

## STATE OF MINNESOTA

## SEVENTY-SECOND SESSION - 1982

## EIGHTY-NINTH DAY

SAINT PAUL, MINNESOTA, SATURDAY, MARCH 13, 1982

The House of Representatives convened at 11:00 a.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Father Roman Schaefer, Church of St. Adalbert, St. Paul, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Frerichs and Searles were excused.

Ellingson was excused until 12:15 p.m. Rodriguez, C., and Shea were excused until 12:30 p.m. Wenzel was excused until 12:40 p.m. Samuelson and Voss were excused until 1:00 p.m. Anderson, R., was excused until 7:00 p.m.

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

#### REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. No. 2271 and S. F. Nos. 1637 and 1988 have been placed in the members' files.

#### INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Peterson, B.; Jennings; Lemen; Olsen and Valento introduced:

H. F. No. 2296, A bill for an act proposing an amendment to the Minnesota Constitution, Article XI, adding a section; providing constitutional limits on state spending.

The bill was read for the first time.

#### SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Peterson, B., moved that the rule therein be suspended and an urgency be declared so that H. F. No. 2296 be given its second and third readings and be placed upon its final passage.

A roll call was requested and properly seconded.

Simoneau moved to lay the Peterson, B., motion on the table.

#### POINT OF ORDER

Peterson, B., raised a point of order pursuant to section 331 of "Mason's Manual of Legislative Procedure" that the Simoneau motion was out of order.

The Speaker ruled the point of order well taken and the Simoneau motion out of order.

#### CALL OF THE HOUSE

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

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

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 Peterson, B., motion and the roll was called.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 60 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Aasness	Fjoslien	Kaley	Nysether	Sherman
Ainley	Forsythe	Kvam	Olsen	Sherwood
Blatz	Gruenes	Laidig	Onnen	Stadum
Carlson, D.	Halberg	Lemen	Peterson, B.	Stowell
Dean	Haukoos	Levi	Piepho	Sviggum
Dempsey	Heap	Ludeman	Redalen	Valan
Den Ouden	Heinitz	Luknic	Rees	Valento
Drew	Himle	Marsh	Reif	Weaver
Erickson	Hoberg	McDonald	Rose	Welker
Esau	Hokr	Mehrkens	Rothenberg	Wieser
Evans	Jennings	Nelsen, B.	Schafer	Wigley
Ewald	Johnson, D.	Niehaus	Schreiber	Zubay

Those who voted in the negative were:

Anderson, B.	Brinkman	Dahlvang	Harens	Kahn
Anderson, G.	Byrne	Eken	Hauge	Kalis
Anderson, I.	Carlson, L.	Elioff	Hokanson	Kelly
Battaglia	Clark, J.	Greenfield	Jacobs	Kostohryz
Begich	Clark, K.	Gustafson	Johnson, C.	Lehto
Berkelman	Clawson	Hanson	Jude	Long

Mann	Nelson, K.	Reding	Skoglund	Welch
McCarron	Norton	Rice	Staten	Wynia
McEachern	Ogren	Rodriguez, F.	Stumpf	Spkr. Sieben, H.
Metzen	Osthoff	Sarna	Swanson	
Minne	Otis	Schoenfeld	Tomlinson	
Munger	Peterson, D.	Sieben, M.	Vanasek	
Murphy	Pogemiller	Simoneau	Vellenga	

The motion did not prevail.

H. F. No. 2296 was referred to the Committee on Taxes.

#### HOUSE ADVISORIES

The following House Advisory was introduced:

Onnen, Schreiber, Kvam, Valento and Redalen introduced:

H. A. No. 72, A proposal to study adopting a system of taxation based on federal income tax liability.

The advisory was referred to the Committee on Taxes.

#### CALL OF THE HOUSE LIFTED

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

The following conference committee reports were received:

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 1550

A bill for an act relating to the city of Big Falls; authorizing the establishment of detached banking facilities.

March 12, 1982

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

The Honorable Jack Davies  
President of the Senate

We, the undersigned conferees for H. F. No. 1550, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recedes from its amendments.

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



House Conferees: IRVIN N. ANDERSON, BERNARD J. BRINKMAN and JIM EVANS.

Senate Conferees: BOB LESSARD, CARL W. KROENING and DUANE D. BENSON.

Anderson, I., moved that the report of the Conference Committee on H. F. No. 1550 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1550, A bill for an act relating to the city of Big Falls; authorizing the establishment of detached banking facilities.

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

The question was taken on the repassage of the bill and the roll was called. There were 114 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 1712

A bill for an act relating to public welfare; amending the community social services act; removing certain requirements related to biennial plans and the sliding fee for child care; providing for identification of certain rules; exempting the commissioner from certain rulemaking procedures; providing for notice

and comment procedures with respect to proposals to amend or repeal certain rules; providing for allocation of funds to counties; amending Minnesota Statutes 1980, Section 256E.09, Subdivision 4; Minnesota Statutes 1981 Supplement, Sections 245.84, Subdivision 2; 256E.03, Subdivision 2; 256E.05, Subdivision 3; and 256E.07, Subdivision 3; repealing Minnesota Statutes 1981 Supplement, Section 256E.07, Subdivision 2.

March 12, 1982

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

The Honorable Jack Davies  
President of the Senate

We, the undersigned conferees for H. F. No. 1712, report that we have agreed upon the items in dispute and recommend as follows:

The Senate recede from its amendments and that H. F. No. 1712 be further amended as follows:

Page 1, after line 17, insert:

"Section 1. Minnesota Statutes 1980, Section 245.70, is amended to read:

245.70 [(MENTALLY ILL AND MENTALLY RETARDED) *MENTAL HEALTH*; FEDERAL AID.]

*Subdivision 1. [MENTALLY RETARDED AND MENTALLY ILL.]* The commissioner of public welfare is (HEREBY) designated the state agency to establish and administer a statewide plan for the construction, equipment, maintenance, and operation of any facilities for the care, treatment, diagnosis, or rehabilitation, of the mentally retarded or mentally ill which are or may be required as a condition for eligibility for benefits under any federal law and in particular under the Federal Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (P.L. 88-164). The commissioner of public welfare is authorized and directed to receive, administer, and expend any funds that may be available under any federal law or from any other source, public or private, for such purposes.

*Subd. 2. [MENTAL HEALTH BLOCK GRANTS.]* The commissioner of public welfare is designated the state authority to establish and administer the state plan for the federal mental health funds available under the alcohol, drug abuse, and mental health services block grant, United States Code, Title 42, Sections 300X to 300X-9. The commissioner shall receive and administer the available federal mental health funds.

Sec. 2. Minnesota Statutes 1980, Section 245.71, is amended to read:

**245.71 [CONDITIONS TO FEDERAL AID FOR MENTALLY ILL AND MENTALLY RETARDED.]**

The commissioner of public welfare is authorized and empowered to comply with all conditions and requirements necessary to receive federal aid or *block* grants with respect to the establishment, construction, maintenance, equipment or operation, for all the people of this state, of adequate facilities and services as specified in section 245.70, including the authority:

(a) To designate or establish a state advisory council, with representation as required as a condition of eligibility for benefits under any federal law, to consult with him in carrying out the purposes of this act;

(b) To provide an inventory of existing facilities or a particular category thereof, and to survey the need for additional facilities;

(c) To develop and administer a construction program or programs which, in conjunction with existing facilities will afford adequate facilities to serve the people of this state;

(d) To provide for priority of projects or facilities;

(e) To provide to applicants an opportunity for a hearing before him;

(f) To prescribe and require compliance with such standards of maintenance and operation applicable to such facilities as are reasonably necessary to protect the public health, welfare, and safety;

(g) To promulgate *temporary and permanent* rules (AND REGULATIONS AS TO) *prescribing* methods of administration, reporting, (AND PERSONNEL STANDARDS) *financial and program audits, and any other requirements of federal law which are necessary conditions of qualifying for available federal funds.*

**Sec. 3. [245.711] [COMPREHENSIVE PROGRAMS; COORDINATION OF LOCAL PROGRAMS.]**

*Subdivision 1. [COUNTY DUTIES.] The county board shall coordinate all services for mentally ill individuals conducted by local agencies under contract to the county boards and review all proposed agreements, contracts, grants, plans, and programs in relation to services for mentally ill individuals prepared by*

*any local agencies for funding from any local, state, or federal governmental sources.*

*Subd. 2. [GRANTS BY COUNTIES.] The county boards may make grants for comprehensive programs for prevention, care, and treatment of mentally ill individuals, Grants may be made for the cost of these comprehensive programs and services whether provided directly by county boards, by individuals pursuant to contract, or by other public and private agencies and organizations, both profit and nonprofit. Nothing in this section shall prevent the commissioner from entering into contracts with, and making grants to, other state agencies for the purpose of providing specific services and programs. With approval of the county board, the commissioner may make grants or contracts for research or demonstration projects specific to needs within that county.*

**Sec. 4. [245.712] [COUNTY USE OF FEDERAL BLOCK GRANT FUNDS FOR MENTAL HEALTH SERVICES.]**

*Subdivision 1. [ALLOWABLE SERVICES.] Funds awarded to the state for mental health services by federal block grants shall be used for grants to counties to directly provide, or contract with qualified community mental health centers for the provision of, the following services:*

*(a) Services for chronically mentally ill individuals, which include identification of chronically mentally ill individuals and assistance to them in gaining access to essential services through the assignment of case managers;*

*(b) Identification and assessment of severely mentally disturbed children and adolescents and provision of appropriate services to them;*

*(c) Identification and assessment of mentally ill elderly individuals and provision of appropriate services to them;*

*(d) Services for identifiable populations which are currently underserved in the state; and*

*(e) Coordination of mental health and health care services provided within health care centers including planning, administration, and educational activities.*

*Subd. 2. [PROHIBITED SERVICES.] Funds allocated to the state for mental health services by the federal block grant may not be used to:*

*(a) Provide inpatient services;*

*(b) Make cash payments to intended recipients of health services;*

(c) Purchase or improve land, or to purchase, construct or permanently improve any building or other facility, except for minor remodeling, or to purchase major medical equipment;

(d) Satisfy any requirement for expenditure of nonfederal funds as a condition for receiving federal funds; or

(e) Provide financial assistance to any entity other than a public or nonprofit private entity.

Sec. 5. [245.713] [FORMULA.]

*Subdivision 1. [ALLOCATION.] Funds available for grants to qualified community mental health centers shall be allocated to each county according to the formula for the allocation of federal social service funds described in section 256E.07, subdivision 1, clauses (a) and (b).*

*Subd. 2. [TOTAL FUNDS AVAILABLE; REDUCTIONS.] The amount of funds available for allocation to counties for use by qualified community mental health centers shall be the total amount of funds granted to the state by the federal government under United States Code, Title 42, Sections 300X to 300X-9 each federal fiscal year for mental health services reduced by:*

*(a) Any amount set aside by the commissioner of public welfare for Indian tribal organizations within the state, which funds shall not duplicate any direct federal funding of Indian tribal organizations and which funds shall not exceed five percent of the total block grant allocation to the state for mental health services; and,*

*(b) Any amount calculated into the base of the block grant that is made available by the commissioner for qualified community mental health centers that were receiving grants for operations or other continuing grant obligations defined in United States Code, Title 42, Sections 300X to 300X-9 immediately prior to its enactment; and,*

*(c) An amount not to exceed ten percent of the total allocation for mental health services to be retained by the commissioner for administration; and*

*(d) Any amount permitted under federal law which the commissioner approves for demonstration or research projects.*

*Subd. 3. [UNUSED FUNDS.] If there are federal funds that have been allocated to the counties for qualified community mental health centers that remain unused at the end of the federal fiscal year in which they were made available, the commissioner shall reduce the allocation for the subsequent federal fiscal year for those counties by the same amount. The unused*

*funds shall remain available to those counties for use during the federal fiscal year that immediately follows the one in which they were originally allocated. Beginning in federal fiscal year 1983, the commissioner shall annually review the use of federal funds for this purpose by each county and shall reallocate any funds that will not be used prior to the end of the second federal fiscal year to those counties needing additional money by using the same formula used under subdivision 1.*

**Subd. 4. [FUNDS AVAILABLE DUE TO TRANSFER.]**  
*Any federal funds available to the commissioner for mental health services prescribed under United States Code, Title 42, Sections 300X to 300X-9 due to transfer of funds between block grants shall be allocated as prescribed in subdivision 1.*

**Sec. 6. [245.714] [MAINTENANCE OF EFFORT.]**

*Beginning in federal fiscal year 1983, each county shall annually certify to the commissioner that the county has not reduced funds from state, county, and other nonfederal sources which would in the absence of the federal funds made available by United States Code, Title 42, Sections 300X to 300X-9 have been made available for services to mentally ill persons.*

**Sec. 7. [245.715] [QUALIFICATIONS AS A COMMUNITY MENTAL HEALTH CENTER.]**

*In addition to those agencies that have previously qualified as comprehensive community mental health centers under the provisions of the federal Community Mental Health Centers Act, other public or nonprofit private agencies that are able to demonstrate their capacity to provide the following services as defined by the commissioner may qualify as a community mental health center for the purposes of the federal block grant. The federally required services may be provided by separate agencies. These services include:*

*(a) Outpatient services, including specialized outpatient services for children, the elderly, individuals who are chronically mentally ill and residents of its mental health service area who have been discharged from inpatient treatment at a mental health facility;*

*(b) 24-hour a day emergency care services;*

*(c) Day treatment or partial hospitalization services;*

*(d) Screening for patients being considered for admission to state mental health facilities to determine the appropriateness of the admission; and*

*(e) Consultation and education services.*

*Before accepting federal block grant funds for mental health services, counties shall provide the commissioner with all necessary assurances that the qualified community mental health centers which receive these block grant funds meet the minimum service requirements of clauses (a) to (e). At any time at least 30 days prior to the commissioner's allocation of federal funds, any county may notify the commissioner of its decision not to accept the federal funds for qualified community mental health centers.*

**Sec. 8. [245.716] [REPORTS; DATA COLLECTION.]**

*Subdivision 1. [PERIODIC REPORTS.] The commissioner shall require collection of data for compliance, monitoring, and evaluation purposes and shall require periodic reports from the counties on the use of funds under the federal block grant by counties for qualified community mental health centers.*

*Subd. 2. [QUARTERLY FINANCIAL STATEMENTS.] Beginning in calendar year 1982, each county shall include in its quarterly financial accounting report to the commissioner of the county's community social services fund a separate statement identifying the use of funds, including those received under the federal block grant for qualified community mental health centers as specified in section 256E.08, subdivision 8, clauses (a) and (b). The initial quarterly statement shall be submitted not later than 15 days after the end of the first calendar quarter in which funds are allocated to the counties in accordance with section 5, subdivisions 1 and 2.*

*Subd. 3. [SOCIAL SERVICES REPORT.] Beginning in calendar year 1983, each county shall include in the report required by section 256E.10 a part or subpart which addresses the items specified in section 256E.10, subdivision 1, clauses (a) and (b), as they pertain to the use of funds available from the federal government for services of qualified community mental health centers.*

**Sec. 9. [245.717] [WITHHOLDING OF FUNDS.]**

*Beginning in federal fiscal year 1983, the distribution of funds to counties provided in section 5 shall be reduced by an amount equal to the federal block grant funds allotted pursuant to section 5 in the immediately preceding year which have been spent for some purpose other than qualified community mental health centers. If it is determined that the state is legally liable for any repayment of federal block funds which were not properly used by the counties, the repayment liability shall be assessed against the counties which did not properly use the funds. The commissioner may withhold future block grant funds to those counties until the obligation is met. The commissioner shall not award additional block grant funds to those counties until he is assured that no future violations will occur.*

## Sec. 10. [245.718] [APPEAL.]

*At least 30 days prior to certifying any reduction in funds pursuant to section 9, the commissioner shall notify the county of an intention to certify a reduction. The commissioner shall notify the county of the right to a hearing. If the county requests a hearing within 30 days of notification of intention to reduce funds, the commissioner shall not certify any reduction in funds until a hearing is conducted and a decision rendered in accordance with the provisions of chapter 15 for contested cases."*

Page 3, after line 23, insert:

"Sec. 12. Minnesota Statutes 1981 Supplement, Section 252.27, Subdivision 2, is amended to read:

Subd. 2. (THE COMMISSIONER OF PUBLIC WELFARE SHALL PROMULGATE RULES TO DETERMINE THE RESPONSIBILITY OF THE PARENTS AND THE CHILD TO CONTRIBUTE TO THE COST OF CARE AND TREATMENT BASED UPON ABILITY TO PAY.) Responsibility of the parents (AND OF THE CHILD) for the cost of care shall be (UP TO A MAXIMUM OF TEN PERCENT OF THE COST OF CARE PER MONTH) *based upon ability to pay. The county board may establish a schedule of fees in accordance with section 256E.08, subdivision 6, to determine responsibility of the parents for the cost of care when:*

(a) *Insurance or other health care benefits pay some but not all of the cost of care; and*

(b) *No insurance or other health care benefits are available.*

Responsibility of the child for the cost of care shall be up to the maximum amount of the total income and resources attributed to the child except for the clothing and personal needs allowance as provided in section 256B.35, subdivision 1. Reimbursement by the parents and child shall be made to the county making any payments for care and treatment. The county board may require payment of the full cost of caring for children whose parents or guardians do not reside in this state.

*To the extent that a child described in subdivision 1 is eligible for benefits under chapters 62A, 62C, 62D, 62E, or 64A, the county is not liable for the cost of care. A parent or legal guardian who discontinues payment of health insurance premiums, subscriber fees or enrollment fees for a child who is otherwise eligible for those benefits is ineligible for payment of the cost of care of that child under this section.*



The commissioner's determination shall be conclusive in any action to enforce payment of the cost of care. Any appeals from the commissioner's determination shall be made pursuant to section 256.045, subdivisions 2 and 3.

Sec. 13. Minnesota Statutes 1981 Supplement, Section 254A.-03, Subdivision 1, is amended to read:

**254A.03 [STATE AUTHORITY ON ALCOHOL AND DRUG ABUSE.]**

Subdivision 1. There is hereby created an alcohol and other drug abuse section in the department of public welfare. This section shall be headed by a director who shall be in the unclassified service. The section shall:

(a) conduct and foster basic research relating to the cause, prevention and methods of diagnosis, treatment and rehabilitation of alcoholic and other drug dependent persons;

(b) coordinate all activities and programs of all the various state departments as they relate to alcohol and other drug dependency and abuse problems;

(c) develop and demonstrate new methods and techniques for the prevention, treatment and rehabilitation of alcohol and other drug abuse and dependency problems;

(d) gather and disseminate facts and information about alcoholism and other drug dependency and abuse to public and private agencies and the courts so requesting such information for guidance to and assistance in prevention, treatment and rehabilitation;

(e) inform and educate the general public on alcohol and other drug dependency and abuse problems;

(f) serve as the state authority concerning alcohol and other drug dependency and abuse;

(g) establish a state plan which shall set forth goals and priorities within a comprehensive alcohol and other drug dependency and abuse program for Minnesota. All governmental units operating alcohol and other drug abuse or dependency programs or administering state or federal funds for such programs shall annually set their program goals and priorities;

(h) make contracts with and grants to public and private agencies and organizations, both profit and nonprofit, and individuals, using federal funds, and state funds as authorized to pay for costs of state administration, including evaluation,

statewide programs and services, research and demonstration projects, and American Indian programs;

*(i) receive and administer monies available for alcohol and drug abuse programs under the alcohol, drug abuse, and mental health services block grant, United States Code, Title 42, Sections 300X to 300X-9.*

**((I)) (j)** solicit and accept any gift of money or property for purposes of Laws 1973, Chapter 572, and any grant of money, services, or property from the federal government, the state, any political subdivision thereof, or any private source;

**((J)) (k)** with respect to alcohol and other drug abuse programs serving the American Indian community, establish guidelines for the employment of personnel with considerable practical experience in alcohol and other drug abuse problems, and understanding of social and cultural problems related to alcohol and other drug abuse, in the American Indian community.

Sec. 14. Minnesota Statutes 1980, Section 254A.16, is amended by adding subdivisions to read:

*Subd. 3. The commissioner shall report to the appropriate legislative committees annually with respect to the alcohol and drug abuse provisions of the proposed plan which the state agency intends to submit to the secretary of health and human services in satisfaction of the requirements of United States Code, Title 42, Section 300X-4.*

*Subd. 4. The commissioner shall provide to the legislature an annual report detailing expenditures made by the state authority for alcohol and drug abuse programs from funds received pursuant to United States Code, Title 42, Sections 300X-300X-9. The report shall include a specific evaluation of the effectiveness of services provided in achieving the goals and priorities listed in the state plan prepared pursuant to section 254A.03. The first report shall include an assessment of expenditures made during state fiscal year 1983 and shall be presented to the legislature by January 1, 1984. Subsequent reports shall be presented annually."*

Page 5, line 31, delete "15.0411" and insert "15.0412"

Page 7, line 3, delete "This act is" and insert "Sections 11, 12, and 15 to 19 are"

Page 7, line 3, after the period insert "Sections 1 to 10, and Sections 13 and 14 are effective July 1, 1982."

Renumber sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon insert "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 certain federal funds to counties and defining duties of counties in the use of the funds;"

Page 1, line 9, after the semicolon insert "providing for parental responsibility for the cost of care of mentally retarded, epileptic, or emotionally handicapped children based on ability to pay;"

Page 1, line 11, delete "Section" and insert "Sections 245.70; 245.71; 254A.16, by adding subdivisions;"

Page 1, line 12, after the semicolon insert "252.27, Subdivision 2; 254A.03, Subdivision 1;"

Page 1, line 14, after the semicolon insert "proposing new law coded in Minnesota Statutes, Chapter 245;"

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

House Conferees: JOHN R. KALEY, PAUL MCCARRON and DON SAMUELSON.

Senate Conferees: DENNIS R. FREDERICKSON, SAM G. SOLON and MARILYN M. LANTRY.

Kaley moved that the report of the Conference Committee on H. F. No. 1712 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1712, A bill for an act relating to public welfare; amending the community social services act; removing certain requirements related to biennial plans and the sliding fee for child care; providing for identification of certain rules; exempting the commissioner from certain rulemaking procedures; providing for notice and comment procedures with respect to proposals to amend or repeal certain rules; providing for allocation of funds to counties; amending Minnesota Statutes 1980, Section 256E.09, Subdivision 4; Minnesota Statutes 1981 Supplement, Sections 245.84, Subdivision 2; 256E.03, Subdivision 2; 256E.05, Subdivision 3; and 256E.07, Subdivision 3; repealing Minnesota Statutes 1981 Supplement, Section 256E.07, Subdivision 2.

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

The question was taken on the repassage of the bill and the roll was called. There were 122 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 1897

A bill for an act relating to the state agricultural society; updating and clarifying certain powers and duties of the society; amending Minnesota Statutes 1980, Sections 37.01; 37.04, Subdivision 3; 37.05; 37.06; 37.17, subdivisions 1, 2, and by adding a subdivision; 37.18; 37.19; 37.20; 37.21; and 37.22; repealing Minnesota Statutes 1980, Section 37.23; Minnesota Statutes 1981 Supplement, Sections 37.17, Subdivision 3; and 37.27.

March 12, 1982

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

The Honorable Jack Davies  
President of the Senate

We, the undersigned conferees for H. F. No. 1897, report that we have agreed upon the items in dispute and recommend as follows:

That the House accede to the Senate amendments and that H. F. No. 1897 be further amended as follows:

Page 8, after line 13, insert:

"Sec. 15. Minnesota Statutes 1980, Section 473.553, is amended by adding a subdivision to read:

*Subd. 4a. [ADDITIONAL QUALIFICATION.] None of the members appointed by the city council of the city in which the stadium is located shall be an elected public official of that city or of another political subdivision any part of whose territory is shared with that city."*

Renumber the sections in sequence

Further, amend the title as follows:

Page 1, line 4, after the semicolon insert "prescribing additional qualifications for metropolitan sports facilities commission members;"

Page 1, line 7, before the fourth semi-colon insert "; 473.553, by adding a subdivision"

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

House Conferees: JAMES I. RICE, ANN WYNIA and GARY W. LAIDIG.

Senate Conferees: FLORIAN CHMIELEWSKI, SAM G. SOLON and DENNIS R. FREDERICKSON.

Rice moved that the report of the Conference Committee on H. F. No. 1897 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1897, A bill for an act relating to the state agricultural society; updating and clarifying certain powers and duties of the society; amending Minnesota Statutes 1980, Sections 37.01; 37.04, Subdivision 3; 37.05; 37.06; 37.17, subdivisions 1, 2, and by adding a subdivision; 37.18; 37.19; 37.20; 37.21; and 37.22; repealing Minnesota Statutes 1980, Section 37.23; Minnesota Statutes 1981 Supplement, Sections 37.17, Subdivision 3; and 37.27.

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

The question was taken on the repassage of the bill and the roll was called. There were 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 1699

A bill for an act relating to education; requiring all public elementary and secondary schools to provide instructional programs in chemical abuse; amending Minnesota Statutes 1980, Section 126.03; and proposing new law coded in Chapter 126.

March 12, 1982

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

The Honorable Jack Davies  
President of the Senate

We, the undersigned conferees for H. F. No. 1699, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 1699 be further amended as follows:

Page 1, line 18, after "abuse" insert "and the prevention of chemical dependency"

Page 1, line 18, delete "To the extent possible,"

Page 1, line 19, delete "*encourage the participation of*" and insert "*involve*"

Amend the title as follows:

Page 1, line 3, delete "instructional" and insert "instruction in chemical dependency prevention"

Page 1, line 4, delete "programs in chemical abuse"

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

House Conferees: BOB McEACHERN, CONNIE M. LEVI and DEE LONG.

Senate Conferees: DAVE RUED, CHARLES R. DAVIS and CONRAD M. VEGA.

McEachern moved that the report of the Conference Committee on H. F. No. 1699 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1699, A bill for an act relating to education; requiring all public elementary and secondary schools to provide instructional programs in chemical abuse; amending Minnesota Statutes 1980, Section 126.03; and proposing new law coded in Chapter 126.

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

The question was taken on the repassage of the bill and the roll was called. There were 101 yeas and 22 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Evans	Kalis	Nysether	Schreiber
Anderson, G.	Ewald	Kelly	O'Connor	Sieben, M.
Anderson, I.	Fjoslien	Knickerbocker	Ogren	Simoneau
Battaglia	Forsythe	Kostohryz	Olsen	Skoglund
Begich	Greenfield	Laidig	Osthoff	Stadum
Berkelman	Gruenes	Lehto	Otis	Staten
Blatz	Gustafson	Levi	Peterson, B.	Stowell
Brandl	Hanson	Long	Peterson, D.	Stumpf
Brinkman	Harens	Luknic	Piepho	Swanson
Byrne	Hauge	Mann	Pogemiller	Tomlinson
Carlson, D.	Haukoos	Marsh	Redalen	Valan
Carlson, L.	Heap	McCarron	Reding	Vanasek
Clark, J.	Heinitz	McEachern	Rees	Vellenga
Clark, K.	Himle	Mehrkins	Reif	Weaver
Clawson	Hokanson	Metzen	Rice	Welch
Dahlvang	Jacobs	Minne	Rodriguez, C.	Wynia
Dean	Johnson, C.	Munger	Rodriguez, F.	Spkr. Sieben, H.
Drew	Johnson, D.	Murphy	Rose	
Eken	Jude	Nelson, K.	Rothenberg	
Elioff	Kahn	Norton	Sarna	
Erickson	Kaley	Novak	Schoenfeld	

Those who voted in the negative were:

Aasness	Hoberg	Nelsen, B.	Sherwood	Wigley
Ainley	Hokr	Niehaus	Sviggum	Zubay
Dempsey	Kvam	Onnen	Valento	
Den Ouden	Ludeman	Schafer	Welker	
Esau	McDonald	Sherman	Wieser	

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

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 1573

A bill for an act relating to crimes; prohibiting the manufacture, sale, transfer and delivery of simulated controlled substances; prohibiting their manufacture, sale, transfer and delivery; providing penalties; amending Minnesota Statutes 1980, Sections 152.09, Subdivision 1; 152.15, by adding a subdivision; proposing new law coded in Minnesota Statutes, Chapter 152.

March 12, 1982

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

The Honorable Jack Davies  
President of the Senate

We, the undersigned conferees for H. F. No. 1573, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 1573 be further amended as follows:

Page 1, line 24, delete "*Proof of any two*" and insert "*Any*"

Page 1, line 25, delete "*prima facie*" and insert "*relevant*" and delete "*or the existence of such*"

Page 1, line 26, delete "*circumstances*"

Page 2, line 14, delete "*Prescribing*" and insert "*This section does not apply to the prescribing*"

Page 2, line 15, delete "*is*" and insert a period

Page 2, delete line 16.

Page 2, line 19, after "1." insert "[UNLAWFUL ACTS.]"

Page 2, line 22, delete "manufacture" and insert "Manufacture"



Page 2, line 26, delete "possess" and insert "Possess" and strike "such" and insert "the"

Page 2, line 28, delete "manufacture" and insert "Manufacture"

Page 2, line 29, delete "under"

Page 2, line 30, delete "circumstances set forth in" and insert "in violation of"

Page 2, line 34, after "selling," insert "or" and delete "or attempting"

Page 2, line 35, delete "to transfer, sell, or deliver" and "under"

Page 2, line 36, delete "circumstances set forth in section 1"

Page 3, line 1, after the period insert "Any person who violates section 1 by attempting to transfer, sell, or deliver a noncontrolled substance under circumstances set forth in section 1 shall be punishable as provided in section 609.17, subdivision 4."

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

House Conferees: JAMES C. SWANSON, ROBERT E. VANASEK and ROBERT W. REIF.

Senate Conferees: DON FRANK, MARILYN M. LANTRY and JIM RAMSTAD.

Swanson moved that the report of the Conference Committee on H. F. No. 1573 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1573, A bill for an act relating to crimes; prohibiting the manufacture, sale, transfer and delivery of simulated controlled substances; prohibiting their manufacture, sale, transfer and delivery; providing penalties; amending Minnesota Statutes 1980, Sections 152.09, Subdivision 1; 152.15, by adding a subdivision; proposing new law coded in Minnesota Statutes, Chapter 152.

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

The question was taken on the repassage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness

Ainley

Anderson, B.

Anderson, G.

Anderson, I.

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

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

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 1499

A bill for an act relating to the commitment of persons who are mentally ill, mentally ill and dangerous, mentally retarded, or chemically dependent; providing for informal admissions by consent, involuntary emergency admissions and for involuntary commitment by civil judicial procedures; providing for rights of persons admitted under voluntary, emergency or involuntary judicial procedures; requiring pre-petition screening; providing for commitment hearings and procedures in conformance with due process; requiring a hearing and review before final determination of commitment; providing for commitment for determinate periods; providing for provisional discharge and partial hospitalization; requiring special review boards for mentally ill and dangerous and psychopathic personalities; establishing review boards for civilly committed persons; providing penalties; proposing new law coded in Minnesota Statutes, Chapter 253A; repealing Minnesota Statutes 1980, Sections 253A.01 to 253A.23.

March 12, 1982

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

The Honorable Jack Davies  
President of the Senate

We, the undersigned conferees for H. F. No. 1499, report that we have agreed upon the items in dispute and recommend as follows:

The House accedes to the Senate amendments and H. F. No. 1499, as amended by the Senate (which is then identical to S. F. No. 1459), is further amended as follows:

Page 2, line 3, delete "*serious*"

Page 2, line 5, delete "*seriously*"

Page 2, line 20, delete "*and*" and insert a comma

Page 2, line 21, before "*in*" insert "*and practicing*"

Page 3, line 12, after "*others*" insert "*as*"

Page 3, line 27, delete "*seriously*"

Page 3, line 31, delete "*hospitalized*" and insert "*institutionalized*"

Page 3, after line 31, insert:

*"Subd. 16. [PEACE OFFICER.] "Peace officer" means a sheriff, or municipal or other local police officer, or a state highway patrol officer when engaged in the authorized duties of his office."*

Page 3, line 32, delete "*16*" and insert "*17*"

Page 4, delete lines 7 to 9

Page 6, line 20, delete "*operation*" and insert "*treatment*"

Page 7, line 1, delete "*department of public welfare*" and insert "*commissioner*"

Page 7, line 8, after "*all*" insert "*of his*"

Page 7, line 9, before "*commitment*" insert "*his*"

Page 7, line 9, delete "*proceedings*"

Page 7, line 26, before "*Any*" insert "*Informal admission by consent is preferred over involuntary commitment.*"

Page 7, line 36, after the period insert "*Every patient admitted for chemical dependency under this section shall be informed in writing at the time of his admission that he has a right to leave the facility within 72 hours, exclusive of Saturdays, Sundays and holidays, of his request, unless held under another provision of this chapter.*"

Page 8, line 2, delete everything after the period

Page 8, delete lines 3 and 4

Page 8, line 5, delete everything before "If"

Page 8, line 34, after the first "person" insert "*is believed to be chemically dependent and*"

Page 11, line 1, delete everything after "(d)"

Page 11, delete line 2

Page 11, line 3, delete everything before the second "the"

Page 11, line 4, before the period insert "*if the investigation does not disclose evidence sufficient to support commitment*"

Page 11, line 4, after the period insert "*Notice of the pre-petition screening team's decision shall be provided to the prospective petitioner.*"

Page 12, line 23, delete "*shall be permitted to*" and insert "*may*"

Page 12, line 30, after "When" insert "(1)"

Page 12, line 33, delete "*or when*" and insert ", (2)"

Page 12, line 35, after the comma insert "*or (3) a request for a petition for commitment of a person institutionalized pursuant to section 5 has been filed,*"

Page 12, line 35, after "*may*" insert "*order the treatment facility to hold the person if he is institutionalized or*"

Page 13, line 10, delete "PROBABLE CAUSE" and insert "PRELIMINARY"

Page 16, line 25, delete "(a)"

Page 16, delete lines 26 to 36

Page 17, delete lines 1 to 15 and insert "*committed as mentally ill, mentally retarded, or chemically dependent the initial commitment shall not exceed six months. At least 60 days, but not more than 90 days, after the commencement of the initial commitment of a person as mentally ill, mentally retarded, or chemically dependent, the head of the facility shall file a written report with the committing court with a copy to the patient*"

*and his counsel. This first report shall set forth the same information as is required in section 12, subdivision 1, but no hearing shall be required at this time. If no written report is filed within the required time, or if it describes the patient as not in need of further institutional care and treatment, the proceedings shall be terminated by the committing court, and the patient shall be discharged from the treatment facility. If the person is discharged prior to the expiration of 60 days, the report required by this subdivision shall be filed at the time of discharge."*

Page 17, line 32, after "order" insert "*the designated agency, the treatment facility, or*"

Page 18, line 9, before "facility" insert "*treatment*"

Page 18, line 21, before "CONFINEMENT" insert "*TEMPORARY*"

Page 18, line 21, delete "IN JAIL"

Page 18, line 25, after "in" insert "a"

Page 19, line 4, delete "*detained*" and insert "*confined*"

Page 19, line 28, delete everything after the period

Page 19, delete lines 28 to 31

Page 21, line 16, after the period insert a paragraph

*Page 21, line 19, after the period insert "Notwithstanding the provisions of section 9, subdivision 5, clause (b), the initial commitment period under the new petition shall be the probable length of commitment necessary or 12 months, whichever is less. The standard of proof at the hearing on the new petition shall be the standard specified in section 12, subdivision 4."*

Page 21, line 20, delete ", at"

Page 21, delete lines 21 to 36

*Page 22, delete lines 1 to 16 and insert "court finds upon review of the treatment report that the person continues to be mentally retarded, it shall order commitment of the person for an indeterminate period of time, subject to the reviews required by section 3, subdivisions 5 and 7, and subject to the right of the patient to seek judicial review of continued commitment."*

Page 22, after line 21, insert:

*"At the conclusion of the prescribed period, commitment may not be continued unless a new petition is filed pursuant to section 7 and hearing and determination made on it. Notwithstanding the provisions of section 9, subdivision 5, clause (c), the initial commitment period under the new petition shall be the probable length of commitment necessary or 12 months, whichever is less."*

Page 22, line 23, after "person" insert ", other than a person committed as mentally ill and dangerous to the public,"

Page 23, line 12, after "if" insert a colon

Page 23, delete lines 13 to 16 and insert:

*"(i) The patient has violated material conditions of the provisional discharge, and the violation creates the need to return the patient to the facility; or,*

*(ii) There exists a serious likelihood that the safety of the patient or others will be jeopardized, in that either the patient's need for food, clothing, shelter, or medical care are not being met, or will not be met in the near future, or the patient has attempted or threatened to seriously physically harm himself or others."*

Page 24, delete line 36

Page 25, delete lines 1 to 25 and insert *"provisional discharge may be extended only in those circumstances where the patient has not achieved the goals set forth in the provisional discharge plan or continues to need the supervision or assistance provided by an extension of the provisional discharge. In determining whether the provisional discharge is to be extended, the head of the facility shall consider the willingness and ability of the patient to voluntarily obtain needed care and treatment.*

*(b) The designated agency shall recommend extension of a provisional discharge only after a preliminary conference with the patient and other appropriate persons. The patient shall be given the opportunity to object or make suggestions for alternatives to extension.*

*(c) Any recommendation for extension shall be made in writing to the head of the facility and to the patient at least 30 days prior to the expiration of the provisional discharge. The written recommendation submitted shall include: the specific grounds for recommending the extension, the date of the preliminary conference and results, the anniversary date of the provisional discharge, the termination date of the provisional discharge, and the proposed length of extension. If the grounds for recommending the extension occur less than 30 days before*

*its expiration, the written recommendation shall occur as soon as practicable.*

*(d) The head of the facility shall issue a written decision regarding extension within five days after receiving the recommendation from the designated agency.*

*(e) In no event shall any provisional discharge, revocation, or extension extend the term of the commitment beyond the period provided for in the order issued pursuant to section 9 or 13."*

Page 27, line 6, delete the first "to"

Page 28, line 11, after the period insert *"If the court finds that the patient qualifies for commitment as mentally ill, but not as mentally ill and dangerous to the public, the court may commit the person as a mentally ill person and the person shall be deemed not to have been found to be dangerous to the public for the purposes of subdivisions 4 to 15."*

Page 29, line 4, delete *"of public welfare"*

Page 29, line 23, before the period insert *"it is issued"*

Page 30, delete lines 18 to 22 and insert *"whether the patient's course of hospitalization and present mental status indicate there is no longer a need for inpatient treatment and supervision; and (b) whether the conditions of the provisional discharge plan will provide a reasonable degree of protection to the public and will enable the patient to adjust to the community."*

Page 31, line 3, delete *"acts to petition"* and insert *"petitions"*

Page 31, after line 13, insert

*"Revocation shall be commenced by a notice of intent to revoke provisional discharge, which shall be served upon the patient, his counsel, and the designated agency. The notice shall set forth the grounds upon which the intention to revoke is based, and shall inform the patient of his rights under this chapter."*

Page 31, line 23, delete *"During the first 60 days of a"*

Page 31, line 24, delete *"provisional discharge or"*

Page 32, line 10, after *"decision"* insert *"or any interested person"*

Page 32, line 31, after *"to"* insert *"open"*

Page 32, line 31, before the period insert "*, is no longer dangerous to the public, and is no longer in need of inpatient treatment and supervision*"

Page 33, line 23, after "*panel*" insert "*and all allowable fees and costs of the patient's counsel*"

Page 34, line 16, delete the second comma and insert "*or*"

Page 34, line 16, delete "*or release from*"

Page 34, line 17, delete "*custody*" and delete "*or*"

Page 34, line 18, delete "*released*"

Page 34, line 29, delete "*released,*"

Page 34, line 35, delete both commas

Page 34, line 35, before "*provisionally*" insert "*or*"

Page 34, line 36, delete "*or released*"

Page 35, lines 12 and 18, delete the second comma and insert "*or*"

Page 35, line 13, delete "*, or release*"

Page 35, line 18, delete the third comma

Page 35, line 19, delete "*or release*"

Page 36, lines 1 and 5, delete the second comma and insert "*or*"

Page 36, lines 2 and 6, delete "*, or release*"

Page 36, line 34, delete "*release,*"

Page 37, line 9, delete "*release,*"

Page 38, line 12, after "*a*" insert "*patient's*"

Page 41, delete lines 8 to 12

Page 41, line 13, delete "*9*" and insert "*8*"

Page 41, line 21, delete "*10*" and insert "*9*"



Page 42, line 4, delete "to 253B.09"

Page 42, line 26, after "1982" insert a comma

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

House Conferees: JOHN T. CLAWSON, TAD JUDE and DAVID B. GRUENES.

Senate Conferees: ALLAN H. SPEAR, MARV HANSON and DARREL L. PETERSON.

Clawson moved that the report of the Conference Committee on H. F. No. 1499 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1499, A bill for an act relating to the commitment of persons who are mentally ill, mentally ill and dangerous, mentally retarded, or chemically dependent; providing for informal admissions by consent, involuntary emergency admissions and for involuntary commitment by civil judicial procedures; providing for rights of persons admitted under voluntary, emergency or involuntary judicial procedures; requiring prepetition screening; providing for commitment hearings and procedures in conformance with due process; requiring a hearing and review before final determination of commitment; providing for commitment for determinate periods; providing for provisional discharge and partial hospitalization; requiring special review boards for mentally ill and dangerous and psychopathic personalities; establishing review boards for civilly committed persons; providing penalties; proposing new law coded in Minnesota Statutes, Chapter 253A; repealing Minnesota Statutes 1980, Sections 253A.01 to 253A.23.

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

The question was taken on the repassage of the bill and the roll was called. There were 117 yeas and 4 nays as follows:

Those who voted in the affirmative were:

Aasness	Clark, K.	Gruenes	Johnson, D.	Ludeman
Anderson, B.	Clawson	Gustafson	Jude	Luknic
Anderson, G.	Dahlvang	Halberg	Kahn	Mann
Anderson, I.	Dean	Hanson	Kaley	Marsh
Battaglia	Dempsey	Harens	Kalis	McDonald
Begich	Den Ouden	Hauge	Kelly	McEachern
Berkelman	Eken	Haukoos	Knickerbocker	Mehrkens
Blatz	Erickson	Heap	Kostohryz	Metzen
Brandl	Esau	Heinitz	Kvam	Minne
Brinkman	Evans	Himle	Laidig	Munger
Byrne	Ewald	Hoberg	Lehto	Murphy
Carlson, D.	Fjoslien	Hokanson	Lemen	Nelsen, B.
Carlson, L.	Forsythe	Jacobs	Levi	Nelson, K.
Clark, J.	Greenfield	Johnson, C.	Long	Niehaus

Norton	Peterson, D.	Rothenberg	Staten	Weaver
Novak	Piepho	Sarna	Stowell	Welch
Nysether	Pogemiller	Schafer	Stumpf	Wieser
O'Connor	Redalen	Schoenfeld	Sviggum	Wigley
Ogren	Reding	Schreiber	Swanson	Wynia
Olsen	Rees	Sherman	Tomlinson	Zubay
Onnen	Reif	Sherwood	Valan	Spkr. Sieben, H.
Osthoff	Rodriguez, C.	Sieben, M.	Valento	
Otis	Rodriguez, F.	Simoneau	Vanasek	
Peterson, B.	Rose	Skoglund	Vellenga	

Those who voted in the negative were:

Ainley      Drew      McCarron      Rice

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

### MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate has discharged its Conference Committee on House File No. 356 and that the Committee on Committees has appointed a new Conference Committee consisting of three members on the part of the Senate.

H. F. No. 356, A bill for an act relating to crimes; specifying offenses relating to computers; providing penalties; proposing new law coded in Minnesota Statutes 1980, Chapter 609.

The Senate has appointed as such committee Messrs. Luther, Davies and Ramstad.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 1611, A bill for an act relating to garnishment; authorizing an employer to recover expenses incurred for administering garnishment of an employee's wages; amending Minnesota Statutes 1980, Section 571.57.

The Senate has appointed as such committee Messrs. Bang, Lessard and Peterson, R. W.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1975, A bill for an act relating to local government; permitting towns to issue off-sale liquor licenses; amending Minnesota Statutes 1980, Section 340.11, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

McEachern moved that the House refuse to concur in the Senate amendments to H. F. No. 1975, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two Houses. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1635, A bill for an act relating to state lands; authorizing sale and conveyance of a certain tract of state lands to Bethlehem Lutheran Church of Waskish, Minnesota.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Anderson, I., moved that the House concur in the Senate amendments to H. F. No. 1635 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1635, A bill for an act relating to state lands; authorizing sale and conveyance of a certain tract of state lands to Bethlehem Lutheran Church of Waskish, Minnesota; directing conveyances of the state's right, title and interest in certain lands to Lake of the Woods County and Beltrami County; directing the conveyance of the state's interest in certain real property in McLeod County to the city of Hutchinson; authorizing the conveyance of certain lands at the Sauk Centre correctional facility.

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

The question was taken on the repassage of the bill and the roll was called. There were 125 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Clawson

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

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 546, A bill for an act relating to insurance; extending the insurance division revolving fund; providing for a program of continuing education; establishing a continuing insurance education advisory committee; authorizing the commissioner of insurance to promulgate rules to implement the program; requiring certain disclosures on credit insurance policies and application; amending Minnesota Statutes 1980, Sections 60A.03, Subdivision 6; and 62B.06, Subdivisions 2, 3 and 4; and by adding a subdivision; proposing new law coded in Minnesota Statutes, Chapter 60A.

PATRICK E. FLAHAVEN, Secretary of the Senate

Rees moved that the House concur in the Senate amendments to H. F. No. 546 and that the bill be repassed as amended by the Senate. The motion did not prevail.

Rees moved that the House refuse to concur in the Senate amendments to H. F. No. 546, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two Houses. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

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; 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Kalis moved that the House concur in the Senate amendments to H. F. No. 1919 and that the bill be repassed as amended by the Senate. The motion prevailed.

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; raising the petitioners' bond in certain drainage project cases and the appellant's bond in the case of certain appeals; clarifying the responsibility imposed on certain water project contractors; 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; amending Minnesota Statutes 1980, Sections 15.0412, by adding a subdivision; 40.03, Subdivisions 2, as amended, and 4; 40.036; 40.07, Subdivision 9; 105.463; 106.041; 106.631, Subdivision 2; 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.

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

The question was taken on the repassage of the bill and the roll was called. There were 105 yeas and 11 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Aasness	Erickson	Lemen	McDonald	Schafer
Ainley	Esau	Ludeman	Nelsen, B.	Welker
Anderson, G.				

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

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

### CONCURRENCE AND REPASSAGE

Wynia moved that the House concur in the Senate amendments to H. F. No. 1994 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1994, A bill for an act relating to financial institutions; authorizing bank or trust company investment in community welfare projects; permitting certain shared appreciation mortgages; providing that the mortgage becomes due and payable upon its sale or transfer; 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, as amended by the Senate, and placed upon its repassage.

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

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

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1702, A bill for an act relating to veterans; providing for the furnishing of chiropractic care to residents of the Minnesota veterans home; proposing new law coded in Minnesota Statutes, Chapter 198.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Anderson, G., moved that the House concur in the Senate amendments to H. F. No. 1702 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1702, A bill for an act relating to veterans; providing for the furnishing of chiropractic care to residents of the Minnesota veterans home; proposing new law coded in Minnesota Statutes, Chapter 198.

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

The question was taken on the repassage of the bill and the roll was called. There were 124 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Aasness	Dempsey	Heap	Lehto	Nysether
Ainley	Den Ouden	Heinitz	Lemen	O'Connor
Anderson, B.	Drew	Himle	Levi	Ogren
Anderson, G.	Eken	Hoberg	Ludeman	Olsen
Anderson, I.	Elioff	Hokanson	Luknic	Onnen
Battaglia	Ellingson	Hokr	Mann	Osthoff
Begich	Erickson	Jacobs	Marsh	Otis
Berkelman	Esau	Jennings	McDonald	Peterson, B.
Blatz	Evans	Johnson, C.	McEachern	Peterson, D.
Brandl	Ewald	Johnson, D.	Mehrkens	Piepho
Brinkman	Fjoslien	Jude	Metzen	Pogemiller
Byrne	Forsythe	Kahn	Minne	Redalen
Carlson, D.	Greenfield	Kaley	Munger	Reding
Carlson, L.	Gruenes	Kalis	Murphy	Rees
Clark, J.	Gustafson	Kelly	Nelsen, B.	Rice
Clark, K.	Halberg	Knickerbocker	Nelson, K.	Rodriguez, C.
Clawson	Hanson	Kostohryz	Niehaus	Rodriguez, F.
Dahlvang	Hauge	Kvam	Norton	Rose
Dean	Haukoos	Laidig	Novak	Rothenberg



Sarna	Sherwood	Stowell	Valento	Wieser
Schafer	Sieben, M.	Stumpf	Vanasek	Wigley
Schoenfeld	Simoneau	Sviggum	Vellenga	Wynia
Schreiber	Skoglund	Swanson	Weaver	Zubay
Shea	Stadum	Tomlinson	Welch	Spkr. Sieben, H.
Sherman	Staten	Valan	Wenzel	

Those who voted in the negative were:

Welker

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

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1477, A bill for an act relating to snowmobiles; increasing the registration fee and appropriating the proceeds thereof for stated purposes; registration of collectors' snowmobiles; requiring a study; creating a snowmobile trails and enforcement account in the state treasury; appropriating money; amending Minnesota Statutes 1980, Sections 84.82, Subdivision 3, and by adding a subdivision; and 84.83.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Lehto moved that the House concur in the Senate amendments to H. F. No. 1477 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1477, A bill for an act relating to snowmobiles; increasing the registration fee and appropriating the proceeds thereof for stated purposes; registration of collectors' snowmobiles; requiring a study; creating a snowmobile trails and enforcement account in the state treasury; appropriating money; amending Minnesota Statutes 1980, Sections 84.82, Subdivision 3, and by adding a subdivision; and 84.83.

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

The question was taken on the repassage of the bill and the roll was called. There were 101 yeas and 20 nays as follows:

Those who voted in the affirmative were:

Aasness	Ewald	Kalis	O'Connor	Simoneau
Anderson, I.	Fjoslien	Kelly	Ogren	Skoglund
Battaglia	Forsythe	Knickerbocker	Olsen	Stadum
Berkelman	Greenfield	Kostohryz	Onnen	Staten
Blatz	Gruenes	Laidig	Osthoff	Stowell
Brandl	Gustafson	Lehto	Otis	Sviggum
Brinkman	Halberg	Lemen	Peterson, B.	Swanson
Byrne	Hanson	Levi	Peterson, D.	Tomlinson
Carlson, D.	Harens	Long	Piepho	Valan
Carlson, L.	Hauge	Luknic	Pogemiller	Valento
Clark, J.	Haukoos	Mann	Redalen	Vanasek
Clark, K.	Heap	Marsh	Reding	Vellenga
Clawson	Himle	McCarron	Rees	Wenzel
Dahlvang	Hoberg	Mehrkens	Reif	Wieser
Dempsey	Hokr	Metzen	Rodriguez, C.	Wynia
Den Ouden	Jacobs	Minne	Rodriguez, F.	Zubay
Drew	Jennings	Munger	Sarna	Spkr. Sieben, H.
Eken	Johnson, C.	Murphy	Schoenfeld	
Elioff	Johnson, D.	Nelson, K.	Schreiber	
Ellingson	Jude	Norton	Sherman	
Evans	Kahn	Novak	Sieben, M.	

Those who voted in the negative were:

Ainley	Erickson	Kvam	Niehaus	Sherwood
Anderson, B.	Esau	Ludeman	Nysether	Weaver
Anderson, G.	Heinitz	McDonald	Rothenberg	Welker
Begich	Kaley	Nelsen, B.	Schafer	Wigley

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

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 776, A bill for an act relating to insurance; requiring private passenger vehicle insurers to disclose surcharge plans; prohibiting payment of certain claims unless notice is given to the insured; proposing new law coded in Minnesota Statutes, Chapter 65B.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Wynia moved that the House concur in the Senate amendments to H. F. No. 776 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 776, A bill for an act relating to insurance; requiring private passenger vehicle insurers to disclose surcharge plans;

proposing new law coded in Minnesota Statutes, Chapter 65B.

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

The question was taken on the repassage of the bill and the roll was called. There were 88 yeas and 32 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Ellingson	Kalis	Norton	Shea
Anderson, I.	Ewald	Kelly	Novak	Sieben, M.
Battaglia	Forsythe	Knickerbocker	O'Connor	Simoneau
Begich	Greenfield	Kostohryz	Ogren	Skoglund
Berkelman	Gruenes	Laidig	Olsen	Stadum
Blatz	Gustafson	Lehto	Onnen	Staten
Brandl	Hanson	Lemen	Osthoff	Stumpf
Brinkman	Harens	Levi	Otis	Swanson
Byrne	Hauge	Long	Peterson, D.	Tomlinson
Carlson, D.	Haukoos	Luknic	Pogemiller	Valan
Carlson, L.	Himle	Mann	Reding	Vanasek
Clark, J.	Hoberg	McCarron	Reif	Vellenga
Clark, K.	Hokanson	McEachern	Rodriguez, C.	Wenzel
Clawson	Jacobs	Metzen	Rodriguez, F.	Wieser
Dahlvang	Johnson, C.	Minne	Rothenberg	Wynia
Dean	Johnson, D.	Munger	Sarna	Spkr. Sieben, H.
Eken	Jude	Murphy	Schoenfeld	
Elioff	Kahn	Nelson, K.	Schreiber	

Those who voted in the negative were:

Aasness	Fjoslien	McDonald	Rees	Weaver
Ainley	Heap	Mehrkens	Schafer	Welker
Dempsey	Heinitz	Nelsen, B.	Sherman	Wigley
Den Ouden	Kaley	Niehaus	Sherwood	Zubay
Drew	Kvam	Nysether	Stowell	
Erickson	Ludeman	Piepho	Sviggum	
Esau	Marsh	Redalen	Valento	

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

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1492, A bill for an act relating to natural resources; authorizing an addition to Split Rock Creek Recreation Area and authorizing land acquisition in relation thereto.

PATRICK E. FLAHAVEN, Secretary of the Senate

## CONCURRENCE AND REPASSAGE

Anderson, B., moved that the House concur in the Senate amendments to H. F. No. 1492 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1492, A bill for an act relating to natural resources; authorizing an addition to Split Rock Creek Recreation Area and authorizing land acquisition in relation thereto.

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

The question was taken on the repassage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1546, A bill for an act relating to juveniles; providing for the detention of juveniles for whom a motion to refer for

prosecution is pending before the court; amending Minnesota Statutes 1980, Section 260.173, Subdivision 4.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Kelly moved that the House concur in the Senate amendments to H. F. No. 1546 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1546, A bill for an act relating to juveniles; providing for the detention of juveniles for whom a motion to refer for prosecution is pending before the court; amending Minnesota Statutes 1980, Section 260.173, Subdivision 4.

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

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

Those who voted in the affirmative were:

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

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

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in

which amendment the concurrence of the House is respectfully requested:

H. F. No. 1941, A bill for an act relating to agriculture; setting a standard of proof and procedures for decision and appeal for claims of damage to livestock by endangered species; amending Minnesota Statutes 1980, Section 3.737, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Stumpf moved that the House concur in the Senate amendments to H. F. No. 1941 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1941, A bill for an act relating to agriculture; setting a standard of proof and procedures for decision and appeal for claims of damage to livestock by endangered species; amending Minnesota Statutes 1980, Section 3.737, by adding a subdivision.

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

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

Those who voted in the affirmative were:

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

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

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1690, A bill for an act relating to public welfare; requiring the commissioner of public welfare to promulgate rules which establish foster care maintenance payments by the state; establishing a state goal for the reduction of the number of children in residential facilities for more than 24 months; requiring the commissioner of public welfare to comply with the requirements of Title IV-E of the federal Social Security Act in order to obtain adoption assistance funds for eligible children; expanding the eligibility for medical assistance to include children receiving foster care maintenance payments under Title IV-E of the federal Social Security Act; authorizing the transfer of funds; amending Minnesota Statutes 1980, Sections 256.82; 257.071, by adding a subdivision; and 259.40, Subdivisions 2, 3, and 10; Minnesota Statutes 1981 Supplement, Section 256B.06, Subdivision 1, as amended.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Forsythe moved that the House concur in the Senate amendments to H. F. No. 1690 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1690, A bill for an act relating to public welfare; establishing foster care maintenance payments by the state; requiring the commissioner of public welfare to promulgate rules which establish a state goal for the reduction of the number of children in residential facilities for more than 24 months; requiring the commissioner of public welfare to comply with the requirements of Title IV-E of the federal Social Security Act in order to obtain adoption assistance funds for eligible children; expanding the eligibility for medical assistance to include children receiving foster care maintenance payments or adoption assistance under Title IV-E of the federal Social Security Act; authorizing the transfer of funds; amending Minnesota Statutes 1980, Sections 256.82; 257.071, by adding a subdivision; and 259.40, Subdivisions 2, 3, and 10; Minnesota Statutes 1981 Supplement, Section 256B.06, Subdivision 1, as amended.

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

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

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

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1719, A bill for an act relating to courts; authorizing the chief judge of the judicial district to fill vacancies in the office of judicial officer in St. Louis, Steele, Goodhue and Carlton counties; amending Minnesota Statutes 1981 Supplement, Section 487.08, Subdivision 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Gustafson moved that the House concur in the Senate amendments to H. F. No. 1719 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1719, A bill for an act relating to courts; authorizing the chief judge of the judicial district to fill vacancies in the office of judicial officer in St. Louis, Steele and Carlton counties; prescribing powers for certain judges; amending Minnesota Statutes 1980, Section 487.04; and Minnesota Statutes 1981 Supplement, Section 487.08, Subdivision 2.



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

The question was taken on the repassage of the bill and the roll was called. There were 122 yeas and 2 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Hanson            Voss

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

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

## CONCURRENCE AND REPASSAGE

Brinkman moved that the House concur in the Senate amendments to H. F. No. 1867 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1867, A bill for an act relating to insurance; exempting captive insurers from certain investment limitations; eliminating certain mandatory filings with the commissioner of insurance; authorizing the commissioner to enjoin violations of chapter 60A; providing certain exceptions to variable contract license requirements; amending Minnesota Statutes 1981 Supplement, Sections 60A.11, Subdivision 17; 60A.17, Subdivisions 6c and 13; repealing Minnesota Statutes 1980, Section 72A.062.

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

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

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

Mr. Speaker:

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

S. F. No. 639, A bill for an act relating to metropolitan government; requiring that metropolitan council boundaries be re-

drawn after each federal census; amending Minnesota Statutes 1980, Section 473.123, Subdivision 2.

And the Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Messrs. Schmitz, Stumpf and Vega.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Jude moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two Houses on S. F. No. 639. The motion prevailed.

Mr. Speaker:

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

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.

And the Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Messrs. Chmielewski, Setzepfandt and Mrs. Brataas.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Carlson, D., moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two Houses on S. F. No. 536. The motion prevailed.

The following conference committee report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1663

A bill for an act relating to law libraries; recodifying the laws governing county law libraries; amending Minnesota Statutes 1980, Sections 140.34; 140.35; 140.36; 140.37; 140.38; 140.39;

140.40; 140.44; 140.45; 140.46; and 480.09, Subdivision 5; proposing new law coded in Minnesota Statutes 1980, Chapter 140; repealing Minnesota Statutes 1980, Sections 140.01 to 140.20; 140.212 to 140.33; 140.41 to 140.435; Minnesota Statutes 1981 Supplement, Section 140.21.

March 12, 1982

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

The Honorable Jack Davies  
President of the Senate

We, the undersigned conferees for H. F. No. 1663, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 1663 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 134.34, is amended by adding a subdivision to read:

*Subd. 6. [REGIONAL LIBRARY DIRECTOR QUALIFICATIONS.] Graduation with a masters degree in library media from a university accredited by a regional accrediting association shall qualify an individual for employment as a regional library director. The state board of education shall adopt rules pursuant to chapter 15 to comply with the requirements of this subdivision.*

Sec. 2. Minnesota Statutes 1980, Section 140.34, is amended to read:

140.34 [ESTABLISHMENT OF COUNTY LAW LIBRARY.]

Any county may establish a county law library *wherever sessions of court are required to be held by law upon the filing of an order by the judge of the county or county municipal court or by a judge of the judicial district in which the county is situated with the clerk of court of the county.*

Sec. 3. Minnesota Statutes 1980, Section 140.35, is amended to read:

140.35 [WHO MAY USE.]

Under proper regulations (,) *of the board of trustees the use of the library shall be free to the judges of the state, state officials, judges of the district, municipal, county, conciliation and*

probate courts of the county, city and county officials, members of the bar, and inhabitants of the county.

Sec. 4. Minnesota Statutes 1980, Section 140.36, is amended to read:

**140.36 [(MANAGEMENT) BOARD OF TRUSTEES; COMPOSITION.]**

*Subdivision 1. [TRUSTEES.] The management of any library (SO) established shall be under a board of (EITHER) three (OR), five or seven trustees, who shall serve without compensation.*

A board of three trustees shall consist of:

(1) A judge of the district or county or county municipal court (OR SUCH PERSON AS THE JUDGE OF THE DISTRICT COURT MAY SELECT) *appointed by the chief judge of the judicial district.*

(2) A member of the county board selected by it at (THE) *its next regular meeting (THEREOF) after the order establishing the library is filed and thereafter at the annual election of officers.*

(3) One (MEMBER OF THE STATE BAR ASSOCIATION) *attorney admitted to the practice of law, residing in the county and selected by (MEMBERS OF THE STATE BAR ASSOCIATION WHO RESIDE IN) the county attorney.*

When the board consists of five trustees, the additional members shall be a judge (OF THE MUNICIPAL COURT,) *appointed by the chief judge of the judicial district* and an additional (MEMBER OF THE STATE BAR ASSOCIATION WITH THE SAME QUALIFICATIONS AS THE FIRST) *attorney admitted to the practice of law, residing in the county and selected by the county attorney. When the board consists of seven trustees, the additional members shall be provided for in the bylaws.*

*Subd. 2. [MEMBERSHIP CHANGES.] The bylaws shall state the procedure by which a board of trustees may increase or decrease its membership.*

*Subd. 3. [JOINT LAW LIBRARY.] Wherever a joint law library is established by order, or wherever two or more law libraries are maintained within one county, the board of trustees shall consist of a judge of the district or his designee, one judge from each county included in the order or from each district within a single county, or his designee, one member of the board of county commissioners from each county included in the order or from each district within a single county, to be selected by the*

*county board at its annual election of officers, and one attorney admitted to the practice of law, residing in each county included in the order or in each district within a single county, to be selected by the county attorney of each county or district within the county.*

Sec. 5. Minnesota Statutes 1980, Section 140.37, is amended to read:

**140.37 [BOARD OF TRUSTEES, (MEETING) MEETINGS; TERM OF OFFICE.]**

The trustees shall meet immediately after their selection and the board shall hold (ITS) annual (MEETING) *meetings* thereafter (ON THE FIRST DAY OF THE FIRST REGULAR TERM OF THE DISTRICT COURT IN THE COUNTY IN EACH YEAR). (AT ITS FIRST MEETING AND) At each (ANNUAL) meeting (THEREAFTER) it shall (SELECT FROM) *elect one of its members* (A) president and (A SECRETARY TO HOLD OFFICE UNTIL THE NEXT ANNUAL MEETING) *another member or the librarian secretary. The secretary shall act as the staff of the board and shall attend all meetings and prepare and distribute all agenda matters.*

*All members of the board of law library trustees shall hold office for a term to be set in the bylaws.*

Sec. 6. Minnesota Statutes 1980, Section 140.38, is amended to read:

**140.38 [BYLAWS AND REGULATIONS; POWERS; TITLE TO REMAIN IN COUNTY.]**

The board of trustees shall adopt bylaws and regulations for the conduct of its business and the government of the library and file (SAME) *them, along with all other records, minutes of meetings and other documents relating to the governance of the library* with the clerk of the court.

It (MAY) *shall have powers necessary for the governance and maintenance of the library, including, but not limited to the power to:*

- (1) Amend its bylaws and regulations;
- (2) On behalf of the county accept any gift, grant, devise, or bequest or the loan of books or property for the library, and carry out the conditions thereof;
- (3) Purchase or lease books or library facilities (, THE PURCHASE PRICE TO BE PAID OUT OF) *with money from the county law library fund (.)*;

(THE TITLE TO THE LIBRARY AND THE PROPERTY THEREOF, EXCEPT SUCH BOOKS AS ARE LEASED OR LOANED TO IT, IS IN THE COUNTY ESTABLISHING THE LIBRARY.)

(4) (THE BOARD OF TRUSTEES MAY) Sell or exchange items of property of the library.

*The title to the library and its property is in the county establishing the library.*

Sec. 7. Minnesota Statutes 1980, Section 140.39, is amended to read:

140.39 [REPORT TO COUNTY AUDITOR.]

(BEFORE THE SECOND MONDAY OF JANUARY EACH YEAR THE BOARD OF TRUSTEES SHALL FILE WITH THE COUNTY AUDITOR A REPORT CONTAINING A DETAILED STATEMENT OF THE RECEIPTS AND DISBURSEMENTS OF THE LIBRARY FOR THE PRECEDING YEAR, ALSO AN INVENTORY SHOWING THE PROPERTY BELONGING TO THE LIBRARY OR LOANED OR LEASED TO IT.) *The county auditor shall file with the board of trustees an annual report containing a detailed statement of the receipts and disbursements of the library for the preceding year. The board of trustees shall file an inventory with the county auditor showing the property belonging to the library or loaned or leased to the library.*

Sec. 8. Minnesota Statutes 1980, Section 140.40, is amended to read:

140.40 [QUARTERS.]

*The county board shall provide suitable quarters within the courthouse for the use of the library, and shall also provide light, heat, janitor service and other necessary expenses of maintaining the library.*

Sec. 9. [140.401] [LIBRARIAN.]

*In Hennepin and Ramsey Counties the board of trustees shall appoint a librarian and necessary assistants and clerical help, and fix their compensation. In all other counties, where a librarian is not employed by the county, the board of trustees may appoint a librarian and necessary assistants and clerical help and, with the approval of the county board, fix their compensation. In all counties where services cannot be provided by the Minnesota state law library, the board of trustees may contract with regional library systems for services.*

**Sec. 10. [140.421] [HENNEPIN AND RAMSEY COUNTIES; FEES FOR LAW LIBRARIES.]**

*Subdivision 1. [CIVIL ACTIONS.] In Hennepin and Ramsey Counties, the district administrator or his designee shall collect in each civil suit, action or proceeding filed in the district, municipal and conciliation courts of the district, in the manner in which other fees are collected, a law library fee from:*

*(a) The plaintiff, petitioner or other person instituting the suit, action or proceeding, at the time of the filing of the first paper; and*

*(b) Each defendant, respondent, intervenor or other party who appears, either separately or jointly, to be collected at the time of the filing of the first paper by the defendant, respondent, intervenor or other party, or at the time when his appearance is entered in the case.*

*Subd. 2. [PROBATE PROCEEDINGS.] The district administrator or his designee shall collect a law library fee from the petitioner instituting proceedings for supervised and unsupervised guardianship, conservatorship, descent, formal and informal probate, trusts and summary assignments at the time of the filing of the petition. The disbursement shall be an item of expense of administration of the estate, entitling the petitioner to reimbursement out of the estate.*

*Subd. 3. [SETTING FEES.] The law library board of trustees shall, with the approval of the board of commissioners, set the amount of the law library fee in the district, probate, municipal and conciliation courts of the judicial district. All law library fees shall be published in the state register.*

**Sec. 11. [140.422] [LIBRARY FEES COLLECTED IN ALL OTHER COUNTIES.]**

*Subdivision 1. [CIVIL FEE ASSESSMENT.] In counties other than Hennepin and Ramsey, the clerk of court shall collect in each civil suit, action or proceeding filed in the district, county or county municipal and conciliation courts of the county, in the manner in which other fees are collected, a law library fee from:*

*(a) The plaintiff, petitioner or other person instituting the suit, action or proceeding, at the time of the filing of the first paper; and*

*(b) Each defendant, respondent, intervenor or other party who appears, either separately or jointly, to be collected at the time of the filing of the first paper by the defendant, respondent, intervenor or other party, or at the time when his appearance is entered in the case.*



*Subd. 2. [PROBATE PROCEEDINGS.] The judge of the probate court or the registrar of probate or the clerk of court shall collect a law library fee from the petitioner instituting proceedings for supervised and unsupervised guardianship, conservatorship, descent, formal and informal probate, trusts and summary assignments at the time of the filing of the petition. The disbursement shall be an item of administration of the estate, entitling the petitioner to reimbursement out of the estate.*

*Subd. 3. [CRIMINAL CONVICTIONS; FEE ASSESSMENT.] The judge of district or county or county municipal court may, upon the recommendation of the board of trustees and by standing order, include in the costs or disbursements assessed against a defendant convicted in the district or county or county municipal court of the violation of any statute or municipal ordinance, in all criminal prosecutions in which, upon conviction, the defendant may be subject to the payment of the costs or disbursements in addition to a fine or other penalty a county law library fee. The item of costs or disbursements may not be assessed for any offense committed prior to the establishment of the county law library.*

*Subd. 4. [SETTING FEES.] The law library board of trustees shall, with the approval of the board of commissioners, set the amount of the law library fee for civil and criminal matters in the district, county or county municipal and conciliation courts of the county. The fee shall be initially set on July 1, 1982. Commencing with July 1, 1983, the law library fee shall be set every two years and shall remain in effect during that time. All law library fees shall be published in the state register.*

## **Sec. 12. [140.423] [LIMITATIONS.]**

*The provisions of sections 10 and 11 shall not apply to actions or proceedings commenced by the state, the county or any municipality, to garnishment proceedings, to the filing of transcripts, to compensation awards, to proceedings under the Minnesota reciprocal enforcement of support act or to complaints in intervention in receivership proceedings.*

## **Sec. 13. [140.431] [TAXABLE AS COSTS.]**

*The law library fee is a cost in the action and taxable as such, and is to be allotted for the support of the library.*

**Sec. 14.** Minnesota Statutes 1980, Section 140.44 is amended to read:

**140.44 [DEPOSITS WITH COUNTY TREASURER; COUNTY AUDITOR.]**

(ON THE FIRST DAY OF EACH MONTH,) These fees shall be paid to the county treasurer *or county auditor*, who shall give his receipt therefor. The county treasurer *or county auditor* may disburse these funds and any other money belonging to this board only (UPON ITEMIZED VOUCHERS, APPROVED BY THE BOARD) *at the direction of the board of trustees.*

Sec. 15. Minnesota Statutes 1980, Section 140.45, is amended to read:

140.45 [EXISTING LIBRARIES; JOINT LAW LIBRARIES.]

