Waterford, Sciota, and Randolph; and that part of the city of Northfield lying within the county of Dakota.*

(3) *The third council district consists of that part of the county of Dakota consisting of the cities of Lilydale, Mendota, Mendota Heights, Sunfish Lake, Eagan, Inver Grove Heights, Burnsville, Apple Valley, and Rosemount; and that part of the county of Scott consisting of the cities of Savage and Shakopee.*

(4) *The fourth council district consists of that part of the county of Scott consisting of the cities of Prior Lake, Elko, New Market, Jordan, and Belle Plaine, and the townships of Jackson, Louisville, St. Lawrence, Sand Creek, Spring Lake, Credit River, Blakeley, Belle Plaine, Helena, Cedar Lake, and New Market;*

the county of Carver; that part of the county of Hennepin consisting of the cities of Eden Prairie, St. Bonifacius, Minnetrista, Maple Plain, Independence, Medina, Loretto, Greenfield, Corcoran, Maple Grove, and Osseo; and those parts of the cities of Chanhassen and Rockford lying within Hennepin County and the county of Carver.

(5) The fifth council district consists of that part of the county of Hennepin consisting of the cities of Bloomington and Richfield; and the Fort Snelling Military Reservation.

(6) The sixth council district consists of that part of the county of Hennepin consisting of the cities of Robbinsdale, Golden Valley, St. Louis Park, and Edina.

(7) The seventh council district consists of that part of the county of Hennepin consisting of the cities of Plymouth, Medicine Lake, Minnetonka, Hopkins, Wayzata, Woodland, Deephaven, Greenwood, Excelsior, Shorewood, Tonka Bay, Minnetonka Beach, Spring Park, Mound, Orono, and Long Lake.

(8) The eighth council district consists of that part of the county of Hennepin consisting of the cities of Brooklyn Park, Brooklyn Center, New Hope, and Crystal.

(9) The ninth council district consists of that part of the county of Anoka consisting of the cities of Columbia Heights, Hilltop, Fridley, Spring Lake Park, Coon Rapids, Blaine, and Lexington; and those parts of the cities of Spring Lake Park and Blaine lying within Ramsey County.

(10) The tenth council district consists of that part of the county of Hennepin consisting of the city of St. Anthony, and that part of the city of Minneapolis described as follows: commencing at the intersection of the center line of Golden Valley Road with the west city limits, extending easterly along the center line of Golden Valley Road to the center line of Girard Avenue North, extending northerly along the center line of Girard Avenue North to the center line of Broadway Avenue North, extending easterly along the center line of Broadway Avenue North to the center line of Interstate 94, extending southerly, then easterly along the center line of Interstate 94, to the intersection of Interstate 94 with Interstate 35W, then extending easterly and northeasterly along the center line of Interstate 35W to the main channel of the Mississippi River, extending southeasterly along the main channel of the Mississippi River to the east city limits, extending northerly, westerly, northerly, westerly, northerly, then westerly to the main channel of the Mississippi River, extending northerly along the main channel of the Mississippi River to the north city limits, and extending westerly and southerly to the point of origin; and that part of Ramsey County consisting of the city of St. Anthony.

(11) *The eleventh council district consists of that part of the city of Minneapolis described as follows: commencing at the intersection of Golden Valley Road with the west city limits, extending easterly along the center line of Golden Valley Road to the center line of Girard Avenue North, extending northerly along Girard Avenue North to the intersection of Broadway Avenue North, extending easterly along the center line of Broadway Avenue North to the center line of Interstate 94, extending southerly along the center line of Interstate 94, then extending easterly along the center line of Interstate 94 to the center line of Interstate 35W, extending southerly along the center line of Interstate 35W to the south city limits, then extending westerly, northerly, westerly, northerly, easterly, and northerly along the city limits to the point of origin.*

(12) *The twelfth council district consists of that part of the city of Minneapolis described as follows: commencing at the intersection of the main channel of the Mississippi River, with the east city limits, between East 28th Street extended and East 26th Street extended, extending northwesterly along the main channel of the Mississippi River to the center line of Interstate 35W, extending southwest, westerly, and southerly along the center line of Interstate 35W to the south city limits, then extending easterly, northerly, and easterly along the city limits to the main channel of the Mississippi River, then extending northerly along the main channel of the Mississippi River to the point of origin.*

(13) *The thirteenth council district consists of that part of the city of St. Paul described as follows: commencing at the intersection of the north city limits with the center line of McKnight Road, extending southerly along the center line of McKnight Road to the south city limits, extending westerly along the city limits to the main channel of the Mississippi River, extending northwesterly along the main channel of the Mississippi River to the center line of Lafayette Road, extending northerly along the center line of Lafayette Road to the center line of Kellogg Boulevard, extending northeasterly along the center line of Kellogg Boulevard to the Burlington Northern railroad right-of-way, extending northerly along the Burlington Northern railroad right-of-way to the center line of Minnehaha Avenue extended, extending westerly to the center line of Interstate 35E, extending southerly along the center line of Interstate 35E to University Avenue, extending westerly along the center line of University Avenue to the center line of Rice Street, extending southerly along the center line of Rice Street to the center line of Interstate 94, extending westerly along the center line of Interstate 94 to the center line of Lexington Avenue, extending northerly along the center line of Lexington Avenue to the Burlington Northern railroad right-of-way immediately north of Pierce Butler Route, extending easterly along the southernmost boundary of the Burlington Northern railroad right-of-way to the center line of North Dale Street, extending northerly along*

North Dale Street to the north city limits, and extending easterly along the city limits to the point of origin.

(14) *The fourteenth council district consists of that part of the county of Ramsey consisting of the cities of Maplewood, North St. Paul, Little Canada, White Bear Lake, Gem Lake, Vadnais Heights, Shoreview, Arden Hills, Mounds View, and North Oaks, and the township of White Bear; and that part of the county of Washington consisting of the city of White Bear Lake.*

(15) *The fifteenth council district consists of that part of the city of St. Paul described as follows: commencing at the intersection of the main channel of the Mississippi River with the center line of St. Clair Avenue, extending easterly along the center line of St. Clair Avenue to the center line of Lexington Avenue, extending northerly along the center line of Lexington Avenue to the center line of Interstate 94, extending easterly along the center line of Interstate 94, extending northerly along the center line of Rice Street to the center line of University Avenue, extending easterly along the center line of University Avenue to the center line of Interstate 35E, extending northerly along the center line of Interstate 35E to the center line of Minnehaha Avenue extended, extending easterly along the center line of Minnehaha Avenue extended, extending easterly to the Burlington Northern railroad right-of-way, extending southerly along the Burlington Northern railroad right-of-way to the center line of Kellogg Boulevard, extending westerly along the center line of Kellogg Boulevard to the center line of Lafayette Road, extending southerly along the center line of Lafayette Road to the main channel of the Mississippi River, extending easterly and southerly along the main channel of the Mississippi River to the south city limits at the center line of Annapolis Street extended, extending westerly, northerly, westerly, southerly, and westerly along the south city limits to the main channel of the Mississippi River, extending southerly along the main channel of the Mississippi River to the main channel of the Minnesota River, extending westerly along the main channel of the Minnesota River to the main channel of the Mississippi River, extending northerly along the main channel of the Mississippi River to the point of origin; and that part of the county of Dakota consisting of the cities of South St. Paul and West St. Paul.*

(16) *The sixteenth council district consists of that part of the county of Ramsey consisting of the cities of New Brighton, Roseville, Lauderdale, Falcon Heights, and that part of the city of St. Paul described as follows: commencing at the intersection of the main channel of the Mississippi River with the center line of St. Clair Avenue, extending northerly along the main channel of the Mississippi River to the west city line, extending northerly along the west city line to the north city line, then extending easterly, southerly, easterly, northerly, easterly, north-*

erly, and easterly along the city line to the center line of North Dale Street, extending southerly along the center line of North Dale Street to the Burlington Northern railroad right-of-way immediately north of Pierce Butler Route, extending westerly along the Burlington Northern railroad right-of-way to the center line of Lexington Avenue, extending southerly along the center line of Lexington Avenue to the center line of St. Clair Avenue, then extending westerly along the center line of St. Clair Avenue to the point of origin.

Sec. 3. Minnesota Statutes 1980, Section 473.141, Subdivision 2, amended to read:

Subd. 2. [MEMBERSHIP.] Each commission shall consist of eight members, plus a chairman appointed as provided in subdivision 3. The eight members shall be appointed by the metropolitan council. One member shall be appointed from each of the following precincts:

- (1) Precinct A, consisting of council districts 1 and (2) 8;
- (2) Precinct B, consisting of council districts (3) 2 and (14) 3;
- (3) Precinct C, consisting of council districts 4 and (13) 7;
- (4) Precinct D, consisting of council districts 5 and 6;
- (5) Precinct E, consisting of council districts (7) 9 and (8) 10;
- (6) Precinct F, consisting of council districts (9) 11 and (11) 12;
- (7) Precinct G, consisting of council districts (10) 13 and (12) 14; and
- (8) Precinct H, consisting of council districts 15 and 16.

Sec. 4. Minnesota Statutes 1980, Section 473.141, Subdivision 5, is amended to read:

Subd. 5. [TERMS, REMOVAL.] Commencing the first Monday in (JANUARY, 1975) *February, 1983* the terms of members of each commission shall be as follows: members representing precincts A, B, C, and D for terms ending the first Monday in (JANUARY, 1977) *February, 1985*, members representing precincts E, F, G, and H and the chairman for terms ending the first Monday in (JANUARY, 1979) *February, 1987*. Thereafter the term of each member and chairman shall be for a term of four years and until his successor is appointed and

qualified. *The terms of incumbent commissioners representing precincts for which new members are appointed by the council after a redistricting are extended to the first Monday in February of the year the appointee takes office.* Members, other than the chairman, may be removed by the council only for cause in the manner specified in chapter 351. The chairman may be removed at the pleasure of the governor.

Members of any commission serving as of the first Monday in (JANUARY, 1975) *February, 1983* shall continue to serve the precinct described in subdivision 2 in which they reside for the term herein prescribed for that precinct, provided that if more than one such member resides in the same precinct the council shall designate one of them to serve as the commission member from the precinct and the terms of the other members are thereupon terminated. The council shall appoint as members of the commission, in the manner prescribed by subdivision 2, one resident of each precinct described in said subdivision in which no present member of the commission resides to serve for the term herein defined. For the purpose of this subdivision the residence of present members of the commissions serving as of the first Monday in (JANUARY, 1975) *February, 1983* shall be their residence as of July 1, (1974) *1982*.

Sec. 5. [EFFECTIVE DATE.]

This act is effective the day after final enactment in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington."

Delete the title and insert:

"A bill for an act relating to metropolitan government; apportioning metropolitan council districts; requiring that metropolitan council boundaries be redrawn from each federal census; amending Minnesota Statutes 1980, Sections 473.123, Subdivisions 2 and 3; and 473.141, Subdivisions 2 and 5."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

S. F. No. 1364, A bill for an act relating to local government; providing for the separation of the city and town of Sturgeon Lake and the city of Rutledge and town of Kettle River.

Reported the same back with the following amendments:

Page 1, after line 20, insert:

"Sec. 3. Laws 1981, Chapter 183, Section 3, is amended to read:

Sec. 3. [TOWN OF OAKPORT: CLAY COUNTY.]

The town of Oakport in Clay county may exercise the powers of certain towns (AS PROVIDED) *described in Minnesota Statutes, Section 368.01, Subdivision 1, including without limitation the powers of a municipality under Minnesota Statutes, Chapter 474.*"

Page 1, line 22, delete "60 days" and insert "the day"

Page 2, line 1, delete "60 days" and insert "the day"

Page 2, line 3, after the period insert "*Section 3 is effective the day after compliance with Minnesota Statutes, Section 645.021, Subdivision 3, by the town board of the town of Oakport.*"

Renumber the section

Amend the title as follows:

Page 1, line 4, before the period insert "; authorizing the town of Oakport in Clay county to exercise certain powers; amending Laws 1981, Chapter 183, Section 3"

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

The report was adopted.

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

S. F. No. 1503, A bill for an act relating to game and fish; fees for firearms safety courses; amending Minnesota Statutes 1980, Section 97.85, Subdivision 1.

Reported the same back with the following amendments:

Page 1, line 10, strike "game and fish" and insert "enforcement"

Page 1, line 14, after the period strike the remainder of the line

Page 1, strike lines 15 to 17

Page 1, line 18, strike "last, thereafter"

Page 1, line 18, strike "section of warden service" and insert "*division of enforcement*"

Page 1, after line 20, insert a new section to read:

"Sec. 2. Minnesota Statutes 1980, Section 84.86, Subdivision 1, is amended to read:

Subdivision 1. With a view of achieving maximum use of snowmobiles consistent with protection of the environment the commissioner of natural resources shall adopt rules and regulations in the manner provided by chapter 15, for the following purposes:

(1) Registration of snowmobiles and display of registration numbers.

(2) Use of snowmobiles insofar as game and fish resources are affected.

(3) Use of snowmobiles on public lands and waters under the jurisdiction of the commissioner of natural resources.

(4) Uniform signs to be used by the state, counties, and cities, which are necessary or desirable to control, direct, or regulate the operation and use of snowmobiles.

(5) Specifications relating to snowmobile mufflers.

(6) A comprehensive snowmobile information and safety education and training program, including but not limited to the preparation and dissemination of snowmobile information and safety advice to the public, the training of snowmobile operators, and the issuance of snowmobile safety certificates to snowmobile operators who successfully complete the snowmobile safety education and training course. For the purpose of administering such program and to defray a portion of the expenses of training and certifying snowmobile operators, the commissioner shall collect a fee of not to exceed (\$2) \$5 from each person who receives the training and shall deposit the fee in the general fund and the amount thereof is appropriated annually to the commissioner of natural resources for the administration of such programs. The commissioner shall cooperate with private organizations and associations, private and public corporations, and local governmental units in furtherance of the program established under this clause. The commissioner shall consult with the commissioner of public safety in regard to training program subject matter and performance testing that leads to the certification of snowmobile operators.

(7) The operator of any snowmobile involved in an accident resulting in injury requiring medical attention or hospitaliza-

tion to or death of any person or total damage to an extent of \$100 or more, shall promptly forward a written report of the accident to the commissioner on such form as he shall prescribe."

Amend the title as follows:

Page 1, line 2, after "safety" insert "and snowmobile training"

Page 1, line 3, after "1980," delete "Section" and insert "Sections 84.86, Subdivision 1; and"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1440, 1816, 1838, 1844, 1935, 1961, 2125, 2132 and 2245 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1605, 1481, 536, 639, 1364 and 1503 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Welch introduced:

H. F. No. 2279, A bill for an act relating to commerce; regulating the substitution of certain fuels sold; requiring the grading and labeling of gasoline; defining a term; prescribing penalties; amending Minnesota Statutes 1980, Sections 325E.01; 325E.09, Subdivisions 3 and 4; proposing new law coded in Minnesota Statutes, Chapter 325E; repealing Minnesota Statutes 1980, Section 325E.09, Subdivisions 4a to 8.

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

Sarna; Munger; Sieben, H.; Anderson, I., and Halberg introduced:

H. F. No. 2280, A bill for an act relating to watercraft; requiring titling for certain vessels; regulating perfection of security interests in vessels; proposing new law coded in Minnesota Statutes, Chapter 361.

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

Rose, Munger, Dean and Laidig introduced :

H. F. No. 2281, A resolution memorializing the President and Congress of the United States to take immediate steps to curb the sources of acid rain.

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

Tomlinson; Eken; Onnen; Sieben, H., and Searles introduced :

H. F. No. 2282, A bill for an act relating to taxation; providing that Minnesota itemized deductions shall be federal itemized deductions with certain modifications; amending Minnesota Statutes 1980, Section 290.07, by adding a subdivision; Minnesota Statutes 1981 Supplement, Sections 290.01, Subdivision 19; 290.077, Subdivision 2; 290.09, Subdivisions 1, 2, 3, as amended, 4, 5, and 6; 290.14; 290.18, Subdivisions 1 and 2; 290.21, Subdivisions 1 and 3; 290.23, Subdivision 5; 290.31, Subdivisions 2 and 3; 290.39, Subdivision 2; 290.92, Subdivision 2a; 290A.16; proposing new law coded in Minnesota Statutes, Chapter 290; repealing Minnesota Statutes 1980, Section 290.09, Subdivisions 22 and 27; Minnesota Statutes 1981 Supplement, Sections 290.09, Subdivisions 10 and 15; 290.21, Subdivisions 3a and 7.

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

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Eken, from the Committee on Rules and Legislative Administration, pursuant to Rule 1.9, designated the following bills as a Special Order to be added to Special Orders pending for Friday, March 5, 1982:

H. F. No. 438, S. F. No. 358, H. F. Nos. 1278, 950, 1994, 2057, 1867, 1897, 917, 1743, 1879, 1997, 1894, 1018, 1642 and 1704.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

I hereby announce that the Senate has refused to adopt the Conference Committee report on the following House File and has voted that the bill be returned to the House and to the Conference Committee:

H. F. No. 604, A bill for an act relating to elections; changing eligibility requirements and compensation for election judges; authorizing time off from work for election judges; amending Minnesota Statutes 1980, Sections 204A.18; and 204A.23.

House File No. 604 is herewith returned to the House.

PATRICK E. FLAHAVER, Secretary of the Senate

Peterson, D., moved that the House accede to the request of the Senate, and that H. F. No. 604 be returned to the Conference Committee. The motion prevailed.

CONSENT CALENDAR

S. F. No. 2095 was reported to the House.

Skoglund moved to amend S. F. No. 2095 as follows:

Page 8, after line 9, insert:

"Sec. 5. Laws 1982, Chapter 375, Section 1, is amended to read:

Section 1. [341.115] [PROFESSIONAL BOXING.] Any contest, match or exhibition in which cash prizes of \$5 or more or (COMPENSATION) other prizes worth (\$5) \$100 or more (IS) are offered to any boxer shall comply with all rules of the board of boxing governing professional boxing. *For purposes of this section, trophies, travel expenses and subsistence expenses shall not be considered prizes.* No boxer participating in these contests, matches, or exhibitions shall engage in consecutive contests with less than a seven day interval. No boxer shall participate in these contests, matches, or exhibitions unless the boxer has submitted an affidavit of physical fitness to the board and has been examined by a physician designated by the board. The affidavit shall state: (a) that the boxer has previously participated in ten amateur or professional matches sanctioned by the board of boxing or sanctioned by a board which regulates boxing in another jurisdiction; or (b) that the boxer has regularly trained for at least 90 days under the supervision of a (TRAINER) second licensed by the board of boxing, or a second or trainer or the equivalent licensed in another jurisdiction. The examination shall include, but not be limited to, an electroencephalogram, *unless the boxer has submitted to the examining physician (a) the results of an electroencephalogram administered within one year of the contest, match or exhibition; and (b) an affidavit stating that the boxer has not been knocked unconscious in boxing competition since the last electroencephalogram was administered.* The examination shall be performed at the expense of the promoter.

Sec. 6. [EFFECTIVE DATE.]

Section 5 is effective the day following final enactment."

Further, amend the title as follows:

Page 1, line 4, after the semi-colon insert "clarifying certain regulations relating to professional boxing;"

Page 1, line 6, "after 76;" delete "and"

Page 1, line 7, after "474.03" insert "; and Laws 1982, Chapter 375, Section 1"

The motion prevailed and the amendment was adopted.

S. F. No. 2095, A bill for an act relating to state government; implementing the provisions of certain reorganization orders issued by the commissioner of administration; amending Minnesota Statutes 1980, Sections 176.281; and 474.01, Subdivisions 7a and 7b; and Minnesota Statutes 1981 Supplement, Section 474.03.

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	Ewald	Kostohryz	O'Connor	Sherman
Ainley	Fjoslien	Kvam	Ogren	Sherwood
Anderson, B.	Forsythe	Laidig	Olsen	Sieben, M.
Anderson, G.	Frerichs	Lehto	Onnen	Simoneau
Anderson, I.	Greenfield	Lemen	Osthoff	Skoglund
Battaglia	Gruenes	Levi	Otis	Stadum
Begich	Hanson	Long	Peterson, B.	Staten
Berkelman	Hauge	Ludeman	Peterson, D.	Stowell
Blatz	Haukoos	Luknic	Piepho	Stumpf
Brinkman	Heap	Mann	Pogemiller	Sviggum
Byrne	Heinitz	Marsh	Redalen	Swanson
Carlson, D.	Himle	McCarron	Reding	Tomlinson
Carlson, L.	Hoberg	McDonald	Rees	Valan
Clark, J.	Hokanson	McEachern	Reif	Valento
Clawson	Hokr	Mehrkens	Rice	Vanasek
Dahlvang	Jacobs	Metzen	Rodriguez, C.	Vellenga
Dean	Jennings	Minne	Rodriguez, F.	Weaver
Dempsey	Johnson, C.	Munger	Rose	Welch
Den Ouden	Johnson, D.	Murphy	Rothenberg	Welker
Drew	Jude	Nelsen, B.	Samuelson	Wenzel
Eken	Kahn	Nelson, K.	Sarna	Wieser
Elioff	Kaley	Niehaus	Schafer	Wigley
Ellingson	Kalis	Norton	Schoenfeld	Wynia
Erickson	Kelly	Novak	Schreiber	Zubay
Evans	Knickerbocker	Nysether	Shea	Spkr. Sieben, H.

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

S. F. No. 1613 was reported to the House.

Ellingson moved to amend S. F. No. 1613 as follows:

Page 2, line 24, delete "*shall be without compensation and*"

Page 2, line 27, after the period insert "*Any parcel which became tax-forfeited before February 28, 1982 shall be conveyed pursuant to this section without compensation.*"

The motion prevailed and the amendment was adopted.

S. F. No. 1613, A bill for an act relating to state departments and agencies; regulating the disposition of certain land within the capitol area; amending Minnesota Statutes 1981 Supplement, Section 15.50, Subdivision 6.

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	Evans	Kelly	O'Connor	Sieben, M.
Ainley	Ewald	Knickerbocker	Ogren	Simoneau
Anderson, B.	Fjoslien	Kostohryz	Olsen	Skoglund
Anderson, G.	Forsythe	Kvam	Onnen	Stadum
Anderson, I.	Frerichs	Laidig	Osthoff	Staten
Battaglia	Greenfield	Lehto	Otis	Stowell
Begich	Gruenes	Lemen	Peterson, B.	Stumpf
Berkelman	Gustafson	Levi	Peterson, D.	Sviggum
Blatz	Hanson	Long	Piepho	Swanson
Brinkman	Hauge	Ludeman	Pogemiller	Tomlinson
Byrne	Haukoos	Luknic	Redalen	Valan
Carlson, D.	Heap	Marsh	Rees	Valento
Carlson, L.	Heinitz	McCarron	Reif	Vanasek
Clark, J.	Himle	McDonald	Rice	Vellenga
Clark, K.	Hoberg	McEachern	Rodriguez, C.	Weaver
Clawson	Hokanson	Mehrkens	Rodriguez, F.	Welch
Dahlvang	Hokr	Metzen	Rose	Welker
Dean	Jacobs	Minne	Rothenberg	Wenzel
Dempsey	Jennings	Murphy	Samuelson	Wieser
Den Ouden	Johnson, C.	Nelsen, B.	Sarna	Wigley
Drew	Johnson, D.	Nelson, K.	Schafer	Wynia
Eken	Jude	Niehaus	Schreiber	Zubay
Elioff	Kahn	Norton	Shea	Spkr. Sieben, H.
Ellingson	Kaley	Novak	Sherman	
Erickson	Kalis	Nysether	Sherwood	

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

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Anderson, I., requested immediate consideration of H. F. No. 1872.

The Speaker called Wynia to the Chair.

H. F. No. 1872 was reported to the House.

Valan moved to amend H. F. No. 1872, the first engrossment, as follows:

Page 106, after line 17, insert:

"Sec. 2. [VALIDATION OF COLLECTIONS IN CLAY COUNTY.]

All collections of taxes imposed upon gravel removed from a pit or deposit by the county of Clay after the date of the resolution by the Clay county board which increased the rate of tax from five to ten cents per cubic yard are hereby validated."

Renumber the remaining sections

Amend the title as follows:

Page 1, line 10, after the semicolon insert "validating certain tax collections by Clay county;"

The motion prevailed and the amendment was adopted.