(NOTHING IN SECTIONS 140.34 TO 140.46 SHALL AFFECT THE EXISTENCE OR ORGANIZATION OF THE COUNTY LAW LIBRARIES NOW ESTABLISHED, BUT SUCH) *By July 1, 1983, all county law libraries (MAY) shall come under the provisions of sections 140.34 to 140.46 (UPON PROPER APPLICATION).*

Two or more counties may unite in the establishment of a joint law library.

Sec. 16. Minnesota Statutes 1980, Section 140.46, is amended to read:

140.46 [ANNUAL APPROPRIATION BY COUNTY BOARD.]

The county board may (APPROPRIATE ANNUALLY A SUM NOT IN EXCESS OF \$2,000 FOR SUCH LIBRARY PURPOSES) *in its discretion, provide for additional support and maintenance of the county law library out of county funds.*

Sec. 17. [140.47] [STATE LAW LIBRARIAN TO ASSIST.]

*The state law librarian, under the guidance of the supreme court, shall advise and assist in the operation and maintenance of the county law libraries.*

Sec. 18. Minnesota Statutes 1980, Section 480.09, Subdivision 5, is amended to read:

Subd. 5. All moneys collected shall be paid into the state treasury and shall be added to the current *biennial* appropriation for the library.

Sec. 19. [REPEALER.]

*Minnesota Statutes 1980, Sections 140.01; 140.02; 140.03; 140.04; 140.05; 140.06; 140.07; 140.08; 140.09; 140.10; 140.11;*

140.12; 140.13; 140.14; 140.15; 140.16; 140.17; 140.18; 140.19; 140.20; 140.212; 140.22; 140.23; 140.24; 140.25; 140.26; 140.27; 140.28; 140.29; 140.30; 140.31; 140.32; 140.33; 140.41; 140.42; 140.43; 140.435; and Minnesota Statutes 1981 Supplement, Section 140.21, are repealed.

Sec. 20. [EFFECTIVE DATE.]

*Sections 1 to 19 are effective the day after final enactment."*

Delete the title and insert:

"A bill for an act relating to law libraries; recodifying the laws governing county law libraries; amending Minnesota Statutes 1980, Sections 134.34, by adding a subdivision; 140.34; 140.35; 140.36; 140.37; 140.38; 140.39; 140.40; 140.44; 140.45; 140.46; and 480.09, Subdivision 5; proposing new law coded in Minnesota Statutes 1980, Chapter 140; repealing Minnesota Statutes 1980, Sections 140.01 to 140.20; 140.212 to 140.33; 140.41 to 140.435; Minnesota Statutes 1981 Supplement, Section 140.21."

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

House Conferees: GORDON O. VOSS, TAD JUDE and MARNIE J. LUKNIC.

Senate Conferees: R. W. PETERSON, ROBERT J. TENNESSEN and GENE MERRIAM.

Voss moved that the report of the Conference Committee on H. F. No. 1663 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1663, A bill for an act relating to law libraries; recodifying the laws governing county law libraries; amending Minnesota Statutes 1980, Sections 140.34; 140.35; 140.36; 140.37; 140.38; 140.39; 140.40; 140.44; 140.45; 140.46; and 480.09, Subdivision 5; proposing new law coded in Minnesota Statutes 1980, Chapter 140; repealing Minnesota Statutes 1980, Sections 140.01 to 140.20; 140.212 to 140.33; 140.41 to 140.435; Minnesota Statutes 1981 Supplement, Section 140.21.

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

The question was taken on the repassage of the bill and the roll was called. There were 115 yeas and 10 nays as follows:

Those who voted in the affirmative were:

Aasness	Anderson, G.	Battaglia	Berkelman	Brandl
Anderson, B.	Anderson, I.	Begich	Blatz	Brinkman

Byrne	Harens	Levi	Otis	Skoglund
Carlson, D.	Hauge	Long	Peterson, B.	Stadium
Carlson, L.	Haukoos	Luknic	Peterson, D.	Staten
Clark, J.	Heap	Mann	Piepho	Stowell
Clark, K.	Himle	Marsh	Pogemiller	Stumpf
Clawson	Hoberg	McCarron	Redalen	Sviggum
Dahlvang	Hokanson	McEachern	Reding	Swanson
Dempsey	Hokr	Metzen	Rees	Tomlinson
Drew	Jennings	Minne	Reif	Valan
Eken	Johnson, C.	Munger	Rice	Valento
Elioff	Johnson, D.	Murphy	Rodriguez, C.	Vanasek
Erickson	Jude	Nelsen, B.	Rodriguez, F.	Vellenga
Evans	Kahn	Nelson, K.	Rose	Voss
Ewald	Kaley	Niehaus	Rothenberg	Weaver
Fjoslien	Kalis	Norton	Sarna	Welch
Forsythe	Kelly	Novak	Schoenfeld	Wenzel
Greenfield	Knickerbocker	O'Connor	Schreiber	Wieser
Gruenes	Kostohryz	Ogren	Shea	Wigley
Gustafson	Kvam	Olsen	Sherman	Wynia
Halberg	Laidig	Onnen	Sieben, M.	Zubay
Hanson	Lehto	Osthoff	Simoneau	Spkr. Sieben, H.

### Those who voted in the negative were:

Ainley	Esau	Ludeman	Nysether	Sherwood
Den Ouden	Lemen	McDonald	Schafer	Welker

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

### MESSAGES FROM THE SENATE, Continued

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1115, A bill for an act relating to transportation; providing for the distribution of assistance under the public transit participation program; defining terms; changing eligibility requirements for replacement transit service; providing for public transit contract procedures; amending Minnesota Statutes 1980, Sections 174.21; 174.22, by adding subdivisions; 174.23, by adding a subdivision; 174.24, Subdivision 1, and by adding a subdivision; Minnesota Statutes 1981 Supplement, Sections 174.24, Subdivisions 3, and 3a, as amended; and 174.265, Subdivision 4; repealing Minnesota Statutes 1980, Sections 174.25; and 174.26.

PATRICK E. FLAHAVEN, Secretary of the Senate

### CONCURRENCE AND REPASSAGE

Rodriguez, C., moved that the House concur in the Senate amendments to H. F. No. 1115 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1115, A bill for an act relating to transportation; modifying the purpose of certain programs relating to public transit assistance and transportation management; defining certain terms applicable to certain public transit assistance and transportation management programs; requiring the commissioner of transportation to define by rule total operating cost; providing for the administration of certain programs; providing for the distribution of assistance under the public transit participation program; changing eligibility requirements for replacement transit service; amending Minnesota Statutes 1980, Section 174.21; 174.22, by adding subdivisions; 174.23, by adding subdivisions; 174.24, Subdivisions 1, 2, and by adding a subdivision; Minnesota Statutes 1981 Supplement, Sections 174.24, Subdivision 3; and 174.265, Subdivision 4; repealing Minnesota Statutes 1980, Sections 174.25 and 174.26.

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

The question was taken on the repassage of the bill and the roll was called. There were 119 yeas and 6 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Ainley	Ludeman	Schafer	Stadum	Welker
Jennings				

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

#### ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 639:

Jude, McCarron and Knickerbocker.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 546:

Rees, McCarron and Wynia.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1975:

McEachern, Sarna and Metzen.

The following conference committee report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 353

A bill for an act relating to agriculture; protecting agricultural operations from nuisance suits under certain circumstances; proposing new law coded in Minnesota Statutes, Chapter 561.

March 11, 1982

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

The Honorable Jack Davies  
President of the Senate

We, the undersigned conferees for H. F. No. 353, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 353 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [561.19] [NUISANCE LIABILITY OF AGRICULTURAL OPERATIONS.]

*Subdivision 1. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given them:*

(a) "Agricultural operation" means a facility and its appurtenances for the production of crops, livestock, poultry, dairy products or poultry products, but not a facility primarily engaged in processing agricultural products;

(b) "Established date of operation" means the date on which the agricultural operation commenced. If the agricultural opera-

tion is subsequently expanded or significantly altered, the established date of operation for each expansion or alteration is deemed to be the date of commencement of the expanded or altered operation.

(c) "Family farm" means an unincorporated farm unit owned by one or more persons or spouses of persons related to each other within the third degree of kindred according to the rules of the civil law at least one of whom is residing or actively engaged in farming on the farm unit, or a "family farm corporation," as that term is defined in section 500.24, subdivision 2.

Subd. 2. [AGRICULTURAL OPERATION NOT A NUISANCE.] An agricultural operation which is a part of a family farm is not and shall not become a private or public nuisance after six years from its established date of operation if the operation was not a nuisance at its established date of operation. The provisions of this subdivision do not apply: (a) to a condition or injury which results from the negligent or improper operation of an agricultural operation or from operations contrary to commonly accepted agricultural practices or to applicable state or local laws, ordinances, rules, or permits; (b) when an agricultural operation causes injury or direct threat of injury to the health or safety of any person; (c) to the pollution of, or change in the condition of, the waters of the state or the overflow of waters on the lands of any person; (d) to an agricultural operation within the limits of a home rule charter or statutory city; (e) to an animal feedlot facility with a swine capacity of 1,000 or more animal units as defined in the rules of the pollution control agency for control of pollution from animal feedlots, or a cattle capacity of 2,500 animals or more; or (f) to any prosecution for the crime of public nuisance as provided in section 609.74 or to an action by a public authority to abate a particular condition which is a public nuisance.

Subd. 3. [EXISTING CONTRACTS.] This section shall not be construed to invalidate any contracts or commitments made before the effective date of this section.

Subd. 4. [SEVERABILITY.] If a provision of this section, or application thereof to any person or set of circumstances, is held invalid or unconstitutional, the invalidity shall not affect other provisions or applications of this section which can be given effect without the invalid provision or application. To that end, the provisions of this section are declared to be severable.

Subd. 5. [APPLICATION; LOCAL APPROVAL] This section does not apply to any nuisance which interferes with the use or enjoyment of property in a county in which the county board has disapproved by resolution of the application of the section to that county, or of property in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott or Washington.

## Sec. 2. [EFFECTIVE DATE.]

*This act is effective January 1, 1983, and does not affect legal actions commenced prior to that date."*

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

House Conferees: JERRY E. SCHOENFELD, HENRY J. KALIS, TAD JUDE, WENDELL O. ERICKSON and TOM J. SHEA.

Senate Conferees: MARION (MIKE) MENNING, RON SIELOFF, TIMOTHY J. PENNY, EARL W. RENNEKE and WILLIAM P. LUTHER.

Schoenfeld moved that the report of the Conference Committee on H. F. No. 353 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 353, A bill for an act relating to agriculture; protecting agricultural operations from nuisance suits under certain circumstances; proposing new law coded in Minnesota Statutes, Chapter 561.

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

The question was taken on the repassage of the bill and the roll was called. There were 123 yeas and 4 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Ellingson	Jennings	Skoglund	Welker
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The bill was repassed, as amended by Conference, and its title agreed to.

There being no objection the order of business reverted to Reports of Chief Clerk.

#### REPORTS OF CHIEF CLERK

S. F. No. 1988 and H. F. No. 2174, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

#### SUSPENSION OF RULES

Ogren moved that the rules be so far suspended that S. F. No. 1988 be substituted for H. F. No. 2174 and that the House File be indefinitely postponed. The motion prevailed.

#### SECOND READING OF SENATE BILLS

S. F. No. 1988 was read for the second time.

#### SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Ogren moved that the rule therein be suspended and an urgency be declared so that S. F. No. 1988 be given its third reading and be placed upon its final passage.

A roll call was requested and properly seconded.

The question was taken on the Ogren motion and the roll was called. There were 101 yeas and 20 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ewald	Kostohryz	Nysether	Sherman
Anderson, G.	Fjoslien	Laidig	O'Connor	Sieben, M.
Anderson, I.	Forsythe	Lehto	Ogren	Simoneau
Begich	Greenfield	Lemen	Olsen	Skoglund
Blatz	Gruenes	Levi	Onnen	Staten
Brandl	Hanson	Long	Osthoff	Stowell
Brinkman	Harens	Luknic	Otis	Stumpf
Byrne	Hauge	Mann	Peterson, D.	Swanson
Carlson, D.	Haukoos	Marsh	Pogemiller	Tomlinson
Carlson, L.	Heap	McCarron	Redalen	Valan
Clark, J.	Heinitz	McDonald	Reding	Vanasek
Clark, K.	Himle	McEachern	Rees	Vellenga
Clawson	Hoberg	Mehrkens	Rice	Voss
Dahlvang	Hokanson	Metzen	Rodriguez, C.	Weaver
Dean	Jacobs	Minne	Rodriguez, F.	Welch
Drew	Johnson, C.	Munger	Rose	Wenzel
Eken	Johnson, D.	Murphy	Rothenberg	Wynia
Elioff	Jude	Nelsen, B.	Samuelson	
Ellingson	Kahn	Nelson, K.	Sarna	
Erickson	Kalis	Norton	Schoenfeld	
Evans	Kelly	Novak	Shea	

Those who voted in the negative were :

Aasness	Esau	Kvam	Piepho	Valento
Ainley	Hokr	Ludeman	Reif	Welker
Dempsey	Jennings	Niehaus	Schafer	Wigley
Den Ouden	Kaley	Peterson, B.	Stadum	Zubay

The motion prevailed.

Ogren moved that the rules of the House be so far suspended that S. F. No. 1988 be given its third reading and be placed upon its final passage. The motion prevailed.

Ogren moved to amend S. F. No. 1988, the second engrossment, as follows :

Page 1, line 18, delete the language following the period and insert: *"Criteria used for determining distribution of money shall give primary consideration to the extent to which proposed projects directly benefit low and moderate income persons"*

Page 1, lines 19 thru 21, delete the language.

Page 1, line 22, delete *"income"*

Page 2, line 6, before the period insert: *"and include a description of the process in their application"*

Page 2, line 8, delete *"people"* insert *"persons"*

Page 2, line 9, delete the language following *"whose"* and insert *"incomes do not exceed eighty percentum of the area median income, as determined by the commissioner, with adjustments for larger and smaller families."*

Page 2, delete lines 10, 11 and 12

Page 2, line 16, before the period insert *"and including an assessment of the extent to which money is used to directly benefit low and moderate income persons. If established, the advisory council on local government shall monitor performance"*

The motion prevailed and the amendment was adopted.

S. F. No. 1988, A bill for an act relating to housing; directing the commissioner of energy, planning and development to administer certain federal money; proposing new law coded in Minnesota Statutes, Chapter 362.

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 91 yeas and 32 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ewald	Kostohryz	Osthoff	Skoglund
Anderson, G.	Forsythe	Laidig	Otis	Stadum
Anderson, I.	Greenfield	Lehto	Peterson, D.	Staten
Battaglia	Halberg	Long	Pogemiller	Stowell
Begich	Hanson	Luknic	Redalen	Stumpf
Berkelman	Harens	Mann	Reding	Sviggum
Brandl	Hauge	Marsh	Reif	Swanson
Brinkman	Heap	McCarron	Rice	Tomlinson
Byrne	Himle	McEachern	Rodriguez, C.	Valan
Carlson, D.	Hoberg	Metzen	Rodriguez, F.	Vanasek
Carlson, L.	Hokanson	Minne	Rose	Vellenga
Clark, J.	Jacobs	Munger	Rothenberg	Voss
Clark, K.	Johnson, C.	Murphy	Samuelson	Welch
Clawson	Johnson, D.	Nelson, K.	Sarna	Wenzel
Dahlvang	Jude	Norton	Schoenfeld	Spkr. Sieben, H.
Eken	Kahn	Novak	Shea	
Elioff	Kalis	O'Connor	Sherman	
Ellingson	Kelly	Ogren	Sieben, M.	
Evans	Knickerbocker	Olsen	Simoneau	

Those who voted in the negative were:

Ainley	Fjoslien	Lemen	Onnen	Weaver
Blatz	Haukoos	Levi	Peterson, B.	Welker
Dempsey	Heinitz	Ludeman	Piepho	Wieser
Den Ouden	Hokr	McDonald	Rees	Zubay
Drew	Jennings	Mehrrens	Schafer	
Erickson	Kaley	Nelsen, B.	Sherwood	
Esau	Kvam	Niehaus	Valento	

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

There being no objection the order of business reverted to Reports of Chief Clerk.

#### REPORTS OF CHIEF CLERK

S. F. No. 1637 and H. F. No. 1811, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

#### SUSPENSION OF RULES

Staten moved that the rules be so far suspended that S. F. No. 1637 be substituted for H. F. No. 1811 and that the House File be indefinitely postponed.

A roll call was requested and properly seconded.

## CALL OF THE HOUSE

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

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

Vanasek 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 Staten motion and the roll was called. There were 122 yeas and 4 nays as follows:

Those who voted in the affirmative were:

Aasness	Drew	Hoberg	McEachern	Reding
Ainley	Eken	Hokanson	Metzen	Rees
Anderson, B.	Elioff	Hokr	Minne	Reif
Anderson, G.	Ellingson	Jacobs	Munger	Rice
Anderson, I.	Erickson	Johnson, C.	Murphy	Rodriguez, C.
Battaglia	Esau	Johnson, D.	Nelsen, B.	Rodriguez, F.
Begich	Evans	Jude	Nelson, K.	Rothenberg
Berkelman	Ewald	Kahn	Niehaus	Samuelson
Blatz	Fjoslien	Kelly	Norton	Sarna
Brandl	Forsythe	Kostohryz	Novak	Schafer
Brinkman	Greenfield	Kvam	Nysether	Schoenfeld
Byrne	Gruenes	Laidig	Ogren	Schreiber
Carlson, D.	Gustafson	Lehto	Olsen	Shea
Carlson, L.	Halberg	Lemen	Onnen	Sherman
Clark, J.	Hanson	Long	Osthoff	Sherwood
Clark, K.	Harens	Ludeman	Otis	Sieben, M.
Clawson	Hauge	Luknic	Peterson, B.	Simoneau
Dahlvang	Haukoos	Mann	Peterson, D.	Skoglund
Dean	Heap	Marsh	Piepho	Stadum
Dempsey	Heinitz	McCarron	Pogemiller	Staten
Den Ouden	Himle	McDonald	Redalen	Stowell

Stumpf	Valan	Voss	Wieser	Spkr. Sieben, H.
Sviggunn	Valento	Weaver	Wigley	
Swanson	Vanasek	Welch	Wynia	
Tomlinson	Vellenga	Wenzel	Zubay	

Those who voted in the negative were:

Jennings      Kaley      Knickerbocker      Welker

The motion prevailed.

## SECOND READING OF SENATE BILLS

S. F. No. 1637 was read for the second time.

### SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Staten moved that the rule therein be suspended and an urgency be declared so that S. F. No. 1637 be given its third reading and be placed upon its final passage.

A roll call was requested and properly seconded.

The question was taken on the Staten motion and the roll was called. There were 94 yeas and 30 nays as follows:

Those who voted in the affirmative were:

Aasness	Drew	Johnson, C.	Nelson, K.	Shea
Ainley	Eken	Johnson, D.	Norton	Sherwood
Anderson, B.	Elioff	Jude	Novak	Sieben, M.
Anderson, G.	Ellingson	Kahn	Nysether	Simoneau
Anderson, I.	Evans	Kalis	Ogren	Skoglund
Battaglia	Fjoslien	Kelly	Osthoff	Staten
Begich	Forsythe	Kostohryz	Otis	Stowell
Berkelman	Greenfield	Laidig	Peterson, B.	Stumpf
Blatz	Gruenes	Lehto	Peterson, D.	Swanson
Brandl	Gustafson	Long	Pogemiller	Tomlinson
Brinkman	Halberg	Luknic	Redalen	Vanasek
Byrne	Hanson	Mann	Reding	Vellenga
Carlson, L.	Harens	Marsh	Rees	Voss
Clark, J.	Hauge	McCarron	Rice	Welch
Clark, K.	Heap	McDonald	Rodriguez, C.	Wenzel
Clawson	Himle	Metzen	Rodriguez, F.	Wieser
Dahlvang	Hoberg	Minne	Samuelson	Wynia
Dean	Hokanson	Munger	Sarna	Spkr. Sieben, H.
Dempsey	Jacobs	Murphy	Schoenfeld	

Those who voted in the negative were:

Den Ouden	Jennings	Nelsen, B.	Rose	Valan
Erickson	Kaley	Niehaus	Rothenberg	Valento
Esau	Knickerbocker	Olsen	Schafer	Weaver
Ewald	Kvam	Onnen	Schreiber	Welker
Haukoos	Ludeman	Piepho	Stadum	Wigley
Heinitz	Mehrkens	Reif	Sviggunn	Zubay

The motion prevailed.

Staten moved that the rules of the House be so far suspended that S. F. No. 1637 be given its third reading and be placed upon its final passage. The motion prevailed.

McDonald moved to amend S. F. No. 1637, the third engrossment, as follows:

Page 1, line 16, delete "government" insert "governments"

Page 2, line 6, delete "government" insert "governments"

Page 2, line 7, after "Africa" insert "and the USSR"

Page 2, lines 12, 22 and 27 after "Africa" insert "and the USSR"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 62 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Aasness	Esau	Johnson, D.	Onnen	Stowell
Ainley	Evans	Knickerbocker	Peterson, B.	Sviggen
Anderson, B.	Ewald	Kvam	Piepho	Valan
Begich	Fjoslien	Laidig	Redalen	Valento
Berkelman	Forsythe	Lemen	Rees	Weaver
Blatz	Gruenes	Ludeman	Reif	Welker
Carlson, D.	Halberg	Marsh	Rose	Wenzel
Dean	Haukoos	McDonald	Rothenberg	Wieser
Dempsey	Heinitz	McEachern	Sarna	Wigley
Den Ouden	Himle	Metzen	Schafer	Zubay
Drew	Hoberg	Nelsen, B.	Schreiber	
Elioff	Hokr	Niehaus	Sherman	
Erickson	Jennings	Olsen	Sherwood	

Those who voted in the negative were:

Anderson, G.	Greenfield	Kostohryz	Ogren	Skoglund
Anderson, I.	Gustafson	Lehto	Osthoff	Stadum
Battaglia	Hanson	Long	Otis	Staten
Brandl	Harens	Luknic	Peterson, D.	Stumpf
Brinkman	Hauge	Mann	Pogemiller	Swanson
Byrne	Heap	McCarron	Reding	Tomlinson
Carlson, L.	Hokanson	Minne	Rice	Vanasek
Clark, J.	Jacobs	Munger	Rodriguez, C.	Vellenga
Clark, K.	Johnson, C.	Murphy	Rodriguez, F.	Voss
Clawson	Jude	Nelson, K.	Samuelson	Welch
Dahlvang	Kahn	Norton	Shea	Wynia
Eken	Kalis	Novak	Sieben, M.	Spkr. Sieben, H.
Ellingson	Kelly	Nysether	Simoneau	

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

The Speaker called Simoneau to the Chair.

S. F. No. 1637, A bill for an act relating to state investment policy; prohibiting certain investments in countries not following human rights standards; proposing new law coded in Minnesota Statutes, Chapter 11A.

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.

Vanasek moved that those not voting be excused from voting. The motion prevailed.

There were 85 yeas and 38 nays as follows:

Those who voted in the affirmative were:

Aasness	Eken	Kahn	Norton	Shea
Ainley	Elioff	Kalis	Novak	Sherman
Anderson, G.	Ellingson	Kelly	Ogren	Sherwood
Anderson, I.	Evans	Kostohryz	Osthoff	Sieben, M.
Battaglia	Greenfield	Laidig	Otis	Simoneau
Begich	Gruenes	Lehto	Peterson, B.	Skoglund
Berkelman	Gustafson	Long	Peterson, D.	Staten
Blatz	Hanson	Luknic	Pogemiller	Stumpf
Brandl	Hauge	Mann	Reding	Swanson
Byrne	Himle	McCarron	Rees	Tomlinson
Carlson, D.	Hoberg	McDonald	Reif	Vanasek
Carlson, L.	Hokanson	Metzen	Rice	Vellenga
Clark, J.	Hokr	Minne	Rodriguez, C.	Voss
Clark, K.	Jacobs	Munger	Rodriguez, F.	Welch
Clawson	Johnson, C.	Murphy	Samuelson	Wenzel
Dahlvang	Johnson, D.	Nelson, K.	Sarna	Wynia
Drew	Jude	Niehaus	Schoenfeld	Spkr. Sieben, H.

Those who voted in the negative were:

Brinkman	Halberg	Levi	Piepho	Valento
Dempsey	Heap	Ludeman	Redalen	Weaver
Den Ouden	Heinitz	Marsh	Rothenberg	Welker
Erickson	Jennings	McEachern	Schafer	Wieser
Esau	Kaley	Mehrkens	Schreiber	Wigley
Ewald	Knickerbocker	Nelsen, B.	Stadum	Zubay
Fjoslien	Kvam	Olsen	Sviggum	
Forsythe	Lemen	Onnen	Valan	

The bill was passed and its title agreed to.

The Speaker resumed the Chair.

#### ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 536:

Carlson, D.; Ainley and McCarron.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1948:

Ellingson, Jude and Brandl.

### MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 942, A bill for an act relating to welfare; clarifying certain provisions for determination of cost of care at state hospitals; directing the commissioner of public welfare to promulgate rules; changing the responsibility of relatives under certain circumstances; altering the method of charging for out-patient care; giving claims against estates of deceased patients or responsible relatives preferred status; amending Minnesota Statutes 1980, Sections 246.50, Subdivision 5; 246.51; 246.53; and 487.39, Subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

Sviggum moved that the House refuse to concur in the Senate amendments to H. F. No. 942, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two Houses. The motion prevailed.

The following conference committee report was received:

### CONFERENCE COMMITTEE REPORT ON H. F. NO. 492

A bill for an act relating to crimes; authorizing counties to expend money for the purpose of investigating criminal activity relating to selling or receiving stolen property; proposing new law coded in Minnesota Statutes, Chapter 299C.



March 12, 1982

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

The Honorable Jack Davies  
President of the Senate

We, the undersigned conferees for H. F. No. 492, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 492 be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 244.09, Subdivision 1, is amended to read:

Subdivision 1. [COMMISSION; ESTABLISHMENT.] There is hereby established the Minnesota sentencing guidelines commission which shall be comprised of (NINE) *10 or 11* members.

Sec. 2. Minnesota Statutes 1980, Section 244.09, Subdivision 2, is amended to read:

Subd. 2. The sentencing guidelines commission shall consist of the following:

- (1) The chief justice of the supreme court or his designee;
- (2) Two district court judges appointed by the chief justice of the supreme court;
- (3) One public defender appointed by the governor upon recommendation of the state public defender;
- (4) One county attorney appointed by the governor upon recommendation of the board of governors of the county attorneys council;
- (5) The commissioner of corrections or his designee;
- (6) The chairman of the Minnesota corrections board *or the board of supervised release* or his designee; (AND)
- (7) *One peace officer as defined in section 626.84 appointed by the governor;*

- (8) Two public members appointed by the governor.

One of the members shall be designated by the governor as chairman of the commission.

Sec. 3. Minnesota Statutes 1980, Section 244.09, Subdivision 2, is amended to read:

Subd. 2. The sentencing guidelines commission shall consist of the following:

- (1) The chief justice of the supreme court or his designee;
- (2) Two district court judges appointed by the chief justice of the supreme court;
- (3) One public defender appointed by the governor upon recommendation of the state public defender;
- (4) One county attorney appointed by the governor upon recommendation of the board of governors of the county attorneys council;
- (5) The commissioner of corrections or his designee;
- (6) The chairman of the Minnesota corrections board or the board of supervised release or his designee; (AND)
- (7) One probation officer or parole officer appointed by the governor; and
- (8) Two public members appointed by the governor.

One of the members shall be designated by the governor as chairman of the commission.

Sec. 4. [375.168] [UNDERCOVER BUY FUND; EXPENDITURE OF MONEY BY COUNTIES.]

*The county board of any county may appropriate money for investigation of criminal activity relating to receiving or selling stolen goods, including the setting aside of money for "buy funds."*

Sec. 5. [EFFECTIVE DATE.]

*Sections 1 and 3 are effective January 24, 1983. Section 2 is effective July 1, 1982. Section 4 is effective the day after final enactment."*

Further amend the title as follows:

Page 1, line 2, after the semicolon, insert:

"adding a peace officer and a parole or probation officer to the sentencing guidelines commission; correcting a statutory reference;"

Page 1, line 5, after the semicolon, insert: "amending Minnesota Statutes 1980, Section 244.09, Subdivisions 1 and 2;"

Page 1, line 6, delete "299C" and insert "375"

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

House Conferees: DAVID B. GRUENES, ROBERT E. VANASEK and ARLENE I. LEHTO.

Senate Conferees: JAMES C. PEHLER and DUANE D. BENSON.

Gruenes moved that the report of the Conference Committee on H. F. No. 492 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 492, A bill for an act relating to crimes; authorizing counties to expend money for the purpose of investigating criminal activity relating to selling or receiving stolen property; proposing new law coded in Minnesota Statutes, Chapter 299C.

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

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

Those who voted in the affirmative were:

Aasness	Clawson	Gruenes	Johnson, C.	Ludeman
Ainley	Dahlvang	Gustafson	Johnson, D.	Luknic
Anderson, G.	Dempsey	Halberg	Jude	Mann
Anderson, I.	Den Ouden	Hanson	Kahn	Marsh
Battaglia	Drew	Harens	Kaley	McCarron
Begich	Eken	Hauge	Kalis	McDonald
Berkelman	Ellioff	Haukoos	Kelly	McEachern
Blatz	Ellingson	Heap	Knickerbocker	Mehrkens
Brandl	Erickson	Heinitz	Kostohryz	Metzen
Brinkman	Esau	Himle	Kvam	Minne
Byrne	Evans	Hoberg	Laidig	Munger
Carlson, D.	Ewald	Hokanson	Lehto	Murphy
Carlson, L.	Fjoslien	Hokr	Lemen	Nelsen, B.
Clark, J.	Forsythe	Jacobs	Levi	Nelson, K.
Clark, K.	Greenfield	Jennings	Long	Niehaus

Norton	Pogemiller	Sarna	Staten	Weaver
Novak	Redalen	Schafer	Stowell	Welker
Nysether	Reding	Schoenfeld	Stumpf	Wenzel
Ogren	Rees	Schreiber	Sviggum	Wieser
Olsen	Reif	Shea	Swanson	Wigley
Onnen	Rice	Sherman	Tomlinson	Wynia
Osthoff	Rodriguez, C.	Sherwood	Valan	Zubay
Otis	Rodriguez, F.	Sieben, M.	Valento	Spkr. Sieben, H.
Peterson, B.	Rose	Simoneau	Vanasek	
Peterson, D.	Rothenberg	Skoglund	Vellenga	
Piepho	Samuelson	Stadum	Voss	

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

#### CALL OF THE HOUSE LIFTED

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

There being no objection the order of business advanced to Motions and Resolutions.

#### MOTIONS AND RESOLUTIONS

Swanson moved that the name of Rees be added as an author on H. F. No. 2271. The motion prevailed.

Elioff, Begich, Battaglia and Minne introduced:

House Resolution No. 33, A house resolution urging the Federal Energy Regulatory Commission to hold hearings in Minnesota whenever increases in natural gas are being considered.

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

Wenzel, Ogren, Welch, Kalis and Mann introduced:

House Resolution No. 34, A house resolution urging the President and Congress of the United States to ensure that credit is available to farmers and cooperatives.

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

Hokr and Heinitz introduced:

House Resolution No. 35, A house resolution congratulating Kari Olson for being named national honey queen.

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

Eken moved that the House recess subject to the call of the Chair. The motion prevailed.

#### RECESS

#### RECONVENED

The House reconvened and was called to order by the Speaker.

#### ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to Conference Committee on H. F. No. 942:

Sviggunn, Samuelson and Forsythe.

There being no objection the order of business reverted to Messages from the Senate.

#### MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 1840, A bill for an act relating to public welfare; allowing payment of claims for medical assistance to be made against homestead property which is part of an estate; amending Minnesota Statutes 1980, Sections 510.05; 524.3-805; and Minnesota Statutes 1981 Supplement, Section 525.145.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 1555, A bill for an act relating to education; providing for aids to education, aids to libraries, tax levies, and the distribution of tax revenues; governing the recognition of school district property tax revenues; granting certain powers and duties to school boards, school districts, the state board of education, and others; altering the method of distribution of transportation aid; altering aids for summer school; reducing certain appropriations; appropriating money; amending Minnesota Statutes 1980, Sections 120.17, Subdivision 4a; 120.68; 121.11, Subdivision 12; 121.88, by adding a subdivision; 121.904, Subdivisions 2, 4, and 4a, as added; 121.908, Subdivision 3; 123.32, Subdivision 1, and by adding a subdivision; 123.35, by adding a subdivision; 123.351, by adding a subdivision; 123.37, Subdivision 1b; 123.78, Subdivision 1; 124.14, by adding a subdivision; 124.19, Subdivision 1, and by adding a subdivision; 124.225, as amended; 124.245, by adding a subdivision; 124.26, by adding a subdivision; 124.32, Subdivisions 2, 7, and 10, and by adding subdivisions; 124.5621, by adding a subdivision; 124.572, Subdivision 2, and by adding a subdivision; 124.573, by adding subdivisions; 124.574, Subdivision 3, and by adding a subdivision; 126.262, Subdivision 1; 126.264, Subdivision 3; 126.265; 126.267; 134.34, by adding a subdivision; 275.125, Subdivisions 4 and 5, as amended, and by adding subdivisions; 275.48; 475.61, Subdivisions 1, 3, and 4; Minnesota Statutes 1981 Supplement, Sections 120.17, Subdivisions 5a and 6; 121.904, Subdivision 7; 121.912, Subdivision 1; 122.542, Subdivisions 3 and 4; 123.702, Subdivision 1a; 123.705; 124.01, Subdivision 1; 124.17, Subdivision 2; 124.212, Subdivision 1; 124.2121, Subdivision 5, as amended; 124.2122, Subdivision 1, as amended, and Subdivision 2, as amended; 124.2124, Subdivision 1; 124.2125, Subdivision 1, as amended, and Subdivision 2; 124.2126, Subdivision 3; 124.2128, Subdivision 1; 124.2129, Subdivision 3; 124.223; 124.245, Subdivisions 1 and 1a; 124.246, Subdivision 2, and by adding a subdivision; 124.247, Subdivision 3; 124.251; 124.26, Subdivision 1; 124.271, Subdivision 2; 124.273, Subdivisions 1, 2, and by adding subdivisions; 124.32, Subdivisions 1, 1a, 1b, and 5; 124.38, Subdivision 7; 124.5621, Subdivision 12; 124.5624, Subdivisions 3 and 4; 124.5627, Subdivisions 3, 4, and 5; 124.573, Subdivisions 2 and 3a; 124.574, Subdivision 2; 125.611, Subdivision 5; 136A.81, Subdivision 1; 169.974, Subdivision 2; 171.04; 275.125, Subdivisions 1, 2d, 7a, and 11a; 298.28, Subdivision 1; 354.66, Subdivision 6; Laws 1981, Chapter 358, Article II, Section 15, Subdivision 3, Article VI, Section 46, Subdivisions 8, 9, and 16, Article VII, Section 29, as amended, Third Special Session Chapter 2, Article II, Sections 1, 2, 15, and 20, Article IV, Section 3, Subdivisions 2, 3, 4, and by adding a subdivision, Article IV, Section 5, Subdivision 3, and by adding a subdivision; proposing new law coded in Minnesota Statutes, Chapters 120 and 124; repealing Minnesota Statutes 1980, Sections 121.904, Subdivision 4b, as added; 121.96; 123.37, Subdivisions 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, and 14; and 128.05; 275.125, Subdivision 1a, as added; Laws 1967, Chapters 251 and 253; and Laws 1976, Chapter 20, Section 8.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 253, A bill for an act relating to state bonds and tax-forfeited land sales; changing the interest rate on unpaid sale balances; repealing an obsolete provision; amending Minnesota Statutes 1980, Sections 92.06, Subdivision 1; 94.11; 282.15; 282.222, Subdivision 4; and repealing Minnesota Statutes 1980, Section 282.35.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 2136, A bill for an act relating to public improvements; authorizing the acquisition and betterment of public land and buildings and other improvements of a capital nature with certain conditions; authorizing issuance of state bonds; authorizing inter-fund borrowing in anticipation of bond proceeds; providing for bond sale expenses; authorizing covenants to secure certificates of indebtedness; fixing the boundaries of state parks and trails; postponing the deadline for fencing certain open pit mines; appropriating money; amending Minnesota Statutes 1980, Sections 16.826; 16A.63, Subdivision 2, as amended; 16A.64, Subdivision 4; 85.015, Subdivisions 8 and 13; 86.72, Subdivision 1; 121.21, Subdivision 4a; 180.03, Subdivision 2; Minnesota Statutes 1981 Supplement, Section 16A.671, Subdivision 8; proposing new law coded in Minnesota Statutes, Chapter 84.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 1804, A bill for an act relating to partition fences; exempting certain lands from the provisions of chapter 344; proposing new law coded in Minnesota Statutes, Chapter 344.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 2058, A bill for an act relating to public welfare; providing for classification, access, and destruction of certain child abuse report records; clarifying the classification of reports regarding vulnerable adults; amending Minnesota Statutes 1980, Sections 626.556, Subdivisions 3, 7, and by adding a subdivision; 626.557, by adding a subdivision; and Minnesota Statutes 1981 Supplement, Section 626.556, Subdivision 11.

The Senate has appointed as such committee Ms. Berglin, Messrs. Sieloff and Merriam.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 1760, A bill for an act relating to crimes; expanding criminal responsibility of certain recipients of stolen property; modifying penalties for receiving stolen property; expanding definition of "burglary"; amending Minnesota Statutes 1980, Sections 609.53, Subdivisions 1 and 3; and 609.58, Subdivision 2; 626A.05, Subdivision 2; Minnesota Statutes 1981 Supplement, Section 609.53, Subdivisions 1a and 4; repealing Minnesota Statutes 1980, Section 609.53, Subdivision 2; and Minnesota Statutes 1981 Supplement, Section 609.53, Subdivision 2a.



The Senate has appointed as such committee Messrs. Petty, Dahl and Spear.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 534, A bill for an act relating to the collection and dissemination of data; administration of the state archives and state and local government records; classifying data; providing a penalty; amending Minnesota Statutes 1980, Sections 15.17; 138.161; 138.17, Subdivisions 1, 6, 7, and by adding subdivisions; 138.19; 138.20; 138.21; proposing new law coded in Minnesota Statutes, Chapter 138; repealing Minnesota Statutes 1980, Sections 16.66 and 138.18.

The Senate has appointed as such committee Messrs. Stumpf, Tennesen and Lindgren.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 1443.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONFERENCE COMMITTEE REPORT ON S. F. NO. 1443

A bill for an act relating to agriculture; prohibiting the trafficking in skunks; setting a penalty; proposing new law coded in Minnesota Statutes, Chapter 145.

March 12, 1982

The Honorable Jack Davies  
President of the Senate

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

We, the undersigned conferees for S. F. No. 1443, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments.

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

Senate Conferees: A. O. H. SETZEPFANDT, MARILYN M. LANTRY and TOM A. NELSON.

House Conferees: ROBERT W. REIF, JOSEPH R. BEGICH and RICHARD J. WELCH.

Reif moved that the report of the Conference Committee on S. F. No. 1443 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1443, A bill for an act relating to agriculture; prohibiting the trafficking in skunks; setting a penalty; proposing new law coded in Minnesota Statutes, Chapter 145.

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

The question was taken on the repassage of the bill and the roll was called. There were 107 yeas and 12 nays as follows:

Those who voted in the affirmative were:

Aasness	Eken	Hokr	Marsh	Peterson, B.
Anderson, B.	Elioff	Jacobs	McCarron	Peterson, D.
Anderson, G.	Ellingson	Johnson, C.	McDonald	Piepho
Anderson, I.	Erickson	Jude	McEachern	Pogemiller
Battaglia	Evans	Kahn	Mehrkens	Redalen
Berkelman	Forsythe	Kaley	Minne	Reding
Brinkman	Greenfield	Kalis	Munger	Rees
Byrne	Gruenes	Kelly	Murphy	Reif
Carlson, D.	Halberg	Knickerbocker	Nelsen, B.	Rice
Carlson, L.	Hanson	Kostohryz	Nelson, K.	Rodriguez, C.
Clark, J.	Harens	Kvam	Niehaus	Rodriguez, F.
Clark, K.	Hauge	Lehto	Norton	Rose
Clawson	Haukoos	Lemen	Novak	Rothenberg
Dahlvang	Heap	Levi	O'Connor	Samuelson
Dempsey	Heinitz	Long	Ogren	Sarna
Den Ouden	Himle	Luknic	Olsen	Schoenfeld
Drew	Hokanson	Mann	Osthoff	Schreiber

Sherman	Stadum	Swanson	Vellenga	Wynia
Sherwood	Staten	Tomlinson	Voss	Spkr. Sieben, H.
Sieben, M.	Stowell	Valan	Weaver	
Simoneau	Stumpf	Valento	Welch	
Skoglund	Sviggum	Vanasek	Wenzel	

Those who voted in the negative were:

Ainley	Fjoslien	Nysether	Welker	Wigley
Begich	Jennings	Onnen	Wieser	Zubay
Esau	Ludeman			

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

The following conference committee reports were received:

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 1885

A bill for an act relating to public welfare; providing for approval of mental health clinics and centers pending promulgation of permanent rules.

March 13, 1982

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

The Honorable Jack Davies  
President of the Senate

We, the undersigned conferees for H. F. No. 1885, report that we have agreed upon the items in dispute and recommend as follows:

That the House accede to the Senate amendments.

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

House Conferees: JOHN E. BRANDL, ANN WYNIA and TONY D. ONNEN.

Senate Conferees: GERRY SIKORSKI, SAM G. SOLON and DUANE D. BENSON.

Brandl moved that the report of the Conference Committee on H. F. No. 1885 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1885, A bill for an act relating to public welfare; providing for approval of mental health clinics and centers pending promulgation of permanent rules.

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

The question was taken on the repassage of the bill and the roll was called. There were 119 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Dempsey

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

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 1799

A bill for an act relating to health; providing for evaluation of certain changes in certificate of need review; requiring certain price information to be reported and disseminated; requiring monitoring; amending the thresholds of review; providing for additional waivers; requiring reports; amending Minnesota Statutes 1980, Sections 145.833, Subdivision 5; 145.835, Subdivisions 3 and 4; Minnesota Statutes 1981 Supplement, Sections 250.05, Subdivision 4; 447.45, Subdivision 1; and 474.03; proposing new law coded in Minnesota Statutes, Chapter 144; repealing Minnesota Statutes 1980, Sections 145.832 to 145.845, as amended; and Minnesota Statutes 1981 Supplement, Sections 62D.22, Subdivision 6; 145.834; and 145.845.

March 12, 1982

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

The Honorable Jack Davies  
President of the Senate

We, the undersigned conferees for H. F. No. 1799, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 1799 be further amended as follows:

Page 2, line 4, after the period insert "*It is the intent of the legislature that voluntary efforts to disseminate certain price information be encouraged and that mandatory efforts be undertaken only if voluntary efforts do not make satisfactory progress.*"

Pages 2 to 4, delete Section 2 and insert:

"Sec. 2. [144.705] [COLLECTION, ANALYSIS AND DISSEMINATION OF DIAGNOSTIC AND PRICE INFORMATION.]

*Subdivision 1. [PRICE REPORTING.] The commissioner of health shall encourage hospitals and professionals regulated by the health related licensing boards as defined in section 214.01, subdivision 2, or by the commissioner of health pursuant to section 214.13, to publish prices for procedures and services that are representative of the diagnoses and conditions for which citizens of this state seek treatment.*

*Subd. 2. [HOSPITAL REPORTS.] The commissioner of health may periodically establish a list of illnesses, injuries and medical conditions which is representative of the diagnoses for which the citizens of the state are hospitalized. The commissioner shall select illnesses, injuries, and conditions for inclusion in this list in a manner so as to adequately differentiate among patient characteristics which may influence the consumption of resources during treatment, such as the age of patients, patients' need for surgery, the presence of secondary diagnoses and medical complications. The establishment of this list shall not be subject to the provisions of sections 15.0412 to 15.0417. The commissioner may add to or delete from this list. For each of these illnesses, injuries and medical conditions, every hospital with a licensed capacity equal to or greater than 100 beds shall, within 120 days of the close of its fiscal year, report to the commissioner the following information for that fiscal year:*

(a) *the number of patients discharged;*

(b) *the shortest and longest lengths of patient stay in the hospital, the mean length of stay, and the respective lengths of stay at the 25th, 50th and 75th percentiles of the total range of lengths of stay;*

(c) *the lowest and highest prices for hospital services, the mean price, and the respective prices at the 25th, 50th and 75th percentiles of the total range of prices;*

(d) *a separation of the mean price into mean component prices, where applicable, for routine room and board, special care unit room and board, nursery services, delivery room use, operating room use, anesthesia services, pharmacy services, laboratory services, radiology services, supplies and other services; and*

(e) *any additional or alternative information relating to prices that is specified in rules promulgated by the commissioner pursuant to this section. At the time it reports the information required to be reported by this subdivision, each hospital may also report any additional information that it believes to be relevant to the purposes of section 144.705.*

**Subd. 3. [HEALTH PROVIDER REPORTS.]** *For each health profession regulated by the health-related licensing boards as defined in section 214.01, subdivision 2, or by the commissioner of health pursuant to section 214.13, the commissioner of health shall periodically establish a list of procedures and services which are representative of the diagnoses and conditions for which citizens of the state seek treatment. The establishment of this list shall not be subject to the provisions of section 15.0412 to 15.0417. For each of these procedures and services, every regulated health care provider engaged in the private practice of his profession within the state shall post in a public area the established prices or provide a notice of the availability of the established prices of the procedures or services. The commissioner may request to receive a copy of these prices.*

**Subd. 4. [SOURCE OF INFORMATION.]** *The information described in subdivision 2 may be directly compiled and submitted to the commissioner by the hospital, or in the interests of efficiency and at the hospital's option, the information may be submitted through any entity which collects or compiles all or portions of the information for several hospitals or providers. When information is furnished through such an entity, the commissioner shall pay the entity what he determines to be a reasonable fee for the costs of organizing and providing the information in the form called for by this section.*

**Subd. 5. [SAMPLES.]** *The commissioner may, in the interests of efficiency, permit a hospital to submit the information*

*described in subdivision 2 in the form of statistically valid samples of the patients discharged from the hospital during the fiscal year.*

*Subd. 6. [FOSTERING PRICE COMPETITION.] The commissioner shall analyze the information provided under this section and shall disseminate the information and analyses so as to foster the development of price competition among hospitals required by subdivision 2 to make reports to the commissioner. Prior to initial dissemination of any hospital-specific information, the commissioner shall give the hospital opportunity for review and comment. In the initial dissemination of hospital-specific information the commissioner shall publish a summary of the hospital's comments, together with notice of a means of contacting a person designated by the hospital to provide further information.*

*Subd. 7. [RULES.] The commissioner may promulgate such rules pursuant to chapter 15 as are necessary to implement the provisions of this section.*

**Sec. 3. Minnesota Statutes 1980, Section 144A.04, Subdivision 5, is amended to read:**

**Subd. 5. Except as otherwise provided by this subdivision, a nursing home must have a full time licensed nursing home administrator serving the facility. In any nursing home of less than 25 beds, the director of nursing services may also serve as the licensed nursing home administrator. Two nursing homes having a total of 100 beds or less and located within 50 miles of each other may share the services of a licensed administrator if the administrator divides his full time work week between the two facilities in proportion to the number of beds in each facility. Every nursing home shall have a person-in-charge on the premises at all times in the absence of the licensed administrator. The name of the person in charge must be posted in a conspicuous place in the facility. The commissioner of health shall by rule promulgate minimum education and experience requirements for persons-in-charge, and may promulgate rules specifying the times of day during which a licensed administrator must be on the nursing home's premises. A nursing home may employ as its administrator the (REGISTERED) administrator of a hospital licensed pursuant to sections 144.50 to 144.56 if the individual is licensed as a nursing home administrator pursuant to section 144A.20 and the nursing home and hospital have a combined total of 150 beds or less (, ARE UNDER THE SAME GOVERNING BODY) and are located within (ONE-HALF) one mile of each other. A nursing home which is located in a facility licensed as a hospital pursuant to sections 144.50 to 144.56, may employ as its administrator the (REGISTERED) administrator of the hospital if the individual meets minimum education and long term care experience criteria set by rule of the commissioner of health."**

Renumber the remaining sections

Page 15, line 5, delete "*6 and 10*" and insert "*7 and 11*"

Page 15, line 7, delete "*60 days after*" and insert "*on March 1, 1983 if*"

Page 15, line 15, delete "*7 to 9 and 11*" and insert "*8 to 10 and 12*"

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "allowing certain nursing homes and hospitals to share an administrator;"

Page 1, line 8, after "Sections" insert "144A.04, Subdivision 5;"

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

House Conferees: JAMES C. SWANSON, MICHAEL R. STEBEN and JOHN R. KALEY.

Senate Conferees: SAM G. SOLON, GENE WALDORF and STEVE LINDGREN.

Swanson moved that the report of the Conference Committee on H. F. No. 1799 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1799, A bill for an act relating to health; providing for evaluation of certain changes in certificate of need review; requiring certain price information to be reported and disseminated; requiring monitoring; amending the thresholds of review; providing for additional waivers; requiring reports; amending Minnesota Statutes 1980, Sections 145.833, Subdivision 5; 145.835, Subdivisions 3 and 4; Minnesota Statutes 1981 Supplement, Sections 250.05, Subdivision 4; 447.45, Subdivision 1; and 474.03; proposing new law coded in Minnesota Statutes, Chapter 144; repealing Minnesota Statutes 1980, Sections 145.832 to 145.845, as amended; and Minnesota Statutes 1981 Supplement, Sections 62D.22, Subdivision 6; 145.834; and 145.845.

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

The question was taken on the repassage of the bill and the roll was called. There were 125 yeas and 0 nays as follows:



## Those who voted in the affirmative were:

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

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

The Speaker called Novak to the Chair.

## CONFERENCE COMMITTEE REPORT ON H. F. NO. 1484

A bill for an act relating to highway traffic regulations; providing for administrative driving privilege revocations for failure to submit to chemical testing or exceeding prescribed alcohol concentration; authorizing revocations prior to judicial review; revising the procedure for hearings and appeals on administrative revocations; authorizing introduction into evidence certain peace officer records and reports; amending Minnesota Statutes 1980, Section 169.123, Subdivisions 5, 5a, 6, 7, and by adding subdivisions; and 171.19.

March 13, 1982

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

The Honorable Jack Davies  
President of the Senate

We, the undersigned conferees for H. F. No. 1484, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recedes from its amendments and that H. F. No. 1484 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 3.736, Subdivision 3, is amended to read:

Subd. 3. [EXCLUSIONS.] Without intent to preclude the courts from finding additional cases where the state and its employees should not, in equity and good conscience, pay compensation for personal injuries or property losses, the legislature declares that the state and its employees are not liable for the following losses:

(a) Any loss caused by an act or omission of a state employee exercising due care in the execution of a valid or invalid statute or regulation;

(b) Any loss caused by the performance or failure to perform a discretionary duty, whether or not the discretion is abused;

(c) Any loss in connection with the assessment and collection of taxes;

(d) Any loss caused by snow or ice conditions on any highway or other public place, except when the condition is affirmatively caused by the negligent acts of a state employee;

(e) Any loss caused by wild animals in their natural state;

(f) Any loss other than injury to or loss of property or personal injury or death;

(g) Any loss caused by the condition of unimproved real property owned by the state, which means land that the state has not improved, and appurtenances, fixtures and attachments to land that the state has neither affixed nor improved;

(h) Any loss arising from the construction, operation, or maintenance of the outdoor recreation system, as defined in section 86A.04, or from the clearing of land, removal of refuse, and creation of trails or paths without artificial surfaces, except that the state is liable for conduct that would entitle a trespasser to damages against a private person.

(i) Any loss of benefits or compensation due under a program of public assistance or public welfare, except where state compensation for loss is expressly required by federal law in order for the state to receive federal grants-in-aid;

(j) Any loss based on the failure of any person to meet the standards needed for a license, permit, or other authorization issued by the state or its agents;

(k) Any loss based on the usual care and treatment, or lack of care and treatment, of any person at a state hospital or state corrections facility where reasonable use of available appropriations has been made to provide care;

(l) Any loss, damage, or destruction of property of a patient or inmate of a state institution;

(m) *Any loss for which recovery is prohibited by section 8.*

The state will not pay punitive damages.

Sec. 2. Minnesota Statutes 1980, Section 169.121, Subdivision 1, is amended to read:

Subdivision 1. [CRIME.] It is a misdemeanor for any person to drive, operate or be in physical control of any motor vehicle within this state:

(a) When the person is under the influence of alcohol;

(b) When the person is under the influence of a controlled substance;

(c) When the person is under the influence of a combination of any two or more of the elements named in clauses (a) and (b); or

(d) When the person's alcohol concentration is 0.10 or more.

The provisions of this subdivision apply, but are not limited in application, to any person who drives, operates, or is in physical control of any motor vehicle in the manner prohibited by this subdivision upon the ice of any lake, stream, or river, including but not limited to the ice of any boundary water.

*When an accident has occurred, a peace officer may lawfully arrest a person for violation of this section without a warrant upon probable cause, without regard to whether the violation was committed in the officer's presence.*

Sec. 3. Minnesota Statutes 1980, Section 169.121, Subdivision 2, is amended to read:

Subd. 2. [EVIDENCE.] Upon the trial of any prosecution arising out of acts alleged to have been committed by any person arrested for driving, operating, or being in physical control of

a motor vehicle in violation of subdivision 1, the court may admit evidence of the amount of alcohol or a controlled substance in the person's blood, breath, or urine as shown by a medical or chemical analysis thereof, if the test is taken voluntarily or pursuant to section 169.123.

For the purposes of this subdivision:

(a) evidence that there was at the time an alcohol concentration of 0.05 or less is prima facie evidence that the person was not under the influence of alcohol;

(b) evidence that there was at the time an alcohol concentration of more than 0.05 and less than 0.10 is relevant evidence in indicating whether or not the person was under the influence of alcohol.

*Evidence of the absence of tests is admissible in a prosecution under this section without any comment and with a jury instruction, where applicable, that there shall be no speculation as to the reason for the absence and that no inference is to be drawn from the absence.*

*For purposes of this section and section 169.123, the result of an evidentiary test administered within two hours of the alleged violation is deemed to be the alcohol concentration at the time of the violation.*

The foregoing provisions do not limit the introduction of any other competent evidence bearing upon the question whether or not the person was under the influence of alcohol or a controlled substance, *including tests obtained more than two hours after the alleged violation.*

Sec. 4. Minnesota Statutes 1980, Section 169.121, Subdivision 3, is amended to read:

Subd. 3. [CRIMINAL PENALTIES.] (EVERY) A person (CONVICTED OF A VIOLATION OF) *who violates this section or an ordinance in conformity therewith is (PUNISHABLE BY IMPRISONMENT OF NOT MORE THAN 90 DAYS, OR BY A FINE OF NOT MORE THAN \$500, OR BOTH, AND HIS DRIVER'S LICENSE SHALL BE REVOKED FOR NOT LESS THAN 30 DAYS, EXCEPT THAT EVERY PERSON WHO IS CONVICTED OF A VIOLATION OF THIS SECTION OR AN ORDINANCE IN CONFORMITY THEREWITH, WHEN THE VIOLATION IS FOUND TO BE THE PROXIMATE CAUSE OF GREAT BODILY HARM AS DEFINED IN SECTION 609.02, SUBDIVISION 8, OR DEATH TO ANOTHER PERSON, SHALL BE PUNISHED BY IMPRISONMENT FOR NOT MORE THAN 90 DAYS, OR BY FINE OF NOT MORE THAN \$500, OR BOTH, AND HIS DRIVER'S LICENSE SHALL BE*

REVOKED FOR NOT LESS THAN 90 DAYS) *guilty of a misdemeanor.*

(ANY PERSON WHOSE LICENSE HAS BEEN REVOKED PURSUANT TO SECTION 169.123 IS NOT SUBJECT TO THE MANDATORY REVOCATION PROVISION OF THIS SUBDIVISION.)

*The following persons are guilty of a gross misdemeanor:*

(a) *A person who violates this section or an ordinance in conformity therewith within five years of a prior conviction under this section or an ordinance in conformity therewith; and*

(b) *A person who violates this section or an ordinance in conformity therewith within ten years or two or more prior convictions under this section or an ordinance in conformity therewith.*

*The attorney in the jurisdiction in which the violation occurred who is responsible for prosecution of misdemeanor violations of section 169.121 shall also be responsible for prosecution of gross misdemeanor violations of section 169.121.*

Sec. 5. Minnesota Statutes 1980, Section 169.121, Subdivision 4, is amended to read:

Subd. 4. [PENALTIES.] (EVERY) A person (WHO IS) convicted of (A VIOLATION OF) *violating* this section (OR AN ORDINANCE IN CONFORMITY THEREWITH WITHIN THREE YEARS OF ANY PREVIOUS SUCH CONVICTION SHALL BE PUNISHED BY IMPRISONMENT FOR NOT MORE THAN 90 DAYS, OR A FINE OF NOT MORE THAN \$500, OR BOTH, AND HIS DRIVER'S LICENSE SHALL BE REVOKED FOR NOT LESS THAN 90 DAYS) *shall have his driver's license or operating privileges revoked by the commissioner of public safety as follows:*

(a) *First offense: not less than 30 days;*

(b) *Second offense in less than five years: not less than 90 days and until the court has certified that treatment or rehabilitation has been successfully completed where prescribed in accordance with section 169.126;*

(c) *Third offense in less than five years: not less than one year, together with denial under section 171.04, clause (8), until rehabilitation is established in accordance with standards established by the commissioner;*

(d) *Fourth or subsequent offense on the record: not less than two years, together with denial under section 171.04, clause (8),*

*until rehabilitation is established in accordance with standards established by the commissioner.*

*Whenever department records show that the violation involved personal injury or death to any person, not less than 90 additional days shall be added to the base periods provided above.*

*Any person whose license has been revoked pursuant to section 169.123 as the result of the same incident is not subject to the mandatory revocation provisions of clause (a) or (b).*

Sec. 6. Minnesota Statutes 1980, Section 169.121, Subdivision 6, is amended to read:

Subd. 6. [PRELIMINARY SCREENING TEST.] When a peace officer has reason to believe from the manner in which a person is driving, operating (OR) controlling, or acting upon departure from a motor vehicle, or has driven, operated, or controlled a motor vehicle, that the driver may be violating or has violated subdivision 1, he may require the driver to provide a sample of his breath for a preliminary screening test using a device approved by the commissioner of public safety for this purpose. The results of this preliminary screening test shall be used for the purpose of deciding whether an arrest should be made and whether to require the chemical tests authorized in section 169.123, but shall not be used in any court action except to prove that a chemical test was properly required of a person pursuant to section 169.123, subdivision 2. Following the screening test additional tests may be required of the driver pursuant to the provisions of section 169.123.

The driver (OF A MOTOR VEHICLE) who refuses to furnish a sample of his breath is subject to the provisions of section 169.123 unless, in compliance with section 169.123, he submits to a blood, breath or urine test to determine the presence of alcohol or a controlled substance.

Sec. 7. Minnesota Statutes 1980, Section 169.121, is amended by adding a subdivision to read:

Subd. 8. [ALCOHOL ASSESSMENT.] When the evidentiary test shows an alcohol concentration of 0.07 or more, that result shall be reported to the commissioner of public safety. The commissioner shall record that fact on the driver's record. When the driver's record shows a second or subsequent report of an alcohol concentration of 0.07 or more within two years of a recorded report, the commissioner may require that the driver have an alcohol problem assessment meeting the commissioner's requirements. The assessment shall be at the driver's expense. In no event shall the commissioner deny the license of a person who refuses to take the assessment or to undertake treatment, if

*treatment is indicated by the assessment, for longer than 90 days. If an assessment is made pursuant to this section, the commissioner may waive the assessment required by section 169.126.*

Sec. 8. Minnesota Statutes 1980, Section 169.121, is amended by adding a subdivision to read:

*Subd. 9. [IMMUNITY FROM LIABILITY.] (a) The state or political subdivision by which a peace officer making an arrest for violation of section 169.121 is employed shall have immunity from any liability, civil or criminal, for the care or custody of the motor vehicle being driven by, operated by, or in the physical control of the person arrested if the peace officer acts in good faith and exercises due care.*

*(b) For purposes of this subdivision, "political subdivision" means a county, statutory or home rule charter city, or town.*

Sec. 9. Minnesota Statutes 1980, Section 169.123, is amended to read:

Subdivision 1. [PEACE OFFICER DEFINED.] For purposes of this section and section 169.121, the term peace officer means a state highway patrol officer, university of Minnesota peace officer, a constable as defined in section 367.40, subdivision 3, or police officer of any municipality, including towns having powers under section 368.01, or county.

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

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

(1) that if testing is refused, the person's right to drive will be revoked for a period of six months; and

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

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

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

Subd. 2a. [REQUIREMENT OF URINE TEST.] Notwithstanding subdivision 2, if there are reasonable and probable grounds to believe there is impairment by a controlled substance which is not subject to testing by a blood or breath test, a urine test may be required even after a blood or breath test has been administered.

Subd. 3. [MANNER OF MAKING TEST; ADDITIONAL TESTS.] Only a physician, medical technician, physician's trained mobile intensive care paramedic, registered nurse, medical technologist or laboratory assistant acting at the request of a peace officer may withdraw blood for the purpose of determining the presence of alcohol or controlled substance. This limitation does not apply to the taking of a breath or urine specimen. The person tested has the right to have a person of his own choosing administer a chemical test or tests in addition to any administered at the direction of a peace officer; provided, that the additional test specimen on behalf of the person is obtained at the place where the person is in custody, after the test administered at the direction of a peace officer, and at no expense to the state. The failure or inability to obtain an additional test or tests by a person shall not preclude the admission in evidence of the test taken at the direction of a peace officer unless the additional test was prevented or denied by the peace officer. (UPON THE REQUEST OF THE PERSON WHO IS TESTED, FULL INFORMATION CONCERNING THE TEST OR TESTS TAKEN AT THE DIRECTION OF THE PEACE OFFICER SHALL BE MADE AVAILABLE TO HIM.) The physician, medical technician, physician's trained mobile intensive care paramedic, medical technologist, laboratory assistant or registered nurse drawing blood at the request of a peace officer for the purpose of determining alcohol concentration shall in no manner be liable in any civil or criminal action except



for negligence in drawing the blood. The person administering a test at the request and direction of a peace officer shall be fully trained in the administration of the tests pursuant to standards promulgated by rule by the commissioner of public safety.

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

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

If the person is a resident without a license or permit to operate a motor vehicle in this state, the commissioner of public safety shall deny to the person the issuance of a license or permit for the same period after the date of the alleged violation as provided herein for revocation, subject to review as hereinafter provided.

Subd. 5. [NOTICE OF REVOCATION OR DETERMINATION TO DENY; REQUEST FOR HEARING.] (NO) A revocation under subdivision 4 (IS) *becomes* effective (UNTIL) *at the time* the commissioner of public safety or a peace officer acting on his behalf notifies the person of the intention to revoke and of revocation (AND ALLOWS THE PERSON A 30 DAY PERIOD TO REQUEST OF THE COMMISSIONER OF PUBLIC SAFETY, IN WRITING, A HEARING AS HEREIN PROVIDED. IF NO REQUEST IS FILED WITHIN THE 30 DAY PERIOD THE ORDER OF REVOCATION BECOMES EFFECTIVE. IF A REQUEST FOR HEARING IS FILED, A REVO-

CATION IS NOT EFFECTIVE UNTIL A FINAL JUDICIAL DETERMINATION RESULTING IN A DECISION ADVERSE TO THE PERSON). *The notice shall advise the person of the right to obtain administrative and judicial review as provided in this section. If mailed, the notice and order of revocation is deemed received three days after mailing to the last known address of the person.*

Subd. 5a. [PEACE OFFICER AGENT FOR NOTICE OF REVOCATION.] On behalf of the commissioner of public safety a peace officer offering a chemical test or directing the administration of a chemical test (MAY) *shall* serve immediate notice of intention to revoke and of revocation on a person who refuses to permit chemical testing or on a person who submits to a chemical test the results of which indicate an alcohol concentration of 0.10 or more. The officer shall take the license or permit of the driver, if any, and issue a temporary license effective only for (30) 7 days. The peace officer shall send the person's driver's license to the commissioner of public safety along with the certificate required by subdivision 4.

(IF THE PERSON REQUESTS A HEARING WITHIN THE 30 DAY PERIOD, THE COMMISSIONER SHALL ISSUE ADDITIONAL TEMPORARY LICENSES UNTIL THE FINAL DETERMINATION OF WHETHER THERE SHALL BE A REVOCATION UNDER THIS SECTION.)

Subd. 5b. [ADMINISTRATIVE REVIEW]. *At any time during a period of revocation imposed under this section a person may request in writing a review of the order of revocation by the commissioner of public safety. Upon receiving a request the commissioner or his designee shall review the order, the evidence upon which the order was based, and any other material information brought to the attention of the commissioner, and determine whether sufficient cause exists to sustain the order. Within 15 days of receiving the request the commissioner shall report in writing the results of his review. The review provided in this subdivision is not subject to the contested case provisions of the administrative procedure act in sections 15.041 to 15.052.*

*The availability of administrative review for an order of revocation shall have no effect upon the availability of judicial review under this section.*

Subd. 5c. [PETITION FOR JUDICIAL REVIEW.] *Within 30 days following receipt of a notice and order of revocation pursuant to this section, a person may petition the court for review. The petition shall be filed with the clerk of county or municipal court in the county where the alleged offense occurred, together with proof of service of a copy on the commissioner of public safety, and accompanied by the standard filing fee for civil actions. No responsive pleading shall be required of the commissioner of public safety, and no court fees shall be charged for his appearance in the matter.*

*The petition shall be captioned in the name of the person making the petition as petitioner and the commissioner of public safety as respondent. The petition shall state with specificity the grounds upon which the petitioner seeks rescission of the order of revocation or denial.*

*The filing of the petition shall not stay the revocation or denial. The reviewing court may order a stay of the balance of the revocation if the hearing has not been conducted within 60 days after filing of the petition upon terms the court deems proper. Judicial reviews shall be conducted according to the rules of civil procedure.*

Subd. 6. [HEARING.] A hearing under this section shall be before a municipal or county judge, in (THE) any county in the judicial district where the alleged offense occurred (, UNLESS THERE IS AGREEMENT THAT THE HEARING MAY BE HELD IN SOME OTHER COUNTY). The hearing shall be to the court and may be conducted at the same time and in the same manner as hearings upon pre-trial motions in the criminal prosecution under section 169.121, if any. The hearing shall be recorded. The commissioner of public safety may appear through his own attorney or, by agreement with the jurisdiction involved, through the prosecuting authority for that jurisdiction.

*The hearing shall be held at the earliest practicable date, and in any event no later than 60 days following the filing of the petition for review. The judicial district administrator shall establish procedures to ensure efficient compliance with the provisions of this subdivision. To accomplish this, the administrator may, whenever possible, consolidate and transfer review hearings among the county courts within the judicial district.*

The scope of the hearing shall (COVER) be limited to the issues of:

(1) whether the peace officer had reasonable and probable grounds to believe the person was driving, operating, or in physical control of a motor vehicle while under the influence of alcohol or a controlled substance, and whether the person was lawfully placed under arrest for violation of section 169.121, or the person was involved in a motor vehicle accident or collision resulting in property damage, personal injury or death, or the person refused to take a screening test provided for by section 169.121, subdivision 6, or the screening test was administered and recorded an alcohol concentration of 0.10 or more; and

(2) whether at the time of the request for the test the peace officer informed the person of his rights and the consequences of taking or refusing the test as required by subdivision 2; and

(3) either (a) whether the person refused to permit the test, or (b) whether a test was taken and the test results indicated

an alcohol concentration of 0.10 or more *at the time of testing*, and whether the testing method used was valid and reliable, and whether the test results were accurately evaluated.

It shall be an affirmative defense for the (PERSON) *petitioner* to prove that, *at the time of the refusal*, his refusal to permit the test was based upon reasonable grounds.

*Certified or otherwise authenticated copies of laboratory or medical personnel reports, records, documents, licenses and certificates shall be admissible as substantive evidence.*

The court shall order either that the revocation be rescinded or sustained and forward the order to the commissioner of public safety. *The court shall file its order within 14 days following the hearing.* If the revocation is sustained, the court shall also forward the person's driver's license or permit to the commissioner of public safety for his further action if the license or permit is not already in the commissioner's possession.

Subd. 7. [REVIEW BY DISTRICT COURT.] (IF THE REVOCATION OR DENIAL IS SUSTAINED, THE PERSON WHOSE LICENSE OR PERMIT TO DRIVE, OR NONRESIDENT OPERATING PRIVILEGE HAS BEEN REVOKED OR DENIED, MAY WITHIN 20 DAYS AFTER NOTICE OF THE DETERMINATION BY THE COMMISSIONER OF PUBLIC SAFETY FILE A PETITION FOR A HEARING OF THE MATTER IN THE DISTRICT COURT IN THE COUNTY WHERE THE HEARING PURSUANT TO SUBDIVISION 6 WAS HELD UNLESS THERE IS AGREEMENT THAT THE HEARING MAY BE HELD IN SOME OTHER COUNTY. THE PETITION SHALL BE FILED WITH THE CLERK OF THE COURT TOGETHER WITH PROOF OF SERVICE OF A COPY THEREOF ON THE COMMISSIONER OF PUBLIC SAFETY. IT IS THE DUTY OF THE COURT TO SET THE MATTER FOR HEARING ON A DAY CERTAIN WITH REASONABLE NOTICE THEREOF TO THE PARTIES. THE HEARING SHALL BE ON THE RECORD AND SHALL BE CONDUCTED IN THE SAME MANNER PROVIDED IN SECTIONS 487.39 AND 484.63 FOR APPEAL OF MISDEMEANOR CONVICTIONS) *Any party aggrieved by the decision of the reviewing court may appeal the decision to the district court as provided in sections 484.63 and 487.39.*

Subd. 8. [NOTICE OF ACTION TO OTHER STATES.] When it has been finally determined that a nonresident's privilege to operate a motor vehicle in this state has been revoked or denied, the commissioner of public safety shall give information in writing of the action taken to the official in charge of traffic control or public safety of the state of the person's residence and of any state in which he has a license.

Subd. 9. [LIMITED LICENSE.] In any case in which a license has been revoked under this section, the commissioner may issue a limited license to the driver. The commissioner in issuing a limited license may impose the conditions and limitations which in his judgment are necessary to the interests of the public safety and welfare, including re-examination of the driver's qualifications, attendance at a driver improvement clinic, or attendance at counseling sessions. The license may be limited to the operation of particular vehicles and to particular classes and time of operation. The limited license issued by the commissioner shall clearly indicate the limitations imposed and the driver operating under a limited license shall have the license in his possession at all times when operating as a driver. In determining whether to issue a limited license, the commissioner shall consider the number and the seriousness of prior convictions and the entire driving record of the driver.

Subd. 10. [TERMINATION OF REVOCATION PERIOD.] If the commissioner receives notice of the driver's attendance at a driver improvement clinic, attendance at counseling sessions, or participation in treatment for an alcohol problem the commissioner may, 30 days prior to the time the revocation period would otherwise expire, terminate the revocation period. The commissioner shall not terminate the revocation period under this subdivision for a driver who has had a license revoked under section 169.121 or this section for another incident during the preceding three year period.

Sec. 10. [169.1231] [DRIVING WHILE UNDER THE INFLUENCE; DETOXIFICATION.]

*Subdivision 1. [GROUNDS FOR TAKING DRIVER TO DETOXIFICATION CENTER OR ALCOHOL DRUG REHABILITATION CENTER.] Whenever a peace officer administers a preliminary screening test to a person and the test results indicate a blood alcohol content of .10 or more, the peace officer shall either take the person to a detoxification center or alcohol drug rehabilitation center established pursuant to section 254A.08 or arrange for another authorized person to do so. A peace officer shall also take, or arrange for another authorized person to take to a detoxification center or alcohol drug rehabilitation center established pursuant to section 254A.08, any person who refuses to take a preliminary screening test if the officer has reasonable and probable grounds to believe that the person was driving, operating, or in physical control of a motor vehicle in violation of section 169.121 or an ordinance in conformity therewith, and the person reasonably appears to the officer to be too intoxicated to resume driving safely.*

*Subd. 2. [DETOXIFICATION CENTER OR ALCOHOL DRUG REHABILITATION CENTER; RELEASE PROCEDURE.] The detoxification center or alcohol drug rehabilitation center to which a person is transported pursuant to subdivision*

*1 shall hold the person until he is completely sober, unless another responsible person appears and requests that the intoxicated person be released for the purpose of taking him home or to a medical facility. The person requesting release of the intoxicated person shall assure that the intoxicated person does not drive until completely sober; an intentional violation of this assurance is a misdemeanor.*

**Subd. 3. [INTOXICATED PERSON TO PAY COSTS.]** *A person taken to a detoxification center or alcohol drug rehabilitation center pursuant to this section shall pay the detoxification center or alcohol drug rehabilitation center for the cost of his stay, transportation, treatment, and other expenses in the detoxification center or alcohol drug rehabilitation center, if he does not meet the standards of indigency necessary to qualify for the services of the public defender and does not have health insurance coverage which would pay for this cost.*

**Sec. 11.** Minnesota Statutes 1980, Section 171.19, is amended to read:

**171.19 [PETITION FOR REINSTATEMENT OF LICENSES.]**

Any person whose driver's license has been refused, revoked, suspended, or canceled by the commissioner, *except where the license is revoked under section 169.123*, may file a petition for a hearing in the matter in the district court in the county wherein such person shall reside and, in the case of a non-resident, in the district court in any county, and such court is hereby vested with jurisdiction, and it shall be its duty, to set the matter for hearing upon 15 days' written notice to the commissioner, and thereupon to take testimony and examine into the facts of the case to determine whether the petitioner is entitled to a license or is subject to revocation, suspension, cancellation, or refusal of license, under the provisions of this chapter, and shall render judgment accordingly. The petition shall be heard by the court without a jury and may be heard in or out of term. The commissioner may appear in person, or by his agents or representatives, and may present his evidence upon the hearing by affidavit by himself, his agents, or representatives. The petitioner may present his evidence by affidavit, except that the petitioner must be present in person at such hearing for the purpose of cross-examination. In the event the department shall be sustained in these proceedings, the petitioner shall have no further right to make further petition to any court for the purpose of obtaining a driver's license until after the expiration of one year after the date of such hearing.

**Sec. 12.** Minnesota Statutes 1980, Section 171.30, Subdivision 1, is amended to read:

**Subdivision 1. [ISSUANCE.]** In any case where a person's license has been suspended under section 171.18 or revoked under

sections 169.121 or 171.17, if the driver's livelihood or attendance at a chemical dependency treatment or counseling program depends upon the use of his driver's license, the commissioner may at his own discretion (AND SHALL UPON RECOMMENDATION BY THE COURT EXCLUDING JUSTICES OF THE PEACE IN WHICH THE DRIVER WAS CONVICTED,) issue a limited license to the driver. The commissioner in issuing a limited license may impose such conditions and limitations as in his judgment are necessary to the interests of the public safety and welfare including re-examination as to the driver's qualifications. The license may be limited to the operation of particular vehicles, to particular classes and times of operation and to particular conditions of traffic.

The limited license issued by the commissioner shall clearly indicate the limitations imposed and the driver operating under the limited license shall have the license in his possession at all times when operating as a driver.

In determining whether to issue a limited license, the commissioner shall consider the number and the seriousness of prior convictions and the entire driving record of the driver and shall consider the number of miles driven by the driver annually.

Sec. 13. Minnesota Statutes 1980, Section 466.03, is amended by adding a subdivision to read:

*Subd. 6a. [DRIVING UNDER THE INFLUENCE; CUSTODY OF MOTOR VEHICLE.] Any claim for which recovery is prohibited by section 8.*

Sec. 14. Minnesota Statutes 1980, Section 634.15, is amended to read:

**634.15 [ADMISSION INTO EVIDENCE OF CERTAIN CERTIFICATES OF ANALYSIS AND BLOOD SAMPLE REPORTS.]**

Subdivision 1. [CERTIFICATES OF ANALYSIS; BLOOD SAMPLE REPORTS.] In any hearing or trial of a criminal offense or petty misdemeanor or proceeding pursuant to section 169.123, subdivision (4) 6, *the following reports shall be admissible in evidence:*

(a) A report of the facts and results of a laboratory analysis or examination (SHALL BE ADMISSIBLE IN EVIDENCE) if it is prepared and attested by the person performing the laboratory analysis or examination in any laboratory operated by the bureau of criminal apprehension or authorized by the bureau to conduct an analysis or examination, or in any laboratory of the federal bureau of investigation, the federal postal inspection

service, the federal bureau of alcohol, tobacco and firearms, or the federal drug enforcement administration; and

(b) *A report of a blood sample withdrawn under the implied consent law if:*

(i) *The report was prepared by the person who administered the test;*

(ii) *The person who withdrew the blood sample was competent to administer the test under section 169.123, subdivision 3; and*

(iii) *The report was prepared consistent with any applicable rules promulgated by the commissioner of public safety.*

A report described in clause (a) purported to be signed by the person performing the analysis or examination in a laboratory named (ABOVE) in that clause, or a blood sample report described in clause (b) purported to be signed by the person who withdrew the blood sample shall be admissible as evidence without proof of the seal, signature or official character of the person whose name is signed to it.

Subd. 2. [TESTIMONY AT TRIAL.] An accused person or his attorney may request, by notifying the prosecuting attorney at least ten days before the trial, that the (PERSON WHO PERFORMED THE LABORATORY ANALYSIS OR EXAMINATION) following persons testify in person at the trial on behalf of the state:

(a) *A person who performed the laboratory analysis or examination for the report described in subdivision 1, clause (a); or*

(b) *A person who prepared the blood sample report described in subdivision 1, clause (b).*

#### Sec. 15. [EFFECTIVE DATE.]

*The provisions of sections 1 to 6, section 8, section 9, subdivision 3, and sections 11, 13 and 14 are effective April 1, 1982. The provisions of section 7, section 9, subdivisions 2, 5, 5a, 5b, 5c, 6 and 7, and section 12 are effective July 1, 1982. The provisions of section 10 are effective July 1, 1983. All provisions apply to violations occurring on or after their effective dates."*

Delete the title and insert:

"A bill for an act relating to highway traffic regulations; providing for arrest without a warrant; defining admissible evidence; providing for alcohol problem assessments; providing alternative testing procedures; providing for administrative



driving privilege revocations for failure to submit to chemical testing or exceeding prescribed alcohol concentration; authorizing revocations prior to judicial review; revising the procedure for hearings and appeals on administrative revocations; authorizing introduction into evidence certain peace officer records and reports; prescribing penalties; providing for detoxification of drivers; amending Minnesota Statutes 1980, Sections 3.736, Subdivision 3; 169.121, Subdivisions 1, 2, 3, 4, and 6, and by adding subdivisions; 169.123; 171.19; 171.30, Subdivision 1; 466.03, by adding a subdivision; and 634.15; proposing new law coded in Minnesota Statutes, Chapter 169."

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

House Conferees: ROBERT E. VANASEK, CONNIE M. LEVI, TAD JUDE, KATHLEEN A. VELLENGA and DEAN E. JOHNSON.

Senate Conferees: JACK DAVIES, JAMES ULLAND, RANDOLPH W. PETERSON, NEIL DIETERICH and WAYNE OLHOFT.

Vanasek moved that the report of the Conference Committee on H. F. No. 1484 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1484, A bill for an act relating to highway traffic regulations; providing for administrative driving privilege revocations for failure to submit to chemical testing or exceeding prescribed alcohol concentration; authorizing revocations prior to judicial review; revising the procedure for hearings and appeals on administrative revocations; authorizing introduction into evidence certain peace officer records and reports; amending Minnesota Statutes 1980, Section 169.123, Subdivisions 5, 5a, 6, 7, and by adding subdivisions; and 171.19.

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

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

Those who voted in the affirmative were:

Aasness	Carlson, L.	Esau	Heinitz	Kelly
Ainley	Clark, J.	Evans	Himle	Knickerbocker
Anderson, B.	Clark, K.	Ewald	Hoberg	Kostohryz
Anderson, G.	Clawson	Fjoslien	Hokanson	Kvam
Anderson, I.	Dahlvang	Forsythe	Hokr	Laidig
Battaglia	Dean	Greenfield	Jacobs	Lehto
Begich	Dempsey	Gruenes	Jennings	Lemen
Berkelman	Den Ouden	Gustafson	Johnson, C.	Levi
Blatz	Drew	Halberg	Johnson, D.	Long
Brandl	Eken	Hanson	Jude	Ludeman
Brinkman	Elioff	Hauge	Kahn	Luknic
Byrne	Ellingson	Haukoos	Kaley	Mann
Carlson, D.	Erickson	Heap	Kalis	Marsh

McCarron	Nysether	Rees	Sherman	Valento
McDonald	O'Connor	Reif	Sherwood	Vanasek
McEachern	Ogren	Rice	Sieben, M.	Vellenga
Mehrkens	Olsen	Rodriguez, C.	Simoneau	Voss
Metzen	Onnen	Rodriguez, F.	Skoglund	Weaver
Minne	Osthoff	Rose	Stadum	Welch
Munger	Otis	Rothenberg	Staten	Welker
Murphy	Peterson, B.	Samuelson	Stowell	Wenzel
Nelsen, B.	Peterson, D.	Sarna	Stumpf	Wieser
Nelson, K.	Piepho	Schafer	Sviggum	Wigley
Niehaus	Pogemiller	Schoenfeld	Swanson	Wynia
Norton	Redalen	Schreiber	Tomlinson	Zubay
Novak	Reding	Shea	Valan	Spkr. Sieben, H.

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

#### CONFERENCE COMMITTEE REPORT ON 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.

March 12, 1982

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

The Honorable Jack Davies  
President of the Senate

We, the undersigned conferees for H. F. No. 1872, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 1872 be further amended as follows:

Delete everything after the enacting clause and insert:

#### "ARTICLE I

Section 1. Minnesota Statutes 1981 Supplement, Section 290.01, Subdivision 20, as amended by Laws 1981, Third Special Session Chapter 2, Article III, Section 2, is amended to read:

Subd. 20. [GROSS INCOME.] Except as otherwise provided in this chapter, the term "gross income," as applied to corporations includes every kind of compensation for labor or personal services of every kind from any private or public employment, office, position or services; income derived from the ownership or use of property; gains or profits derived from every kind of disposition of, or every kind of dealing in, property; income derived from the transaction of any trade or business; and income derived from any source (; EXCEPT THAT GROSS INCOME SHALL NOT INCLUDE "EXEMPT FUNCTION INCOME" OF A "HOMEOWNERS ASSOCIATION" AS THOSE TERMS ARE DEFINED IN SECTION 528 OF THE INTERNAL REVENUE CODE OF 1954, AS AMENDED THROUGH DECEMBER 31, 1980).

The term "gross income" in its application to individuals, estates, and trusts shall mean the adjusted gross income as defined in the Internal Revenue Code of 1954, as amended through the date specified herein for the applicable taxable year, with the modifications specified in this subdivision. For estates and trusts the adjusted gross income shall be their federal taxable income as defined in the Internal Revenue Code of 1954, as amended through the date specified herein for the applicable taxable year, with the modifications specified in this subdivision and with the modification that the federal deduction for personal exemptions for trusts and estates shall not be allowed.

(i) (THE INTERNAL REVENUE CODE OF 1954, AS AMENDED THROUGH DECEMBER 31, 1974, SHALL BE IN EFFECT FOR THE TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1974.)

((II)) The Internal Revenue Code of 1954, as amended through December 31, 1976, including the amendments made to section 280A (relating to licensed day care centers) in H.R. 3477 as it passed the Congress on May 16, 1977, shall be in effect for the taxable years beginning after December 31, 1976. The provisions of the Tax Reform Act of 1976, P.L. 94-455, which affect adjusted gross income shall become effective for purposes of this chapter at the same time they become effective for federal income tax purposes. (SECTION 207 (RELATING TO EXTENSION OF PERIOD FOR NONRECOGNITION OF GAIN ON SALE OR EXCHANGE OF RESIDENCE) AND SECTION 402 (RELATING TO TIME FOR MAKING CONTRIBUTIONS TO PENSION PLANS OF SELF EMPLOYED PEOPLE) OF P.L. 94-12 SHALL BE EFFECTIVE FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1974.)

The provisions of section 4 of P.L. 95-458, sections 131, 133, 134, 141, 152, 156, 157, 405, and 543 of P.L. 95-600, and section 2 of P.L. 96-608 (relating to pensions, individual retirement accounts, deferred compensation plans, the sale of a residence and to conservation payments to farmers) including the amendments made to these sections in P.L. 96-222 shall be effective

at the same time that these provisions became effective for federal income tax purposes.

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

((IV)) (iii) The Internal Revenue Code of 1954, as amended through December 31, 1980, and as amended by sections 302-(b) and 501 to 509 of Public Law Number 97-34, shall be in effect for taxable years beginning after December 31, 1980 including the provisions of section 404 (relating to partial exclusions of dividends and interest received by individuals) of the Crude Oil Windfall Profit Tax Act of 1980, P.L. 96-223. The provisions of P.L. 96-471 (relating to installment sales) and sections 501 to 507, of the Economic Recovery Tax Act of 1981, Public Law Number 97-34 shall be effective at the same time that they become effective for federal income tax purposes.

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

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

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

(2) A business casualty loss if the taxpayer elected to deduct the loss on the current year's federal income tax return but had deducted the loss on the previous year's Minnesota income tax return;

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

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

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

(6) The amount of any federal income tax overpayment for any previous taxable year, received as refund or credited to another taxable year's income tax liability, proportionate to

the percentage of federal income tax that was claimed as a deduction in determining Minnesota income tax for the previous taxable year. The amount of the federal income tax overpayment shall be reported only to the extent that the amount resulted in a reduction of the tax imposed by this chapter.

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

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

(8) The amount of any increase in the taxpayer's federal tax liability under section 47 of the Internal Revenue Code of 1954 to the extent of the credit under section 38 of the Internal Revenue Code of 1954 that was previously allowed as a deduction (EITHER) under section 290.01, subdivision 20 (b) (7);

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

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

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

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

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

(14) Exempt-interest dividends, as defined in section 852 (b)(5)(A) of the Internal Revenue Code of 1954, not included in federal adjusted gross income pursuant to section 852(b)(5)(B) of the Internal Revenue Code of 1954, except for that por-

tion of exempt-interest dividends derived from interest income on obligations of the state of Minnesota, any of its political or governmental subdivisions, any of its municipalities, or any of its governmental agencies or instrumentalities;

(15) The amount of any excluded gain recognized by a trust on the sale or exchange of property as defined in section 641 (c)(1) of the Internal Revenue Code of 1954;

(16) For taxable years beginning after December 31, 1980 but before January 1, 1983, in the case of recovery property within the meaning of section 168 of the Internal Revenue Code of 1954, as amended through December 31, 1981, the amount allowed under section 167 of the Internal Revenue Code;

(17) To the extent not included in the taxpayer's federal adjusted gross income, the amount of any gain, from the sale or other disposition of property having a lower adjusted basis for Minnesota income tax purposes than for federal income tax purposes. This modification shall not exceed the difference in basis. If the gain is considered a long term capital gain for federal income tax purposes, the modification shall be limited to 40 percent of the portion of the gain. This modification is limited to property that qualified for the energy credit contained in section 290.06, subdivision 14, and to property acquired in exchange for the release of the taxpayer's marital rights contained in section 290.14, clause ((9)) (7);

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

(19) The amount of a distribution from an individual housing account which is to be included in gross income as required under section 290.08, subdivision 25;

(20) To the extent deducted in computing the taxpayer's federal adjusted gross income, interest, taxes and other expenses which are not allowed under section 290.10, clause (9) or (10);

(21) To the extent excluded from federal adjusted gross income, in the case of a city manager or city administrator who elects to be excluded from the public employees retirement association and who makes contributions to a deferred compensation program pursuant to section 353.028, the amount of contributions made by the city manager or administrator which is equal to the amount which would have been the city manager's or administrator's employee contribution pursuant to section 353.27, subdivision 2, if he were a member of the public employees retirement association; (AND)



(22) For taxable years beginning after December 31, 1980 but before January 1, 1983, in the case of section 179 property within the meaning of the Internal Revenue Code of 1954, the amount allowed as a deduction under section 179 of the Internal Revenue Code; and

(23) *Losses from the business of mining as defined in section 290.05, subdivision 1, clause (a) which is not subject to the Minnesota income tax.*

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

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

(2) The portion of any gain, from the sale or other disposition of property having a higher adjusted basis for Minnesota income tax purposes than for federal income tax purposes, that does not exceed such difference in basis; but if such gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to (60) 40 per centum of the portion of the gain. This modification shall not be applicable if the difference in basis is due to disallowance of depreciation pursuant to section 290.101.

(3) (INTEREST OR DIVIDEND INCOME ON SECURITIES TO THE EXTENT EXEMPT FROM INCOME TAX UNDER THE LAWS OF THIS STATE AUTHORIZING THE ISSUANCE OF THE SECURITIES BUT INCLUDIBLE IN GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES) *Income from the performance of personal or professional services which is subject to the reciprocity exclusion contained in section 290.081, clause (a);*

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

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

(6) To the extent included in federal adjusted gross income, or the amount reflected as the ordinary income portion of a lump sum distribution under section 402(e) of the Internal Revenue Code of 1954, notwithstanding any other law to the contrary, the amount received by any person (i) from the United States, its agencies or instrumentalities, the Federal Reserve Bank or from the state of Minnesota or any of its political or governmental subdivisions or from any other state or its political or governmental subdivisions, or a Minnesota volunteer firefighter's relief association, by way of payment as a pension, public employee retirement benefit, or any combination thereof, or (ii) as a retirement or survivor's benefit made from a plan qualifying under section 401, 403, 404, 405, 408, 409 or 409A of the Internal Revenue Code of 1954. The maximum amount of this subtraction shall be \$11,000 less the amount by which the individual's federal adjusted gross income, plus the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code of 1954, exceeds \$17,000. In the case of a volunteer firefighter who receives an involuntary lump sum distribution of his pension or retirement benefits, the maximum amount of this subtraction shall be \$11,000; this subtraction shall not be reduced by the amount of the individual's federal adjusted gross income in excess of \$17,000;

(7) The amount of any credit to the taxpayer's federal tax liability under section 38 of the Internal Revenue Code of 1954 but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

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

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

(10) Interest, including payment adjustment to the extent that it is applied to interest, earned by the seller of the property on a family farm security loan executed before January 1, 1986 that is guaranteed by the commissioner of agriculture as provided in sections 41.51 to 41.60;

(11) The first \$3,000 of compensation for personal services in the armed forces of the United States or the United Nations, and the next \$2,000 of compensation for personal services in the armed forces of the United States or the United Nations wholly

performed outside the state of Minnesota. This modification does not apply to compensation defined in clause (b) (6);

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

(13) In the case of wages or salaries paid or incurred on or after January 1, 1977, the amount of any credit for employment of certain new employees under sections 44B and 51 to 53 of the Internal Revenue Code of 1954 which is claimed as a credit against the taxpayer's federal tax liability, but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

(14) In the case of work incentive program expenses paid or incurred on or after January 1, 1979, the amount of any credit for expenses of work incentive programs under sections 40, 50A and 50B of the Internal Revenue Code of 1954 which is claimed as a credit against the taxpayer's federal tax liability, but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

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

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

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

(18) Minnesota exempt-interest dividends as provided by subdivision 27;

(19) A business casualty loss which the taxpayer elected to deduct on the current year's Minnesota income tax return but did not deduct on the current year's federal income tax return; (AND)

((20) INCOME FROM THE PERFORMANCE OF PERSONAL OR PROFESSIONAL SERVICES WHICH IS SUBJECT TO THE RECIPROCITY EXCLUSION CONTAINED IN SECTION 290.081, CLAUSE (A);)

((21)) (20) To the extent included in federal adjusted gross income, in the case of a city manager or city administrator

who elects to be excluded from the public employees retirement association and who makes contributions to a deferred compensation program pursuant to section 353.028, the amount of payments from the deferred compensation program equivalent to the amount of contributions taxed under clause (a) (21); (AND)

((22)) (21) Contributions to and interest earned on an individual housing account as provided by section 290.08, subdivision 25;

((23)) (22) Interest earned on a contract for deed entered into for the purchase of property for agricultural use if the rate of interest set in the contract is no more than eight percent per year for the duration of the term of the contract. This exclusion shall be available only if (1) the purchaser is an individual who, together with his spouse and dependents, has a total net worth valued at less than \$150,000 and (2) the property purchased under the contract is farm land as defined in section 41.52, subdivision 6 of no more than 1,000 acres that the purchaser intends to use for agricultural purposes. Compliance with these requirements shall be stated in an affidavit to be filed with the first income tax return on which the taxpayer claims the exclusion provided in this clause. Upon request accompanied by the information necessary to make the determination, the commissioner shall determine whether interest to be paid on a proposed transaction will qualify for this exclusion; the determination shall be provided within 30 days of receipt of the request, unless the commissioner finds it necessary to obtain additional information, or verification of the information provided, in which case the determination shall be provided within 30 days of receipt of the final item of information or verification. The exclusion provided in this clause shall apply to interest earned on contracts for deed entered into after December 31, 1981 and before July 1, 1983;

((24)) (23) For the taxable year beginning after December 31, 1980, but before January 1, 1982, an amount equal to 85 percent of the deduction allowed under section 168 of the Internal Revenue Code of 1954 as amended through December 31, 1981. For the taxable year beginning after December 31, 1981 but before January 1, 1983, 83 percent of the deduction allowed under section 168 of the Internal Revenue Code of 1954 as amended through December 31, 1981. The depreciation adjustments made to basis in the case of recovery property within the meaning of section 168 of the Internal Revenue Code of 1954 as amended through December 31, 1981 shall be the depreciation adjustments made for federal income tax purposes under the Internal Revenue Code of 1954, as amended through December 31, 1981. Adoption of this provision shall not be construed as indicating the intent of the legislature to enact provisions authorizing amortization of the amount of depreciation not excludable under this clause; (AND)

((25)) (24) For taxable years beginning after December 31, 1980 but before January 1, 1983, an amount equal to the

deduction allowed under section 179 of the Internal Revenue Code of 1954 as amended through December 31, 1981; and

*(25) Income from the business of mining as defined in section 290.05, subdivision 1, clause (a) which is not subject to the Minnesota income tax.*

(c) A modification affecting shareholders of electing small business corporations under section 1372 of the Internal Revenue Code of 1954 shall be made (.)

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

(d) Amounts transferred from a reserve or other account, if in effect transfers to surplus, shall, to the extent that the amounts were accumulated through deductions from gross income or entered into the computation of taxable net income during any taxable year, be treated as gross income for the year in which the transfer occurs, but only to the extent that the amounts resulted in a reduction of the tax imposed by this chapter and amounts received as refunds on account of taxes deducted from gross income during any taxable year shall be treated as gross income for the year in which actually received, but only to the extent that such amounts resulted in a reduction of the tax imposed by this chapter.

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

Sec. 2. Minnesota Statutes 1981 Supplement, Section 290.01, Subdivision 27, is amended to read:

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

(A) A Minnesota exempt-interest dividend means any dividend or part thereof (other than a capital gain dividend as defined in subdivision 21, or an exempt-interest dividend as defined in section 852(b)(5)(A) of the Internal Revenue Code of 1954, as amended through December 31, 1979) paid by a regulated investment company and designated by it as a Minnesota exempt-interest dividend in a written notice mailed to its shareholders not later than 45 days after the close of its taxable year. If the aggregate amount so designated with respect to a taxable year of the company, including Minnesota exempt-interest dividends paid after the close of the taxable year as described in section 290.21, subdivision 6, is greater than the excess of—

(i) The amount of interest from *an obligation of any authority, commission, or instrumentality of the United States* that would be excludable from gross income under *subdivision 20, clause (b)(1), or section 290.08, subdivision 8* determined without regard to the last sentence, if the company were subject to chapter 290, whether or not the company is subject to chapter 290, over

(ii) The amounts that would be disallowed as deductions under section 290.09, subdivisions 3(b) and 13, if the company were subject to chapter 290, whether or not the company is subject to chapter 290, as a result of the company's ownership of obligations of *any authority, commission, or instrumentality of the United States* as described in *subdivision 20, clause (b)(1), or section 290.08, subdivision 8*, determined without regard to the last sentence,

the portion of such distribution which shall constitute a Minnesota exempt-interest dividend shall be only that proportion of the amount so designated as the amount of the excess for the taxable year bears to the amount so designated.

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

- (i) The determination of gross income and taxable income,
- (ii) The determination of distributable net income under section 290.23,
- (iii) The allowance of, or calculation of the amount of, any credit or deduction, and
- (iv) The determination of the basis in the hands of any shareholder of any share of stock of the company.

Sec. 3. Minnesota Statutes 1980, Section 290.012, Subdivision 2, is amended to read:

Subd. 2. "Claimant" means the individual taxpayer whose income, together with that of his spouse, if any, brings him within the provisions of this section and section 290.06, subdivision 3d. No claimant and spouse whose federal adjusted gross income, including the modifications increasing federal adjusted gross income as computed under section 290.01, subdivision 20, clause (a) (AND SECTION 290.17), exceed \$20,000 may qualify under this section.

Sec. 4. Minnesota Statutes 1980, Section 290.02, is amended to read:

**290.02 [EXCISE TAX ON CORPORATIONS; IMPOSITION, MEASUREMENT.]**

An annual excise tax is hereby imposed upon every domestic corporation (, EXCEPT THOSE INCLUDED WITHIN SECTION 290.03,) for the privilege of existing as a corporation during any part of its taxable year, and upon every foreign corporation doing business within this state, except those included within section 290.03, including but not limited to railroad companies for the grant to it of the privilege of transacting or for the actual transaction by it of any local business within this state during any part of its taxable year, in corporate or organized form.

The tax so imposed shall be measured by such corporations' taxable net income for the taxable year for which the tax is imposed, and computed in the manner and at the rates provided in this chapter.

Sec. 5. Minnesota Statutes 1980, Section 290.03, is amended to read:

**290.03 [INCOME TAX; IMPOSITION, CLASSES OF TAXPAYERS.]**

An annual tax for each taxable year, computed in the manner and at the rates hereinafter provided, is hereby imposed upon the taxable net income for such year of the following classes of taxpayers:

(1) (DOMESTIC AND) Foreign corporations not taxable under section 290.02 which own property within this state or whose business within this state during the taxable year consists exclusively of foreign commerce, interstate commerce, or both;

Business within the state shall not be deemed to include transportation in interstate or foreign commerce, or both, by means of ships navigating within or through waters which are made international for navigation purposes by any treaty or agreement to which the United States is a party;

(2) Resident and non-resident individuals;

(3) Estates of decedents, dying domiciled within or without this state;

(4) Trusts (except those taxable as corporations) however created by residents or non-residents or by domestic or foreign corporations.

Sec. 6. Minnesota Statutes 1981 Supplement, Section 290.05, Subdivision 1, is amended to read:

Subdivision 1. The following corporations, individuals, estates, trusts, and organizations shall be exempted from taxation under this chapter, provided that every such person or corporation claiming exemption under this chapter, in whole or in part, must establish to the satisfaction of the commissioner the taxable status of any income or activity:

(a) Corporations, individuals, estates, and trusts engaged in the business of mining or producing iron ore and other ores the mining or production of which is subject to the occupation tax imposed by section 298.01; but if any such corporation, individual, estate, or trust engages in any other business or activity or has income from any property not used in such business it shall be subject to this tax computed on the net income from such property or such other business or activity. Royalty (as defined in section 299.02) shall not be considered



as income from the business of mining or producing iron ore within the meaning of this section;

(b) (FARMERS' MUTUAL INSURANCE COMPANIES ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE AND CREDIT UNIONS ORGANIZED UNDER CHAPTER 52;)

((C) FRATERNAL BENEFICIARY ASSOCIATIONS WHEREVER ORGANIZED, AND PUBLIC DEPARTMENT RELIEF ASSOCIATIONS OF PUBLIC EMPLOYEES OF THIS STATE OR OF ANY OF ITS POLITICAL SUBDIVISIONS;)

((D) COOPERATIVE OR MUTUAL RURAL TELEPHONE ASSOCIATIONS; AND COOPERATIVE ASSOCIATIONS ORGANIZED UNDER THE PROVISIONS OF CHAPTER 308, WHICH ARE ENGAGED IN THE TRANSMISSION AND DISTRIBUTION OF ELECTRICAL HEAT, LIGHT OR POWER UPON A MUTUAL AND COOPERATIVE PLAN IN AREAS OUTSIDE THE CORPORATE LIMITS OF ANY CITY; BUT IF ANY SUCH COOPERATIVE ASSOCIATION ENGAGES IN SUPPLYING ELECTRICAL HEAT, LIGHT OR POWER TO CONSUMERS WITHIN THE CORPORATE LIMITS OF ANY CITY, THEN SUCH ASSOCIATION SHALL BE SUBJECT TO THIS TAX COMPUTED ON THAT PORTION OF ITS NET INCOME WHICH ITS GROSS RECEIPTS FROM CONSUMERS WITHIN SUCH CORPORATE LIMITS BEARS TO ITS TOTAL GROSS RECEIPTS;)

((E)) The United States of America, the state of Minnesota or any political subdivision of either agencies or instrumentalities, whether engaged in the discharge of governmental or proprietary functions.

Sec. 7. Minnesota Statutes 1981 Supplement, Section 290.05, Subdivision 4, is amended to read:

Subd. 4. (a) Corporations, individuals, estates, trust or organizations claiming exemption under the provisions of (SUBDIVISION 1, CLAUSE (C), OR) subdivision 2 shall furnish information as to their exempt status under the Internal Revenue Code.

(b) Such corporations, individuals, estates, trusts, and organizations shall file with the commissioner of revenue a copy of any annual report that is required to be filed with the Internal Revenue Service, no later than ten days after filing the same with the Internal Revenue Service.

Any person required to file a copy of a federal return pursuant to the preceding paragraph who wilfully fails to file such return shall be guilty of a misdemeanor.

(c) In the event that the Internal Revenue Service revokes, cancels or suspends, in whole or part, the exempt status of any corporation, individual, estate, trust or organization referred to in clause (a), or if the amount of gross income, deductions, credits, items of tax preference or taxable income is changed or corrected by either the taxpayer or the Internal Revenue Service, or if the taxpayer consents to any extension of time for assessment of federal income taxes such corporation, individual, estate, trust or organization shall notify the commissioner in writing of such action within 90 days thereafter.

(d) The periods of limitations contained in section 290.56 shall apply whenever there has been any action referred to in clause (c), notwithstanding any period of limitations to the contrary.

Sec. 8. Minnesota Statutes 1980, Section 290.06, Subdivision 9, is amended to read:

Subd. 9. [POLLUTION CONTROL EQUIPMENT, CREDIT.] (a) A credit of five percent of the net cost of equipment used primarily to abate or control pollutants to meet or exceed state laws, rules or standards to the extent the property is so used and which is included in section 290.09, subdivision 7, paragraph (A) (a) may be deducted from the tax due under this chapter in the first year for which a depreciation deduction is allowed for the equipment. The credit allowed by this subdivision shall not exceed so much of the liability for tax for the taxable year as does not exceed \$75,000. The credit shall apply only if the equipment meets rules prescribed by the Minnesota pollution control agency and is installed or operated in accordance with a permit or order issued by the agency.

(b) If the amount of the credit determined under (a) for any taxable year for which a depreciation deduction is allowed exceeds the limitation provided by (a) for such taxable year (hereinafter in this subdivision referred to as the "unused credit year"), such excess shall be, a credit carryover to each of the four taxable years following the unused credit year.

The entire amount of the unused credit for an unused credit year shall be carried to the earliest of the four taxable years to which such credit may be carried and then to each of the other three taxable years; provided, however, the maximum credit allowable in any one taxable year under this subdivision (including the credit allowable under (a) and the carryforward allowable under this paragraph) shall in no event exceed \$75,000.

((C) THIS SUBDIVISION SHALL APPLY TO PROPERTY ACQUIRED IN TAXABLE YEARS BEGINNING ON OR AFTER JANUARY 1, 1977.)

Sec. 9. Minnesota Statutes 1980, Section 290.06, Subdivision 9a, is amended to read:

Subd. 9a. [FEEDLOT POLLUTION CONTROL EQUIPMENT.] A credit of ten percent of the net cost of pollution control and abatement equipment, including but not limited to, lagoons, concrete storage pits, slurry handling equipment, and other equipment and devices approved by the pollution control agency, purchased, installed and operated within the state by a feedlot operator to prevent pollution of air, land, or water in connection with the operation of a livestock feedlot, poultry lot or other animal lot, may be deducted from the tax due under this chapter in the taxable year in which such equipment is purchased; provided that no deduction shall be taken for any portion of the cost of the same equipment pursuant to subdivision 9.

If the amount of the credit provided by this subdivision exceeds the taxpayer's liability for taxes pursuant to chapter 290 in the taxable year (, BEGINNING AFTER DECEMBER 31, 1972,) in which the equipment is purchased, the excess amount may be carried forward to the four taxable years following the year of purchase. The entire amount of the credit not used in the year purchased shall be carried to the earliest of the four taxable years to which the credit may be carried and then to each of the three successive taxable years.

Sec. 10. Minnesota Statutes 1981 Supplement, Section 290.075, is amended to read:

290.075 [RENEGOTIATED WAR CONTRACTS.]

Any *corporate* taxpayer who supplies any goods, wares and merchandise or performs services, or both, under any contract, with the United States of America, or under any subcontract thereunder, or under a cost-plus-a-fixed-fee contract with the United States of America, or any agency thereof and who is subject to renegotiations under the renegotiation laws of the United States of America, or is required to renegotiate with his subcontractor, shall be required to adjust his or its Minnesota income and franchise tax liability in accordance with the following rules:

A return shall be filed and the income and franchise tax computed, on the basis of the Minnesota taxable net income without giving effect to any renegotiations occurring after the close of the taxable year. If after the close of the taxable year there is a final determination under renegotiation, (THE DIFFERENCE BETWEEN (1)) the amount determined by the renegotiation to be (a) excess profits, (b) excess fees under a fixed fee contract with the United States, or any agency thereof, or (c) the amount of any item for which the taxpayer has been reimbursed but which is disallowed as an item of cost chargeable to a fixed fee contract, (AND (2) THE AMOUNT OF FED-

ERAL INCOME AND EXCESS PROFITS TAXES APPLICABLE THERETO,) shall be allowed as a deduction from gross income in the taxable year in which said final determination is made, but only to the extent that such renegotiated profits, fees or amounts were included in the taxable net income in a prior year. If the taxable net income for the taxable year in which said final determination is made is less than said deduction, the taxpayer shall be entitled to a refund of the state income tax which it has paid on the difference between said deduction and said taxable income. The certificate of the agency or instrumentality of the United States conducting such renegotiation proceedings shall be evidence of the amount of the renegotiated profit and of the date thereof.

Sec. 11. Minnesota Statutes 1980, Section 290.079, Subdivision 1, is amended to read:

Subdivision 1. [AMOUNT CONSTITUTING INTEREST.] For purposes of this chapter, in the case of any contract for the sale or exchange of property there shall be treated as interest that part of a payment to which (THIS SECTION) *section 483 of the Internal Revenue Code of 1954, as amended through December 31, 1981,* applies (WHICH BEARS THE SAME RATIO TO THE AMOUNT OF SUCH PAYMENT AS THE TOTAL UNSTATED INTEREST UNDER SUCH CONTRACT BEARS TO THE TOTAL OF THE PAYMENTS TO WHICH THIS SECTION APPLIED WHICH ARE DUE UNDER SUCH CONTRACT).

Sec. 12. Minnesota Statutes 1981 Supplement, Section 290.081, is amended to read:

290.081 [INCOME OF NONRESIDENTS, RECIPROCITY.]

(a) The compensation received for the performance of personal or professional services within this state by an individual who resides and has his place of abode and place to which he customarily returns at least once a month in another state, shall be excluded from gross income to the extent such compensation is subject to an income tax imposed by the state of his residence; provided that such state allows a similar exclusion of compensation received by residents of Minnesota for services performed therein, or

(b) Whenever a nonresident taxpayer has become liable for income taxes to the states where he resides upon his net income for the taxable year derived from the performance of personal or professional services within this state and subject to taxation under this chapter, there shall be allowed as a credit against the amount of income tax payable by him under this chapter, such proportion of the tax so paid by him to the state where he resides as his gross income subject to taxation under this chapter bears to his entire gross income upon which the tax so paid to such

other state was imposed; provided, that such credit shall be allowed only if the laws of such state grant a substantially similar credit to residents of this state subject to income tax under such laws, or

(c) If any taxpayer who is a resident of this state, or a domestic corporation or corporation commercially domiciled therein, has become liable for taxes on or measured by net income to another state or a province or territory of Canada upon, if the taxpayer is an individual, any income, or if it is a corporation, estate, or trust, upon income derived from the performance of personal or professional services within such other state or province or territory of Canada and subject to taxation under this chapter he or it shall be entitled to a credit against the amount of taxes payable under this chapter, of such proportion thereof, as such gross income subject to taxation in such state or province or territory of Canada bears to his entire gross income subject to taxation under this chapter; provided (1) that such credit shall in no event exceed the amount of tax so paid to such other state or province or territory of Canada on the gross income earned within such other state or province or territory of Canada and subject to taxation under this chapter, and (2) that such credit shall not be allowed if such other state or province or territory of Canada allows residents of this state a credit against the taxes imposed by such state or province or territory of Canada for taxes payable under this chapter substantially similar to the credit provided for by paragraph (b) of this section, and (3) the allowance of such credit shall not operate to reduce the taxes payable under this chapter to an amount less than would have been payable if the gross income earned in such other state or province or territory of Canada had been excluded in computing net income under this chapter.

(d) The commissioner shall by regulation determine with respect to gross income earned in any other state the applicable clause of this section. When it is deemed to be in the best interests of the people of this state, the commissioner may determine that the provisions of clause (a) shall not apply.

(e) "Tax So Paid" as used in this section means taxes on or measured by net income payable to another state or province or territory of Canada on income earned within the taxable year for which the credit is claimed, provided that such tax is actually paid in that taxable year, or subsequent taxable years.

*For purposes of clause (c), where a Minnesota resident reported an item of income to Minnesota and is assessed tax in another state or a province or territory of Canada on that same item of income after the Minnesota statute of limitations has expired, the taxpayer shall be allowed to receive a credit for that year based on clause (c), notwithstanding the provisions of sections 290.49, 290.50, and 290.56. For purposes of the preceding sen-*

*tence, the burden of proof shall be on the taxpayer to show that he is entitled to a credit.*

(f) For the purposes of clause (a), whenever the Wisconsin tax on Minnesota residents which would have been paid Wisconsin without clause (a) exceeds the Minnesota tax on Wisconsin residents which would have been paid Minnesota without clause (a), or vice versa, then the state with the net revenue loss resulting from clause (a) shall receive from the other state the amount of such loss. This provision shall be effective for all years beginning after December 31, 1972. The data used for computing the loss to either state shall be determined on or before September 30 of the year following the close of the previous calendar year.

Interest shall be payable on all delinquent balances relating to taxable years beginning after December 31, 1977. The commissioner of revenue is authorized to enter into agreements with the state of Wisconsin specifying the reciprocity payment due date, conditions constituting delinquency, interest rates, and a method for computing interest due on any delinquent amounts.

If an agreement cannot be reached as to the amount of the loss, the commissioner of revenue and the taxing official of the state of Wisconsin shall each appoint a member of a board of arbitration and these members shall appoint the third member of the board. The board shall select one of its members as chairman. Such board may administer oaths, take testimony, subpoena witnesses, and require their attendance, require the production of books, papers and documents, and hold hearings at such places as are deemed necessary. The board shall then make a determination as to the amount to be paid the other state which determination shall be final and conclusive.

Notwithstanding the provisions of section 290.61, the commissioner may furnish copies of returns, reports, or other information to the taxing official of the state of Wisconsin, a member of the board of arbitration, or a consultant under joint contract with the states of Minnesota and Wisconsin for the purpose of making a determination as to the amount to be paid the other state under the provisions of this section. Prior to the release of any information under the provisions of this section, the person to whom the information is to be released shall sign an agreement which provides that he will protect the confidentiality of the returns and information revealed thereby to the extent that it is protected under the laws of the state of Minnesota.

Sec. 13. Minnesota Statutes 1981 Supplement, Section 290.09, Subdivision 4, is amended to read:

Subd. 4. [TAXES.] Taxes paid or accrued within the taxable year, except (a) income or franchise taxes imposed by this chapter and income or franchise taxes paid to any other state or to

any province or territory of Canada for which a credit is allowed under section 290.081; (b) taxes assessed against local benefits of a kind deemed in law to increase the value of the property assessed; (c) inheritance, gift and estate taxes except as provided in section 290.077, subdivision 4; (d) cigarette and tobacco products excise tax imposed on the consumer; (e) that part of Minnesota property taxes for which a credit or refund is claimed and allowed under chapter 290A; (f) federal income taxes (including the windfall profit tax on domestic crude oil), by corporations, national and state banks; (g) mortgage registry tax; (h) real estate transfer tax; (i) federal telephone tax; (j) federal transportation tax; and (k) tax paid by any corporation or national or state bank to any foreign country or possession of the United States to the extent that a credit against federal income taxes is allowed under the provisions of the Internal Revenue Code of 1954, as amended through December 31, 1980. If the taxpayer's foreign tax credit consists of both foreign taxes deemed paid and foreign taxes actually paid or withheld, it will be conclusively presumed that foreign taxes deemed paid were first used by the taxpayer in its foreign tax credit. Minnesota gross income shall include the amount of foreign tax paid which had been allowed as a deduction in a previous year, provided such foreign tax is later allowed as a credit against federal income tax.

Taxes imposed upon a shareholder's interest in a corporation which are paid by the corporation without reimbursement from the shareholder shall be deductible only by such corporation.

*Property taxes shall be allowed as a deduction to the same taxpayer and in the same manner as provided in section 164 of the Internal Revenue Code of 1954, as amended through December 31, 1981, notwithstanding the provisions of section 272.31.*

Sec. 14. Minnesota Statutes 1981 Supplement, Section 290.09, Subdivision 15, is amended to read:

Subd. 15. [STANDARD DEDUCTION.] In lieu of all deductions provided for in this chapter, except for the federal income tax deduction, an individual may claim or be allowed a standard deduction as follows:

(a) Subject to modification pursuant to clause (b), the standard deduction shall be an amount equal to ten percent of the adjusted gross income of the taxpayer, up to a maximum deduction of \$2,000.

In the case of a husband and wife, the standard deduction shall not be allowed to either if the net income of one of the spouses is determined without regard to the standard deduction.

(b) For each taxable year beginning after December 31, 1980, the maximum amount of the standard deduction shall be

adjusted for inflation in the same manner as provided in section 290.06, subdivision 2d, for the expansion of the taxable net income brackets. (IF THE PRODUCT EXCEEDS A WHOLE DOLLAR AMOUNT, IT SHALL BE ROUNDED TO THE NEAREST DOLLAR.)

(c) The commissioner of revenue may establish a standard deduction tax table incorporating the rates set forth in section 290.06, subdivision 2c, and the standard deduction. The tax of any individual taxpayer whose adjusted gross income is less than \$20,000 shall, if an election is made not to itemize non-business deductions, be computed in accordance with tables prepared and issued by the commissioner of revenue. The tables shall be prepared to reflect the allowance of the standard deduction and the personal and dependent credits.

Sec. 15. Minnesota Statutes 1980, Section 290.09, Subdivision 16, is amended to read:

Subd. 16. [CIRCULATION EXPENDITURES.] Notwithstanding the provisions of section 290.10(2), (ALL) *circulation* expenditures ((OTHER THAN EXPENDITURES FOR THE PURCHASE OF LAND OR DEPRECIABLE PROPERTY OR FOR THE ACQUISITION OF CIRCULATION THROUGH THE PURCHASE OF ANY PART OF THE BUSINESS OR ANOTHER PUBLISHER OF A NEWSPAPER, MAGAZINE, OR OTHER PERIODICAL) TO ESTABLISH, MAINTAIN, OR INCREASE THE CIRCULATION OF A NEWSPAPER, MAGAZINE, OR OTHER PERIODICAL; EXCEPT THAT THE DEDUCTION SHALL NOT BE ALLOWED WITH RESPECT TO THE PORTION OF SUCH EXPENDITURES AS, UNDER REGULATIONS PRESCRIBED BY THE COMMISSIONER, IS CHARGEABLE TO CAPITAL ACCOUNT IF THE TAXPAYER ELECTS, IN ACCORDANCE WITH SUCH REGULATIONS, TO TREAT SUCH PORTION AS SO CHARGEABLE. SUCH ELECTION, IF MADE, MUST BE FOR THE TOTAL AMOUNT OF SUCH PORTION OF THE EXPENDITURES WHICH IS SO CHARGEABLE TO CAPITAL ACCOUNT, AND SHALL BE BINDING FOR ALL SUBSEQUENT TAXABLE YEARS UNLESS, UPON APPLICATION BY THE TAXPAYER, THE COMMISSIONER PERMITS A REVOCATION OF SUCH ELECTION SUBJECT TO SUCH CONDITIONS AS HE DEEMS NECESSARY) *shall be treated in the same manner as the taxpayer has elected under the provisions of section 173 of the Internal Revenue Code of 1954, as amended through December 31, 1981.*

Sec. 16. Minnesota Statutes 1980, Section 290.09, Subdivision 17, is amended to read:

Subd. 17. [TAXES AND INTEREST PAID TO COOPERATIVE APARTMENT CORPORATION.] In the case of a



tenant-stockholder (AS DEFINED HEREIN), *there shall be allowed as a deduction* amounts (, NOT OTHERWISE DEDUCTIBLE, PAID OR ACCRUED TO A COOPERATIVE APARTMENT CORPORATION WITHIN THE TAXABLE YEAR, IF SUCH AMOUNTS REPRESENT THAT PROPORTION OF (A) THE REAL ESTATE TAXES (ALLOWABLE AS DEDUCTIONS UNDER SUBDIVISION 4) PAID OR INCURRED BY THE CORPORATION ON THE APARTMENT BUILDING AND THE LAND ON WHICH IT IS SITUATED, AND (B) THE INTEREST (ALLOWABLE AS A DEDUCTION UNDER SUBDIVISION 3) PAID OR INCURRED BY THE CORPORATION ON ITS INDEBTEDNESS CONTRACTED IN THE ACQUISITION, CONSTRUCTION, ALTERATION, REHABILITATION, OR MAINTENANCE OF SUCH APARTMENT BUILDING OR IN THE ACQUISITION OF THE LAND ON WHICH THE BUILDING IS LOCATED, WHICH THE STOCK OF THE CORPORATION OWNED BY THE TENANT-STOCKHOLDER IS OF THE TOTAL OUTSTANDING STOCK OF THE CORPORATION, INCLUDING THAT HELD BY THE CORPORATION.)

(AS USED IN THIS SUBDIVISION THE TERM "COOPERATIVE APARTMENT CORPORATION" MEANS A CORPORATION)

((A) HAVING ONE AND ONLY ONE CLASS OF STOCK OUTSTANDING,)

((B) ALL OF THE STOCKHOLDERS OF WHICH ARE ENTITLED, SOLELY BY REASON OF THEIR OWNERSHIP OF STOCK IN THE CORPORATION, TO OCCUPY FOR DWELLING PURPOSES APARTMENTS IN A BUILDING OWNED OR LEASED BY SUCH CORPORATION, AND WHO ARE NOT ENTITLED, EITHER CONDITIONALLY OR UNCONDITIONALLY, EXCEPT UPON A COMPLETE OR PARTIAL LIQUIDATION OF THE CORPORATION, TO RECEIVE ANY DISTRIBUTION NOT OUT OF EARNINGS AND PROFITS OF THE CORPORATION, AND)

((C) 80 PERCENT OR MORE OF THE GROSS INCOME OF WHICH FOR THE TAXABLE YEAR IN WHICH THE TAXES AND INTEREST DESCRIBED IN THIS SUBDIVISION ARE PAID OR INCURRED IS DERIVED FROM TENANT-STOCKHOLDERS.)

(THE TERM "TENANT-STOCKHOLDERS" MEANS AN INDIVIDUAL WHO IS A STOCKHOLDER IN A COOPERATIVE APARTMENT CORPORATION, AND WHOSE STOCK IS FULLY PAID UP IN AN AMOUNT NOT LESS THAN AN AMOUNT SHOWN TO THE SATISFACTION OF THE COMMISSIONER AS BEARING A REASONABLE RELATIONSHIP TO THE PORTION OF THE VALUE OF THE

CORPORATION'S EQUITY IN THE BUILDING AND THE LAND ON WHICH IT IS SITUATED WHICH IS ATTRIBUTABLE TO THE APARTMENT WHICH SUCH INDIVIDUAL IS ENTITLED TO OCCUPY. FOR PURPOSES OF THIS SUBDIVISION, IF A BANK OR OTHER LENDING INSTITUTION ACQUIRES BY FORECLOSURE, OR BY INSTRUMENT IN LIEU OF FORECLOSURE, THE STOCK OF A TENANT-STOCKHOLDER, AND A LEASE OR THE RIGHT TO OCCUPY AN APARTMENT TO WHICH THE STOCK IS APPURTENANT, THE BANK OR OTHER LENDING INSTITUTION SHALL BE TREATED AS A TENANT-STOCKHOLDER FOR A PERIOD NOT TO EXCEED THREE YEARS FROM THE DATE OF ACQUISITION. THE PRECEDING SENTENCE SHALL APPLY EVEN THOUGH, BY AGREEMENT WITH THE COOPERATIVE APARTMENT CORPORATION, THE BANK OR OTHER LENDING INSTITUTION, OR ITS NOMINEE, MAY NOT OCCUPY THE APARTMENT WITHOUT THE PRIOR APPROVAL OF THE CORPORATION) *allowed under the provisions of section 216 of the Internal Revenue Code of 1954, as amended through December 31, 1981.*

Sec. 17. Minnesota Statutes 1981 Supplement, Section 290.091, as amended by Laws 1981, Third Special Session Chapter 2, Article III, Section 9, is amended to read:

**290.091 [MINIMUM TAX ON PREFERENCE ITEMS.]**

In addition to all other taxes imposed by this chapter there is hereby imposed, a tax which, in the case of a resident individual, shall be equal to 40 percent of the amount of the taxpayer's minimum tax liability for tax preference items pursuant to the provisions of sections 55 to 58 and 443(d) of the Internal Revenue Code of 1954 as amended through December 31, 1980 (EXCEPT THAT). For purposes of the tax imposed by this section, *the following modifications shall be made:*

(1) Capital gain as defined in section 57(a) of the Internal Revenue Code shall not include that portion of any gain occasioned by sale, transfer or the granting of a perpetual easement pursuant to any eminent domain proceeding or threat thereof as described in section 290.13, subdivision 5. This modification shall apply to the years in which the gain or reduction in loss is actually included in federal adjusted gross income even though amounts received pursuant to the eminent domain proceedings were received in prior years.

(2) *In the case of a corporate taxpayer, percentage depletion shall not be a preference item.*

(3) *In the case of a corporate taxpayer, the capital gain preference item shall not include the timber preference income defined in section 57(e)(1) of the Internal Revenue Code.*

(4) *The preference item of reserves for losses on bad debts shall not include reserves allowable under section 593 of the Internal Revenue Code, but which are not allowable under section 290.09, subdivision 6, clause (c).*

(5) *In the case of an individual, the preference item of adjusted itemized deductions does not include any deduction for charitable contributions in excess of the limitations contained in section 290.21, subdivision 3, including any carryover amount allowed for federal purposes.*

(6) *The capital gain preference item shall be reduced where the gain would be modified because some or all of the assets have a higher basis for Minnesota purposes than for federal purposes.*

(7) *In the case of a nonresident individual, or an estate or trust, with a net operating loss that is a larger amount for Minnesota than for federal, the capital gain preference item shall be reduced to the extent it was reduced in the allowance of the net operating loss.*

*In the case of a resident individual, having preference items which could not be taken to reduce income from sources outside the state pursuant to section 290.17, subdivision 1, or any other taxpayer the tax shall equal 40 percent of that federal liability, multiplied by a fraction the numerator of which is the amount of the taxpayer's preference item income allocated to this state pursuant to the provisions of sections 290.17 to 290.20, and the denominator of which is the taxpayer's total preference item income for federal purposes.*

*The tax benefit rule contained in section 58(h) of the Internal Revenue Code is applied to the Minnesota minimum tax only to the extent that it determines if there is a federal minimum tax. No separate tax benefit rule is allowable for the Minnesota minimum tax.*

Sec. 18. Minnesota Statutes 1980, Section 290.095, Subdivision 4, is amended to read:

Subd. 4. [COMPUTATION AND MODIFICATIONS.] The following modifications shall be made in computing a net operating loss in any taxable year and also in computing the taxable net income for any taxable year before a net operating loss deduction shall be allowed:

(a) (DEDUCTIONS OTHERWISE ALLOWABLE IN COMPUTING TAXABLE NET INCOME, BUT WHICH ARE NOT ATTRIBUTABLE TO THE OPERATION OF A TRADE OR BUSINESS REGULARLY CARRIED ON BY THE TAXPAYER, SHALL BE ALLOWED ONLY TO THE EXTENT OF THE AMOUNT OF THE GROSS INCOME, NOT DERIVED FROM

SUCH TRADE OR BUSINESS, INCLUDED IN COMPUTING SUCH TAXPAYER'S TAXABLE NET INCOME.)

((B) THERE SHALL BE INCLUDED IN COMPUTING THE GROSS INCOME USED IN COMPUTING TAXABLE NET INCOME THE AMOUNT OF THE INTEREST, EXCLUDABLE FROM GROSS INCOME UNDER SECTION 290.08, THAT WOULD BE TREATED AS ASSIGNABLE TO THIS STATE, DECREASED BY THE AMOUNT OF INTEREST PAID OR ACCRUED TO PURCHASE OR CARRY THE INVESTMENTS EARNING SUCH INTEREST TO THE EXTENT THAT SUCH INTEREST WOULD NOT HAVE BEEN DEDUCTIBLE IN COMPUTING THE TAXPAYER'S TAXABLE NET INCOME.)

((C)) No deduction shall be allowed for or with respect to losses connected with income producing activities if the income therefrom would not be required to be either assignable to this state or included in computing the taxpayer's taxable net income.

((D)) (b) A net operating loss deduction shall not be allowed.

((E)) (c) The amount deductible on account of losses from sales or exchanges of capital assets shall not exceed the amount includible on account of gains from sales or exchanges of capital assets. The deduction for long-term capital gains provided by section 290.16, subdivision 4, shall not be allowed.

((F)) (d) Renegotiation of profits for a prior taxable year under the renegotiation laws of the United States of America, including renegotiation of the profits with a subcontractor, shall not enter into the computation.

((G)) (e) Federal income and excess profits taxes shall not be allowed as a deduction.

Sec. 19. Minnesota Statutes 1981 Supplement, Section 290.095, Subdivision 11, is amended to read:

Subd. 11. [CARRYBACK OR CARRYOVER ADJUSTMENTS.] (a) For individuals the amount of a net operating loss that may be carried back or carried over shall be the same dollar amount allowable in the determination of federal adjusted gross income. For estates and trusts the amount of a net operating loss that may be carried back or carried over shall be the same dollar amount allowable in the determination of federal taxable income.

(b) The following adjustments to the amount of the net operating loss that may be carried back or carried over must be made for:

(1) Nonassignable income or losses as required by section 290.17, subdivision 2.

(2) Losses which constitute tax preference items as required in section 290.17, subdivision 1.

(3) Modifications required because of the restrictions on farm losses as provided in section 290.09, subdivision 29.

(4) Adjustments to the determination of federal adjusted gross income that must be made because of changes in the Internal Revenue Code that have not yet been adopted by the legislature by updating the reference to the Internal Revenue Code contained in section 290.01, subdivision 20.

(5) Modifications to income (AND LOSS) contained in federal adjusted gross income according to the provisions of section 290.01, subdivision 20, clause (c).

(6) Gains or losses which result from the sale or other disposition of property having a higher adjusted basis for Minnesota income tax purposes than for federal income tax purposes subject to the limitations contained in section 290.01, subdivision 20, clause (b) (2) and (4).

(7) Interest, taxes, and other expenses not allowed under section 290.10, (CLAUSES) *clause* (9) (AND (10)) or section 290.101.

(c) (1) The net operating loss carryback or carryover applied as a deduction in the taxable year to which the net operating loss is carried back or carried over shall be equal to the net operating loss carryback or carryover applied in the taxable year in arriving at federal adjusted gross income (or federal taxable income for trusts and estates) subject to the modifications contained in clause (b) and to the following modifications:

(A) Increase the amount of carryback or carryover applied in the taxable year by the amount of losses and interest, taxes and other expenses not assignable or allowable to Minnesota incurred in the taxable year.

(B) Decrease the amount of carryback or carryover applied in the taxable year by the amount of income not assignable to Minnesota earned in the taxable year and the amount of federal jobs credit or WIN credit earned in the taxable year.

(C) A taxpayer who is not a resident of Minnesota during any part of the taxable year and who has no income assignable to Minnesota during the taxable year shall apply no net operating loss carryback or carryover in the taxable year.

(2) The provisions of section 172(b) of the Internal Revenue Code of 1954 as amended through December 31, 1980 (relating to carrybacks and carryovers) shall apply. The net operating loss carryback or carryover to the next consecutive taxable year shall be the net operating loss carryback or carryover as calculated in clause (c) (1) less the amount applied in the earlier taxable year(s). No additional net operating loss carryback or carryover shall be allowed if the entire amount has been used to offset Minnesota income in a year earlier than was possible on the federal return. A net operating loss carryback or carryover that was allowed to offset federal income in a year earlier than was possible on the Minnesota return shall still be allowed to offset Minnesota income but only if the loss was assignable to Minnesota in the year the loss occurred.

(d) A net operating loss shall be allowed to be carried back or carried forward only to the extent that loss was assignable to Minnesota in the year the loss occurred or in the year to which the loss was carried over, whichever would allow more of the loss to be allowed for Minnesota purposes.

(e) If a taxpayer has a net operating loss for federal purposes and the provisions of the farm loss limitation as provided in section 290.09, subdivision 29 apply, the limitations applying to the farm losses that are carried back or carried over are applied first and the net operating loss that is carried back or carried over is limited to the excess, if any, that the net operating loss exceeds the farm loss limitation.

Sec. 20. Minnesota Statutes 1981 Supplement, Section 290.10, is amended to read:

#### 290.10 [NONDEDUCTIBLE ITEMS.]

In computing the net income no deduction shall in any case be allowed for:

(1) Personal, living or family expenses;

(2) Amounts paid out for new buildings or for permanent improvements or betterments made to increase the value of any property or estate, except as otherwise provided in this chapter;

(3) Amounts expended in restoring property or in making good the exhaustion thereof for which an allowance is or has been made;

(4) Premiums paid on any life insurance policy covering the life of the taxpayer or of any other person;

(5) The shrinkage in value, due to the lapse of time, of a life or terminable interest of any kind in property acquired by gift, devise, bequest or inheritance;

(6) Losses from sales or exchanges of property, directly or indirectly, between (MEMBERS OF A FAMILY, OR, EXCEPT IN THE CASE OF DISTRIBUTIONS IN LIQUIDATION, BETWEEN AN INDIVIDUAL AND A CORPORATION IN WHICH SUCH INDIVIDUAL OWNS, DIRECTLY OR INDIRECTLY, MORE THAN 50 PERCENT IN VALUE OF THE OUTSTANDING STOCK; OR BETWEEN ANY PERSON OR CORPORATION AND A TRUST CREATED BY HIM OR IT OR OF WHICH HE OR IT IS A BENEFICIARY, DIRECTLY OR INDIRECTLY; FOR THE PURPOSE OF THIS CLAUSE, AN INDIVIDUAL SHALL BE CONSIDERED AS OWNING THE STOCK OWNED, DIRECTLY OR INDIRECTLY, BY HIS FAMILY; AND THE FAMILY OF AN INDIVIDUAL SHALL INCLUDE ONLY HIS BROTHERS AND SISTERS (WHETHER BY THE WHOLE OR HALF BLOOD), SPOUSE, ANCESTOR, AND LINEAL DESCENDANTS, BUT SUCH LOSSES SHALL BE ALLOWED AS DEDUCTIONS IF THE TAXPAYER SHOWS TO THE SATISFACTION OF THE COMMISSIONER THAT THE SALE OR EXCHANGE WAS BONA FIDE AND FOR A FAIR AND ADEQUATE CONSIDERATION) *related taxpayers as defined and as provided in section 267 of the Internal Revenue Code of 1954, as amended through December 31, 1981;*

(7) In computing net income, no deduction shall be allowed under section 290.09, subdivision 2, relating to expenses incurred or under section 290.09, subdivision 3, relating to interest accrued *as provided in section 267(a)(2) and (e) of the Internal Revenue Code of 1954, as amended through December 31, 1981;*

((A) IF SUCH EXPENSES OR INTEREST NOT PAID WITHIN THE TAXABLE YEAR OR WITHIN TWO AND ONE-HALF MONTHS AFTER THE CLOSE THEREOF; AND)

((B) IF, BY REASON OF THE METHOD OF ACCOUNTING OF THE PERSON TO WHOM THE PAYMENT IS TO BE MADE, THE AMOUNT THEREOF IS NOT, UNLESS PAID, INCLUDIBLE IN THE GROSS INCOME OF SUCH PERSON FOR THE TAXABLE YEAR IN WHICH OR WITH WHICH THE TAXABLE YEAR OF THE TAXPAYER ENDS; AND)

((C) IF, AT THE CLOSE OF THE TAXABLE YEAR OF THE TAXPAYER OR AT ANY TIME WITHIN TWO AND ONE-HALF MONTHS THEREAFTER, BOTH THE TAXPAYER AND THE PERSON TO WHOM THE PAYMENT IS TO BE MADE ARE PERSONS BETWEEN WHOM LOSSES WOULD BE DISALLOWED UNDER CLAUSE (6);)

(8) (a) Contributions by employees under the federal railroad retirement act and the federal social security act. (b) Payments to Minnesota or federal public employee retirement funds.

(c) Three-fourths (75 percent) of the amount of taxes imposed on self-employment income under section 1401 of the Internal Revenue Code of 1954, as amended through December 31, 1979.

(9) Expenses, interest and taxes connected with or allocable against the production or receipt of all income not included in the measure of the tax imposed by this chapter.

(10) In situations where this chapter provides for a subtraction from gross income of a specific dollar amount of an item of income assignable to this state, and within the measure of the tax imposed by this chapter, that portion of the federal income tax liability assessed upon such income subtracted, and any expenses attributable to earning such income, shall not be deductible in computing net income.

(11) Amounts paid or accrued for such taxes and carrying charges as, under regulations prescribed by the commissioner, are chargeable to capital account with respect to property, if the taxpayer elects, in accordance with such regulations, to treat such taxes or charges as so chargeable.

Sec. 21. Minnesota Statutes 1980, Section 290.13, Subdivision 1, is amended to read:

Subdivision 1. [TRANSACTIONS IN WHICH NO GAIN OR LOSS IS RECOGNIZED.] (NO) Gain or loss from (THE FOLLOWING) transactions *described in section 1031, 1035, or 1036 of the Internal Revenue Code of 1954, as amended through December 31, 1981*, shall be recognized at the time (OF THEIR OCCURRENCE, EXCEPT AS OTHERWISE SPECIFIED IN THIS SECTION:)

((1) IF THE PROPERTY HELD FOR PRODUCTIVE USE IN TRADE OR BUSINESS OR FOR INVESTMENT (NOT INCLUDING STOCK IN TRADE OR OTHER PROPERTY HELD PRIMARILY FOR SALE, NOR STOCKS, BONDS, NOTES, CHOSSES IN ACTION, CERTIFICATES OF TRUST OR BENEFICIAL INTEREST, OR OTHER SECURITIES OR EVIDENCES OF INDEBTEDNESS OR INTEREST) IS EXCHANGED SOLELY FOR PROPERTY OF A LIKE KIND TO BE HELD EITHER FOR PRODUCTIVE USE IN TRADE OR BUSINESS OR FOR INVESTMENT;)

((2) IF COMMON STOCK IN A CORPORATION IS EXCHANGED SOLELY FOR COMMON STOCK IN THE SAME CORPORATION, OR IF PREFERRED STOCK IN A CORPORATION IS EXCHANGED SOLELY FOR PREFERRED STOCK IN THE SAME CORPORATION;) *and in the manner, including the basis computation, provided in those sections.*

Sec. 22. Minnesota Statutes 1981 Supplement, Section 290.131, Subdivision 1, is amended to read:



Subdivision 1. [DISTRIBUTIONS OF PROPERTY.] ((A) EXCEPT AS OTHERWISE PROVIDED IN THIS CHAPTER, A DISTRIBUTION OF PROPERTY (AS DEFINED IN SECTION 290.133, SUBDIVISION 2, CLAUSE (A)) MADE BY A CORPORATION TO A SHAREHOLDER WITH RESPECT TO ITS STOCK SHALL BE TREATED IN THE MANNER PROVIDED IN CLAUSE (C).)

((B) AMOUNT DISTRIBUTED:)

((1) FOR PURPOSES OF THIS SUBDIVISION, THE AMOUNT OF ANY DISTRIBUTION SHALL BE:)

((A) IF THE SHAREHOLDER IS NOT A CORPORATION, THE AMOUNT OF MONEY RECEIVED PLUS THE FAIR MARKET VALUE OF THE OTHER PROPERTY RECEIVED.)