Schreiber and Blatz moved to amend H. F. No. 1872, the first engrossment, as amended, as follows:

Page 253, line 17, delete "(a)"

Page 253, delete lines 23 to 28

Page 254, line 6, after "3 year" insert "and 5 year"

Page 254, line 7, delete "5 year" and insert "all other"

Page 254, line 7, delete "2" and insert "3"

Page 254, delete lines 8 and 9

Page 256, line 2, after "1981" insert "and before December 31, 1982,"

Page 256, after line 11, insert:

"For taxable years beginning after December 31, 1982, the term reasonable allowance means the deduction allowed pursuant to section 168 of the Internal Revenue Code of 1954, as amended through December 31, 1981."

Page 256, line 26, after "3 year" insert "and 5 year"

Page 256, line 27, delete "5 year" and insert "all other"

Page 256, line 27, delete "2" and insert "3"

Page 256, delete lines 28 and 29

A roll call was requested and properly seconded.

The Speaker resumed the Chair.

The question was taken on the amendment and the roll was called. There were 61 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Aasness	Forsythe	Kvam	Onnen	Stowell
Ainley	Frerichs	Laidig	Peterson, B.	Sviggum
Anderson, B.	Gruenes	Lemen	Piepho	Valan
Blatz	Haukoos	Levi	Redalen	Valento
Carlson, D.	Heap	Ludeman	Rees	Weaver
Dean	Heinitz	Luknic	Reif	Welker
Dempsey	Himle	Marsh	Rose	Wieser
Den Ouden	Hoberg	McDonald	Rothenberg	Wigley
Drew	Hokr	Mehrken	Schafer	Zubay
Erickson	Jennings	Nelsen, B.	Schreiber	
Evans	Johnson, D.	Niehaus	Sherman	
Ewald	Kaley	Nysether	Sherwood	
Fjoslien	Knickerbocker	Olsen	Stadum	

Those who voted in the negative were:

Anderson, G.	Ellingson	Long	Otis	Staten
Anderson, I.	Greenfield	Mann	Peterson, D.	Stumpf
Battaglia	Gustafson	McCarron	Pogemiller	Swanson
Begich	Hanson	McEachern	Reding	Tomlinson
Berkelman	Harens	Metzen	Rice	Vanasek
Brandl	Hauge	Minne	Rodriguez, C.	Vellenga
Brinkman	Hokanson	Munger	Rodriguez, F.	Welch
Byrne	Johnson, C.	Murphy	Samuelson	Wenzel
Carlson, L.	Jude	Nelson, K.	Sarna	Wynia
Clark, J.	Kahn	Norton	Schoenfeld	Spkr. Sieben, H.
Clawson	Kalis	Novak	Shea	
Dahlvang	Kelly	O'Connor	Sieben, M.	
Eken	Kostohryz	Ogren	Simoneau	
Elioff	Lehto	Osthoff	Skoglund	

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

Schreiber moved to amend H. F. No. 1872, the first engrossment, as amended, as follows:

Page 249, strike lines 28 to 30

Page 249, line 31, strike "(16)" and insert "(15)"

Page 249, line 35, strike "(17)" and insert "(16)"

Page 250, line 1, strike "(18)" and insert "(17)"

Page 250, line 3, strike "(19)" and insert "(18)"

Page 250, line 6, strike "(20)" and insert "(19)"

Page 250, line 9, strike "(21)" and insert "(20)"

Page 250, line 16, strike "(22)" and insert "(21)"

Page 250, line 18, strike "(23)" and insert "(22)"

Page 251, line 7, strike "(24)" and insert "(23)"

Amend the title as follows:

Page 2, line 17, after "amendments;" insert "adopting federal income tax treatment of unemployment compensation; increasing the rate of interest allowed on certain contracts for deed qualifying for an income tax exclusion;"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 74 yeas and 46 nays as follows:

Those who voted in the affirmative were:

Aasness	Evans	Kaley	Ogren	Sherman
Ainley	Ewald	Kalis	Olsen	Sherwood
Anderson, B.	Fjoslien	Knickerbocker	Onnen	Stadum
Anderson, G.	Forsythe	Kvam	Peterson, B.	Stowell
Berkelman	Frerichs	Laidig	Piepho	Stumpf
Blatz	Gruenes	Lemen	Redalen	Swiggum
Brandl	Hauge	Levi	Rees	Swanson
Brinkman	Haukoos	Ludeman	Reif	Valan
Carlson, D.	Heap	Marsh	Rodriguez, C.	Valento
Clawson	Heinitz	McDonald	Rose	Weaver
Dean	Himle	Mehrrens	Rothenberg	Welker
Dempsey	Hoberg	Nelsen, B.	Schafer	Wieser
Den Ouden	Hokr	Niehaus	Schoenfeld	Wigley
Drew	Jennings	Novak	Schreiber	Zubay
Erickson	Johnson, D.	Nysether	Shea	

Those who voted in the negative were:

Anderson, I.	Ellingson	Lehto	Otis	Skoglund
Battaglia	Greenfield	Mann	Peterson, D.	Staten
Begich	Gustafson	McCarron	Pogemiller	Tomlinson
Byrne	Hanson	McEachern	Reding	Welch
Carlson, L.	Harens	Minne	Rice	Wenzel
Clark, J.	Hokanson	Murphy	Rodriguez, F.	Spkr. Sieben, H.
Clark, K.	Jacobs	Nelson, K.	Samuelson	
Dahlvang	Johnson, C.	Norton	Sarna	
Eken	Kahn	O'Connor	Sieben, M.	
Elioff	Kelly	Osthoff	Simoneau	

The motion prevailed and the amendment was adopted.

Redalen; Anderson, G., and Valan moved to amend H. F. No. 1872, the first engrossment, as amended, as follows:

Page 250, line 20, strike "eight" and insert "nine"

The motion prevailed and the amendment was adopted.

Begich moved to amend H. F. No. 1872, the first engrossment, as amended, by adding an article to read:

Page 275, after line 1, insert:

"ARTICLE XXXI

Section 1. [297A.253] [PAPER PLANT MATERIAL: EX-EMPTIONS.]

Notwithstanding the provisions of this chapter, there shall be exempt from the tax imposed therein, all materials and supplies or equipment consumed in constructing or incorporated into the construction of a new paper plant or the expansion of an existing plant the construction of which is commenced after June 30, 1982, which are purchased and used or consumed in connection with such construction, provided that in the case of the expansion of an existing plant, such construction results in an increase in productive capacity of at least 25 percent.

Sec. 2. *This act expires June 30, 1986.*

Amend the title as follows:

Page 2, line 18, after "system;" insert "exempting paper plant material from the sales tax;"

Page 3, line 6, after "297," insert "297A,"

A roll call was requested and properly seconded.

Dempsey moved to amend the Begich amendment to H. F. No. 1872, the first engrossment, as amended, as follows:

Line 5 of the Begich amendment after "new" delete "paper"

In the Begich title amendment delete "paper"

A roll call was requested and properly seconded.

CALL OF THE HOUSE

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

Aasness	Anderson, I.	Brandl	Carlson, L.	Dahlvang
Ainley	Battaglia	Brinkman	Clark, J.	Dean
Anderson, B.	Begich	Byrne	Clark, K.	Dempsey
Anderson, G.	Blatz	Carlson, D.	Clawson	Den Ouden

Drew	Hokanson	Marsh	Peterson, B.	Simoneau
Eken	Hokr	McCarron	Peterson, D.	Skoglund
Elioff	Jacobs	McDonald	Piepho	Staten
Ellingson	Jennings	McEachern	Pogemiller	Stowell
Erickson	Johnson, C.	Mehrkens	Redalen	Stumpf
Evans	Johnson, D.	Metzen	Reding	Sviggum
Ewald	Jude	Minne	Rees	Swanson
Fjoslien	Kahn	Munger	Reif	Tomlinson
Forsythe	Kaley	Murphy	Rice	Valan
Frerichs	Kalis	Nelsen, B.	Rodriguez, C.	Valento
Greenfield	Kelly	Nelson, K.	Rodriguez, F.	Vanasek
Gruenes	Kostohryz	Niehaus	Rose	Vellenga
Gustafson	Kvam	Norton	Rothenberg	Weaver
Hanson	Laidig	Novak	Samuelson	Welch
Harens	Lehto	Nysether	Sarna	Welker
Hauge	Lemen	O'Connor	Schafer	Wenzel
Haukoos	Levi	Ogren	Schoenfeld	Wieser
Heap	Long	Olsen	Schreiber	Wigley
Heinitz	Ludeman	Onnen	Sherman	Wynia
Himle	Luknic	Osthoff	Sherwood	Zubay
Hoberg	Mann	Otis	Sieben, M.	Spkr. Sieben, H.

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

The question recurred on the Dempsey amendment to the Begich amendment and the roll was called.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 70 yeas and 54 nays as follows:

Those who voted in the affirmative were:

Aasness	Frerichs	Knickerbocker	Onnen	Sherwood
Ainley	Gruenes	Kvam	Otis	Stadum
Anderson, B.	Hanson	Laidig	Peterson, B.	Stowell
Blatz	Haukoos	Lemen	Piepho	Stumpf
Brandl	Heap	Ludeman	Redalen	Sviggum
Carlson, D.	Heinitz	Luknic	Rees	Valan
Dean	Himle	Marsh	Reif	Valento
Dempsey	Hoberg	McDonald	Rodriguez, C.	Weaver
Den Ouden	Hokr	McEachern	Rose	Welker
Drew	Jennings	Mehrkens	Rothenberg	Wenzel
Erickson	Johnson, D.	Nelsen, B.	Schafer	Wieser
Ewald	Jude	Niehaus	Schreiber	Wigley
Fjoslien	Kahn	Nysether	Shea	Wynia
Forsythe	Kaley	Olsen	Sherman	Zubay

Those who voted in the negative were:

Anderson, G.	Carlson, L.	Ellingson	Johnson, C.	Metzen
Anderson, I.	Clark, J.	Evans	Kalis	Minne
Battaglia	Clark, K.	Greenfield	Kelly	Munger
Begich	Clawson	Harens	Lehto	Murphy
Berkelman	Dahlvang	Hauge	Levi	Nelson, K.
Brinkman	Eken	Hokanson	Mann	Norton
Byrne	Elioff	Jacobs	McCarron	Novak

O'Connor	Reding	Schoenfeld	Staten	Vellenga
Ogren	Rodriguez, F.	Sieben, M.	Swanson	Welch
Peterson, D.	Samuelson	Simoneau	Tomlinson	Spkr. Sieben, H.
Pogemiller	Sarna	Skoglund	Vanasek	

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

The question recurred on the Begich amendment, as amended, and the roll was called.

Anderson, I., moved that those not voting be excused from voting. The motion prevailed.

There were 95 yeas and 29 nays as follows:

Those who voted in the affirmative were:

Aasness	Ewald	Kostohryz	Niehaus	Schafer
Ainley	Fjoslien	Kvam	Novak	Schoenfeld
Anderson, B.	Forsythe	Laidig	Nysether	Schreiber
Anderson, I.	Frerichs	Lemen	O'Connor	Sherman
Battaglia	Gruenes	Levi	Ogren	Sherwood
Begich	Gustafson	Ludeman	Olsen	Stadum
Blatz	Haukoos	Luknic	Onnen	Stowell
Brinkman	Heap	Mann	Otis	Stumpf
Carlson, D.	Heinitz	Marsh	Peterson, B.	Sviggunn
Carlson, L.	Himle	McCarron	Piepho	Swanson
Clark, J.	Hoberg	McDonald	Redalen	Valan
Dahlvang	Hokanson	McEachern	Reding	Valento
Dean	Hokr	Mehrkens	Rees	Vellenga
Dempsey	Jennings	Metzen	Reif	Weaver
Den Ouden	Johnson, D.	Minne	Rodriguez, C.	Welker
Drew	Jude	Munger	Rodriguez, F.	Wenzel
Elioff	Kaley	Murphy	Rose	Wieser
Erickson	Kelly	Nelsen, B.	Rothenberg	Wigley
Evans	Knickerbocker	Nelson, K.	Samuelson	Zubay

Those who voted in the negative were:

Anderson, G.	Eken	Johnson, C.	Pogemiller	Tomlinson
Berkelman	Ellingson	Kahn	Sarna	Vanasek
Brandl	Greenfield	Kalis	Shea	Welch
Byrne	Harens	Long	Sieben, M.	Wynia
Clark, K.	Hauge	Norton	Skoglund	Spkr. Sieben, H.
Clawson	Jacobs	Peterson, D.	Staten	

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

Kvam and Peterson, B., moved to amend H. F. No. 1872, the first engrossment, as amended, as follows:

Page 275, after line 1, insert:

"ARTICLE XXXI

Section 1. Minnesota Statutes 1981 Supplement, Section 290.-17, Subdivision 2, as amended by Laws 1981, Third Special Session Chapter 2, Article III, Section 13, is amended to read:

Subd. 2. [OTHER TAXPAYERS.] In the case of taxpayers not subject to the provisions of subdivision 1, items of gross income shall be assigned to this state or other states or countries in accordance with the following principles:

(1) The entire income of all resident or domestic taxpayers from compensation for labor or personal services, or from a business consisting principally of the performance of personal or professional services, shall be assigned to this state, and the income of nonresident taxpayers from such sources shall be assigned to this state if, and to the extent that, the labor or services are performed within it; all other income from such sources shall be treated as income from sources without this state;

(2) Income from the operation of a farm shall be assigned to this state if the farm is located within this state and to other states only if the farm is not located in this state. Income and gains received from tangible property not employed in the business of the recipient of such income or gains, and from tangible property employed in the business of such recipient if such business consists principally of the holding of such property and the collection of the income and gains therefrom, shall be assigned to this state if such property has a situs within it, and to other states only if it has no situs in this state. Income or gains from intangible personal property not employed in the business of the recipient of such income or gains, and from intangible personal property employed in the business of such recipient if such business consists principally of the holding of such property and the collection of the income and gains therefrom, wherever held, whether in trust, or otherwise, shall be assigned to this state if the recipient thereof is domiciled within this state; income or gains from intangible personal property wherever held, whether in trust or otherwise shall be assigned to this state if the recipient of such income or gains is domiciled within this state, or if the grantor of any trust is domiciled within this state and such income or gains would be taxable to such grantor under section 290.25 or 290.29;

(3) Income derived from carrying on a trade or business, including in the case of a business owned by natural persons the income imputable to the owner for his services and the use of his property therein, shall be assigned to this state if the trade or business is conducted wholly within this state, and to other states if conducted wholly without this state. This provision shall not apply to business income subject to the provisions of clause (1);

(4) When a trade or business is carried on partly within and partly without this state, the entire income derived from such trade or business, including income from intangible property employed in such business and including, in the case of a business owned by natural persons, the income imputable to the owner for his services and the use of his property therein, shall be governed, except as otherwise provided in sections 290.35 and 290.36, by the provisions of section 290.19, notwithstanding any

provisions of this section to the contrary. This shall not apply to business income subject to the provisions of clause (1), nor shall it apply to income from the operation of a farm which is subject to the provisions of clause (2). For the purposes of this clause, a trade or business located in Minnesota is carried on partly within and partly without this state if tangible personal property is sold by such trade or business and delivered or shipped to a purchaser located outside the state of Minnesota.

(IF THE TRADE OR BUSINESS CARRIED ON WHOLLY OR PARTLY IN MINNESOTA IS PART OF A UNITARY BUSINESS, THE ENTIRE INCOME OF THAT UNITARY BUSINESS SHALL BE SUBJECT TO APPORTIONMENT UNDER SECTION 290.19. THE TERM "UNITARY BUSINESS" SHALL MEAN A NUMBER OF BUSINESS ACTIVITIES OR OPERATIONS WHICH ARE OF MUTUAL BENEFIT, DEPENDENT UPON, OR CONTRIBUTORY TO ONE ANOTHER, INDIVIDUALLY OR AS A GROUP. UNITY SHALL BE PRESUMED WHENEVER THERE IS UNITY OF OWNERSHIP, OPERATION, AND USE, EVIDENCED BY CENTRALIZED MANAGEMENT OR EXECUTIVE FORCE, CENTRALIZED PURCHASING, ADVERTISING, ACCOUNTING, OR OTHER CONTROLLED INTERACTION. UNITY OF OWNERSHIP WILL NOT BE DEEMED TO EXIST UNLESS THE CORPORATION OWNS MORE THAN 50 PERCENT OF THE VOTING STOCK OF THE OTHER CORPORATION.)

(THE ENTIRE INCOME OF A UNITARY BUSINESS, INCLUDING ALL INCOME FROM EACH ACTIVITY, OPERATION OR DIVISION, SHALL BE SUBJECT TO APPORTIONMENT AS PROVIDED IN SECTION 290.19. NONE OF THE INCOME OF A UNITARY BUSINESS SHALL BE CONSIDERED AS DERIVED FROM ANY PARTICULAR SOURCE AND NONE SHALL BE ALLOCATED TO ANY PARTICULAR PLACE EXCEPT AS PROVIDED BY THE APPLICABLE APPORTIONMENT FORMULA.)

In determining whether or not intangible property is employed in a unitary business carried on partly within and partly without this state so that income derived therefrom is subject to apportionment under section 290.19 the following rules and guidelines shall apply.

(a) Intangible property is employed in a business if the business entity owning intangible property holds it as a means of furthering the business operation of which a part is located within the territorial confines of this state.

(b) Where a business operation conducted in Minnesota, is owned by a business entity which carries on business activity outside of the state different in kind from that conducted within this state, and such other business is conducted entirely outside

the state, it will be presumed that the two business operations are unitary in nature, interrelated, connected and interdependent unless it can be shown to the contrary.

(5) In the case of a nonresident who is liable for payment of a penalty for having withdrawn funds from an individual housing account established pursuant to section 290.08, subdivision 25, the amount so withdrawn and for which a deduction was allowed shall be an item of income assignable to this state, and the penalty tax of ten percent shall remain an additional liability of that taxpayer.

(6) For purposes of this section, amounts received by a nonresident from the United States, its agencies or instrumentalities, the Federal Reserve Bank, the state of Minnesota or any of its political or governmental subdivisions, or a Minnesota volunteer fireman's relief association, by way of payment as a pension, public employee retirement benefit, or any combination thereof, or 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, 1979, are not considered income derived from carrying on a trade or business or from performing personal or professional services in Minnesota, and are not taxable under this chapter.

(7) All other items of gross income shall be assigned to the taxpayer's domicile.

Sec. 2. Minnesota Statutes 1981 Supplement, Section 290.21, Subdivision 4, as amended by Laws 1981, Third Special Session Chapter 2, Article III, Section 14, is amended to read:

Subd. 4. (a) 85 percent of dividends received by a corporation during the taxable year from another corporation, when the corporate stock with respect to which dividends are paid does not constitute the stock in trade of the taxpayer or would not be included in the inventory of the taxpayer, or does not constitute property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business, or when the trade or business of the taxpayer does not consist principally of the holding of the stocks and the collection of the income and gains therefrom. The remaining 15 percent shall be allowed if the recipient owns 80 percent or more of all the voting stock of such other corporation, and the dividends were paid from income arising out of business done in this state by the corporation paying such dividends; but if the income out of which the dividends are declared was derived from business done within and without this state, then so much of the remainder shall be allowed as a deduction as the amount of the taxable net income of the corporation paying the dividends assignable or allocable to this state bears to the entire net income of the corporation, such rate being determined by the returns under this chapter of the corporation paying such dividends for the taxable

year preceding the distribution thereof; the burden shall be on the taxpayer of showing that the amount of remainder claimed as a deduction has been received from income arising out of business done in this state,

(b) if the trade or business of the taxpayer consists principally of the holding of the stocks and the collection of the income and gains therefrom, dividends received by a corporation during the taxable year from another corporation, if the recipient owns 80 percent or more of all the voting stock of such other corporation, from income arising out of business done in this state by the corporation paying such dividends; but, if the income out of which the dividends are declared was derived from business done within and without this state, then so much of the dividends shall be allowed as deduction as the amount of the taxable net income of the corporation paying the dividends assignable or allocable to this state bears to the entire net income of the corporation, such rate being determined by the returns under this chapter of the corporation paying such dividends for the taxable year preceding the distribution thereof. The burden shall be on the taxpayer of showing that the amount of dividends claimed as a deduction has been received from income arising out of business done in this state.

(c) The dividend deductions provided in this subdivision shall be allowed only with respect to dividends that are included in a corporation's Minnesota taxable net income for the taxable year.

((D) IN THE CASE OF A CORPORATION, WHICH IS PERMITTED OR REQUIRED TO FILE A COMBINED REPORT UNDER SECTION 290.34, SUBDIVISION 2, DIVIDENDS SHALL BE EXCLUDED FROM THE INCOME OF THE RECIPIENT TO THE EXTENT THE DIVIDENDS ARE ALREADY INCLUDED AS INCOME ON THE COMBINED REPORT.)

Sec. 3. Minnesota Statutes 1980, Section 290.34, Subdivision 2, as amended by Laws 1981, Third Special Session Chapter 2, Article III, Section 15, is amended to read:

Subd. 2. [AFFILIATED OR RELATED CORPORATIONS, CONSOLIDATED STATEMENTS.] When a corporation which is required to file an income tax return is affiliated with or related to any other corporation through stock ownership by the same interests or as parent or subsidiary corporations, or has its income regulated through contract or other arrangement, the commissioner of revenue may permit or require such (COMBINED REPORT) *consolidated statements* as, in his opinion, are necessary in order to determine the taxable net income received by any one of the affiliated or related corporations. (FOR PURPOSES OF COMPUTING EITHER THE ARITHMETIC AVERAGE OR WEIGHTED APPORTIONMENT

FORMULAS UNDER SECTION 290.19, SUBDIVISION 1 FOR EACH CORPORATION INVOLVED, THE NUMERATOR OF THE FRACTION SHALL BE THAT CORPORATION'S SALES, PROPERTY, OR PAYROLL IN MINNESOTA AND THE DENOMINATOR SHALL BE THE TOTAL SALES, PAYROLL, AND PROPERTY OF ALL THE CORPORATIONS SHOWN ON THE COMBINED REPORT. THE COMBINED REPORT SHALL REFLECT THE INCOME OF THE ENTIRE UNITARY BUSINESS AS PROVIDED IN SECTION 290.17, SUBDIVISION 2, CLAUSE (4). THE COMBINED REPORT SHALL REFLECT INCOME ONLY FROM CORPORATIONS CREATED OR ORGANIZED IN THE UNITED STATES OR UNDER THE LAWS OF THE UNITED STATES OR OF ANY STATE. SPECIFICALLY, IT IS THE INTENT OF THE LEGISLATURE TO ADOPT THE COMBINED REPORTING METHOD PROVIDED IN BUTLER BROTHERS V. MCCOLGAN, 111 P. 2D 334, AND 315 U.S. 501, AND EDISON CALIFORNIA STORES V. MCCOLGAN, 183 P. 2D 16 AND TO TREAT ALL INCOME AS BUSINESS INCOME TO THE MAXIMUM EXTENT ALLOWABLE UNDER MOBIL OIL CORPORATION V. COMMISSIONER OF TAXES OF VERMONT, 445 U.S. 425. THIS SUBDIVISION SHALL NOT APPLY TO INSURANCE COMPANIES WHOSE INCOME IS DETERMINED UNDER SECTION 290.35.)

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective for income earned after December 31, 1982."

Amend the title as follows :

Page 2, line 18, after "system;" insert "abolishing in 1982 certain provisions relating to the taxation of unitary business income;"

Page 2, line 36, after "19;" insert "290.34, Subdivision 2, as amended;"

Page 2, line 64, before "290.18," insert "290.17, Subdivision 2, as amended;"

Page 2, line 64, after "290.21," delete "Subdivision" and insert "Subdivisions"

Page 2, line 65, after the first "3" insert ", and 4, as amended"

A roll call was requested and properly seconded.

POINT OF ORDER

Anderson, I., raised a point of order pursuant to rule 3.10 that the amendment was not in order. The Speaker ruled the point of order not well taken and the amendment in order.

The question recurred on the Kvam and Peterson, B., amendment and the roll was called.

Vanasek moved that those not voting be excused from voting. The motion prevailed.

There were 53 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Aasness	Fjoslien	Kvam	Olsen	Stadum
Ainley	Forsythe	Laidig	Peterson, B.	Stowell
Anderson, B.	Frerichs	Lemen	Piepho	Valan
Blatz	Heap	Levi	Redalen	Valento
Dean	Heinitz	Ludeman	Rees	Weaver
Dempsey	Himle	Luknic	Reif	Welker
Den Ouden	Hoberg	Marsh	Rodriguez, C.	Wieser
Drew	Hokr	Mehrkens	Rothenberg	Wigley
Erickson	Jennings	Nelsen, B.	Schafer	Zubay
Evans	Johnson, D.	Niehaus	Sherman	
Ewald	Kaley	Nysether	Sherwood	

Those who voted in the negative were:

Anderson, G.	Eken	Kostohryz	Onnen	Skoglund
Anderson, I.	Elioff	Lehto	Osthoff	Staten
Battaglia	Ellingson	Long	Otis	Stumpf
Begich	Greenfield	Mann	Peterson, D.	Swanson
Berkelman	Gustafson	McEachern	Pogemiller	Tomlinson
Brandl	Hanson	Metzen	Reding	Vanasek
Brinkman	Hauge	Minne	Rodriguez, F.	Vellenga
Byrne	Hokanson	Munger	Rose	Welch
Carlson, L.	Jacobs	Murphy	Sarna	Wenzel
Clark, J.	Johnson, C.	Nelson, K.	Schoenfeld	Wynia
Clark, K.	Jude	Norton	Shea	Spkr. Sieben, H.
Clawson	Kahn	Novak	Sieben, M.	
Dahlvang	Kalis	O'Connor	Simoneau	

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

Schreiber moved to amend H. F. No. 1872, the first engrossment, as amended, as follows:

Page 275, after line 1, insert:

"ARTICLE XXXI

Section 1. Minnesota Statutes 1980, Section 290.34, Subdivision 2, as amended by Laws 1981, Third Special Session Chapter 2, Article III, Section 15, is amended to read:

Subd. 2. [AFFILIATED OR RELATED CORPORATIONS, (CONSOLIDATED STATEMENTS) COMBINED REPORTS.] When a corporation which is required to file an income tax return is affiliated with or related to any other corporation through stock ownership by the same interest or as parent or subsidiary corporations, or has its income regulated through contract or other arrangement, the commissioner of revenue may permit or require such combined report as, in his opinion, are necessary in order to determine the taxable net income received by any one of the affiliated or related corporations. For purposes of computing either the arithmetic average or weighted apportionment formulas under section 290.19, subdivision 1 for each corporation involved, the numerator of the fraction shall be that corporation's sales, property, or payroll in Minnesota and the denominator shall be the total sales, payroll, and property of all the corporations shown on the combined report. The combined report shall reflect the income of the entire unitary business as provided in section 290.17, subdivision 2, clause (4). The combined report shall reflect income only from corporations created or organized in the United States or under the laws of the United States or of any state. *However, if the income of a corporation included in the combined report reflects income from sources outside the United States, which is not income from a corporation with a nexus in Minnesota and which is included in income only because of the provisions of this subdivision, 85 percent of that income shall be excluded.* Specifically, it is the intent of the legislature to adopt the combined reporting method provided in *Butler Brothers v. McColgan*, 111 P. 2d 334, and 315 U.S. 501, and *Edison California Stores v. McColgan*, 183 P. 2d 16 and to treat all income as business income to the maximum extent allowable under *Mobil Oil Corporation v. Commissioner of Taxes of Vermont*, 445 U.S. 425. This subdivision shall not apply to insurance companies whose income is determined under section 290.35.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective for income earned after December 31, 1981."

Amend the title as follows:

Page 2, line 18, after "system;" insert "altering income included in a combined report;"

Page 2, line 36, after "19;" insert "290.34, Subdivision 2, as amended;"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Vanasek moved that those not voting be excused from voting. The motion prevailed.

There were 55 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Aasness	Forsythe	Knickerbocker	Nysether	Sherwood
Ainley	Frerichs	Kvam	Olsen	Stadum
Carlson, D.	Gruenes	Lemen	Peterson, B.	Stowell
Dean	Haukoos	Ludeman	Piepho	Sviggunn
Dempsey	Heap	Luknic	Redalen	Valan
Den Ouden	Heinitz	Marsh	Rees	Valento
Drew	Himle	McDonald	Reif	Weaver
Erickson	Hoberg	Mehrkens	Rothenberg	Welker
Evans	Jennings	Munger	Schafer	Wieser
Ewald	Johnson, C.	Nelsen, B.	Schreiber	Wigley
Fjoslien	Kaley	Niehaus	Sherman	Zubay

Those who voted in the negative were:

Anderson, G.	Elioff	Kostohryz	Onnen	Sieben, M.
Anderson, I.	Ellingson	Laidig	Osthoff	Simoneau
Battaglia	Greenfield	Lehto	Otis	Skoglund
Begich	Gustafson	Long	Peterson, D.	Staten
Berkelman	Hanson	Mann	Pogemiller	Stumpf
Brandl	Harens	McCarron	Reding	Swanson
Brinkman	Hauge	Metzen	Rice	Tomlinson
Byrne	Hokanson	Minne	Rodriguez, C.	Vanasek
Carlson, L.	Jacobs	Murphy	Rodriguez, F.	Vellenga
Clark, J.	Johnson, D.	Nelson, K.	Rose	Welch
Clark, K.	Jude	Norton	Samuelson	Wenzel
Clawson	Kahn	Novak	Sarna	Wynia
Dahlvang	Kalis	O'Connor	Schoenfeld	Spkr. Sieben, H.
Eken	Kelly	Ogren	Shea	

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

Aasness and Redalen moved to amend H. F. No. 1872, the first engrossment, as amended, as follows:

Page 275, after line 1, insert:

"ARTICLE XXXI

Section 1. Minnesota Statutes 1981 Supplement, Section 273.-13, Subdivision 9, is amended to read:

Subd. 9. [CLASS 4A, 4B (AND), 4C, AND 4D.] All property not included in the preceding classes shall constitute class 4a and shall be valued and assessed at 43 percent of the market value thereof; except that real property which is not improved with a structure and which is not utilized as part of a commercial or industrial activity shall constitute class 4b and shall be valued

and assessed at 40 percent of market value; and except that commercial and industrial property *other than commercial and industrial property located in a municipality of less than 3,500 population* shall constitute class 4c and shall be valued and assessed at 40 percent of the first \$50,000 of market value and 43 percent on the remainder, *and commercial and industrial property located in a municipality of less than 3,500 shall constitute class 4d and shall be valued and assessed at 30 percent of the first \$75,000 of market value and 43 percent on the remainder*, provided that in the case of state-assessed commercial or industrial property owned by one person or entity, only one parcel shall qualify for the 40 percent assessment. In the case of commercial or industrial property, other than state-assessed properties, owned by one person or entity, only one parcel in each county shall qualify for (THE 40 PERCENT) *an assessment lower than the 43 percent assessment."*

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective for taxes levied in 1982 and thereafter, for taxes payable in 1983 and thereafter."

Amend the title as follows:

Page 2, line 19, after "money;" insert "decreasing the classification ratio on a certain portion of commercial and industrial property;"

Page 3, line 24, after "Subdivision 7;" delete "and 298.76." and insert: "298.76; and 273.13, Subdivision 9."

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Vanasek moved that those not voting be excused from voting. The motion prevailed.

There were 47 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Aasness	Evans	Heap	Kvam	Niehaus
Ainley	Ewald	Heinitz	Lemen	Onnen
Anderson, B.	Fjoslien	Himle	Ludeman	Peterson, B.
Carlson, D.	Forsythe	Hokr	Marsh	Piepho
Dempsey	Frerichs	Jennings	McDonald	Redalen
Den Ouden	Gruenes	Kaley	Mehrkens	Rees
Erickson	Haukoos	Kalis	Nelsen, B.	Reif

Schafer	Sherman	Svigum	Wieser	Zubay
Schoenfeld	Sherwood	Valan	Wigley	
Shea	Stowell	Welker		

Those who voted in the negative were:

Anderson, I.	Eken	Knickerbocker	Novak	Sieben, M.
Battaglia	Elioff	Kostohryz	O'Connor	Simoneau
Begich	Ellingson	Laidig	Olsen	Skoglund
Berkelman	Greenfield	Lehto	Osthoff	Staten
Blatz	Gustafson	Levi	Otis	Swanson
Brandl	Hanson	Long	Peterson, D.	Tomlinson
Brinkman	Harens	Mann	Pogemiller	Vanasek
Byrne	Hauge	McCarron	Rice	Weaver
Carlson, L.	Hokanson	McEachern	Rodriguez, C.	Welch
Clark, J.	Jacobs	Metzen	Rodriguez, F.	Wenzel
Clark, K.	Johnson, C.	Minne	Rose	Wynia
Clawson	Johnson, D.	Munger	Rothenberg	Spkr. Sieben, H.
Dahlvang	Jude	Murphy	Samuelson	
Dean	Kahn	Nelson, K.	Sarna	
Drew	Kelly	Norton	Schreiber	

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

Rees and Staten moved to amend H. F. No. 1872, the first engrossment, as amended, as follows:

Page 240, line 2 to page 241, line 12, delete Section 5

Amend the title as follows:

Page 2, line 12, delete everything after the semicolon

Page 2, delete line 13

Page 2, line 14, delete "tribes;"

Page 3, line 6, delete "297,"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Vanasek moved that those not voting be excused from voting. The motion prevailed.

There were 41 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Aasness	Drew	Forsythe	Heinitz	Jennings
Carlson, D.	Erickson	Frerichs	Himle	Kaley
Dean	Ewald	Greenfield	Hoberg	Kostohryz
Dempsey	Fjoslien	Heap	Hokr	Kvam

Ludeman	Onnen	Schreiber	Valento	Zubay
Marsh	Peterson, B.	Sherman	Weaver	
McDonald	Piepho	Staten	Welker	
Nelsen, B.	Rees	Stowell	Wieser	
Niehaus	Schafer	Svigum	Wigley	

Those who voted in the negative were:

Ainley	Elioff	Kelly	Novak	Sarna
Anderson, B.	Ellingson	Laidig	O'Connor	Schoenfeld
Anderson, G.	Gruenes	Lehto	Olsen	Shea
Anderson, I.	Gustafson	Levi	Osthoff	Sieben, M.
Battaglia	Hanson	Luknic	Otis	Simoneau
Begich	Hauge	Mann	Peterson, D.	Skoglund
Berkelman	Haukoos	McCarron	Pogemiller	Stumpf
Blatz	Hokanson	McEachern	Redalen	Swanson
Brinkman	Jacobs	Metzen	Reding	Tomlinson
Carlson, L.	Johnson, C.	Minne	Rodriguez, C.	Vellenga
Clark, J.	Johnson, D.	Munger	Rodriguez, F.	Welch
Clawson	Jude	Murphy	Rose	Wenzel
Dahlvang	Kahn	Nelson, K.	Rothenberg	Wynia
Eken	Kalis	Norton	Samuelson	Spkr. Sieben, H.

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

Valento moved to amend H. F. No. 1872, the first engrossment, as amended, as follows:

Page 102, line 17, after "290.973;" insert "*Chapter 473F*;"

Page 230, line 12, after "*district*" delete the remaining language

Page 230, line 13, delete "*provisions of Minnesota Statutes, Chapter 473*"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Vanasek moved that those not voting be excused from voting. The motion prevailed.

There were 50 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Aasness	Fjoslien	Jennings	Luknic	Peterson, B.
Ainley	Forsythe	Johnson, D.	McCarron	Piepho
Blatz	Frerichs	Kaley	McEachern	Redalen
Dempsey	Gruenes	Knickerbocker	Nelsen, B.	Reding
Den Ouden	Heinitz	Kostohryz	Niehaus	Rees
Erickson	Himle	Kvam	Nysether	Rose
Evans	Hokanson	Lemen	Olsen	Rothenberg
Ewald	Hokr	Ludeman	Onnen	Schafer

Sherman
Sherwood

Simoneau
Stowell

Swanson
Valento

Welker
Wieser

Wigley
Zubay

Those who voted in the negative were :

Anderson, B.
Anderson, G.
Anderson, I.
Battaglia
Begich
Berkelman
Brandl
Brinkman
Byrne
Carlson, D.
Carlson, L.
Clark, J.
Clark, K.
Clawson
Dahlvang

Dean
Drew
Elioff
Ellingson
Greenfield
Gustafson
Hanson
Harens
Hauge
Haukoos
Hoberg
Johnson, C.
Jude
Kahn
Kalis

Kelly
Laidig
Lehto
Levi
Long
Mann
McDonald
Metzen
Minne
Murphy
Nelson, K.
Norton
Novak
O'Connor
Osthoff

Otis
Peterson, D.
Pogemiller
Reif
Rice
Rodriguez, F.
Samuelson
Sarna
Schoenfeld
Schreiber
Shea
Sieben, M.
Skoglund
Stadum
Staten

Stumpf
Sviggum
Tomlinson
Valan
Vanasek
Vellenga
Weaver
Welch
Wenzel
Wynia
Spkr. Sieben, H.

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

Schoenfeld, Ludeman, Schafer and Fjoslien moved to amend H. F. No. 1872, the first engrossment, as amended, as follows :

Page 8, after line 11, insert:

"Section 3. Minnesota Statutes 1981 Supplement, Section 275.50, Subdivision 2, is amended to read:

Subd. 2. "Governmental subdivision" means (ANY) a county, home rule charter city, statutory city, town or special taxing district determined by the department of revenue, *except a town that has a population of less than 5,000 according to the most recent federal census.* The term does not include school districts or the metropolitan transit commission created pursuant to section 473.404."

Renumber the remaining section

Amend the title as follows :

Page 1, line 5, after "indebtedness;" insert "exempting certain towns from general levy limits;"

Page 2, line 57, after "1;" insert "275.50, Subdivision 2;"

The motion prevailed and the amendment was adopted.

Stadum and Heinitz were excused between the hours of 5:00 p.m. and 5:45 p.m.

Rothenberg and Olsen moved to amend H. F. No. 1872, the first engrossment, as amended, as follows :

Page 275, after line 1, insert:

"ARTICLE XXXI**Section 1. [273.87] [DEFINITIONS.]**

Subdivision 1. [GENERALLY.] Unless context clearly indicates that a different meaning is intended, the following words, terms, and phrases, for the purposes of sections 1 to 3, shall have the meanings given to them.

Subd. 2. [QUALIFIED HOMEOWNER.] The term "qualified homeowner" means a person who:

(a) (i) Is 65 years of age or older; or

(ii) Is the surviving spouse of a decedent, if the decedent was 65 years of age or older at his death, and the spouse has not remarried; and

(b) Owns property as his homestead, and title to the property so used is held:

(i) In his name as owner of the fee; or

(ii) Only in his name and that of his spouse as joint tenants or tenants in common; or

(iii) Only in his name, or his name and that of his spouse as owner of an estate for life or an estate for years; or

(iv) In the name of two or more joint tenants or tenants in common where each of the joint tenants or tenants in common would meet the requirements of a "qualified homeowner" if he were the sole owner of the fee.

Subd. 3. [QUALIFIED PROPERTY.] The term "qualified property" means the first \$50,000 of estimated market value on a single family dwelling, a multifamily dwelling, a portion of a multipurpose structure, or a mobile home as defined in section 273.13, subdivision 3, together with one acre of land most contiguous to the structure or mobile home, provided title to the land is held by the person who owns the title to the property described herein and which is the homestead of a qualified homeowner.

If qualified property is part of a multiple dwelling or multipurpose structure, the valuation of the qualified property area on which the claim is based shall be determined by apportionment.

Subd. 4. [BASE TAX.] The term "base tax" means the ad valorem tax legally due with respect to qualified property in

the later of 1982 or the year preceding the year in which the qualified homeowner attains that status prior to June 1, unless he qualified for that status at an earlier date by reason of subdivision 2, clause (a)(ii); provided that if that status is attained on or after June 1, except as provided in the preceding sentence, the "base tax", notwithstanding the provisions of subdivision 5, shall be the "ad valorem tax" legally due in that year or 1982, whichever is later.

Subd. 5. [CURRENT TAX.] The term "current tax" means the ad valorem tax payable on qualified property in the year following the year of assessment.

Subd. 6. [AD VALOREM TAX.] The term "ad valorem tax" means the tax on qualified property exclusive of all special assessments payable thereon, reduced by the amount of credits granted with respect to the tax pursuant to sections 273.13, subdivisions 6 and 7, and 273.135.

Sec. 2. [273.88] [QUALIFIED PROPERTY TAX CREDIT.]

Subdivision 1. [CREDIT PROVIDED.] If the current tax on qualified property is in excess of the base tax on the qualified property, there shall be allowed to the qualified homeowner a credit equal to the excess of current tax over base tax. If a qualified homeowner entitled to the credit provided herein dies prior to receiving it, his surviving spouse shall be entitled to the credit. If no spouse survives, the right to the credit shall lapse.

Subd. 2. [DUTIES OF COUNTY AUDITOR.] The county auditor shall determine the base tax for qualified property in the manner provided by the commissioner of revenue and shall notify the county assessor of each qualified property for which the credit is claimed.

Sec. 3. [273.89] [CLAIM FOR CREDIT.]

A person entitled to the qualified property tax credit allowed by section 2 shall file a claim with the department of revenue on or before the date provided in chapter 290A for filing a claim for property tax relief. The department of revenue shall make available suitable forms with instructions for the claimant, including a form which may be included with or as a part of the individual income tax blank. The claim shall be in the form the commissioner may prescribe.

Sec. 4. [APPROPRIATION.]

There is annually appropriated from the general fund to the commissioner of revenue the amount sufficient to pay claims for the credit provided pursuant to sections 1 to 3.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective for claims based on property taxes levied in 1982, payable in 1983 and thereafter."

Amend the title as follows:

Page 2, line 18, after "system;" insert "providing a freeze on property taxes paid on the first \$50,000 of market value of homesteads owned by elderly persons;"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 106 yeas and 14 nays as follows:

Those who voted in the affirmative were:

Aasness	Evans	Kostohryz	O'Connor	Sherman
Ainley	Ewald	Kvam	Ogren	Skoglund
Anderson, B.	Fjoslien	Laidig	Olsen	Staten
Anderson, I.	Forsythe	Lehto	Onnen	Stowell
Battaglia	Frerichs	Lemen	Osthoff	Stumpf
Begich	Greenfield	Levi	Otis	Swiggum
Blatz	Gruenes	Long	Peterson, B.	Swanson
Brandl	Hanson	Luknic	Peterson, D.	Tomlinson
Brinkman	Hauge	Mann	Piepho	Valan
Byrne	Haukoos	Marsh	Redalen	Valento
Carlson, D.	Heap	McCarron	Reding	Vellenga
Carlson, L.	Himle	McDonald	Rees	Weaver
Clark, J.	Hoberg	McEachern	Reif	Welch
Clark, K.	Hokanson	Mehrkens	Rice	Wenzel
Clawson	Hokr	Metzen	Rodriguez, C.	Wieser
Dahlvang	Jennings	Minne	Rothenberg	Wigley
Dempsey	Johnson, D.	Murphy	Samuelson	Wynia
Den Ouden	Jude	Nelsen, B.	Sarna	Zubay
Drew	Kahn	Nelson, K.	Schafer	
Elioff	Kaley	Niehaus	Schoenfeld	
Ellingson	Kalis	Norton	Schreiber	
Erickson	Kelly	Novak	Shea	

Those who voted in the negative were:

Anderson, G.	Jacobs	Nysether	Sieben, M.	Welker
Eken	Johnson, C.	Pogemiller	Simoneau	Spkr. Sieben, H.
Harens	Ludeman	Rodriguez, F.	Vanasek	

The motion prevailed and the amendment was adopted.

Stowell moved to amend H. F. No. 1872, the first engrossment, as amended, as follows:

Page 275, after line 1, insert:

"ARTICLE XXXI

Section 1. Minnesota Statutes 1981 Supplement, Section 290.-09, Subdivision 29, is amended to read:

Subd. 29. [DEDUCTIONS ATTRIBUTABLE TO FARMING.] (a)

(b) [DEDUCTIONS LIMITED.] Except as provided in this subdivision, expenses and losses, except for interest and taxes, arising from a farm shall not be allowed as deductions in excess of income and gains arising from a farm.

(c) [DEDUCTIONS ALLOWED; CARRYOVER DEDUCTIONS.] For taxable years beginning on or after January 1, (1974) 1982, expenses and losses arising from a farm or farms shall be allowed as deductions up to the amount of the income and gains arising from a farm or farms in any taxable year, plus the first (\$15,000) \$22,000 of non-farm gross income, or non-farm taxable net income in the case of a corporation, provided however that in any case where non-farm income exceeds (\$15,000) \$22,000, the maximum allowable amount of (\$15,000) \$22,000 shall be reduced by twice the amount by which the non-farm income exceeds the amount of (\$15,000) \$22,000. For this purpose and for the purpose of applying the limitation in the following paragraph regarding the application of any carryback or carryforward, the term gross income shall include the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code of 1954, as amended through December 31, 1980. Any remaining balance of the deductions shall be carried back three years and carried forward five years, in chronological order, provided, however, that in any case in which any individual, estate or trust which elects a net operating loss carryforward under section 172(b)(3)(C) of the Internal Revenue Code of 1954, as amended through December 31, 1980, such losses shall not be carried back but shall only be carried forward.

Current expenses and losses shall be utilized as deductions in any taxable year, to the extent herein allowable, prior to the application of any carryback or carryover deductions. In any event, the combined amounts of such current expenses and losses and carryback or carryover deductions shall be allowed as deductions up to the amount of the income and gains arising from a farm or farms in any taxable year, plus the first (\$15,000) \$22,000 of non-farm gross income, or non-farm taxable net income in the case of a corporation, provided however that in any case where non-farm income exceeds (\$15,000) \$22,000, the maximum allowable amount of (\$15,000) \$22,000 shall be reduced by twice the amount by which the non-farm income exceeds the amount of (\$15,000) \$22,000. *For taxable years beginning before January 1, 1982 and for the carryback deduction for a taxable year beginning on or after January 1, 1982 when the carryback is to a tax-*

able year beginning before January 1, 1982, "\$15,000" shall be substituted for "\$22,000" each place it appears in the preceding sentence and provided that the preceding sentence shall apply as written to the carryover amounts from a taxable year beginning before January 1, 1982 when the amounts are carried to a taxable year beginning on or after January 1, 1982.

(d) [SHAREHOLDERS SEPARATE ENTITIES.] For purposes of this subdivision, individual shareholders of an electing small business corporation shall be considered separate entities.

(e) [SPECIAL PERIOD OF LIMITATION WITH RESPECT TO FARM LOSS LIMITATION CARRYBACKS.] For the purposes of sections 290.46 and 290.50, if the claim for refund relates to an overpayment attributable to a farm loss limitation carryback 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 (or the 45th month, in the case of a corporation) following the end of the taxable year of the farm loss which results in the carryback. (NO DEDUCTION OR REFUND SHALL BE ALLOWED ON 1974 RETURNS FOR FARM LOSSES WHICH HAVE BEEN PREVIOUSLY CARRIED BACK TO EARLIER YEARS AND FOR WHICH A TAX REFUND OR REDUCTION HAS BEEN ALLOWED.)

(f) [INTEREST ON CLAIMS.] In any case in which a taxpayer is entitled to a refund in a carryback year due to the carryback of a farm loss, interest shall be computed only from the end of the taxable year in which the loss occurs.

(g) [ORDER OF APPLICATION.] The application of this subdivision shall be made after applying any limitation to out of state losses contained in section 290.17.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective for taxable years beginning on or after January 1, 1982."

Amend the title as follows:

Page 2, line 18, after "system;" insert "modifying the income tax farm loss limitation;"

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

Berkelman offered an amendment to H. F. No. 1872, as amended.

POINT OF ORDER

Anderson, I., raised a point of order pursuant to rule 3.10 that the amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

MOTION FOR RECONSIDERATION

Peterson, B., moved that the vote whereby the Stowell amendment to H. F. No. 1872 was not adopted be now reconsidered.

A roll call was requested and properly seconded.