((B) IF THE SHAREHOLDER IS A CORPORATION, THE AMOUNT OF MONEY RECEIVED, PLUS WHICHEVER OF THE FOLLOWING IS THE LESSER:)

((I) THE FAIR MARKET VALUE OF THE OTHER PROPERTY RECEIVED; OR)

((II) THE ADJUSTED BASIS (IN THE HANDS OF THE DISTRIBUTING CORPORATION IMMEDIATELY BEFORE THE DISTRIBUTION) OF THE OTHER PROPERTY RECEIVED, INCREASED IN THE AMOUNT OF GAIN TO THE DISTRIBUTING CORPORATION WHICH IS RECOGNIZED UNDER CLAUSE (B) OR (C) OF SECTION 311 OF THE INTERNAL REVENUE CODE OF 1954, AS AMENDED THROUGH DECEMBER 31, 1980.)

((2) THE AMOUNT OF ANY DISTRIBUTION DETERMINED UNDER PARAGRAPH (1) SHALL BE REDUCED (BUT NOT BELOW ZERO) BY:)

((A) THE AMOUNT OF ANY LIABILITY OF THE CORPORATION ASSUMED BY THE SHAREHOLDER IN CONNECTION WITH THE DISTRIBUTION, AND)

((B) THE AMOUNT OF ANY LIABILITY TO WHICH THE PROPERTY RECEIVED BY THE SHAREHOLDER IS SUBJECT IMMEDIATELY BEFORE, AND IMMEDIATELY AFTER, THE DISTRIBUTION.)

((3) FOR PURPOSES OF THIS SUBDIVISION, FAIR MARKET VALUE SHALL BE DETERMINED AS OF THE DATE OF THE DISTRIBUTION.)

((C) IN THE CASE OF A DISTRIBUTION TO WHICH CLAUSE (A) APPLIES:)

((1) THAT PORTION OF THE DISTRIBUTION WHICH IS A DIVIDEND (AS DEFINED IN SECTION 290.133, SUBDIVISION 1) SHALL BE INCLUDED IN GROSS INCOME.)

((2) THAT PORTION OF THE DISTRIBUTION WHICH IS NOT A DIVIDEND SHALL BE APPLIED AGAINST AND REDUCE THE ADJUSTED BASIS OF THE STOCK.)

((3) AMOUNT IN EXCESS OF BASIS.)

((A) EXCEPT AS PROVIDED IN SUBPARAGRAPH (B), THAT PORTION OF THE DISTRIBUTION WHICH IS NOT A DIVIDEND, TO THE EXTENT THAT IT EXCEEDS THE ADJUSTED BASIS OF THE STOCK, SHALL BE TREATED AS GAIN FROM THE SALE OR EXCHANGE OF PROPERTY.)

((B) THAT PORTION OF THE DISTRIBUTION WHICH IS NOT A DIVIDEND, TO THE EXTENT THAT IT EXCEEDS THE ADJUSTED BASIS OF THE STOCK AND TO THE EXTENT THAT IS OUT OF INCREASE IN VALUE ACCRUED BEFORE JANUARY 1, 1933, SHALL BE EXEMPT FROM TAX.)

((D) THE BASIS OF PROPERTY RECEIVED IN A DISTRIBUTION TO WHICH CLAUSE (A) APPLIES SHALL BE:)

((1) IF THE SHAREHOLDER IS NOT A CORPORATION, THE FAIR MARKET VALUE OF SUCH PROPERTY.)

((2) IF THE SHAREHOLDER IS A CORPORATION, WHICHEVER OF THE FOLLOWING IS THE LESSER:)

((A) THE FAIR MARKET VALUE OF SUCH PROPERTY; OR)

((B) THE ADJUSTED BASIS (IN THE HANDS OF THE DISTRIBUTING CORPORATION IMMEDIATELY BEFORE THE DISTRIBUTION) OF SUCH PROPERTY, INCREASED IN THE AMOUNT OF GAIN TO THE DISTRIBUTING CORPORATION WHICH IS RECOGNIZED UNDER CLAUSE (B) OR (C) OF SECTION 311 OF THE INTERNAL REVENUE CODE OF 1954, AS AMENDED THROUGH DECEMBER 31, 1980.)

*The effects on recipients of a distribution by a corporation shall be governed by the provisions of sections 301 to 307 of the Internal Revenue Code of 1954, as amended through De-*

*ember 31, 1981. However, in section 301(c)(3)(B) the date January 1, 1933 shall be substituted for March 1, 1913 when determining the amount of a distribution that is not taxable.*

Sec. 23. Minnesota Statutes 1981 Supplement, Section 290.132, Subdivision 1, is amended to read:

Subdivision 1. [TAXABILITY OF CORPORATION ON DISTRIBUTION.] No gain or loss shall be recognized to a corporation on the distribution, with respect to its stock as provided in section 311 of the Internal Revenue Code of 1954, as amended through December 31, (1980) 1981.

*The effect on earnings and profits shall be determined according to the provisions of section 312 of the Internal Revenue Code of 1954, as amended through December 31, 1981. However, when determining earnings and profits in section 312(f) and (g), the date December 31, 1932 shall be substituted for February 28, 1913, and January 1, 1933 shall be substituted for March 1, 1913.*

Sec. 24. Minnesota Statutes 1980, Section 290.133, Subdivision 1, is amended to read:

Subdivision 1. [DIVIDEND DEFINED.] ((A)) For purposes of this chapter, the (TERM "DIVIDEND" MEANS ANY DISTRIBUTION OF PROPERTY MADE BY A CORPORATION TO ITS SHAREHOLDERS:)

((1) OUT OF ITS EARNINGS AND PROFITS ACCUMULATED AFTER DECEMBER 31, 1932, OR)

((2) OUT OF ITS EARNINGS AND PROFITS OF THE TAXABLE YEAR (COMPUTED AS OF THE CLOSE OF THE TAXABLE YEAR WITHOUT DIMINUTION BY REASON OF ANY DISTRIBUTIONS MADE DURING THE TAXABLE YEAR), WITHOUT REGARD TO THE AMOUNT OF THE EARNINGS AND PROFITS AT THE TIME THE DISTRIBUTION WAS MADE. EXCEPT AS OTHERWISE PROVIDED IN THIS CHAPTER, EVERY DISTRIBUTION IS MADE OUT OF EARNINGS AND PROFITS TO THE EXTENT THEREOF, AND FROM THE MOST RECENTLY ACCUMULATED EARNINGS AND PROFITS. TO THE EXTENT THAT ANY DISTRIBUTION IS, UNDER ANY PROVISION OF SECTIONS 290.131 THROUGH 290.138, TREATED AS A DISTRIBUTION OF PROPERTY TO WHICH SECTION 290.131, SUBDIVISION 1 APPLIES, SUCH DISTRIBUTION SHALL BE TREATED AS A DISTRIBUTION OF PROPERTY FOR PURPOSES OF THIS CLAUSE) *definitions provided in sections 316 to 318 of the Internal Revenue Code of 1954, as amended through December 31, 1981, shall apply. However, in section 316(a)(1), "December 31, 1932" shall be substituted for "February 28, 1913" when determining dividends.*

Sec. 25. Minnesota Statutes 1981 Supplement, Section 290.-136, Subdivision 1, is amended to read:

Subdivision 1. [TRANSFER TO CORPORATION CONTROLLED BY TRANSFEROR.] The provisions of sections 351 to (361, 367, AND) 368 of the Internal Revenue Code of 1954, as amended through December 31, 1980 shall apply to corporate organizations and reorganizations. *However, in section 362, the phrase "acquired in a taxable year beginning after December 31, 1956" shall be substituted for "acquired on or after June 22, 1954" when determining the property to which this section applies.*

Sec. 26. Minnesota Statutes 1981 Supplement, Section 290.14, is amended to read:

**290.14 [GAIN OR LOSS ON DISPOSITION OF PROPERTY, BASIS.]**

Except as otherwise provided in this chapter, the basis for determining the gain or loss from the sale or other disposition of property acquired on or after January 1, 1933, shall be the cost to the taxpayer of such property, with the following exceptions:

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

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

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

(4) Except as otherwise provided in this clause, the basis of property in the hands of a person acquiring the property from a decedent or to whom the property passed from a decedent shall, if not sold, exchanged or otherwise disposed of before the decedent's death by the person, be the fair market value of the property at the date of decedent's death or, in the case of an election under section 2032 (relating to alternate valuation) in the Internal Revenue Code of 1954, as amended through December 31, 1980, its valuation at the applicable valuation date prescribed by that section, or in the case of an election under section 2032A (relating to valuation of farm real property) of the Internal Revenue Code of 1954, as amended through December 31, 1980, its value determined by that section.

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

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

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

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

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

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

This clause shall not apply to property which constitutes a right to receive an item of income in respect of a decedent under section 290.077.

(5) (IF THE PROPERTY WAS ACQUIRED AFTER DECEMBER 31, 1932, UPON AN EXCHANGE DESCRIBED IN SECTION 290.13, SUBDIVISION 1, THE BASIS SHALL BE THE SAME AS IN THE CASE OF THE PROPERTY EXCHANGED, DECREASED IN THE AMOUNT OF ANY MONEY RECEIVED BY THE TAXPAYER AND INCREASED IN THE AMOUNT OF GAIN OR DECREASED IN THE

AMOUNT OF LOSS TO THE TAXPAYER THAT WAS RECOGNIZED UPON THE EXCHANGE UNDER THE LAW APPLICABLE TO THE YEAR IN WHICH THE EXCHANGE WAS MADE. IF THE PROPERTY SO ACQUIRED CONSISTED IN PART OF THE TYPE OF PROPERTY PERMITTED BY SECTION 290.13, SUBDIVISION 1, TO BE RECEIVED WITHOUT THE RECOGNITION OF GAIN OR LOSS, AND IN PART OF OTHER PROPERTY, THE BASIS PROVIDED IN THIS CLAUSE SHALL BE ALLOCATED BETWEEN THE PROPERTIES, OTHER THAN MONEY, RECEIVED, AND FOR THE PURPOSE OF THE ALLOCATION THERE SHALL BE ASSIGNED TO THE OTHER PROPERTY AN AMOUNT EQUIVALENT TO ITS FAIR MARKET VALUE AT THE DATE OF THE EXCHANGE. THIS CLAUSE SHALL NOT APPLY TO PROPERTY ACQUIRED BY A CORPORATION BY THE ISSUANCE OF ITS STOCK OR SECURITIES AS THE CONSIDERATION, IN WHOLE OR IN PART, FOR THE TRANSFER OF THE PROPERTY TO IT;)

((6)) If substantially identical property was acquired in the place of stocks or securities which were sold or disposed of and in respect of which loss was not allowed as a deduction under section 290.09, subdivision 5, the basis in the case of property so acquired shall be the same as (IN THE CASE OF THE STOCK OR SECURITIES SO SOLD OR DISPOSED OF, INCREASED BY THE EXCESS OF THE REPURCHASE PRICE OF THE PROPERTY OVER THE SALE PRICE OF THE STOCK OR SECURITIES, OR DECREASED BY THE EXCESS OF THE SALE PRICE OF THE STOCK OR SECURITIES OVER THE REPURCHASE PRICE OF THE PROPERTY;) *that provided in section 1091 of the Internal Revenue Code of 1954, as amended through December 31, 1981.*

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

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

((8)) (7) If the property was acquired by the taxpayer as a transfer of property in exchange for the release of the taxpayer's marital rights, the basis of the property shall be the same as it would be if it were being sold or otherwise disposed of by the person who transferred the property to the taxpayer.

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

Sec. 27. Minnesota Statutes 1981 Supplement, Section 290.18, Subdivision 1, is amended to read:

Subdivision 1. [TAXABLE NET INCOME.] The taxable net income shall, except insofar as section 290.19 is applicable, be computed by deducting from the gross income assignable to this state under section 290.17 deductions of the kind permitted by section 290.09 in accordance with the following provisions:

(1) Such deductions shall be allowed to the extent that they are connected with and allocable against the production or receipt of such gross income assignable to this state;

(2) That proportion of such deductions, so far as not connected with and allocable against the production or receipt of such gross income assignable to this state and so far as not connected with and allocable against the production or receipt of gross income assignable to other states or countries and so far as not entering into the computation of the net income assignable to this state under section 290.19, shall be allowed which the taxpayer's gross income from sources within this state, as determined under section 290.17, subdivision 2, clauses (1), (2), (3), (5), and (7), bears to his gross income from all sources, including that entering into the computations provided for by section 290.19; provided that taxes of the kind deductible under section 290.09, subdivision 4, shall, so far as within the description of deductions deductible under this clause, be deductible in their entirety if paid to the state of Minnesota, or any of its subdivisions authorized to impose such taxes, and thereupon be excluded in making the computation of deductions, as in this clause provided.

Sec. 28. Minnesota Statutes 1981 Supplement, Section 290.18, Subdivision 2, is amended to read:

Subd. 2. [FEDERAL INCOME TAX PAYMENTS AND REFUNDS.] The adjusted gross income shall be computed by deducting from the gross income assignable to this state under section 290.17, the deduction for allowable federal income taxes determined under the provisions of sections 290.09, subdivision 4, 290.10 (8), (9) or (10), and 290.18.

This deduction shall be allowed to individuals, estates, or trusts (i) for taxable years beginning after December 31, 1980 in the

taxable year to which the liability applies. Such liability includes the portion of self-employment tax allowed under section 290.10, clause (8). The self-employment tax must be deducted by the person who is deriving the income. When the federal tax liability is joint and several under the computation of a joint federal return of husband and wife, the federal tax liability must be split between the spouses in the same ratio that the federal adjusted gross income of that spouse bears to the total federal adjusted gross income. *For purposes of the preceding sentence, "federal adjusted gross income" includes 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, 1981.*

(ii) taxes paid for a taxable year beginning before January 1, 1981 shall be allowed as follows:

(1) Those taxes paid in a taxable year beginning before January 1, 1981, shall be claimed in the year in which the payment was made.

(2) Those paid in a taxable year beginning after December 31, 1980 shall be divided and deducted in equal installments reflected by the yearly periods beginning with the first day of the taxable year in which the payment was made and ending December 31, 1986.

(iii) In the case of a person who was self employed during all or a portion of the taxable year, the federal income tax liability for purposes of this section shall be increased by the self-employment tax allowed under section 290.10, clause (8).

(iv) If a taxpayer's federal tax liability is eventually not paid by reason of compromise, discharge, or court order, the deduction allowed pursuant to this subdivision shall be disallowed for the taxable year in which the liability was accrued.

(v) In the event a federal tax liability for a taxable year commencing after December 31, 1980 is increased, decreased or modified, and such increase, decrease or modification has resulted in a change in the amount of Minnesota income tax in the year to which such increase, decrease or modification is attributable, the taxpayer's deduction under this section shall be modified for such year.

(vi) If the readjustments required in (iv) or (v) are for taxes reflected in the transition rule described in (ii)(2), the readjustment shall be made equally to the remaining installments and if a reduction to such installments is required under this readjustment which exceeds the total of all remaining installments, the remaining installments will be reduced to zero and the excess included in income as a federal income tax refund.



(vii) Refunds which are not involved with any readjustments under the transition rule shall be included in income under section 290.01, subdivision 20, clause (a)(6) if it is from a year beginning before January 1, 1981.

(viii) Refunds of taxes for years beginning after December 31, 1980, shall be used to adjust the deduction in the taxable year of the liability unless that year is closed by statute and no other adjustments are to be required or allowable in which case such refund shall be reportable in the year received.

Sec. 29. Minnesota Statutes 1980, Section 290.19, Subdivision 1, is amended to read:

Subdivision 1. [COMPUTATION, BUSINESS CONDUCTED PARTLY WITHIN STATE; APPORTIONMENT.] The taxable net income from a trade or business carried on partly within and partly without this state shall be computed by deducting from the gross income of such business, wherever derived, deductions of the kind permitted by section 290.09, so far as connected with or allocable against the production or receipt of such income. The remaining net income shall be apportioned to Minnesota as follows:

(1) If the business consists of the mining, producing, smelting, refining, or any combination of these activities of copper and nickel ores, or of the manufacture of personal property and the sale of said property within and without the state, the remainder shall be apportioned to Minnesota on the basis of the percentage obtained by taking the arithmetical average of the following three percentages:

(a) The percentage which the sales made within this state is of the total sales wherever made;

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

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

(d) The percentage of such remainder to be assigned to this state shall not be in excess of the sum of the following percentages: 70 percent of the percentage determined under clause

(1) (a), 15 percent of the percentage determined under clause (1) (b), and 15 percent of the percentage determined under clause (1) (c);

(2) (a) In all other cases the remainder shall be apportioned to Minnesota on the basis of the percentage obtained by taking the arithmetical average of the following three percentages:

(1) The percentage which the sales, gross earnings, or receipts from business operations, in whole or in part, within this state bear to the total sales, gross earnings, or receipts from business operations wherever conducted;

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

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

(4) The percentage of such remainder to be assigned to this state shall not be in excess of the sum of the following percentages: 70 percent of the percentage determined under clause (2) (a) (1), 15 percent of the percentage determined under clause (2) (a) (2), and 15 percent of the percentage determined under clause (2) (a) (3);

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

(3) The sales, payrolls, earnings, and receipts referred to in this section shall be those for the taxable year in respect of which the tax is being computed. The property referred to in this section shall be the average of the property owned or rented and used by the taxpayer during the taxable year in respect of which the tax is being computed. *For purposes of computing the property factor referred to in this section, United States government property which is used by the taxpayer shall be considered as being owned by the taxpayer.*

Sec. 30. Minnesota Statutes 1981 Supplement, Section 290.21, Subdivision 3, is amended to read:

Subd. 3. An amount for contribution or gifts made within the taxable year:

(a) to or for the use of the state of Minnesota, or any of its political subdivisions for exclusively public purposes,

(b) to or for the use of any community chest, corporation, organization, trust, fund, association, or foundation located in and carrying on substantially all of its activities within this state, organized and operating exclusively for religious, charitable, public cemetery, scientific, literary, artistic, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private stockholder or individual,

(c) to a fraternal society, order, or association, operating under the lodge system located in and carrying on substantially all of their activities within this state if such contributions or gifts are to be used exclusively for the purposes specified in subdivision 3(b), or for or to posts or organizations of war veterans or auxiliary units or societies of such posts or organizations, if they are within the state and no part of their net income inures to the benefit of any private shareholder or individual,

(d) to or for the use of the United States of America for exclusively public purposes, and to or for the use of any community chest, corporation, trust, fund, association, or foundation, organized and operated exclusively for any of the purposes specified in subdivision 3(b) and (c) no part of the net earnings of which inures to the benefit of any private shareholder or individual, but not carrying on substantially all of their activities within this state, in an amount equal to the ratio of Minnesota taxable net income to total net income, provided, however, that for an individual taxpayer, the deduction shall be allowed in an amount equal to the ratio of the taxpayer's gross income assignable to Minnesota to the taxpayer's gross income from all sources,

(e) to a major political party, as defined in section 200.02, subdivision 7, or a political candidate, as defined in section 210A.01, or a political cause when sponsored by any party or association or committee, as defined in section 210A.01, in a maximum amount not to exceed the following:

(1) contributions made by individual natural persons, \$100,

(2) contributions made by a national committeeman, national committeewoman, state chairman, or state chairwoman of a major political party, as defined in section 200.02, subdivision 7, \$1,000,

(3) contributions made by a congressional district committeeman or committeewoman of a major political party, as defined in section 200.02, subdivision 7, \$350,

(4) contributions made by a county chairman or a county chairwoman of a major political party, as defined in section 200.02, subdivision 7, \$150;

(f) in the case of an individual, the total deduction allowable hereunder shall not exceed 30 percent of the taxpayer's Minnesota gross income as follows:

(i) the aggregate of contributions made to organizations specified in (a), (b) and (d) shall not exceed ten percent of the taxpayer's Minnesota gross income,

(ii) the total deduction under this subparagraph for any taxable year shall not exceed 20 percent of the taxpayer's Minnesota gross income. For purposes of this subparagraph, the deduction under this section shall be computed without regard to any deduction allowed under subparagraph (i) but shall take into account any contributions described in subparagraph (i) which are in excess of the amount allowable as a deduction under subparagraph (i). For purposes of paragraph (f) the term Minnesota gross income shall also 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;

(g) in the case of a corporation, the total deduction hereunder shall not exceed 15 percent of the taxpayer's taxable net income less the deductions allowable under this section other than those for contributions or gifts,

(h) in the case of a corporation reporting its taxable income on the accrual basis, if: (A) the board of directors authorizes a charitable contribution during any taxable year, and (B) payment of such contribution is made after the close of such taxable year and on or before the fifteenth day of the third month following the close of such taxable year; then the taxpayer may elect to treat such contribution as paid during such taxable year. The election may be made only at the time of the filing of the return for such taxable year, and shall be signified in such manner as the commissioner shall by regulations prescribe;

(i) in the case of a contribution or property placed in trust as described in section 170(f)(2) of the Internal Revenue Code of 1954, as amended through December 31, 1979, a deduction shall be allowed under this subdivision to the extent that a deduction is allowable for federal income tax purposes.

*(j) amounts paid to maintain certain students as members of the taxpayer's household shall be allowed as a deduction as*

*provided in section 170(g) of the Internal Revenue Code of 1954, as amended through December 31, 1981. No other deduction shall be allowed under this subdivision for these amounts and the limitations contained in clause (f) shall not apply to these amounts.*

Sec. 31. Minnesota Statutes 1981 Supplement, Section 290.-23, Subdivision 3, is amended to read :

Subd. 3. [UNUSED LOSS CARRYOVERS AND EXCESS DEDUCTIONS ON TERMINATION AVAILABLE TO BENEFICIARIES.] If on the termination of an estate or trust, the estate or trust has

(1) a net operating loss carryover under section 290.095 or a capital loss carryover under section 290.01, subdivision 20; or

(2) for the last taxable year of the estate or trust deductions (other than the (DEDUCTIONS ALLOWED UNDER SUBDIVISION 2) *charitable deduction*) in excess of gross income for such year,

then such carryover or such excess shall be allowed as a deduction, in accordance with regulations prescribed by the commissioner to the beneficiaries succeeding to the property of the estate or trust.

Sec. 32. Minnesota Statutes 1980, Section 290.281, Subdivision 1, is amended to read :

Subdivision 1. [NOT TAXED; DEFINED.] A common trust fund shall not be subject to taxation under this chapter and (FOR THIS PURPOSE THE TERM "COMMON TRUST FUND" MEANS A FUND MAINTAINED BY A BANK (TAXABLE UNDER SECTION 290.361) EXCLUSIVELY FOR THE COLLECTIVE INVESTMENT AND REINVESTMENT OF MONEYS CONTRIBUTED THERETO BY IT OR BY ANOTHER BANK WHICH IS OWNED OR CONTROLLED BY A CORPORATION WHICH OWNS OR CONTROLS SUCH BANK IN A CAPACITY AS A TRUSTEE, PERSONAL REPRESENTATIVE OR GUARDIAN; AND IN CONFORMITY WITH THE RULES AND REGULATIONS PREVAILING FROM TIME TO TIME OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM PERTAINING TO THE COLLECTIVE INVESTMENT OF TRUST FUNDS BY NATIONAL BANKS) *the definitions provided in and the provisions of section 584 of the Internal Revenue Code of 1954, as amended through December 31, 1981, shall apply.*

Sec. 33. Minnesota Statutes 1981 Supplement, Section 290.-31, Subdivision 3, is amended to read :

Subd. 3. [PARTNERSHIP COMPUTATIONS.] The taxable net income of a partnership shall be computed in the same manner as in the case of an individual except that

(1) the items described in subdivision 2(1) shall be separately stated, and

(2) the following deductions (AND CREDITS) shall not be allowed to the partnership:

(a) (THE STANDARD DEDUCTION PROVIDED IN SECTION 290.09, SUBDIVISION 15) *the deduction for taxes provided in section 290.09, subdivision 4 with respect to taxes, described in section 901 of the Internal Revenue Code of 1954, as amended through December 31, 1981, paid or accrued to foreign countries and to possessions of the United States,*

(b) the deduction for charitable contributions provided in section 290.21, subdivision 3,

(c) the net operating loss deduction provided in section 290.-095, (AND)

(d) the additional itemized deductions for individuals provided in section 290.09, (AS ADAPTED TO THE PROVISIONS OF THIS SUBDIVISION UNDER REGULATIONS ISSUED BY THE COMMISSIONER) *subdivisions 10 and 17, and,*

(e) *the deduction for depletion under section 290.09, subdivision 8 with respect to oil and gas wells.*

Any election affecting the computation of taxable net income derived from a partnership shall be made by the partnership except as provided in section 703(b) of the Internal Revenue Code of 1954, as amended through December 31, 1980.

Sec. 34. Minnesota Statutes 1981 Supplement, Section 290.-31, Subdivision 4, is amended to read:

Subd. 4. [PARTNER'S DISTRIBUTIVE SHARE.] ((1) A PARTNER'S DISTRIBUTIVE SHARE OF INCOME, GAIN, LOSS, DEDUCTION, OR CREDIT SHALL, EXCEPT AS OTHERWISE PROVIDED IN THIS SUBDIVISION, BE DETERMINED BY THE PARTNERSHIP AGREEMENT.)

((2) A PARTNER'S DISTRIBUTIVE SHARE OF ANY ITEM OF INCOME, GAIN, LOSS, DEDUCTION, OR CREDIT SHALL BE DETERMINED IN ACCORDANCE WITH THE PARTNER'S INTEREST IN THE PARTNERSHIP, DETERMINED BY TAKING INTO ACCOUNT ALL FACTS AND CIRCUMSTANCES, IF)

((A) THE PARTNERSHIP AGREEMENT DOES NOT PROVIDE AS TO THE PARTNER'S DISTRIBUTIVE SHARE OF INCOME, GAIN, LOSS, DEDUCTION OR CREDIT, OR ITEM THEREOF, OR)

((B) THE ALLOCATION TO A PARTNER UNDER THE AGREEMENT OF INCOME, GAIN, LOSS, DEDUCTION, OR CREDIT (OR ITEM THEREOF) DOES NOT HAVE SUBSTANTIAL ECONOMIC EFFECT.)

((3) (A) IN DETERMINING A PARTNER'S DISTRIBUTIVE SHARE OF ITEMS DESCRIBED IN SUBDIVISION 2(1), DEPRECIATION, DEPLETION, OR GAIN OR LOSS WITH RESPECT TO PROPERTY CONTRIBUTED TO THE PARTNERSHIP BY A PARTNER SHALL, EXCEPT TO THE EXTENT OTHERWISE PROVIDED IN SUBPARAGRAPH (B) OR (C), BE ALLOCATED AMONG THE PARTNERS IN THE SAME MANNER AS IF SUCH PROPERTY HAD BEEN PURCHASED BY THE PARTNERSHIP.)

((B) IF THE PARTNERSHIP AGREEMENT SO PROVIDES, DEPRECIATION, DEPLETION, OR GAIN OR LOSS WITH RESPECT TO PROPERTY CONTRIBUTED TO THE PARTNERSHIP BY A PARTNER SHALL, UNDER REGULATIONS PRESCRIBED BY THE COMMISSIONER, BE SHARED AMONG THE PARTNERS SO AS TO TAKE ACCOUNT OF THE VARIATION BETWEEN THE BASIS OF THE PROPERTY TO THE PARTNERSHIP AND ITS FAIR MARKET VALUE AT THE TIME OF CONTRIBUTION.)

((C) IF THE PARTNERSHIP AGREEMENT DOES NOT PROVIDE OTHERWISE, DEPRECIATION, DEPLETION, OR GAIN OR LOSS WITH RESPECT TO UNDIVIDED INTERESTS IN PROPERTY CONTRIBUTED TO A PARTNERSHIP SHALL BE DETERMINED AS THOUGH SUCH UNDIVIDED INTERESTS HAD NOT BEEN CONTRIBUTED TO THE PARTNERSHIP. THIS SUBPARAGRAPH SHALL APPLY ONLY IF ALL THE PARTNERS HAD UNDIVIDED INTERESTS IN SUCH PROPERTY PRIOR TO CONTRIBUTION AND THEIR INTERESTS IN THE CAPITAL AND PROFITS OF THE PARTNERSHIP CORRESPOND WITH SUCH UNDIVIDED INTERESTS.)

((4) A PARTNER'S DISTRIBUTIVE SHARE OF PARTNERSHIP LOSS (INCLUDING CAPITAL LOSS) SHALL BE ALLOWED ONLY TO THE EXTENT OF THE ADJUSTED BASIS OF SUCH PARTNER'S INTEREST IN THE PARTNERSHIP AT THE END OF THE PARTNERSHIP YEAR IN WHICH SUCH LOSS OCCURRED. ANY EXCESS OF SUCH LOSS OVER SUCH BASIS SHALL BE ALLOWED AS A DEDUCTION AT THE END OF THE PARTNERSHIP YEAR

IN WHICH SUCH EXCESS IS REPAID TO THE PARTNERSHIP.)

((5) (A) A PERSON SHALL BE RECOGNIZED AS A PARTNER FOR PURPOSES OF THIS CHAPTER IF HE OWNS A CAPITAL INTEREST IN A PARTNERSHIP IN WHICH CAPITAL IS A MATERIAL INCOME-PRODUCING FACTOR, WHETHER OR NOT SUCH INTEREST WAS DERIVED BY PURCHASE OR GIFT FROM ANY OTHER PERSON.)

((B) IN THE CASE OF ANY PARTNERSHIP INTEREST CREATED BY GIFT, THE DISTRIBUTIVE SHARE OF THE DONEE UNDER THE PARTNERSHIP AGREEMENT SHALL BE INCLUDIBLE IN HIS GROSS INCOME, EXCEPT TO THE EXTENT THAT SUCH SHARE IS DETERMINED WITHOUT ALLOWANCE OF REASONABLE COMPENSATION FOR SERVICES RENDERED TO THE PARTNERSHIP BY THE DONOR, AND EXCEPT TO THE EXTENT THAT THE PORTION OF SUCH SHARE ATTRIBUTABLE TO DONATED CAPITAL IS PROPORTIONATELY GREATER THAN THE SHARE OF THE DONOR ATTRIBUTABLE TO THE DONOR'S CAPITAL. THE DISTRIBUTIVE SHARE OF A PARTNER IN THE EARNINGS OF THE PARTNERSHIP SHALL NOT BE DIMINISHED BECAUSE OF ABSENCE DUE TO MILITARY SERVICE.)

((C) FOR PURPOSES OF THIS SUBDIVISION, AN INTEREST PURCHASED BY ONE MEMBER OF A FAMILY FROM ANOTHER SHALL BE CONSIDERED TO BE CREATED BY GIFT FROM THE SELLER, AND THE FAIR MARKET VALUE OF THE PURCHASED INTEREST SHALL BE CONSIDERED TO BE DONATED CAPITAL.)

((D) FOR THE PURPOSES OF THIS SECTION, THE "FAMILY" OF ANY INDIVIDUAL SHALL INCLUDE ONLY HIS SPOUSE, ANCESTORS, AND LINEAL DESCENDANTS, AND ANY TRUSTS FOR THE PRIMARY BENEFIT OF SUCH PERSONS.) *The provisions of sections 704, 706 to 741, and 743 to 761 of the Internal Revenue Code of 1954, as amended through December 31, 1981, shall apply to partners and partnerships.*

Sec. 35. Minnesota Statutes 1980, Section 290.31, Subdivision 5, is amended to read:

Subd. 5. [DETERMINATION OF BASIS OF PARTNER'S INTEREST.] The adjusted basis of a partner's interest in a partnership shall, except as provided in the last paragraph of this subdivision, be the basis of such interest determined under (SUBDIVISION 10) *sections 722 or 742 of the Internal Revenue Code of 1954, as amended through December 31, 1981, ((* re-



lating to contributions to a partnership ( ) or (SUBDIVISION 19 (RELATING TO) transfers of partnership interests ( )

(1) increased by the sum of his distributive share for the taxable year and prior taxable years of

(a) net income of the partnership as determined under subdivision 3(1) and (2),

(b) income of the partnership exempt from tax under this chapter, (AND)

(c) *the excess of the deductions for depletion over the basis of the property subject to depletion, and*

(2) decreased (but not below zero) by distributions by the partnership as provided in (SUBDIVISION 14) *section 733 of the Internal Revenue Code of 1954, as amended through December 31, 1981, and by the sum of his distributive share for the taxable year and prior taxable years of*

(a) losses of the partnership, and

(b) expenditures of the partnership not deductible in computing its taxable net income and not properly chargeable to capital account, *and*

(3) *decreased, but not below zero, by the amount of the partner's deduction for depletion under section 611 of the Internal Revenue Code of 1954, as amended through December 31, 1981, with respect to oil and gas wells. For corporate partners, the deduction for depletion with respect to oil and gas wells shall be computed as provided in section 290.09, subdivision 8.*

The commissioner shall prescribe by (REGULATIONS) *rule* the circumstances under which the adjusted basis of a partner's interest in a partnership may be determined by reference to his proportionate share of the adjusted basis of partnership property upon a termination of the partnership.

Sec. 36. Minnesota Statutes 1980, Section 290.31, Subdivision 19, is amended to read:

Subd. 19. [BASIS OF TRANSFEREE PARTNER'S INTEREST.] The basis of an interest in a partnership acquired other than by contribution shall be determined under (SECTIONS 290.12, 290.14, 290.15 AND 290.16) *this chapter.*

Sec. 37. Minnesota Statutes 1981 Supplement, Section 290.32, is amended to read:

## 290.32 [TAXES FOR PART OF YEAR, COMPUTATION.]

When under this Chapter a taxpayer is permitted or required to make a return for a fractional part of a year, the tax shall be computed in the same manner as if such fractional part of a year were an entire year, except:

(1) When a taxpayer is permitted to change the basis for reporting his income from a fiscal to a calendar year, he shall make a separate return for the period between the close of his last fiscal year and the following December thirty-first; if the change is from a calendar to a fiscal year, a separate return shall be made for the period between the close of his last calendar year and the date designated as the close of the fiscal year; and if the change is from one fiscal year to another fiscal year, a separate return shall be made for the period between the close of the former fiscal year and the date designated as the close of the new fiscal year. The taxable net income, *or for corporations the taxable net income as reduced by the deductions contained in section 290.21*, for any such period shall be put on an annual basis by multiplying the amount thereof by 12 and dividing by the number of months included in the period for which such separate return is made; and the tax shall be that part of a tax, computed on the taxable net income put on such annual basis (**LESS THE DEDUCTION AGAINST THAT TAXABLE NET INCOME UNDER THE PROVISIONS OF SECTION 290.21**), which the number of months in such period bears to 12 months.

(2) Where any of the enumerated changes in accounting period referred to in clause (1) involve a 52-53 week fiscal year and any such change results in a short period of less than seven days, such short period shall be added to and deemed a part of the following taxable year. If the change results in a short period of seven or more days, but less than 365 days, the taxable net income, *or for corporations the taxable net income as reduced by the deductions contained in section 290.21*, for any such period shall be placed on an annual basis by multiplying such income by 365 and dividing the result by the same number of days in the short period; and the tax shall be that part of a tax, computed on the taxable net income placed on such annual basis (**LESS THE DEDUCTION AGAINST THAT TAXABLE NET INCOME UNDER THE PROVISIONS OF SECTION 290.21**), which the number of days in such short period bears to 365 days. Where the short period is 365 days or more, the tax shall be computed in the same manner as if such short period were an entire year.

Sec. 38. Minnesota Statutes 1980, Section 290.36, is amended to read:

290.36 [INVESTMENT COMPANIES; REPORT OF NET INCOME; COMPUTATION OF AMOUNT OF INCOME ALLOCABLE TO STATE.]

The taxable net income of investment companies shall be computed and be exclusively as follows:

Each investment company transacting business as such in this state shall report to the commissioner the net income returned by the company for the taxable year to the United States under the provisions of the Internal Revenue Code of 1954, as amended through December 31, 1979, less the credits provided therein (, OR THE NET INCOME THAT SUCH COMPANY WOULD BE REQUIRED TO RETURN UNDER SUCH ACT LESS SUCH CREDITS, IF SUCH ACT WERE IN EFFECT). The commissioner shall compute therefrom the taxable net income of the investment company by assigning to this state that proportion of such net income, less such credits which the aggregate of the gross payments collected by the company during the taxable year from old and new business upon investment contracts issued by the company and held by residents of this state, bears to the total amount of the gross payments collected during such year by the company from such business upon investment contracts issued by the company and held by persons residing within the state and elsewhere.

As used in this section, the term "investment company" means any person, co-partnership, association, or corporation, whether local or foreign, coming within the purview of section 54.26, and who or which is registered under the Investment Company Act of 1940 (15 U.S.C. 80a-1 and following), and who or which solicits or receives payments to be made to himself or itself and which issues therefor, or has issued therefor and has or shall have outstanding so-called bonds, shares, coupons, certificates of membership, or other evidences of obligation or agreement or pretended agreement to return to the holders or owners thereof money or anything of value at some future date; and as to whom the gross payments received during the taxable year in question upon outstanding investment contracts, plus interest and dividends earned on investment contracts determined by prorating the total dividends and interest for the taxable year in question in the same proportion that certificate reserves as defined by the Investment Company Act of 1940 is to total assets, shall be at least 50 percent of the company's gross payments upon investment contracts plus gross income from all other sources except dividends from subsidiaries for the taxable year in question. The term "investment contract" shall mean any such so-called bonds, shares, coupons, certificates of membership, or other evidences of obligation or agreement or pretended agreement issued by an investment company.

Sec. 39. Minnesota Statutes 1981 Supplement, Section 290.37, Subdivision 1, is amended to read:

Subdivision 1. [PERSONS MAKING RETURNS.] (a)  
The commissioner of revenue shall annually determine the gross

income levels at which individuals and estates shall be required to file a return for each taxable year.

In the case of a decedent who has gross income in excess of the minimum amount at which an individual is required to file a return, the decedent's final income tax return shall be filed by his or her personal representative, if any. If there is no personal representative, the return shall be filed by the successors (as defined in section 524.1-201) who receive any property of the decedent.

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

Every corporation shall file a return. The return in this case shall be signed by an officer of the corporation.

The receivers, trustees in bankruptcy, or assignees operating the business or property of a taxpayer shall file a return with respect to the taxable net income of such taxpayer if that exceeds an amount on which a tax at the rates herein provided would exceed the specific credits allowed.

(b) Such return shall ((A)) (1) be verified or contain a written declaration that it is made under the penalties of criminal liability for wilfully making a false return, and ((B)) (2) shall contain a confession of judgment for the amount of the tax shown due thereon to the extent not timely paid.

(c) For purposes of this subdivision the term "gross income" shall mean gross income as defined in section 61 of the Internal Revenue Code of 1954, as amended through December 31, 1979, modified and adjusted in accordance with the provisions of sections 290.01, subdivision 20, clauses (b)(1), (b)(6) and (b)(11), 290.08, and 290.17.

Sec. 40. Minnesota Statutes 1981 Supplement, Section 290.41, Subdivision 2, is amended to read:

Subd. 2. [BY PERSONS, CORPORATIONS, COOPERATIVES, GOVERNMENTAL ENTITIES OR SCHOOL DISTRICTS.] Every person, corporation, or cooperative, the state of Minnesota and its political subdivisions, and every city, county and school district in Minnesota, making payments in the regular course of a trade or business during the taxable year to any person or corporation (IN EXCESS) of \$600 or more on account of rents or royalties, or of \$10 or more on account of interest, or \$10 or more on account of dividends or patronage

dividends, or \$600 or more on account of either wages, salaries, commissions, fees, prizes, awards, pensions, annuities, or any other fixed or determinable gains, profits or income, not otherwise reportable under section 290.92, subdivision 7, or on account of earnings (IN EXCESS) of \$10 or more distributed to its members by savings, building and loan associations or credit unions chartered under the laws of this state or the United States, (a) shall make a return (except in cases where a valid agreement to participate in the combined federal and state information reporting system has been entered into, and such return is therefore filed only with the commissioner of internal revenue pursuant to the applicable filing and informational reporting requirements of the Internal Revenue Code of 1954 as amended through December 31, 1980) in respect to such payments in excess of the amounts specified, giving the names and addresses of the persons to whom such payments were made, the amounts paid to each, and (b) shall make a return in respect to the total number of such payments and total amount of such payments, for each category of income specified, which were in excess of the amounts specified. This subdivision shall not apply to the payment of interest or dividends to a person who was a nonresident of Minnesota for the entire year.

Sec. 41. Minnesota Statutes 1981 Supplement, Section 290.-42, is amended to read:

#### 290.42 [FILING RETURNS, DATE.]

The returns required to be made under sections 290.37 to 290.89 and 290.41, other than those under section 290.41, subdivisions 3 and 4, which shall be made within 30 days after demand therefor by the commissioner, shall be filed at the following times:

(1) Returns made on the basis of the calendar year shall be filed on the fifteenth day of April, following the close of the calendar year, except that returns of corporations shall be filed on the fifteenth day of March following the close of the calendar year;

(2) Returns made on the basis of the fiscal year shall be filed on the fifteenth day of the fourth month following the close of such fiscal year, except that returns of corporations shall be filed on the fifteenth day of the third month following the close of the fiscal year;

(3) Returns made for a fractional part of a year as an incident to a change from one taxable year to another shall be filed on the fifteenth day of the fourth month following the close of the period for which made, except that such returns of corporations shall be filed on the fifteenth day of the third month following the close of the period for which made;

(4) Other returns for a fractional part of a year shall be filed on the fifteenth day of the fourth month following the end of the month in which falls the last day of the period for which the return is made, except that such returns of corporations shall be filed on the fifteenth day of the third month following the end of the month in which falls the last day of the period for which the return is made:

In the case of a final return of a decedent for a fractional part of a year, such return shall be filed on the fifteenth day of the fourth month following the close of the twelve-month period which began with the first day of such fractional part of a year.

(4a) In the case of the return of a cooperative association such returns shall be filed on or before the fifteenth day of the ninth month following the close of the taxable year.

(5) If the due date for any return required under chapter 290 falls upon:

((A)) A Saturday, Sunday, or a legal holiday such return filed by the (FOLLOWING MONDAY) next succeeding day which is not a Saturday, Sunday, or legal holiday shall be considered to be timely filed (;) . The term "legal holiday" means any day made a holiday in Minnesota by section 645.44, subdivision 5 or by the laws of the United States.

((B) A LEGAL HOLIDAY, SUCH RETURN FILED ON THE NEXT SUCCEEDING BUSINESS DAY SHALL BE CONSIDERED TO BE TIMELY FILED, EXCEPT, THAT FOR THE PURPOSE OF THIS PARAGRAPH, SATURDAY SHALL NOT BE CONSIDERED TO BE A BUSINESS DAY.)

(6) In case of sickness, absence, or other disability, or when, in his judgment, good cause exists, the commissioner may extend the time for filing these returns for not more than six months, except that where the failure is due to absence outside the United States he may extend the period as provided in section (290.65) 6081 of the Internal Revenue Code of 1954, as amended through December 31, 1981. He may require each taxpayer in any of such cases to file a tentative return at the time fixed for filing the regularly required return from him, and to pay a tax on the basis of such tentative return at the time required for the payment of taxes on the basis of the regularly required return from such taxpayer. The commissioner may exercise his power under this clause by (GENERAL REGULATION) rule only.

(7) Every person making a return under section 290.41 (except subdivisions 3 and 4) shall furnish to each person whose name is set forth in the return a written statement showing

(A) the name and address of the person making the return, and

(B) the aggregate amount of payments to the person shown on the return.

This written statement shall be furnished to the person on or before January 31 of the year following the calendar year for which the return was made. A duplicate of this written statement shall be furnished to the commissioner on or before February 28 of the year following the calendar year for which the return was made.

Sec. 42. Minnesota Statutes 1981 Supplement, Section 290.-431, is amended to read:

290.431 [NON-GAME WILDLIFE CHECKOFF.]

(EFFECTIVE WITH RETURNS FILED FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1979,) Every (PERSON) *individual* who files an income tax return or property tax refund claim form may designate *on their original return* that \$1 or more shall be added to the tax or deducted from the refund that would otherwise be payable by or to that (PERSON) *individual* and paid into an account to be established for the management of non-game wildlife. The commissioner of revenue shall, on the first page of the income tax return and the property tax refund claim form, notify filers of their right to designate that a portion of their tax or refund shall be paid into the non-game wildlife management account. The sum of the amounts so designated to be paid shall be credited to the non-game wildlife management account for use by the non-game section of the division of wildlife in the department of natural resources. The commissioner of natural resources shall submit a work program for each fiscal year and semi-annual progress reports to the legislative commission on Minnesota resources in the form determined by the commission. None of the money provided in this section may be expended unless the commission has approved the work program.

Sec. 43. Minnesota Statutes 1980, Section 290.45, Subdivision 1, is amended to read:

Subdivision 1. [DATE DUE, INSTALLMENTS.] The tax imposed by this chapter shall be paid to the commissioner of revenue (AT ST. PAUL, MINNESOTA) at the time fixed for filing the return on which the tax is based, except that at the election of the following taxpayers the balance of tax due after applying any tax credit and payment of estimated tax may be paid in two equal installments, as follows:

(a) as to estates and trusts, the first shall be paid at the time fixed for filing the return, and the second on or before six months thereafter.

(b) as to corporations, the first shall be paid at the time fixed for filing the return and the second on or before three months thereafter. If any installment is not paid on or before the date fixed for its payment the whole amount of the tax unpaid shall become due and payable. They shall be paid to the commissioner or to the local officers designated by the commissioner with whom the return is filed as hereinbefore provided.

Sec. 44. Minnesota Statutes 1980, Section 290.49, Subdivision 3, is amended to read:

Subd. 3. [OMISSION IN EXCESS OF 25 PERCENT.] If the taxpayer omits from gross income an amount properly includible therein which is in excess of 25 percent of the amount of gross income stated in the return, the tax may be assessed, or a proceeding in court for the collection of such tax may be begun at any time within six and one-half years after the return was filed.

For purposes of this subdivision, the term "gross income" shall mean gross income as defined in section 290.37, subdivision 1, *clause (c)*.

Sec. 45. Minnesota Statutes 1980, Section 290.49, Subdivision 7, is amended to read:

Subd. 7. [COURT PROCEEDINGS.] Where the assessment of any tax is hereafter made within the period of limitation properly applicable thereto, *including an assessment made under section 290.56*, such tax may be collected by a proceeding in court, but only if begun

(1) Within eighteen months after the expiration of the period for the assessment of the tax, or

(2) within eighteen months after the expiration of the period agreed upon by the commissioner and the taxpayer, pursuant to the provisions of subdivision 8, or

(3) within eighteen months after final disposition of any appeal from the order of assessment.

Sec. 46. Minnesota Statutes 1980, Section 290.49, is amended by adding a subdivision to read:

Subd. 11. [SUSPENSION OF TIME; BANKRUPTCY PROCEEDING.] *The period of time during which a tax must be assessed or collection proceedings commenced under this chapter shall be suspended during the period from the date of a filing of a petition in bankruptcy until 30 days after notice to the commissioner of revenue that the bankruptcy proceedings have*



*been closed or dismissed or the automatic stay has been terminated or has expired.*

*The suspension of the statute of limitations under this subdivision shall apply to the person against whom the petition in bankruptcy is filed and all other persons who may also be wholly or partially liable for the tax under this chapter.*

Sec. 47. Minnesota Statutes 1980, Section 290.53, is amended by adding a subdivision to read:

*Subd. 7. [INTEREST ON ADDITIONAL TAXES.] Where a taxpayer is liable for additional taxes under this chapter, interest shall be added to the additional amount, at the rate specified in section 270.75, from the due date of the original return.*

Sec. 48. Minnesota Statutes 1980, Section 290.65, Subdivision 9, is amended to read:

Subd. 9. [TIME LIMITS, ADDITIONAL EXTENSION IN CERTAIN CASES.] The limitations of time provided by this chapter relating to income taxes, and (SECTIONS 271.01 TO 271.20, AS AMENDED) chapter 271 relating to the tax court, for (a) filing returns, (b) paying taxes, (c) claiming refunds, (d) commencing action thereon, (e) appealing to the tax court from orders relating to income taxes, and (f) appealing to the supreme court from decisions of the tax court relating to income taxes, are hereby extended, with respect to each individual, for the period during which such individual is (OR HAS BEEN) serving in the Armed Forces of the United States, (OR THE UNITED NATIONS,) or serving in support of the Armed Forces and as provided in section 7508 of the Internal Revenue Code of 1954, as amended through December 31, 1981, is serving in an area designated by the president as a combat zone or is hospitalized outside the United States as a result of injury received while serving in the combat zone during such time, and for a further period of six months (AFTER THE TERMINATION OF SUCH SERVICE, PROVIDED, THAT THE ABILITY OF SUCH INDIVIDUAL TO FILE THE RETURN, PAY THE TAX OR ANY PART THEREOF, OR ANY INTEREST OR PENALTY THEREON, OR TO PERFORM ANY OTHER ACT DESCRIBED IN THIS SUBDIVISION IS MATERIALLY IMPAIRED BY REASON OF SUCH SERVICE, BUT IF AN EXTENSION OF TIME IS GRANTED, THE FACT THAT SUCH INDIVIDUAL'S ABILITY TO PAY WAS NOT IMPAIRED, SHALL NOT PREVENT THE OPERATION OF THE EXTENSIONS OF TIME HEREIN PROVIDED. THE COMMISSIONER MAY BY REGULATION REQUIRE THE FILING OF A STATEMENT OR AFFIDAVIT OR OTHER PROOF, AT THE TIME THE RETURN OR TAX IS DUE OR OTHER ACT IS REQUIRED TO BE DONE, STATING THE FACT OF INABILITY TO COMPLY WITH THE RE-

**QUIREMENTS OF LAW BECAUSE OF SERVICE IN THE ARMED FORCES OF THE UNITED STATES OR THE UNITED NATIONS).**

Sec. 49. Minnesota Statutes 1980, Section 290.65, Subdivision 11, is amended to read:

Subd. 11. [TIME LIMIT FOR ASSESSMENT, ADDITIONAL EXTENSION.] The limitations of time provided for the assessment of any tax, penalty or interest, as provided by the laws described in subdivision 9, are hereby extended, with respect to the same individuals, and for the same period, as provided in said subdivision, and for a further period of six months; and the limitations of time for the commencement of action to collect any tax, penalty or interest from such individuals are hereby extended for a period ending six months after the expiration of the time for assessment as herein provided. (FOR THE PURPOSE OF THIS SUBDIVISION THE PERIOD OF SIX MONTHS AFTER TERMINATION OF SERVICE IN THE ARMED FORCES, AS PROVIDED IN SUBDIVISION 9, SHALL NOT BEGIN TO RUN UNTIL WRITTEN NOTICE OF SUCH TERMINATION IS FILED WITH THE COMMISSIONER OF REVENUE.)

Sec. 50. Minnesota Statutes 1980, Section 290.91, is amended to read:

**290.91 [DESTRUCTION OF RETURNS.]**

The commissioner of revenue is hereby authorized to destroy all (INCOME) tax returns, *required under this chapter or chapter 290A*, including audit reports, orders and correspondence relating thereto, which have been on file in his office for a period (OF FIVE YEARS OR MORE) *to be determined by the commissioner*. The commissioner may, in his discretion, make copies of such returns, orders or correspondence by microfilm, photostat or other similar means and may immediately destroy the original documents from which such copies have been made. Such copies, when certified to by the commissioner, shall be admissible in evidence in the same manner and be given the same effect as the original documents destroyed.

The commissioner may, in his discretion, destroy correspondence and documents contained in the files of the division which do not relate specifically to any (INCOME) tax return.

Notwithstanding the above provisions (or the provisions of section 290.61 or 290A.17) the commissioner may, utilizing such safeguards as he in his discretion deems necessary, (1) employ a commercial photographer for the purpose of developing microfilm of returns or other documents, or (2) *employ a vendor for the purpose of obtaining the vendor's services an example of which is the preparation of income tax return labels.*

Sec. 51. Minnesota Statutes 1981 Supplement, Section 290.92, Subdivision 2a, is amended to read:

Subd. 2a. [COLLECTION AT SOURCE.] (1) [DEDUCTIONS.] Every employer making payment of wages shall deduct and withhold upon such wages a tax as provided in this section.

(2) [WITHHOLDING ON PAYROLL PERIOD.] The employer shall withhold the tax on the basis of each payroll period or as otherwise provided in this section.

(3) [WITHHOLDING TABLES.] Unless the amount of tax to be withheld is determined as provided in subdivision 3, the amount of tax to be withheld for each individual shall be based upon tables to be prepared and distributed by the commissioner. The table shall be computed for the several permissible withholding periods and shall take account of exemptions allowed under this section; and the amounts computed for withholding shall be such that the amount withheld for any individual during his taxable year shall approximate in the aggregate as closely as possible the tax which is levied and imposed under this chapter for that taxable year, upon his salary, wages, or compensation for personal services of any kind for the employer, and shall take into consideration the allowable deduction for federal income tax and the deduction allowable under section 290.09, subdivision 15, and the *personal credits allowed* against the tax (ALLOWABLE UNDER THE MINNESOTA INCOME TAX ACT).

(4) [MISCELLANEOUS PAYROLL PERIOD.] If wages are paid with respect to a period which is not a payroll period, the amount to be deducted and withheld shall be that applicable in the case of a miscellaneous payroll period containing a number of days, including Sundays and holidays, equal to the number of days in the period with respect to which such wages are paid.

(5) [MISCELLANEOUS PAYROLL PERIOD.] (a) In any case in which wages are paid by an employer without regard to any payroll period or other period, the amount to be deducted and withheld shall be that applicable in the case of a miscellaneous payroll period containing a number of days equal to the number of days, including Sundays and holidays, which have elapsed since the date of the last payment of such wages by such employer during the calendar year, or the date of commencement of employment with such employer during such year, or January 1 of such year, whichever is the later.

(b) In any case in which the period, or the time described in clause (a), in respect of any wages is less than one week, the commissioner, under regulations prescribed by him, may authorize an employer to determine the amount to be deducted and withheld under the tables applicable in the case of a weekly pay-

roll period, in which case the aggregate of the wages paid to the employee during the calendar week shall be considered the weekly wages.

(6) [WAGES COMPUTED TO NEAREST DOLLAR.] If the wages exceed the highest bracket, in determining the amount to be deducted and withheld under this subdivision, the wages may, at the election of the employer, be computed to the nearest dollar.

(7) [REGULATIONS ON WITHHOLDING.] The commissioner may, by regulations, authorize employers:

(a) To estimate the wages which will be paid to any employee in any quarter of the calendar year;

(b) To determine the amount to be deducted and withheld upon each payment of wages to such employee during such quarter as if the appropriate average of the wages so estimated constituted the actual wages paid; and

(c) To deduct and withhold upon any payment of wages to such employee during such quarter such amount as may be necessary to adjust the amount actually deducted and withheld upon wages of such employee during such quarter to the amount required to be deducted and withheld during such quarter without regard to this paragraph (7).

(8) [ADDITIONAL WITHHOLDING.] The commissioner is authorized to provide by (REGULATION, UNDER SUCH CONDITIONS AND TO SUCH EXTENT AS HE DEEMS PROPER, FOR WITHHOLDING IN ADDITION TO THAT OTHERWISE REQUIRED UNDER THIS SUBDIVISION AND SUBDIVISION 3 IN CASES IN WHICH THE EMPLOYER AND THE EMPLOYEE AGREE TO SUCH ADDITIONAL WITHHOLDING) *rule for increases or decreases in the amount of withholding otherwise required under this section in cases where the employee requests the changes.* Such additional withholding shall for all purposes be considered tax required to be deducted and withheld under this section.

(9) [TIPS.] In the case of tips which constitute wages, this subdivision shall be applicable only to such tips as are included in a written statement furnished to the employer pursuant to section 6053 of the Internal Revenue Code of 1954, as amended through December 31, 1980, and only to the extent that the tax can be deducted and withheld by the employer, at or after the time such statement is so furnished and before the close of the calendar year in which such statement is furnished, from such wages of the employee (excluding tips, but including funds turned over by the employee to the employer for the purpose of such deduction and withholding) as are under the control of the

employer; and an employer who is furnished by an employee a written statement of tips (received in a calendar month) pursuant to section 6053 of the Internal Revenue Code of 1954 as amended through December 31, 1980 to which subdivision 1 is applicable may deduct and withhold the tax with respect to such tips from any wages of the employee (excluding tips) under his control, even though at the time such statement is furnished the total amount of the tips included in statements furnished to the employer as having been received by the employee in such calendar month in the course of his employment by such employer is less than \$20. Such tax shall not at any time be deducted and withheld in an amount which exceeds the aggregate of such wages and funds as are under the control of the employer minus any tax required by other provisions of state or federal law to be collected from such wages and funds.

Sec. 52. Minnesota Statutes 1981 Supplement, Section 290.-92, Subdivision 5, is amended to read:

Subd. 5. [EXEMPTIONS.] (1) [ENTITLEMENT.] An employee receiving wages shall on any day be entitled to claim withholding exemptions equal to the same number as the personal credits that he is entitled to claim under the provisions of section 290.06, subdivision 3f, (not including those credits that the taxpayer's spouse may claim).

(2) [WITHHOLDING EXEMPTION CERTIFICATE.] (EVERY EMPLOYEE SHALL BEFORE THE DATE OF COMMENCEMENT OF EMPLOYMENT FURNISH HIS EMPLOYER WITH A SIGNED WITHHOLDING EXEMPTION CERTIFICATE RELATING TO THE NUMBER OF WITHHOLDING EXEMPTIONS WHICH HE CLAIMS, WHICH SHALL IN NO EVENT EXCEED THE NUMBER TO WHICH HE IS ENTITLED.)

((3) [EFFECTIVE DATE OF EXEMPTION CERTIFICATE.] WITHHOLDING EXEMPTION CERTIFICATES SHALL TAKE EFFECT AS OF THE BEGINNING OF THE FIRST PAYROLL PERIOD ENDING, OR THE FIRST PAYMENT OF WAGES MADE WITHOUT REGARD TO A PAYROLL PERIOD, ON OR AFTER THE DATE ON WHICH SUCH CERTIFICATE IS SO FURNISHED.)

((4) [NEW EXEMPTION CERTIFICATE.] A WITHHOLDING EXEMPTION CERTIFICATE WHICH TAKES EFFECT UNDER THIS SUBDIVISION SHALL CONTINUE IN EFFECT WITH RESPECT TO THE EMPLOYER UNTIL ANOTHER SUCH CERTIFICATE TAKES EFFECT UNDER THIS SUBDIVISION. IF A WITHHOLDING EXEMPTION CERTIFICATE IS FURNISHED TO TAKE THE PLACE OF AN EXISTING CERTIFICATE, THE EMPLOYER, AT HIS OPTION, MAY CONTINUE THE OLD CERTIFICATE IN FORCE WITH RESPECT TO ALL WAGES PAID

ON OR BEFORE THE FIRST STATUS DETERMINATION DATE, JANUARY 1, MAY 1, JULY 1, OR OCTOBER 1, WHICH OCCURS AT LEAST 30 DAYS AFTER THE DATE ON WHICH SUCH NEW CERTIFICATE IS FURNISHED.)

((5) [CHANGE OF NUMBER TO REFLECT NEXT TAX YEAR.] IF, ON ANY DAY DURING THE CALENDAR YEAR, THE NUMBER OF WITHHOLDING EXEMPTIONS TO WHICH THE EMPLOYEE MAY REASONABLY BE EXPECTED TO BE ENTITLED AT THE BEGINNING OF HIS NEXT TAXABLE YEAR IS DIFFERENT FROM THE NUMBER TO WHICH THE EMPLOYEE IS ENTITLED ON SUCH DAY, THE EMPLOYEE SHALL IN SUCH CASES AND AT SUCH TIMES AS THE COMMISSIONER MAY PRESCRIBE, FURNISH THE EMPLOYER WITH A WITHHOLDING EXEMPTION CERTIFICATE RELATING TO THE NUMBER OF EXEMPTIONS WHICH HE CLAIMS WITH RESPECT TO SUCH NEXT TAXABLE YEAR, WHICH SHALL IN NO EVENT EXCEED THE NUMBER TO WHICH HE MAY REASONABLY BE EXPECTED TO BE SO ENTITLED. EXEMPTION CERTIFICATES ISSUED PURSUANT TO THIS PARAGRAPH SHALL NOT TAKE EFFECT WITH RESPECT TO ANY PAYMENT OF WAGES MADE IN THE CALENDAR YEAR IN WHICH THE CERTIFICATE IS FURNISHED.)

((6) [CHANGE OF NUMBER.] IF, ON ANY DAY DURING THE CALENDAR YEAR, THE NUMBER OF WITHHOLDING EXEMPTIONS TO WHICH THE EMPLOYEE IS ENTITLED IS LESS THAN THE NUMBER OF WITHHOLDING EXEMPTIONS CLAIMED BY THE EMPLOYEE ON THE WITHHOLDING EXEMPTION CERTIFICATE THEN IN EFFECT WITH RESPECT TO HIM, THE EMPLOYEE SHALL, WITHIN TEN DAYS THEREAFTER, FURNISH THE EMPLOYER WITH A NEW WITHHOLDING EXEMPTION CERTIFICATE RELATING TO THE NUMBER OF WITHHOLDING EXEMPTIONS WHICH THE EMPLOYEE THEN CLAIMS, WHICH SHALL IN NO EVENT EXCEED THE NUMBER TO WHICH HE IS ENTITLED ON SUCH DAY. IF, ON ANY DAY DURING THE CALENDAR YEAR, THE NUMBER OF WITHHOLDING EXEMPTIONS TO WHICH THE EMPLOYEE IS ENTITLED IS GREATER THAN THE NUMBER OF WITHHOLDING EXEMPTIONS CLAIMED, THE EMPLOYEE MAY FURNISH THE EMPLOYER WITH A NEW WITHHOLDING EXEMPTION CERTIFICATE RELATING TO THE NUMBER OF WITHHOLDING EXEMPTIONS WHICH THE EMPLOYEE THEN CLAIMS, WHICH SHALL IN NO EVENT EXCEED THE NUMBER TO WHICH HE IS ENTITLED ON SUCH DAY.)

*The provisions concerning exemption certificates contained in section 3402(f)(2) and (3) of the Internal Revenue Code of 1954, as amended through December 31, 1981, shall apply.*

((7)) (3) [FORM OF CERTIFICATE.] Withholding exemption certificates shall be in such form and contain such information as the commissioner may by regulation prescribe.

((8)) (4) [NUMBER MAY BE SAME AS THAT FOR FEDERAL PURPOSES.] Notwithstanding the provisions of this subdivision, an employee may elect to claim *a number not to exceed* the (SAME) number of withholding exemptions that the employee claims and which are allowable for federal withholding purposes.

Sec. 53. Minnesota Statutes 1981 Supplement, Section 290.92, Subdivision 5a, is amended to read:

Subd. 5a. [VERIFICATION OF WITHHOLDING EXEMPTIONS; APPEAL.] (1) An employer shall submit to the commissioner a copy of any withholding exemption certificate received from an employee on which the employee claims any of the following:

(a) a total number of withholding exemptions in excess of (NINE) 14 or a number prescribed by the commissioner, or

(b) a status that would exempt the employee from Minnesota withholding, (UNLESS) *including where* the employee is a nonresident exempt from withholding under subdivision 4a, clause (3), or the employer reasonably expects, at the time that the certificate is received, that the employee's wages under subdivision 1 from the employer will not then usually exceed \$200 per week, or

(c) any number of withholding exemptions which the employer has reason to believe is in excess of the number to which the employee is entitled.

(2) Copies of exemption certificates required to be submitted by clause (1) shall be submitted to the commissioner within 30 days after receipt by the employer unless the employer is also required by federal law to submit copies to the Internal Revenue Service, in which case the employer may elect to submit the copies to the commissioner at the same time that he is required to submit them to the Internal Revenue Service.

(3) An employer who submits a copy of a withholding exemption certificate in accordance with clause (1) shall honor the certificate until notified by the commissioner that the certificate is invalid. The commissioner shall mail a copy of any such notice to the employee. Upon notification that a particular certificate is invalid, the employer shall not honor that certificate or any subsequent certificate unless instructed to do so by the commissioner. The employer shall allow the employee the number of exemptions and compute the withholding

tax as instructed by the commissioner in accordance with clause (4).

(4) The commissioner may require an employee to verify that he or she is entitled to the number of exemptions or to the exempt status claimed on the withholding exemption certificate or, that he or she is a nonresident. The employee shall be allowed at least 30 days to submit the verification, after which time the commissioner shall, on the basis of the best information available to him, determine the employee's status and allow the employee the maximum number of withholding exemptions allowable under this chapter. The commissioner shall mail a notice of this determination to the employee at the address listed on the exemption certificate in question. Notwithstanding the provisions of section 290.61, the commissioner may notify the employer of this determination and instruct the employer to withhold tax in accordance with the determination.

(5) The commissioner's determination under clause (4) shall be appealable to tax court in accordance with section 271.06, and shall remain in effect for withholding tax purposes pending disposition of any appeal.

Sec. 54. Minnesota Statutes 1981 Supplement, Section 290.92, Subdivision 6, is amended to read:

Subd. 6. [RETURNS, DEPOSITS.] (1) (a) [RETURNS.] Every employer who is required to deduct and withhold tax under subdivision 2a or 3 shall file a return with the commissioner for each quarterly period, on or before the last day of the month following the close of each quarterly period, unless otherwise prescribed by the commissioner. Any tax required to be deducted and withheld during the quarterly period shall be paid with the return unless an earlier time for payment is provided herein. However, any such return may be filed on or before the tenth day of the second calendar month following such period if such return shows timely deposits in full payment of such taxes due for such period. For the purpose of the preceding sentence, a deposit which is not required to be made within such return period, may be made on or before the last day of the first calendar month following the close of such period. Every employer, in preparing said quarterly return, shall take credit for monthly deposits previously made in accordance with this subdivision.

The return shall be in the form and contain the information prescribed by the commissioner. The commissioner may grant a reasonable extension of time for filing the return and paying the tax, but no extension shall be granted for more than six months.

(b) [ADVANCE DEPOSITS REQUIRED IN CERTAIN CASES.] (i) Unless clause (ii) is applicable, if during



any calendar month, other than the last month of the calendar quarter, the aggregate amount of the tax withheld during that quarter under subdivision 2a or 3 exceeds \$200, or beginning January 1, 1982, \$500, the employer shall deposit the aggregate amount with the commissioner within 15 days after the close of the calendar month. (ii) If at the close of any eighth-monthly period the aggregate amount of undeposited taxes is \$3,000 or more, the employer shall deposit the undeposited taxes with the commissioner within three banking days after the close of the eighth-monthly period. For purposes of this subparagraph, the term "eighth-monthly period" means the first three days of a calendar month, the fourth day through the seventh day of a calendar month, the eighth day through the 11th day of a calendar month, the 12th day through the 15th day of a calendar month, the 16th day through the 19th day of a calendar month, the 20th day through the 22nd day of a calendar month, the 23rd day through the 25th day of a calendar month, or the portion of a calendar month following the 25th day of such month.

(c) [OTHER METHODS.] The commissioner shall have the power by rule to prescribe other return periods or deposit requirements. In prescribing the reporting period, the commissioner may classify employers according to the amount of their tax liability and may adopt an appropriate reporting period for each class which he deems to be consistent with efficient tax collection. In no event shall the duration of the reporting period be more than one year, provided that for employers with annual withholding tax liabilities of less than \$1,200 the reporting period shall be no more frequent than quarterly.

(2) If less than the correct amount of such tax is paid to the commissioner, proper adjustments, with respect to both the tax and the amount to be deducted, shall be made, without interest, in such manner and at such times as the commissioner may prescribe. If such underpayment cannot be so adjusted the amount of the underpayment shall be assessed and collected in such manner and at such times as the commissioner may prescribe.

(3) If any employer fails to make and file any return required by paragraph (1) at the time prescribed therefor, or makes and files a false or fraudulent return, the commissioner shall make for him a return from his own knowledge and from such information as he can obtain through testimony, or otherwise, and assess a tax on the basis thereof. The amount of tax shown thereon shall be paid to the commissioner at such times as the commissioner may prescribe. Any such return or assessment so made by the commissioner shall be prima facie correct and valid, and the employer shall have the burden of establishing its correctness or invalidity in any action or proceeding in respect thereto.

(4) If the commissioner, in any case, has reason to believe that the collection of the tax provided for in paragraph (1) of

this subdivision, and any added penalties and interest, if any, will be jeopardized by delay, he may immediately assess such tax, whether or not the time otherwise prescribed by law for making and filing the return and paying such tax has expired.

(5) Any assessment under this subdivision shall be made by recording the liability of the employer in the office of the commissioner in accordance with regulations prescribed by the commissioner. Upon request of the employer, the commissioner shall furnish the employer a copy of the record of assessment.

(6) Any assessment of tax under this subdivision shall be made within three and one-half years after the due date of the return required by paragraph (1), or the date the return was filed, whichever is later; except that in the case of a false or fraudulent return or failure to file a return, the tax may be assessed at any time.

(7) (a) Except as provided in (b) of this paragraph, every employer who fails to pay to or deposit with the commissioner any sum or sums required by this section to be deducted, withheld and paid, shall be personally and individually liable to the state of Minnesota for such sum or sums (and any added penalties and interest); and any sum or sums deducted and withheld in accordance with the provisions of subdivision 2a or subdivision 3 shall be held to be a special fund in trust for the state of Minnesota.

(b) If the employer, in violation of the provision of this section, fails to deduct and withhold the tax under this section, and thereafter the taxes against which such tax may be credited are paid, the tax so required to be deducted and withheld shall not be collected from the employer; but this shall in no case relieve the employer from liability for any penalties and interest otherwise applicable in respect of such failure to deduct and withhold.

(8) Upon the failure of any employer to pay to or deposit with the commissioner within the time provided by paragraphs (1), (2) or (3) of this subdivision any tax required to be withheld in accordance with the provisions of subdivision 2a or subdivision 3, or if the commissioner has assessed a tax pursuant to paragraph (4), such tax shall become immediately due and payable, and the commissioner may deliver to the attorney general a certified statement of the tax, penalties and interest due from such employer. The statement shall also give the address of the employer owing such tax, the period for which the tax is due, the date of the delinquency, and such other information as may be required by the attorney general. It shall be the duty of the attorney general to institute legal action in the name of the state to recover the amount of such tax, penalties, interest and costs. The commissioner's certified statement to the attorney general shall for all purposes and in all courts be prima facie evidence of the facts therein stated and that the amount shown therein

is due from the employer named in the statement. In event action is instituted as herein provided, the court shall, upon application of the attorney general, appoint a receiver of the property and business of the delinquent employer for the purpose of impounding the same as security for any judgment which has been or may be recovered. Any such action shall be brought within four years and three months after the due date of the return or deposit required by paragraph (1), or the date the return was filed, or deposit made whichever is later; except that in the case of failure to make and file such return or if such return is false or fraudulent, or such deposit is not made such action may be brought at any time.

*(8a) The period of time during which a tax must be assessed or collection proceedings commenced under this subdivision shall be suspended during the period from the date of filing of a petition in bankruptcy until 30 days after the commissioner of revenue receives notice that the bankruptcy proceedings have been closed or dismissed or the automatic stay has been terminated or has expired.*

*The suspension of the statute of limitations under this subdivision shall apply to the person against whom the petition in bankruptcy is filed and all other persons who may also be wholly or partially liable for the tax under this chapter.*

(9) The tax required to be withheld under subdivision 2a or subdivision 3 or paid to, or deposited with the commissioner under this subdivision, together with penalties, interest and costs, shall become a lien upon all of the real property of the employer within this state, except his homestead, from and after the filing by the commissioner of a notice of such lien in the offices of the county recorder of the county in which such real property is situated.

(10) Either party to an action for the recovery of any tax, interest or penalties under this subdivision may remove the judgment to the supreme court by appeal, as provided for appeals in civil cases.

(11) No suit shall lie to enjoin the assessment or collection of any tax imposed by this section, or the interest and penalties added thereto.

(12) When any tax is due and payable as provided in paragraph (8) the commissioner may issue his warrant to the sheriff of any county of the state commanding him to levy upon and sell the real and personal property of the employer and to levy upon the rights to property of the employer within the county and to return such warrant to the commissioner and pay to him the money collected by virtue thereof by a time to be therein specified, not less than 60 days from the date of the warrant.

The sheriff shall proceed thereunder to levy upon and seize any property of the employer and to levy upon the rights to property of the employer within his county, except the homestead and household goods of the employer and property of the employer not liable to attachment, garnishment, or sale on any final process issued from any court under the provisions of section 550.37, and shall sell so much thereof as is required to satisfy such taxes, interest, and penalties, together with his costs; but such sales shall, as to their manner, be governed by the laws applicable to sales of like property on execution issued against property upon a judgment of a court of record. The proceeds of such sales, less the sheriff's costs, shall be turned over to the commissioner, who shall retain such part thereof as is required to satisfy the tax, interest, penalties and costs, and pay over any balance to the taxpayer. Any action taken by the commissioner pursuant to this subdivision shall not constitute an election by the state to pursue a remedy to the exclusion of any other remedy providing for the collection of taxes required to be withheld by employers.

Sec. 55. Minnesota Statutes 1980, Section 290.92, Subdivision 13, is amended to read:

Subd. 13. [REFUNDS.] (1) Where the amount of the tax withheld at the source under subdivision 2a or subdivision 3 exceeds by \$1 or more the taxes (and any added penalties and interest) reported in the return of the employee taxpayer or imposed upon him by this chapter, the amount of such excess shall be refunded to the employee taxpayer. If the amount of such excess is less than \$1 the commissioner shall not be required to refund that amount. Where any amount of such excess to be refunded exceeds \$10, such amount *on the original return* shall bear interest at the rate of six percent per annum, computed from 90 days after (a) the due date of the return of the employee taxpayer or (b) the date on which his return is filed, whichever is later, to the date the refund is paid to the taxpayer. Notwithstanding the provisions of section 290.50, written findings by the commissioner, notice by mail to the taxpayer, and certificate for refundment by the commissioner, shall not be necessary. The provisions of section 270.10, shall not be applicable.

(2) Any action of the commissioner in refunding the amount of such excess shall not constitute a determination of the correctness of the return of the employee taxpayer within the purview of section 290.46.

(3) The commissioner of finance shall cause any such refund of tax and interest, to be paid out of the general fund in accordance with the provisions of section 290.62, and so much of said fund as may be necessary is hereby appropriated for that purpose.

Sec. 56. Minnesota Statutes 1981 Supplement, Section 290.93, Subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT OF DECLARATION.] (1) Every individual shall, at the time prescribed in subdivision 5 of this section, make and file with the commissioner a declaration of his estimated tax for the taxable year if

(a) The gross income (*for purposes of this subdivision and subdivision 5 as defined in section (290.01, SUBDIVISION 20) 290.37, subdivision 1, clause (c)*) for the taxable year can reasonably be expected to exceed the gross income amounts set forth in section 290.37, subdivision 1 pertaining to the requirements for making a return; and

(b) Such gross income can reasonably be expected to include more than \$500 from sources other than wages upon which a tax has been deducted and withheld under section 290.92, subdivision 2a or subdivision 3.

(2) If the individual is an infant or incompetent person, the declaration shall be made by his guardian.

(3) Notwithstanding the provisions of this section, no declaration is required if the estimated tax (as defined in subdivision 3) can reasonably be expected to be less than \$100.

Sec. 57. Minnesota Statutes 1980, Section 290.93, Subdivision 9, is amended to read:

Subd. 9. [OVERPAYMENT OF ESTIMATED TAX.] (1) Where the amount of an installment payment of estimated tax exceeds the amount determined to be the correct amount of such installment payment, the overpayment shall be credited against the unpaid installments, if any. Where the total amount of the estimated tax payments plus (a) the total amount of tax withheld at the source under section 290.92, subdivision 2a or subdivision 3 (if any) and (b) and other payments (if any) exceeds by \$1 or more the taxes (and any added penalties and interest) reported in the return of the taxpayer or imposed upon him by this chapter, the amount of such excess shall be refunded to the taxpayer. If the amount of such excess is less than \$1 the commissioner shall not be required to refund that amount. Where any amount of such excess to be refunded exceeds \$10, such amount *on the original return* shall bear interest at the rate of six percent per annum, computed from 90 days after (a) the due date of the return of the taxpayer or (b) the date on which his return is filed, whichever is later, until the date the refund is paid to the taxpayer. Notwithstanding the provisions of section 290.50, written findings by the commissioner, notice by mail to the taxpayer, and certificate for refundment by the commissioner, shall not be necessary. The provisions of section 270.10, shall not be applicable.

(2) Any action of the commissioner in refunding the amount of such excess shall not constitute a determination of the correctness of the return of the taxpayer within the purview of section 290.46.

(3) The commissioner of finance shall cause any such refund of tax and interest to be paid out of the general fund in accordance with the provisions of section 290.62, and so much of said fund as may be necessary is hereby appropriated for that purpose.

**Sec. 58. Minnesota Statutes 1981 Supplement, Section 290.93, Subdivision 10, is amended to read:**

**Subd. 10. [UNDERPAYMENT OF ESTIMATED TAX.]**

(1) In the case of any underpayment of estimated tax by an individual, except as provided in paragraph (4), there may be added to and become a part of the taxes imposed by this chapter, for the taxable year an amount determined at the rate specified in section 270.75 upon the amount of the underpayment for the period of the underpayment.

(2) For purposes of the preceding paragraph, the amount of underpayment shall be the excess of

(a) The amount of the installment which would be required to be paid if the estimated tax were equal to 80 percent (66 2/3 percent in the case of farmers referred to in subdivision 5(2) of this section) of the taxes shown on the return for the taxable year or the taxes for such year if no return was filed, over

(b) The amount, if any, of the installment paid on or before the last day prescribed for such payment.

(3) The period of the underpayment shall run from the date the installment was required to be paid to whichever of the following dates is the earlier

(a) The 15th day of the fourth month following the close of the taxable year.

(b) With respect to any portion of the underpayment, the date on which such portion is paid. For purposes of this subparagraph, a payment of estimated tax on any installment date shall be considered a payment of any previous underpayment only to the extent such payment exceeds the amount of the installment determined under paragraph (2) (a) for such installment date.

(4) The addition to the tax with respect to any underpayment of any installment shall not be imposed if the total amount of all payments of estimated tax made on or before the last date prescribed for the payment of such installment equals or exceeds

the amount which would have been required to be paid on or before such date if the estimated tax were whichever of the following is the lesser

(a) The total tax liability shown on the return of the individual for the preceding taxable year (if a return showing a liability for such taxes was filed by the individual for the preceding taxable year of 12 months), or

(b) An amount equal to the tax computed, at the rates applicable to the taxable year, on the basis of the taxpayer's status with respect to the personal credits for the taxable year, but otherwise on the basis of the facts shown on his return for, and the law applicable to the preceding taxable year, or

(c) An amount equal to 80 percent (66 2/3 percent in the case of farmers referred to in subdivision 5(2) of this section) of the tax for the taxable year (after deducting personal credits) computed by placing on an annualized basis the taxable income for the months in the taxable year ending before the month in which the installment is required to be paid. For purposes of this subparagraph, the taxable income shall be placed on an annualized basis by

(i) Multiplying by 12 (or in the case of a taxable year of less than 12 months, the number of months in the taxable year) the taxable income computed for the months in the taxable year ending before the month in which the installment is required to be paid.

(ii) Dividing the resulting amount by the number of months in the taxable year ending before the month in which such installment date falls, or

(d) An amount equal to 90 percent of the tax computed, at the rates applicable to the taxable year, on the basis of the actual taxable income for the months in the taxable year ending before the month in which the installment is required to be paid.

(5) For the purposes of applying this subdivision, the estimated tax shall be computed without any reduction for the amount which the individual estimates as his credit under section 290.92, subdivision 12 (relating to tax withheld at source on wages), and the refundable credits contained in sections 290.06, subdivision 13, 290.067, 290.501, and chapter 290A which are allowed against income tax liability, and the amount of such (CREDIT) credits for the taxable year shall be deemed a payment of estimated tax, and an equal part of such (AMOUNT) amounts shall be deemed paid on each installment date (determined under subdivisions 6 and 7 of this section) for such taxable year, unless the taxpayer establishes the dates on which all amounts were actually withheld, in which case the amounts so

withheld shall be deemed payments of estimated tax on the dates on which such amounts were actually withheld.

Sec. 59. Minnesota Statutes 1980, Section 290.936, is amended to read:

**290.936 [OVERPAYMENT OF ESTIMATED TAX.]**

(1) Where the amount of an installment payment of estimated tax exceeds the amount determined to be the correct amount of such installment payment, the overpayment shall be credited against the unpaid installments, if any. Where the total amount of the estimated tax payments and other payments, if any, exceeds by \$1 or more the taxes (and any added penalties and interest) reported in the return of the taxpayer or imposed upon him by this chapter, the amount of such excess shall be refunded to the taxpayer. If the amount of such excess is less than \$1, the commissioner shall not be required to refund. Where any amount of such excess to be refunded exceeds \$10, such amount *on the original return* shall bear interest at the rate of six percent per annum, computed from 90 days after (a) the due date of the return of the taxpayer or (b) the date on which his return is filed, whichever is later, until the date the refund is paid to the taxpayer. Notwithstanding the provisions of section 290.50, written findings by the commissioner, notice by mail to the taxpayer, and certificate for refundment by the commissioner, shall not be necessary. The provisions of section 270.10, shall not be applicable.

(2) Any action of the commissioner in refunding the amount of such excess shall not constitute a determination of the correctness of the return of the taxpayer within the purview of section 290.46.

(3) The commissioner of finance shall cause any such refund of tax and interest to be paid out of the general fund in accordance with the provisions of section 290.62, and so much of said fund as may be necessary is hereby appropriated for that purpose.

Sec. 60. Minnesota Statutes 1981 Supplement, Section 290.9725, is amended to read:

**290.9725 [ELECTION BY SMALL BUSINESS CORPORATION.]**

Any corporation having a valid election in effect under section 1372 of the Internal Revenue Code of 1954, as amended through December 31, (1980) 1981, shall not be subject to the taxes imposed by this chapter, except the tax imposed under section 290.92.



**Sec. 61. [290.9726] [CORPORATION TAXABLE INCOME TAXED TO SHAREHOLDERS.]**

*Subdivision 1. [GENERAL RULE.] The gross income of the shareholders of corporations described in section 290.9725 shall be computed under the provisions of section 290.01, subdivision 20.*

*Subd. 2. [CHARACTER OF ITEMS DISTRIBUTED OR CONSIDERED DISTRIBUTED.] The character of any item of income, gain, loss, or deduction included in shareholder's income shall be assignable as provided in section 290.17, subdivision 2, as if the item were realized directly from the source from which it was realized by the corporation or incurred in the same manner as incurred by the corporation.*

*Subd. 3. [EXCEPTIONS.] No subtraction specified in section 290.01, subdivision 20, clause (b) shall apply to any class of income which would be taxable to the corporation under the provisions of this chapter.*

*Subd. 4. [TREATMENT OF FAMILY GROUPS.] Any amount taxable to a shareholder may be apportioned or allocated by the commissioner between or among shareholders of the corporation who are members of the shareholder's family, as defined in section 290.10, clause (6), if he determines that the apportionment or allocation is necessary in order to reflect the value of services rendered to the corporation by the shareholders.*

*Subd. 5. [CREDIT ALLOWANCES.] The credits provided in sections 290.06 and 290.501 to which the corporation is entitled shall be allocated to the shareholders in the same percentage as the undistributed income was apportioned under section 1373(b) of the Internal Revenue Code of 1954, as amended through December 31, 1981. The limitations set forth in the computation of the credit shall be applied to the shareholders.*

*Subd. 6. [BASIS.] The adjustments to basis described in section 1376 of the Internal Revenue Code of 1954, as amended through December 31, 1981, shall not be made for any year beginning before January 1, 1981 for which the corporation did not have a valid election to be taxed as a small business corporation.*

**Sec. 62. Minnesota Statutes 1981 Supplement, Section 290.-974, is amended to read:**

**290.974 [RETURN OF ELECTING SMALL BUSINESS CORPORATION.]**

**Every electing small business corporation under section 290.-9725 shall make a (PARTNERSHIP) small business corpora-**

tion return for each taxable year during which said election is in effect stating specifically the names and addresses of all persons owning stock in the corporation at any time during the taxable year, the number of shares of stock owned by each shareholder at all times during the taxable year, and such other information for the purposes of carrying out the provisions of sections 290.01, subdivision 20 and 290.9725 as the commissioner may by forms and regulations prescribe.

Sec. 63. Minnesota Statutes 1981 Supplement, Section 290A.-03, Subdivision 3, is amended to read:

Subd. 3. [INCOME.] (1) "Income" means the sum of the following:

(a) federal adjusted gross income as defined in the Internal Revenue Code of 1954 as amended through December 31, 1980; and

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

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

(ii) all nontaxable income;

(iii) recognized net long term capital gains;

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

(v) cash public assistance and relief;

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

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

(viii) workers' compensation;

(ix) unemployment benefits;

(x) nontaxable strike benefits; and

(xi) the gross amounts of payments received in the nature of disability income or sick pay as a result of accident, sickness, or other disability, whether funded through insurance or otherwise. In the case of an individual who files an income tax return on a fiscal year basis, the term "federal adjusted gross income" shall mean federal adjusted gross income reflected in the fiscal year ending in the calendar year. *Federal adjusted gross income shall not be reduced by the amount of a net operating loss carry-back.*

(2) "Income" does not include

(a) amounts excluded pursuant to the Internal Revenue Code, Sections 101(a), 102, 117, and 121;

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

(c) (GIFTS FROM NONGOVERNMENTAL SOURCES;)

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

((E)) (d) relief granted under sections 290A.01 to 290A.20;

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

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

Sec. 64. Minnesota Statutes 1981 Supplement, Section 290A.-03, Subdivision 13, is amended to read:

Subd. 13. [PROPERTY TAXES PAYABLE.] "Property taxes payable" means the property tax exclusive of special assessments, penalties, and interest payable on a claimant's homestead before reductions made pursuant to section 273.13, subdivisions 6, 7 and 14a, but after deductions made pursuant to sections 124.-213, 273.115, 273.116, 273.135 (AND), 273.139, and 273.1391 in any calendar year. No apportionment or reduction of the "property taxes payable" shall be required for the use of a portion of the claimant's homestead for a business purpose if the claimant does not deduct any business depreciation expenses for the use of a portion of the homestead in the determination of federal adjusted gross income. For homesteads which are mobile homes as

defined in section 168.011, subdivision 8, "property taxes payable" shall also include 23 percent of gross rent paid in the preceding year for the site on which the homestead is located, exclusive of charges for utilities or services. When a homestead is owned by two or more persons as joint tenants or tenants in common, such tenants shall determine between them which tenant may claim the property taxes payable on the homestead. If they are unable to agree, the matter shall be referred to the commissioner of revenue and his decision shall be final. Property taxes are considered payable in the year prescribed by law for payment of the taxes.

In the case of a claim relating to "property taxes payable", the claimant must have owned and occupied the homestead on January 2 of the year in which the tax is payable and (i) the property must have been classified as homestead property pursuant to section 273.13, subdivisions 6, 7 or 14a on or before June 1 of the year in which the "property taxes payable" were levied; or (ii) the claimant must provide documentation from the local assessor that application for homestead classification has been made prior to July 1 of the year in which the "property taxes payable" were payable *and that the assessor has approved the application.*

For property taxes levied in 1981, payable 1982, "property taxes payable" shall be limited to that portion of the property taxes eligible for the homestead credit as determined pursuant to section 273.13, subdivision 15b.

Sec. 65. Minnesota Statutes 1981 Supplement, Section 290A.-07, Subdivision 2a, is amended to read:

Subd. 2a. A claimant not included in subdivision 2 who is a renter shall receive full payment prior to August 15 or 60 days after receipt of the application, whichever is later. *Interest shall be added at six percent per annum from August 15 or 60 days after receipt of the application whichever is later.*

Sec. 66. Minnesota Statutes 1981 Supplement, Section 290A.-11, Subdivision 1, is amended to read:

Subdivision 1. [AUDIT OF CLAIM.] When on the audit of any claim filed under sections 290A.01 to 290A.20 the department determines the amount thereof to have been incorrectly determined, the department shall redetermine the claim and notify the claimant of the redetermination and the reasons therefor. The redetermination shall be final unless appealed to the Minnesota tax court within 60 days of notice thereof. *The redetermination under this subdivision and subdivision 1a shall be recovered by assessment and collection in the manner provided in chapter 290 for collection of income tax. The assessment shall bear interest from the date the claim is paid by the state*

*until the date of repayment by the claimant, at the rate specified in section 270.75.*

Sec. 67. Minnesota Statutes 1981 Supplement, Section 270.75, Subdivision 4, as amended by Laws 1981, Third Special Session Chapter 2, Article III, Section 1, is amended to read:

Subd. 4. There shall be added to the amount of any underpayment of estimated income tax, computed pursuant to chapter 290, an amount in lieu of interest determined at the rate of (20) 12 percent per annum (BEGINNING FEBRUARY 1, 1982). *For taxable years beginning after December 31, 1981, the amount in lieu of interest shall be determined at the rate of 20 percent per annum. For taxable years beginning after December 31, 1982, the amount in lieu of interest for that taxable year shall be the amount determined in subdivision 5 for January 1 on which begins the taxable year or precedes the beginning of the taxable year.*

Sec. 68. Minnesota Statutes 1981 Supplement, Section 270.75, Subdivision 5, as amended by Laws 1981, Third Special Session Chapter 2, Article III, Section 1, is amended to read:

Subd. 5. The rates of interest or amount in lieu of interest contained in subdivisions 1 to 4 shall be adjusted by the commissioner of revenue not later than October 15 of 1982 and any year thereafter if the adjusted prime rate charged by banks during September of that year, rounded to the nearest full percent, is at least a full percentage point more or less than the interest rate which is then in effect. The adjusted rate of interest or amount in lieu of interest shall be equal to the adjusted prime rate charged by banks, rounded to the nearest full percent, and shall become effective on January 1 of the immediately succeeding year *except as provided in subdivision 4*. For purposes of this subdivision, the term "adjusted prime rate charged by banks" means the average predominant prime rate quoted by commercial banks to large businesses, as determined by the Board of Governors of the Federal Reserve System.

Sec. 69. Minnesota Statutes 1980, Section 290.032, Subdivision 5, is amended to read:

Subd. 5. An amount *not to exceed \$10,000 which is* distributed to an individual as severance pay upon discontinuation of the individual's employment due to termination of business operations by the individual's employer may be treated as a lump sum distribution according to the provisions of this section *if it is paid as a lump sum*. For the payment to be treated as a lump sum distribution under this subdivision, the termination of the employer's business operation at that site must be reasonably likely to be permanent and to involve the discharge within a period of one year of at least 75 percent of the persons employed by that employer at that site. *This subdivision shall not*

*apply when the employer's business operation at that site is terminated because the business is sold to another person or corporation who will continue operations at that site and the individual is employed by the new person or corporation. For the purposes of this subdivision, "severance pay" shall mean an amount received for the cancellation of an employment contract or a collectively bargained termination payment in the nature of a substitute for income which would have been earned for personal services to be rendered in the future.*

The minimum distribution allowance provided in sections 402 (e)(1)(C) and (D) of the Internal Revenue Code of 1954, as amended through December 31, 1979, shall not apply to the computation allowed under this subdivision.

Sec. 70. Laws 1981, Third Special Session Chapter 2, Article III, Section 6, Subdivision 3, is amended to read:

Subd. 3. [LIMITATION.] The credit for the taxable year shall not exceed \$300,000 or ten percent of the liability for tax, whichever is less. "Liability for tax" for purposes of this section means the tax imposed under this chapter for the taxable year reduced by the sum of the credits allowed under section 290.06, except the credit allowed under section 290.06, subdivision 13.

If the credit determined under subdivision 2 exceeds this limitation, the excess shall be a credit carryback to each of the three preceding taxable years and a credit carryover to each of the seven succeeding taxable years, provided the aggregate of the credit for the taxable year and any carryover and carryback credits shall not exceed \$300,000 or ten percent of the liability for tax, whichever is less. The entire amount of the excess unused credit for the taxable year shall be carried first to the earliest of the taxable years to which the credit may be carried and then to each successive year to which the credit may be carried.

*For the purposes of sections 290.46 and 290.50, if the claim for refund relates to an overpayment attributable to a research and experimental expenditure credit 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 in which the research and experimental expenditure credit arises which results in the carryback. In any case in which a taxpayer is entitled to a refund in a carryback year due to the carryback of a research and experimental expenditure credit, interest shall be computed only from the end of the taxable year in which the credit arises.*

Sec. 71. [INSTRUCTION TO REVISOR.]

*In Minnesota Statutes 1982, Section 290.09, Subdivisions 5 and 6, the revisor of statutes shall substitute the phrase "this chapter"*

for the phrase "sections 290.12, 290.131 to 290.139, 290.14 and 290.15", wherever it is used in those subdivisions. In Minnesota Statutes 1982, Sections 290.12, Subdivision 1, and 290.16, Subdivision 1, the revisor of statutes shall substitute the phrase "this chapter" for the phrase "sections 290.131 to 290.139, 290.14 and 290.15", wherever it is used in those subdivisions.

## Sec. 72. [REPEALER.]

Minnesota Statutes 1980, Sections 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; 290.973; and 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; and 290.971, Subdivision 7; are repealed.

## Sec. 73. [EFFECTIVE DATE.]

Sections 2, 19 and 67 are effective for taxable years beginning after December 31, 1980. Sections 47, 51, 52, 53, 55, 57, and 59 are effective May 1, 1982. Sections 46 and 54 are effective for bankruptcy proceedings filed on or after October 1, 1979. Sections 12, 45, 50, 56, 58, 64, 66, and 68 are effective the day after final enactment. Section 65 is effective for claims based on rent paid in 1982 and subsequent years. The provisions of section 42 requiring that non-game wildlife designations be made on original returns is effective for taxable years beginning after December 31, 1979, and claims based on rent paid in 1980 and subsequent years, and property taxes payable in 1981 and subsequent years. Those provisions of section 63 that relate to net operating loss carrybacks are effective the day after final enactment. The balance of section 63 is effective for claims based on rent paid in 1982 and succeeding years and property taxes payable in 1983 and succeeding years. The change in section 1, clause (b)(2) is effective for the sale or other disposition of property after June 30, 1982. The rest of this article is effective for taxable years beginning after December 31, 1981.

## ARTICLE II

Section 1. Minnesota Statutes 1981 Supplement, Section 270.063, is amended to read:

### 270.063 [COLLECTION OF DELINQUENT TAXES.]

For the purpose of collecting delinquent state tax liabilities from taxpayers who do not reside or are not located in Minnesota, there is appropriated to the commissioner of revenue an amount representing the cost of collection, not to exceed one-third

of the amount collected by contract with collection agencies or attorneys to enable the commissioner to reimburse these agencies for this service. The commissioner shall report quarterly on the status of this program to the chairmen of the house tax and appropriation committees and senate tax and finance committees.

*Notwithstanding section 16A.15, subdivision 3, the commissioner of revenue may authorize the prepayment of sheriff's fees or court costs to be incurred in connection with the collection out of state of delinquent tax liabilities owed to the commissioner of revenue.*

Sec. 2. Minnesota Statutes 1980, Section 270.06, is amended to read:

#### 270.06 [POWERS AND DUTIES.]

It shall be the duty of the commissioner of revenue and he shall have power and authority:

(1) To have and exercise general supervision over the administration of the assessment and taxation laws of the state, over assessors, town, county, and city boards of review and equalization, and all other assessing officers in the performance of their duties, to the end that all assessments of property be made relatively just and equal in compliance with the laws of the state;

(2) To confer with, advise and give the necessary instructions and directions to local assessors and local boards of review throughout the state as to their duties under the laws of the state;

(3) To direct proceedings, actions, and prosecutions to be instituted to enforce the laws relating to the liability and punishment of public officers and officers and agents of corporations for failure or negligence to comply with the provisions of the laws of this state governing returns of assessment and taxation of property, and to cause complaints to be made against local assessors, members of boards of equalization, members of boards of review, or any other assessing or taxing officer, to the proper authority, for their removal from office for misconduct or negligence of duty;

(4) To require county attorneys to assist in the commencement of prosecutions in actions or proceedings for removal, forfeiture and punishment for violation of the laws of this state in respect to the assessment and taxation of property in their respective districts or counties;

(5) To require town, city, county, and other public officers to report information as to the assessment of property, collection of taxes received from licenses and other sources, and such other information as may be needful in the work of the department



of revenue, in such form and upon such blanks as he may prescribe;

(6) To require individuals, copartnerships, companies, associations, and corporations to furnish information concerning their capital, funded or other debt, current assets and liabilities, earnings, operating expenses, taxes, as well as all other statements now required by law for taxation purposes;

(7) To summon witnesses to appear and give testimony, and to produce books, records, papers and documents relating to any tax matter which he may have authority to investigate or determine. *Provided, that any summons which does not identify the person or persons with respect to whose tax liability the summons is issued may be served only if (a) the summons relates to the investigation of a particular person or ascertainable group or class of persons, (b) there is a reasonable basis for believing that such person or group or class of persons may fail or may have failed to comply with any tax law administered by the commissioner, (c) the information sought to be obtained from the examination of the records (and the identity of the person or persons with respect to whose liability the summons is issued) is not readily available from other sources, (d) the summons is clear and specific as to the information sought to be obtained, and (e) the information sought to be obtained is limited solely to the scope of the investigation. Provided further that the party served with a summons which does not identify the person or persons with respect to whose tax liability the summons is issued shall have the right, within 20 days after service of the summons, to petition the district court for the judicial district in which lies the county in which the summons is served for a determination as to whether the commissioner of revenue has complied with all the requirements in (a) to (e), and thus, whether the summons is enforceable. If no such petition is made by the party served within the time prescribed, the summons shall have the force and effect of a court order;*

(8) To cause the deposition of witnesses residing within or without the state, or absent therefrom, to be taken, upon notice to the interested party, if any, in like manner that depositions of witnesses are taken in civil actions in the district court, in any matter which he may have authority to investigate or determine;

(9) To investigate the tax laws of other states and countries and to formulate and submit to the legislature such legislation as he may deem expedient to prevent evasions of assessment and taxing laws, and to secure just and equal taxation and improvement in the system of assessment and taxation in this state;

(10) To consult and confer with the governor upon the subject of taxation, the administration of the laws in regard thereto, and the progress of the work of the department of revenue, and to furnish the governor, from time to time, such assistance and information as he may require relating to tax matters;

(11) To transmit to the governor, on or before the third Monday in December of each even-numbered year, and to each member of the legislature, on or before November 15 of each even numbered year, the report of the department of revenue for the preceding years, showing all the taxable property in the state and the value of the same, in tabulated form;

(12) To inquire into the methods of assessment and taxation and ascertain whether the assessors faithfully discharge their duties, particularly as to their compliance with the laws requiring the assessment of all property not exempt from taxation;

(13) To exercise and perform such further powers and duties as may be required or imposed upon the commissioner of revenue by law;

(14) The commissioner of revenue may promulgate rules and regulations for the administration and enforcement of the property tax. Such rules and regulations shall have the force and effect of law;

(15) To execute and administer any agreement with the secretary of the treasury of the United States regarding the exchange of information and administration of the tax laws of both the United States and the state of Minnesota;

(16) To administer and enforce the provisions of sections 325.64 to 325.76, the Minnesota unfair cigarette sales act.

Sec. 3. Minnesota Statutes 1980, Section 270.07, Subdivision 1, is amended to read:

Subdivision 1. The commissioner of revenue shall prescribe the form of all blanks and books required under this chapter. He shall hear and determine all matters of grievance relating to taxation. Except as otherwise provided by law, he shall have power to grant such reduction or abatement of assessed valuations or taxes and of any costs, penalties or interest thereon as he may deem just and equitable, and to order the refundment, in whole or in part, of any taxes, costs, penalties or interest thereon which have been erroneously or unjustly paid. Application therefor shall be submitted with a statement of facts in the case and the favorable recommendation of the county board or of the board of abatement of any city where any such board exists, and the county auditor of the county wherein such tax was levied or paid. In the case of gross earnings taxes the application may be made directly to the commissioner without the favorable action of the county board and county auditor, and the commissioner shall direct that any gross earnings taxes which may have been erroneously or unjustly paid shall be applied against unpaid taxes due from the applicant for such refundment. No reduction, abatement, or refundment of any

special assessments made or levied by any municipality for local improvements shall be made unless it is also approved by the board of review or similar taxing authority of such municipality. The commissioner may refer any question that may arise in reference to the true construction of this chapter to the attorney general, and his decision thereon shall be in force and effect until annulled by the judgment of a court of competent jurisdiction. The commissioner shall forward to the county auditor a copy of the order by him made in all cases in which the approval of the county board is required. The commissioner may by written order abate, reduce, or refund any penalty or interest imposed by any law relating to taxation, if in his opinion the (ENFORCEMENT OF SUCH A PENALTY OR THE PAYMENT OF SUCH INTEREST WOULD BE UNJUST AND INEQUITABLE) *failure to timely pay the tax or failure to timely file the return is due to reasonable cause*. Such order shall, in the case of real and personal property taxes, be made only on application and approval as provided in this section; in the case of all other taxes, such order shall be made on application of the taxpayer to the commissioner and, if the order is for an abatement, reduction or refund of over (\$500) \$5,000, it shall be valid only if approved in writing by the attorney general.

An appeal may not be taken to the tax court from any order of the commissioner of revenue made in the exercise of the discretionary authority granted to him in this subdivision in response to a taxpayer's application for an abatement, reduction or refund of taxes, assessed valuations, costs, penalties or interest.

Sec. 4. Minnesota Statutes 1980, Section 270.10, Subdivision 1, is amended to read:

Subdivision 1. [IN WRITING; APPROVAL BY ATTORNEY GENERAL.] All orders and decisions of the commissioner of revenue, or any of his subordinates, respecting any tax, assessment, or other obligation, shall be in writing, filed in the offices of the department. No order or decision increasing or decreasing any tax, assessment, or other obligation by a sum exceeding \$500 on real or personal property, or the assessed valuation thereof, or other obligation relating thereto, the result of which is to increase or decrease the total amount payable including penalties and interest, by a sum exceeding \$1,000, and no order or decision increasing or decreasing any other tax by a sum exceeding \$1,000 exclusive of penalties and interest, shall be made without the written signature or facsimile signature of the commissioner, a deputy commissioner, assistant commissioner, division director, or acting division director in each case. Written notice of every order granting a reduction, abatement, or refundment exceeding (\$1,000) \$5,000 of any tax exclusive of penalties and interest, shall be given within five days to the attorney general. The attorney general shall forthwith examine such order, and

if he deems the same proper and legal he shall approve the same in writing, and may waive the right of appeal therefrom in behalf of the state; otherwise he shall take an appeal from the order in behalf of the state as herein provided; but written approval of the commissioner or his deputy and written notice to the attorney general, shall not be required with respect to the following orders: (1) orders reducing assessed valuation of property by reason of its classification as a homestead; (2) orders not involving refunds which have the effect only of correcting income and franchise tax assessments to conform to the amounts shown on final returns filed as provided by section 290.42, clause (6); (3) original orders for the refundment of gasoline and special fuel taxes.

Sec. 5. Minnesota Statutes 1981 Supplement, Section 270.66, is amended to read:

270.66 [RIGHT OF SETOFF.]

*Subdivision 1. [CERTIFICATION BY COMMISSIONER.]* Upon certification by the commissioner of revenue to the commissioner of finance, *or to any state agency described in subdivision 3 which disburses its own funds, within five years after the tax should have been paid or the return is filed, whichever is later*, that a taxpayer has an uncontested delinquent tax liability owed to the commissioner of revenue, (AND NOTICE THAT THE STATE HAS PURCHASED PERSONAL SERVICES, SUPPLIES, CONTRACT SERVICE, OR PURCHASED PROPERTY FROM SAID TAXPAYER,) the commissioner of finance *or the state agency* shall apply to such delinquent tax liability funds sufficient to satisfy such unpaid tax liability from funds appropriated for payment of (SAID) *an* obligation of the state or any of its agencies that are due and owing the taxpayer, provided however, that such credit shall not be made against any funds exempt under section 550.37 or those funds owed (THE) *an individual taxpayer who receives assistance* under the provisions of chapter 256 (OR 256B).

*Subd. 2. [SETOFF SATISFIES STATE OBLIGATION.]* All funds, whether general or dedicated, shall be subject to set-off in the manner herein provided. Transfer of funds as herein provided is payment of the obligation of the state or any of its agencies to such taxpayer and any actions for said funds, if any, shall be had against the department of revenue on the issue of such tax liability. Nothing in this section shall be construed to limit the previously existing right of the state or any of its agencies to setoff.

*Subd. 3. [AGENCIES SHALL MAINTAIN RECORDS.]* Notwithstanding any provision to the contrary, every person, organization, or corporation doing business (hereafter called vendor) with the state of Minnesota or any of its departments, agencies, or educational institutions including the University

of Minnesota (all hereafter called agency) shall provide that agency with their social security number or Minnesota tax identification number. The agency shall maintain records of this information, and shall make these records available to the commissioner, upon his request, for the sole purpose of identifying people who have not filed state tax returns or who have not paid uncontested state tax liabilities (hereafter called delinquent taxpayer). When an agency is notified by the commissioner that a vendor is a delinquent taxpayer, payments shall not be made by the agency to the vendor until the commissioner notifies the agency that the vendor no longer is a delinquent taxpayer. *Furthermore, if the vendor has an uncontested delinquent tax liability, the setoff provided in subdivision 1 may be implemented.* The commissioner shall determine that a vendor no longer is a delinquent taxpayer when the vendor has filed all delinquent state tax returns, paid all uncontested state tax liabilities or entered into an agreement with the commissioner which provides for the payment of these liabilities. The commissioner may notify an agency concerning a vendor, notwithstanding the provisions of sections 290.61 or 297A.43.

**Sec. 6. [270.67] [AGREEMENTS REGARDING TAX LIABILITY OR EXTENSION OF PAYMENT OF TAX.]**

*Subdivision 1. [LIABILITY AGREEMENTS.] The commissioner of revenue, or any officer or employee of the department of revenue authorized in writing by the commissioner, is authorized to enter into an agreement in writing with any taxpayer, or duly authorized agent or representative of the taxpayer, relating to the liability of the taxpayer in respect of any state tax administered by the commissioner for any taxable period ending prior to the date of the agreement. If the agreement is approved by the commissioner within the time stated in the agreement, or later agreed to, the agreement shall be final and conclusive; and, except upon a showing of fraud or malfeasance, or misrepresentation of a material fact, the case shall not be reopened as to the matters agreed upon, or the agreement modified, by any officer, employee, or agent of the state; and, in any suit, action, or proceeding, the agreement, or any determination, assessment, collection, payment, abatement, refund, or credit made in accordance with the agreement, shall not be annulled, modified, set aside, or disregarded.*

*Subd. 2. [EXTENSION AGREEMENTS.] When any portion of any tax payable to the commissioner of revenue together with interest and penalty thereon, if any, has not been paid six months from the date prescribed by law for its payment, the commissioner may extend the time for payment for a further period not to exceed 36 months. When the authority of this section is invoked, the extension shall be evidenced by written agreement signed by the taxpayer and the commissioner, stating the amount of the tax with penalty and interest, if any, and providing for the payment of the amount in regular weekly, semimonthly or monthly installments. The agreement shall con-*

tain a confession of judgment for the amount and for any unpaid portion thereof and shall provide that the commissioner may forthwith enter judgment against the taxpayer in the district court of the county of his residence as shown upon his tax return for the unpaid portion of the amount specified in the extension agreement. The principal sum specified in the agreement shall bear interest at the rate specified in section 270.75 on all unpaid portions thereof until the same has been fully paid or the unpaid portion thereof has been entered as a judgment. The judgment shall bear interest at the rate specified in section 270.75. If it appears to the commissioner that the tax reported by the taxpayer is in excess of the amount actually owing by the taxpayer, the extension agreement or the judgment entered pursuant thereto shall be corrected. If after making the extension agreement or entering judgment with respect thereto, the commissioner determines that the tax as reported by the taxpayer is less than the amount actually due, the commissioner shall assess a further tax in accordance with the provisions of law applicable to the tax. The authority granted to the commissioner by this section is in addition to any other authority granted to the commissioner by law to extend the time of payment or the time for filing a return and shall not be construed in limitation thereof.

**Sec. 7. [270.68] [LEGAL ACTION; CONFESSION OF JUDGMENT.]**

**Subdivision 1. [LEGAL ACTION.]** In addition to all other methods authorized by law for the collection of tax, if any tax payable to the commissioner of revenue or to the department of revenue, including penalties and interest thereon, is not paid within 60 days after it is required by law to be paid, the commissioner of revenue may, within five years after the date the tax should have been paid or the return is filed, whichever is later, bring an action at law against the person liable for the payment or collection of the tax, in the name of the state, for the recovery of the tax and interest and penalties due in respect thereof. The action shall be brought in the district court of the judicial district in which lies the county of the residence or principal place of business within this state of the taxpayer, or, in the case of an estate or trust, of the place of its principal administration, and for this purpose the place named as such in the return, if any, made by the taxpayer shall be conclusive against the taxpayer in this matter. If no place is named in the return, the action may be commenced in Ramsey county. The action shall be commenced by filing with the clerk of the court a statement showing the name and address of the taxpayer, if known, an itemized summary of the taxable periods and the type of tax, the tax due and unpaid and the interest and penalties due with respect thereto under the provisions of law applicable to the tax, and shall contain a prayer that the court adjudge the taxpayer to be indebted on account of the taxes, interest, and penalties in the amount specified in the statement; a copy of the statement shall be furnished to the clerk therewith. The clerk shall mail a copy of the statement by certified mail to the taxpayer at the address given in the return, if

any; and, if no address is given, then at his last known address, within five days after the same is filed, except that, if the taxpayer's address is not known, notice to him shall be made by posting a copy of the statement for ten days in the place in the courthouse where public notices are regularly posted. The taxpayer shall, if he desires to litigate the claim, or any part thereof, file a verified answer with the clerk setting forth his objections to the claim, or any part thereof; the answer shall be filed on or before the 20th day after the date of mailing the statement; or, if notice has been given by posting, on or before the 20th day after the expiration of the period during which the notice was required to be posted. If no answer is filed within the specified time, the clerk, upon the filing of an affidavit of default, shall enter judgment for the state in the amount prayed for, plus costs of \$10. If an answer is filed, the issues raised shall stand for trial as soon as possible after the filing of the answer, and the court shall determine the issues and direct judgment accordingly; and, if the taxes, interest, or penalties are sustained to any extent over the amount rendered by the taxpayer, shall assess \$10 costs against the taxpayer. The court shall disregard all technicalities and matters of form not affecting the substantial merits. The commissioner may call upon the county attorney or the attorney general to conduct the proceedings on behalf of the state. Execution shall be issued upon the judgment at the request of the commissioner, and the execution shall, in all other respects, be governed by the laws applicable to executions issued on judgments. Only the homestead and household goods of the judgment debtor shall be exempt from seizure and sale upon the execution.

**Subd. 2. [APPEALS.]** Either party to an action or a judgment for the recovery of any taxes, interest, or penalties under subdivision 1 may remove the judgment to the supreme court by appeal, as provided for appeals in civil cases.

**Subd. 3. [TAX PRESUMED VALID.]** The tax, as assessed by the commissioner, with any penalties included therein, shall be presumed to be valid and correctly determined and assessed, and the burden shall be upon the taxpayer to show its incorrectness or invalidity. The statement filed by the commissioner with the clerk of court, as provided in subdivision 1, or any other certificate by the commissioner of the amount of the tax and penalties as determined or assessed by him, shall be admissible in evidence and shall establish prima facie the facts set forth therein.

**Subd. 4. [CONFESSION OF JUDGMENT.]** (a) The commissioner may, within 3-1/2 years after any return or report is filed, notwithstanding section 541.09, enter judgment on any confession of judgment contained in the return or report after ten days notice served upon the taxpayer by mail at the address shown in his return or report. The judgment shall be entered by the clerk of court of any county upon the filing of a photocopy or similar reproduction of that part of the return or report containing the confession of judgment along with a statement of the commissioner or his agent that the tax has not been paid.

(b) Notwithstanding any other provision of the law to the contrary, the commissioner may, within five years after a written agreement is signed by the taxpayer and the commissioner under the provisions of section 6, subdivision 2, enter judgment on the confession of judgment contained within the agreement after ten days notice served upon the taxpayer at the address shown in the agreement. Such judgment shall be entered by the clerk of court of any county upon the filing of the agreement or a certified copy thereof along with a statement of the commissioner or his agent that the tax has not been paid.

Sec. 8. [270.69] [LIEN FOR TAXES.]

Subdivision 1. [CREATION OF LIEN.] The tax imposed by any chapter administered by the commissioner of revenue, and interest and penalties imposed with respect thereto, shall become a lien upon all the property within this state, both real and personal, of the person liable for the payment or collection of the tax, except his homestead, from and after the filing by the commissioner of a notice of lien in the office of the county recorder of the county in which the property is situated, or in the case of personal property belonging to an individual who is not a resident of this state, or which is a corporation, partnership, or other organization, in the office of the secretary of state.

Subd. 2. [INDEXING OF LIENS.] The indexing of liens filed pursuant to this section and, notwithstanding section 386.77, the fees charged for such filing and indexing, shall be as prescribed in sections 272.483 and 272.484.

Subd. 3. [EXEMPT PROPERTY.] The lien imposed on personal property by this section, even though properly filed, shall not be valid as against a purchaser with respect to tangible personal property purchased at retail or as against the personal property listed as exempt in sections 550.37, 550.38, and 550.39.

Subd. 4. [PERIOD OF LIMITATIONS.] The lien imposed by this section shall, notwithstanding any other provision of law to the contrary, be valid and enforceable for ten years from the date of filing the notice of lien, which must be filed by the commissioner within five years after the tax should have been paid or the return is filed, whichever is later.

Subd. 5. [PRIORITY OF LIEN.] Only for the purpose of determining the order of priority of the lien imposed by this section and a federal tax lien, the lien imposed by this section shall arise at the time the state tax assessment is made.

Subd. 6. [ENFORCEABILITY OF LIEN.] The lien imposed by this section shall be enforceable by levy as authorized



*in section 270.70, or by judgment lien foreclosure as authorized in chapter 550.*

**Subd. 7. [NOTICE OF MORTGAGE FORECLOSURE OR CONTRACT TERMINATION.]** *If a lien has been filed by the commissioner of revenue against real property pursuant to this section, and, subsequent to the recording of the lien, a mortgage foreclosure upon the real property is commenced under chapter 580, or a termination of contract of sale of the real property is commenced under section 559.21, notice of the mortgage foreclosure or termination of contract of sale shall be mailed to the commissioner not less than 25 days prior to the foreclosure or termination.*

**Sec. 9. Minnesota Statutes 1980, Section 270.70, Subdivision 1, is amended to read:**

**Subdivision 1. [AUTHORITY OF COMMISSIONER.]** *If any tax payable to the commissioner of revenue or to the department of revenue is not paid when due, such tax may be collected by the commissioner of revenue within five years after the tax should have been paid or the return is filed, whichever is later, by a levy upon all property and rights to property of the person liable for the payment or collection of such tax (,) (except that which is exempt from execution pursuant to section 550.37) or property on which there is a lien provided in section 8. For this purpose, the term "tax" shall include any penalty, interest and costs properly payable. The term "levy" includes the power of distraint and seizure by any means.*

**Sec. 10. Minnesota Statutes 1980, Section 270.70, Subdivision 2, is amended to read:**

**Subd. 2. [NOTICE AND DEMAND; JEOPARDY COLLECTION.]** *Before a levy is made, notice and demand for payment of the amount due shall be given to the person liable for the payment or collection of the tax at least ten days prior to the levy. If the commissioner has reason to believe that collection of the tax is in jeopardy, notice and demand for immediate payment of (SUCH) the tax may be made by the commissioner. If the tax is not paid, the commissioner may proceed to collect by levy without regard to the ten day period provided herein.*

**Sec. 11. Minnesota Statutes 1980, Section 270.70, Subdivision 3, is amended to read:**

**Subd. 3. [MANNER OF EXECUTION AND SALE.]** *In making the execution of the levy and in collecting the taxes due, the commissioner shall have all of the powers provided in chapter 550 and in any other law for purposes of effecting an execution against property in this state. The sale of property levied upon, and the time and manner of redemption therefrom, shall*

(BE AS), to the extent not provided in sections 17 to 25, be governed by chapter 550. The seal of the court, subscribed by the clerk, as provided in section 550.04, shall not be required. The levy for collection of taxes may be made whether or not the commissioner has commenced a legal action for collection of such taxes.

Sec. 12. Minnesota Statutes 1980, Section 270.70, Subdivision 5, is amended to read:

Subd. 5. [PROBATE COURT JURISDICTION.] Where a levy has been made to collect taxes pursuant to (SUBDIVISION 1) *this section* and the property seized is properly included in a formal proceeding commenced under sections 524.3-401 to 524.3-505 and maintained under full supervision of the court, such property shall not be sold until the probate proceedings are completed or until the court so orders.

Sec. 13. Minnesota Statutes 1980, Section 270.70, is amended by adding a subdivision to read:

Subd. 13. [LEVY AND SALE BY SHERIFF.] *If any tax payable to the commissioner of revenue or to the department of revenue is not paid as provided in subdivision 2, the commissioner may, within five years after the tax should have been paid or the return is filed, whichever is later, delegate the authority granted to him by subdivision 1, by means of issuing his warrant to the sheriff of any county of the state commanding him, as agent for the commissioner, to levy upon and sell the real and personal property of the person liable for the payment or collection of the tax and to levy upon the rights to property of that person within the county, or to levy upon and seize any property within the county on which there is a lien provided in section 8, and to return the warrant to the commissioner and pay to the commissioner the money collected by virtue thereof by a time to be therein specified not less than 60 days from the date of the warrant. The sheriff shall proceed thereunder to levy upon and seize any property of the person and to levy upon the rights to property of the person within the county (except his homestead or that property which is exempt from execution pursuant to section 550.37), or to levy upon and seize any property within the county on which there is a lien provided in section 8. For purposes of the preceding sentence, the term "tax" shall include any penalty, interest and costs properly payable. The sheriff shall then sell so much of the property levied upon as is required to satisfy the taxes, interest, and penalties, together with his costs; but the sales, and the time and manner of redemption therefrom, shall, to the extent not provided in sections 17 to 25, be governed by chapter 550. The proceeds of the sales, less the sheriff's costs, shall be turned over to the commissioner, who shall then apply the proceeds as provided in section 24.*

Sec. 14. Minnesota Statutes 1980, Section 270.70, is amended by adding a subdivision to read:

**Subd. 14. [PRIORITY OF LEVY.]** *A levy by the commissioner made pursuant to the provisions of this section upon a taxpayer's funds on deposit in a financial institution located in this state, shall have priority over any unexercised right of setoff of the financial institution to apply the levied funds toward the balance of an outstanding loan or loans owed by the taxpayer to the financial institution. A claim by the financial institution that it exercised its right to setoff prior to the levy by the commissioner must be substantiated by evidence of the date of the setoff, and shall be verified by the sworn statement of a responsible corporate officer of the financial institution. Furthermore, for purposes of determining the priority of any levy made under this section, the levy shall be treated as if it were an execution made pursuant to chapter 550.*

**Sec. 15.** Minnesota Statutes 1980, Section 270.70, is amended by adding a subdivision to read:

**Subd. 15. [EFFECT OF HONORING LEVY.]** *Any person in possession of (or obligated with respect to) property or rights to property subject to levy upon which a levy has been made who, upon demand by the commissioner, surrenders the property or rights to property (or who pays a liability under subdivision 8) shall be discharged from any obligation or liability to the person liable for the payment or collection of the delinquent tax with respect to the property or rights to property so surrendered or paid.*

**Sec. 16.** Minnesota Statutes 1980, Section 270.70, is amended by adding a subdivision to read:

**Subd. 16. [NOTICE OF LEVY.]** *Notwithstanding any other provision of law to the contrary, the notice of any levy authorized by this section may be served by mail or by delivery by an employee or agent of the department of revenue.*

**Sec. 17. [270.701] [SALE OF SEIZED PROPERTY.]**

**Subdivision 1. [NOTICE OF SEIZURE.]** *As soon as practicable after seizure of property, notice in writing shall be given by the commissioner of revenue to the owner of the property (or, in the case of personal property, the possessor thereof), and shall be served in like manner as a summons in a civil action in the district court. If the owner cannot be readily located, or has no dwelling or place of business within this state, the notice may be mailed to his last known address. The notice shall specify the sum demanded and shall contain, in the case of personal property, an account of the property seized and, in the case of real property, a description with reasonable certainty of the property seized.*

**Subd. 2. [NOTICE OF SALE.]** *The commissioner shall as soon as practicable after the seizure of the property give notice*

of sale of the property to the owner, in the manner of service prescribed in subdivision 1. In the case of personal property, the notice shall be served at least 10 days prior to the sale. In the case of real property, the notice shall be served at least four weeks prior to the sale. The commissioner shall also cause public notice of each sale to be made. In the case of personal property, notice shall be posted at least 10 days prior to the sale at the post office nearest the place where the seizure is made, and in not less than two other public places. In the case of real property, six weeks' published notice shall be given prior to the sale, in a newspaper published or generally circulated in the county. The notice of sale provided in this subdivision shall specify the property to be sold, and the time, place, manner and conditions of the sale. Whenever levy is made without regard to the ten-day period provided in section 270.70, subdivision 2, public notice of sale of the property seized shall not be made within the ten-day period unless section 18 (relating to sale of perishable goods) is applicable.

**Subd. 3. [SALE OF INDIVISIBLE PROPERTY.]** If any property liable to levy is not divisible, so as to enable the commissioner by sale of a part thereof to raise the whole amount of the tax and expenses, the whole of the property shall be sold.

**Subd. 4. [TIME AND PLACE OF SALE.]** The time of sale shall be after the expiration of the notice periods prescribed in subdivision 2. The place of sale shall be within the county in which the property is seized, except by special order of the commissioner.

**Subd. 5. [MANNER AND CONDITIONS OF SALE.]** (a) Before the sale the commissioner shall determine a minimum price for which the property shall be sold, and if no person offers for the property at the sale the amount of the minimum price, the property shall be declared to be purchased at the minimum price for the state of Minnesota; otherwise the property shall be declared to be sold to the highest bidder. In determining the minimum price, the commissioner shall take into account the expense of making the levy and sale. The announcement of the minimum price determined by the commissioner may be delayed until the receipt of the highest bid.

(b) The sale shall not be conducted in any manner other than:

(i) by public auction, or

(ii) by public sale under sealed bids.

(c) In the case of seizure of several items of property, the items may be offered separately, in groups, or in the aggregate, and shall be sold under whichever method produces the highest aggregate amount.

(d) *Payment in full shall be required at the time of acceptance of a bid, except that a part of the payment may be deferred by the commissioner for a period not to exceed 30 days.*

(e) *Other methods (including advertising) in addition to those prescribed in subdivision 2 may be used in giving notice of the sale.*

(f) *The commissioner may adjourn the sale from time to time for a period not to exceed 30 days.*

(g) *If payment in full is required at the time of acceptance of a bid and is not then and there paid, the commissioner shall forthwith proceed to again sell the property in the manner provided in this section. If the conditions of the sale permit part of the payment to be deferred, and if the part is not paid within the prescribed period, suit may be instituted against the purchaser for the purchase price or that part thereof as has not been paid, together with interest at the rate specified in section 549.09 from the date of the sale; or, in the discretion of the commissioner, the sale may be declared by the commissioner to be null and void for failure to make full payment of the purchase price and the property may again be advertised and sold as provided in this section. In the event of a readvertisement and sale, any new purchaser shall receive the property or rights to property free and clear of any claim or right of the former defaulting purchaser, of any nature whatsoever, and the amount paid upon the bid price by the defaulting purchaser shall be forfeited.*

#### Sec. 18. [270.702] [SALE OF PERISHABLE GOODS.]

*If the commissioner determines that any property seized is liable to perish or become greatly reduced in price or value by keeping, or that the property cannot be kept without great expense, he shall appraise the value of the property, and if the owner of the property can be readily found, the commissioner shall give the owner notice of the determination of the appraised value of the property. The property shall be returned to the owner if, within the time specified in the notice, the owner (a) pays to the commissioner an amount equal to the appraised value, or (b) gives bond in the form, with the sureties, and in the amount as the commissioner prescribes to pay the appraised amount at the time the commissioner determines to be appropriate in the circumstances. If the owner does not pay the amount or furnish the bond in accordance with this section, the commissioner shall as soon as practicable make public sale of the property in accordance with section 17.*

#### Sec. 19. [270.703] [REDEMPTION OF PROPERTY.]

*Subdivision 1. [BEFORE SALE.] Any person whose property has been levied upon shall have the right to pay the amount*

*due, together with the expenses of the proceeding, if any, to the commissioner at any time prior to the sale thereof, and upon payment the commissioner shall restore the property to him, and all further proceedings in connection with the levy on the property shall cease from the time of payment.*

**Subd. 2. [REDEMPTION OF REAL ESTATE AFTER SALE.]** *The owners of any real property sold as provided in this section, their heirs, executors, or administrators, or any person having any interest therein, or a lien thereon, or any person in their behalf, shall be permitted to redeem the property sold, or any particular tract of the property, at any time within 6 months, or in case the real property sold exceeds 10 acres in size, at any time within 12 months, after the sale thereof. The property or tract of property shall be permitted to be redeemed upon payment to the purchaser (or in case he cannot be found in the county in which the property to be redeemed is situated, then to the commissioner, for the use of the purchaser, his heirs, or assigns) of the amount paid by the purchaser together with interest at the rate specified in section 549.09 from the date of the sale.*

**Subd. 3. [RECORD.]** *When any lands sold are redeemed as provided in this section, the commissioner shall cause entry of the fact to be made upon the record required by section 22 and the entry shall be evidence of the redemption.*

**Sec. 20. [270.704] [CERTIFICATE OF SALE.]**

*In the case of property sold as provided in section 17, the commissioner shall give to the purchaser a certificate of sale upon payment in full of the purchase price. In the case of real property the certificate shall set forth the real property purchased, for whose taxes the property was sold, the name of the purchaser, and the price paid. If real property is declared purchased by the state of Minnesota, the commissioner shall within ten days from the sale cause the certificate of sale to be duly recorded by the county recorder of the county in which the real property is located.*

**Sec. 21. [270.705] [EFFECT OF CERTIFICATE OF SALE.]**

**Subdivision 1. [PERSONAL PROPERTY.]** *(a) In all cases of sale pursuant to section 17 of personal property, the certificate of sale given pursuant to section 20 shall be prima facie evidence of the right of the commissioner to make the sale, and conclusive evidence of the regularity of his proceedings in making the sale. The certificate shall transfer to the purchaser all right, title, and interest of the party delinquent in and to the property sold.*

(b) *If the property consists of stocks, the certificate of sale shall be notice, when received, to any corporation, company, or association of the transfer, and shall be authority to the corporation, company, or association to record the transfer on its books and records in the same manner as if the stocks were transferred or assigned by the party holding the same, in lieu of any original or prior certificate, which shall be void, whether cancelled or not.*

(c) *If the subject of sale is securities or other evidences of debt, the certificate of sale shall be a good and valid receipt to the person holding the same, as against any person holding or claiming to hold possession of the securities or other evidences of debt.*

(d) *If the property consists of a motor vehicle, the certificate of sale shall be notice, when received, to the registrar of motor vehicles of this state of the transfer, and shall be authority to the registrar to record the transfer on his books and records in the same manner as if the certificate of title to the motor vehicle were transferred or assigned by the party holding the same, in lieu of any original or prior certificate, which shall be void, whether cancelled or not.*

*Subd. 2. [REAL PROPERTY.] In the case of the sale of real property pursuant to section 17, the certificate of sale given pursuant to section 20 shall be prima facie evidence of the facts therein stated, and shall be considered and operate as a conveyance of all the right, title, and interest the party delinquent had in and to the real property thus sold at the time the lien of the state of Minnesota attached thereto.*

*Subd. 3. [JUNIOR ENCUMBRANCES.] A certificate of sale of personal property or real property given pursuant to section 20 shall discharge the property from all liens, encumbrances, and titles over which the lien of the state of Minnesota with respect to which the levy was made had priority.*

## **Sec. 22. [270.706] [RECORDS OF SALE.]**

*The commissioner shall, for the department of revenue, keep a record of all sales of property under section 17 and of redemptions of real property. The record shall set forth the tax for which the sale was made, the dates of seizure and sale, the name of the party assessed and all proceedings in making the sale, the amount of expenses, the names of the purchasers, and the date of the certificate of sale. A copy of the record, or any part thereof, certified by the commissioner shall be evidence in any court of the truth of the facts therein stated.*

## **Sec. 23. [270.707] [EXPENSE OF LEVY AND SALE.]**

*The commissioner shall determine the expenses to be allowed in all cases of levy and sale.*

**Sec. 24. [270.708] [APPLICATION OF PROCEEDS OF LEVY.]**

*Subdivision 1. [COLLECTION OF LIABILITY.] Any money realized by proceedings under this chapter, whether by seizure, by surrender under section 270.70 (except pursuant to subdivision 9 thereof), by sale of seized property, or by sale of property redeemed by the state of Minnesota (if the interest of the state of Minnesota in the property was a lien arising under the provisions of section 8), shall be applied as follows:*

*(a) First, against the expenses of the proceedings; then*

*(b) If the property seized and sold is subject to a tax administered by the commissioner of revenue which has not been paid, the amount remaining after applying clause (a) shall next be applied against the tax liability (and, if the tax was not previously assessed, it shall then be assessed); and*

*(c) The amount, if any, remaining after applying clauses (a) and (b) shall be applied against the tax liability in respect of which the levy was made or the sale was conducted.*

*Subd. 2. [SURPLUS PROCEEDS.] Any surplus proceeds remaining after the application of subdivision 1 shall, upon application and satisfactory proof in support thereof, be credited or refunded by the commissioner to the person or persons legally entitled thereto.*

**Sec. 25. [270.709] [AUTHORITY TO RELEASE LEVY AND RETURN PROPERTY.]**

*Subdivision 1. [RELEASE OF LEVY.] It shall be lawful for the commissioner to release the levy upon all or part of the property or rights to property levied upon if the commissioner determines that the release will facilitate the collection of the liability, but the release shall not operate to prevent any subsequent levy.*

*Subd. 2. [RETURN OF PROPERTY.] If the commissioner determines that property has been wrongfully levied upon, it shall be lawful for the commissioner to return:*

*(a) The specific property levied upon, at any time;*

*(b) An amount of money equal to the amount of money levied upon, at any time before the expiration of nine months from the date of the levy; or*



(c) *An amount of money equal to the amount of money received by the state of Minnesota from a sale of the property, at any time before the expiration of nine months from the date of the sale.*

*For purposes of clause (c), if property is declared purchased by the state of Minnesota at a sale pursuant to section 17, subdivision 5 (relating to manner and conditions of sale), the state of Minnesota shall be treated as having received an amount of money equal to the minimum price determined pursuant to section 17, subdivision 5 or, if larger, the amount received by the state of Minnesota from the resale of the property.*

**Sec. 26. [270.71] [ACQUISITION AND RESALE OF SEIZED PROPERTY.]**

*For the purpose of enabling the commissioner of revenue to purchase or redeem seized property in which the state of Minnesota has an interest arising from a lien for unpaid taxes, there is appropriated to the commissioner an amount representing the cost of such purchases or redemptions. Seized property acquired by the state of Minnesota to satisfy unpaid taxes shall be resold by the commissioner. The commissioner shall preserve the value of seized property while it is under his control, including but not limited to the procurement of insurance. For the purpose of refunding the proceeds from the sale of levied or redeemed property which are in excess of the actual tax liability plus costs of acquiring the property, there is hereby created a levied and redeemed property refund account in the agency fund. All amounts deposited into this account are appropriated to the commissioner of revenue. The commissioner shall report quarterly on the status of this program to the chairmen of the house taxes and appropriations committees and senate taxes and tax laws and finance committees.*

**Sec. 27. Minnesota Statutes 1981 Supplement, Section 270.75, as amended by Laws 1981, Third Special Session Chapter 2, Article III, Section 1, is amended by adding a subdivision to read:**

*Subd. 6. Notwithstanding section 549.09, if judgment is entered upon any tax payable to the commissioner of revenue which has not been paid within the time specified by law for payment, the unpaid judgment shall bear interest at the rate specified in this section from the date judgment is entered until the date of payment.*

**Sec. 28. Minnesota Statutes 1980, Section 290.45, Subdivision 2, is amended to read:**

**Subd. 2. [EXTENSIONS.] ((A))** At the request of the taxpayer, and for good cause shown, the commissioner may ex-

tend the time for payment of the amount determined as the tax by the taxpayer, or any installment thereof, or any amount determined as a deficiency, for a period not to exceed six months from the date prescribed for the payment of the tax or an installment thereof. In such case the amount in respect of which the extension is granted shall be paid together with interest at the rate specified in section 270.75 on or before the date of the expiration of the period of the extension.

((B) WHEN ANY PORTION OF THE TAX AS REPORTED BY THE TAXPAYER TOGETHER WITH INTEREST AND PENALTY THEREON, IF ANY, HAS NOT BEEN PAID SIX MONTHS FROM THE DATE PRESCRIBED BY LAW FOR THE PAYMENT THEREOF THE COMMISSIONER MAY EXTEND THE TIME FOR PAYMENT THEREOF FOR A FURTHER PERIOD NOT TO EXCEED 30 MONTHS. WHEN THE AUTHORITY OF THIS PARAGRAPH (B) IS INVOKED, THE EXTENSION SHALL BE EVIDENCED BY WRITTEN AGREEMENT SIGNED BY THE TAXPAYER AND THE COMMISSIONER, STATING THE AMOUNT OF SUCH TAX WITH PENALTY AND INTEREST, IF ANY, AND PROVIDING FOR THE PAYMENT OF SUCH AMOUNT IN REGULAR WEEKLY, SEMI-MONTHLY OR MONTHLY INSTALLMENTS, WHICH AGREEMENT SHALL CONTAIN A CONFESSION OF JUDGMENT FOR SUCH AMOUNT AND FOR ANY UNPAID PORTION THEREOF AND PROVIDING THAT THE COMMISSIONER MAY FORTHWITH ENTER JUDGMENT AGAINST THE TAXPAYER IN THE DISTRICT COURT OF THE COUNTY OF HIS RESIDENCE AS SHOWN UPON HIS TAX RETURN FOR THE UNPAID PORTION OF THE AMOUNT SPECIFIED IN SAID EXTENSION AGREEMENT. THE PRINCIPAL SUM SPECIFIED IN SAID AGREEMENT SHALL BEAR INTEREST AT THE RATE SPECIFIED IN SECTION 270.75 ON ALL UNPAID PORTIONS THEREOF UNTIL THE SAME HAS BEEN FULLY PAID OR THE UNPAID PORTION THEREOF HAS BEEN ENTERED AS A JUDGMENT, WHICH JUDGMENT SHALL BEAR INTEREST AT THE RATE SPECIFIED IN SECTION 270.75. IF IT SHALL APPEAR TO THE SATISFACTION OF THE COMMISSIONER THAT THE TAX REPORTED BY THE TAXPAYER IS IN EXCESS OF THE AMOUNT ACTUALLY OWING BY THE TAXPAYER, THE EXTENSION AGREEMENT OR THE JUDGMENT ENTERED PURSUANT THERETO SHALL BE SO CORRECTED. IF AFTER MAKING SUCH EXTENSION AGREEMENT OR ENTERING JUDGMENT WITH RESPECT THERETO, THE COMMISSIONER SHALL DETERMINE THAT THE TAX AS REPORTED BY THE TAXPAYER IS LESS THAN THE AMOUNT ACTUALLY DUE, THE COMMISSIONER SHALL ASSESS SUCH FURTHER TAX IN ACCORDANCE WITH THE PROVISIONS OF THIS CHAPTER. THE AUTHORITY GRANTED TO THE COMMISSIONER BY THIS PARAGRAPH (B) IS IN ADDITION TO

ANY OTHER AUTHORITY GRANTED TO THE COMMISSIONER BY LAW TO EXTEND THE TIME OF PAYMENT OR THE TIME FOR FILING A RETURN AND SHALL NOT BE CONSTRUED IN LIMITATION THEREOF.)

Sec. 29. Minnesota Statutes 1980, Section 290.48, Subdivision 3, is amended to read:

Subd. 3. [COLLECTION JEOPARDIZED BY DELAY.] The commissioner may (ALSO) proceed under the provisions of (SUBDIVISION 2) *section 270.70* when he has reasonable grounds for believing that the collection of any taxes, interest, or penalties due under this chapter will be jeopardized by delays incident to other methods of collection; and, in such cases, no preliminary notice and demand shall be required.

Sec. 30. Minnesota Statutes 1980, Section 290.48, Subdivision 4, is amended to read:

Subd. 4. [(TAXPAYER ABOUT TO REMOVE FROM STATE) ASSESSMENT JEOPARDIZED BY DELAY.] If the commissioner has reasonable grounds for believing that a taxpayer is about to remove himself or his property from this state with the purpose of evading the tax imposed by this chapter, *or that the collection of the tax will be jeopardized by delays incident to other methods of collection*, he may immediately declare the taxpayer's taxable year at an end and assess a tax on the basis of his own knowledge or information available to him, mail the taxpayer written notice of the amount thereof, at his last known address, demand its immediate payment; and, if payment is not immediately made, collect the tax by (THE) *any* method prescribed in (SUBDIVISION 2) *chapter 270*, except that it need not await the expiration of the periods of time therein specified.

Sec. 31. Minnesota Statutes 1980, Section 290.48, Subdivision 6, is amended to read:

Subd. 6. [APPEALS.] Either party to an action or a judgment for the recovery of any taxes, interest, or penalties under (SUBDIVISION 1 OR) subdivision 5 may remove the judgment to the supreme court by appeal, as provided for appeals in civil cases.

Sec. 32. Minnesota Statutes 1980, Section 290.48, Subdivision 8, is amended to read:

Subd. 8. [TAX PRESUMED VALID.] The tax, as assessed by the commissioner, with any penalties included therein, shall be presumed to be valid and correctly determined and assessed, and the burden shall be upon the taxpayer to show its incorrectness or invalidity. (THE) *Any* statement filed by the com-

missioner with the clerk of court, (AS PROVIDED HEREIN,) or any other certificate by the commissioner of the amount of the tax and penalties as determined or assessed by him, shall be admissible in evidence and shall establish prima facie the facts set forth therein.

Sec. 33. Minnesota Statutes 1980, Section 290.53, Subdivision 2, is amended to read:

Subd. 2. [FAILURE TO MAKE AND FILE RETURN (, NOT DUE TO WILFUL NEGLIGENCE).] In case of any failure to make and file a return as required by this chapter within the time prescribed by law or prescribed by the commissioner in pursuance of law, (UNLESS IT IS SHOWN THAT SUCH FAILURE IS NOT DUE TO WILFUL NEGLIGENCE,) there shall be added to the tax in lieu of the penalty provided in subdivision 1: ten percent if the failure is for not more than 30 days with an additional five percent for each additional 30 days or fraction thereof during which such failure continues, not exceeding 25 percent in the aggregate. The amount so added to any tax shall be collected at the same time and in the same manner and as a part of the tax, and the amount of said tax together with the amount so added shall bear interest at the rate specified in section 270.75 from the time such tax should have been paid until paid unless the tax has been paid before the discovery of the neglect, in which case the amount so added shall be collected in the same manner as the tax.