The question was taken on the motion to reconsider and the roll was called.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 65 yeas and 58 nays as follows:

Those who voted in the affirmative were:

Aasness	Ewald	Knickerbocker	Olsen	Sherman
Ainley	Fjoslien	Kvam	Onnen	Sherwood
Anderson, B.	Forsythe	Laidig	Peterson, B.	Stowell
Berkelman	Frerichs	Lemen	Piepho	Stumpf
Blatz	Gruenes	Levi	Redalen	Sviggum
Brinkman	Haukoos	Ludeman	Rees	Valan
Carlson, D.	Heap	Luknic	Reif	Valento
Dean	Himle	Marsh	Rose	Vellenga
Dempsey	Hoberg	McDonald	Rothenberg	Weaver
Den Ouden	Hokr	Mehrkens	Schafer	Welker
Drew	Jennings	Nelsen, B.	Schoenfeld	Wieser
Erickson	Johnson, D.	Niehaus	Schreiber	Wigley
Evans	Kaley	Nysether	Shea	Zubay

Those who voted in the negative were:

Anderson, G.	Ellingson	Kostohryz	Ogren	Simoneau
Anderson, I.	Greenfield	Lehto	Osthoff	Skoglund
Battaglia	Gustafson	Long	Otis	Staten
Begich	Hanson	Mann	Peterson, D.	Swanson
Brandl	Harens	McEachern	Pogemiller	Tomlinson
Carlson, L.	Hauge	Metzen	Reding	Vanasek
Clark, J.	Hokanson	Minne	Rice	Welch
Clark, K.	Jacobs	Murphy	Rodriguez, C.	Wenzel
Clawson	Johnson, C.	Nelson, K.	Rodriguez, F.	Wynia
Dahlvang	Jude	Norton	Samuelson	Spkr. Sieben, H.
Eken	Kahn	Novak	Sarna	
Elioff	Kalis	O'Connor	Sieben, M.	

The motion prevailed.

The Stowell amendment was reported to the House.

Anderson, I., moved to lay the Stowell amendment on the table.

A roll call was requested and properly seconded.

The question was taken on the Anderson, I., motion and the roll was called.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 62 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Ellingson	Lehto	Ogren	Skoglund
Anderson, I.	Greenfield	Levi	Osthoff	Staten
Battaglia	Gustafson	Long	Otis	Swanson
Begich	Hanson	Mann	Peterson, D.	Tomlinson
Brandl	Harens	McCarron	Pogemiller	Vanasek
Brinkman	Hauge	McEachern	Reding	Vellenga
Carlson, L.	Hokanson	Metzen	Rice	Welch
Clark, J.	Jacobs	Minne	Rodriguez, C.	Wenzel
Clark, K.	Johnson, C.	Murphy	Rodriguez, F.	Wynia
Clawson	Jude	Nelson, K.	Samuelson	Spkr. Sieben, H.
Dahlvang	Kahn	Norton	Sarna	
Eken	Kalis	Novak	Sieben, M.	
Elioff	Kostohryz	O'Connor	Simoneau	

Those who voted in the negative were:

Aasness	Forsythe	Laidig	Piepho	Stumpf
Ainley	Frerichs	Lemen	Redalen	Sviggum
Berkelman	Gruenes	Ludeman	Rees	Valan
Blatz	Haukoos	Luknic	Reif	Valento
Carlson, D.	Heap	Marsh	Rose	Weaver
Dean	Himle	McDonald	Rothenberg	Welker
Dempsey	Hoberg	Mehrkens	Schafer	Wieser
Den Ouden	Hokr	Nelsen, B.	Schoenfeld	Wigley
Drew	Jennings	Niehaus	Schreiber	Zubay
Erickson	Johnson, D.	Nysether	Shea	
Evans	Kaley	Olsen	Sherman	
Ewald	Knickerbocker	Onnen	Sherwood	
Fjoslien	Kvam	Peterson, B.	Stowell	

The motion prevailed and the Stowell amendment was laid on the table.

McDonald and Kalis moved to amend H. F. No. 1872, the first engrossment, as amended, as follows:

Page 173, after line 27, insert a new section to read:

Section 50. [340.986] [ON-SALE LIQUOR TAX.]

Subdivision 1. [TAX IMPOSED.] In addition to the taxes imposed by section 297A.02 and chapter 340, a tax is imposed in the amount of five percent on all retail on-sales of intoxicating liquor and fermented malt beverages when sold at a licensed on-

sale liquor establishment or municipal liquor store within the state. The tax shall be reported and paid to the commissioner of revenue with and as part of the state sales and use taxes, and shall be subject to the same penalties, interest, and enforcement provisions.

Subd. 2. [PROCEEDS; USE.] The amount of the collected tax shall be deposited in the general fund. Twenty-five percent of the amount deposited in the general fund, less a proportionate share of the direct and indirect costs of state administration of collection and distribution of the tax, shall be credited to a special account to be known as the detoxification program account. The amount in the detoxification program account is annually appropriated to the commissioner of public welfare to be distributed by him to the county boards for the purposes of providing detoxification programs pursuant to section 254A.08. Distribution shall be made to each county at the time and in the same proportion as distributions are made to the county pursuant to section 256E.06. Twenty-five percent of the amount deposited in the general fund, less a proportionate share of the direct and indirect costs of state administration of collection and distribution of the tax, shall be credited to a special account to be known as the chemical dependency fund account. The amount in the chemical dependency fund account is annually appropriated to the commissioner of public welfare to be distributed by him to the county boards for the purpose of funding chemical dependency programs pursuant to sections 254A.07, subdivision 2, and 254A.14, subdivision 1. Distribution shall be made to each county at the times and in the same proportion as distributions are made to the county pursuant to section 256E.06.

Subd. 3. [EFFECTIVE DATE.]

This section is effective July 1, 1982.

Amend the title as follows:

Page 1, line 24, after "purposes;" insert "imposing a tax on on-sale of liquor and fermented malt beverages; providing for the financing of certain chemical dependency programs;"

Page 3, line 6, after "297," insert "340"

Renumber the following sections accordingly.

A roll call was requested and properly seconded.

POINT OF ORDER

Anderson, I., raised a point of order pursuant to rule 3.9 that the amendment was out of order. The Speaker ruled the point of order not well taken and the amendment in order.

Brinkman moved to amend the McDonald and Kalis amendment to H. F. No. 1872, the first engrossment, as amended, as follows:

Page 1, line 37, delete "1982" and insert "1983"

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

Zubay moved to amend the McDonald and Kalis amendment to H. F. No. 1872, the first engrossment, as amended, as follows:

Page 1, line 5, after "on-sales" insert "or off-sales"

Page 1, line 7, after "on-sale" insert "or off-sale"

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

Shea offered an amendment to the McDonald and Kalis amendment.

POINT OF ORDER

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

The question recurred on the McDonald and Kalis amendment and the roll was called.

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

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 87 yeas and 38 nays as follows:

Those who voted in the affirmative were:

Aasness	Ellingson	Jude	Nelsen, B.	Schoenfeld
Ainley	Erickson	Kahn	Nelson, K.	Schreiber
Anderson, B.	Evans	Kaley	Niehaus	Sherwood
Anderson, G.	Ewald	Kalis	Nysether	Skoglund
Battaglia	Fjoslien	Kelly	Ogren	Stadum
Begich	Forsythe	Knickerbocker	Olsen	Stowell
Berkelman	Frerichs	Kostohryz	Onnen	Sviggum
Blatz	Greenfield	Laidig	Otis	Swanson
Brandl	Gruenes	Lehto	Peterson, B.	Valan
Byrne	Hanson	Lemen	Redalen	Vellenga
Carlson, D.	Hauge	Levi	Reding	Weaver
Carlson, L.	Haukoos	Long	Rees	Wenzel
Clark, J.	Heap	Luknic	Reif	Wieser
Clark, K.	Heinitz	Marsh	Rodriguez, C.	Wigley
Clawson	Himle	McDonald	Rose	Wynia
Den Ouden	Hokanson	McEachern	Rothenberg	
Drew	Hokr	Mehrkens	Sarna	
Elioff	Johnson, D.	Murphy	Schafer	

Those who voted in the negative were:

Anderson, I.	Brinkman	Dahlvang	Dempsey	Eken
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Gustafson	Ludeman	O'Connor	Samuelson	Vanasek
Harens	Mann	Osthoff	Sherman	Welch
Hoberg	McCarron	Peterson, D.	Sieben, M.	Welker
Jacobs	Metzen	Piepho	Simoneau	Zubay
Jennings	Minne	Pogemiller	Stumpf	Spkr. Sieben, H.
Johnson, C.	Norton	Rice	Tomlinson	
Kvam	Novak	Rodriguez, F.	Valento	

The motion prevailed and the amendment was adopted.

Rees moved to amend H. F. No. 1872, the first engrossment, as amended, as follows:

Page 241, after line 12, insert:

"Subd. 5. Subdivisions 1 to 4 of this section are effective November 1, 1982."

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 45 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Aasness	Greenfield	Knickerbocker	Onnen	Stowell
Blatz	Haukoos	Kvam	Peterson, B.	Svigum
Clark, K.	Heap	Lemen	Piepho	Tomlinson
Dempsey	Heinitz	Ludeman	Redalen	Valento
Den Ouden	Himle	Luknic	Rees	Weaver
Erickson	Hoberg	Marsh	Reif	Welker
Fjoslien	Hokr	McDonald	Schafer	Wieser
Forsythe	Jennings	Mehrkens	Sherwood	Wigley
Frerichs	Kaley	Nysether	Staten	Zubay

Those who voted in the negative were:

Ainley	Dahlvang	Jude	Norton	Schoenfeld
Anderson, B.	Drew	Kahn	Novak	Schreiber
Anderson, G.	Eken	Kalis	O'Connor	Shea
Anderson, I.	Elioff	Kelly	Osthoff	Sieben, M.
Battaglia	Ellingson	Kostohryz	Peterson, D.	Simoneau
Begich	Gruenes	Lehto	Pogemiller	Skoglund
Berkelman	Gustafson	Long	Reding	Stadum
Brandl	Hanson	Mann	Rice	Swanson
Brinkman	Harens	McCarron	Rodriguez, C.	Valan
Byrne	Hauge	McEachern	Rodriguez, F.	Vanasek
Carlson, D.	Hokanson	Metzen	Rose	Vellenga
Carlson, L.	Jacobs	Minne	Rothenberg	Welch
Clark, J.	Johnson, C.	Murphy	Samuelson	Wenzel
Clawson	Johnson, D.	Nelson, K.	Sarna	Spkr. Sieben, H.

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

McDonald, Ludeman and Sherwood offered an amendment to H. F. No. 1872, as amended.

POINT OF ORDER

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

H. F. No. 1872, A bill for an act relating to the financing of government in this state; extending the effective date of residential energy credits; providing the interest rate maximum on certain public indebtedness; exempting certain towns from general levy limits; providing an action to enjoin certain tax return preparers from engaging in certain conduct or from preparing returns; making technical corrections and administrative changes to the income tax and property tax refund; clarifying the taxation of gravel and the distribution of revenue; validating certain tax collections by Clay County; providing for allocation of income for nonresident athletes and entertainers; providing for apportionment of income for athletic teams; permitting leases and installment purchases of equipment by local governments and providing for their tax and fiscal treatment; requiring notification to school districts of certain property tax assessment challenge proceedings; authorizing school districts to participate at certain hearings; providing for the collection of taxes; altering the date on which warrants are issued to the sheriff for collection of certain delinquent mobile home property taxes; clarifying the taxation of meals and food products for sales tax purposes; imposing a tax on on-sales of liquor and fermented malt beverages; providing for the financing of certain chemical dependency programs; providing for the lease of hydropower sites by the state or local governmental units; eliminating tax recapture or payment acceleration of deferred special assessments upon certain sales of qualifying agricultural property; providing for reassessment of homestead property damaged by a disaster; allowing the town of Rice Lake to levy in excess of its levy limitation for taxes payable in 1982; providing for withholding of income tax refunds from child support debtors; providing for taxation of certain motor vehicles and combinations in the ninth and succeeding years of vehicle life; permitting the towns of Erin, Forest, Webster, and Wheatland in Rice County to impose a special levy for fire protection purposes; adopting certain federal definitions for purposes of the credit for research and experimental expenditures; providing for homestead treatment of certain condominium leased land; clarifying the homestead classification in certain cases of joint tenancy; clarifying use of additional sales ratio study information; allowing disclosure of private data to permit vendor processing of income and sales tax returns; redefining rent constituting property taxes; providing for the rate and disposition of certain taconite credits; providing for school bonds and related taxation in certain school districts; providing that landowners in unorganized townships receive a property tax credit for certain high voltage transmission lines; providing for the imposition of sales tax on certain retail sales of manufactured homes; allowing a levy limit increase for Clearwater County; granting the city of Bloomington port authority certain redevelopment financing powers; requiring county auditors to combine certain legal descriptions for property tax purposes; providing for sales of unstamped cigarettes to members of Indian tribes; imposing a fee on completion of tax forfeited land sales; revising the metropolitan agricultural preserves act;

adopting certain federal income tax amendments; adopting federal income tax treatment of unemployment compensation; increasing the rate of interest allowed on certain contracts for deed qualifying for an income tax exclusion; altering the adoption of accelerated cost recovery system; exempting plant material from the sales tax; providing a freeze on property taxes paid on the first \$50,000 of market value of homesteads owned by elderly persons; imposing penalties; appropriating money; amending Minnesota Statutes 1980, Sections 105.482, Subdivision 1, and by adding subdivisions; 168.012, by adding a subdivision; 270.06; 270.07, Subdivision 1; 270.10, Subdivision 1; 270.70, Subdivisions 1, 2, 3, and 5, and by adding subdivisions; 272.02, Subdivision 1; 273.111, Subdivisions 9, 11, and by adding a subdivision; 273.121; 273.13, Subdivision 7c; 273.42, as amended; 273.425; 274.19, Subdivision 3; 278.01; 278.05, Subdivisions 2 and 4; 282.014; 282.09, Subdivision 1; 290.01, by adding a subdivision; 290.012, Subdivision 2; 290.02; 290.03; 290.032, Subdivision 5; 290.06, Subdivisions 9 and 9a; 290.079, Subdivision 1; 290.09, Subdivisions 16 and 17; 290.095, Subdivision 4; 290.13, Subdivision 1; 290.133, Subdivision 1; 290.16, Subdivision 15, as amended, and 16, as amended; 290.19, Subdivision 1; 290.281, Subdivision 1; 290.31, Subdivisions 5 and 19; 290.36; 290.45, Subdivisions 1 and 2; 290.48, Subdivisions 3, 4, 6, and 8; 290.49, Subdivisions 3, 7, and by adding a subdivision; 290.50, by adding a subdivision; 290.53, Subdivisions 2 and 5, and by adding a subdivision; 290.54; 290.65, Subdivisions 9 and 11; 290.91; 290.92, Subdivisions 4a, 13, and 23; 290.93, Subdivision 9; 290.936; 290A.03, by adding a subdivision; 290A.11, by adding a subdivision; 296.01, Subdivision 8; 296.14, Subdivision 1; 296.17, Subdivision 11; 297A.33, Subdivision 2; 297A.39, Subdivisions 2 and 5; 297A.43; 297B.03; 465.71; 473H.02, Subdivision 2, and by adding a subdivision; 473H.04, Subdivisions 1 and 2; 473H.05, Subdivision 1, and by adding a subdivision; 473H.06, Subdivisions 1, 2, and 5; 473H.08, Subdivision 4; 473H.14; 473H.15, by adding a subdivision; 473H.16, Subdivision 3; 475.55, Subdivision 1, and by adding a subdivision; 508.25; 559.21, by adding a subdivision; 580.15; Minnesota Statutes 1981 Supplement, Sections 168.013, Subdivision 1e; 270.063; 270.66; 270.75, Subdivisions 4, as amended, and 5, as amended, and by adding a subdivision; 272.46; 273.11, Subdivision 1; 275.50, Subdivision 2; 290.01, Subdivisions 20, as amended, and 27; 290.05, Subdivisions 1 and 4; 290.06, Subdivision 14; 290.075; 290.081; 290.09, Subdivisions 4, 7, as amended, 15, and 29; 290.091, as amended; 290.095, Subdivision 11; 290.10; 290.131, Subdivision 1; 290.132, Subdivision 1; 290.136, Subdivision 1; 290.14; 290.17, Subdivision 2; 290.18, Subdivisions 1 and 2; 290.21, Subdivision 3; 290.23, Subdivision 3; 290.31, Subdivisions 3 and 4; 290.32; 290.37, Subdivision 1; 290.41, Subdivision 2; 290.42; 290.431; 290.61; 290.92, Subdivisions 2a, 5, 5a, 6 and 15; 290.93, Subdivisions 1 and 10; 290.934, Subdivision 4; 290.9725; 290.974; 290A.03, Subdivisions 3, 8, 11, and 13; 290A.07, Subdivision 2a; 290A.11, Subdivision 1; 296.12, Subdivision 4; 297A.01, Subdivision 3; 297A.25, Subdivision 1, as amended; 298.225;

298.24, Subdivision 3; 298.75; Laws 1980, Chapter 453, by adding a section; Laws 1981, Third Special Session Chapter 2, Article III, Section 6; proposing new law coded in Minnesota Statutes, Chapters 270, 273, 290, 295, 297, 297A, 340, and 473H; repealing Minnesota Statutes 1980, Sections 62E.03, Subdivision 2; 290.06, Subdivision 3c; 290.0781; 290.079, Subdivisions 2, 3, 4, and 5; 290.08, Subdivision 21; 290.09, Subdivision 24; 290.13, Subdivisions 2, 4, and 10; 290.136, Subdivision 8; 290.26, Subdivision 5; 290.281, Subdivisions 3, 4, and 6; 290.31, Subdivisions 7, 8, 12, 13, 14, 15, 16, 17, 18, 20, 22, 23, 24, 25, and 26; 290.48, Subdivisions 1 and 9; 290.51; 290.65, Subdivisions 2, 3, 4, 5, 6, and 7; 290.97; 290.973; 297A.33, Subdivision 6; 297A.36; 297A.39, Subdivision 6; 297A.40, Subdivision 2; Minnesota Statutes 1981 Supplement, Sections 290.-079, Subdivision 6; 290.09, Subdivision 17a; 290.131, Subdivisions 2 and 3; 290.132, Subdivision 2; 290.133, Subdivision 2; 290.21, Subdivision 7; 290.26, Subdivisions 1 and 3; 290.281, Subdivision 2; 290.31, Subdivisions 6, 8a, 9, 10, 11, and 21; 290.48, Subdivision 2; 290.971, Subdivision 7; and 298.76.

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

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

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 121 yeas and 4 nays as follows:

Those who voted in the affirmative were:

Aasness	Evans	Kalis	Novak	Sherwood
Ainley	Ewald	Kelly	Nysether	Sieben, M.
Anderson, B.	Fjoslien	Knickerbocker	O'Connor	Simoneau
Anderson, G.	Forsythe	Kostohryz	Ogren	Skoglund
Anderson, I.	Frerichs	Kvam	Olsen	Stowell
Battaglia	Greenfield	Laidig	Onnen	Stumpf
Begich	Gruenes	Lehto	Otis	Sviggum
Berkelman	Gustafson	Lemen	Peterson, B.	Swanson
Blatz	Hanson	Levi	Peterson, D.	Tomlinson
Brandl	Harens	Long	Piepho	Valan
Brinkman	Hauge	Ludeman	Redalen	Valento
Byrne	Haukoos	Luknic	Reding	Vellenga
Carlson, D.	Heap	Mann	Rees	Weaver
Carlson, L.	Heinitz	Marsh	Reif	Welch
Clark, J.	Himle	McCarron	Rodriguez, C.	Welker
Clark, K.	Hoberg	McDonald	Rodriguez, F.	Wenzel
Clawson	Hokanson	McEachern	Rose	Wieser
Dahlvang	Hokr	Mehrkens	Rothenberg	Wigley
Dempsey	Jacobs	Metzen	Samuelson	Wynia
Den Ouden	Jennings	Minne	Sarna	Zubay
Drew	Johnson, C.	Murphy	Schafer	Spkr. Sieben, H.
Eken	Johnson, D.	Nelsen, B.	Schoenfeld	
Elhoff	Jude	Nelson, K.	Schreiber	
Ellingson	Kahn	Niehaus	Shea	
Erickson	Kaley	Norton	Sherman	

Those who voted in the negative were:

Pogemiller Rice Staten Vanasek

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

Rothenberg; Nelsen, B.; Erickson and Nysether were excused for the remainder of today's session.

The Speaker called Wynia to the Chair.

SPECIAL ORDERS

H. F. No. 612 was reported to the House.

Skoglund moved to amend H. F. No. 612, the first engrossment, as follows:

Page 1, line 29, restore the stricken language, delete the new language, and after "subscribers" insert *"or any system which serves more than 50 but fewer than 1,000 subscribers if the governing bodies of all political subdivisions served by the system, vote, by resolution, to remove the system from the provisions of chapter 238. Any system which serves more than 50 but fewer than 1,000 subscribers that has been removed from the provisions of chapter 238 shall be returned to the provisions of chapter 238 if the governing bodies of fifty percent or more of the political subdivisions served by the system vote, by resolution in favor of the return"*

The motion prevailed and the amendment was adopted.

CALL OF THE HOUSE LIFTED

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

Hauge moved to amend H. F. No. 612, the first engrossment, as amended, as follows:

Page 3, lines 35 and 36, reinstate the stricken language

Page 4, lines 1 and 2, reinstate the stricken language

Page 4, line 3, reinstate the stricken language and delete the new language

Page 4, line 4, delete the new language

The motion prevailed and the amendment was adopted.

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

Frerichs and Dean moved to amend H. F. No. 612, the first engrossment, as amended, as follows:

Page 3, line 4, after "subdivision 3" add: "*provided that no rule shall require access if an existing contract provides essentially similar service to the residents of the dwelling units*"

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

Frerichs moved to amend H. F. No. 612, the first engrossment, as amended, as follows:

Page 3, delete line 1 and insert:

"Subd. 18. The Board may adopt rules regarding"

The motion prevailed and the amendment was adopted.

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

H. F. No. 612, A bill for an act relating to cable communications; changing the definition of cable communications system; reducing the number of days available to the metropolitan council for review of cable service territory proposals; conforming the certificate of confirmation term to the franchise term; authorizing rules preventing obstruction of service to multiple unit dwellings; providing to municipalities the option concerning cable service rates information included in a franchise; amending Minnesota Statutes 1980, Sections 238.02, Subdivision 3; 238.03; 238.05, Subdivision 7, and by adding a subdivision; 238.09, Subdivisions 6 and 7, and by adding a subdivision; Section 238.12, Subdivisions 1 and 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 113 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Aasness	Berkelman	Carlson, L.	Den Ouden	Forsythe
Anderson, B.	Blatz	Clark, J.	Drew	Frerichs
Anderson, G.	Brandl	Clark, K.	Eken	Greenfield
Anderson, I.	Brinkman	Clawson	Elioff	Gruenes
Battaglia	Byrne	Dahlvang	Ellingson	Gustafson
Begich	Carlson, D.	Dempsey	Fjoslien	Hanson

Harens	Knickerbocker	Novak	Rodriguez, F.	Swanson
Hauge	Kostohryz	O'Connor	Rose	Tomlinson
Haukoos	Kvam	Ogren	Samuelson	Valan
Heap	Laidig	Olsen	Sarna	Valento
Heinitz	Levi	Onnen	Schafer	Vanasek
Himle	Long	Osthoff	Schoenfeld	Vellenga
Hoberg	Ludeman	Otis	Schreiber	Weaver
Hokanson	Mann	Peterson, B.	Shea	Welch
Hokr	Marsh	Peterson, D.	Sherman	Welker
Jacobs	McEachern	Piepho	Sherwood	Wenzel
Jennings	Mehrkens	Pogemiller	Sieben, M.	Wieser
Johnson, C.	Metzen	Redalen	Simoneau	Wigley
Johnson, D.	Minne	Reding	Skoglund	Wynia
Jude	Murphy	Rees	Stadum	Zubay
Kahn	Nelson, K.	Reif	Staten	Spkr. Sieben, H.
Kaley	Niehaus	Rice	Stumpf	
Kelly	Norton	Rodriguez, C.	Svigum	

Those who voted in the negative were:

Evans

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

Frerichs and Tomlinson were excused for the remainder of today's session.