For the purposes of this subdivision the amount of any taxes required to be shown on the return shall be reduced by the amount of any part of the tax which is paid on or before the date prescribed for payment of the tax and by the amount of any credit against the tax which may be claimed upon the return.

Sec. 34. Minnesota Statutes 1980, Section 290.53, Subdivision 5, is amended to read:

Subd. 5. [ALLOCATION OF PAYMENTS.] All payments received may, *in the discretion of the commissioner of revenue, be credited first to the oldest liability not secured by a judgment or lien, but in all cases shall be credited first to penalties, next to interest, and then to the tax due.*

Sec. 35. Minnesota Statutes 1980, Section 290.54, is amended to read:

#### 290.54 [TAX A PERSONAL DEBT.]

The tax imposed by this chapter, and interest and penalties imposed with respect thereto, shall become a personal debt of the taxpayer from the time the liability therefor arises, irrespective of when the time for discharging such liability by payment occurs. The debt shall, in the case of the personal representative

of the estate of a decedent and in the case of any fiduciary, be that of such person in his official or fiduciary capacity only unless he shall have voluntarily distributed the assets held in such capacity without reserving sufficient assets to pay such tax, interest, and penalties, in which event he shall be personally liable for any deficiency. This provision shall apply only to cases in which this state is legally competent to impose such personal liability.

(THE TAX IMPOSED BY THIS CHAPTER, AND INTEREST AND PENALTIES IMPOSED WITH RESPECT THERETO, SHALL BECOME A LIEN UPON ALL OF THE PROPERTY, BOTH REAL AND PERSONAL, OF THE TAXPAYER WITHIN THIS STATE, EXCEPT HIS HOMESTEAD, FROM AND AFTER THE FILING BY THE COMMISSIONER OF A NOTICE OF SUCH LIEN IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY IN WHICH SUCH PROPERTY IS SITUATED, OR IN THE CASE OF PERSONAL PROPERTY BELONGING TO AN INDIVIDUAL WHO IS NOT A RESIDENT OF THIS STATE, OR WHICH IS A CORPORATION, PARTNERSHIP, OR OTHER ORGANIZATION, IN THE OFFICE OF THE SECRETARY OF STATE.)

(THE LIEN CREATED UNDER THIS SECTION SHALL BECOME EFFECTIVE WITH RESPECT TO PERSONAL PROPERTY FROM AND AFTER THE DATE OF FILING BY THE COMMISSIONER OF A NOTICE OF SUCH LIEN DESCRIBING THE PROPERTY TO WHICH THE LIEN ATTACHES IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY IN WHICH THE COMMISSIONER BELIEVES THE PROPERTY IS LOCATED AT THE TIME SUCH LIEN IS FILED, AND WITH THE SECRETARY OF STATE.)

(THE LIEN IMPOSED ON PERSONAL PROPERTY BY THIS SECTION, EVEN THOUGH PROPERLY FILED, SHALL NOT BE VALID AS AGAINST A PURCHASER WITH RESPECT TO TANGIBLE PERSONAL PROPERTY PURCHASED AT RETAIL OR AS AGAINST THE PERSONAL PROPERTY LISTED AS EXEMPT IN SECTIONS 550.37, 550.38, AND 550.39.)

Sec. 36. Minnesota Statutes 1981 Supplement, Section 290.92, Subdivision 6, is amended to read:

Subd. 6. [RETURNS, DEPOSITS.] (1) (a) [RETURNS.] Every employer who is required to deduct and withhold tax under subdivision 2a or 3 shall file a return with the commissioner for each quarterly period, on or before the last day of the month following the close of each quarterly period, unless otherwise prescribed by the commissioner. Any tax required to be deducted and withheld during the quarterly period shall be paid with the return unless an earlier time for payment is provid-

ed herein. However, any such return may be filed on or before the tenth day of the second calendar month following such period if such return shows timely deposits in full payment of such taxes due for such period. For the purpose of the preceding sentence, a deposit which is not required to be made within such return period, may be made on or before the last day of the first calendar month following the close of such period. Every employer, in preparing said quarterly return, shall take credit for monthly deposits previously made in accordance with this subdivision.

The return shall be in the form and contain the information prescribed by the commissioner. The commissioner may grant a reasonable extension of time for filing the return and paying the tax, but no extension shall be granted for more than six months.

(b) [ADVANCE DEPOSITS REQUIRED IN CERTAIN CASES.] (i) Unless clause (ii) is applicable, if during any calendar month, other than the last month of the calendar quarter, the aggregate amount of the tax withheld during that quarter under subdivision 2a or 3 exceeds \$200, or beginning January 1, 1982, \$500, the employer shall deposit the aggregate amount with the commissioner within 15 days after the close of the calendar month. (ii) If at the close of any eighth-monthly period the aggregate amount of undeposited taxes is \$3,000 or more, the employer shall deposit the undeposited taxes with the commissioner within three banking days after the close of the eighth-monthly period. For purposes of this subparagraph, the term "eighth-monthly period" means the first three days of a calendar month, the fourth day through the seventh day of a calendar month, the eighth day through the 11th day of a calendar month, the 12th day through the 15th day of a calendar month, the 16th day through the 19th day of a calendar month, the 20th day through the 22nd day of a calendar month, the 23rd day through the 25th day of a calendar month, or the portion of a calendar month following the 25th day of such month.

(c) [OTHER METHODS.] The commissioner shall have the power by rule to prescribe other return periods or deposit requirements. In prescribing the reporting period, the commissioner may classify employers according to the amount of their tax liability and may adopt an appropriate reporting period for each class which he deems to be consistent with efficient tax collection. In no event shall the duration of the reporting period be more than one year, provided that for employers with annual withholding tax liabilities of less than \$1,200 the reporting period shall be no more frequent than quarterly.

(2) If less than the correct amount of such tax is paid to the commissioner, proper adjustments, with respect to both the tax and the amount to be deducted, shall be made, without interest, in such manner and at such times as the commissioner may prescribe. If such underpayment cannot be so adjusted the amount

of the underpayment shall be assessed and collected in such manner and at such times as the commissioner may prescribe.

(3) If any employer fails to make and file any return required by paragraph (1) at the time prescribed therefor, or makes and files a false or fraudulent return, the commissioner shall make for him a return from his own knowledge and from such information as he can obtain through testimony, or otherwise, and assess a tax on the basis thereof. The amount of tax shown thereon shall be paid to the commissioner at such times as the commissioner may prescribe. Any such return or assessment so made by the commissioner shall be prima facie correct and valid, and the employer shall have the burden of establishing its incorrectness or invalidity in any action or proceeding in respect thereto.

(4) If the commissioner, in any case, has reason to believe that the collection of the tax provided for in paragraph (1) of this subdivision, and any added penalties and interest, if any, will be jeopardized by delay, he may immediately assess such tax, whether or not the time otherwise prescribed by law for making and filing the return and paying such tax has expired.

(5) Any assessment under this subdivision shall be made by recording the liability of the employer in the office of the commissioner in accordance with regulations prescribed by the commissioner. Upon request of the employer, the commissioner shall furnish the employer a copy of the record of assessment.

(6) Any assessment of tax under this subdivision shall be made within three and one-half years after the due date of the return required by paragraph (1), or the date the return was filed, whichever is later; except that in the case of a false or fraudulent return or failure to file a return, the tax may be assessed at any time.

(7) (a) Except as provided in (b) of this paragraph, every employer who fails to pay to or deposit with the commissioner any sum or sums required by this section to be deducted, withheld and paid, shall be personally and individually liable to the state of Minnesota for such sum or sums (and any added penalties and interest); and any sum or sums deducted and withheld in accordance with the provisions of subdivision 2a or subdivision 3 shall be held to be a special fund in trust for the state of Minnesota.

(b) If the employer, in violation of the provision of this section, fails to deduct and withhold the tax under this section, and thereafter the taxes against which such tax may be credited are paid, the tax so required to be deducted and withheld shall not be collected from the employer; but this shall in no case

relieve the employer from liability for any penalties and interest otherwise applicable in respect of such failure to deduct and withhold.

(8) Upon the failure of any employer to pay to or deposit with the commissioner within the time provided by paragraphs (1), (2) or (3) of this subdivision any tax required to be withheld in accordance with the provisions of subdivision 2a or subdivision 3, or if the commissioner has assessed a tax pursuant to paragraph (4), such tax shall become immediately due and payable, and the commissioner may deliver to the attorney general a certified statement of the tax, penalties and interest due from such employer. The statement shall also give the address of the employer owing such tax, the period for which the tax is due, the date of delinquency, and such other information as may be required by the attorney general. It shall be the duty of the attorney general to institute legal action in the name of the state to recover the amount of such tax, penalties, interest and costs. The commissioner's certified statement to the attorney general shall for all purposes and in all courts be prima facie evidence of the facts therein stated and that the amount shown therein is due from the employer named in the statement. In event action is instituted as herein provided, the court shall, upon application of the attorney general, appoint a receiver of the property and business of the delinquent employer for the purpose of impounding the same as security for any judgment which has been or may be recovered. Any such action shall be brought within four years and three months after the due date of the return or deposit required by paragraph (1), or the date the return was filed, or deposit made whichever is later; except that in the case of failure to make and file such return or if such return is false or fraudulent, or such deposit is not made such action may be brought at any time.

(9) (THE TAX REQUIRED TO BE WITHHELD UNDER SUBDIVISION 2A OR SUBDIVISION 3 OR PAID TO, OR DEPOSITED WITH THE COMMISSIONER UNDER THIS SUBDIVISION, TOGETHER WITH PENALTIES, INTEREST AND COSTS, SHALL BECOME A LIEN UPON ALL OF THE REAL PROPERTY OF THE EMPLOYER WITHIN THIS STATE, EXCEPT HIS HOMESTEAD, FROM AND AFTER THE FILING BY THE COMMISSIONER OF A NOTICE OF SUCH LIEN IN THE OFFICES OF THE COUNTY RECORDER OF THE COUNTY IN WHICH SUCH REAL PROPERTY IS SITUATED.)

((10)) Either party to an action for the recovery of any tax, interest or penalties under this subdivision may remove the judgment to the supreme court by appeal, as provided for appeals in civil cases.



((11)) (10) No suit shall lie to enjoin the assessment or collection of any tax imposed by this section, or the interest and penalties added thereto.

((12) WHEN ANY TAX IS DUE AND PAYABLE AS PROVIDED IN PARAGRAPH (8) THE COMMISSIONER MAY ISSUE HIS WARRANT TO THE SHERIFF OF ANY COUNTY OF THE STATE COMMANDING HIM TO LEVY UPON AND SELL THE REAL AND PERSONAL PROPERTY OF THE EMPLOYER AND TO LEVY UPON THE RIGHTS TO PROPERTY OF THE EMPLOYER WITHIN THE COUNTY AND TO RETURN SUCH WARRANT TO THE COMMISSIONER AND PAY TO HIM THE MONEY COLLECTED BY VIRTUE THEREOF BY A TIME TO BE THEREIN SPECIFIED, NOT LESS THAN 60 DAYS FROM THE DATE OF THE WARRANT. THE SHERIFF SHALL PROCEED THEREUNDER TO LEVY UPON AND SEIZE ANY PROPERTY OF THE EMPLOYER AND TO LEVY UPON THE RIGHTS TO PROPERTY OF THE EMPLOYER WITHIN HIS COUNTY, EXCEPT THE HOMESTEAD AND HOUSEHOLD GOODS OF THE EMPLOYER AND PROPERTY OF THE EMPLOYER NOT LIABLE TO ATTACHMENT, GARNISHMENT, OR SALE ON ANY FINAL PROCESS ISSUED FROM ANY COURT UNDER THE PROVISIONS OF SECTION 550.37, AND SHALL SELL SO MUCH THEREOF AS IS REQUIRED TO SATISFY SUCH TAXES, INTEREST, AND PENALTIES, TOGETHER WITH HIS COSTS; BUT SUCH SALES SHALL, AS TO THEIR MANNER, BE GOVERNED BY THE LAWS APPLICABLE TO SALES OF LIKE PROPERTY ON EXECUTION ISSUED AGAINST PROPERTY UPON A JUDGMENT OF A COURT OF RECORD. THE PROCEEDS OF SUCH SALES, LESS THE SHERIFF'S COSTS, SHALL BE TURNED OVER TO THE COMMISSIONER, WHO SHALL RETAIN SUCH PART THEREOF AS IS REQUIRED TO SATISFY THE TAX, INTEREST, PENALTIES AND COSTS, AND PAY OVER ANY BALANCE TO THE TAXPAYER. ANY ACTION TAKEN BY THE COMMISSIONER PURSUANT TO THIS SUBDIVISION SHALL NOT CONSTITUTE AN ELECTION BY THE STATE TO PURSUE A REMEDY TO THE EXCLUSION OF ANY OTHER REMEDY PROVIDING FOR THE COLLECTION OF TAXES REQUIRED TO BE WITHHELD BY EMPLOYERS.)

Sec. 37. Minnesota Statutes 1981 Supplement, Section 290.92, Subdivision 15, is amended to read:

Subd. 15. [PENALTIES.] (1) If any tax required to be deducted and withheld under subdivision 2a or subdivision 3, or any portion thereof, is not paid to or deposited with the commissioner within the time specified in subdivision 6 for the payment thereof, there shall be added thereto a penalty equal to ten percent of the amount so remaining unpaid. Such penalty shall be collected as part of said tax, and the amount of said

tax not timely paid, together with said penalty, shall bear interest at the rate specified in section 270.75 from the time such tax should have been paid or deposited until paid. Where an extension of time for payment has been granted under the provisions of subdivision 6, interest shall be paid at the rate specified in section 270.75 from the date when such payment or deposit should have been made if no extension had been granted, until such tax is paid. If payment is not made at the expiration of the extended period the penalties provided in this subdivision shall apply.

(2) In the case of any failure to withhold a tax on wages, make and file quarterly returns or make payments to or deposits with the commissioner of amounts withheld, as required by this section, within the time prescribed by law, (UNLESS IT IS SHOWN THAT SUCH FAILURE IS NOT DUE TO WILFUL NEGLIGENCE,) there shall be added to the tax in lieu of the penalty provided in paragraph (1) a penalty equal to ten percent of the amount of tax that should have been properly withheld and paid over to or deposited with the commissioner if the failure is for not more than 30 days with an additional five percent for each additional 30 days or fraction thereof during which such failure continues, not exceeding 25 percent in the aggregate. The amount of the tax together with this amount shall bear interest at the rate specified in section 270.75 from the time the tax should have been paid until paid. The amount so added to the tax shall be collected at the same time and in the same manner and as a part of the tax unless the tax has been paid before the discovery of the negligence, in which case the amount so added shall be collected in the same manner as the tax.

(3) If any employer required to withhold a tax on wages, make deposits, make and file quarterly returns and make payments to the commissioner of amounts withheld, as required by sections 290.92 to 290.97, wilfully fails to withhold such a tax or make such deposits, files a false or fraudulent return, wilfully fails to make such a payment or deposit, or wilfully attempts in any manner to evade or defeat any such tax or the payment or deposit thereof, there shall also be imposed on such employer as a penalty an amount equal to 50 percent of the amount of tax (less any amount paid or deposited by such employer on the basis of such false or fraudulent return or deposit) that should have been properly withheld and paid over or deposited with the commissioner. The amount of the tax together with this amount shall bear interest at the rate specified in section 270.75 from the time the tax should have been paid until paid. The penalty imposed by this paragraph shall be collected as a part of the tax, and shall be in addition to any other penalties civil and criminal, prescribed by this subdivision.

(4) If any person required under the provisions of subdivision 7 to furnish a statement to an employee or payee and a

duplicate statement to the commissioner, or to furnish a reconciliation of such statements (and quarterly returns) to the commissioner, wilfully furnishes a false or fraudulent statement to an employee or payee or a false or fraudulent duplicate statement or reconciliation of statements (and quarterly returns) to the commissioner, or wilfully fails to furnish a statement or such reconciliation in the manner, at the time, and showing the information required by the provisions of subdivision 7, or regulations prescribed by the commissioner thereunder, there shall be imposed on such a person a penalty of \$10 for each such act or failure to act. The penalty imposed by this paragraph shall become due and payable within ten days after the mailing of a written demand therefor, and may be collected in the manner prescribed in subdivision 6(8).

(5) In addition to the penalties hereinbefore prescribed, any person required to withhold a tax on wages, make and file quarterly returns and make payments or deposits to the commissioner of amounts withheld, as required by this section, who wilfully fails to withhold such a tax or truthfully make and file such a quarterly return or make such a payment or deposit, shall be guilty of a gross misdemeanor.

(6) In lieu of any other penalty provided by law, except the penalty provided by paragraph (4), any person required under the provisions of subdivision 7 to furnish a statement of wages to an employee and a duplicate statement to the commissioner, who wilfully furnishes a false or fraudulent statement of wages to an employee or a false or fraudulent duplicate statement of wages to the commissioner, or who wilfully fails to furnish such a statement in the manner, at the time, and showing the information required by the provisions of subdivision 7, or regulations prescribed by the commissioner thereunder, shall be guilty of a gross misdemeanor.

(7) Any employee required to supply information to his employer under the provisions of subdivision 5, who wilfully fails to supply information thereunder which would require an increase in the tax to be deducted and withheld under subdivision 2a or subdivision 3, shall be guilty of a misdemeanor.

(8) The term "person," as used in this section, includes an officer or employee of a corporation, or a member or employee of a partnership, who as such officer, employee, or member is under a duty to perform the act in respect of which the violation occurs.

(9) All payments received may, in the discretion of the commissioner of revenue, be credited first to the oldest liability not secured by a judgment or lien, but in all cases shall be credited first to penalties, next to interest, and then to the tax due.

(10) In addition to any other penalty provided by law, any employee who furnishes a withholding exemption certificate to his employer which the employee has reason to know contains a materially incorrect statement shall be liable to the commissioner of revenue for a penalty of \$100 for each instance. The penalty shall be immediately due and payable and may be collected in the same manner as any delinquent income tax.

(11) In addition to any other penalty provided by law, any employer who fails to submit a copy of a withholding exemption certificate required by section 26, clause (1)(a), (1)(b), or (2) shall be liable to the commissioner of revenue for a penalty of \$50 for each instance. The penalty shall be immediately due and payable and may be collected in the manner provided in subdivision 6(8).

Sec. 38. Minnesota Statutes 1980, Section 290.92, Subdivision 23, is amended to read:

Subd. 23. [WITHHOLDING BY EMPLOYER OF DELINQUENT TAXES.] (1) The commissioner may, *within five years after the taxes should have been paid or the return is filed, whichever is later*, give notice to any employer deriving income which has a taxable situs in this state regardless of whether the income is exempt from taxation, that an employee of that employer is delinquent in a certain amount with respect to any state taxes, including penalties, interest and costs. The commissioner can proceed under this subdivision only if the tax is uncontested or if the time for appeal of the tax has expired. The commissioner shall not proceed under this subdivision until the expiration of 30 days after mailing to the taxpayer, at his last known address, a written notice of (a) the amount of taxes, interest, and penalties due from the taxpayer and demand for their payment, and (b) the commissioner's intention to require additional withholding by the taxpayer's employer pursuant to this subdivision. The effect of the notice shall expire (90) 180 days after it has been mailed to the taxpayer provided that the notice may be renewed by mailing a new notice which is in accordance with this subdivision. The renewed notice shall have the effect of reinstating the priority of the original claim. The notice to the taxpayer shall be in substantially the same form as that provided in section 571.41. The notice shall further inform the taxpayer of the wage exemptions contained in section 550.37, subdivision 14. If no statement of exemption is received by the commissioner within 30 days from the mailing of the notice, he may proceed under this subdivision. The notice to the taxpayer's employer may be served by mail or by delivery by an employee of the department of revenue and shall be in substantially the same form as provided in section 571.495. Upon receipt of notice, the employer shall withhold from compensation due or to become due to the employee, the total amount shown by the notice, subject to the provisions of section 571.55. The employer shall continue to withhold each pay period until the total amount shown by the notice is paid

in full. Upon receipt of notice by the employer, the claim of the state of Minnesota shall have priority over any subsequent garnishments or wage assignments. The commissioner may arrange between the employer and the employee for withholding a portion of the total amount due the employee each pay period, until the total amount shown by the notice plus accrued interest has been withheld.

The "compensation due" any employee is defined in accordance with the provisions of section 571.55. The maximum withholding allowed under this subdivision for any one pay period shall be decreased by any amounts payable pursuant to a garnishment action with respect to which the employer was served prior to being served with the notice of delinquency and any amounts covered by any irrevocable and previously effective assignment of wages; the employer shall give notice to the department of the amounts and the facts relating to such assignments within ten days after the service of the notice of delinquency on the form provided by the department of revenue as noted in this subdivision. In crediting amounts withheld against delinquent taxes of an employee, the department shall apply amounts withheld in the following order: penalties, interest, tax and costs.

(2) If the employee ceases to be employed by the employer before the full amount set forth in a notice of delinquency plus accrued interest has been withheld, the employer shall immediately notify the commissioner in writing of the termination date of the employee and the total amount withheld. No employer may discharge any employee by reason of the fact that the commissioner has proceeded under this subdivision. If an employer discharges an employee in violation of this provision, the employee shall have the same remedy as provided in section 571.61, subdivision 2.

(3) The employer shall, by the date prescribed in subdivision 6, remit to the commissioner, on a form and in the manner prescribed by the commissioner, the amount withheld during the calendar quarter under this subdivision. Should any employer, after notice, willfully fail to withhold in accordance with the notice and this subdivision, or willfully fail to remit any amount withheld as required by this subdivision, the employer shall be liable for the total amount set forth in the notice together with accrued interest which may be collected by any means provided by law relating to taxation. No amount required to be paid by an employer by reason of his failure to remit under this subdivision, may be deducted from the gross income of the employer, under sections 290.09, subdivision 4 or 290.01, subdivision 20. Any amount collected from the employer for failure to withhold or for failure to remit under this subdivision shall be credited to the employee's account in the following manner: penalties, interest, tax and costs.

(4) Clauses (1), (2) and (3), except provisions imposing a liability on the employer for failure to withhold or remit, shall

apply to cases in which the employer is the United States or any instrumentality thereof or this state or any municipality or other subordinate unit thereof.

(5) The commissioner shall refund to the employee excess amounts withheld from him under this subdivision. If any excess results from payments by the employer because of wilful failure to withhold or remit as prescribed in clause (3) above, the excess attributable to the employer's payment shall be refunded to the employer.

(6) Employers required to withhold delinquent taxes, penalties, interest and costs under this subdivision shall not be required to compute any additional interest, costs or other charges to be withheld.

(7) *The collection remedy provided to the commissioner by this subdivision shall have the same legal effect as if it were a levy made pursuant to section 270.70.*

Sec. 39. Minnesota Statutes 1980, Section 296.01, Subdivision 8, is amended to read:

Subd. 8. [PERSON.] "Person" means any individual, firm, trust, estate, partnership, association, cooperative association, joint stock company or corporation, public or private, or any representative appointed by order of any court; *or an officer or employee of a corporation, or a member or employee of a partnership, who as such officer, employee or member is under a duty to perform any act prescribed by this chapter.*

Sec. 40. Minnesota Statutes 1981 Supplement, Section 296.12, Subdivision 4, is amended to read:

Subd. 4. [MONTHLY REPORTS; SHRINKAGE ALLOWANCE.] On or before the 23rd day of each month, the persons subject to the provisions of this section shall file in the office of the commissioner at St. Paul, Minnesota, a report in the following manner:

(1) Distributors and special fuel dealers shall report the total number of gallons delivered to them during the preceding calendar month and shall pay the special fuel excise tax due thereon to the commissioner. Credit for the excise tax due or previously paid on special fuel used by the distributor or special fuel dealer for heating his place of business, or special fuel sold for any purpose other than use in licensed motor vehicles and evidenced by an invoice issued at time of sale, may be allowed in computing the tax liability. The invoice must show the true and correct name and address of the purchaser, and the purchaser's signature. The report shall contain such other information as the commissioner may require.

(2) Distributors and special fuel dealers who have elected to pay the special fuel excise tax on all special fuel delivered into the supply tank of an aircraft or licensed motor vehicle as provided in section 296.12, subdivision 3, shall report the total number of gallons delivered into the supply tank of an aircraft or licensed motor vehicle during the preceding calendar month and shall pay the special fuel excise tax due thereon to the commissioner.

(3) Bulk purchasers shall report and pay the special fuel excise tax on all special fuel purchased by them for storage, during the preceding calendar month. In such cases as the commissioner may permit, credit for the excise tax due or previously paid on special fuel not used in aircraft or licensed motor vehicles, may be allowed in computing tax liability. The report shall contain such other information as the commissioner may require.

(4) In computing the special fuel excise tax due under clauses (1), (2), and (3), a deduction of one percent of the quantity of special fuel on which tax is due shall be made for evaporation and loss.

(5) *Each report shall contain a confession of judgment for the amount of the tax shown due thereon to the extent not timely paid.*

Sec. 41. Minnesota Statutes 1980, Section 296.14, Subdivision 1, is amended to read:

Subdivision 1. [CONTENTS; PAYMENT OF TAX; SHRINKAGE ALLOWANCE.] On or before the twenty-third day of each month, every person who is required to pay gasoline tax or inspection fee on petroleum products and every distributor shall file in the office of the commissioner at St. Paul, Minnesota, a report in a manner approved by the commissioner showing the number of gallons of petroleum products received by him during the preceding calendar month, and such other information as the commissioner may require. The number of gallons of gasoline shall be reported in U.S. standard liquid gallons (231 cubic inches), except that the commissioner may upon written application therefor and for cause shown permit the distributor to report the number of gallons of such gasoline as corrected to a 60 degree Fahrenheit temperature. If such application is granted, all gasoline covered in such application and as allowed by the commissioner must continue to be reported by the distributor on the adjusted basis for a period of one year from the date of the granting of the application. The number of gallons of petroleum products other than gasoline shall be reported as originally invoiced.

Each report shall show separately the number of gallons of aviation gasoline received by him during such calendar month.

Each report shall be accompanied by remittance covering inspection fees on petroleum products and gasoline tax on gasoline received by him during the preceding month; provided that in computing such tax a deduction of three percent of the quantity of gasoline received by a distributor shall be made for evaporation and loss; provided further that at the time of remittance the distributor shall submit satisfactory evidence that one-third of such three percent deduction shall have been credited or paid to dealers on quantities sold to them. The report and remittance shall be deemed to have been filed as herein required if post-marked on or before the twenty-third day of the month in which payable.

*Each report shall contain a confession of judgment for the amount of the tax shown due thereon to the extent not timely paid.*

Sec. 42. Minnesota Statutes 1980, Section 296.17, Subdivision 11, is amended to read:

Subd. 11. [REPORTS.] Every motor carrier subject to the road tax shall, on or before the last day of April, July, October and January, file with the commissioner such reports of his operations during the previous three months as the commissioner may require and such other reports from time to time as the commissioner may deem necessary. The commissioner by regulation may exempt from the reporting requirements of this section those motor carriers all or substantially all of whose mileage is within this state, or states with which Minnesota has reciprocity and require in such instances an annual affidavit attesting to the intrastate or substantially intrastate character of their operations, provided that the enforcement of subdivisions 7 to 22 is not adversely affected thereby and that the commissioner is satisfied that an equitable amount of motor fuel is purchased within this state by such carriers.

*Each report shall contain a confession of judgment for the amount of the tax shown due thereon to the extent not timely paid.*

Sec. 43. Minnesota Statutes 1980, Section 297A.33, Subdivision 2, is amended to read:

Subd. 2. If the commissioner has reason to believe that the person required to file the return is about to remove himself or his property from this state with the purpose of evading the tax and penalties imposed by sections 297A.01 to 297A.44, or that the collection of such tax will be jeopardized by delays incident to other methods of collection, he may immediately declare such person's reporting period at an end and assess a tax on the basis of his own knowledge or information available to him, demand its immediate payment; and, if payment is not immediately made, collect the tax by any method prescribed in (THIS) chapter



270. It shall not be a defense to any assessment made under this section that the tax period has not terminated, or that the time otherwise allowed by law for filing a return has not expired, or that the notices otherwise required by law for making an assessment have not been given, or that the time otherwise allowed by law for taking or prosecuting an appeal or for paying the tax has not expired.

Sec. 44. Minnesota Statutes 1980, Section 297A.39, Subdivision 2, is amended to read:

Subd. 2. In case of any failure to make and file a return within the time prescribed by sections 297A.01 to 297A.44 or an extension thereof, (UNLESS IT IS SHOWN THAT SUCH FAILURE IS NOT DUE TO WILFUL NEGLIGENCE,) there shall be added to the tax in lieu of the ten percent specific penalty provided in subdivision 1 ten percent if the failure is for not more than 30 days with an additional five percent for each additional 30 days or fraction thereof during which such failure continues, not exceeding 25 percent in the aggregate. If the penalty as computed does not exceed \$10, a minimum penalty of \$10 shall be assessed. The amount so added to any tax shall be collected at the same time and in the same manner and as a part of the tax unless the tax has been paid before the discovery of the negligence, in which case the amount so added shall be collected in the same manner as the tax.

Sec. 45. Minnesota Statutes 1980, Section 297A.39, Subdivision 5, is amended to read:

Subd. 5. All payments received *may, in the discretion of the commissioner of revenue, be credited first to the oldest liability not secured by a judgment or lien, but in all cases shall be credited first to penalties, next to interest, and then to the tax due.*

Sec. 46. Minnesota Statutes 1980, Section 508.25, is amended to read:

**508.25 [RIGHTS OF PERSON HOLDING CERTIFICATE OF TITLE.]**

Every person receiving a certificate of title pursuant to a decree of registration and every subsequent purchaser of registered land who receives a certificate of title in good faith and for a valuable consideration shall hold the same free from all encumbrances and adverse claims, excepting only such estates, mortgages, liens, charges, and interests as may be noted in the last certificate of title in the office of the registrar, and also excepting any of the following rights or encumbrances subsisting against the same, if any:

(1) Liens, claims, or rights arising or existing under the laws or the constitution of the United States, which this state cannot require to appear of record;

(2) The lien of any tax or special assessment for which the land has not been sold at the date of the certificate of title;

(3) Any lease for a period not exceeding three years when there is actual occupation of the premises thereunder;

(4) All rights in public highways upon the land;

(5) Such right of appeal, or right to appear and contest the application, as is allowed by this chapter;

(6) The rights of any person in possession under deed or contract for deed from the owner of the certificate of title;

(7) *Liens or judgments, notwithstanding section 508.63, arising under the laws of this state for the nonpayment of any tax administered by the commissioner of revenue.*

Sec. 47. Minnesota Statutes 1980, Section 559.21, is amended by adding a subdivision to read:

*Subd. 5. When required by and in the manner provided in section 8, subdivision 7, the notice required by this section shall also be given to the commissioner of revenue.*

Sec. 48. Minnesota Statutes 1980, Section 580.15, is amended to read:

#### 580.15 [PERPETUATING EVIDENCE OF SALE.]

Any party desiring to perpetuate the evidence of any sale made in pursuance of this chapter may procure:

(1) An affidavit of the publication of the notice of sale and of any notice of postponement to be made by the printer of the newspaper in which the same was inserted or by some person in his employ knowing the facts;

(2) An affidavit or return of service of such notice upon the occupant of the mortgaged premises to be made by the officer or person making such service or, in case the premises were vacant or unoccupied at the time the service must be made, an affidavit or return showing that fact, to be made by the officer or person attempting to make such service;

(3) An affidavit by the person foreclosing the mortgage, or his attorney, or someone knowing the facts, setting forth the

facts relating to the military service status of the owner of the mortgaged premises at the time of sale.

(4) An affidavit by the person foreclosing the mortgage, or his attorney, or someone having knowledge of the facts, setting forth the fact of service of notice of sale upon the secretary of the treasury of the United States or his delegate in accordance with the provisions of Section 7425 of the Internal Revenue Code of 1954 as amended by Section 109 of the Federal Tax Lien Act of 1966, and also setting forth the fact of service of notice of sale upon the commissioner of revenue of the state of Minnesota in accordance with the provisions of section 8, subdivision 7. Any such affidavit recorded prior to May 16, 1967 shall be effective as prima facie evidence of the facts therein contained as though recorded subsequent to May 16, 1967.

Such affidavits and returns shall be recorded by the county recorder and they and the records thereof, and certified copies of such records, shall be prima facie evidence of the facts therein contained.

The affidavit provided for in clause (3) hereof may be made and filed for record for the purpose of complying with the provisions of the Soldiers' and Sailors' Civil Relief Act of 1940, passed by the Congress of the United States and approved on October 17, 1940, and may be made and filed for record at any time subsequent to the date of the mortgage foreclosure sale.

#### Sec. 49. [REPEALER.]

*Minnesota Statutes 1980, Sections 290.48, Subdivisions 1 and 9; 290.51; 297A.33, Subdivision 6; 297A.36; 297A.39, Subdivision 6; 297A.40, Subdivision 2; and Minnesota Statutes 1981 Supplement, Section 290.48, Subdivision 2, are repealed.*

#### Sec. 50. [EFFECTIVE DATE.]

*This article is effective July 1, 1982, but shall not apply to any tax the collection of which is barred by a statute of limitations on July 1, 1982.*

### ARTICLE III

Section 1. Minnesota Statutes 1980, Section 474.06, is amended to read:

#### 474.06 [MANNER OF ISSUANCE OF BONDS; INTEREST RATE.]

Bonds authorized under this chapter shall be issued in accordance with the provisions of chapter 475 relating to bonds payable from income of revenue producing conveniences, except that public sale shall not be required, and the bonds may mature at any time or times in such amount or amounts within 30 years

from date of issue and may be sold at a price equal to such percentage of the par value thereof, plus accrued interest, and bearing interest at such rate or rates, (NOT EXCEEDING NINE PERCENT PER YEAR,) as may be agreed by the contracting party, the purchaser, and the municipality or redevelopment agency, notwithstanding any limitation of interest rate or cost or of the amounts of annual maturities contained in any other law. When bonds authorized under this chapter are issued, they shall state whether they are issued for a project defined in section 474.02, subdivisions 1, 1a, 1b, or 1c. *The rate of interest payable on bonds issued pursuant to this section after December 31, 1985, shall not exceed nine percent per year.*

Sec. 2. Minnesota Statutes 1980, Section 475.55, is amended to read:

**475.55 [EXECUTION; NEGOTIABILITY; INTEREST RATES.]**

Subdivision 1. [INTEREST; FORM.] All obligations shall be signed by officers authorized by resolution of the governing body or by persons authorized to sign on behalf of a bank designated by the resolution as authenticating agent, and shall express the amount and the terms of payment. Interest on obligations authorized by resolution before (DECEMBER 31, 1982) *January 1, 1986* shall not exceed (THE RATE OF 12 PERCENT PER ANNUM, PAYABLE HALF YEARLY. INTEREST ON OBLIGATIONS AUTHORIZED THEREAFTER SHALL NOT EXCEED THE RATE OF NINE PERCENT PER ANNUM,) *for greater of (a) the rate determined pursuant to subdivision 4 for the month in which the resolution authorizing the obligations was adopted, or (b) the rate determined pursuant to subdivision 4 for the month in which the bonds are sold, or (c) the rate of ten percent per annum, payable half yearly. Interest on obligations issued after December 31, 1985, shall not exceed nine percent per year.* All obligations shall be negotiable investment securities as provided in the uniform commercial code, chapter 336, article 8. The validity of an obligation shall not be impaired by the fact that one or more officers authorized to execute it shall have ceased to be in office before delivery to the purchaser or shall not have been in office on the formal issue date of the obligation. Every obligation shall be signed manually by one officer or authenticating agent. Other signatures and the seal of the issuer may be printed, lithographed, stamped or engraved thereon and on any interest coupons to be attached thereto. The seal need not be used.

Subd. 2. [SUPERSESSION.] The provisions of (SUBDIVISION 1) *this section* shall supersede any (LOWER MAXIMUM) interest rate fixed by any other law or a city charter with respect to obligations of the state or any municipality or governmental or public subdivision, district, corporation, com-

mission, board, council, or authority of whatsoever kind, including warrants or orders issued in evidence of allowed claims for property or services furnished to the issuer, but shall not limit the interest on any obligation issued pursuant to a law or charter authorizing the issuer to determine the rate or rates of interest.

Subd. 3. [SPECIAL ASSESSMENTS.] Notwithstanding any contrary provisions of law or charter, special assessments pledged to the payment of obligations may bear interest at the rate the governing body by resolution determines, not exceeding the greater of (a) the maximum interest rate per annum which the obligations may bear under the provisions of (SUBDIVISIONS 1 AND 2 PLUS ONE PERCENT) *this section for the month in which the resolution authorizing the special assessment was adopted* or (b) the maximum interest rate permitted to be charged against the assessments under the law or city charter pursuant to which the assessments were levied.

Subd. 4. [RATE DETERMINATION.] *On or before the 20th day of each month prior to December, 1985, the commissioner of finance shall determine the most recently published yield for the Bond Buyer's Index of 20 Municipals. This rate plus one percent and rounded to the next highest percent per annum shall be the rate for the next succeeding month. The commissioner of finance shall publish the maximum rate in the state register each month.*

Subd. 5. [INTEREST.] *Obligations which are payable wholly or partly from the proceeds of special assessments or which are not secured by general obligations of the municipality may bear interest at a rate one percent greater than the maximum interest rate permitted pursuant to subdivision 1.*

Sec. 3. Minnesota Statutes 1980, Section 475.60, Subdivision 2, is amended to read:

Subd. 2. [REQUIREMENTS WAIVED.] The requirements as to public sale shall not apply to:

(1) Obligations issued under the provisions of a home rule charter or of a law specifically authorizing a different method of sale, or authorizing them to be issued in such manner or on such terms and conditions as the governing body may determine;

(2) Obligations sold by an issuer in an amount not exceeding the total sum of (\$200,000) \$300,000 in any three month period;

(3) Obligations issued by a governing body other than a school board in anticipation of the collection of taxes or other revenues appropriated for expenditure in a single year, if sold in accordance with the most favorable of two or more proposals solicited privately; and

(4) Obligations sold to any board, department, or agency of the United States of America or of the state of Minnesota, in accordance with rules or regulations promulgated by such board, department, or agency.

Sec. 4. [EFFECTIVE DATE.]

*Sections 1 to 3 are effective the day after final enactment, provided that for obligations authorized by resolution prior to the first month for which a rate is determined pursuant to section 2, subdivision 4, the maximum rate shall be 12 percent per annum.*

ARTICLE IV

Section 1. Minnesota Statutes 1980, Section 290.50, is amended by adding a subdivision to read:

*Subd. 6. [WITHHOLDING OF REFUNDS FROM CHILD SUPPORT DEBTORS.] Upon a finding by a court of this state that a person obligated to pay child support is delinquent in making payments, the amount of child support unpaid and owing shall be withheld from a refund due the person under this section. The public agency responsible for child support enforcement or the parent or guardian of a child for whom the support is owed may petition the district or county court for an order providing for the withholding of the amount of child support unpaid and owing as determined by court order. The person from whom the refund may be withheld shall be notified of the petition pursuant to the rules of civil procedure prior to the issuance of an order pursuant to this subdivision. The order may be granted on a showing to the court that required support payments have not been made when they were due.*

*On order of the court, the support money shall be withheld by the commissioner from the refund due to the person obligated to pay the support and the amount withheld shall be remitted to the public agency responsible for child support enforcement or to the parent or guardian petitioning on behalf of the child, provided that any delinquent tax obligations of the taxpayer owed to the revenue department shall be satisfied first. Any amount received by the responsible public agency or the petitioning parent or guardian in excess of the amount of public assistance expended for the benefit of the child to be supported, or the amount of any support that had been the subject of the claim pursuant to this subdivision which has been paid by the taxpayer prior to the diversion of the refund, shall be remitted to the person entitled to the money. If the refund is based on a joint or combined return, the portion of the refund that shall be remitted to the petitioner shall be the proportion of the total refund that equals the proportion of the total federal adjusted gross income of the spouses that is the federal adjusted gross income of the spouse who is delinquent in making the child support payments.*

*A petition filed pursuant to this subdivision shall be in effect with respect to any refunds due under this section during a period of one year from the date when the petition was filed. If a petition is filed pursuant to this subdivision and a claim is made pursuant to chapter 270A with respect to the same individual's refund and notices of both are received prior to the time when payment of the refund is made on either claim, the commissioner shall transmit the claims to the court that issued the order under this subdivision. The court shall order that the claim relating to the liability that accrued first in time shall be paid first; any amount of the refund remaining shall then be applied to the other claim. The provisions of section 290.61 shall not prohibit the exchange of information among the department, the petitioner, and the court to the extent necessary to accomplish the intent of this subdivision. Not later than five days after the court has notified the department of its withholding order, the department shall send a written notification of the order to the person to whom the refund would otherwise be paid.*

**Sec. 2. [EFFECTIVE DATE.]**

*This article is effective the day following final enactment and shall terminate June 30, 1984.*

**ARTICLE V**

Section 1. Minnesota Statutes 1981 Supplement, Section 10A.31, Subdivision 5, is amended to read:

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

(1) 21 percent for the offices of governor and lieutenant governor together;

(2) 3.6 percent for the office of attorney general;

(3) 1.8 percent each for the offices of secretary of state, state auditor and state treasurer;

(4) In each calendar year during the period in which state senators serve a four year term, 23-1/3 percent for the office of state senator and 46-2/3 percent for the office of state representative;

(5) In each calendar year during the period in which state senators serve a two year term, 35 percent each for the offices of state senator and state representative;

(6) To assure that moneys will be returned to the counties from which they were collected, and to assure that the distribu-

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

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

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

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

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

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

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

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

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

*In a year in which the first election after a legislative reapportionment is held, "his district" means the newly drawn district, and voting data from the last general election will be applied to the area encompassing the newly drawn district notwithstanding that the area was in a different district in the last general election.*



If in a district there was no candidate of a party for the state senate or state house of representatives in the last general election, or if a candidate for the state senate or state house of representatives was unopposed, the vote for that office for that party shall be the average vote of all the remaining candidates of that party in each county of that district whose votes are included in the sums in clauses (a) and (b). The average vote shall be added to the sums in clauses (a) and (b) before the calculation is made for all districts in the county.

Money from a party account not distributed to candidates for state senator and representative in any election year shall be returned to the general fund of the state. Money from a party account not distributed to candidates for other offices in an election year shall be returned to the party account for reallocation to candidates as provided in clauses (1) to (6) of this subdivision in the following year. Moneys from the general account refused by any candidate shall be distributed to all other qualifying candidates in proportion to their shares as provided in this subdivision.

Sec. 2. 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) *Actual* 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. 3. [REPEALER.]

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

## ARTICLE VI

Section 1. Minnesota Statutes 1981 Supplement, Section 273.13, Subdivision 9, is amended to read:

Subd. 9. [CLASS 4A, 4B (AND), 4C, AND 4D.] (1) 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) *as otherwise provided in this subdivision.*

(2) 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).

(3) Commercial and industrial property, *except as provided in this subdivision*, 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) of 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 (.), *and in the case of other 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 assessment.

(4) *Industrial employment property defined in section 2, during the period provided in section 2, shall constitute class 4d and shall be valued and assessed at 20 percent of the first \$50,000 of market value and 21.5 percent of the remainder.*

## Sec. 2. [273.1312] [DESIGNATION OF ENTERPRISE ZONES.]

*Subdivision 1. [DEFINITIONS.] For purposes of this section:*

(1) "Commissioner" means the commissioner of energy, planning and development.

(2) "Enterprize zone" means an area in the state designated as such by the commissioner upon proper application by the governing body of the area in which it is located.

(3) "Governing body" means the county board of a county except with respect to an area in a city, whose governing body is the city council or other body designated by its charter, or an area constituting part or all of an Indian reservation, whose governing body is that tribal or federal agency recognized as such by the United States secretary of the interior.

(4) "HUD" means the United States secretary of housing and urban development or his delegate or successor.

(5) "Indian reservation" means an area determined to be such by the United States secretary of the interior.

(6) "SMSA" means a standard metropolitan statistical area as defined in section 103A(1)(4)(B) of the Internal Revenue Code of 1954, as amended through December 31, 1981.

*Subd. 2. [DESIGNATION.] The commissioner shall designate an area as an enterprise zone if (i) an application is made in the form and manner and containing the information prescribed by the commissioner's rules; (ii) the application is made or approved by the governing body of the area; and (iii) the area is determined by the commissioner to be eligible for designation under subdivision 4.*

*Subd. 3. [DURATION.] The designation of an area as an enterprise zone shall be effective from the date of designation to 12 years thereafter.*

*Subd. 4. [ELIGIBILITY REQUIREMENTS.] An area is eligible for designation if:*

*(1) Its boundary is continuous and includes, if feasible, proximately located vacant or underutilized lands or buildings conveniently accessible to residents of the area.*

*(2) Its population as determined under the most recent federal decennial census is at least (i) 4,000 if any of the area is located within an SMSA with a population of 50,000 or more, or (ii) 2,500 in any other case unless the area is an Indian reservation, for which no minimum population is required.*

*(3) (a) The proposed zone is located within an economic hardship area, as established by meeting three or more of the following criteria:*

*(1) the percentage of total residential housing units within the zone which was constructed prior to 1950 is 70 percent or greater;*

*(2) the percentage of households within the zone that fall below the poverty level, as determined by the United States census bureau, is 20 percent or greater;*

*(3) the total number of persons residing within the zone has declined by ten percent or more over the ten years preceding application;*

*(4) for the last full year for which data is available, the percentage of the work force of the jurisdiction of the governing body of the area in which the zone is located engaged in manufacturing is less than the percentage of the work force of the state engaged in manufacturing;*

*(5) the jurisdiction of the governing body of the area in which the zone is located has recently experienced a significant employment reduction at a federal military installation within the SMSA in which it is located; or*

(b) *The area is so designated under federal legislation providing for federal tax benefits to employers or employees in enterprise zones similar to the state tax benefits set forth in this act; and*

(4) *The governing body of the area seeking to be designated as an enterprise zone, by resolution, agrees to follow a course of action, during the period for which the designation is effective, designed to promote economic development in the area. The program may be implemented by governmental action, by private entities, or both, and may include but is not limited to:*

(a) *Reduction or abatement of real property taxes of industrial land and facilities according to section 3;*

(b) *Issuance of revenue bonds or use of federal funds available to finance loans for private industrial and housing facilities;*

(c) *Issuance of bonds and use of taxes, tax increments, and available federal funds to finance public facilities in the area;*

(d) *Increase in the level or efficiency of governmental services;*

(e) *Commitments from public or private entities in the area to provide jobs, job training, and technical, financial, or other assistance to employees and residents of the area.*

**Subd. 5. [LIMITATION.]** *No area shall be designated as an enterprise zone after December 31, 1996.*

### **Sec. 3. [273.1313] [TAX CLASSIFICATION OF INDUSTRIAL EMPLOYMENT PROPERTY.]**

**Subdivision 1. [DEFINITIONS.]** (1) *Terms used in this section have the meanings given them in this subdivision.*

(2) *"Commissioner" means the commissioner of revenue.*

(3) *"Industrial employment property" means taxable property, excluding land but including buildings, structures, fixtures, and improvements that satisfy each of the following conditions:*

(a) *The property is located within an enterprise zone designated according to section 2.*

(b) *The primary purpose and prospective use of the property is (i) the manufacture or processing of goods or materials by physical or chemical change, or (ii) the provision of office, engineering, research and development, warehousing, parts dis-*

tribution, or other facilities that are related to a manufacturing or processing operation conducted by the user.

(c) The user will own the property or occupy it under a lease requiring the user to pay property taxes on it as if the user were the owner.

(c) The property is classified as industrial employment property by the procedure and subject to the conditions provided in this section, before it is first placed in use.

(4) "Market value", as applied to industrial employment property on any particular parcel of land, means the value of all taxable property situated there except the land, as annually determined pursuant to section 273.12, less (i) the market value of all property existing at the time of application for classification, as last assessed prior to the time of application, and (ii) any increase in the market value of the property referred to in clause (i) as assessed in each year after the industrial employment property is first placed in service. In each year, any change in the values of the industrial employment property and the other property on the land shall be deemed to be proportionate unless caused by a capital improvement or loss.

(5) "Municipality" means any home rule charter or statutory city or county, but a county may not exercise the powers granted in this section with reference to property situated within a city.

Subd. 2. [PROGRAM.] (1) The governing body of any municipality which contains a designated enterprise zone as provided by section 2 may by resolution establish a program for classification of new industrial property or improvements to existing property as industrial employment property pursuant to the provisions of this section, if it finds that the program is needed to facilitate and encourage the renewal or addition of industrial facilities to provide or preserve employment opportunities for its citizens. Applications for classification under the program shall be filed with the municipal clerk or auditor in a form prescribed by the commissioner, with additions as may be prescribed by the municipal governing body. The application shall contain a legal description of the parcel of land on which the facility is to be situated or improved; a general description of the facility or improvement and its proposed use, the equipment proposed to be used in connection with it (including equipment exempt from taxation under existing law), the probable time schedule for undertaking the construction or improvement, and information regarding the matters referred to in paragraph (4); the market value and the assessed value of the land and of all other taxable property then situated on it, according to the most recent assessment; and an estimate of the probable cost of the new construction or improvement and

*the market value of the new or improved facility (excluding land) when completed.*

*(2) Upon receipt of an application the municipal clerk or auditor, subject to any prior approval required by the resolution establishing the program, shall furnish a copy to the assessor for the property and to the governing body of each school district and other public body authorized to levy taxes on the property, and shall publish a notice in the official newspaper of the time and place of a hearing to be held by the governing body on the application, not less than 30 days after the notice is published, stating that the applicant, the assessor, representatives of the affected taxing authorities, and any taxpayer of the municipality may be heard or may present their views in writing at or before the hearing. The hearing may be adjourned from time to time, but the governing body shall take action on the application by resolution within 30 days after the hearing. If disapproved, the reasons shall be set forth in the resolution, and the applicant may appeal to the commissioner within 30 days thereafter, but only on the ground that the determination is arbitrary, in relation to prior determinations as to classification under the program, or based upon a mistake of law. If approved, the resolution shall include determinations as to the matters set forth in paragraph (4), and the clerk or auditor shall transmit it to the commissioner.*

*(3) Within 60 days after receipt of an approved application or an appeal from the disapproval of an application, the commissioner shall take action on it. The commissioner shall approve each application approved by the governing body if he finds that it complies with the provisions of this section. If he disapproves the application, or finds grounds exist for appeal of a disapproved application, he shall transmit the finding to the governing body and the applicant. When grounds for appeal have been determined to exist, the governing body shall reconsider and take further action on the application within 30 days after receipt of the commissioner's notice and serve written notice of the action upon the applicant. The applicant, within 30 days after receipt of notice of final disapproval by the commissioner or the governing body, may appeal from the disapproval to a court of competent jurisdiction.*

*(4) An application shall not be approved unless the governing body finds and determines that the construction or improvement of the facility:*

*(a) Is reasonably likely to create new employment or prevent a loss of employment in the municipality;*

*(b) Is not likely to have the effect of transferring existing employment from one or more other municipalities within the state;*

(c) *Is not likely to cause the total market value of industrial employment property within the municipality to exceed five percent of the total market value of all taxable property within the municipality; or if it will, the resulting limitation upon the increase of the assessed value of all taxable property within the municipality, considering the amount of additional municipal services likely to be required for the industrial employment property, is not likely to substantially impede the operation or the financial integrity of the municipality or any other public body levying taxes on property in the municipality; and*

(d) *Will not result in the reduction of the assessed value of existing property within the municipality owned by the applicant, through abandonment, demolition, or otherwise, without provision for the restoration of the existing property within a reasonable time in a manner sufficient to restore the assessed valuation.*

**Subd. 3. [CLASSIFICATION.]** *Property shall be classified as industrial employment property and assessed as provided for class 4d property in section 273.13, subdivision 9, clause (4), for taxes levied in the year in which the classification is approved and in each year thereafter to and including the 12th year after the industrial employment property is completed. If the classification is revoked, the revocation is effective for taxes levied in the next year after revocation.*

**Subd. 4. [REVOCATION.]** *The governing body of the municipality may request the commissioner to approve the revocation of a classification pursuant to this section if it finds and determines by resolution, after hearing upon notice mailed to the applicant by certified mail at least 60 days before the hearing, that:*

(a) *The construction or improvement of the facility has not been completed within two years after the approval of the classification, or any longer period that may have been allowed in the approving resolution or may be necessary due to circumstances not reasonably within the control of the applicant; or*

(b) *The applicant has not proceeded in good faith with the construction or improvement of the facility, or with its operation, in a manner which is consistent with the purpose of this section and is possible under circumstances reasonably within the control of the applicant.*

**Subd. 5. [HEARING.]** *Upon receipt of the request, the commissioner shall notify the applicant and the governing body by certified mail of a time and place, not less than 30 days after receipt, at which the applicant may be heard and the commissioner will determine whether the facts and circumstances are grounds for revocation as recommended by the governing body. If the commissioner revokes the classification, the applicant may*



*appeal from the commissioner's order to a court of competent jurisdiction at any time within 30 days after revocation.*

**Sec. 4. [EFFECTIVE DATE.]**

*This article is effective July 1, 1983.*

**ARTICLE VII**

Section 1. Minnesota Statutes 1981 Supplement, Section 290.01, Subdivision 20, as amended by Laws 1981, Third Special Session Chapter 2, Article III, Section 2, is amended to read:

Subd. 20. [GROSS INCOME.] Except as otherwise provided in this chapter, the term "gross income," as applied to corporations includes every kind of compensation for labor or personal services of every kind from any private or public employment, office, position or services; income derived from the ownership or use of property; gains or profits derived from every kind of disposition of, or every kind of dealing in, property; income derived from the transaction of any trade or business; and income derived from any source; except that gross income shall not include "exempt function income" of a "homeowners association" as those terms are defined in Section 528 of the Internal Revenue Code of 1954, as amended through December 31, 1980.

The term "gross income" in its application to individuals, estates, and trusts shall mean the adjusted gross income as defined in the Internal Revenue Code of 1954, as amended through the date specified herein for the applicable taxable year, with the modifications specified in this subdivision. For estates and trusts the adjusted gross income shall be their federal taxable income as defined in the Internal Revenue Code of 1954, as amended through the date specified herein for the applicable taxable year, with the modifications specified in this subdivision and with the modification that the federal deduction for personal exemptions for trusts and estates shall not be allowed.

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

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

shall be effective for taxable years beginning after December 31, 1974.

The provisions of section 4 of P.L. 95-458, sections 131, 133, 134, 141, 152, 156, 157, 405, and 543 of P.L. 95-600, and section 2 of P.L. 96-608 (relating to pensions, individual retirement accounts, deferred compensation plans, the sale of a residence and to conservation payments to farmers) including the amendments made to these sections in P.L. 96-222 shall be effective at the same time that these provisions became effective for federal income tax purposes.

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

(iv) The Internal Revenue Code of 1954, as amended through December 31, 1980, and as amended by sections 302(b) and 501 to 509 of Public Law Number 97-34, shall be in effect for taxable years beginning after December 31, 1980 including the provisions of section 404 (relating to partial exclusions of dividends and interest received by individuals) of the Crude Oil Windfall Profit Tax Act of 1980, P.L. 96-223. The provisions of P.L. 96-471 (relating to installment sales) and sections 501 to 507, of the Economic Recovery Tax Act of 1981, Public Law Number 97-34 shall be effective at the same time that they become effective for federal income tax purposes.

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

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

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

(2) A business casualty loss if the taxpayer elected to deduct the loss on the current year's federal income tax return but had deducted the loss on the previous year's Minnesota income tax return;

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

(4) Interest on indebtedness incurred or continued to purchase or carry securities the income from which is exempt from

tax under this chapter, to the extent deductible in determining federal adjusted gross income;

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

(6) The amount of any federal income tax overpayment for any previous taxable year, received as refund or credited to another taxable year's income tax liability, proportionate to the percentage of federal income tax that was claimed as a deduction in determining Minnesota income tax for the previous taxable year. The amount of the federal income tax overpayment shall be reported only to the extent that the amount resulted in a reduction of the tax imposed by this chapter.

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

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

(8) The amount of any increase in the taxpayer's federal tax liability under section 47 of the Internal Revenue Code of 1954 to the extent of the credit under section 38 of the Internal Revenue Code of 1954 that was previously allowed as a deduction either under section 290.01, subdivision 20 (b)(7);

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

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

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

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

spouse of the taxpayer in exchange for the release of the spouse's marital rights;

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

(14) Exempt-interest dividends, as defined in section 852-(b)(5)(A) of the Internal Revenue Code of 1954, not included in federal adjusted gross income pursuant to section 852(b)-(5)(B) of the Internal Revenue Code of 1954, except for that portion of exempt-interest dividends derived from interest income on obligations of the state of Minnesota, any of its political or governmental subdivisions, any of its municipalities, or any of its governmental agencies or instrumentalities;

(15) The amount of any excluded gain recognized by a trust on the sale or exchange of property as defined in section 641-(c)(1) of the Internal Revenue Code of 1954;

(16) For taxable years beginning after December 31, 1980 but before January 1, 1983, in the case of recovery property within the meaning of section 168 of the Internal Revenue Code of 1954 as amended through December 31, 1981, the amount allowed under section 167 of the Internal Revenue Code;

(17) To the extent not included in the taxpayer's federal adjusted gross income, the amount of any gain, from the sale or other disposition of property having a lower adjusted basis for Minnesota income tax purposes than for federal income tax purposes. This modification shall not exceed the difference in basis. If the gain is considered a long term capital gain for federal income tax purposes, the modification shall be limited to 40 percent of the portion of the gain. This modification is limited to property that qualified for the energy credit contained in section 290.06, subdivision 14, and to property acquired in exchange for the release of the taxpayer's marital rights contained in section 290.14, clause (9);

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

(19) The amount of a distribution from an individual housing account which is to be included in gross income as required under section 290.08, subdivision 25;

(20) To the extent deducted in computing the taxpayer's federal adjusted gross income, interest, taxes and other expenses which are not allowed under section 290.10, clause (9) or (10);

(21) To the extent excluded from federal adjusted gross income, in the case of a city manager or city administrator who elects to be excluded from the public employees retirement association and who makes contributions to a deferred compensation program pursuant to section 353.028, the amount of contributions made by the city manager or administrator which is equal to the amount which would have been the city manager's or administrator's employee contribution pursuant to section 353.27, subdivision 2, if he were a member of the public employees retirement association; (AND)

(22) For taxable years beginning after December 31, 1980 but before January 1, 1983, in the case of section 179 property within the meaning of the Internal Revenue Code of 1954, the amount allowed as a deduction under section 179 of the Internal Revenue Code; and

*(23) Expenses and depreciation attributable to property subject to section 3 which has not been registered.*

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

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

(2) The portion of any gain, from the sale or other disposition of property having a higher adjusted basis for Minnesota income tax purposes than for federal income tax purposes, that does not exceed such difference in basis; but if such gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to 60 per centum of the portion of the gain. This modification shall not be applicable if the difference in basis is due to disallowance of depreciation pursuant to section 290.101.

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

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

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

(6) To the extent included in federal adjusted gross income, or the amount reflected as the ordinary income portion of a lump sum distribution under section 402(e) of the Internal Revenue Code of 1954, notwithstanding any other law to the contrary, the amount received by any person (i) from the United States, its agencies or instrumentalities, the Federal Reserve Bank or from the state of Minnesota or any of its political or governmental subdivisions or from any other state or its political or governmental subdivisions, or a Minnesota volunteer firefighter's relief association, by way of payment as a pension, public employee retirement benefit, or any combination thereof, or (ii) as a retirement or survivor's benefit made from a plan qualifying under section 401, 403, 404, 405, 408, 409 or 409A of the Internal Revenue Code of 1954. The maximum amount of this subtraction shall be \$11,000 less the amount by which the individual's federal adjusted gross income, plus the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code of 1954, exceeds \$17,000. In the case of a volunteer firefighter who receives an involuntary lump sum distribution of his pension or retirement benefits, the maximum amount of this subtraction shall be \$11,000; this subtraction shall not be reduced by the amount of the individual's federal adjusted gross income in excess of \$17,000;

(7) The amount of any credit to the taxpayer's federal tax liability under section 38 of the Internal Revenue Code of 1954 but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

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

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

(10) Interest, including payment adjustment to the extent that it is applied to interest, earned by the seller of the property on a family farm security loan executed before January 1, 1986

that is guaranteed by the commissioner of agriculture as provided in sections 41.51 to 41.60;

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

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

(13) In the case of wages or salaries paid or incurred on or after January 1, 1977, the amount of any credit for employment of certain new employees under sections 44B and 51 to 53 of the Internal Revenue Code of 1954 which is claimed as a credit against the taxpayer's federal tax liability, but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

(14) In the case of work incentive program expenses paid or incurred on or after January 1, 1979, the amount of any credit for expenses of work incentive programs under sections 40, 50A and 50B of the Internal Revenue Code of 1954 which is claimed as a credit against the taxpayer's federal tax liability, but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

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

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

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

(18) Minnesota exempt-interest dividends as provided by subdivision 27;

(19) A business casualty loss which the taxpayer elected to deduct on the current year's Minnesota income tax return but did not deduct on the current year's federal income tax return; and

(20) Income from the performance of personal or professional services which is subject to the reciprocity exclusion contained in section 290.081, clause (a);

(21) To the extent included in federal adjusted gross income, in the case of a city manager or city administrator who elects to be excluded from the public employees retirement association and who makes contributions to a deferred compensation program pursuant to section 353.028, the amount of payments from the deferred compensation program equivalent to the amount of contributions taxed under clause (a)(21);

(22) Contributions to and interest earned on an individual housing account as provided by section 290.08, subdivision 25;

(23) Interest earned on a contract for deed entered into for the purchase of property for agricultural use if the rate of interest set in the contract is no more than eight percent per year for the duration of the term of the contract. This exclusion shall be available only if (1) the purchaser is an individual who, together with his spouse and dependents, has a total net worth valued at less than \$150,000 and (2) the property purchased under the contract is farm land as defined in section 41.52, subdivision 6 of no more than 1,000 acres that the purchaser intends to use for agricultural purposes. Compliance with these requirements shall be stated in an affidavit to be filed with the first income tax return on which the taxpayer claims the exclusion provided in this clause. Upon request accompanied by the information necessary to make the determination, the commissioner shall determine whether interest to be paid on a proposed transaction will qualify for this exclusion; the determination shall be provided within 30 days of receipt of the request, unless the commissioner finds it necessary to obtain additional information, or verification of the information provided, in which case the determination shall be provided within 30 days of receipt of the final item of information or verification. The exclusion provided in this clause shall apply to interest earned on contracts for deed entered into after December 31, 1981 and before July 1, 1983;

(24) For the taxable year beginning after December 31, 1980, but before January 1, 1982, an amount equal to 85 percent of the deduction allowed under section 168 of the Internal Revenue Code of 1954 as amended through December 31, 1981. For the taxable year beginning after December 31, 1981 but before January 1, 1983, 83 percent of the deduction allowed under section 168 of the Internal Revenue Code of 1954 as amended through December 31, 1981. The depreciation adjustments made to basis in the case of recovery property within the meaning of section 168 of the Internal Revenue Code of 1954 as amended through December 31, 1981 shall be the depreciation adjustments made for federal income tax purposes under the Internal Revenue Code of 1954, as amended through December



31, 1981. Adoption of this provision shall not be construed as indicating the intent of the legislature to enact provisions authorizing amortization of the amount of depreciation not excludable under this clause; and

(25) For taxable years beginning after December 31, 1980 but before January 1, 1983, an amount equal to the deduction allowed under section 179 of the Internal Revenue Code of 1954 as amended through December 31, 1981.

(c) A modification affecting shareholders of electing small business corporations under section 1372 of the Internal Revenue Code of 1954 shall be made.

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

(d) Amounts transferred from a reserve or other account, if in effect transfers to surplus, shall, to the extent that the amounts were accumulated through deductions from gross income or entered into the computation of taxable net income during any taxable year, be treated as gross income for the year in which the transfer occurs, but only to the extent that the amounts resulted in a reduction of the tax imposed by this chapter and amounts received as refunds on account of taxes deducted from gross income during any taxable year shall be treated as gross income for the year in which actually received, but only to the extent that such amounts resulted in a reduction of the tax imposed by this chapter.

(e) Modification in computing taxable income of the estate of a decedent. Amounts allowable under section 291.07, subdivision 1, clause (2) in computing Minnesota inheritance or estate tax liability shall not be allowed as a deduction (or as an offset against the sales price of property in determining gain or loss) in computing the taxable income of the estate or any person unless there is filed within the time and in the manner and form prescribed by the commissioner a statement that the amounts have not been allowed as a deduction under section 291.07 and a waiver of the right to have the amounts allowed at any time as deductions under section 291.07. The provisions of this paragraph shall not apply with respect to deductions allowed under section 290.077 (relating to income in respect of decedents). In the event that the election made for federal tax purposes under section 642(g) of the Internal Revenue Code of 1954 differs from the election made under this paragraph ap-

propriate modification of the estate's federal taxable income shall be made to implement the election made under this paragraph in accordance with regulations prescribed by the commissioner.

Sec. 2. Minnesota Statutes 1981 Supplement, Section 290.09, Subdivision 1, is amended to read:

Subdivision 1. [LIMITATIONS.] (a) The following deductions from gross income shall be allowed in computing net income, provided that any item which was deducted in arriving at gross income under the provisions of section 290.01, subdivision 20, shall not be again deducted under this section.

(b) Property taxes may not be deducted under this section if

(1) The taxes are attributable to a trade or business carried on by an individual, or

(2) The taxes are expenses for the production of income which are paid or incurred by an individual; and which are not allowed as a deduction under section 164 of the Internal Revenue Code of 1954, as amended through December 31, 1980.

(c) Interest and depreciation attributable to rental residential property may not be deducted under this section if the property does not comply with the requirements of section 3.

Sec. 3. [CITY OF MINNEAPOLIS; REGISTRATION OF RESIDENTIAL RENTAL PROPERTY.]

Subdivision 1. [MUNICIPAL ORDINANCE; DEDUCTIONS DISALLOWED.] The governing body of the city of Minneapolis may by ordinance require the registration of all rental property used in whole or in part for residential housing and all transfers of that property. If a registration ordinance is adopted, a taxpayer who receives rental income from residential housing property located in Minneapolis may not deduct interest and depreciation pursuant to section 290.01, subdivision 20, or 290.09, on that property until a copy of the certificate provided for in subdivision 3 is filed annually with the taxpayer's Minnesota income tax return. In the case of a partnership, a copy of the certificate shall be filed with the partnership's return. No deduction shall be allowed for any period during which the property is not registered as required by the ordinance. In the event that the period of non-compliance does not cover an entire taxable year, the deductions shall be denied at the rate of one-twelfth for each full month the property is not in compliance. The amount of the deduction denied shall not exceed the lesser of \$200 for each unregistered rental residential unit or \$2,000 for each building for any taxable year; provided that

*in no event shall the amount of the deduction denied be less than one-twelfth of the sum of the deductions for interest and depreciation with respect to the property. The city must provide the department of revenue with a copy of the ordinance within ten days of the effective date of the ordinance. Deductions shall not be disallowed until the department has received a copy of the ordinance. The department shall include in its instructions to taxpayers a notice of the restriction established in this section. If the deduction has been disallowed because of a negligent failure to file a copy of the certificate by a taxpayer who had filed a copy for a prior year, the taxpayer may file an amended return with a copy of the certificate and the deduction shall be allowed and the tax liability adjusted accordingly. Notice to taxpayers of the requirement for registration of rental housing property shall be included in the property tax statement for property located in a municipality which has enacted an ordinance under this section.*

**Subd. 2. [REQUIREMENTS FOR ORDINANCE.]** *An ordinance adopted under subdivision 1 shall require identifying information judged necessary by the city and the department of revenue to administer the ordinance.*

*The ordinance shall provide that all property must be registered within 60 days of the effective date of the ordinance, except that property transferred or sold within or subsequent to that period, whether the sale is by warranty deed, quit-claim deed, contract for deed or any other method of sale must be registered within 20 days after transfer. Registrations are not assignable. A certificate issued pursuant to subdivision 3 is valid for an owner until the owner's interest in the property changes. The city may provide that violation of the ordinance is a misdemeanor. The city may charge a fee to cover the costs of administering its ordinance.*

**Subd. 3. [CERTIFICATE.]** *The city shall provide a certificate of registration to the owner at the time of registration. The certificate shall include at least the following information: (a) name, address, and social security number, or Minnesota tax identification number, of the owner registering the property; (b) the owner's interest in the property; (c) the street address of the property; (d) the date of registration; and (e) the date of the most recent purchase or transfer of the property.*

#### **Sec. 4. [APPLICABILITY.]**

*On its effective date, section 3 applies to the city of Minneapolis.*

#### **Sec. 5. [EFFECTIVE DATE.]**

*This article is effective for taxable years beginning after December 31, 1982.*

## ARTICLE VIII

Section 1. Minnesota Statutes 1981 Supplement, Section 290A.03, Subdivision 8, is amended to read:

Subd. 8. [CLAIMANT.] "Claimant" means a person, other than a dependent, who filed a claim authorized by sections 290A.01 to 290A.20 and who was domiciled in this state during the calendar year for which the claim for relief was filed. In the case of a claim relating to rent constituting property taxes, the claimant shall have resided in a rented or leased unit on which ad valorem taxes or payments made in lieu of ad valorem taxes, including payments of special assessments imposed in lieu of ad valorem taxes, are payable at some time during the calendar year covered by the claim (, EXCEPT THAT A CLAIMANT WHO IS DISABLED OR WHO HAS ATTAINED THE AGE OF 65 ON THE DATE SPECIFIED IN SECTION 290A.04, SUBDIVISION 1, MAY FILE A CLAIM BASED ON RESIDENCE IN A NURSING HOME ON WHICH AD VALOREM TAXES WERE NOT PAYABLE). "Claimant" shall not include a resident of a nursing home, intermediate care facility, or long term residential facility whose rent constituting property taxes is paid pursuant to the supplemental security income program under Title XVI of the social security act, the Minnesota supplemental aid program under sections 256D.35 to 256D.41, the medical assistance program pursuant to Title XIX of the social security act, or the general assistance medical care program pursuant to section 256D.03, Subdivision 3. If only a portion of the rent constituting property taxes is paid by these programs, the resident shall be a claimant for purposes of this chapter, but the refund calculated pursuant to section 290A.04 shall be multiplied by a fraction, the numerator of which is income as defined in subdivision 3 reduced by the total amount of income from the above sources other than vendor payments under the medical assistance program or the general assistance medical care program and the denominator of which is income as defined in subdivision 3 plus vendor payments under the medical assistance program or the general assistance medical care program, to determine the allowable refund pursuant to this chapter. In the case of a claim for rent constituting property taxes of a part year resident, the income and rental reflected in this computation shall be for the period of Minnesota residency only. Any rental expenses paid which may be reflected in arriving at federal adjusted gross income cannot be utilized for this computation. When two individuals of a household are able to meet the qualifications for a claimant, they may determine among them as to who the claimant shall be. If they are unable to agree, the matter shall be referred to the commissioner of revenue and his decision shall be final. If a homestead property owner was a part year resident, the income reflected in the computation made pursuant to section 290A.04 shall be for the entire calendar year, including income not assignable to Minnesota.

If a homestead is occupied by two or more renters, who are not husband and wife, the rent shall be deemed to be paid equally

by each, and separate claims shall be filed by each. The income of each shall be his household income for purposes of computing the amount of credit to be allowed.

**Sec. 2. [EFFECTIVE DATE.]**

*Section 1 is effective for claims based on rent paid in 1982 and thereafter.*

**ARTICLE IX**

Section 1. Laws 1981, Third Special Session Chapter 2, Article III, Section 6, is amended to read:

**Sec. 6. [290.068] [CREDIT FOR RESEARCH AND EXPERIMENTAL EXPENDITURES.]**

Subdivision 1. [CREDIT ALLOWED.] In addition to the deduction provided in section 290.09, a credit shall be allowed *against the tax imposed by this chapter for the taxable year equal to (TEN PERCENT OF RESEARCH AND EXPERIMENTAL EXPENDITURES PAID OR INCURRED IN MINNESOTA DURING THE TAXABLE YEAR.)*

(a) *12.5 percent of the first \$2 million of the excess (if any) of*

(1) *the qualified research expenses for the taxable year, over*

(2) *the base period research expenses; and*

(b) *6.25 percent on all of such excess expenses over \$2 million.*

Subd. 2. [(DEFINITION) DEFINITIONS.] For purposes of this section, *the following terms have the meanings given.*

(a) "Qualified research (AND EXPERIMENTAL EXPENDITURES) expenses" means (EXPENDITURES INCURRED IN MINNESOTA WHICH QUALIFY FOR THE DEDUCTION PROVIDED IN SECTION 290.09, SUBDIVISION 18, TO THE EXTENT THE EXPENDITURES EXCEED THE AVERAGE OF THE THREE PRECEDING TAXABLE YEARS' QUALIFYING EXPENDITURES UNDER SECTION 290.09, SUBDIVISION 18, INCURRED IN MINNESOTA. IF THE TAXPAYER HAS NOT CONDUCTED TRADE OR BUSINESS IN MINNESOTA FOR THE THREE PRECEDING TAXABLE YEARS, THE AVERAGE EXPENDITURES INCURRED SHALL BE DETERMINED BY DIVIDING THE EXPENDITURES BY THE LESSER NUMBER OF COMPLETE PRIOR TAXABLE YEARS. IF THERE HAS BEEN LESS THAN ONE PRIOR TAXABLE YEAR OF TRADE OR

BUSINESS CONDUCTED IN MINNESOTA THE AVERAGE EXPENDITURES FOR THE THREE PRECEDING TAXABLE YEARS SHALL BE ZERO) (i) *qualified research expenses as defined in section 44F(b) and (e) of the Internal Revenue Code, except it shall not include expenses incurred for basic research conducted outside the state of Minnesota pursuant to section 44F(e); or (ii) contributions to a nonprofit corporation established and operated pursuant to the provisions of chapter 317 for the purpose of promoting the establishment and expansion of business in this state, provided the contributions are invested by the nonprofit corporation for the purpose of providing funds for small, technologically innovative enterprises in Minnesota during the early stages of their development.*

(b) *"Qualified research" means qualified research as defined in section 44F(d) of the Internal Revenue Code, except that the term shall not include qualified research conducted outside the state of Minnesota.*

(c) *"Base period research expenses" means base period research expenses as defined in section 44F(c) of the Internal Revenue Code, except that "December 31, 1981" shall be substituted for "June 30, 1981" in subparagraph (B) of paragraph (2) and the definitions contained in clauses (a) and (b) shall apply.*

(d) *"Internal Revenue Code" means the Internal Revenue Code of 1954, as amended through December 31, 1981.*

Subd. 3. [LIMITATIONS; CARRYBACK AND CARRY-OVER.] (a)(1) The credit for the taxable year shall not exceed (\$300,000 OR TEN PERCENT OF) the liability for tax (, WHICHEVER IS LESS). "Liability for tax" for purposes of this section means the tax imposed under this chapter for the taxable year reduced by the sum of the credits allowed under section 290.06, except the credit allowed under section 290.06, subdivision 13.

(2) *In the case of an individual who*

(A) *owns an interest in an unincorporated business,*

(B) *is a partner in a partnership,*

(C) *is a beneficiary of an estate or trust, or*

(D) *is a shareholder in a small business corporation, having a valid election in effect under section 1372 of the Internal Revenue Code, the credit allowed for the taxable year shall not exceed the lesser of the amount determined under clause (1) for the taxable year or an amount (separately computed with respect to such person's interest in the trade or business or entity) equal to the amount of tax attributable to that portion of a person's*

*taxable income which is allocable or apportionable to the person's interest in the trade or business or entity.*

(b) *If the amount of the credit determined under (SUBDIVISION 2) this section for any taxable year exceeds (THIS) the limitation under clause (a), the excess shall be a research credit carryback to each of the three preceding taxable years and a research credit carryover to each of the (SEVEN) 15 succeeding taxable years (, PROVIDED THE AGGREGATE OF THE CREDIT FOR THE TAXABLE YEAR AND ANY CARRY-OVER AND CARRYBACK CREDITS SHALL NOT EXCEED \$300,000 OR TEN PERCENT OF THE LIABILITY FOR TAX, WHICHEVER IS LESS). The entire amount of the excess unused credit for the taxable year shall be carried first to the earliest of the taxable years to which the credit may be carried and then to each successive year to which the credit may be carried. The amount of the unused credit which may be added under this clause shall not exceed the taxpayer's liability for tax less the research credit for the taxable year.*

**Subd. 4. [SMALL BUSINESS CORPORATIONS; PARTNERSHIPS.]** *In the case of small business corporations, having a valid election in effect, under section 1372 of the Internal Revenue Code of 1954, estates and trusts, and partnerships, the credit shall be allocated in the same manner provided by section 44F(f)(2) of the Internal Revenue Code.*

**Subd. 5. [ADJUSTMENTS; ACQUISITIONS AND DISPOSITIONS.]** *If a taxpayer acquires or disposes of the major portion of a trade or business or the major portion of a separate unit of a trade or business in a transaction with another taxpayer, the taxpayer's qualified research expenses and base period shall be adjusted in the same manner provided by section 44F(f)(3) of the Internal Revenue Code, except that "December 31, 1980" shall be substituted for "June 30, 1980."*

## **Sec. 2. [EFFECTIVE DATE.]**

*Section 1 is effective for taxable years beginning after December 31, 1981.*

## **ARTICLE X**

**Section 1.** Minnesota Statutes 1981 Supplement, Section 290.06, Subdivision 14, is amended to read:

**Subd. 14. [RESIDENTIAL ENERGY CREDIT.]** A credit of 20 percent of the first \$10,000 of renewable energy source expenditures, including the expenditures described in clauses (a), (b) and (d) if made by an individual taxpayer on a Minnesota building of six dwelling units or less and expenditures for biomass conversion equipment described in clause (c), may be de-

ducted from the tax due under this chapter for the taxable year in which the expenditures were made. For purposes of this subdivision, the term "building" shall include a condominium or townhouse used by the taxpayer as a residence. In the case of qualifying expenditures incurred in connection with a building under construction by a contractor, the credit shall be deducted from the tax liability of the first individual to purchase the building for use as a principal residence or for residential rental purposes; the contractor shall not be eligible for the credit given pursuant to this subdivision for that expenditure.

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

(a) Expenditures which qualify for the federal renewable energy source credit, pursuant to Section 44C of the Internal Revenue Code of 1954, as amended through December 31, (1980) 1981, and any regulations promulgated pursuant thereto, provided that, after December 31, 1980, any solar collector included in the claimed expenditure is certified by the commissioner of energy, planning and development. A solar collector is a device designed to absorb incident solar radiation, convert it to thermal energy, and transfer the thermal energy to a fluid passing through or in contact with the device. "Solar collector" shall not include passive solar energy systems as defined in clause (d);

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

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

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

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

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

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

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



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

A passive system may include either or both:

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

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

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

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

The credit provided in this subdivision shall not be allowed in a taxable year if the amount of the credit would be less than \$10.

If the credit allowable under this subdivision exceeds the amount of tax due in a taxable year, the excess credit shall not be refunded but may be carried forward to the succeeding taxable year and added to the credit allowable for that year. No amount may be carried forward to a taxable year beginning after December 31, (1984) 1987.

A shareholder in a family farm corporation and each partner in a partnership operating a family farm shall be eligible for the credit provided by this subdivision in the same manner and to the same extent allowed a joint owner of property under section 44C (d) of the Internal Revenue Code of 1954, as amended through December 31, (1980) 1981. "Family farm corporation" and "family farm" have the meanings given in section 500.24.

The credit provided in this subdivision is subject to the provisions of Section 44C, (c) (7) and (10), (d) (1) to (3), and (e), of the Internal Revenue Code of 1954, as amended through December 31, (1980) 1981, and any regulations promulgated pursuant thereto.

The commissioner of revenue in cooperation with the commissioner of energy, planning and development shall adopt rules establishing additional qualifications and definitions for the credits provided in this subdivision.

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

The commissioner of energy, planning and development shall adopt rules establishing the criteria for certification of solar collectors as required by clause (a). The criteria shall:

- (1) Specify the testing procedures to be used in the evaluation of solar collectors;
- (2) Establish minimum levels of collector quality for safety;
- (3) Provide a means to determine the maintainability and structural integrity of solar collectors;
- (4) Establish a system for evaluating and rating the thermal performance of solar collectors;
- (5) Specify the procedures to follow to obtain certification of a solar collector;
- (6) Conform to the maximum extent practicable to the solar collector certification requirements of other states which have adopted certification procedures; and
- (7) Allow for individual variation so as not to hamper the development of innovative solar collectors.

The commissioner of energy, planning and development may adopt temporary rules pursuant to section 15.0412, subdivision 5 to establish this certification procedure.

This subdivision is effective for expenditures made during taxable years beginning after December 31, 1978 and before January 1, (1983) 1986.

## ARTICLE XI

**Section 1. [DULUTH; BONDS; PURCHASE OF EQUIPMENT.]**

*The Duluth city council may by ordinance provide for the annual issuance of general obligation bonds in a principal amount not to exceed \$2,000,000 annually for three years to provide funds to purchase capital equipment for the city. For purposes of this law, "capital equipment" means any equipment having an estimated useful life of at least five years. The issuance of the bonds shall be subject to Minnesota Statutes, Chapter 475, except that no election shall be required except as provided in section 2, or as required by the Duluth City Charter, Section 52.*

**Sec. 2. [REVERSE REFERENDUM.]**

*The city council of Duluth, prior to the issuance of any bonds authorized by section 1, shall adopt a resolution stating the amount, purpose and, in general, the security to be provided for the bonds, and shall publish the resolution once each week for two consecutive weeks in the medium of official and legal publication of the city. The bonds may be issued without the submission of the question of their issuance to the voters of the city unless within 21 days after the second publication of the resolution a petition requesting a referendum signed by at least ten percent of those voting in the last general election is filed with the city clerk. If a petition is filed, no bonds shall be issued unless approved by a majority of the voters of the city voting on the question of their issuance at a regular or special election.*

**Sec. 3. [LOCAL APPROVAL.]**

*Sections 1 and 2 are effective the day after compliance with Minnesota Statutes, Section 645.021, Subdivision 3, by the governing body of the city of Duluth but no bonds shall be issued pursuant to this act after April 1, 1985.*

## ARTICLE XII

**Section 1. [BONDS FOR BLOOMINGTON COURT FACILITY.]**

*The city of Bloomington may issue general obligation bonds for the acquisition, construction or betterment of a court building and court related facilities, and parking for them, under Minnesota Statutes, Chapter 475, except as otherwise provided in this act. Before issuance of bonds, the city shall give three weeks published notice of the issuance. If a number of voters in the city equal 10 percent of those who voted for candidates for governor at the last gubernatorial election present a petition*

*within six weeks of the first published notice to the city clerk requesting that the matter be submitted to popular vote, it shall be submitted at the next general election. If a majority of those voting on the question approve it or if no petition is presented within the prescribed time the city may issue the bonds and levy a tax in accordance with Minnesota Statutes, Section 475.61, to service the debt.*

**Sec. 2. [HENNEPIN COUNTY; LEASE AUTHORIZATION.]**

*The county of Hennepin and the city of Bloomington may enter into contracts for terms not to exceed ten years and may enter into leases in connection with court and court related activities. The term of any lease entered into by the county of Hennepin with the city of Bloomington shall not exceed the period required to service the debt on the bonds authorized by section 1. Lease payments shall be irrevocably pledged to the payment of the debt. Upon the retirement of the debt created under section 1, the city may lease space in the court building and related facilities to the county as the county may need for court purposes for periods not to exceed five years. If the city and the county deem it to be in the best interests of the public served by the facilities, the county may purchase them after retirement of the debt, or upon guaranteeing the servicing of the debt, at mutually agreed upon terms.*

**Sec. 3. [SUITABILITY OF COURT FACILITIES.]**

*Nothing herein shall be construed to limit or restrict the Chapter 475 but shall not be subject to any interest or debt limits prescribed by that chapter or other law. The interest rate shall not exceed the published yield for the Bond Buyer's Index of 20 municipals for the previous month plus one percent and rounded to the next highest percent per annum. Minnesota Statutes, Section 641.23, shall not be deemed to impose a limitation on the amount of bonds that may be issued pursuant to this section.*

**Sec. 4. [RELOCATION OF MUNICIPAL COURT.]**

*Notwithstanding the provisions of Minnesota Statutes, Section 488A.01, Subdivision 9, the county of Hennepin may relocate the municipal court serving the city of Bloomington and thereupon shall provide suitable quarters for the holding of regular terms of court in a southern suburban location within the county as may be designated by a majority of the judges of the court. All functions of the court may be discharged, including both court and jury trials of civil and criminal matters, at the location designated pursuant to this section. Nothing in this section shall be construed to reduce the level of services to the residents of the city of Bloomington.*

**Sec. 5. [LAKE COUNTY; JAIL BONDS.]**

*Lake County may issue bonds for a county jail and levy an ad valorem tax for the payment of their principal and interest at whatever rate is necessary notwithstanding any contrary provision of Minnesota Statutes, Section 641.23 or other law. The bonds shall be issued in accordance with Minnesota Statutes, Chapter 475 but shall not be subject to any interest or debt limits prescribed by that chapter or other law. The interest rate shall not exceed the published yield for the Bond Buyer's Index of 20 municipals for the previous month plus one percent and rounded to the next highest percent per annum. Minnesota Statutes, Section 641.23, shall not be deemed to impose a limitation on the amount of bonds that may be issued pursuant to this section.*

**Sec. 6. [FIRE PROTECTION LEVY: TOWNS OF ERIN, FOREST, WEBSTER, AND WHEATLAND.]**

*The provisions of Minnesota Statutes, Section 368.85, Subdivision 6, limiting the levy of a town for the support of a fire protection district shall not apply to the levies of the towns of Erin, Forest, Webster, and Wheatland in Rice County for the purposes of providing fire protection.*

**Sec. 7. [RICE LAKE; EXCESS LEVY.]**

*Notwithstanding any contrary provision of other law, the town board of Rice Lake may levy for taxes payable in 1982 the sum of \$20,000 to meet the cost of construction of a fire hall. The levy shall be in addition to the 1981 levy of \$118,000 for taxes payable in 1982 previously authorized for the town. No penalty shall be imposed on this levy pursuant to Minnesota Statutes, Section 275.51, Subdivision 4.*

**Sec. 8. [CLEARWATER COUNTY LEVY LIMIT INCREASE.]**

*Any limitation imposed upon the levy of Clearwater County by Minnesota Statutes, Sections 275.50 to 275.56, shall be increased for taxes levied in 1982, payable 1983 and subsequent years by an amount authorized by the county board, not to exceed one mill, to cover the expenses of the agricultural society as authorized by Minnesota Statutes, Section 38.27.*

**Sec. 9. [EFFECTIVE DATE.]**

*Sections 1 to 4 are effective the day after compliance with Minnesota Statutes, Section 645.021, Subdivision 3, by the city council of the city of Bloomington and the board of county commissioners of Hennepin county.*

*Section 5 is effective the day after compliance with Minnesota Statutes, Section 645.021, Subdivision 3, by the governing body of Lake County.*

*Section 6 is effective the day after compliance with Minnesota Statutes, Section 645.021, Subdivision 3, by the governing bodies of Erin, Forest, Webster, and Wheatland in Rice County.*

### ARTICLE XIII

Section 1. Minnesota Statutes 1981 Supplement, Section 298.75, is amended to read:

#### 298.75 [(GRAVEL) AGGREGATE MATERIAL REMOVAL; PRODUCTION TAX.]

Subdivision 1. [DEFINITIONS.] *Except as may otherwise be provided, the following words, when used in this section, shall have the meanings herein ascribed to them.*

(1) "Aggregate material" shall mean non-metallic natural mineral aggregate including, but not limited to sand, silica sand, gravel, building stone, crushed rock, limestone, and granite. Aggregate material shall not include dimension stone and dimension granite.

(2) "Person" shall mean any individual, firm, partnership, corporation, organization, trustee, association, or other entity.

(3) "Operator" shall mean any person engaged in the business of removing aggregate material from the surface or subsurface of the soil, for the purpose of sale, either directly or indirectly, through the use of the aggregate material in a marketable product or service.

(4) "Extraction site" shall mean a pit, quarry, or deposit containing aggregate material and any contiguous property to the pit, quarry, or deposit which is used by the operator for stockpiling the aggregate material.

Subd. 2. A county (MAY) shall impose upon every (PERSON, FIRM, CORPORATION OR ASSOCIATION, HEREAFTER REFERRED TO AS " ) operator, (") engaged in the business of removing (GRAVEL) aggregate material for sale from (GRAVEL PITS) a pit, quarry, or (DEPOSITS) deposit, a production tax (IN AN AMOUNT NOT TO EXCEED) equal to ten cents per cubic yard or seven cents per ton of (GRAVEL) aggregate material removed except that the county board may, in its discretion, decide not to impose this tax if it determines that in the previous year operators removed less than 20,000 tons or 14,000 cubic yards of aggregate material from that county. (FOR PURPOSES OF THIS SECTION, GRAVEL SHALL INCLUDE SAND AND LIMESTONE) The tax shall be imposed when the aggregate material is transported from the extraction site or sold, when in the case of storage the stockpile

*is within the state of Minnesota and the highways are not used for transporting the aggregate material.*

*In the event that the aggregate material is transported directly from the extraction site to a waterway, railway, or another mode of transportation other than a highway, road or street, the tax imposed by this section shall be apportioned equally between the county where the aggregate material is extracted and the county to which the aggregate material is originally transported. If that destination is not located in Minnesota, then the county where the aggregate material was extracted shall receive all of the proceeds of the tax.*

Subd. (2) 3. By the 14th day following the last day of each calendar quarter (IN EACH COUNTY IN WHICH A TAX IS IMPOSED PURSUANT TO THIS SECTION OR ANY SPECIAL LAW), every operator shall make and file with the county auditor of the county in which the (GRAVEL) *aggregate material* is removed, a correct report under oath, in such form and containing such information as the auditor shall require relative to the quantity of (GRAVEL) *aggregate material* removed during the preceding calendar quarter. The report shall be accompanied by a remittance of the amount of tax due.

*If any of the proceeds of the tax is to be apportioned as provided in subdivision 2, the operator shall also include on the report any relevant information concerning the amount of aggregate material transported, the tax and the county of destination. The county auditor shall notify his county treasurer of the amount of such tax and the county to which it is due. The county treasurer shall remit the tax to the appropriate county within 30 days.*

Subd. (3) 4. If any operator fails to make the report required by subdivision (2) 3 or files an erroneous report, the county auditor shall, by the fifth working day after the date the report became due, determine the amount of tax due and notify the operator by registered mail of the amount of tax so determined. An operator may, within 30 days from the date of mailing the notice, file in the office of the county auditor a written statement of objections to the amount of taxes determined to be due. The statement of objections shall be deemed to be a petition within the meaning of chapter 278, and shall be governed by sections 278.02 to 278.13.

Subd. (4) 5. Failure to file the report shall result in a penalty of \$5 for each of the first 30 days, beginning on the 14th day after the date when the county auditor has sent notice to the (TAXPAYER) operator as provided in subdivision (3) 4, during which the report is overdue and no statement of objection has been filed. For each subsequent day during which the report is overdue and no statement of objection has been filed, a penalty of \$10 shall be assessed against the (PERSON) operator who is

required to file the report. The penalties imposed by this subdivision shall be collected as part of the tax. If neither the report nor a statement of objection has been filed after more than 60 days have elapsed from the date when the notice was sent, the (PERSON) *operator* who is required to file the report is guilty of a misdemeanor.

Subd. (5) 6. It is a misdemeanor for any operator to remove (GRAVEL) *aggregate material* from a pit, *quarry*, or deposit unless all taxes due under this section *for the previous reporting period* have been paid or objections thereto have been filed pursuant to subdivision (3) 4.

Subd. (6) 7. All moneys collected as taxes under this section shall be deposited in the county treasury and credited as follows, for expenditure by the county board:

(a) Sixty percent to the county road and bridge fund for expenditure for the maintenance, construction and reconstruction of roads (TRAVELED BY VEHICLES HAULING GRAVEL), *highways and bridges*;

(b) Thirty percent to the (TOWN) road and bridge fund *of those towns as determined by the county board and to the general fund or other designated fund of those cities as determined by the county board*, (FOR EXPENDITURE) *to be expended for maintenance, construction and reconstruction of roads (TRAVELED BY VEHICLES HAULING GRAVEL, IN A MANNER DETERMINED BY THE COUNTY), highways and bridges*; and

(c) Ten percent to a special reserve fund which is hereby established, for expenditure for the restoration of abandoned (GRAVEL) pits, *quarries*, or deposits *located upon (LANDS TO WHICH THE COUNTY HOLDS TITLE OR UPON) public and tax forfeited lands within the county*.

*In the event that there are no abandoned pits, quarries or deposits located upon public or tax forfeited lands within the county, this portion of the tax shall be deposited in the county road and bridge fund for expenditure for the maintenance, construction and reconstruction of roads, highways and bridges.*

## 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.*

## Sec. 3. [REPEALER.]



*Minnesota Statutes 1981 Supplement, Section 298.76, is repealed.*

**Sec. 4. [EFFECTIVE DATE.]**

*This article is effective January 1, 1983.*

**ARTICLE XIV**

**Section 1.** Minnesota Statutes 1980, Section 273.13, Subdivision 17d, is amended to read:

**Subd. 17d. [NEIGHBORHOOD REAL ESTATE TRUSTS.]**  
When a (STRUCTURE, CONSISTING OF ONE OR MORE DWELLING UNITS, IS) *parcel of land, not to exceed one acre, and its improvements or a parcel of unimproved land, not to exceed one acre, are owned by a neighborhood real estate trust and at least 60 percent of the dwelling units, if any, on all land owned by the trust are leased to or occupied by (A) lower income (FAMILY AS DEFINED BY SECTION 8 OF THE UNITED STATES HOUSING ACT OF 1937, AS AMENDED) families, the (STRUCTURE) land and improvements, if any, shall be assessed at 20 percent of the market value. This subdivision shall not apply to any portion of the (STRUCTURE) land or improvements used for nonresidential purposes.*

*For purposes of this subdivision, a lower income family is a family with an income that does not exceed 65 percent of the median family income for the area as determined by the U.S. Secretary of Housing and Urban Development.*

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

**Sec. 2. [EFFECTIVE DATE.]**

*Section 1 is effective for taxes levied in 1982, payable in 1983 and thereafter.*

**ARTICLE XV**

**Section 1.** Minnesota Statutes 1980, Section 168.012, is amended by adding a subdivision to read:

*Subd. 10. If a vehicle is used for a purpose which would make it exempt pursuant to subdivision 1 but title is held by a seller or a vendor or is assigned to a third party under a lease purchase agreement or installment sale permitted under section 465.71, exemption shall be determined by the use rather than the holder of the title.*

**Sec. 2. Minnesota Statutes 1981 Supplement, Section 297A.25, Subdivision 1, as amended by Laws 1981, Third Special Session Chapter 2, Article V, Section 2, is amended to read:**

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

(a) The gross receipts from the sale of food products including but not limited to cereal and cereal products, butter, cheese, milk and milk products, oleomargarine, meat and meat products, fish and fish products, eggs and egg products, vegetables and vegetable products, fruit and fruit products, spices and salt, sugar and sugar products, coffee and coffee substitutes, tea, cocoa and cocoa products, but not including foods which are prepared or specially sliced, wrapped, arranged or displayed, and sold cold or hot for immediate consumption on or off the premises on which the sale is made, whether sold in individual servings or in larger quantities, except food products which are not taxable pursuant to section 297A.01, subdivision 3, clause (c) and which are sold by a retailer, organized as a nonprofit corporation or association, within a place located on property owned by the state or an agency or instrumentality of the state, the entrance to which is subject to an admission charge;

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

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

(d) The gross receipts from the sale of tangible personal property (i) which, without intermediate use, is shipped or transported outside Minnesota and thereafter used in a trade or business or is stored, processed, fabricated or manufactured into, attached to or incorporated into other tangible personal property transported or shipped outside Minnesota and thereafter used in a trade or business outside Minnesota, and which is not there-

after returned to a point within Minnesota, except in the course of interstate commerce (storage shall not constitute intermediate use); or (ii) which the seller delivers to a common carrier for delivery outside Minnesota, places in the United States mail or parcel post directed to the purchaser outside Minnesota, or delivers to the purchaser outside Minnesota by means of the seller's own delivery vehicles, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

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

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

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

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

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

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

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

(h) The gross receipts from the sale of and the storage, use, or consumption of all materials, including chemicals, fuels,

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

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

(j) The gross receipts from all sales, *including sales in which title is retained by a seller or a vendor or is assigned to a third party under an installment sale or lease purchase agreement under section 465.71*, of tangible personal property to, and all storage, use or consumption of such property by, the United States and its agencies and instrumentalities or a state and its agencies, instrumentalities and political subdivisions;

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

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

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

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

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

(p) The gross receipts from the sale of tangible personal property to, and the storage, use or other consumption of such property by, any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious or educational purposes if the property purchased is to be used in the performance of charitable, religious or educational functions, or any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders;

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

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

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

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

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

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

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

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

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

(iii) electricity sold for residential use to customers who are metered and billed as residential users and who use electricity for their primary source of residential heat, for the billing

months of November, December, January, February, March and April.

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

(y) The gross receipts from either the sales to or the storage, use or consumption of tangible personal property by an organization of military service veterans or an auxiliary unit of an organization of military service veterans, provided that:

(i) the organization or auxiliary unit is organized within the state of Minnesota and is exempt from federal taxation pursuant to section 501(c), clause (19), of the Internal Revenue Code as amended through December 31, 1978; and

(ii) the tangible personal property which is sold to or stored, used or consumed by the organization or auxiliary unit is for charitable, civic, educational, or nonprofit uses and not for social, recreational, pleasure or profit uses.

(z) The gross receipts from the sale of sanitary napkins, tampons, or similar items used for feminine hygiene.

Sec. 3. Minnesota Statutes 1980, Section 297B.03, is amended to read:

#### 297B.03 [EXEMPTIONS.]

There is specifically exempted from the provisions of this chapter and from computation of the amount of tax imposed by it the following:

(1) Purchase or use, *including use under a lease purchase agreement or installment sales contract made pursuant to section 465.71*, of any motor vehicle by any person described in and subject to the conditions provided in section 297A.25, subdivision 1, clauses (j), (p) and (s).

(2) Purchase or use of any motor vehicle by any person who was a resident of another state at the time of the purchase and who subsequently becomes a resident of Minnesota, provided the purchase occurred more than 60 days prior to the date such person moved his residence to the state of Minnesota.

(3) Purchase or use of any motor vehicle by any person making a valid election to be taxed under the provisions of section 297A.211.

(4) Purchase or use of any motor vehicle previously registered in the state of Minnesota by any corporation or partnership when such transfer constitutes a transfer within the meaning of sections 351 or 721 of the Internal Revenue Code of 1954, as amended through December 31, 1974.

Sec. 4. Minnesota Statutes 1980, Section 465.71, is amended to read:

465.71 [INSTALLMENT PURCHASES AND LEASE PURCHASES OF PROPERTY; HOME RULE CHARTER AND STATUTORY CITIES; COUNTIES, SCHOOL DISTRICTS.]

A (SECOND, THIRD OR FOURTH CLASS) home rule charter city, statutory city, county, or school district may purchase real or personal property under an installment contract, or lease personal property with an option to purchase under a lease purchase agreement, by which contract or agreement title is retained by the seller or vendor or assigned to a third party as security for the purchase price, including interest, if any, but such purchases are subject to statutory and charter provisions applicable to the purchase of real or personal property. For purposes of the bid requirements contained in section 471.345, "the amount of the contract" shall include the total of all lease payments for the entire term of the lease under a lease-purchase agreement. The obligation created by a lease purchase agreement shall not be included in the calculation of net debt for purposes of section 475.53, and shall not constitute debt under any other statutory provision. No election shall be required in connection with the execution of a lease purchase agreement authorized by this section. The city, county, or school district shall have the right to terminate a lease purchase agreement at the end of any fiscal year during its term.

## ARTICLE XVI

Section 1. Minnesota Statutes 1980, Section 273.42, as amended by Laws 1981, First Special Session Chapter 1, Article II, Section 15, is amended to read:

273.42 [RATE OF TAX; ENTRY AND CERTIFICATION; CREDIT ON PAYMENT; PROPERTY TAX CREDIT.]

Subdivision 1. The property set forth in section 273.37, subdivision 2, consisting of transmission lines of less than 69 kv and transmission lines of 69 kv and above located in an unorganized township, and distribution lines not taxed as provided in sections 273.38, 273.40 and 273.41 shall be taxed at the average rate of taxes levied for all purposes throughout the county and shall be entered on the tax lists by the county auditor against the owner thereof and certified to the county treasurer at the same time and in the same manner that other taxes are certified, and, when paid, shall be credited (, 35) as follows: 50 percent



to the general revenue fund of the county (,) and 50 percent to the general school fund of the county, (AND 15 PERCENT TO THE TOWNSHIPS WITHIN THE COUNTY IN WHICH THE LINES ARE LOCATED. THE AMOUNT AVAILABLE FOR DISTRIBUTION TO THE TOWNSHIPS SHALL BE DIVIDED AMONG THE TOWNSHIPS IN THE SAME PROPORTION THAT THE LENGTH OF TRANSMISSION LINE IN EACH TOWNSHIP BEARS TO THE TOTAL LENGTH OF TRANSMISSION LINE IN THE COUNTY) *except that if there are high voltage transmission lines as defined in section 116C.52, the construction of which was commenced after July 1, 1974 and which are located in unorganized townships within the county, then the distribution of taxes within this subdivision shall be credited as follows: 50 percent to the general revenue fund of the county, 40 percent to the general school fund of the county and 10 percent to a utility property tax credit fund, which is hereby established.*

Subd. 2. Owners of land defined as class 3, 3b, 3c, 3cc, 3d or 3f pursuant to section 273.13 listed on records of the county auditor or county treasurer over which runs a high voltage transmission line as defined in section 116C.52, subdivision 3, except a high voltage transmission line the construction of which was commenced prior to July 1, 1974, shall receive a property tax credit in an amount determined by multiplying a fraction, the numerator of which is the length of high voltage transmission line which runs over that parcel and the denominator of which is the total length of that particular line running over all property within the city (,) or township (OR UNORGANIZED TOWNSHIP) by ten percent of the transmission line tax revenue derived from the tax on that portion of the line within the city (,) or township (OR UNORGANIZED TOWNSHIP) pursuant to section 273.36. *In the case of property owners in unorganized townships, the property tax credit shall be determined by multiplying a fraction, the numerator of which is the length of the qualifying high voltage transmission line which runs over the parcel and the denominator of which is the total length of the qualifying high voltage transmission line running over all property within all the unorganized townships within the county, by the total utility property tax credit fund amount available within the county for that year pursuant to section 273.42, subdivision 1.* Where a right-of-way width is shared by more than one property owner, the numerator shall be adjusted by multiplying the length of line on the parcel by the proportion of the total width on the parcel owned by that property owner. The amount of credit for which the property qualifies shall not exceed 20 percent of the total gross tax on the parcel prior to deduction of the state paid agricultural credit and the state paid homestead credit, provided that, if the property containing the right of way is included in a parcel which exceeds 40 acres, the total gross tax on the parcel shall be multiplied by a fraction, the numerator of which is the sum of the number of acres in each quarter-quarter section or portion thereof which contains

a right of way and the demoninator of which is the total number of acres in the parcel set forth on the tax statement, and the maximum credit shall be 20 percent of the product of that computation, prior to deduction of those credits. The auditor of the county in which the affected parcel is located shall calculate the amount of the credit due for each parcel and transmit that information to the county treasurer. The county auditor, in computing the credits received pursuant to sections 273.13 and 273.135, shall reduce the gross tax by the amount of the credit received pursuant to this section, unless the amount of the credit would be less than \$10.

*If, after the county auditor has computed the credit to those qualifying property owners in unorganized townships, there is money remaining in the utility property tax credit fund, then that excess amount in the fund shall be returned to the general school fund of the county.*

Sec. 2. Minnesota Statutes 1980, Section 273.425, is amended to read:

#### 273.425 [ADJUSTMENT OF LEVY.]

When preparing tax lists pursuant to section 275.28 for each levy year for which credits will be payable under section 273.42, the county auditor shall deduct from the assessed valuation of the property within the county an amount equal to ten percent of the assessed valuation of transmission lines with respect to which a credit is to be paid and which are valued pursuant to section 273.36. The mill rate necessary to be applied to this reduced total valuation in order to raise the required amount of tax revenue for the local taxing authorities shall be applied to the value of all taxable property in the county, including the entire valuation of those transmission lines. The proceeds of the tax levied against the excluded ten percent of the value of those transmission lines shall be available for purposes of funding of the credit provided in section 273.42. If the amount of that portion of the levy exceeds the amount necessary to fund the credits, the excess shall be distributed to the taxing districts within which the affected property is located in proportion to their respective mill rates, to be used for general levy purposes.

#### Sec. 3. [EFFECTIVE DATE.]

*This article is effective for taxes levied in 1982 and thereafter, payable in 1983 and thereafter.*

### ARTICLE XVII

Section 1. Minnesota Statutes 1980, Section 278.01, is amended to read:

**278.01 [DEFENSE OR OBJECTION TO TAX ON LAND; SERVICE AND FILING.]**

Subdivision 1. [DETERMINATION OF VALIDITY.] Any person having any estate, right, title, or interest in or lien upon any parcel of land, who claims that such property has been partially, unfairly, or unequally assessed in comparison with other property in the city or county, or that the parcel has been assessed at a valuation greater than its real or actual value, or that the tax levied against the same is illegal, in whole or in part, or has been paid, or that the property is exempt from the tax so levied, may have the validity of his claim, defense, or objection determined by the district court of the county in which the tax is levied or by the tax court by serving two copies of a petition for such determination upon the county auditor and one copy each on the county treasurer and the county attorney and filing the same, with proof of service, in the office of the clerk of the district court before the first day of June of the year in which the tax becomes payable. The county auditor shall immediately forward one copy of the petition to the appropriate governmental authority in a home rule charter or statutory city or town in which the property is located if that city or town employs its own certified assessor. *A copy of the petition shall also be sent to the school board of the school district in which the property is located.* A petition for determination under this section may be transferred by the district court to the tax court. An appeal may also be taken to the tax court under chapter 271 at any time following receipt of the valuation notice required by section 273.121 but prior to June 1 of the year in which the taxes are payable.

Subd. 2. [HOMESTEADS.] Any person having any estate, right, title or interest in or lien upon any parcel which is classified as homestead under the provisions of section 273.13, subdivisions 6, 6a, 7, 7b, 10 or 12, who claims that said parcel has been assessed at a valuation which exceeds by ten percent or more the valuation which the parcel would have if it were valued at the average assessment/sales ratio for real property in the same class, in that portion of the county in which that parcel is located, for which the commissioner is able to establish and publish a sales ratio study as determined by the applicable real estate assessment/sales ratio study published by the commissioner of revenue, may have the validity of his claim, defense, or objection determined by the district court of the county in which the tax is levied or by the tax court by serving two copies of a petition for such determination upon the county auditor and one copy each on the county treasurer and the county attorney and filing the same, with proof of such service, in the office of the clerk of the district court before the first day of June of the year in which such tax becomes payable. The county auditor shall immediately forward one copy of the petition to the appropriate governmental authority in a home rule charter or statutory city or town in which the property is located if that city or town employs its own certified assessor. *A copy of the petition shall also be sent to the*

*school board of the school district in which the property is located. A petition for determination under this section may be transferred by the district court to the tax court.*

Subd. 3. [EXCEPTION.] The procedures established by this section (SHALL NOT BE) *are not* available to contest the validity or amount of any special assessment made pursuant to chapters 429, 430, any special law or city charter.

Sec. 2. Minnesota Statutes 1980, Section 278.05, Subdivision 2, is amended to read:

Subd. 2. [RESPONSIBLE ATTORNEY; SCHOOL DISTRICT REPRESENTATIVES.] If the property on which the taxes have been levied is located in a home rule charter or statutory city or town which employs its own certified assessor, the attorney for that governmental unit may, within 20 days after receipt by the governmental unit of the copy of the petition forwarded by the county auditor, give notice to the county attorney and to the petitioner or his attorney that the home rule charter or statutory city or town is taking charge of and prosecuting the proceeding. If the attorney for the home rule charter or statutory city or town does not give notice, the attorney of the county in which these taxes are levied shall take charge of and prosecute the proceedings, but the county board may employ any other attorney to assist him. *If the school board has responded within 30 days of receipt to a notice provided pursuant to section 1, indicating that it desires to be notified of further proceedings in the case, a representative of the school district in which the property is located shall be notified of all proceedings and all offers to reduce valuations and shall be given an opportunity to appear and testify on any trial of the issues raised.*

## ARTICLE XVIII

Section 1. Minnesota Statutes 1980, Section 274.19, Subdivision 3, is amended to read:

Subd. 3. Not later than July 15 in the year of assessment the county treasurer shall mail to the taxpayer a statement of tax due on class 2a property. The taxes shall be due on the last day of August. Taxes remaining unpaid after the due date shall be deemed delinquent, and a penalty of eight percent shall be assessed and collected as part of the unpaid taxes. On September (10) 30 the county treasurer shall make a list of taxes remaining unpaid and shall certify the list immediately to the clerk of district court, who shall issue warrants to the sheriff for collection.

Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective for taxes payable in 1982 and thereafter.*

## ARTICLE XIX

Section 1. Minnesota Statutes 1981 Supplement, Section 272.-46, is amended to read:

**272.46 [AUDITOR TO FURNISH STATEMENT OF TAX LIENS AND TAX SALES; FEES; APPLICATION.]**

*Subdivision 1. [CERTIFICATION OF TAX LIENS.]* The county auditor, upon written application of any person, shall make search of the records of his office, and ascertain the existence of all tax liens and tax sales as to any lands described in the application, and certify the result of such search under his hand and the seal of his office, giving the description of the land and all tax liens and tax sales shown by such records, and the amount thereof, the year of tax covered by such lien, the date of tax sale, and the name of the purchaser at such tax sale.

For such service the county auditor shall charge a fee not to exceed \$5 for each lot or tract of land described in the certificate. The amount of the fee will be established by the county board on or before July 1 of each year. Any number of contiguous tracts of land not exceeding one section, assessed as broad acres, or adjoining lots in the same block, in the city, shall be considered as one lot or parcel within the meaning of this section. The provisions of this section shall not apply to counties having a population of more than 225,000.

*Subd. 2. [AUDITOR TO COMBINE LEGAL DESCRIPTIONS.]* *The county auditor, upon written application of any person, shall for property tax purposes only, combine legal descriptions, as defined in section 272.195, of contiguous parcels to which the applicants hold title.*

Sec. 2. Minnesota Statutes 1981 Supplement, Section 273.11, Subdivision 1, is amended to read:

*Subdivision 1. [GENERALLY.]* Except as provided in subdivisions 2, 6 and 7 or section 273.17, subdivision 1, all property shall be valued at its market value. *The market value as determined pursuant to this section shall be stated such that any amount under \$100 is rounded up to \$100 and any amount exceeding \$100 shall be rounded to the nearest \$100.* In estimating and determining such value, the assessor shall not adopt a lower or different standard of value because the same is to serve as a basis of taxation, nor shall he adopt as a criterion of value the price for which such property would sell at auction or at a forced sale, or in the aggregate with all the property in the town or district; but he shall value each article or description of property by itself, and at such sum or price as he believes the same to be fairly worth in money. In assessing any tract or lot of real property, the value of the land, exclusive of structures and improvements, shall be determined, and

also the value of all structures and improvements thereon, and the aggregate value of the property, including all structures and improvements, excluding the value of crops growing upon cultivated land. In valuing real property upon which there is a mine or quarry, it shall be valued at such price as such property, including the mine or quarry, would sell for a fair, voluntary sale, for cash. In valuing real property which is vacant, the fact that such property is platted shall not be taken into account. An individual lot of such platted property shall not be assessed in excess of the assessment of the land as if it were unplatted until the lot is improved with a permanent improvement all or a portion of which is located upon the lot, or for a period of three years after final approval of said plat whichever is shorter. When a lot is sold or construction begun, the assessed value of that lot or any single contiguous lot fronting on the same street shall be eligible for reassessment. All property, or the use thereof, which is taxable under sections 272.01, subdivision 2, or 273.19, shall be valued at the market value of such property and not at the value of a leasehold estate in such property, or at some lesser value than its market value.

Sec. 3. Minnesota Statutes 1980, Section 282.014, is amended to read:

**282.014 [COMPLETION OF SALE AND CONVEYANCE.]**

Upon compliance by the purchaser with the provisions of sections 282.011 to 282.015 and with the terms and conditions of the sale, and upon full payment for the land, *plus a \$10 fee in addition to the sale price*, the sale shall be complete and a conveyance of the land shall be issued to the purchaser as provided by the appropriate statutes according to the status of the land upon forfeiture.

Sec. 4. Minnesota Statutes 1980, Section 282.09, Subdivision 1, is amended to read:

Subdivision 1. **[MONEYS PLACED IN FUND.]** The county auditor and county treasurer shall place all moneys received through the operation of sections 282.01 to 282.13 in a fund to be known as the forfeited tax sale fund and all disbursements and costs shall be charged against that fund, when allowed by the county board. Members of the county board may be paid a per diem pursuant to section 375.055, subdivision 1, and reimbursed for their necessary expenses, and may receive mileage as now or hereafter fixed by law. Compensation of a land commissioner and his assistants, if a land commissioner is appointed, shall be in such amount as shall be determined by the county board. The county auditor shall receive 50 cents for each certificate of sale, each contract for deed and each lease executed by him, and in counties where no land commissioner is appointed such additional annual compensation, not exceeding \$300, as shall be fixed by the county board. Compensation of any other clerical help that may be needed by the

county auditor or land commissioner shall be in such amount as shall be determined by the county board. All compensation provided for herein shall be in addition to other compensation allowed by law. (OUT OF THE GROSS PROCEEDS IN THIS FUND THERE SHALL BE PAID TO THE STATE, IN ADDITION TO ANY DISTRIBUTION OF NET PROCEEDS THEREFROM, A FEE OF \$3 FOR EACH AND EVERY STATE DEED HEREAFTER ISSUED OR REISSUED BY THE COMMISSIONER OF REVENUE PURSUANT TO THE SALE OF ANY TAX-FORFEITED LANDS.) Fees so charged *in addition to the fee imposed in section 3* shall be included in the annual settlement by the county auditor as hereinafter provided. On or before February 1 in each year, the commissioner of revenue shall certify to the commissioner of finance, by counties, the total number of state deeds issued and reissued during the preceding calendar year for which such fees are charged and the total amount thereof. When disbursements are made from the fund for repairs, refundments, expenses of actions to quiet title, or any other purpose which particularly affects specific parcels of forfeited lands, the amount of such disbursements shall be charged to the account of the taxing districts interested in such parcels. The county auditor shall make an annual settlement of the net proceeds received from sales and rentals by the operation of sections 282.01 to 282.13, at the regular March settlement, for the preceding calendar year.

**Sec. 5. [297.041] [SALES TO INDIAN TRIBES.]**

*Subdivision 1. [WHOLESALERS.] Any wholesaler who furnishes a surety bond in a sum satisfactory to the commissioner shall be permitted to set aside, without affixing the stamps required by this chapter, that part of his stock necessary for the conduct of his business in making sales to the established governing body of any Indian tribe recognized by the United States Department of Interior. The unstamped stock shall be kept separate and apart from stamped stock. Every wholesaler shall, at the time of shipping or delivering any of the unstamped stock to an Indian tribal organization, make a true duplicate invoice which shall show the complete details of the sale or delivery and shall transmit the duplicate to the commissioner not later than the fifteenth day of the following calendar month. Failure to comply with the requirements of this section shall cause the commissioner to revoke the permission granted to the wholesaler to maintain a stock of goods which may be unstamped. The commissioner may also revoke this permission to maintain a stock of unstamped goods for sale to a specific Indian tribal organization when it appears that sales of unstamped cigarettes to persons who are not enrolled members of a recognized Indian tribe are taking place, or have taken place, within the exterior boundaries of the reservation occupied by that tribe.*

*Subd. 2. [RETAILERS.] Retailers who are Indian tribal organizations may maintain unstamped stock intended for sale to qualified purchasers.*

*Subd. 3. [QUALIFIED PURCHASERS.] A qualified purchaser of unstamped cigarettes means only an enrolled member of the Indian tribe which is offering the cigarettes for sale.*

*Subd. 4. [SALES TO NONQUALIFIED BUYERS.] Any retailer who sells or otherwise disposes of any unstamped cigarettes other than to a qualified purchaser shall collect from the buyer or transferee the tax imposed by section 297.02, subdivision 1, and remit the tax to the department of revenue at the same time and manner as required by section 297.07. In the event the retailer fails to collect the tax from the buyer or transferee, or fails to remit the tax, the retailer shall be personally responsible for the tax and the commissioner may seize any cigarettes destined to be delivered to the retailer. The cigarettes so seized shall be considered contraband and be subject to the procedures outlined in section 297.08, subdivision 3. The proceeds of the sale of any such cigarettes may, after deducting all costs and expenses, be applied to any tax liability owed by the retailer.*

*The provisions of this section shall not relieve the buyer or possessor of unstamped cigarettes from personal liability for the tax.*

#### **Sec. 6. [EFFECTIVE DATE.]**

*Section 5 is effective January 1, 1983.*

### **ARTICLE XX**

Section 1. Minnesota Statutes 1981 Supplement, Section 290.61, is amended to read:

#### **290.61 [PUBLICITY OF RETURNS, INFORMATION.]**

It shall be unlawful for the commissioner or any other public official or employee to divulge or otherwise make known in any manner any particulars set forth or disclosed in any report or return required by this chapter, or any information concerning, the taxpayer's affairs acquired from his or its records, officers, or employees while examining or auditing any taxpayer's liability for taxes imposed hereunder, except in connection with a proceeding involving taxes due under this chapter from the taxpayer making such return or to comply with the provisions of sections 290.612 and 302A.821. The commissioner may furnish a copy of any taxpayer's return to any official of the United States or of any state having duties to perform in respect to the assessment or collection of any tax imposed upon or measured by income, if such taxpayer is required by the laws of the United States or of such state to make a return therein. Prior to the release of any information to any official of the United States or any other state under the provisions of this section, the person to whom the information is to be released shall sign an agreement which provides that he will protect the confidentiality of the returns and information revealed thereby to the extent that it is protected under the laws of the state of Minnesota. The com-



missioner and all other public officials and employees shall keep and maintain the same secrecy in respect to any information furnished by any department, commission, or official of the United States or of any other state in respect to the income of any person as is required by this section in respect to information concerning the affairs of taxpayers under this chapter. Nothing herein contained shall be construed to prohibit the commissioner from publishing statistics so classified as not to disclose the identity of particular returns or reports and the items thereof. Upon request of a majority of the members of the senate tax committee or of the house tax committee or the tax study commission, the commissioner shall furnish abstracted financial information to those committees for research purposes from returns or reports filed pursuant to this chapter, provided that he shall not disclose the name, address, social security number, business identification number or any other item of information associated with any return or report which the commissioner believes is likely to identify the taxpayer. The commissioner shall not furnish the actual return, or a portion thereof, or a reproduction or copy of any return or portion thereof. "Abstracted financial information" means only the dollar amounts set forth on each line on the form including the filing status.

Any person violating the provisions of this section shall be guilty of a gross misdemeanor.

In order to locate the named payee on state warrants issued pursuant to this chapter or chapter 290A and undeliverable by the United States postal service, the commissioner may publish in any English language newspaper of general circulation in this state a list of the name and last known address of the payee as shown on the reports or returns filed with the commissioner. The commissioner may exclude the names of payees whose refunds are in an amount which is less than a minimal amount to be determined by the commissioner. The published list shall not contain any particulars set forth on any report or return. The publication shall include instructions on claiming the warrants.

An employee of the department of revenue may, in connection with his official duties relating to any audit, collection activity, or civil or criminal tax investigation or any other offense under this chapter, disclose return information to the extent that such disclosure is necessary in obtaining information, which is not otherwise reasonably available, with respect to the correct determination of tax, liability for tax, or the amount to be collected or with respect to the enforcement of any other provision of this chapter.

*In order to facilitate processing of returns and payments of taxes required by this chapter, the commissioner may contract with outside vendors and may disclose private and nonpublic data to the vendor. The data disclosed will be administered by the vendor consistent with this section.*

Sec. 2. Minnesota Statutes 1980, Section 297A.43, is amended to read:

**297A.43 [CONFIDENTIAL NATURE OF INFORMATION.]**

It shall be unlawful for the commissioner or any other public official or employee to divulge or otherwise make known in any manner any particulars disclosed in any report or return required by sections 297A.01 to 297A.44, or any information concerning the affairs of the person making the return acquired from his records, officers, or employees while examining or auditing under the authority of sections 297A.01 to 297A.44, except in connection with a proceeding involving taxes due under this chapter from the taxpayer making such report or return or to comply with the provisions of section 297A.431 or where a question arises as to the proper tax applicable, that is, sales or use tax. In the latter instance, the commissioner may furnish information to a buyer and a seller with respect to the specific transaction in question. Nothing herein contained shall be construed to prohibit the commissioner from publishing statistics so classified as not to disclose the identity of particular returns or reports and the contents thereof. Any person violating the provisions of this section shall be guilty of a gross misdemeanor.

The commissioner may enter into an agreement with the commissioner or other taxing officials of another state for the interpretation and administration of the acts of their several states providing for the collection of a sales and/or use tax for the purpose of promoting fair and equitable administration of such acts and to eliminate double taxation.

Notwithstanding the above provisions of this section, the commissioner, at his discretion, in order to implement the purposes of this chapter, may furnish information on a reciprocal basis to the taxing officials of another state, or to the taxing officials of any municipality of the state of Minnesota which has a local sales and/or use tax.

*In order to facilitate processing of returns and payments of taxes required by this chapter, the commissioner may contract with outside vendors and may disclose private and nonpublic data to the vendor. The data disclosed will be administered by the vendor consistent with this section.*

**Sec. 3. [EFFECTIVE DATE.]**

*Sections 1 and 2 are effective the day following final enactment.*

**ARTICLE XXI**

Section 1. Minnesota Statutes 1981 Supplement, Section 273.11, Subdivision 7, is amended to read:

Subd. 7. [AGRICULTURAL LAND.] *Tillable agricultural land shall be valued at the lesser of its market value or the value which could be derived from capitalizing its free market gross rental rate (CAPITALIZED) as determined for that grade of land at a rate of (5.8) 5.6 percent. Each county assessor shall survey the farm rental values of each grade of farmland in each township in the county (. THIS INFORMATION SHALL BE USED IN REVIEWS OF VALUATIONS BY THE TOWN BOARDS OF REVIEW) and shall determine a farm rental value to be used for the assessment of each grade. The values so determined shall be presented to township boards of review at their annual meetings held pursuant to section 274.01 in the year prior to that in which those values might be used in determining tillable agricultural land values. The boards of review and any property owners may present their comments on the values, including any evidence indicating that the values are inaccurate, by December 1 of the year when the values were presented to the board. The county assessor shall make his final determination of assessed valuations for January 2 of the subsequent year based on his determinations of the farm rental values as modified by any comments of board members or other property owners that he finds persuasive. Nontillable agricultural land and buildings on agricultural land shall be valued in the usual manner.*

Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective the day following final enactment for valuations for taxes levied in 1983, payable in 1984 and thereafter.*

ARTICLE XXII

Section 1. Minnesota Statutes 1980, Section 273.111, Subdivision 9, is amended to read:

Subd. 9. When real property which is being, or has been valued and assessed under this section (IS SOLD OR) no longer qualifies under subdivisions 3 and 6, the portion (SOLD) *no longer qualifying* shall be subject to additional taxes, in the amount equal to the difference between the taxes determined in accordance with subdivision 4, and the amount determined under subdivision 5, provided, however, that the amount determined under subdivision 5 shall not be greater than it would have been had the actual bona fide sale price of the real property at an arms length transaction been used in lieu of the market value determined under subdivision 5. Such additional taxes shall be extended against the property on the tax list for the current year, provided, however, that no interest or penalties shall be levied on such additional taxes if timely paid, and provided further, that such additional taxes shall only be levied with respect to the last three years that the said property has been valued and assessed under this section.

Sec. 2. Minnesota Statutes 1980, Section 273.111, Subdivision 11, is amended to read:

Subd. 11. The payment of special local assessments levied after the date of Extra Session Laws 1967, Chapter 60, for improvements made to any real property described in subdivision 3 together with the interest thereon shall, on timely application as provided in subdivision 8, be deferred as long as such property meets the conditions contained in subdivisions 3 and 6. If special assessments against the property have been deferred pursuant to this subdivision, the governmental unit shall file with the county recorder in the county in which the property is located a certificate containing the legal description of the affected property and of the amount deferred. When such property (IS SOLD OR) no longer qualifies under subdivisions 3 and 6, all deferred special assessments plus interest shall be payable within 90 days. Penalty shall not be levied on any such special assessments if timely paid. If not paid within such 90 days, the county auditor shall include such deferred special assessments plus a ten percent penalty on the tax list for the current year.

Sec. 3. Minnesota Statutes 1980, Section 273.111, is amended by adding a subdivision to read:

*Subd. 11a. When real property qualifying under subdivisions 3 and 6 is sold, no additional taxes or deferred special assessments plus interest shall be extended against the property provided the property continues to qualify pursuant to subdivisions 3 and 6, and provided the new owner files an application for continued deferment within 30 days after the sale.*

*For purposes of meeting the income requirements of subdivision 6, the property purchased shall be considered in conjunction with other qualifying property owned by the purchaser.*

Sec. 4. [EFFECTIVE DATE.]

*This article is effective for sales of qualifying property made after the day of final enactment.*

## ARTICLE XXIII

Section 1. Minnesota Statutes 1980, Section 273.121, is amended to read:

273.121 [VALUATION OF REAL PROPERTY, NOTICE.]

Any county assessor or city assessor having the powers of a county assessor, valuing or classifying taxable real property shall in each year notify those persons whose property is to be assessed or reclassified that year if the person's address is

known to the assessor, otherwise the occupant of the property. *In the case of property owned by a married couple in joint tenancy or tenancy in common, the assessor shall not deny the 3b or 3c property classification in whole or in part if only one of the spouses is occupying the property and the other spouse is absent due to divorce or separation, or is a resident of a nursing home or a boarding care facility.* The notice shall be in writing and shall be sent by ordinary mail at least ten days before the meeting of the local board of review or equalization. It shall contain the amount of the valuation in terms of market value, the new classification, the assessor's office address, and the dates, places, and times set for the meetings of the local board of review or equalization and the county board of equalization. If the assessment roll is not complete, the notice shall be sent by ordinary mail at least ten days prior to the date on which the board of review has adjourned. The assessor shall attach to the assessment roll a statement that the notices required by this section have been mailed. Any such assessor who is not provided sufficient funds from his governing body to provide such notices, may make application to the commissioner of revenue to finance such notices. The commissioner of revenue shall conduct an investigation and if he is satisfied that the assessor does not have the necessary funds, issue his certification to the commissioner of finance of the amount necessary to provide such notices. The commissioner of finance shall issue a warrant for such amount and shall deduct such amount from any state payment to such county or municipality. The necessary funds to make such payments are hereby appropriated. Failure to receive the notice shall in no way affect the validity of the assessment, the resulting tax, the procedures of any board of review or equalization, or the enforcement of delinquent taxes by statutory means.

Sec. 2. Minnesota Statutes 1980, Section 273.13, Subdivision 7c, is amended to read:

Subd. 7c. [TOWNHOUSES; COMMON AREAS; CONDOMINIUMS; COOPERATIVES.] (a) Townhouse property shall be classified and valued as is other property under this section except that the value of the townhouse property shall be increased by the value added by the right to use any common areas in connection with the townhouse development. The common areas of the development shall not be separately taxed. The total value of the townhouse property, including the value added as provided herein, shall have the benefit of homestead treatment or other special classification if the townhouse otherwise qualifies.

(b) Condominium property qualifying as a homestead under section 515A.1-105 and property owned by a cooperative association that qualifies as a homestead under section 273.133 shall have the benefit of homestead treatment or other special classification if the condominium or cooperative association property otherwise qualifies. In the event that the condominium or co-

*operative association property is owned by the occupant and used for the purposes of a homestead but is located upon land which is leased, that leased land shall be valued and assessed as if it were homestead property within the scope of class 3c or 3cc, whichever is applicable, if all of the following criteria are met:*

(1) *The occupant is using the property as his permanent residence;*

(2) *The occupant or the cooperative association is paying the ad valorem property taxes and any special assessments levied against the land and structure;*

(3) *The occupant or the cooperative association has signed a land lease; and*

(4) *The term of the land lease is at least 50 years, notwithstanding the fact that the amount of the rental payment may be renegotiated at shorter intervals.*

Sec. 3. Minnesota Statutes 1980, Section 278.05, Subdivision 4, is amended to read:

Subd. 4. [SALES RATIO STUDIES AS EVIDENCE.] The sales ratio studies published by the department of revenue, or any part of the studies, or any copy of the studies or records accumulated to prepare the studies which is prepared by the commissioner of revenue for the equalization aid review committee for use in determining school aids shall be admissible in evidence as a public record without the laying of a foundation. *Additional evidence relevant to the sales ratio study is also admissible.*

#### Sec. 4. [EFFECTIVE DATE.]

*Sections 1 and 2 are effective for property taxes levied in 1982 and thereafter, payable in 1983 and thereafter.*

### ARTICLE XXIV

#### Section 1. [OLMSTED COUNTY RECORDER'S FEES.]

*The Olmsted County recorder may waive the security deposit requirement of Minnesota Statutes, Section 386.78, and extend credit for the payment of charges to financial institutions and attorneys.*

#### Sec. 2. [SOUTH ST. PAUL; PORT AUTHORITY.]

*The governing body of the city of South St. Paul may exercise all the powers of a port authority provided by Minnesota Statutes, Chapter 458, including the powers given to the port authority of the city of St. Paul under that chapter.*

**Sec. 3. [LOCAL APPROVAL; EFFECTIVE DATE.]**

*Section 1 is effective the day after compliance with Minnesota Statutes, Section 645.021, Subdivision 3, by the Olmsted County board.*

*Section 2 is effective the day after compliance with Minnesota Statutes, Section 645.021, Subdivision 3, by the governing body of the city of South St. Paul.*

**ARTICLE XXV****Section 1. [HOTEL AND MOTEL TAX.]**

*A tax, supplemental to the general sales tax imposed by Minnesota Statutes, Chapter 297A, is imposed on transient lodging in the city of St. Paul at a rate equal to three percent of the consideration paid for lodging and related services by a hotel, rooming house, tourist court, motel or trailer camp or for the granting of any similar license to use real property. The tax does not apply to a rental or lease for 30 or more days continuously. This tax supersedes any similar tax imposed pursuant to city charter. The tax shall be collected by and its proceeds paid to the city. At least 25 percent of the revenues generated by the tax shall be used for the payment of the bonds and any interest or premium on the bonds authorized by section 2.*

**Sec. 2. [BONDING AUTHORITY; PLEDGE OF SECURITY.]**

*The city of Saint Paul may, by resolution, authorize, issue and sell general obligation or special obligation bonds in an amount not to exceed \$4,000,000 to finance any expenditure for the repair, remodeling, equipping, construction, reconstruction and betterment of the civic center parking ramp. Except as provided by this section the bonds shall be authorized, issued and sold in the same manner and subject to the conditions provided in Minnesota Statutes, Chapter 475. Any special tax imposed by section 1 in the city of Saint Paul, any tax increment generated by private development in, and net revenues from, the operation of the civic center complex shall be pledged in whole or in part to the payment of the bonds authorized by this article and the interest and any premium on them. When any revenues, tax increment, or any special tax imposed by the city are pledged in whole or part for the repayment of general obligation bonds authorized by this article, including any interest or premium on them, the estimated collections of the revenues or taxes pledged shall be deducted from the general ad valorem taxes otherwise required to be levied before the issuance of the bonds under Minnesota Statutes, Section 475.61, Subdivision 1, or the collections of them may be certified annually to reduce or cancel the initial tax levies in accordance with Minnesota Statutes, Section 475.61, Subdivision 1 or 3. Notwithstanding any contrary provision of Minne-*

*sota Statutes, Chapter 475, or any other law or charter provision, the bonds may be authorized, issued and sold without a vote of the electorate and without limit as to interest rate and the issue shall not be included in the net debt or per capita tax limitations of the city. If the bonds are special obligation bonds, the city may exercise any of the powers granted an authority for issuing revenue bonds under Minnesota Statutes, Section 273.77, paragraph (c).*

### Sec. 3. [STATUTORY EXCEPTION.]

*The taxes imposed by this article are effective notwithstanding Minnesota Statutes, Section 477A.016, or other law.*

### Sec. 4. [LEASE, DISPOSITION AND EXEMPTION OF PROPERTY; TRANSFER OF LIQUOR LICENSE.]

*Notwithstanding any contrary provision of law or charter, the civic center authority and the city of St. Paul may license or lease the operation of the civic center complex or any part thereof for any period of time by agreement in which the city retains title to the property and requires operation of the civic center complex for the public purposes contemplated in Laws 1967, Chapter 459, as amended by Laws 1969, Chapter 1138. The use and operation of the property, whether by the civic center authority or its licensee or lessee is declared a use, lease or occupancy for public, governmental, and municipal purposes, and the property shall be exempt from taxation by the state or any political subdivision of the state during such use. The city may lease or sell land, including air rights, and improvements thereon which are a part of the civic center complex no longer required for civic center purposes upon the determination by the authority that private development and usage is compatible with operation of the civic center. The land disposition shall be in the manner provided by Minnesota Statutes, Section 458.196, and the land so disposed of shall be subject to all applicable taxes and assessments as if the property were privately owned. The city may issue or transfer the additional liquor license authorized by Laws 1969, Chapter 783, at the civic center to the operational licensee or lessee in lieu of its food catering contractor.*

### Sec. 5. [ADMINISTRATION; BOND SECURITY.]

*The authority shall be responsible for the repair or betterments to be carried out with the proceeds of bonds authorized in section 2. The authority shall receive all rents or fees from a lease or license of civic center facilities. The authority shall monitor operation by any lease or license of civic center facilities. The provisions of Laws 1969, Chapter 1138, Section 3, are hereby amended to the extent necessary for implementation of any lease or license authorized under section 2.*



**Sec. 6. [EMPLOYMENT RIGHTS.]**

*In the event of a lease or license, permanent, full-time civic center employees shall be protected in their rights, including retirement benefits, in accordance with city civil service rules and the terms of their collective bargaining agreement, the city shall provide police protection equal to or greater than that provided in 1981 and the civic center authority shall reserve the right in any such lease or license to disapprove any event sponsored at the civic center complex.*

**Sec. 7. [EFFECTIVE DATE.]**

*This article is effective the day after compliance with Minnesota Statutes, Section 645.021, Subdivision 3, by the governing body of the city of St. Paul.*

**ARTICLE XXVI**

Section 1. Minnesota Statutes 1980, Section 270.75, is amended by adding a subdivision to read:

*Subd. 6. The provisions of this section shall not apply to interest payable on timely paid installment payments of estate tax permitted under sections 291.11, subdivision 1, or 291.132, subdivision 2.*

Sec. 2. Minnesota Statutes 1980, Section 291.015, as amended by Laws 1981, Third Special Session Chapter 2, Article VI, Section 2, is amended to read:

**291.015 [DETERMINATION OF MINNESOTA TAXABLE ESTATE.]**

The Minnesota taxable estate of a decedent shall be the Minnesota gross estate less the sum of:

(1) The exemptions and deductions allowed pursuant to sections 291.05, 291.051, 291.065, 291.07, and 291.08; and

(2) The sum of

\$225,000 for decedents dying (AFTER JUNE 30,) in 1982;

\$275,000 for decedents dying in 1983;

\$325,000 for decedents dying in 1984;

\$400,000 for decedents dying in 1985;

\$500,000 for decedents dying in 1986;

\$600,000 for decedents dying in 1987 and

thereafter,

multiplied by a fraction, not greater than one, the numerator of which shall be the value of the Minnesota gross estate and the denominator of which shall be the value of the federal gross estate.

Sec. 3. Minnesota Statutes 1981 Supplement, Section 291.03, Subdivision 3, as amended by Laws 1981, Third Special Session Chapter 2, Article VI, Section 3, is amended to read:

Subd. 3. [1982.] In the case of a decedent dying (AFTER JUNE 30,) in 1982, subdivision 1, clause (1), shall be applied by substituting for the rates prescribed therein the following rates:

- 7 percent on the first \$75,000,
- 8 percent on the next \$100,000 or part thereof,
- 9 percent on the next \$100,000 or part thereof,
- 10 percent on the next \$200,000 or part thereof,
- 11 percent on the next \$500,000 or part thereof,
- 12 percent on the excess.

Sec. 4. Minnesota Statutes 1980, Section 291.051, Subdivision 1, as amended by Laws 1981, Third Special Session Chapter 2, Article VI, Section 4, is amended to read:

Subdivision 1. For the purpose of section 291.015, clause (1), the Minnesota taxable estate shall be determined by deducting from the Minnesota gross estate the value of any interest in property other than a terminable interest for which no deduction is allowed under section 2056((B)) of the Internal Revenue Code, which passes or has passed from the decedent to his surviving spouse, but only to the extent that the interest is included in determining the value of the Minnesota gross estate and is not exempt from estate tax under sections 291.05 or 291.065. An interest in property shall be considered as passing from the decedent to his surviving spouse if it is considered as so passing under Section 2056((C)) of the Internal Revenue Code.

Sec. 5. Minnesota Statutes 1980, Section 291.09, Subdivision 1a, as amended by Laws 1981, Third Special Session Chapter 2, Article VI, Section 5, is amended to read:

Subd. 1a. In all instances in which a decedent dies after December 31, 1979 and before January 1, 1981 leaving a federal gross estate in excess of \$161,000 and in all instances in which a decedent dies after December 31, 1980 and before (JULY) January 1, 1982 leaving a federal gross estate in excess of \$175,000, and the decedent has an interest in property with a situs in Minnesota, the personal representative shall submit to the commissioner, on a form prescribed by the commissioner, a Minnesota estate tax return.