S. F. No. 1689 was reported to the House.

Schreiber moved to amend S. F. No. 1689, as follows:

Page 3, after line 19, insert:

"Sec. 4. Minnesota Statutes 1980, Section 362.41, is amended by adding a subdivision to read:

Subd. 8a. The commissioner of energy, planning and development shall be named as an assignee of the rights of a community development corporation on any loan or other evidence of debt. The assignment of rights shall provide that it will be effective upon the dormancy or cessation of existence of the community development corporation. "Dormancy" for the purpose of this section shall mean the continuation of the corporation in name only without any functioning officers or activities."

Page 3, line 21, delete "3" and insert "4"

Amend the title as follows:

Page 1, line 10, after "3.972;" insert "362.41, by adding a subdivision;"

The motion prevailed and the amendment was adopted.

S. F. No. 1689, A bill for an act relating to the operation of state government; authorizing the legislative auditor to approve contracts for auditing state agencies; clarifying certain provisions regarding the term of the legislative auditor; modifying authority of the housing finance agency and certain other agencies to contract for audits without approval; amending Minnesota Statutes 1980, Sections 3.97, Subdivision 4; 3.972; and 462A.22, Subdivision 10.

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 114 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Ellingson	Kalis	Olsen	Sieben, M.
Ainley	Evans	Kelly	Onnen	Simoneau
Anderson, B.	Fjoslien	Knickerbocker	Osthoff	Skoglund
Anderson, G.	Forsythe	Kostohryz	Otis	Stadum
Anderson, I.	Greenfield	Kvam	Peterson, B.	Staten
Battaglia	Gruenes	Laidig	Peterson, D.	Stowell
Begich	Gustafson	Lehto	Piepho	Stumpf
Berkelman	Hanson	Lemen	Pogemiller	Sviggum
Blatz	Hauge	Long	Redalen	Swanson
Brandl	Haukoos	Ludeman	Reding	Valan
Brinkman	Heap	Mann	Reif	Valento
Byrne	Heinitz	Marsh	Rice	Vanasek
Carlson, D.	Himle	McCarron	Rodriguez, C.	Vellenga
Carlson, L.	Hoberg	McEachern	Rodriguez, F.	Weaver
Clark, J.	Hokanson	Metzen	Rose	Welch
Clark, K.	Hokr	Minne	Samuelson	Welker
Clawson	Jacobs	Murphy	Sarna	Wenzel
Dahlvang	Jennings	Nelson, K.	Schafer	Wieser
Dempsey	Johnson, C.	Niehaus	Schoenfeld	Wigley
Den Ouden	Johnson, D.	Norton	Schreiber	Wynia
Drew	Jude	Novak	Shea	Zubay
Eken	Kahn	O'Connor	Sherman	Spkr. Sieben, H.
Elioff	Kaley	Ogren	Sherwood	

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

S. F. No. 1856 was reported to the House.

Simoneau moved to amend S. F. No. 1856 as follows:

Page 11, line 26, after "*deputy*" insert "*or assistant*"

Page 18, line 17, strike "(g)" and insert "(h)"

Page 32, line 23, delete "*by the board*"

Page 35, delete lines 2 to 28

Renumber subsequent sections

Page 39, line 12, after "(WHO)" insert "and"

Page 39, line 19, strike "such"

Page 45, line 6, delete "190.081; and 190.095;"

Further, amend the title as follows:

Page 1, line 12, delete "241.64, Subdivision 3; 241.65;"

Page 1, line 32, delete "190.081; and 190.095;"

The motion prevailed and the amendment was adopted.

Ludeman moved to amend S. F. No. 1856, as amended, as follows:

Page 12, line 8, after "UNCLASSIFIED" insert "AND ESSENTIAL"

Page 12, line 10, before "authorize" insert "(1)"

Page 12, line 11, after "service" insert ", and (2) authorize the temporary designation of health care non-professional employees as "essential" in which case they shall have the same rights and obligations as though they were defined as "essential" in section 179.63, subdivision 11"

Page 12, line 11, delete "this" and insert "an"

Page 12, line 12, after "authorization" insert "under (1)"

Page 12, line 13, after "duration" insert "and under (2) only for health care non-professional employees in circumstances which are fully anticipated to be of limited duration"

A roll call was requested and properly seconded.

POINT OF ORDER

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

The question recurred on the Ludeman amendment and the roll was called. There were 46 yeas and 58 nays as follows:

Those who voted in the affirmative were:

Aasness

Ainley

Anderson, B.

Berkelman

Blatz

Brinkman	Heap	Ludeman	Reif	Weaver
Dempsey	Heinitz	Mehrkens	Rose	Welker
Den Ouden	Himle	Niehaus	Schafer	Wieser
Drew	Hoberg	Olsen	Schreiber	Wigley
Evans	Hokr	Onnen	Sherman	Zubay
Fjoslien	Jennings	Peterson, B.	Sherwood	
Forsythe	Kaley	Piepho	Sviggum	
Gruenes	Lemen	Redalen	Valan	
Haukoos	Levi	Rees	Valento	

Those who voted in the negative were:

Anderson, I.	Elioff	Kelly	O'Connor	Simoneau
Battaglia	Ellingson	Kostohryz	Ogren	Skoglund
Begich	Greenfield	Laidig	Osthoff	Staten
Brandl	Gustafson	Lehto	Otis	Swanson
Byrne	Hanson	Long	Peterson, D.	Vanasek
Carlson, D.	Harens	McEachern	Pogemiller	Vellenga
Carlson, L.	Hokanson	Metzen	Reding	Welch
Clark, J.	Jacobs	Minne	Rice	Wenzel
Clark, K.	Johnson, D.	Murphy	Rodriguez, C.	Wynia
Clawson	Jude	Nelson, K.	Rodriguez, F.	Spkr. Sieben, H.
Dahlvang	Kahn	Norton	Sarna	
Eken	Kalis	Novak	Sieben, M.	

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

S. F. No. 1856, A bill for an act relating to state government; improving the state's personnel management functions; amending Minnesota Statutes 1980, Sections 6.582; 11A.07, Subdivision 4; 12.04, Subdivision 1; 15.0575, Subdivision 3; 15.059, Subdivision 3; 15.43, Subdivision 1; 60B.09, Subdivision 2; 84.028, Subdivision 3; 84.081, Subdivision 1; 85A.03, Subdivision 2; 124.645, Subdivision 3; 128A.02, Subdivision 3; 136A.55, Subdivision 4; 144A.52, Subdivision 2; 168.325, Subdivision 1; 171.015, Subdivision 1; 216A.04, Subdivision 3; 246.017, Subdivision 2; 299E.01, Subdivision 1; 299F.01, Subdivision 2; and 352D.02, by adding a subdivision; Minnesota Statutes 1981 Supplement, Sections 3.855, Subdivision 3; 43A.02, Subdivision 28; 43A.04, Subdivisions 3, 4, and by adding a subdivision; 43A.05, Subdivision 4; 43A.08, Subdivisions 1, 3, and by adding subdivisions; 43A.11, Subdivisions 3, 4, 7 and 8; 43A.13, Subdivisions 1, 4 and 5; 43A.15, Subdivisions 6 and 10; 43A.17, Subdivision 4; 43A.18, Subdivisions 3 and 4; 43A.19, Subdivision 1; 43A.27, Subdivision 3; 43A.33, Subdivisions 1, 3 and 4; 43A.37, Subdivision 1; 43A.38; 43A.39; 43A.41, Subdivision 4; 43A.42; 43A.44, Subdivision 2; 124.41, Subdivision 3; 254A.03, Subdivision 1; 352D.02, Subdivision 1; and 462A.04, Subdivision 8; Laws 1971, Extra Session, Chapter 3, Section 19, Subdivision 5; Laws 1980, Chapter 564, Article XII, Section 1, Subdivision 6; Laws 1981, Chapter 210, Section 55; repealing Minnesota Statutes 1980, Sections 12.05; 124.615, Subdivision 3; and Minnesota Statutes 1981 Supplement, Section 43A.08, 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 110 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Aasness	Ellingson	Kaley	Novak	Schoenfeld
Ainley	Evans	Kalis	O'Connor	Schreiber
Anderson, B.	Fjoslien	Kelly	Ogren	Sherman
Anderson, G.	Forsythe	Knickerbocker	Olsen	Sherwood
Anderson, I.	Greenfield	Kostohryz	Onnen	Sieben, M.
Battaglia	Gruenes	Laidig	Osthoff	Simoneau
Begich	Gustafson	Lehto	Otis	Skoglund
Berkelman	Hanson	Lemen	Peterson, B.	Staten
Blatz	Harens	Levi	Peterson, D.	Stumpf
Brandl	Hauge	Long	Piepho	Sviggum
Brinkman	Haukoos	Ludeman	Pogemiller	Swanson
Byrne	Heap	Mann	Redalen	Valan
Carlson, D.	Heinitz	Marsh	Reding	Vanasek
Carlson, L.	Himle	McCarron	Rees	Vellenga
Clark, J.	Hoberg	McEachern	Reif	Weaver
Clark, K.	Hokanson	Mehrkens	Rice	Welch
Clawson	Jacobs	Metzen	Rodriguez, C.	Wenzel
Dahlvang	Jennings	Minne	Rodriguez, F.	Wieser
Dempsey	Johnson, C.	Murphy	Rose	Wigley
Den Ouden	Johnson, D.	Nelson, K.	Samuelson	Wynia
Eken	Jude	Niehaus	Sarna	Zubay
Elioff	Kahn	Norton	Schafer	Spkr. Sieben, H.

Those who voted in the negative were:

Drew

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

H. F. No. 2079 was reported to the House.

There being no objection H. F. No. 2079 was continued on Special Orders for one day.

H. F. No. 438, A bill for an act relating to retirement; authorizing certain persons in various retirement funds to purchase prior service credit and military service credit; authorizing an amendment to the articles of incorporation of the Minneapolis teachers retirement fund association; allowing a surviving spouse to elect a joint and survivor annuity under certain circumstances; amending Minnesota Statutes 1981 Supplement, Section 354.46, 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 113 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Evans	Kalis	Olsen	Sherwood
Ainley	Fjoslien	Kelly	Onnen	Sieben, M.
Anderson, B.	Forsythe	Knickerbocker	Osthoff	Simoneau
Anderson, G.	Greenfield	Kostohryz	Otis	Skoglund
Anderson, I.	Gruenes	Kvam	Peterson, B.	Staten
Battaglia	Gustafson	Laidig	Peterson, D.	Stumpf
Begich	Hanson	Lehto	Piepho	Sviggum
Berkelman	Harens	Lemen	Pogemiller	Swanson
Blatz	Hauge	Levi	Redalen	Valan
Brandl	Haukoos	Ludeman	Reding	Valento
Brinkman	Heap	Mann	Rees	Vanasek
Byrne	Heinitz	Marsh	Reif	Vellenga
Carlson, D.	Himle	McCarron	Rice	Weaver
Carlson, L.	Hoberg	McEachern	Rodriguez, C.	Welch
Clark, J.	Hokanson	Mehrkens	Rodriguez, F.	Welker
Clark, K.	Hokr	Minne	Rose	Wenzel
Clawson	Jacobs	Murphy	Samuelson	Wieser
Dahlvang	Jennings	Nelson, K.	Sarna	Wigley
Dempsey	Johnson, C.	Niehaus	Schafer	Wynia
Den Ouden	Johnson, D.	Norton	Schoenfeld	Zubay
Drew	Jude	Novak	Schreiber	Spkr. Sieben, H.
Elioff	Kahn	O'Connor	Shea	
Ellingson	Kaley	Ogren	Sherman	

The bill was passed and its title agreed to.

S. F. No. 358 was reported to the House.

Otis moved that S. F. No. 358 be continued for one day. The motion prevailed.

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

H. F. No. 1278 was reported to the House.

Dahlvang moved to amend H. F. No. 1278, the first engrossment, as follows:

Page 1, line 18, after "instrumentality" insert "*provided that the views of elected appointing authorities responsible for the selection, direction, discipline and discharge of individual employees shall be considered by the employer in the course of the discharge of their rights and duties under section 179.61 to 179.76*"

Himle moved to amend the Dahlvang amendment to H. F. No. 1278, the first engrossment, as follows:

On line 2 of the Dahlvang amendment after "*authorities*" insert "*who shall have standing to initiate interest arbitration, and who are*"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 57 yeas and 52 nays as follows:

Those who voted in the affirmative were:

Aasness	Haukoos	Kvam	Rees	Valan
Anderson, B.	Heap	Laidig	Reif	Valento
Anderson, G.	Heinitz	Lemen	Rose	Vanasek
Blatz	Himle	Ludeman	Schafer	Weaver
Brinkman	Hoberg	Marsh	Schoenfeld	Welker
Dempsey	Hokr	Mehrkens	Shea	Wenzel
Den Ouden	Jennings	Niehaus	Sherman	Wieser
Drew	Johnson, C.	Olsen	Sherwood	Wigley
Evans	Johnson, D.	Onnen	Stadum	Zubay
Fjoslien	Kaley	Peterson, B.	Stowell	
Forsythe	Kalis	Piepho	Stumpf	
Gruenes	Knickerbocker	Redalen	Sviggun	

Those who voted in the negative were:

Anderson, I.	Eken	Kahn	Novak	Sieben, M.
Battaglia	Elioff	Kelly	O'Connor	Simoneau
Begich	Ellingson	Kostohryz	Osthoff	Skoglund
Berkelman	Greenfield	Lehto	Otis	Staten
Brandl	Gustafson	Long	Peterson, D.	Swanson
Byrne	Hanson	Mann	Pogemiller	Vellenga
Carlson, L.	Harens	McCarron	Reding	Wynia
Clark, J.	Hauge	Minne	Rice	Spkr. Sieben, H.
Clark, K.	Hokanson	Murphy	Rodriguez, C.	
Clawson	Jacobs	Nelson, K.	Rodriguez, F.	
Dahlvang	Jude	Norton	Samuelson	

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

The question recurred on the Dahlvang amendment, as amended.

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

H. F. No. 1278, A bill for an act relating to public employment labor relations; clarifying the definition of "employer"; amending Minnesota Statutes 1980, Section 179.63, Subdivision 4.

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 81 yeas and 33 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Blatz	Carlson, D.	Clawson	Greenfield
Battaglia	Brandl	Carlson, L.	Dahlvang	Gustafson
Begich	Brinkman	Clark, J.	Elioff	Hanson
Berkelman	Byrne	Clark, K.	Ellingson	Harens

Hauge	Kelly	O'Connor	Rodriguez, C.	Stumpf
Haukoos	Kostohryz	Ogren	Rodriguez, F.	Swanson
Heap	Laidig	Olsen	Rose	Valan
Himle	Lehto	Osthoff	Samuelson	Valento
Hoberg	Long	Otis	Schoenfeld	Vellenga
Hokanson	Mann	Peterson, B.	Schreiber	Weaver
Hokr	Marsh	Peterson, D.	Shea	Wenzel
Jacobs	McCarron	Piepho	Sherman	Wynia
Johnson, C.	Minne	Pogemiller	Sieben, M.	Spkr. Sieben, H.
Johnson, D.	Murphy	Redalen	Simoneau	
Jude	Nelson, K.	Reding	Skoglund	
Kahn	Norton	Reif	Stadum	
Kalis	Novak	Rice	Staten	

Those who voted in the negative were:

Aasness	Eken	Knickerbocker	Onnen	Welch
Ainley	Fjoslien	Kvam	Rees	Welker
Anderson, B.	Forsythe	Lemen	Schafer	Wieser
Anderson, G.	Gruenes	Ludeman	Sherwood	Wigley
Dempsey	Heinitz	McEachern	Stowell	Zubay
Den Ouden	Jennings	Mehrkens	Sviggum	
Drew	Kaley	Niehaus	Vanasek	

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

H. F. No. 950 was reported to the House.

Byrne moved that H. F. No. 950 be continued on Special Orders for one day. The motion prevailed.

H. F. No. 1994, A bill for an act relating to financial institutions; permitting certain shared appreciation mortgages; providing that the mortgage becomes due and payable upon its sale or transfer; authorizing bank or trust company investment in community welfare projects; amending Minnesota Statutes 1980, Section 48.61, by adding a subdivision; and Minnesota Statutes 1981 Supplement, Section 47.20, Subdivision 4b.

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

The question was taken on the passage of the bill and the roll was called. There were 114 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Byrne	Elioff	Heap	Kahn
Ainley	Carlson, D.	Ellingson	Heinitz	Kaley
Anderson, B.	Carlson, L.	Evans	Himle	Kalis
Anderson, G.	Clark, J.	Fjoslien	Hoberg	Kelly
Anderson, I.	Clark, K.	Forsythe	Hokanson	Knickerbocker
Battaglia	Clawson	Greenfield	Hokr	Kostohryz
Begich	Dahlvang	Gruenes	Jacobs	Kvam
Berkelman	Dempsey	Gustafson	Jennings	Laidig
Blatz	Den Ouden	Hanson	Johnson, C.	Lehto
Brandl	Drew	Hauge	Johnson, D.	Lemen
Brinkman	Eken	Haukoos	Jude	Long

Ludeman	O'Connor	Reif	Sherwood	Vanasek
Mann	Ogren	Rice	Sieben, M.	Vellenga
Marsh	Olsen	Rodriguez, C.	Simoneau	Weaver
McCarron	Osthoff	Rodriguez, F.	Skoglund	Welch
McEachern	Otis	Rose	Stadum	Welker
Metzen	Peterson, B.	Samuelson	Staten	Wenzel
Minne	Peterson, D.	Sarna	Stowell	Wieser
Murphy	Piepho	Schafer	Stumpf	Wigley
Nelson, K.	Pogemiller	Schoenfeld	Sviggum	Wynia
Niehaus	Redalen	Schreiber	Swanson	Zubay
Norton	Reding	Shea	Valan	Spkr. Sieben, H.
Novak	Rees	Sherman	Valento	

The bill was passed and its title agreed to.

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

H. F. No. 2057, A bill for an act relating to state government; allowing for disclosures of information between the commissioner of revenue and the department of economic security; amending Minnesota Statutes 1980, Section 268.12, Subdivision 12; and Minnesota Statutes 1981 Supplement, Section 290.61.

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 113 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Ellingson	Kalis	Onnen	Simoneau
Ainley	Evans	Kelly	Osthoff	Skoglund
Anderson, B.	Fjoslien	Knickerbocker	Otis	Stadum
Anderson, G.	Forsythe	Kostohryz	Peterson, B.	Staten
Anderson, I.	Greenfield	Kvam	Peterson, D.	Stowell
Battaglia	Gruenes	Laidig	Piepho	Stumpf
Begich	Hanson	Lehto	Pogemiller	Sviggum
Berkelman	Harens	Lemen	Redalen	Swanson
Blatz	Hauge	Long	Reding	Valan
Brandl	Haukoos	Ludeman	Rees	Valento
Brinkman	Heap	Mann	Reif	Vanasek
Byrne	Heinitz	Marsh	Rodriguez, C.	Vellenga
Carlson, D.	Himle	McCarron	Rodriguez, F.	Weaver
Carlson, L.	Hoberg	McEachern	Rose	Welch
Clark, J.	Hokanson	Minne	Samuelson	Welker
Clark, K.	Hokr	Murphy	Sarna	Wenzel
Clawson	Jacobs	Nelson, K.	Schafer	Wieser
Dahlvang	Jennings	Niehaus	Schoenfeld	Wigley
Dempsey	Johnson, C.	Norton	Schreiber	Wynia
Den Ouden	Johnson, D.	Nysether	Shea	Zubay
Drew	Jude	O'Connor	Sherman	Spkr. Sieben, H.
Eken	Kahn	Ogren	Sherwood	
Elioff	Kaley	Olsen	Sieben, M.	

The bill was passed and its title agreed to.

The Speaker resumed the Chair.

H. F. No. 1867 was reported to the House.

Brinkman moved to amend H. F. No. 1867, the first engrossment, as follows:

Page 1, after line 9, insert:

“Section 1. Minnesota Statutes 1981 Supplement, Section 60A.17, Subdivision 6c, is amended to read:

Subd. 6c. [REVOCAION OR SUSPENSION OF LICENSE.] (a) The commissioner may suspend or revoke an insurance agent's license issued to a natural person or impose a civil penalty appropriate to the offense, not to exceed \$5,000 upon that licensee, if, after notice and hearing, the commissioner finds as to that licensee any one or more of the following conditions:

(1) Any materially untrue statement in the license application;

(2) Any cause for which issuance of the license could have been refused had it then existed and been known to the commissioner at the time of issuance;

(3) Violation of, or noncompliance with, any insurance law or violation of any rule or order of the commissioner or of a commissioner of insurance of another state or jurisdiction;

(4) Obtaining or attempting to obtain any license through misrepresentation or fraud;

(5) Improperly withholding, misappropriating, or converting to the licensee's own use any moneys belonging to a policyholder, insurer, beneficiary, or other person, received by the licensee in the course of the licensee's insurance business;

(6) Misrepresentation of the terms of any actual or proposed insurance contract;

(7) Conviction of a felony or of a gross misdemeanor or misdemeanor involving moral turpitude;

(8) That the licensee has been found guilty of any unfair trade practice, as defined in chapters 60A to 72A, or of fraud;

(9) That in the conduct of the agent's affairs under the license, the licensee has used fraudulent, coercive, or dishonest practices, or the licensee has been shown to be incompetent, untrustworthy, or financially irresponsible;

(10) That the agent's license has been suspended or revoked in any other state, province, district, territory, or foreign country;

(11) That the licensee has forged another's name to an application for insurance; or

(12) That the licensee has violated subdivision 6b.

(b) The commissioner may suspend or revoke an insurance agent's license issued to a partnership or corporation or impose a civil penalty not to exceed \$5,000 upon that licensee, if, after notice and hearing, the commissioner finds as to that licensee, or as to any partner, director, shareholder, officer, or employee of that licensee, any one or more of the conditions set forth in paragraph (a).

(c) A revocation of a license shall prohibit the licensee from making a new application for a license for at least one year. Further, the commissioner may, as a condition of relicensure, require the applicant to file a reasonable bond for the protection of the citizens of this state, which bond shall be maintained by the licensee in full force for a period of five years immediately following issuance of the license, unless the commissioner at his or her discretion shall after two years permit the licensee to sooner terminate the maintenance filing of the bond.

(d) Whenever it appears to the commissioner that any person has engaged or is about to engage in any act or practice constituting a violation of chapter 60A or of any rule or order of the commissioner:

(1) The commissioner may issue and cause to be served upon the person an order requiring the person to cease and desist from the violation. The order shall give reasonable notice of the time and place of hearing and shall state the reasons for the entry of the order. A hearing shall be held not later than seven days after the issuance of the order unless the person requests a delay. After the hearing and within 30 days of filing of any exceptions to the hearing examiner's report, the commissioner shall issue an order vacating the cease and desist order or making it permanent as the facts require. All hearings shall be conducted in accordance with the provisions of chapter 15. If the person to whom a cease and desist order is issued fails to appear at the hearing after being duly notified, the person shall be deemed in default, and the proceeding may be determined against the person upon consideration of the cease and desist order, the allegations of which may be deemed to be true;

(2) *The commissioner may bring an action in the district court in the appropriate county to enjoin the acts or practices and to enforce compliance with chapter 60A and any rule or order of the commissioner; and*

(3) In any proceeding under chapter 60A relating to injunction, the request for injunction may be brought on for hearing and disposition upon an order to show cause returnable upon not more than eight days notice to the defendant. The case shall have precedence over other matters on the court calendar and shall not be continued without the consent of the state of Minnesota, except upon good cause shown to the court, and then only for a reasonable length of time as may be necessary in the opinion of the court to protect the rights of the defendant."

Page 2, line 28, delete "1" and insert "2"

Renumber the sections

Amend the title as follows:

Page 1, line 2, after the semicolon insert "authorizing the commissioner to enjoin violations of chapter 60A;"

Page 1, line 6, delete "Subdivision" and insert "Subdivisions 6c and"

The motion prevailed and the amendment was adopted.

H. F. No. 1867, A bill for an act relating to insurance; authorizing the commissioner to enjoin violations of chapter 60A; eliminating certain mandatory filings with the commissioner of insurance; providing certain exceptions to variable contract license requirements; amending Minnesota Statutes 1981 Supplement, Section 60A.17, Subdivisions 6c and 13; repealing Minnesota Statutes 1980, Section 72A.062.

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 114 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Clark, K.	Harens	Kaley	Minne
Ainley	Clawson	Hauge	Kalis	Murphy
Anderson, B.	Dahlvang	Haukoos	Kelly	Nelson, K.
Anderson, G.	Dempsey	Heap	Knickerbocker	Niehaus
Anderson, I.	Den Ouden	Heinitz	Kostohryz	Norton
Battaglia	Drew	Himle	Kvam	Novak
Begich	Eken	Hoberg	Laidig	O'Connor
Berkelman	Elioff	Hokanson	Lehto	Ogren
Blatz	Ellingson	Hokr	Lemen	Olsen
Brandl	Evans	Jacobs	Long	Onnen
Brinkman	Fjoslien	Jennings	Ludeman	Osthoff
Byrne	Forsythe	Johnson, C.	Mann	Otis
Carlson, D.	Greenfield	Johnson, D.	Marsh	Peterson, B.
Carlson, L.	Gruenes	Jude	McCarron	Peterson, D.
Clark, J.	Hanson	Kahn	McEachern	Piepho

Pogemiller	Rose	Sherwood	Sviggum	Welker
Redalen	Samuelson	Sieben, M.	Swanson	Wenzel
Reding	Sarna	Simoneau	Valan	Wieser
Rees	Schafer	Skoglund	Valento	Wigley
Reif	Schoenfeld	Stadum	Vanasek	Wynia
Rice	Schreiber	Staten	Vellenga	Zubay
Rodriguez, C.	Shea	Stowell	Weaver	Spkr. Sieben, H.
Rodriguez, F.	Sherman	Stumpf	Welch	

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

H. F. No. 1897 was reported to the House.

Rice moved that H. F. No. 1897 be continued on Special Orders for one day. The motion prevailed.

H. F. No. 917, A bill for an act relating to retirement; authorizing special coverage for members of the Minnesota state retirement system prohibited from performing specified duties after age 60; clarifying various aspects of the special retirement program for certain employees of the department of military affairs; amending Minnesota Statutes 1980, Section 352.85, Subdivisions 1 and 3; proposing new law coded in Minnesota Statutes, Chapter 352.

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

The question was taken on the passage of the bill and the roll was called. There were 110 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Ellingson	Kalis	Olsen	Sherwood
Ainley	Evans	Kelly	Onnen	Sieben, M.
Anderson, B.	Fjoslien	Knickerbocker	Osthoff	Simoneau
Anderson, G.	Forsythe	Kostohryz	Otis	Skoglund
Anderson, I.	Greenfield	Kvam	Peterson, B.	Stadum
Battaglia	Gruenes	Laidig	Peterson, D.	Staten
Begich	Hanson	Lehto	Pogemiller	Stowell
Berkelman	Harens	Lemen	Redalen	Stumpf
Blatz	Hauge	Long	Reding	Sviggum
Brandl	Haukoos	Ludeman	Rees	Swanson
Brinkman	Heap	Mann	Reif	Valan
Byrne	Heinitz	Marsh	Rice	Valento
Carlson, D.	Himle	McCarron	Rodriguez, C.	Vanasek
Carlson, L.	Hoberg	McEachern	Rodriguez, F.	Weaver
Clark, J.	Hokanson	Metzen	Rose	Welch
Clark, K.	Hokr	Minne	Samuelson	Welker
Clawson	Jacobs	Murphy	Sarna	Wenzel
Dahlvang	Jennings	Nelson, K.	Schafer	Wieser
Den Ouden	Johnson, D.	Niehaus	Schoenfeld	Wigley
Drew	Jude	Novak	Schreiber	Wynia
Eken	Kahn	O'Connor	Shea	Zubay
Elioff	Kaley	Ogren	Sherman	Spkr. Sieben, H.

The bill was passed and its title agreed to.

H. F. No. 1743, A bill for an act relating to courts; authorizing courts to obtain the presence of persons confined in state institutions for court appearances; proposing new law coded in Minnesota Statutes, Chapter 589.

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

The question was taken on the passage of the bill and the roll was called. There were 115 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Ellingson	Kalis	Olsen	Sherwood
Ainley	Evans	Kelly	Onnen	Sieben, M.
Anderson, B.	Fjoslien	Knickerbocker	Osthoff	Simoneau
Anderson, G.	Forsythe	Kostohryz	Otis	Skoglund
Anderson, I.	Greenfield	Kvam	Peterson, B.	Stadum
Battaglia	Gruenes	Laidig	Peterson, D.	Staten
Begich	Hanson	Lehto	Piepho	Stowell
Berkelman	Harens	Lemen	Pogemiller	Stumpf
Blatz	Hauge	Long	Redalen	Sviggum
Brandl	Haukoos	Ludeman	Reding	Swanson
Brinkman	Heap	Mann	Rees	Valan
Byrne	Heinitz	Marsh	Reif	Valento
Carlson, D.	Himle	McCarron	Rice	Vanasek
Carlson, L.	Hoberg	McEachern	Rodriguez, C.	Vellenga
Clark, J.	Hokanson	Metzen	Rodriguez, F.	Weaver
Clark, K.	Hokr	Minne	Rose	Welch
Clawson	Jacobs	Murphy	Samuelson	Welker
Dahlvang	Jennings	Nelson, K.	Sarna	Wenzel
Dempsey	Johnson, C.	Niehaus	Schafer	Wieser
Den Ouden	Johnson, D.	Norton	Schoenfeld	Wigley
Drew	Jude	Novak	Schreiber	Wynia
Eken	Kahn	O'Connor	Shea	Zubay
Elioff	Kaley	Ogren	Sherman	Spkr. Sieben, H.

The bill was passed and its title agreed to.

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

Eken moved that the remaining bills on Special Orders for today be continued one day. The motion prevailed.

GENERAL ORDERS

Eken moved that the bills on General Orders for today be continued one day. The motion prevailed.

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

REPORTS OF STANDING COMMITTEES

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 541, A bill for an act relating to cable communications; changing certain definitions and procedures relating to cable communications system franchises and operations; amending Minnesota Statutes 1980, Sections 238.02, Subdivision 3; 238.03; 238.06, Subdivision 6; 238.08, Subdivision 4; 238.09, Subdivisions 6 and 7; 238.11, Subdivision 2; and 238.12, Subdivisions 1 and 2; repealing Minnesota Statutes 1980, Section 238.05, Subdivisions 6 and 7.

Reported the same back with the following amendments:

Page 1, line 23, reinstate the stricken language and delete the new language and after "subscribers" insert *"or any system which serves more than 50 but fewer than 1,000 subscribers if the governing bodies of all political subdivisions served by the system, vote, by resolution, to remove the system from the provisions of chapter 238"*

Pages 2 and 3, delete section 4

Renumber the sections

Amend the title as follows:

Page 1, lines 6 and 7, delete "238.08, Subdivision 4;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, I., from the Committee on Taxes to which was referred:

H. F. No. 1505, A bill for an act relating to metropolitan government; providing for the establishment and operation of a water planning and management program in the metropolitan area; requiring watershed and local water management plans; providing for the establishment and operation of watershed management organizations; authorizing debt; authorizing taxes; amending Minnesota Statutes 1980, Sections 112.35, by adding a subdivision; 112.37, Subdivision 1, and by adding a subdivision; 112.42, Subdivision 3 and by adding a subdivision; 112.43, by adding a subdivision; 112.46; proposing new law coded in Minnesota Statutes, Chapter 473.

Reported the same back with the following amendments:

Page 1, after line 15, insert:

"Section 1. Laws 1981, Chapter 291, Section 2, Subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] A (WASTE WATER TREATMENT) *sanitary sewer* board called the North Koochiching (COUNTY WASTE WATER TREATMENT) *sanitary sewer* board with jurisdiction in the (INTERNATIONAL FALLS, SOUTH INTERNATIONAL FALLS AND RANIER MUNICIPALITIES AND THE EAST KOOCHICHING COUNTY SEWER DISTRICT AND THE PAPERMAKERS SEWER DISTRICT) *North Koochiching area sanitary district* is established as a public corporation and political subdivision with all the rights, powers, privileges, immunities and duties which may be granted to or imposed upon a municipal corporation.

Sec. 2. Laws 1981, Chapter 291, Section 2, is amended by adding a subdivision to read:

Subd. 1a. [DISTRICT.] The North Koochiching area sanitary district is the International Falls, South International Falls and Ranier municipalities and the East Koochiching county sewer district and the Papermakers sewer district, except that if the conditions in subdivision 10 as added by section 4 of this act are not met, after December 31, 1985, the north Koochiching area sanitary district shall then be the area served by the district disposal system on that date.

Sec. 3. Laws 1981, Chapter 291, Section 2, Subdivision 2, is amended to read:

Subd. 2. [MEMBERS AND SELECTIONS.] The board members shall be appointed by each of their governmental units in the following numbers:

International Falls 4

South International Falls 2

East Koochiching county sewer district 1

Papermakers sewer district 1

Ranier 1

The East Koochiching and Papermakers sewer districts shall each appoint their member on the board and designate the term of the member in accordance with subdivision 5, by a majority vote. *If the conditions in subdivision 10 as added by section 4 of this act are not met, after December 31, 1985 the composition of the board shall be changed, with each local government unit remaining in the district appointing one board member.*

Sec. 4. Laws 1981, Chapter 291, Section 2, is amended by adding a subdivision to read:

Subd. 10. [CONDITIONS; APPOINTMENT OF ENGINEER; BOARD COMPOSITION.] If before January 1, 1986, the state or federal governments have not offered grants for at least 70 percent of the estimated grant eligible cost, or the board has not advertised for bids for construction, of all interceptors and treatment works which the comprehensive plan adopted pursuant to Laws 1981, Chapter 291, section 4 identifies as critical to the integrity of the district, then:

(a) The board shall appoint an independent consulting engineer who shall determine the actual value, as of January 1, 1982, of all real and personal property transferred to the board pursuant to Laws 1981, Chapter 291, section 5, subdivision 2, clause (a) as amended by section 6 of this act.

(b) After appointing the independent consulting engineer, the composition of the board shall be changed to comply with Laws 1981, Chapter 291, Section 2, subdivision 2.

Sec. 5. Laws 1981, Chapter 291, Section 4, Subdivision 1, is amended to read:

Subdivision 1. [BOARD PLAN AND PROGRAM.] The board shall adopt as its first comprehensive plan for the collection, treatment and disposal of waste water in the district for the period the board deems proper the comprehensive plan adopted by the joint powers board previously established for the cities of International Falls, South International Falls, and Ranier and the county of Koochiching by agreement pursuant to Minnesota Statutes, Section 471.59. The board shall prepare and adopt subsequent comprehensive plans for the collection, treatment and disposal of waste water in the district for each succeeding designated period the board deems proper. The first plan, as modified by the board, and any subsequent plan, shall provide that no treatment facilities shall be constructed which would allow a discharge above the water intake used to supply drinking water to residents of the district, and shall take into account the preservation and best and most economic use of water and other natural resources in the area; the preservation, uses and potential for use of lands adjoining waters of the state to be used for the disposal of waste water; and the impact the disposal system will have on present and future land use in the area affected. Plans shall include the general location of needed interceptors and treatment works, a description of the area that is to be served by the various interceptors and treatment works, a long range capital improvements program and other details the board deems appropriate. Plans shall specifically identify those interceptors and treatment works which are critical to the integrity of the district. In developing the plans, the board shall consult with persons designated for the purpose by the governing body of any municipal and public corporation or governmental or political subdivision or agency within the district. It shall consider the

data, resources, and suggestions offered to the board by the entities and any planning agency acting on behalf of one or more of them. Each plan, when adopted, shall be followed in the district and may be revised as often as the board deems necessary.

Sec. 6. Laws 1981, Chapter 291, Section 5, Subdivision 2, is amended to read:

Subd. 2. [METHOD OF ACQUISITION.] (a) The board may require any local government unit to transfer to the board, *without consideration, free and clear of all encumbrances, subject only to a contingent liability pursuant to section 8, subdivision 1a, as amended by section 9 of this act* all of the unit's right, title, and interest in any interceptors or treatment works and their necessary appurtenances owned by the unit which are needed for the purpose stated in subdivision 1. Appropriate instruments of conveyance for all the transferred property shall be executed and delivered to the board by the proper officers of each local government unit concerned.

(b) All persons regularly employed by a local government unit to operate and maintain works transferred to the board on the date on which the transfer becomes effective shall be employees of the board, in the same manner and with the same options and rights as other employees of the board.

Sec. 7. Laws 1981, Chapter 291, Section 7, is amended to read:

Sec. 7. [BUDGET.]

The board shall prepare and adopt a budget, on or before (SEPTEMBER 1, 1981) *August 1, 1982* and annually thereafter. The budget shall show for the following calendar year or other fiscal year determined by the board estimated receipts of money from all sources, including but not limited to payments by each local government unit, federal or state grants, taxes on property, and funds on hand at the beginning of the year, and estimated expenditures for:

(a) Costs of operation, administration and maintenance of the district disposal system;

(b) Costs of acquisition and betterment of the district disposal system; and

(c) Debt service, including principal and interest, on general obligation bonds and certificates issued pursuant to section 12, and any money judgments against the district.

Expenditures within these categories and others the board may determine, shall be itemized in the detail the board shall prescribe. The board and its officers, agents, and employees shall not spend money for any purpose other than debt service without having set forth the expense and its amount in the budget. No obligation to make an unbudgeted expenditure shall be enforceable except as the obligation of the person incurring it. The board may amend the budget at any time by transferring from one purpose to another any budgeted sums, except money for debt service and bond proceeds, or by increasing expenditures in any amount by which cash receipts during the budget year actually exceed the total amounts designated in the original budget. The creation of an obligation pursuant to section 12 or the receipt of a federal or state grant is a sufficient budget designation of the proceeds for the purpose for which it is authorized, and of the tax or other revenue pledged to pay the obligation, whether or not specifically included in the budget.

Sec. 8. Laws 1981, Chapter 291, Section 8, Subdivision 1, is amended to read:

Subdivision 1. [DEFINITION OF CURRENT COSTS.] The estimated cost of administration, operation, maintenance and debt service of the district disposal system to be paid by the board in a fiscal year and the estimated costs of acquisition and betterment of the system which are to be paid during the year from funds other than state or federal grants and bond proceeds and all other previously unallocated payments made by the board pursuant to this act to be allocated in the year, less any costs to be allocated to industries pursuant to subdivision 3 and less any amounts to be received pursuant to subdivision 1a as added by section 9 of this act, are referred to as current costs and shall be allocated by the board to the local government units in the budget for such year.

Sec. 9. Laws 1981, Chapter 291, Section 8, is amended by adding a subdivision to read:

Subd. 1a. [PAYMENT OF DIFFERENCE.] If the area of the district and the composition of the board change pursuant to section 2, after December 31, 1985 any local government unit remaining in the district shall pay in equal payments over 20 years, with interest at the rate of eight percent per annum, the proportionate difference in the value determined pursuant to Laws 1981, Chapter 291, section 2, subdivision 10, clause (a), as amended by section 4 of this act.

Sec. 10. Laws 1981, Chapter 291, Section 8, Subdivision 2, is amended to read:

Subd. 2. [METHOD OF ALLOCATION OF CURRENT COSTS.] All current costs shall be allocated to local government units in the district on a pro rata basis determined by the

effluent contributed by each, less any industrial wastes for which costs have been allocated under subdivision 3, calculated on the basis of flow measurement. The projected pro rata contribution of effluent shall be made on or before (SEPTEMBER 1, 1981) *August 1, 1982* and annually thereafter. An adjustment shall be made on or before February 1 of each succeeding year based upon the actual effluent contributed by each government entity. The adjustments shall be paid to the district or to the proper local government units. It also may be corrected by deduction from or addition to subsequent payments. The adoption or revision of a method of allocation used by the board shall be by the affirmative vote of at least two-thirds of the members of the board.

Sec. 11. Laws 1981, Chapter 291, Section 24, is amended to read:

Sec. 24. [EFFECTIVE DATE; LOCAL APPROVAL.]

(THIS ACT) *Laws 1981, Chapter 291*, is effective (IN THE LOCAL GOVERNMENT UNITS NAMED IN SECTION 23 UPON APPROVAL BY ALL OF THE GOVERNMENT UNITS NAMED IN SECTION 23 AND UPON COMPLIANCE WITH MINNESOTA STATUTES, SECTION 645.021, SUBDIVISION 3.) *The day after final enactment of Section 1 to 11 of this chapter, pursuant to Minnesota Statutes, Section 645.023, Subdivision 1, clause (a)."*

Page 1, line 16, delete "1" and insert "12"

Page 1, line 20, delete "2" and insert "13"

Page 2, line 35, delete "3" and insert "14"

Page 3, line 10, delete "4" and insert "15"

Page 4, line 31, delete "5" and insert "16"

Page 4, line 36, delete "3 and 4" and insert "14 and 15"

Page 5, line 7, delete "6" and insert "17"

Page 5, line 9, before "*Notwithstanding*" insert "*A watershed district located wholly within the metropolitan area shall have the duties and authorities provided in sections 18 to 25.*"

Page 5, line 13, delete "9" and insert "20"

Page 5, line 14, delete "7" and insert "18"

Page 5, line 16, delete "7 to 14" and insert "18 to 25"

Page 5, line 25, delete "8" and insert "19"

Page 6, after line 4, insert:

"Subd. 5. [MINOR WATERSHED UNITS.] "Minor watershed units" means the drainage areas identified and delineated as such pursuant to Laws 1977, Chapter 455, Section 33, Subdivision 7(a)."

Page 6, line 7, delete "natural"

Page 6, line 8, delete "which" and insert "having boundaries which are substantially coterminous with those of an aggregation of contiguous minor watershed units possessing similar drainage patterns and which"

Page 6, line 9, delete everything after "units" and insert a period

Page 6, delete lines 10 to 13

Page 6, line 18, delete "an" and insert "a joint powers"

Page 6, line 19, delete "under" and insert "wholly within the metropolitan area by"

Page 6, line 19, delete "a joint powers" and insert "by"

Page 6, line 19, delete "wholly"

Page 6, line 20, delete "within the metropolitan area"

Page 6, line 22, delete "9" and insert "20" and after the period insert "Lake improvement or conservation districts are not watershed management organizations."

Page 6, line 23, delete "9" and insert "20" and delete the semicolon and insert a period and a bracket

Renumber the subdivisions

Page 6, line 24, before "AUTHORITY" insert:

"Subdivision 1. ["

Page 6, line 27, delete "in a watershed wholly within the metropolitan area" and insert "as required by sections 18 to 25"

Page 6, line 30, delete "10" and insert "21"

Page 6, line 32, delete "11" and insert "22"

Page 7, after line 14, insert:

"Subd. 2. [REVIEW OF WATERSHED BOUNDARIES.] Before commencing planning under section 21, a watershed management organization established pursuant to section 471.59 and this section shall submit a map delineating the boundaries of the watershed to the water resources board for review and comment on the conformance of the boundaries with the requirements of sections 18 to 25. The board shall have 60 days to comment."

Page 7, line 16, after "plan" insert "is required for watersheds comprising all minor watershed units within the metropolitan area. For the purposes of this section a minor watershed unit shall be considered within the metropolitan area if more than 90 percent of its area is within the metropolitan area. The watershed management plan"

Page 7, line 17, delete "and" and insert a comma

Page 7, line 17, delete "for each watershed wholly within"

Page 7, line 18, delete "the metropolitan area" and insert ", and implemented"

Page 7, delete line 19 and insert "sections 18 to 25."

Page 7, line 28, delete "9" and insert "20"

Page 7, line 30, after "watershed" insert "or minor watershed unit within the metropolitan area and"

Page 7, line 34, after "not" insert "cross a primary river nor a river forming the boundary between a metropolitan county and a county outside the metropolitan area and shall not"

Page 7, line 36, delete "governments" and insert "government units"

Page 8, line 12, delete "7" and insert "18" and delete "14" and insert "25"

Page 8, line 20, delete "7" and insert "18" and delete "14" and insert "25"

Page 8, line 22, delete "7" and insert "18" and delete "14" and insert "25"

Page 9, line 10, after "counties," insert "soil and water conservation districts,"

Page 9, line 24, delete "14" and insert "25"

Page 10, line 17, delete "7" and insert "18"

Page 10, line 18, delete "14" and insert "25"

Page 10, line 20, delete "7" and insert "18" and delete "14" and insert "25"

Page 10, line 28, delete everything after the period

Page 10, line 29, delete everything through the comma

Page 10, line 30, after "its" insert "approved" and after "and" insert "approved"

Page 10, delete line 31 and insert *"of the majority of the board of managers and without respect to the provisions of chapter 112 requiring the managers to wait upon petitions for projects, to submit projects for review by the water resources board, and to limit the cost and purposes of projects."*

Page 10, line 36, delete "and" and insert a comma

Page 10, line 36, after "6" insert ", and 7"

Page 11, line 1, delete "11" and insert "22"

Page 11, line 3, delete "10, each" and insert "21, the"

Page 11, line 4, delete "unit" and insert "units"

Page 11, line 4, after "having" insert *"land use planning and regulatory responsibility for"*

Page 11, line 11, after the period insert *"Each town within the counties of Anoka, Carver, Dakota, Scott, and Washington authorized by general or special law to plan and regulate the use of land under sections 462.351 to 462.364 shall by resolution determine whether to prepare the local water management plan itself or to delegate all or part of the preparation of the plan to the county. Towns within counties which have adopted comprehensive plans applicable to the town shall use county preparation of their plan to the maximum extent possible."*

Page 11, line 32, delete "10" and insert "21"

Page 12, line 11, delete "12" and insert "23"

Page 12, line 18, after "275" insert *"except those allowed to be levied pursuant to section 25, subdivision 7 after the taxable years 1984 and thereafter"*

Page 12, line 21, delete "10" and insert "21" and delete "11" and insert "22"

Page 12, line 24, delete "13" and insert "24"

Page 12, line 29, delete "10" and insert "21"

Page 12, line 30, delete "11" and insert "22"

Page 12, line 32, delete "10" and insert "21"

Page 13, line 15, after the word "taxable" insert "real"

Page 14, line 13, delete "14" and insert "25"

Page 15, line 9, delete "7" and insert "18" and delete "14" and insert "25"

Page 15, line 10, delete "10" and insert "21"

Page 16, line 34, delete "15" and insert "26"

Page 16, line 35, delete "7" and insert "18" and delete "14" and insert "25"

Page 16, after line 36, insert:

"Sec. 27. [EFFECTIVE DATE.]

Sections 1 to 11 are effective the day after final enactment.

Renumber the sections.

Amend the title as follows:

Page 1, line 7, after "organizations" insert "establishing provision for the event that grant funding is not received for the North Koochiching area sanitary district;"

Page 1, line 12, after the second semicolon insert "Laws 1981, Chapter 291, Section 2, Subdivisions 1 and 2, and by adding subdivisions; 4, Subdivision 1; 5, Subdivision 2; 7; 8, Subdivisions 1 and 2, and by adding a subdivision; and 24;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Sieben, M., from the Committee on Appropriations to which was referred:

H. F. No. 1553, A bill for an act relating to drivers licenses; requiring the suspension of licenses of certain uninsured per-

sons; providing a penalty; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 171.

Reported the same back with the following amendments:

Page 4, line 12, in the blank insert "20,850"

Page 4, line 13, after the period, insert "*The department of public safety is authorized to increase their complement by one fulltime trunk highway fund position.*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1807, A bill for an act relating to health; establishing a study commission on the use of state facilities in lieu of reimbursing private facilities for some purposes.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [ADVISORY TASK FORCE.]

Subdivision 1. [MEMBERS.] There is established an advisory task force consisting of three members of the house appointed by the speaker, three members of the senate appointed by the chairman of the subcommittee on committees of the rules committee, and the commissioners of health and public welfare or their designees.

The advisory task force shall include two representatives of private providers of long-term and short-term care, both non-profit and profit-making. It shall also include two representatives of state hospital employees, at least one of whom shall be an employee pursuant to Minnesota Statutes, Section 179.741, Subdivision 1, Clause (4); and one member, with one designated alternate member, who shall represent each of the following groups: mentally retarded, chemically dependent, and mentally ill. All these members shall be appointed by the legislative coordinating commission.

Subd. 2. [PURPOSE.] The advisory task force shall report to the legislature by January 15, 1983, on the feasibility and cost implications of using existing state facilities for the care of persons.

The advisory task force shall consider life safety standards, geographic distribution of the facilities and populations affected, cost of care attributable to each category of patient, cost of physical plant construction, and alternative uses of the physical plants and buildings in making its report. Advisory task force meetings shall be open to the public and shall be announced in advance.

Subd. 3. [REIMBURSEMENT FOR EXPENSES.] *Advisory task force members shall be reimbursed for expenses as provided under section 15.059, subdivision 6.*

Expenses of the advisory task force shall be paid from appropriations previously made to the senate, the house of representatives, and the commissioners of health and public welfare. The advisory task force shall prepare a budget of proposed income and expenditures and present it to the senate committee on rules and administration, the house committee on rules and legislative administration, and the commissioners of health and public welfare for approval. Amounts transferred by the senate, the house of representatives, and the commissioners of health and public welfare are appropriated to the advisory task force for the purposes of this act, to be available until June 30, 1983.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Amend the title as follows:

Page 1, line 2, delete "a study commission" and insert "an advisory task force"

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

The report was adopted.

Sieben, M., from the Committee on Appropriations to which was referred:

H. F. No. 1834, A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

Reported the same back with the following amendments:

Page 1, after line 13, insert:

"Subd. 3. Chisago County Court Services, Chisago County Courthouse, Center City, Minnesota 55012, for medical expenses

incurred by a prisoner who was assigned to social restitution \$26.35.

Subd. 4. Robert J. Feather, No. 100170, Minnesota Correctional Facility, Stillwater, Minnesota 55082, for an injury received while doing his assigned work which resulted in a permanent partial disability of 50 percent to his left hand. . . . \$7,541.00."

Page 1, after line 18, insert:

"Subd. 6. Norman Goldberg, 602-26th Street, Cloquet, Minnesota 55720, for medical expenses incurred due to injuries sustained by his juvenile son while he was doing assigned social restitution. . . . \$15.00."

Page 2, after line 6, insert:

"Subd. 10. Toby Krominga, P.O. Box 179, Elk River, Minnesota 55330, for an injury sustained while doing his assigned work which resulted in a permanent partial disability as follows: five percent of the whole left arm, 15 percent to the little finger left hand, and 10 percent to the ring finger left hand. . . . \$1,690.00

Subd. 11. Kenneth Lee Napier, c/o David Musielewicz, LAMP, University of Minnesota, 95 Law Building, Minneapolis, Minnesota 55455, for an injury sustained while doing his assigned work in the License Plate Plant, MCF-St. Cloud, which resulted in a permanent partial disability of 25 percent loss of the distal tip of the left ring finger. . . . \$517.00."

Subd. 12. Patrick Petrick, No. 101385, Minnesota Correctional Facility, Stillwater, Minnesota 55082, for loss of his personal property when he was transferred from Lino Lakes Correctional Facility to Stillwater. . . . \$1,264.00."

Page 2, after line 19, insert:

"Subd. 16. Helen Stumpf, on behalf of all the plaintiffs in the Ramsey County district court case of Helen Stumpf, et al. v. The St. Paul Board of Education, 1283 Danforth Street, St. Paul, Minnesota 55117, for attorney's fees incurred in obtaining an injunction restraining the St. Paul Board of Education from establishing combined seasons for boys and girls tennis and swimming, payment to be made to each plaintiff of the amount actually contributed by each, the total amount not to exceed the amount specified in this subdivision, prorated among the plaintiffs if necessary. . . . \$1,912.50."

Page 2, after line 23, insert:

"Subd. 18. Ronald Waukazo, c/o Roderick J. McPherson, 310 Fourth Avenue South, Suite 700, Minneapolis, Minnesota 55415,

for an injury sustained while doing his assigned work at MCF-Stillwater which resulted in a permanent partial disability of a 50 percent loss of the first phalange of the second finger on his right hand, \$1,085.00 and \$266.00 for payment of his temporary disability. . . . \$1,351.00."

Renumber the subdivisions

Page 2, after line 32, insert:

"Sec. 2. [TRUNK HIGHWAY FUND CLAIMS.]

Subdivision 1. The sums set forth in this section are appropriated from the trunk highway fund to the commissioner of transportation for payment to the persons named in full and final payment of claims against the state.

Subd. 2. Earl R. Colstrup, Route 2, Box 278, Albert Lea, Minnesota 56007, for crop loss in 1978, 1979, 1980, and 1981 resulting from highway construction on I-90. . . . \$7,500.

Ronald J. Sipple, Route 2, Box 279, Albert Lea, Minnesota 56007, for crop loss in 1978, 1979, 1980, and 1981 resulting from highway construction on I-90. . . . \$11,500.

Neither of the amounts appropriated by this subdivision shall be paid until both Earl R. Colstrup and Ronald J. Sipple have executed an agreement or agreements with the commissioner of transportation (a) releasing the state of Minnesota from any and all claims for damages, past, present, and future, of any kind or nature, occasioned by the construction or maintenance of the highway known as Interstate 90, (b) pledging not to present to the legislature any more claims relating to the construction or maintenance of I-90, and (c) waiving any objection to the construction of a drainage project by Freeborn County designed to alleviate the flooding of their land that might otherwise continue to result from the construction or maintenance of I-90, and the agreement or agreements have been filed with the county recorder.

Subd. 3. John Toenges, Route 2, Alden, Minnesota 56009, for damage incurred when 33+ acres of his land which was used for a borrow pit was not restored properly according to the contract. . . . \$2,450.

Sec. 3. [CANCELLATION.]

The appropriations made by this act shall lapse and be canceled on June 30, 1983.

Sec. 4. [CANCELLATION OF OLD CLAIMS.]

The appropriations made by the laws listed in this section, not having been used within a reasonable period of time, shall lapse and be canceled on December 31, 1982:

Laws 1969, Chapter 886, Section 3, Subdivision 44—City of West St. Paul—\$1,569.83

Laws 1969, Chapter 886, Section 3, Subdivision 53—Lucille Jacobs—\$604.58

Laws 1969, Chapter 1066, Section 8, Subdivision 3—City of West St. Paul—\$137.00

Laws 1969, Chapter 1066, Section 8, Subdivision 9—Marie Murphy—\$1,500.00

Laws 1969, Chapter 1066, Section 13, Subdivision 1—Jeanette Rudeen—\$10,200.00

Laws 1971, Chapter 157, Section 3, Subdivision 3—Benjamin Burton—\$533.40

Laws 1973, Chapter 294, Section 4, Subdivision 44—Sreeramulu Nagubandi—\$489.80

Laws 1974, Chapter 557, Section 1, Subdivision 24—City of Fairmont—\$14,638.88

Laws 1974, Chapter 557, Section 5, Subdivision 2—Einar Carlsen—\$30.00

Laws 1974, Chapter 557, Section 7, Subdivision 2—Albert R. Olson—\$50,000.00

Laws 1975, Chapter 16, Section 4, Subdivision 2—Russell Verby—\$35,000.00

Laws 1975, Chapter 158, Section 4, Subdivision 2—Rum River Lumber Co.—\$25,000.00

Laws 1976, Chapter 101, Section 1, Subdivision 9—Norman H. Drews—\$520.07

Laws 1978, Chapter 668, Section 1, Subdivision 5—Kathryne Spaht—\$1,600.00

Laws 1979, Chapter 340, Section 1, Subdivision 13—Paul Qualy—\$2,000.00"

Renumber the section

Amend the title as follows :

Page 1, line 3, after the semicolon insert "providing for cancelation of old claims;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Sieben, M., from the Committee on Appropriations to which was referred :

H. F. No. 1870, A bill for an act relating to tax forfeited land; restoring certain funds to the real estate assurance account; appropriating money; amending Minnesota Statutes 1981 Supplement, Section 284.28, Subdivision 8.

Reported the same back with the following amendments :

Page 2, line 23, delete "*also annually*"

Page 2, after line 31, insert new sections to read :

"Sec. 2. [TRANSFER.]

The transfer on July 1, 1982, shall not exceed \$100,000.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective July 2, 1982. Section 2 is effective the day following final enactment."

With the recommendation that when so amended the bill pass.

The report was adopted.

Jude from the Committee on Judiciary to which was referred :

H. F. No. 1896, A bill for an act relating to guardianship and conservatorship; providing for delegation of certain powers by parents or guardians; applying the rules of evidence to certain proceedings; requiring appointment of conservators in certain cases; providing a procedure for discharge of guardians or conservators in certain cases; clarifying certain provisions; amending Minnesota Statutes 1980, Section 525.6165; Minnesota Statutes 1981 Supplement, Sections 525.55, Subdivision 1; 525.551, Subdivision 3; 525.5515; 525.619; and 525.6196; proposing new law coded in Minnesota Statutes, Chapters 524 and 525.

Reported the same back with the following amendments :

Page 1, line 29, strike "thereof" and insert "*of the hearing*"

Page 2, line 8, after "shall" insert "*also*"

Page 2, line 12, strike "such" and insert "*those*"

Page 2, after line 12, insert:

"Sec. 3. Minnesota Statutes 1981 Supplement, Section 525.55, Subdivision 3, is amended to read:

Subd. 3. [DEFECTIVE NOTICE OR SERVICE.] A defect in the service of notice or process, *other than personal service upon the proposed ward or conservatee within the time allowed and the form prescribed in subdivisions 1 and 2*, shall not invalidate any guardianship or conservatorship proceedings."

Page 2, line 22, after the comma insert "Subdivision 2,"

Page 2, delete lines 23 to 31

Page 2, line 33, after "shall" insert "*issue to the guardian or conservator. They shall*"

Page 3, delete lines 3 to 5

Pages 3, 4, and 5, delete section 6

Page 3, after line 20 insert:

"Sec. 7. Minnesota Statutes 1980, Section 525.618, is amended by adding a subdivision to read:

Subd. 5. [COPY OF ORDER TO WARD OR CONSERVATEE.] *A copy of an order appointing a guardian or conservatee of a minor shall be served by mail upon the ward or conservatee and his counsel, if he was represented at the hearing. The order shall be accompanied by a notice which advises the ward or conservatee of his right to appeal the guardianship or conservatorship appointment within 30 days.*

Sec. 8. Minnesota Statutes 1980, Section 525.618, is amended by adding a subdivision to read:

Subd. 6. [CONTENTS OF LETTERS.] *Letters of guardianship shall issue to the guardian or conservator. They shall contain; (a) the name, address and telephone number of the guardian or conservator; (b) the name, address and telephone number of the ward or conservatee; (c) whether it is a guardianship or conservatorship or both; and (d) the legal limitation, if any, imposed by the court on the guardian or conservator."*

Page 5, line 8, strike "\$5,000" and insert "\$2,000"

Page 5, line 19, after "under" insert "clause"

Page 5, line 25, after "minor" strike "and" and insert a period

Page 5, line 29, after "application" strike "thereof" and insert "of it"

Page 6, line 9, after "court" delete the comma and insert a period and delete "and"

Page 6, line 13, after "name" insert a period and after "bonds" delete "to" and insert "shall"

Renumber the sections

Amend the title as follows:

Page 1, line 9, after the semicolon insert "525.618, by adding subdivisions;"

Page 1, line 10, delete "Subdivision" and insert "Subdivisions"

Page 1, line 11, after "1" insert "and 3" and after "525.5515" insert ", Subdivision 2" and delete "525.619;"

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

The report was adopted.

Sieben, M., from the Committee on Appropriations to which was referred:

H. F. No. 1919, A bill for an act relating to agriculture; formulating a state agricultural land preservation and conservation policy; imposing duties on state agencies regarding agency actions adversely affecting agricultural land; continuing the existence of the joint legislative committee on agricultural land preservation; allocating certain state cost-sharing funds for high priority soil erosion, sedimentation and water control problems identified by local soil and water conservation districts; imposing duties on state and local soil and water conservation boards; providing technical and administrative assistance grants to local districts; requiring coordination of state soil and water conservation programs with other public agencies; establishing a conservation tillage demonstration program; appropriating money; amending Minnesota Statutes 1980, Sections 15.0412, by adding a subdivision; 40.03, Subdivision 4; 40.036; 40.07, Subdivision

9; and Laws 1979, Chapter 315, Section 2, as amended; proposing new law coded in Minnesota Statutes, Chapters 17 and 40; repealing Minnesota Statutes 1980, Section 473H.13; and Laws 1979, Chapter 315, Section 1.

Reported the same back with the following amendments:

Page 3, line 15, after "use" insert "*except acquisition for any unit of the outdoor recreation system described in section 86A.05, other than a trail described in subdivision 4 of that section*"

Page 3, line 18, after "use" insert "*except for mineral exploration or mining*"

Page 13, delete lines 21 to 28

Renumber the sections

Amend the title as follows:

Page 1, line 17, delete "appropriating money;"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2021, A bill for an act relating to local government; creating the Morrison County rural development finance authority; authorizing the establishment of a development and redevelopment program and the authorization of powers for it.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 2, line 1, before "AUTHORITY" insert "MORRISON COUNTY RURAL DEVELOPMENT FINANCE" and after "authority" insert ";; CREATION; DUTIES"

Page 2, line 2, after "Subdivision 1." insert "[AUTHORITY.]"

Page 3, lines 10 and 11, delete "*with the approval of the city council of the city of Little Falls*"

Page 3, line 31, delete "to 3" and insert "and 2"

Renumber the sections

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

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2034, A bill for an act relating to agriculture; providing for the regulation of grain storage warehouse operators; providing penalties; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 232; repealing Minnesota Statutes 1980, Sections 232.06, Subdivisions 2, 3, 4, 6 and 7; 232.07 to 232.19; Minnesota Statutes 1981 Supplement, Section 232.06, Subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [232.20] [CITATION.]

Sections 1 to 6 may be cited as the grain storage act.

Sec. 2. [232.21] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For the purpose of sections 1 to 6, the terms defined in this section have the meanings given them.

Subd. 2. [BOND.] "Bond" means an acceptable obligation, running to the state as obligee, for the purpose of indemnifying depositors and producers of grain against breach of contract by a public grain warehouse or grain bank operator.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of agriculture.

Subd. 4. [CONDITION ONE BOND.] "Condition one bond" means a bond for a public grain warehouse operator when grain belonging to persons other than the warehouse operator is accepted for storage.

Subd. 5. [CONDITION TWO BOND.] "Condition two bond" means a bond for a public grain warehouse operator that purchases grain.

Subd. 6. [DEPOSITOR.] "Depositor" means a person who is the owner or legal holder of an outstanding grain warehouse

receipt, grain bank receipt or open scale ticket marked for storage on which a receipt is to be issued, representing any grain stored in a public grain warehouse or grain bank.

Subd. 7. [GRAIN.] "Grain" means any cereal grain, course grain or oilseed in unprocessed form for which a standard has been established by the United States secretary of agriculture or the Minnesota board of grain standards.

Subd. 8. [GRAIN WAREHOUSE.] "Grain warehouse" means an elevator, flour, cereal or feed mill, malthouse or warehouse in which grain belonging to a person other than the grain warehouse operator is received for purchase or storage.

Subd. 9. [GRAIN WAREHOUSE RECEIPT.] "Grain warehouse receipt" means a formal record issued to a depositor by a grain warehouse operator under the provisions of section 4. A grain warehouse receipt is a negotiable instrument except as provided in section 4, subdivision 11.

Subd. 10. [PERSON.] "Person" means a corporation, company, joint stock company or association, partnership, firm or individual, including their agents, trustees, assignees or duly appointed receivers.

Subd. 11. [PRODUCER.] "Producer" means a person who owns or manages a grain producing or growing operation and holds or shares the responsibility for marketing that grain produced.

Subd. 12. [PUBLIC GRAIN WAREHOUSE OPERATOR.] "Public grain warehouse operator" means a person licensed to operate a grain warehouse in which grain belonging to persons other than the grain warehouse operator is accepted for storage or purchase, or who offers grain storage or grain warehouse facilities to the public for hire.

Subd. 13. [SCALE TICKET.] "Scale ticket" means a memorandum showing the weight, grade and kind of grain which is issued by a grain warehouse operator to a depositor at the time the grain is delivered.

Sec. 3. [232.22] [LICENSES, BONDING CLAIMS, DISBURSEMENTS.]

Subdivision 1. [LICENSES.] An application for a public grain warehouse operator's license must be filed with the commissioner and the license issued before the purchase or storage of grain may be commenced. All grain warehouses located within the same home rule charter or statutory city or town and owned and operated by the same person may be covered by a single license.

Subd. 2. [RENEWAL.] A license must be renewed annually. If a business receives more than one license from the commissioner, the licenses shall be issued at the same time, but only after all conditions for each license are met. The licenses may be combined into one joint license.

Subd. 3. [FEES; GRAIN BUYERS AND STORAGE FUND.] There is created in the state treasury an account known as the grain buyers and storage fund.

The commissioner shall set the fees for inspections, certifications and licenses under sections 1 to 6 at levels necessary to pay the costs of administering and enforcing sections 1 to 6.

All money collected pursuant to sections 1 to 6 and chapters 231, 233 and 236 shall be paid by the commissioner into the state treasury and credited to the grain buyers and storage fund.

Money in the grain buyers and storage fund, including interest earned on the fund and money appropriated by the legislature for the administration or enforcement of sections 1 to 6 and chapters 231, 233 and 236, is annually appropriated to the commissioner for the administration and enforcement of sections 1 to 6 and chapters 231, 233 and 236.

Subd. 4. [BONDING.] Before a license is issued, the applicant for a public grain warehouse operator's license shall file with the commissioner a bond in a penal sum prescribed by the commissioner. The penal sum on a condition one bond shall be established by rule by the commissioner pursuant to the requirements of chapter 15 for all grain outstanding on grain warehouse receipts. The penal sum on a condition two bond shall not be less than \$10,000 for each location up to a maximum of five locations until July 1, 1983.

Subd. 5. [STATEMENT OF GRAIN IN STORAGE; REPORTS.] (a) All public grain warehouse operators must by the tenth day of each month file with the commissioner on forms approved by the commissioner a report showing the net liability of all grain outstanding on grain warehouse receipts as of the close of business on the last day of the preceding month. This report shall be used for the purpose of establishing the penal sum of the bond.

(b) If any public grain warehouse operator willfully neglects or refuses to file the report required in clause (a) for two consecutive months, the commissioner may immediately suspend the person's license and the licensee must surrender the license to the commissioner. Within 15 days the licensee may request an administrative hearing subject to chapter 15 to determine if the license should be revoked. If no request is made within 15 days the commissioner shall revoke the license.

(c) Every public grain warehouse operator shall keep in a place of safety complete and accurate records and accounts relating to any grain warehouse operated. The records shall reflect each commodity received and shipped daily, the balance remaining in the grain warehouse at the close of each business day, a listing of all unissued grain warehouse receipts in the operator's possession, a record of all grain warehouse receipts issued which remain outstanding and a record of all grain warehouse receipts which have been returned for cancellation. Copies of grain warehouse receipts or other documents evidencing ownership of grain by a depositor, or other liability of the grain warehouse operator, shall be retained as long as the liability exists but must be kept for a minimum of three years.

(d) Every public grain warehouse operator must maintain in the grain warehouse at all times grain of proper grade and sufficient quantity to meet delivery obligations on all outstanding grain warehouse receipts.

Subd. 6. [BOND CLAIMS.] A person claiming to be damaged by a breach of the conditions of a bond of a licensed public grain warehouse operator may file a written claim with the commissioner stating the facts constituting the claim. The claim must be filed with the commissioner within 180 days of the breach of the conditions of the bond. If the commissioner has reason to believe that a claim is valid, the commissioner may immediately suspend the license of the public grain warehouse operator and the licensee must surrender the license to the commissioner. Within 15 days the licensee may request an administrative hearing subject to chapter 15 to determine whether the license should be revoked. If no request is made within 15 days the commissioner shall revoke the license.

Subd. 7. [BOND DISBURSEMENT.] (a) The condition one bond of a public grain warehouse operator must be conditioned that the public grain warehouse operator issuing a grain warehouse receipt is liable to the depositor for the delivery of the kind, grade and net quantity of grain called for by the receipt.

(b) The condition two bond shall provide for payment of loss caused by the grain buyer's failure to pay, upon the owner's demand, the purchase price of grain sold to the grain buyer. The bond shall be conditioned upon the grain buyer being duly licensed as provided herein. The bond shall not cover any transaction which constitutes a voluntary extension of credit. This clause expires July 1, 1983.

(c) Upon notification of default, the commissioner shall determine the validity of all claims and notify all parties having filed claims. Any aggrieved party may appeal the commissioner's determination by requesting, within 15 days, that the commissioner initiate a contested case proceeding. In the absence of

such a request, or following the issuance of a final order in a contested case, the surety company shall issue payment to those claimants entitled to payment. If the commissioner determines it is necessary, the commissioner may apply to the district court for an order appointing a trustee or receiver to manage and supervise the operations of the grain warehouse operator in default. The commissioner may participate in any resulting court proceeding as an interested party.

(d) For the purpose of determining the amount of bond disbursement against all valid claims under a condition one bond, all grain owned or stored in the public grain warehouse shall be sold and the combined proceeds deposited in a special fund. Payment shall be made from the special fund satisfying the valid claims of grain warehouse receipt holders.

(e) If a public grain warehouse operator has become liable to more than one depositor or producer by reason of breaches of the conditions of the bond and the amount of the bond is insufficient to pay, beyond the proceeds of the special fund, the entire liability to all valid claimants, the proceeds of the bond and special fund shall be apportioned among the valid claimants on a pro rata basis.

(f) A bond is not cumulative from one licensing period to the next. The maximum liability of the bond shall be its face value for the licensing period.

Sec. 4. [232.23] [DUTIES OF PUBLIC GRAIN WAREHOUSE OPERATOR.]

Subdivision 1. [DISCRIMINATION PROHIBITED.] A public grain warehouse operator must receive for storage, so far as the capacity of the grain warehouse will permit, all sound grain tendered in warehouseable condition without discrimination against any person tendering the grain.

Subd. 2. [SCALE TICKETS.] A public or private grain warehouse operator, upon receiving grain, shall issue a scale ticket for each load of grain received. Scale tickets shall contain the name, location and the date of each transaction and be consecutively numbered. A duplicate copy of each scale ticket shall remain in the possession of the public or private grain warehouse operator as a permanent record. The original scale ticket shall be delivered to the depositor upon receipt of each load of grain. Each scale ticket shall have printed across its face "This is a memorandum, non-negotiable, possession of which does not signify that settlement has or has not been consummated." The scale ticket shall state specifically whether the grain is received on contract, for storage, for shipment or consignment or sold. If the grain is received on contract or sold, the price shall be indicated on the scale ticket. All scale tickets shall be dated and

signed by the public or private grain warehouse operator or the operator's agent or manager.

Subd. 3. [GRAIN DELIVERED CONSIDERED SOLD.]
All grain delivered to a public grain warehouse operator shall be considered sold at the time of delivery, unless arrangements have been made with the public grain warehouse operator prior to or at the time of delivery to apply the grain on contract, for shipment or consignment or for storage.

Subd. 4. [FORM OF GRAIN WAREHOUSE RECEIPT.]
(a) A grain warehouse receipt must be in duplicate, contain the name and location of the grain warehouse, and be delivered to the depositor or the depositor's agent. Grain warehouse receipts shall be consecutively numbered as prescribed by the commissioner and state the date of deposit, except where the deposit of a certain lot for storage is not completed in one day. In that case, the grain warehouse receipt, when issued, shall be dated not later than Saturday of the week of delivery.

(b) A grain warehouse receipt shall contain either on its face or reverse side the following specific grain warehouse and storage contract: "This grain is received, insured and stored through the date of expiration of the annual licenses of this grain warehouse and terms expressed in the body of this grain warehouse receipt shall constitute due notice to its holder of the expiration of the storage period. It is unlawful for a public grain warehouse operator to charge or collect a greater or lesser amount than the amount filed with the commissioner. All charges shall be collected by the grain warehouse operator upon the owner's presentation of the grain warehouse receipt for the sale or delivery of the grain represented by the receipt, or the termination of the storage period. Upon the presentation of this grain warehouse receipt and payment of all charges accrued up to the time of presentation, the above amount, kind and grade of grain will be delivered within the time prescribed by law to the depositor or the depositor's order."

(c) A grain warehouse receipt shall also have printed on it the following:

"Redemption of Receipt

Received from, the sum of \$ or bushels in full satisfaction of the obligation represented by this grain warehouse receipt.

Gross price per bushel \$

Storage per bushel \$

Net price per bushel \$

All blank spaces in this grain warehouse receipt were filled in before I signed it and I certify that I am the owner of the commodity for which this grain warehouse receipt was issued and that there are no liens, chattel mortgages or other claims against the commodity represented by this grain warehouse receipt.

Signed

Accepted

Dated

Warehouse operator

This redemption shall be signed by the depositor or the depositor's agent in the event that the grain represented is redelivered or purchased by the public grain warehouse operator. Signature of this redemption by the depositor constitutes a valid cancellation of the obligation embraced in the storage contract."

Subd. 5. [VOID AGREEMENTS; PENALTY.] A provision or agreement in a grain warehouse receipt not contained in subdivision 4 is void. The failure to issue a grain warehouse receipt, as directed, or the issuance of slips, memoranda or other forms of receipt embracing a different grain warehouse or storage contract is a misdemeanor, and no slip, memorandum or other form of receipt is admissible as evidence in any civil action. Nothing in sections 1 to 6 requires or compels any person operating a flour, cereal or feed mill or malthouse doing a manufacturing business, to receive, store or purchase at the mill or malthouse any kind of grain.

Subd. 6. [LIABILITY.] A public grain warehouse operator issuing a grain warehouse receipt is liable to the depositor for the delivery of the kind, grade and net quantity of grain called for by the grain warehouse receipt.

Subd. 7. [GRAIN NOT RECEIVED.] No public grain warehouse operator may issue a grain warehouse receipt for grain not actually received into the grain warehouse.

Subd. 8. [RECORD OF GRAIN WAREHOUSE RECEIPTS.] A receipt record stating the grain warehouse receipt number and date of deposit, gross weight, dockage and net weight shall remain in the possession of the public grain warehouse operator issuing the grain warehouse receipt and shall be open for inspection by the commissioner or interested parties.

Subd. 9. [WAREHOUSE OPERATOR SHALL KEEP RECORD.] A public grain warehouse operator must keep a proper record of all grain received, stored or shipped, stating the weight, grade, dockage, and the name of the owner.

Subd. 10. [DELIVERY OF GRAIN.] (a) On the redemption of a grain warehouse receipt and payment of all lawful charges, the grain represented by the receipt is immediately deliverable to the depositor or the depositor's order, and is not subject to any further charge for storage after demand for delivery has been made and proper facilities for receiving and shipping the grain have been provided. If delivery has not commenced within 48 hours after demand has been made and proper facilities have been provided, the public grain warehouse operator issuing the grain warehouse receipt is liable to the owner in damages not exceeding two cents per bushel for each day's delay, unless the public grain warehouse operator makes delivery to different owners in the order demanded as rapidly as it can be done through ordinary diligence, or unless insolvency has occurred.

(b) If a disagreement arises between the person receiving and the person delivering the grain at a public grain warehouse in this state as to the proper grade or dockage of any grain, an average sample of at least three quarts of the grain in dispute may be taken by either or both of the persons interested. The sample shall be certified by both the owner and the public grain warehouse operator as being true samples of the grain in dispute on the delivery day. The samples shall be forwarded in a suitable air-tight container by parcel post or express, prepaid, with the name and address of both parties, to the head of the grain inspection program of the department of agriculture, who shall, upon request, examine the grain, and determine what grade or dockage the samples of grain are entitled to under the inspection rules. Before the results of the inspection are released to the person requesting the inspection, the person shall pay the required fee. The fee shall be the same as that required for similar services rendered by the grain inspection program.

Subd. 11. [TERMINATION OF STORAGE CONTRACT.] Storage contracts on grain being stored at public grain warehouses terminate on the expiration date of the storage license under which the grain warehouse operates. The expiration date must be plainly imprinted on each grain warehouse receipt issued by a public grain warehouse operator. Grain storage may be terminated by the depositor at any time before the expiration date by the payment or tender of all legal charges and the surrender of the grain warehouse receipt together with a demand for delivery of the grain or notice to the public grain warehouse operator to sell the grain. In the absence of a demand for delivery, order to sell or mutual agreement for the renewal of the storage contract, entered prior to the expiration of the original storage contract, the public grain warehouse operator shall, upon the expiration of the contract, and after notification by registered letter to the depositor, sell the stored grain at the local market price on the close of business on that day, deduct from the proceeds of the sale all legal accrued charges, and pay the balance of the proceeds to the depositor upon surrender of the grain warehouse receipt.

Subd. 12. [NEW GRAIN WAREHOUSE RECEIPT.] Upon the payment of all legally accrued charges and the return of the grain warehouse receipt, the public grain warehouse operator and the depositor may by mutual consent enter into an agreement for renewal of the grain storage. When the agreement is made, the warehouse operator shall issue a new grain warehouse receipt to the owner and cancel the former grain warehouse receipt by endorsing on it the words "Cancelled by the issuance of grain warehouse receipt No. . .," and inserting the number of the new grain warehouse receipt in the blank space. The cancelled grain warehouse receipt shall be signed by the warehouse operator and the depositor.

Subd. 13. [UNAUTHORIZED SALE OF GRAIN.] Except as provided in subdivision 11, no warehouse operator may sell or dispose of or deliver out of store any grain stored without the express authority of the depositor and the return of the grain warehouse receipt.

Subd. 14. [POOLING PROHIBITED.] It is unlawful for a public grain warehouse operator or the operator's agent to enter into a contract, agreement, combination or understanding with any other public grain warehouse operator whereby the amount of grain to be received or handled by the grain warehouses is equalized or pooled between the grain warehouses, whereby the profits or earnings derived from the grain warehouses is equalized, pooled or apportioned or whereby the price to be paid for any kind of grain at the grain warehouses is fixed or in any manner affected. Each continued day of the contract, agreement, combination or understanding is a separate offense.

Subd. 15. [CLOSING OR DESTRUCTION OF GRAIN WAREHOUSE.] (a) In case of loss or destruction by fire or other cause for the closing of a public grain warehouse, the licensee shall immediately notify the department of agriculture in writing.

(b) Whenever a grain warehouse is closed for more than 48 consecutive hours, not including Sundays and legal holidays, the grain warehouse operator shall advise all patrons of the closing by posting conspicuously at each entrance a notice showing the date of re-opening and giving the name and telephone number of a person authorized to act as agent for the purpose of making re-deliveries, purchases or conducting other grain warehouse business.

Subd. 16. [INSURANCE REQUIRED.] The operator of a public grain warehouse must keep all grain in the grain warehouse fully insured against loss by fire, windstorm and extended coverage risks and shall furnish the department of agriculture with evidence it requires that the insurance is in force.

Sec. 5. [232.24] [SCHEDULE OF INSPECTION, FINANCIAL REPORTS.]

Subdivision 1. [SCHEDULE OF INSPECTION.] A licensee under sections 1 to 6 is subject to two audits annually conducted by the commissioner or the agricultural marketing service of the United States department of agriculture. The commissioner may, by rule, authorize one audit to be conducted by a qualified nongovernmental unit.

Subd. 2. [FINANCIAL REPORTS.] A licensee under sections 2 to 7 must provide to the commissioner a copy of the financial reports of an audit conducted by a qualified nongovernmental unit containing information the commissioner requires.

Sec. 6. [232.25] [PENALTY.]

A person who violates the provisions of sections 1 to 6 is guilty of a misdemeanor. The department may, if it finds after a hearing that any of the provisions of sections 1 to 6 have been violated by a person holding a license to operate a public grain warehouse, suspend or revoke the license. In case of revocation, no new license shall be granted to the person whose license was revoked nor to any one either directly or indirectly engaged with him in the licensed business for two years.

Sec. 7. Minnesota Statutes 1981 Supplement, Section 231.16, is amended to read:

231.16 [WAREHOUSEMAN TO OBTAIN LICENSE.]

Every person desiring to engage in the business of warehouseman, before engaging therein, shall be licensed annually by, and shall be under the supervision and subject to the inspection of, the department. Written application in the form prescribed by the department shall be made to the department for license, specifying the city in which it is proposed to carry on the business of warehousing, the location, size, character, and equipment of the buildings or premises to be used by the warehouseman, the kind of goods, wares, and merchandise intended to be stored therein, the name of the person or corporation operating the same, and of each member of the firm or officer of the corporation, and any other facts necessary to satisfy the department that the property proposed to be used is suitable for warehouse purposes and that the warehouseman making the application is qualified to carry on the business of warehousing. Should the department decide that the building or other property proposed to be used as a warehouse is suitable for the proposed purpose and that the applicants are entitled to a license, notice of the decision shall be given the interested parties and, upon the applicants filing with the department the necessary bond, as provided for in this chapter, the department shall issue the license provided

for, upon payment of the license fee, as in this section provided. A warehouseman to whom a license is issued shall pay for the license a fee based on the storage capacity of the warehouse as follows:

Storage capacity in square feet:

(1) 5,000 or less	(\$ 65)	\$ 90
(2) Over 5,000 to 10,000	(\$125)	\$175
(3) Over 10,000 to 20,000	(\$200)	\$250
(4) Over 20,000 to 100,000	(\$250)	\$325
(5) Over 100,000 to 200,000	(\$325)	\$400
(6) Over 200,000	(\$375)	\$450

Fees collected under this chapter shall be paid into the grain buyers and storage fund established in section 4.

The license shall be renewed annually on June 30, and always upon payment of the full license fee, as provided for in this section for such renewal; and no license shall be issued for any portion of a year for less than the full amount of the license fee, as provided for in this section. Each license obtained under this chapter shall be publicly displayed in the main office of the place of business of the warehouseman to whom it is issued. The license shall authorize the warehouseman to carry on the business of warehousing only in the one city or town named in the application and in the buildings therein described. The department, without requiring an additional bond and license, may issue permits from time to time to any warehouseman already duly licensed under the provisions of this chapter to operate an additional warehouse in the same city or town for which his original license was issued during the term thereof, upon his filing an application for a permit in the form prescribed by the department.

License may be refused for good cause shown and revoked by the department for violation of law or of any rule or regulation by it prescribed, upon notice and after hearing.

Sec. 8. Minnesota Statutes 1981 Supplement, Section 233.08, is amended to read:

233.08 [LICENSE.]

No public terminal warehouse shall be operated or receive grain for storage, either to be mixed with the grain of other parties of like grade, or in separate bins, until the owners or

parties in charge and operating the warehouse shall first obtain a license from the department authorizing the warehouseman to operate a warehouse under the provisions of this chapter. All licenses issued or renewed annually shall expire at midnight on the 30th day of June next following the date of issuance or renewal. Before any license shall be issued, written application shall be made to the department for license specifying the kind of warehouse, the nature of its construction, its capacity and location, the name of the firm or corporation operating the same and each member of the firm or officer of the corporation and other facts as the department may require shall be contained in the application. The application shall be acted upon with reasonable dispatch by the department; and, if no reason exists for refusing the same, a license may be issued upon the payment of the fee of (\$60 FOR EACH ELEVATOR) *set by the commissioner. The amount of the fee shall be set to cover the costs of administering and enforcing this chapter.* (THE APPLICATION) A license shall be granted only upon the warehouseman furnishing to the department a bond to the state of Minnesota, to be approved by the department, in a penal sum to be fixed by the department but not less than \$50,000 for each warehouse, which shall be conditioned for the faithful discharge of the duties of warehouseman and full compliance with all the laws of the state and rules of the department relative to the operation of public terminal warehouses and for the delivery to parties storing grain in such warehouses under the terms of this chapter of the grain or an equal amount of the same kind and grade so stored or the payment therefor of the value of the grain in case of failure to make the delivery. The license may be revoked by the department for violation of the law or any rule or regulation prescribed by the department, but shall only be revoked upon a written notice or complaint specifying the charges and after a hearing had before the department. A license may be refused to any warehouseman whose license has been revoked within the preceding year. (ALL MONEYS COLLECTED FOR LICENSE FEES SHALL BE DEPOSITED WITH THE STATE TREASURER.) If a warehouseman applies for a license for more than one warehouse in the same county, but one bond need be furnished but the same shall in all cases be in proportion to the capacity of all warehouses.

Fees collected under this chapter shall be paid into the grain buyers and storage fund established in section 4.

Sec. 9. Minnesota Statutes 1980, Section 236.02, is amended to read:

236.02 [GRAIN BANK LICENSING; BONDING OF APPLICANTS.]

Any person who (1) operates an establishment which processes grain into feed and (2) is licensed to buy grain as a public or private local grain warehouseman under section 232.02 (, AND

ACTS AMENDATORY THEREOF,) may obtain a license to operate a grain bank. No person may conduct a grain bank without a grain bank license.

A grain bank license shall be obtained from the department, which is hereby authorized to issue such a license upon compliance by the applicant with the bond requirements of sections 236.01 to 236.09. Such grain bank license shall be in addition to the license to buy grain as a public or private local grain warehouseman and shall empower the licensee to conduct a grain bank in accordance with sections 236.01 to 236.09.

Every grain bank license shall expire at midnight on the 30th day of June each year, (THE FEE SHALL BE \$25 FOR EACH LICENSE) and a license shall be required for each location where a grain bank is operated. (THE FEES COLLECTED UNDER THIS SECTION SHALL BE PAID INTO THE STATE TREASURY AND CREDITED TO THE GENERAL FUND.) Such licenses shall be revocable by the department for cause upon notice and hearing. All licenses and rules regulating the operation of the grain bank shall be posted in a prominent and easily accessible place in the grain bank. *The license fee shall be set by the commissioner in an amount sufficient to cover the costs of administering and enforcing this chapter.*

Fees collected under this chapter shall be paid into the grain buyers and storage fund established in section 4.

No license shall be issued for the operation of a grain bank until the applicant has filed with the department a bond in such sum as the department may prescribe, which sum shall not be less than \$1,500 for each license and shall at all times be in sufficient sum to protect the holders of outstanding grain bank receipts. Such bonds shall be filed annually and cover the period of the grain bank license. Such bonds shall run to the state of Minnesota and shall be for the benefit of all persons storing grain in such grain bank. They shall be conditioned upon the faithful performance by the grain bank operator of all the provisions of the law relating to the operation of grain banks by such grain bank operator, and the rules and regulations of the department relative thereto. The department is authorized to require such increases in the amounts of such bonds from time to time as it deems necessary for the protection of grain bank receipt holders. The surety of such bonds shall be a corporate surety company authorized to transact business in the state of Minnesota. Any person for whose benefit the bond is given may commence an action thereof in their own name in district court. Any person who is granted a grain bank license at more than one location may, with the department's approval, file one bond covering all locations in such total amount as the department may require under sections 236.01 to 236.09 and the rules and regulations made pursuant to sections 236.01 to 236.09. Any person, firm or corporation licensed as a public local grain

warehouseman and bonded under the provisions of section 232.13 may include liability for outstanding non-negotiable grain bank receipts under the coverage of such bond in lieu of securing a separate grain bank bond as provided in this section.

Sec. 10. [APPROPRIATION.]

The sum of \$30,000 is appropriated from the general fund to the commissioner of agriculture for establishment of the grain buyers and storage fund pursuant to section 4. The amount appropriated in this section shall be repaid by the commissioner to the general fund by July 1, 1983.

Sec. 11. [REPEALER.]

Minnesota Statutes 1980, Sections 232.06, Subdivisions 2, 3, 4, 6, and 7; 232.07; 232.08; 232.09; 232.10; 232.11; 232.12; 232.13; 232.14; 232.15; 232.16; 232.17; 232.18; 232.19; Minnesota Statutes 1981 Supplement, Section 232.06, Subdivision 1, are repealed. Section 1, subdivision 5 is repealed July 1, 1983."

Further, delete the title and insert:

"A bill for an act relating to agriculture; providing for the regulation of grain storage warehouse operators; changing certain fee provisions; providing penalties; appropriating money; amending Minnesota Statutes 1980, Section 236.02; Minnesota Statutes 1981 Supplement, Sections 231.16; and 233.08; proposing new law coded in Minnesota Statutes, Chapter 232; repealing Minnesota Statutes 1980, Sections 232.06, Subdivisions 2, 3, 4, 6, and 7; 232.07 to 232.19; Minnesota Statutes 1981 Supplement, Section 232.06, Subdivision 1."

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

The report was adopted.

Sarna from the Committee on Commerce and Economics Development to which was referred:

H. F. No. 2147, A bill for an act relating to intoxicating liquor; providing an exemption for franchise fees; amending Minnesota Statutes 1980, Section 340.13, Subdivision 3.

Reported the same back with the following amendments:

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

"Section 1. [LEGISLATIVE INTENT.]

The legislature finds and determines that certain off-sale liquor licenses issued prior to the effective date of this act are now in a state of uncertainty because of differing interpretations of the meaning of "interest" under Minnesota Statutes, Section 340.13, Subdivision 3. Licenses have been issued by cities in good faith and business arrangements have been entered into in the belief that they fully met all statutory requirements. It is the intent of this act to permit these licenses and business arrangements to continue in effect to avoid unnecessary disruption in established business practice, and further to provide that no additional such arrangements shall be given any exemption from the provisions of that subdivision so that the general purposes of that subdivision will be served."

Page 1, delete line 22

Page 1, line 23, delete "*under chapter 80C;*"

Page 2, after line 14, insert:

"No franchisor of any franchise agreement registered under chapter 80C shall be deemed to have or have had a pecuniary interest in any off sale intoxicating liquor license if, (i) at any time prior to the effective date of this act, business was conducted at the location in accordance with a registered franchise agreement, or (ii) a registered franchise agreement had been executed prior to July 1, 1980. Any franchise agreement meeting either of the preceding qualifications may be renewed, amended, innovated or reexecuted following the effective date of this act."

Sec. 3. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Renumber the section

With the recommendation that when so amended the bill pass.

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 2148, A bill for an act relating to gambling; providing an exception for certain nonprofit organizations to the annual limitation on prizes awarded from the conduct of raffles; amending Minnesota Statutes 1980, Section 349.26, Subdivision 9, and by adding a subdivision; and Minnesota Statutes 1981 Supplement, Section 349.26, Subdivision 15.

Reported the same back with the following amendments:

Page 2, after line 18, insert:

"The county attorney of each county shall be responsible for investigating and, if appropriate, prosecuting organizations for violations of this section."

With the recommendation that when so amended the bill pass.

The report was adopted.

Sieben, M., from the Committee on Appropriations to which was referred:

H. F. No. 2169, A bill for an act relating to public welfare; designating the commissioner of public welfare as the state authority for federal mental health, alcohol and drug abuse block grants; prescribing a formula for distribution of federal funds to counties and defining duties of counties in the use of the funds; amending Minnesota Statutes 1980, Sections 245.70; 245.71; and 254A.16, by adding subdivisions; Minnesota Statutes 1981 Supplement, Section 254A.03, Subdivision 1; proposing new law coded in Minnesota Statutes, Chapter 245.

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

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2238, A bill for an act relating to rural development; changing the purposes of rural development financing authorities; amending Minnesota Statutes 1980, Section 362A.01, Subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 362A.01, Subdivision 2, is amended to read:

Subd. 2. [PURPOSES.] The purposes of a rural development financing authority (SHALL BE) are:

(a) to acquire, construct, improve and equip projects comprising real and personal property within or outside of the state, used or useful for *producing or processing* products of agricul-

ture, including but not limited to assembling, fabricating, manufacturing, mixing, storing, warehousing, distributing, selling or any one or more or all of these processes. For the purpose of sections 362A.01 to 362A.08 the term agriculture shall include forestry and timber production and the phrase "producing products of agriculture" shall not include acquiring agricultural land;

(b) to investigate, improve and develop methods of constructing, operating and financing such projects;

(c) to provide for the operation and maintenance of each project under an operating or lease agreement with a person, firm, or corporation considered qualified by experience and financial resources to assure that to the limit of its design and capacity it will make facilities for efficient and economical processing of agricultural products available throughout the term of the agreement to all producers contracting therefor;

(d) to promote agricultural, industrial and scientific research in cooperation with state institutions of higher learning and profit or nonprofit private corporations, associations or foundations;

(e) to assist in promoting new job opportunities through the development of natural resources and the agricultural industry by cooperating with private companies and with agencies of the federal and state governments and with agencies and political subdivisions of other states and of foreign nations to engage in the processing of agricultural products;

(f) to enter into contracts with or to employ financial, management, and production consultants, and scientific and economic specialists to develop and assist in promoting the purposes of the authority and to assist in operating, maintaining, constructing and financing authority projects;

(g) to employ a financial management company to assist in organizing, initiating, developing and operating projects for the authority under such terms and conditions as may be agreed upon between the authority and the company and to include any fee charged or to be charged by the company in the total capital costs of each project to be financed; and

(h) to provide financial or other assistance to rail users as defined in section 222.48, subdivision 6, for the purpose of making capital investment loans for rail line rehabilitation.

Sec. 2. Minnesota Statutes 1981 Supplement, Section 362.50, Subdivision 5, is amended to read:

Subd. 5. "Eligible small business" for the purpose of section 362.52, subdivision 5, means a business entity organized for

profit, including but not limited to any individual, partnership, corporation, joint venture, association or cooperative, which entity:

(a) Has 20 or fewer full time employees or not more than the equivalent of \$1,000,000 in annual gross revenues in the preceding fiscal year; and

(b) Is not at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in its field of operation. For the purpose of this subdivision, "dominant in its field of operation" means having more than 20 full time employees and more than \$1,000,000 in annual gross revenues.

"Eligible small business" shall also include an agricultural project acquired, constructed, improved or equipped by a rural development finance authority as defined in section 362A.01, subdivision 2.

Sec. 3. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Amend the title as follows:

Page 1, line 3, after the semicolon insert "changing the definition of eligible small business for the purpose of small business finance agency loans;"

Page 1, line 5, before the period insert "; and Minnesota Statutes 1981 Supplement, Section 362.50, Subdivision 5"

With the recommendation that when so amended the bill pass,

The report was adopted.

Sieben, M., from the Committee on Appropriations to which was referred:

S. F. No. 155, A bill for an act relating to public welfare; providing for retention of certain receipts by state hospitals; amending Minnesota Statutes 1980, Section 246.57.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 246.57, is amended to read:

246.57 [SHARED SERVICE AGREEMENTS.]

Subdivision 1. [AUTHORIZED.] The commissioner of public welfare with legislative approval, or after consultation with the legislative advisory committee, may authorize any state hospital to enter into agreement with other governmental and nonprofit (HEALTH) service organizations for participation in shared service agreements that would be of mutual benefit to the state, the (HEALTH) service organizations involved, and the public. To the extent possible the commissioner shall anticipate the costs of these agreements by inclusion in the biennial budget request to the legislature. In addition, funding for shared service agreements may be provided from the contingent appropriation for state institutions to the extent that such agreements result in costs not covered by other appropriations. No additional employees shall be added to the legislatively approved complement for any state hospital or state nursing home as a result of entering into any shared service agreement. The charges for the services shall be on an actual cost basis and (THE) all receipts shall be deposited in the general fund.

Subd. 2. [REPORTS.] The commissioner of public welfare shall report biennially to the legislature about the number of agreements approved for each hospital, the types of services provided, and the amounts collected.

Sec. 2. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 541, 1505, 1553, 1834, 1870, 1896, 1919, 2021, 2147, 2148, 2169 and 2238 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 155 was read for the second time.

MOTIONS AND RESOLUTIONS

Peterson, B., moved that S. F. No. 1566 be recalled from the Committee on Environment and Natural Resources and together with H. F. No. 1816, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

Rodriguez, C., moved that the name of Pogemiller be added as an author on H. F. No. 1115. The motion prevailed.

Clark, K., moved that the names of Pogemiller and Clark, J., be added as authors on H. F. No. 1875. The motion prevailed.

Ellingson moved that the name of Jude be added as an author on H. F. No. 930. The motion prevailed.

Staten moved that the names of Staten; Kahn; Peterson, D., and Minne be stricken as authors on H. F. No. 1220. The motion prevailed.

Rodriguez, C., moved that the name of Wynia be stricken and the name of Clark, K., be added as an author on H. F. No. 1831. The motion prevailed.

Long moved that the names of Dahlvang and Simoneau be added as authors on H. F. No. 1934. The motion prevailed.

Shea moved that H. F. No. 2273 be returned to its author. The motion prevailed.

Wynia moved that S. F. No. 412 be recalled from the Committee on Judiciary and together with H. F. No. 1997, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

Sarna moved that the names of Kaley, Reding and Rodriguez, F., be added as authors on H. F. No. 438. The motion prevailed.

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 2:00 p.m., Monday, March 8, 1982. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Monday, March 8, 1982.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