In the case of a decedent dying after (JUNE 30, 1982) *December 31, 1981* who has an interest in property with a situs in Minnesota, the personal representative shall submit to the commissioner, on a form prescribed by the commissioner, a Minnesota estate tax return in the following instances:

A Minnesota estate tax return

In the case of a decedent	shall be filed if the federal
dying in	gross estate equals or exceeds
1982 .....	\$225,000
1983 .....	275,000
1984 .....	325,000
1985 .....	400,000
1986 .....	500,000
1987 and thereafter .....	600,000

The return shall be accompanied by a federal estate tax return and shall contain a computation of the Minnesota estate tax due. The return shall be signed by the personal representative.

Sec. 6. Minnesota Statutes 1980, Section 291.15, is amended to read:

291.15 [INTEREST.]

((1)) *Subdivision 1.* If (SUCH) the tax is not paid within nine months from the accruing thereof, interest shall be charged and collected thereon at the rate specified in section 270.75 from the due date until the date the tax is paid. In the event a person or corporation upon proper authorization makes a payment to be applied against the tax thereafter, no interest shall accrue on the amount so paid. All payments shall be applied first to penalties, next to interest and then upon principal.

((2) IN THE EVENT THAT) *Subd. 2. If the amount applied against the tax exceeds the tax as determined by the commissioner of revenue, the commissioner shall upon proper application order the refundment without interest. The commissioner of finance shall cause (SUCH) the refund to be paid out of the proceeds of the tax imposed by this chapter, and so much of (SAID) the proceeds as are sufficient to make the refund are hereby appropriated.*

*Subd. 3. Interest shall be paid on installment payments of the tax authorized under section 291.11, subdivision 1, or 291.132, subdivision 2, at the rate of interest in effect pursuant to section 270.75 nine months following the date of death.*

#### Sec. 7.

*Any interest paid on installment payments of estate taxes under the provisions of Laws 1981, Third Special Session Chapter 2, Article III, Section 1, at a higher rate than the rate provided in section 6 shall be credited to interest subsequently required to be paid by the taxpayer.*

Sec. 8. Laws 1981, Third Special Session Chapter 2, Article VI, Section 8, is amended to read:

#### Sec. 8. [EFFECTIVE DATE.]

*Sections 1 to 7 are effective for estates of decedents dying after (JUNE 30, 1982) December 31, 1981, provided that the provisions of PL 97-34 that are made retroactive pursuant to section 421(k)(5) shall be effective for estates of decedents dying after December 31, 1979.*

#### Sec. 9. [EFFECTIVE DATE.]

*Sections 1 to 8 are effective the day following final enactment.*

### ARTICLE XXVII

Section 1. Minnesota Statutes 1980, Section 105.482, Subdivision 1, is amended to read:

**Subdivision 1. [PURPOSE.]** The public health, safety, and welfare is promoted by the orderly repair and restoration of dams serving the public interest and by the use of existing dams and potential dam sites for hydroelectric or hydromechanical power generation wherever that use is economically justified and environmentally sound. In furtherance of this objective, it is the purpose of this section to facilitate the repair and restoration of dams owned by the state and local governmental units and to investigate and analyze hydroelectric or hydromechanical

generating capability of publicly owned dams and potential dam sites.

Sec. 2. Minnesota Statutes 1980, Section 105.482, is amended by adding a subdivision to read:

*Subd. 8. [HYDROPOWER GENERATION POLICY; LEASING OF DAMS AND DAM SITES.] Consistent with laws relating to dam construction, reconstruction, repair, and maintenance, the legislature finds that the public health, safety, and welfare of the state is also promoted by the use of state waters to produce hydroelectric or hydromechanical power. Further, the legislature finds that the leasing of existing dams and potential dam sites primarily for such power generation is a valid public purpose. A local governmental unit, or the commissioner of natural resources with the approval of the state executive council, may provide pursuant to a lease or development agreement for the development and operation of dams, dam sites, and hydroelectric or hydromechanical power generation plants owned by the respective government by an individual, a corporation, an organization, or other legal entity upon such terms and conditions as the local governmental unit or the commissioner may negotiate for a period not to exceed 50 years. If the dam, dam site or power generation plant is located in or contiguous to a city or town, other than the lessor governmental unit, the lease or agreement shall not be effective unless it is approved by the governing body of such city or town. For purposes of this subdivision, city means a statutory or home rule charter city.*

Sec. 3. Minnesota Statutes 1980, Section 105.482, is amended by adding a subdivision to read:

*Subd. 9. [CONTENTS OF DEVELOPMENT AGREEMENT.] An agreement for the development or redevelopment of a hydropower site may contain, but need not be limited to, the following provisions:*

*(a) Length of the development agreement, subject to negotiations between the parties but not more than 50 years, and conditions for extension, modification, or termination;*

*(b) Provisions for a performance bond on the developer, or, certification that the equipment and its installation have a design life at least as long as the lease;*

*(c) Provisions to assure adequate maintenance and safety in the impoundment structures, if any, and to assure access to recreational sites, if any.*

Sec. 4. Minnesota Statutes 1980, Section 272.02, Subdivision 1, is amended to read:

Subdivision 1. Except as provided in other subdivisions of this section or in section 272.025 or section 273.13, subdivisions 17, 17b, 17c or 17d, all property described in this section to the extent herein limited shall be exempt from taxation:

- (1) All public burying grounds;
- (2) All public schoolhouses;
- (3) All public hospitals;
- (4) All academies, colleges, and universities, and all seminaries of learning;
- (5) All churches, church property, and houses of worship;
- (6) Institutions of purely public charity except property assessed pursuant to section 273.13, subdivisions 17, 17b, 17c or 17d;
- (7) All public property exclusively used for any public purpose;
- (8) All natural cheese held in storage for aging by the original Minnesota manufacturer;
- (9) (a) Class 2 property of every household of the value of \$100, maintained in the principal place of residence of the owner thereof. The county auditor shall deduct such exemption from the total valuation of such property as equalized by the revenue commissioner assessed to such household, and extend the levy of taxes upon the remainder only. The term "household" as used in this section is defined to be a domestic establishment maintained either (1) by two or more persons living together within the same house or place of abode, subsisting in common and constituting a domestic or family relationship, or (2) by one person.

(b) During the period of his active service and for six months after his discharge therefrom, no member of the armed forces of the United States shall lose status of a householder under paragraph (a) which he had immediately prior to becoming a member of the armed forces.

In case there is an assessment against more than one member of a household the \$100 exemption shall be divided among the members assessed in the proportion that the assessed value of the Class 2 property of each bears to the total assessed value of the Class 2 property of all the members assessed. The Class 2 property of each household claimed to be exempt shall be limited to property in one taxing district, except in those cases

where a single domestic establishment is maintained in two or more adjoining districts.

Bonds and certificates of indebtedness hereafter issued by the state of Minnesota, or by any county or city of the state, or any town, or any common or independent school district of the state, or any governmental board of the state, or any county or city thereof, shall hereafter be exempt from taxation; provided, that nothing herein contained shall be construed as exempting such bonds from the payment of a tax thereon, as provided for by section 291.01, when any of such bonds constitute, in whole or in part, any inheritance or bequest, taken or received by any person or corporation.

(10) Farm machinery manufactured prior to 1930, which is used only for display purposes as a collectors item;

(11) The taxpayer shall be exempted with respect to, all agricultural products, inventories, stocks of merchandise of all sorts, all materials, parts and supplies, furniture and equipment, manufacturers material, manufactured articles including the inventories of manufacturers, wholesalers, retailers and contractors; and the furnishings of a room or apartment in a hotel, rooming house, tourist court, motel or trailer camp, tools and machinery which by law are considered as personal property, and the property described in section 272.03, subdivision 1, clause (c), except personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings and structures. Railroad docks and wharves which are part of the operating property of a railroad company as defined in section 270.80 are not exempt.

(12) Containers of a kind customarily in the possession of the consumer during the consumption of commodities, the sale of which are subject to tax under the provisions of the excise tax imposed by Extra Session Laws 1967, Chapter 32;

(13) All livestock, poultry, all horses, mules and other animals used exclusively for agricultural purposes;

(14) All agricultural tools, implements and machinery used by the owners in any agricultural pursuit.

(15) Real and personal property used primarily for the abatement and control of air, water, or land pollution to the extent that it is so used, other than real property used primarily as a solid waste disposal site.

Any taxpayer requesting exemption of all or a portion of any equipment or device, or part thereof, operated primarily for the

control or abatement of air or water pollution shall file an application with the commissioner of revenue. Any such equipment or device shall meet standards, regulations or criteria prescribed by the Minnesota Pollution Control Agency, and must be installed or operated in accordance with a permit or order issued by that agency. The Minnesota Pollution Control Agency shall upon request of the commissioner furnish information or advice to the commissioner. If the commissioner determines that property qualifies for exemption, he shall issue an order exempting such property from taxation. Any such equipment or device shall continue to be exempt from taxation as long as the permit issued by the Minnesota Pollution Control Agency remains in effect.

(16) **Wetlands.** For purposes of this subdivision, "wetlands" means land which is mostly under water, produces little if any income, and has no use except for wildlife or water conservation purposes. "Wetlands" shall be land preserved in its natural condition, drainage of which would be feasible and practical and would provide land suitable for the production of livestock, dairy animals, poultry, fruit, vegetables, forage and grains, except wild rice. "Wetlands" shall include adjacent land which is not suitable for agricultural purposes due to the presence of the wetlands. Exemption of wetlands from taxation pursuant to this section shall not grant the public any additional or greater right of access to the wetlands or diminish any right of ownership to the wetlands.

(17) **Native prairie.** The commissioner of the department of natural resources shall determine lands in the state which are native prairie and shall notify the county assessor of each county in which the lands are located. Upon receipt of an application for the exemption and credit provided in this clause and section 273.116 for lands for which the assessor has no determination from the commissioner of natural resources, the assessor shall refer the application to the commissioner of natural resources who shall determine within 30 days whether the land is native prairie and notify the county assessor of his decision. Exemption of native prairie pursuant to this clause shall not grant the public any additional or greater right of access to the native prairie or diminish any right of ownership to it.

(18) *To the extent provided by section 5, real and personal property used or to be used primarily for the production of hydroelectric or hydromechanical power on a site owned by the state or a local governmental unit which is developed and operated pursuant to the provisions of sections 1 to 3.*

**Sec. 5. [295.44] [HYDROPOWER FACILITIES; EXEMPTION; TAXATION IN LIEU OF PROPERTY TAXATION.]**

*Subdivision 1. [EXEMPTION.] Notwithstanding the provisions of sections 272.01, subdivision 2, 272.02, subdivision 5,*



and 273.19, subdivision 1, real or personal property used or to be used primarily for the production of hydroelectric or hydro-mechanical power on a site owned by the state or a local governmental unit and developed and operated pursuant to sections 1 to 3 shall be exempt from property taxation for the five calendar years succeeding the year in which the development agreement is executed.

Subd. 2. [GROSS EARNINGS TAX.] On or before March first of each year, every lessee or operator of a hydropower facility pursuant to sections 1 to 3 shall pay into the treasury of the county where the hydropower facility is principally located ten percent of the gross earnings of the facility for the preceding calendar year. This tax shall be in lieu of all ad valorem taxes upon the real or personal property of the hydropower facility for the calendar year, and the tax shall be imposed for as long as the property is exempt from property taxation under subdivision 1.

Subd. 3. [PROCEEDS; DISTRIBUTION.] The county auditor shall distribute the proceeds of the gross earnings tax to the taxing districts in which the hydropower facility is located. The proceeds shall be apportioned on the basis of the mill rates of the respective taxing districts. If the facility consists of two or more parcels of property which are located in different taxing districts, the proceeds of the tax shall first be apportioned on the basis of the market value of the respective parcels in each of the taxing districts and then apportioned on the basis of the respective taxing districts' mill rates.

Subd. 4. [CALCULATION OF LEVY LIMITS.] In calculating the levy limits pursuant to sections 275.50 to 275.515, the amount of any proceeds of the gross receipts tax distributed to a governmental subdivision shall be deducted from the levy limitation determined under section 275.51, subdivision 3e for the year following the year in which the distribution was received.

#### Sec. 6. [EFFECTIVE DATE.]

*This article is effective the day following final enactment.*

### ARTICLE XXVIII

Section 1. Minnesota Statutes 1981 Supplement, Section 290.081, is amended to read:

#### 290.081 [INCOME OF NONRESIDENTS, RECIPROCITY.]

(a) The compensation received for the performance of personal or professional services within this state by an individual who resides and has his place of abode and place to which he

customarily returns at least once a month in another state, shall be excluded from gross income to the extent such compensation is subject to an income tax imposed by the state of his residence; provided that such state allows a similar exclusion of compensation received by residents of Minnesota for services performed therein, or

(b) Whenever a nonresident taxpayer has become liable for income taxes to the state where he resides upon his net income for the taxable year derived from the performance of personal or professional services within this state and subject to taxation under this chapter, there shall be allowed as a credit against the amount of income tax payable by him under this chapter, such proportion of the tax so paid by him to the state where he resides as his gross income subject to taxation under this chapter bears to his entire gross income upon which the tax so paid to such other state was imposed; provided, that such credit shall be allowed only if the laws of such state grant a substantially similar credit to residents of this state subject to income tax under such laws, or

(c) If any taxpayer who is a resident of this state, or a domestic corporation or corporation commercially domiciled therein, has become liable for taxes on or measured by net income to another state or a province or territory of Canada upon, if the taxpayer is an individual, *or if the taxpayer is an athletic team and all of the team's income is apportioned to Minnesota*, any income, or if it is a corporation, estate, or trust, upon income derived from the performance of personal or professional services within such other state or province or territory of Canada and subject to taxation under this chapter he or it shall be entitled to a credit against the amount of taxes payable under this chapter, of such proportion thereof, as such gross income subject to taxation in such state or province or territory of Canada bears to his entire gross income subject to taxation under this chapter; provided (1) that such credit shall in no event exceed the amount of tax so paid to such other state or province or territory of Canada on the gross income earned within such other state or province or territory of Canada and subject to taxation under this chapter, and (2) that such credit shall not be allowed if such other state or province or territory of Canada allows residents of this state a credit against the taxes imposed by such state or province or territory of Canada for taxes payable under this chapter substantially similar to the credit provided for by paragraph (b) of this section, and (3) the allowance of such credit shall not operate to reduce the taxes payable under this chapter to an amount less than would have been payable if the gross income earned in such other state or province or territory of Canada had been excluded in computing net income under this chapter.

(d) The commissioner shall by regulation determine with respect to gross income earned in any other state the applicable

clause of this section. When it is deemed to be in the best interests of the people of this state, the commissioner may determine that the provisions of clause (a) shall not apply.

(e) "Tax So Paid" as used in this section means taxes on or measured by net income payable to another state or province or territory of Canada on income earned within the taxable year for which the credit is claimed, provided that such tax is actually paid in that taxable year, or subsequent taxable years.

(f) For the purposes of clause (a), whenever the Wisconsin tax on Minnesota residents which would have been paid Wisconsin without clause (a) exceeds the Minnesota tax on Wisconsin residents which would have been paid Minnesota without clause (a), or vice versa, then the state with the net revenue loss resulting from clause (a) shall receive from the other state the amount of such loss. This provision shall be effective for all years beginning after December 31, 1972. The data used for computing the loss to either state shall be determined on or before September 30 of the year following the close of the previous calendar year.

Interest shall be payable on all delinquent balances relating to taxable years beginning after December 31, 1977. The commissioner of revenue is authorized to enter into agreements with the state of Wisconsin specifying the reciprocity payment due date, conditions constituting delinquency, interest rates, and a method for computing interest due on any delinquent amounts.

If an agreement cannot be reached as to the amount of the loss, the commissioner of revenue and the taxing official of the state of Wisconsin shall each appoint a member of a board of arbitration and these members shall appoint the third member of the board. The board shall select one of its members as chairman. Such board may administer oaths, take testimony, subpoena witnesses, and require their attendance, require the production of books, papers and documents, and hold hearings at such places as are deemed necessary. The board shall then make a determination as to the amount to be paid the other state which determination shall be final and conclusive.

Notwithstanding the provisions of section 290.61, the commissioner may furnish copies of returns, reports, or other information to the taxing official of the state of Wisconsin, a member of the board of arbitration, or a consultant under joint contract with the states of Minnesota and Wisconsin for the purpose of making a determination as to the amount to be paid the other state under the provisions of this section. Prior to the release of any information under the provisions of this section, the person to whom the information is to be released shall sign an agreement which provides that he will protect the confidentiality of the returns and information revealed thereby to the extent that it is protected under the laws of the state of Minnesota.

Sec. 2. Minnesota Statutes 1981 Supplement, Section 290.17, Subdivision 2, as amended by Laws 1981, Third Special Session Chapter 2, Article 3, 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) (a) 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 (;).

(b) *In the case of an individual who is a nonresident of Minnesota and who is an athlete or entertainer, income from compensation for labor or personal services performed within this state shall be determined in the following manner.*

(i) *The amount of income to be assigned to Minnesota for an individual who is a nonresident salaried athletic team employee shall be determined by using a fraction in which the denominator contains the total number of days in which the individual is under a duty to perform for the employer, and the numerator is the total number of those days spent in Minnesota. In order to eliminate the need to file state or provincial income tax returns in several states or provinces, Minnesota will exclude from income any income assigned to Minnesota under the provisions of this clause for a nonresident athlete who is employed by an athletic team whose operations are not based in this state if the state or province in which the athletic team is based provides a similar income exclusion. If the state or province in which the athletic team's operations are based does not have an income tax on an individual's personal service income, it will be deemed that that state or province has a similar income exclusion. As used in the preceding sentence, the term "province" means a province of Canada.*

(ii) *The amount of income to be assigned to Minnesota for an individual who is a nonresident, and who is an athlete not listed in clause (i), or who is an entertainer, for that person's athletic or entertainment performance in Minnesota shall be determined by assigning to this state all income from performances or athletic contests in 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 busi-

ness 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 290.28 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 non-resident 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. 3. Minnesota Statutes 1980, Section 290.19, Subdivision 1, is amended to read:

Subdivision 1. [COMPUTATION, BUSINESS CONDUCTED PARTLY WITHIN STATE; APPORTIONMENT.] The taxable net income from a trade or business carried on partly within and partly without this state shall be computed by deducting from the gross income of such business, wherever derived, deductions of the kind permitted by section 290.09, so far as connected with or allocable against the production or receipt of such income. The remaining net income shall be apportioned to Minnesota as follows:

(1) If the business consists of the mining, producing, smelting, refining, or any combination of these activities of copper and nickel ores, or of the manufacture of personal property and the sale of said property within and without the state, the remainder shall be apportioned to Minnesota on the basis of the percentage obtained by taking the arithmetical average of the following three percentages:

(a) The percentage which the sales made within this state is of the total sales wherever made;

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

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

(d) The percentage of such remainder to be assigned to this state shall not be in excess of the sum of the following percentages: 70 percent of the percentage determined under clause (1) (a), 15 percent of the percentage determined under clause (1) (b), and 15 percent of the percentage determined under clause (1) (c);

(2) (a) In all other cases the remainder shall be apportioned to Minnesota on the basis of the percentage obtained by taking the arithmetical average of the following three percentages:

(1) The percentage which the sales, gross earnings, or receipts from business operations, in whole or in part, within this state bear to the total sales, gross earnings, or receipts from business operations wherever conducted;

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

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

(4) The percentage of such remainder to be assigned to this state shall not be in excess of the sum of the following percentages: 70 percent of the percentage determined under clause (2) (a) (1), 15 percent of the percentage determined under clause (2) (a) (2), and 15 percent of the percentage determined under clause (2) (a) (3);

(b) If the methods prescribed under clause (2) (a) will not properly reflect taxable net income assignable to the state, there may be used, if practicable and if such use will properly and fairly reflect such income, the percentage which the sales, gross earnings, or receipts from business operations, in whole or in part, within this state bear to the total sales, gross earnings, or receipts from business operations wherever conducted; or the separate or segregated accounting method; *however, for athletic teams when the visiting team does not share in the gate receipts, all of the team's income is apportioned to the state in which the team's operation is based;*

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

Sec. 4. Minnesota Statutes 1980, Section 290.92, Subdivision 4a, is amended to read:

Subd. 4a. [TAX WITHHELD FROM NONRESIDENTS.]  
(1) ["WAGES" PAID TO NONRESIDENT EMPLOYEES.]  
For the purposes of this section: The term "wages" means all remuneration taxable under this chapter including all remunera-



tion paid to a nonresident employee for services performed in this state.

(2) ["EMPLOYER", "WAGES" AND "EMPLOYEE" CONCERNING NONRESIDENTS.] Notwithstanding any other provision of this section, under rules and regulations to be prescribed by the commissioner of revenue, for purposes of this section any person having control, receipt, custody, disposal or payment of compensation taxable under this chapter and earned by a nonresident for personal services, shall be deemed an employer, any compensation taxable under this chapter and earned by a nonresident for personal services shall be deemed wages, and a nonresident entitled to compensation taxable under this chapter and earned by him for personal services shall be deemed an employee.

*When compensation for personal services is paid to a corporation in which all or substantially all of the shareholders are individual entertainers, performers or athletes who gave an entertainment or athletic performance in this state for which the compensation was paid, the compensation shall be deemed wages of the individual entertainers, performers or athletes and shall be subject to the provisions of this section. Advance payments of compensation for personal services to be performed in Minnesota shall be deemed wages and subject to the provisions of this section. The individual, and not the corporation, shall be subject to the Minnesota income tax as provided in this chapter on the compensation for personal services.*

(3) [NONRESIDENTS, EMPLOYER'S DUTY.] The employer of any employee domiciled in a state with which Minnesota has reciprocity under section 290.081 is not required to withhold under this chapter from the wages earned by such employee in this state.

#### Sec. 5. [EFFECTIVE DATE.]

*Section 2 is effective for taxable years ending after the date of final enactment. Sections 1, 3, and 4 are effective the day after final enactment.*

### ARTICLE XXIX

Section 1. Minnesota Statutes 1980, Section 290.06, is amended by adding a subdivision to read:

*Subd. 15. [CORPORATIONS; CREDIT.] A corporation doing business in Minnesota which:*

*(1) purchases less than 20 percent of the value of its raw materials from other members of the unitary group;*

(2) sells less than 15 percent of the value of its final products to other members of the unitary group;

(3) has total sales in Minnesota of less than 1/10 of one percent of the total sales of the unitary group;

(4) has more than 40 percent of its employees in Minnesota; and

(5) is a separate corporate entity;

shall be granted a credit equal to the difference in the amount of tax computed on a combined report under section 290.34, subdivision 2, and the amount of tax computed for that corporation only. This credit is not refundable. This credit applies only to a corporation if the inclusion of the corporation in a combined report would result in that corporation being liable for a state income tax in excess of four percent of its total sales in Minnesota and if the main manufacturing plant of that corporation is located within the city limits of the county seat of a county that, based on the 1980 federal census, contains between 11,500 and 13,000 people.

Sec. 2. Minnesota Statutes 1980, Section 290.095, Subdivision 3, is amended to read:

Subd. 3. [CARRYOVER AND CARRYBACK.] (a) Except as provided in clause (d) or subdivision 8, a net operating loss for any taxable year shall be:

(1) A net operating loss carryback to each of the three taxable years preceding the taxable year of such loss, and

(2) A net operating loss carryover to each of the five taxable years following the taxable year of such loss.

(b) The entire amount of the net operating loss for any taxable year shall be carried to the earliest of the taxable years to which, by reason of subdivision 3, clause (a) or (d), such loss may be carried. The portion of such loss which shall be carried to each of the other taxable years shall be the excess, if any, of the amount of such loss over the sum of the taxable net income, adjusted by the modifications specified in subdivision 4, for each of the prior taxable years to which such loss may be carried.

(c) Where a corporation does business both within and without Minnesota, and apportions its income under the provisions of section 290.19, the net operating loss deduction shall be allowed to the extent of the apportionment ratio of the loss year, or the year to which the loss is carried, whichever is smaller.

(d) Where a corporation files a combined report which reflects the entire unitary business as provided in section 290.34,

*subdivision 2, the corporation shall not be allowed a net operating loss carryback to a year in which it did not file a combined report. The number of taxable years for which a net operating loss carryover is allowed shall be increased by the number of taxable years for which a net operating loss carryback is not allowed under this clause.*

Sec. 3. 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 deduction 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.) *If dividends received by a corporation that does not have nexus with Minnesota under the provisions of Public Law 86-272 are included as income on the return of an affiliated corporation permitted or required to file a combined report under section 290.34, subdivision 2, then for purposes of this subdivision the determination as to whether the trade or business of the corporation consists principally of the holding of stocks and the collection of income and gains therefrom shall be made with reference to the trade or business of the affiliated corporation having a nexus with Minnesota.*

Sec. 4. 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 as, in his opinion, (ARE) is necessary in order to determine the taxable net income (RECEIVED BY) of 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) and 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 MOBILE OIL CORPORATION V. COMMISSIONER OF TAXES OF VERMONT, 445 U.S. 425.) *all intercompany transactions between companies which are contained on the combined report shall be eliminated.* This subdivision shall not apply to insurance companies whose income is determined under section 290.35.

Sec. 5. Laws 1981, Third Special Session Chapter 2, Article III, Section 22, is amended to read:

Sec. 22. [EFFECTIVE DATE.]

Sections 1 and 19 to 21 are effective February 1, 1982. The provision of section 2 relating to commodity tax straddles and section 7 are effective for taxable years beginning after December 31, 1980. The provisions of section 2 relating to the exclusion of dividend and interest income are effective for taxable years beginning after December 31, 1981. Section 2, clauses (a)(22), (b)(24), the portion of clause (a)(16) relating to recovery property, (b)(25), and sections 8, 11, and 12 are effective for property placed in service after December 31, 1980 in taxable years ending after that date. Section 2, clauses (a)(17), (b)(2), the portion of clause (a)(16) relating to gain from the sale or disposition of property and section 9 are effective for the sale or other disposition of property after June 30, 1982. Section 6 is effective for taxable years beginning after December 31, 1981. Section 10 is effective for the sale or other disposition of property after December 31, 1982. *For taxpayers subject to tax under Minnesota Statutes, Chapter 290, sections 13, 14, and 15 are effective for (INCOME EARNED AFTER DECEMBER 31, 1981) taxable years beginning after June 30, 1981.* Section 16 is effective for taxable years beginning after December 31, 1981. Sections 17 and 18 are effective for petitions filed after January 31, 1982.

Sec. 6. [REPORT TO LEGISLATURE.]

*The commissioner shall submit a report to the senate and house tax committees on March 1, 1983 and March 1, 1984 concerning the effect of the amendment to section 290.21, subdivision 4, contained in section 3. Specifically the report shall disclose, notwithstanding section 290.61, the number of corporations affected, what the effect would be without the provision, and the tax dollar amount involved since the effective date of the provision.*

Sec. 7. [EFFECTIVE DATE.]

Sections 1, 2, 4, and 5 are effective for taxpayers subject to the tax under Minnesota Statutes, Chapter 290 for taxable years beginning after June 30, 1981. Section 3 is effective for taxable years beginning after December 31, 1982.

## ARTICLE XXX

Section 1. Minnesota Statutes 1981 Supplement, Section 298.225, is amended to read:

## 298.225 [APPROPRIATION.]

If a taconite producer ceases beneficiation operations, either temporarily or permanently, and if the recipients of the taconite production tax as provided in section 298.28, subdivision 1, clauses (1) to (4) and (5)(b) to (8), would receive decreased distributions as a result thereof, then the distribution to these recipients in each of the two years immediately following the year in which operations ceased shall be equal to the amount they received in the last full year before operations ceased. There is hereby appropriated to the commissioner of revenue from the taconite environmental protection fund and the northeast Minnesota economic protection fund in equal proportions the amount needed to make the above payments.

If a taconite producer (, WHICH) ceases beneficiation operations (EITHER TEMPORARILY OR) permanently (,) and is required by a special law to make bond payments for a school district, the northeast Minnesota economic protection fund shall assume the payments of the taconite producer if the producer ceases to make the needed payments. There is hereby appropriated from the northeast Minnesota economic protection fund to the commissioner of revenue the amounts needed to make these school bond payments.

Sec. 2. Minnesota Statutes 1981 Supplement, Section 298.24, Subdivision 3, is amended to read:

Subd. 3. (a) A credit in the amount of (THREE) *not to exceed four* cents per gross ton of (MERCHANTABLE) *taxable* iron ore concentrate produced shall be allowed against the tax imposed by subdivision 1, with respect to the production of iron ore concentrate from taconite plants which, together with the lands upon which they are located and lands used in connection with the mining, quarrying and concentration of taconite and buildings, machinery, equipment and other fixtures used in the production of taconite, and notwithstanding the provisions of section 298.25, have by law been made subject to direct taxes for the payment of principal and interest on bonds issued by a school district or city (; PROVIDED HOWEVER, THAT).

(b) *Notwithstanding clause (a), a credit of not to exceed seven cents shall be allowed a producer for the payment of taxes for bonds, and interest on them, issued by Independent School District 703, for which the producer's property has been made subject to direct taxes.*

(c) *The credit allowed in this subdivision shall be allowed against taxes payable in the calendar years following the issuance and sale of the bonds until the total credit allowed in all years equals the total liability of the producer for direct taxes for the payment of the bonds and interest. If necessary to equal the total liability of the producer, the credit may be taken in years after the years when the taxes for the bond principal and interest were paid.*

*The (TOTAL) amount of credit allowable hereunder in any year with respect to production from any plant subjected to (SUCH) direct taxes shall not exceed the amount of the direct taxes levied in the prior year against (SUCH) the plant (AND PAYABLE AFTER JANUARY 1, 1969, AND UNTIL SAID BONDS) for the bonds and interest and the indebtedness secured thereby (HAVE BEEN PAID IN FULL), except if the credit allowed does not equal the amount levied in the prior year, then the unused credits of prior years may be used for the deficiency.*

### **Sec. 3. [INDEPENDENT SCHOOL DISTRICTS 319 AND 703; BONDS.]**

*Subdivision 1. Independent School District 319 may issue bonds in an aggregate principal amount not exceeding \$850,000 and Independent School District 703 may issue bonds in an aggregate principal amount not exceeding \$5,480,000, in addition to any bonds already issued or authorized, to provide funds to construct, equip, furnish, remodel, rehabilitate, and acquire land for school facilities and buildings. They may spend the proceeds of the bond sale for those purposes and any architects', engineers', and legal fees incidental to those purposes or the sale. Except as permitted by this section, the bonds shall be authorized, issued, sold, executed, and delivered in the manner provided by Minnesota Statutes, Chapter 475. A resolution of the board levying taxes for the payment of the bonds and interest on them as authorized by this section and pledging the proceeds of the levies for the payment of the bonds and interest on them shall be deemed to be in compliance with the provisions of chapter 475 with respect to the levying of taxes for their payment.*

*Subd. 2. Taconite plants, lands containing taconite, and lands where taconite plants are located or which are used in connection with them and the buildings, machinery, equipment, and other fixtures used in the production of taconite, as defined in Minnesota Statutes, Sections 298.23 to 298.28, located in the school district are made subject to taxes for payment of 90 percent of the principal and interest on the bonds issued under authority of this section, notwithstanding any contrary provision of sections 298.23 to 298.28. If the properties are all owned by one person, corporation, partnership or joint venture, it shall not be necessary to make any determination of their value. If the properties are owned by more than one person, corporation,*

partnership or joint venture, the taxes shall be apportioned annually among them by the county auditor on the basis of their relative values, upon investigation of the facts as the auditor deems necessary. Taxes levied in accordance with subdivisions 2 to 4 shall be collected in the same manner as taxes levied by a school district upon real property subject to taxation but any portion of taxes levied for the payment of installments of principal and interest of bonds may be paid without penalty on or before October 31 of the year in which the taxes become due and payable if the installment of principal and interest is not due until more than 60 days thereafter.

*Subd. 3.* After the sale and before the delivery of any bonds under authority of this section, the school board shall, by resolution, levy upon all of the property described in subdivision 2 located in the school district a direct, general tax for each year of the term of the bonds in amounts that, if collected in full, will produce 90 percent of the amounts needed to meet when due the principal and interest payments on the bonds. A copy of the resolution shall be filed and the taxes levied shall be collected as nearly as possible as specified in Minnesota Statutes, Section 475.61.

*Subd. 4.* Bonds issued under authority of this section shall be the general obligations of the school district, for which its full faith and credit and unlimited taxing powers shall be pledged. If there are any deficiencies in the collections of the taxes levied pursuant to subdivision 3, and they are not made good as provided by section 298.225, they shall be made good by general levies, not subject to limit, on all taxable properties in the district in accordance with Minnesota Statutes, Section 475.74. If any deficiency levies are necessary, the school board may effect a temporary loan or loans on certificates of indebtedness issued in anticipation of them to meet payments of principal or interest on the bonds due or about to become due.

*Subd. 5.* In addition to the levies made in accordance with subdivisions 2 and 3, the school board shall at the same time by resolution levy on all property in the school district subject to the general ad valorem school tax levies, and not subject to taxation under Minnesota Statutes, Sections 298.23 to 298.28, a direct annual, ad valorem tax for each year of the term of the bonds in amounts that, if collected in full, will produce the amounts needed to meet when due ten percent of the principal and interest payments on the bonds. A copy of the resolution shall be filed, and the necessary taxes shall be extended, assessed, collected, and remitted in accordance with Minnesota Statutes, Section 475.61.

*Subd. 6.* The lien imposed by taxes levied by Independent School District 319 upon the properties described in subdivision 2 shall be subordinate to all mortgages or other encumbrances of record and on file on the effective date of this section.



*Subd. 7. Taxes levied pursuant to this section shall be disregarded in the calculation of any other tax levies or limits on tax levies provided by other law.*

*Subd. 8. Bonds may be issued under authority of this section notwithstanding any limitations upon the indebtedness of a district, and their amounts shall not be included in computing the indebtedness of a district for any purpose, including the issuance of subsequent bonds and the incurring of subsequent indebtedness.*

*Subd. 9. This section is effective for Independent School District 319 the day after its governing body complies with Minnesota Statutes, Section 645.021, Subdivision 3 and for Independent School District 703 the day after its governing body complies with Minnesota Statutes, Section 645.021, Subdivision 3.*

#### Sec. 4. [INDEPENDENT SCHOOL DISTRICT 710.]

*Subdivision 1. Commencing with taxes payable in 1983, the commissioner of revenue shall deduct and annually pay to Independent School District 710 an amount equal to four cents per gross ton of taxable iron concentrate produced but not less than \$240,000 annually from the taxes paid pursuant to sections 298.23 to 298.28 by a person, corporation, partnership, operator, joint venture or other owner of a taconite plant and taconite properties located within the school district. The deduction shall be made from the amount which would otherwise have been distributed to the northeast Minnesota economic protection fund in the apportionment fund in the state treasury under section 298.28, subdivision 1. A sum is annually appropriated to the commissioner from the proceeds of the taxes sufficient to make the payments required by this section.*

*Subd. 2. If the producer described in subdivision 1 ceases operations or decreases its operations so that the amount of the deduction of four cents per gross ton of concentrate produced is insufficient to raise \$240,000 annually, then the difference between the deduction of four cents per gross ton of concentrate produced and \$240,000 shall be paid as provided in section 298.225.*

*Subd. 3. The revenue received pursuant to this section by Independent School District 710 shall be deposited in the bond redemption fund of the district and shall be used only to retire the bonds issued on May 1, 1981 in the amount of \$6,000,000.*

*Subd. 4. The deduction and payment provided in subdivisions 1 and 2 shall terminate upon maturity or payment of the last of those bonds.*

*Subd. 5. This section is effective the day after compliance with Minnesota Statutes, Section 645.021, Subdivision 3, by the governing body of Independent School District 710.*

**Sec. 5. [EFFECTIVE DATE.]**

*The credit provided by section 2 shall be allowed for direct taxes levied in 1982 and thereafter and payable in 1983 and thereafter. Except as otherwise provided in this article, this article is effective the day after final enactment.*

**ARTICLE XXXI**

**Section 1. [290.521] [ACTION TO ENJOIN INCOME TAX RETURN PREPARERS.]**

*Subdivision 1. [AUTHORITY TO SEEK INJUNCTION.] A civil action in the name of the state of Minnesota to enjoin any person who is an income tax return preparer doing business in this state from further engaging in any conduct described in subdivision 2 or from further acting as an income tax return preparer may be commenced at the request of the commissioner of revenue. Any action under this section shall be brought by the attorney general in the district court for the judicial district in which the income tax return preparer resides or has his principal place of business, or in which the taxpayer with respect to whose income tax return the action is brought resides. The court may exercise its jurisdiction over the action separate and apart from any other action brought by the state of Minnesota against the income tax return preparer or any taxpayer.*

*Subd. 2. [ADJUDICATION AND DECREES.] In any action under subdivision 1, if the court finds:*

*(a) that an income tax return preparer has:*

*(1) engaged in any conduct subject to the civil penalty under section 2,*

*(2) misrepresented his eligibility to practice before the department of revenue, or otherwise misrepresented his experience or education as an income tax return preparer,*

*(3) guaranteed the payment of any tax refund or the allowance of any tax credit, or*

*(4) engaged in any other fraudulent or deceptive conduct which substantially interferes with the proper administration of the provisions of this chapter, and*

*(b) that injunctive relief is appropriate to prevent the recurrence of such conduct,*

*the court may enjoin the person from further engaging in such conduct. If the court finds that an income tax return preparer has continually or repeatedly engaged in any conduct described in clauses (1) through (4) of clause (a) of this subdivision, and that an injunction prohibiting such conduct would not be sufficient to prevent the person's interference with the proper administration of this chapter, the court may enjoin the person from acting as an income tax return preparer. The court may not under this section enjoin the employer of an income tax return preparer for conduct described in clauses (1) through (4) of clause (a) of this subdivision engaged in by one or more of the employer's employees unless the employer was also actively involved in such conduct.*

**Subd. 3. [INCOME TAX RETURN PREPARER DEFINED.]** *For purposes of this section and section 2, the term "income tax return preparer" means any person who prepares for compensation, or who employs one or more persons to prepare for compensation, any return of tax imposed by this chapter, or any claim for refund of tax imposed by this chapter. For purposes of the preceding sentence, the preparation of a substantial portion of a return or claim for refund shall be treated as if it were the preparation of the return or claim for refund.*

*A person shall not be an income tax return preparer merely because the person:*

*(a) furnishes typing, reproducing, or other mechanical assistance,*

*(b) prepares a return or claim for refund of the employer, or an officer or employee of the employer, by whom he is regularly and continuously employed,*

*(c) prepares as a fiduciary a return or claim for refund of any person, or*

*(d) prepares a claim for refund for a taxpayer in response to any tax order issued to the taxpayer.*

**Sec. 2. [290.523] [UNDERSTATEMENT OF TAXPAYER'S LIABILITY BY INCOME TAX RETURN PREPARER.]**

**Subdivision 1. [WILFUL UNDERSTATEMENT OF LIABILITY.]** *If any part of any understatement of liability with respect to any return or claim for refund is due to a wilful attempt in any manner to understate the liability for a tax by a person who is an income tax return preparer with respect to the return or claim, the person shall pay to the commissioner a penalty of \$500 with respect to the return or claim. The penalty under this section may not be assessed against the employer of an in-*

come tax preparer unless the employer was actively involved in the wilful attempt to understate the liability for a tax. This penalty shall be considered to be an income tax liability and may be assessed at any time as provided in section 290.49, subdivision 6. In any proceeding involving the issue of whether or not an income tax return preparer has wilfully attempted in any manner to understate the liability for tax, the burden of proof in respect of the issue shall be upon the commissioner, and the return of the taxpayer may be disclosed to the income tax return preparer notwithstanding section 290.61.

**Subd. 2. [UNDERSTATEMENT OF LIABILITY DEFINED.]** For purposes of this section, the term "understatement of liability" means any understatement of the net amount payable with respect to any tax imposed by this chapter, or any overstatement of the net amount creditable or refundable with respect to any such tax. The determination of whether or not there is an understatement of liability shall be made without regard to any administrative or judicial action involving the taxpayer.

**Sec. 3. [290A.111] [ACTION TO ENJOIN PROPERTY TAX REFUND RETURN PREPARERS.]**

**Subdivision 1. [AUTHORITY TO SEEK INJUNCTION.]** A civil action in the name of the state of Minnesota may be commenced in the same manner and pursuant to the same authority as provided in section 1, subdivision 1, to enjoin any person who is a property tax refund return preparer doing business in this state from further engaging in any conduct described in subdivision 2 or from further acting as a property tax refund return preparer.

**Subd. 2. [ADJUDICATION AND DECREES.]** In any action under subdivision 1, if the court finds:

(a) that a property tax refund return preparer has:

(1) engaged in any conduct subject to the criminal penalty provided by section 290A.11, subdivision 2, or subject to the civil penalty under section 4,

(2) misrepresented his eligibility to practice before the department of revenue, or otherwise misrepresented his experience or education as a property tax refund return preparer,

(3) guaranteed the payment of any property tax refund or the allowance of any property tax refund credit against income tax,

(4) engaged in any other fraudulent or deceptive conduct which substantially interferes with the proper administration of the provisions of this chapter,

*the court may decree appropriate injunctive relief pursuant to the authority granted in section 1, subdivision 2.*

**Subd. 3. [PROPERTY TAX REFUND RETURN PREPARER DEFINED.]** *For purposes of this section and section 4, the term "property tax refund return preparer" shall have the same meaning as the term "income tax return preparer" as defined in section 1, subdivision 3, to the extent that the definition applies to the preparation of a claim for relief under this chapter.*

**Sec. 4. [290A.112] [OVERSTATEMENT OF TAXPAYER'S CLAIM BY PROPERTY TAX REFUND RETURN PREPARER.]**

**Subdivision 1. [WILFUL OVERSTATEMENT OF CLAIM.]** *If any part of an excessive claim with respect to any property tax refund return is due to a wilful attempt in any manner to overstate the claim for relief allowed under this chapter by a person who is a property tax refund return preparer with respect to the return, the person shall pay to the commissioner a penalty of \$500 with respect to the return. The penalty under this section may not be assessed against the employer of a property tax refund return preparer unless the employer was actively involved in the wilful attempt to overstate the claim for property tax refund. This penalty shall be considered to be an income tax liability and may be assessed at any time as provided in section 290.49, subdivision 6. In any proceeding involving the issue of whether or not a property tax refund return preparer has wilfully attempted in any manner to overstate the property tax refund claim, the burden of proof in respect of the issue shall be upon the commissioner and the claim of the claimant may be disclosed to the property tax refund return preparer notwithstanding section 290A.17.*

**Subd. 2. [OVERSTATEMENT OF CLAIM DEFINED.]** *For purposes of this section, the term "overstatement of claim" means any overstatement of the net amount refundable, or the net amount creditable against income tax, with respect to any claim for property tax relief provided by this chapter. The determination of whether or not there is an overstatement of a claim shall be made without regard to any administrative or judicial action involving the claimant.*

**Sec. 5. [EFFECTIVE DATE.]**

*Sections 1 to 4 apply to documents prepared after December 31, 1982.*

## ARTICLE XXXII

**Section 1.** Minnesota Statutes 1980, Section 473H.02, Subdivision 2, is amended to read:

Subd. 2. "Agricultural preserve" or "preserve" means a land area (COVENANTED) *created and restricted* according to section 473H.05 to remain in agricultural use.

Sec. 2. Minnesota Statutes 1980, Section 473H.02, is amended by adding a subdivision to read:

*Subd. 11. "County recorder" means registrar of titles for the purposes of registered property.*

Sec. 3. Minnesota Statutes 1980, Section 473H.04, Subdivision 1, is amended to read:

Subdivision 1. (ON OR BEFORE JANUARY 1, 1981) Each authority in the metropolitan area having land classified agricultural pursuant to section 273.13 shall certify by resolution using appropriate maps which lands, if any, are eligible for designation as agricultural preserves. Maps shall be in sufficient detail to identify eligible lands by property boundaries. (NOTIFICATION OF THE CERTIFICATION SHALL BE PUBLISHED) *At least two weeks before the resolution is to be adopted, the authority shall publish notice of its intended action in a newspaper having a general circulation within the area of jurisdiction of the authority. No additional lands shall qualify for designation as agricultural preserves until the authority certifies qualification.*

Sec. 4. Minnesota Statutes 1980, Section 473H.04, Subdivision 2, is amended to read:

Subd. 2. Land shall cease to be eligible for designation as an agricultural preserve when the comprehensive plan and zoning for the land have been amended so that the land is no longer planned for long term agricultural use and is no longer zoned for long term agricultural use, evidenced by a maximum residential density permitting more than one unit per 40 acres. When changes have been made, the authority shall certify by resolution and appropriate maps which lands are no longer eligible. (NOTIFICATION OF THE DECERTIFICATION SHALL BE PUBLISHED) *At least two weeks before the resolution is to be adopted, the authority shall publish a notice of its intended action in a newspaper having a general circulation within the area of jurisdiction of the authority.*

Sec. 5. Minnesota Statutes 1980, Section 473H.05, Subdivision 1, is amended to read:

Subdivision 1. An owner or owners of certified long term agricultural land may apply to the authority with jurisdiction over the land on forms provided by the commissioner of agriculture for the creation of an agricultural preserve at any time. *If the land to be placed in a preserve is registered property, the*

*owner shall submit the owner's duplicate certificate of title together with the application. Land for which application is received prior to March 1 of any year shall be assessed pursuant to section 473H.10 for taxes payable in the following year. Land for which application is received on or after March 1 of any year shall be assessed pursuant to section 473H.10 in the following year. The application shall contain at least the following information and such other information as the commissioner deems necessary:*

(a) Legal description of the area proposed to be designated (OR) *and* parcel identification numbers (AS) *if so designated by the county auditor;*

(b) Name and address of owner;

(c) An affidavit by the authority evidencing that the land is certified long term agricultural land at the date of application;

(d) A witnessed signature of the owner covenanting that the land shall be kept in agricultural use, and shall be used in accordance with the provisions of sections 473H.02 to 473H.17 which exist on the date of application;

(e) A statement that the restrictive covenant shall be binding on the owner or his successor or assignee, and shall (BE AN EASEMENT RUNNING) *run* with the land (;)

((F) DATE OF APPLICATION AND DATE THAT DESIGNATION IS EFFECTUATED).

Sec. 6. Minnesota Statutes 1980, Section 473H.05, is amended by adding a subdivision to read:

*Subd. 3. [REGISTERED PROPERTY.] In the case of registered property, the applicant shall submit the owner's duplicate certificate at the time the application is made to the authority. The county recorder shall memorialize the restrictive covenant upon the certificate of title and owner's duplicate certificate of title. When the property or any portion of it ceases to be an agricultural preserve in accordance with section 473H.08 and the passage of the required time period, section 473H.09 or 473H.15, the county recorder upon presentation of the owner's duplicate certificate of title shall cause the restrictive covenant to be cancelled upon the effective date of the expiration, termination or taking.*

Sec. 7. Minnesota Statutes 1980, Section 473H.06, Subdivision 1, is amended to read:

*Subdivision 1. Upon receipt of an application, the authority shall determine if all material required in section 473H.05 has*

*been submitted and, if so, shall determine that the application is complete. When used in this chapter, the term "date of application" means the date the application is determined complete by the authority. Within five days of the date of application, the authority shall forward (COPIES OF) the completed and signed application to the county recorder, together with the owner's duplicate certificate of title in the case of registered property, and copies to the county auditor, the county assessor, the metropolitan council, and the county soil and water conservation district.*

Sec. 8. Minnesota Statutes 1980, Section 473H.06, Subdivision 2, is amended to read:

Subd. 2. The county recorder shall (FILE AND) record the restrictive covenant *and return it to the applicant. If the property is registered property, the recorder shall memorialize the restrictive covenant upon presentation of the owner's duplicate certificate of title. The authority shall be notified by the recorder that the covenant has been recorded or memorialized.*

Sec. 9. Minnesota Statutes 1980, Section 473H.06, Subdivision 5, is amended to read:

Subd. 5. The metropolitan council shall maintain agricultural preserve maps, illustrating (a) certified long term agricultural lands; and (b) lands covenanted as agricultural preserves. The council shall make yearly reports to the state planning agency, the department of agriculture, and such other agencies as the council deems appropriate.

Sec. 10. Minnesota Statutes 1980, Section 473H.08, Subdivision 4, is amended to read:

Subd. 4. Upon receipt of the notice provided in subdivision 2, or upon notice served by the authority as provided in subdivision 3, the authority *shall forward the original notice to the county recorder for recording and shall notify the (COUNTY RECORDER,) county auditor, county assessor, the metropolitan council, and the county soil and water conservation district of the date of expiration. Designation as an agricultural preserve and all benefits and limitations accruing through sections 473H.02 to 473H.17 for the preserve shall cease on the date of expiration. The restrictive covenant filed with the application shall terminate on the date of expiration.*

Sec. 11. Minnesota Statutes 1980, Section 473H.14, is amended to read:

#### 473H.14 [ANNEXATION PROCEEDINGS.]

Agricultural preserve land within a township shall not be annexed to a municipality pursuant to chapter 414, without a spe-



cific finding by the Minnesota municipal board that either (a) the expiration period as provided for in section 473H.08 has begun; (b) the (SURVIVING UNIT OF GOVERNMENT) *township* due to size, tax base, population or other relevant factors would not be able to provide normal governmental functions and services; or (c) the agricultural preserve would be completely surrounded by lands within a municipality.

This section shall not apply to annexation agreements approved by the Minnesota municipal board prior to creation of the preserve.

Sec. 12. Minnesota Statutes 1980, Section 473H.15, is amended by adding a subdivision to read:

*Subd. 10. The agricultural preserve designation and all benefits and limitations accruing through sections 473H.02 to 473H.17 for the preserve and the restrictive covenant for that portion of the preserve taken, shall cease on the date the final certificate is filed with the clerk of district court in accordance with section 117.205.*

Sec. 13. Minnesota Statutes 1980, Section 473H.16, Subdivision 3, is amended to read:

*Subd. 3. Any owner who fails to implement corrective measures to the satisfaction of the authority within one year of notice from the authority shall be subject to a (FINE) civil penalty of not more than \$1,000. The authority may recover the penalty by a civil action in a court of competent jurisdiction.*

Sec. 14. [473H.18] [TRANSFER FROM AGRICULTURAL PROPERTY TAX LAW TREATMENT.]

*When land which has been receiving the special agricultural valuation and tax deferment provided in section 273.111 becomes an agricultural preserve pursuant to sections 473H.02 to 473H.17, the recapture of deferred tax and special assessments, as provided in section 273.111, subdivisions 9 and 11, shall not be made. Special assessments deferred under section 273.111, at the date of commencement of the preserve, shall continue to be deferred for the duration of the preserve. All special assessments so deferred shall be payable within 90 days of the date of expiration unless other terms are mutually agreed upon by the authority and the owner. In the event of early termination of a preserve or a portion of it under section 473H.09, all special assessments accruing to the terminated portion plus interest shall be payable within 90 days of the date of termination unless otherwise deferred or abated by executive order of the governor. In the event of a taking under section 473H.15 all special assessments accruing to the taken portion plus interest shall be payable within 90 days of the date the final certificate is filed with the clerk of district court in accordance with section 117.205.*

## Sec. 15. [APPLICATION.]

*This article applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington.*

## Sec. 16. [EFFECTIVE DATE.]

*This article is effective the day following final enactment.*

## ARTICLE XXXIII

**Section 1. [273.123] [REASSESSMENT OF HOMESTEAD PROPERTY DAMAGED BY A DISASTER.]****Subdivision 1. [DEFINITIONS.]**

*For purposes of this section (a) "disaster or emergency" means*

*(1) a major disaster as determined by the president of the United States;*

*(2) a natural disaster as determined by the secretary of agriculture;*

*(3) a disaster as determined by the administrator of the small business administration; or*

*(4) a tornado, storm, flood, earthquake, landslide, explosion, fire or similar catastrophe, as a result of which a local emergency is declared pursuant to section 12.29.*

*(b) "disaster or emergency area" means an area*

*(1) in which the president of the United States, the secretary of agriculture, or the administrator of the small business administration has determined that a disaster exists pursuant to federal law or in which a local emergency has been declared pursuant to section 12.29; and*

*(2) for which an application by the local unit of government requesting property tax relief under this section has been received by the governor and approved by the executive council.*

*(c) "homestead property" means homestead dwelling located on property classified pursuant to section 273.13, subdivision 6, 6a, 7, 7b, 7d, or 14a, including mobile homes and sectional homes used as homesteads and taxed pursuant to section 273.13, subdivision 3, clause (b), (c), or (d).*

**Subd. 2. [REASSESSMENT OF HOMESTEAD PROPERTY.]**

*The county assessor shall reassess all homestead property located within a disaster or emergency area which is physically damaged by the disaster or emergency and shall adjust the valuation for taxes payable the following year to reflect the loss in market value caused by the damage as follows: Subtract the market value of the property as reassessed from the market value of the property as assessed for January 1 of the year in which the disaster or emergency occurred; multiply the remainder by a fraction, the numerator of which is the number of full months remaining in the year on the date the disaster or emergency occurred, and the denominator of which is 12; subtract the product of the calculation from the market value of the property as assessed for January 1 of the year in which the disaster or emergency occurred; the remainder is the estimated market value to be used for taxes payable the following year. The assessor shall report to the county auditor the assessed value based on the assessment of January 1 of the year in which the disaster or emergency occurred and the assessed value based on the reassessment made pursuant to this subdivision.*

**Subd. 3. [COMPUTATION OF MILL RATES.]**

*When computing mill rates, the county auditor shall use the valuation reported by the assessor for the assessment made on January 1 of the year in which the disaster or emergency occurred.*

**Subd. 4. [STATE REIMBURSEMENT.]**

*The county auditor shall calculate the tax on the property described in subdivision 2 based on the assessment made on January 1 of the year in which the disaster or emergency occurred. The difference between the tax determined on the January 1 assessed value and the tax actually payable based on the reassessed value determined under subdivision 2 shall be reimbursed to each taxing jurisdiction in which the damaged property is located. The amount shall be certified by the county auditor and reported to the commissioner of revenue. The commissioner shall make the payments to the taxing jurisdictions containing the property at the time distributions are made pursuant to section 273.13, subdivision 15a, in the same proportion that the ad valorem tax is distributed.*

**Subd. 5. [COMPUTATION OF CREDITS.]**

*The amounts of any homestead, agricultural, or similar credits or tax relief which reduce the gross tax shall be computed upon the reassessed value determined under subdivision 2. For purposes of the property tax refund, property taxes payable, as defined in section 290A.03, subdivision 13, and net property taxes payable, as defined in section 290A.04, subdivision 2d, shall be computed upon the reassessed value determined under subdivision 2.*

**Subd. 6. [APPROPRIATION.]**

*There is annually appropriated from the general fund to the commissioner of revenue*

*an amount necessary to make the payments required by this section.*

Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective for taxes levied in 1982 and thereafter, payable in 1983 and thereafter.*

ARTICLE XXXIV

Section 1. Minnesota Statutes 1981 Supplement, Section 297A.01, Subdivision 3, is amended to read:

Subd. 3. A "sale" and a "purchase" includes, but is not limited to, each of the following transactions:

(a) Any transfer of title or possession, or both, of tangible personal property, whether absolutely or conditionally, and the leasing of or the granting of a license to use or consume tangible personal property *other than manufactured homes used for residential purposes for a continuous period of 30 days or more*, for a consideration in money or by exchange or barter;

(b) The production, fabrication, printing or processing of tangible personal property for a consideration for consumers who furnish either directly or indirectly the materials used in the production, fabrication, printing or processing;

(c) The furnishing, preparing or serving for a consideration of food, meals or drinks, not including hospitals, sanatoriums, nursing homes or senior citizens homes, meals or drinks purchased for and served exclusively to individuals who are 60 years of age or over and their spouses or to the handicapped and their spouses by governmental agencies, nonprofit organizations, agencies, or churches or pursuant to any program funded in whole or part through 42 USCA sections 3001 through 3045, wherever delivered, prepared or served, meals and lunches served at public and private schools, universities or colleges, or the occasional meal thereof by a charitable or church organization; church organization. *Notwithstanding section 297A.25, subdivision 1, clause (a), taxable food or meals include, but is not limited to, the following:*

(i) *heated food or drinks;*

(ii) *sandwiches prepared by the retailer;*

(iii) *single sales of prepackaged ice cream or ice milk novelties prepared by the retailer;*

(iv) *hand-prepared or dispensed ice cream or ice milk products including cones, sundaes, and snow cones;*

*(v) soft drinks and other beverages prepared or served by the retailer;*

*(vi) gum;*

*(vii) ice;*

*(viii) all food, except candy, sold in vending machines;*

*(ix) party trays prepared by the retailers; and*

*(x) all meals and single servings of packaged snack food, single cans or bottles of pop, sold in restaurants and bars;*

(d) The granting of the privilege of admission to places of amusement or athletic events and the privilege of use of amusement devices or athletic facilities;

(e) The furnishing for a consideration of lodging and related services by a hotel, rooming house, tourist court, motel or trailer camp and of the granting of any similar license to use real property other than the renting or leasing thereof for a continuous period of 30 days or more;

(f) The furnishing for a consideration of electricity, gas, water, or steam for use or consumption within this state, or local exchange telephone service and intrastate toll service except such service provided by means of coin operated telephones; the tax imposed on amounts paid for telephone services is the liability of and shall be paid by the person paying for the services. Sales by municipal corporations in a proprietary capacity are included in the provisions of this clause. The furnishing of water and sewer services for residential use shall not be considered a sale.

Sec. 2. Minnesota Statutes 1981 Supplement, Section 297A.25, Subdivision 1, as amended by Laws 1981, Third Special Session Chapter 2, Article V, Section 2, is amended to read:

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

(a) The gross receipts from the sale of food products including but not limited to cereal and cereal products, butter, cheese, milk and milk products, oleomargarine, meat and meat products, fish and fish products, eggs and egg products, vegetables and vegetable products, fruit and fruit products, spices and salt, sugar and sugar products, coffee and coffee substitutes, tea, cocoa and cocoa products, (BUT NOT INCLUDING FOODS WHICH ARE PREPARED OR SPECIALLY SLICED, WRAPPED, ARRANGED OR DISPLAYED, AND SOLD COLD OR HOT FOR IMMEDIATE CONSUMPTION

ON OR OFF THE PREMISES ON WHICH THE SALE IS MADE, WHETHER SOLD IN INDIVIDUAL SERVINGS OR IN LARGER QUANTITIES, EXCEPT) *and* food products which are not taxable pursuant to section 297A.01, subdivision 3, clause (c) and which are sold by a retailer, organized as a nonprofit corporation or association, within a place located on property owned by the state or an agency or instrumentality of the state, the entrance to which is subject to an admission charge;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

(p) The gross receipts from the sale of tangible personal property to, and the storage, use or other consumption of such property by, any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious or educational purposes if the property purchased is to be used in the performance of charitable, religious or educational functions, or any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders;

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

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

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

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

(u) The gross receipts from the sale of textbooks which are prescribed for use in conjunction with a course of study in a public or private school, college, university and business or trade school to students who are regularly enrolled at such institutions. For purposes of this clause a "public school" is defined as one that furnishes course of study, enrollment and staff that meets standards of the state board of education and a private school is

one which under the standards of the state board of education, provides an education substantially equivalent to that furnished at a public school. Business and trade schools shall mean such schools licensed pursuant to section 141.25.

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

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

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

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

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

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

(y) The gross receipts from either the sales to or the storage, use or consumption of tangible personal property by an organization of military service veterans or an auxiliary unit of an organization of military service veterans, provided that:

(i) the organization or auxiliary unit is organized within the state of Minnesota and is exempt from federal taxation pursuant to section 501(c), clause (19), of the Internal Revenue Code as amended through December 31, 1978; and

(ii) the tangible personal property which is sold to or stored, used or consumed by the organization or auxiliary unit is for charitable, civic, educational, or nonprofit uses and not for social, recreational, pleasure or profit uses.

(z) The gross receipts from the sale of sanitary napkins, tampons, or similar items used for feminine hygiene.

Sec. 3. [EFFECTIVE DATE.]

*The provisions of section 1 relating to the leasing of manufactured homes are effective retroactive to January 1, 1972; provided, however, that the department of revenue shall not entertain any refund claims to those taxpayers who have paid the sales tax on those rentals. The rest of this article is effective the day after final enactment.*

ARTICLE XXXV

Section 1. Minnesota Statutes 1981 Supplement, Section 275.-50, Subdivision 2, is amended to read:

Subd. 2. [GOVERNMENTAL SUBDIVISION.] "Governmental subdivision" means (ANY) a county, home rule charter city, statutory city, or 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, provided that the population of an incorporated municipality located within the boundaries of a town is not included in the population of the town. The term does not include school districts or the metropolitan transit commission created pursuant to section 473.404.

Sec. 2. Minnesota Statutes 1981 Supplement, Section 477A.-04, Subdivision 2, is amended to read:

Subd. 2. Beginning in calendar year (1983) 1984 and subsequent years, an assessment district shall be penalized according to the following schedule:

(a) \$1 per capita if the coefficient of dispersion in assessments for the preceding year is more than ten percent but less than 12.5 percent;

(b) \$3 per capita if the coefficient of dispersion in assessments for the preceding year is at least 12.5 percent but no more than 15 percent;

(c) \$5 per capita if the coefficient of dispersion in assessments for the preceding year is greater than 15 percent.

Sec. 3. [EFFECTIVE DATE.]

*Sections 1 and 2 are effective for taxes levied in 1982 and thereafter, payable in 1983 and thereafter.*

## ARTICLE XXXVI

Section 1. Minnesota Statutes 1980, Section 273.133, is amended by adding a subdivision to read:

*Subd. 3. [LEASEHOLD COOPERATIVES.] When one or more dwellings or one or more buildings which each contains several dwelling units is owned by a nonprofit corporation subject to the provisions of chapter 317 or a limited partnership which corporation or partnership operates the property in conjunction with a cooperative association, homestead treatment, as provided under section 273.13, subdivision 7, may be claimed for each dwelling unit occupied by a member of the cooperative. To qualify for the treatment provided by this subdivision, the following conditions shall be met: (a) the cooperative association must be organized under sections 308.05 to 308.18; (b) the cooperative association must have a lease for occupancy of the property for a term of at least 20 years; (c) the cooperative association must have a right under a written agreement with the owner to purchase the property if the owner proposes to sell it; if the cooperative association does not purchase the property when it is offered for sale, the owner may not subsequently sell the property to another purchaser at a price lower than the price at which it was offered for sale to the cooperative association unless the cooperative association approves the sale; and (d) if a limited partnership owns the property, it must include as the managing general partner either the cooperative association or a nonprofit organization operating under the provisions of chapter 317. Homestead treatment shall be afforded to units occupied by members of the cooperative association and the units shall be assessed as provided in subdivision 1, provided that any unit not so occupied shall be classified and assessed pursuant to section 273.13, subdivision 19. No more than three acres of land shall, for assessment purposes, be included with each dwelling unit that qualifies for homestead treatment under this subdivision.*

Sec. 2. Minnesota Statutes 1981 Supplement, Section 290A.03, Subdivision 12, is amended to read:

*Subd. 12. [GROSS RENT.] "Gross rent" means rental paid solely for the right of occupancy, at arms-length, of a homestead, exclusive of charges for any utilities, services, furniture, or furnishings furnished by the landlord as a part of the rental agreement, whether expressly set out in the rental agreement or not. If the landlord and tenant have not dealt with each other at arms-length and the commissioner determines that the gross rent charged was excessive, he may adjust the gross rent to a reasonable amount for purposes of sections 290A.01 to 290A.20.*

If the landlord does not supply the charges for any utilities, furniture, or furnishings furnished by him, or if the charges appear to be incorrect the commissioner may apply a percentage

determined from samples of similar gross rents paid solely for the right of occupancy.

Any amount paid by a claimant residing in property assessed pursuant to section 273.133 for occupancy in that property shall be excluded from gross rent for purposes of this chapter. However, property taxes imputed to the homestead of the claimant or the dwelling unit occupied by the claimant that qualifies for homestead treatment pursuant to section 273.133 shall be included within the term "property taxes payable" as defined in subdivision 13, notwithstanding the fact that ownership is not in the name of the claimant.

### Sec. 3. [EFFECTIVE DATE.]

*Section 1 is effective for taxes levied in 1982 and thereafter, payable in 1983 and thereafter.*

## ARTICLE XXXVII

Section 1. Minnesota Statutes 1980, Section 474.02, Subdivision 1b, is amended to read:

Subd. 1b. In furtherance of the purpose specified in sections 301A.02 and 474.01, the term "project" shall include any properties, real or personal, (LOCATED OUTSIDE THE METROPOLITAN AREA DEFINED IN SECTION 473.122,) used or useful for the promotion of tourism in the state. (SUCH) Properties may include hotels, motels, lodges, resorts, recreational facilities of the type which may be acquired under section 471.191, and related facilities. (THE PROVISIONS OF THIS SUBDIVISION SHALL NOT APPLY TO MUNICIPALITIES LOCATED IN WHOLE OR IN PART IN THE METROPOLITAN AREA AS DEFINED IN SECTION 473.122.)

Sec. 2. Minnesota Statutes 1981 Supplement, Section 474.03, is amended to read:

### 474.03 [POWERS.]

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

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

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

(2) Issue revenue bonds, in anticipation of the collection of revenues of such project, to finance, in whole or in part, the cost of the acquisition, construction, reconstruction, improvement, betterment, or extension thereof and, in the case of an alternative energy project, in addition to the other powers granted by this chapter, to finance the acquisition and leasing or sale of equipment and products to others;

(3) Issue revenue bonds to pay, purchase or discharge all or any part of the outstanding indebtedness of a contracting party engaged primarily in the operation of one or more non-profit hospitals or nursing homes, theretofore incurred in the acquisition or betterment of its existing hospital or nursing home facilities, including, to the extent deemed necessary by the governing body of the municipality or redevelopment agency, any unpaid interest on such indebtedness accrued or to accrue to the date on which such indebtedness is finally paid; and any premium the governing body of the municipality or redevelopment agency determines to be necessary to be paid to pay, purchase or defease such outstanding indebtedness; if revenue bonds are issued for this purpose, the refinancing and the existing properties of the contracting party shall be deemed to constitute a project under section 474.02, subdivision 1c. Industrial revenue bonds shall only be available under this provision if the commissioner of securities and real estate has been shown that a reduction in debt service charges to patients and third party payors will occur. All reductions in debt service charges pursuant to this program shall be passed on to patients and third party payors. These industrial revenue bonds may not be used for any purpose not consistent with the provisions of sections 145.832 to 145.845 or chapter 256B;

Nothing in this subdivision is intended to prohibit the use of revenue bond proceeds to pay outstanding indebtedness of a contracting party to the extent now permitted by law;

(4) Enter into a revenue agreement with any person, firm, or public or private corporation or federal or state governmental subdivision or agency in such manner that payments required thereby to be made by the contracting party shall be fixed, and revised from time to time as necessary, so as to produce income and revenue sufficient to provide for the prompt payment of principal of and interest on all bonds issued hereunder when due, and the revenue agreement shall also provide that the contracting party shall be required to pay all expenses of the operation and maintenance of the project including, but without limitation, adequate insurance thereon and insurance against all liability for injury to persons or property arising from the operation thereof, and all taxes and special assess-

ments levied upon or with respect to the project and payable during the term of the revenue agreement, during which term a tax shall be imposed and collected pursuant to the provisions of section 272.01, subdivision 2, for the privilege of using and possessing the project, in the same amount and to the same extent as though the contracting party were the owner of all real and personal property comprising the project;

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

(6) Mortgage or otherwise encumber such projects in favor of the municipality or redevelopment agency, the holders of such bonds, or a trustee therefor, provided that in creating any such mortgages or encumbrances a municipality or redevelopment agency shall not have the power to obligate itself except with respect to the project;

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

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

bonds or otherwise provides for the construction of school facilities and the school leases or otherwise acquires these facilities;

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

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

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

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



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

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

*(15) Exempt from property taxes on a nonresidential building constructed for sale or rent in a project until the building is first sold, occupied or rented, whichever occurs first, up to a maximum of four years, provided that the exemption must be provided before October 10 of the levy year.*

### Sec. 3. [EFFECTIVE DATE.]

*Section 2 is effective for property taxes levied in 1982 and thereafter, payable in 1983 and thereafter.*

## ARTICLE XXXVIII

Section 1. Minnesota Statutes 1980, Section 273.73, Subdivision 10, is amended to read:

Subd. 10. [REDEVELOPMENT DISTRICT.] (a) "Redevelopment district" means a type of tax increment financing district consisting of a project, or portions of a project, within which the authority finds by resolution that one of the following conditions, reasonably distributed throughout the district, exists:

(1) 70 percent of the (LAND IS PREDOMINANTLY) parcels in the district are occupied by buildings, streets, utilities or other improvements and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance; or

(2) 70 percent of the (LAND IS PREDOMINANTLY) parcels in the district are occupied by buildings, streets, utilities or other improvements and 20 percent of the buildings are structurally substandard and an additional 30 percent of the buildings are found to require substantial renovation or clearance in order to remove such existing conditions as: inadequate street layout, incompatible uses or land use relationships, overcrowding of buildings on the land, excessive dwelling unit

density, obsolete buildings not suitable for improvement or conversion, or other identified hazards to the health, safety and general well being of the community; or

(3) *Less than 70 percent of the (LAND IS NOT PREDOMINANTLY) parcels in the district are occupied by buildings, streets, utilities or other improvements, but due to unusual terrain or soil deficiencies requiring substantial filling, grading or other physical preparation for use at least 80 percent of the total acreage of such land has a fair market value upon inclusion in the redevelopment district which, when added to the estimated cost of preparing (THE) that land for (USE, INCLUDING UTILITIES) development, excluding costs directly related to roads as defined in section 160.01 and local improvements as described in section 429.021, subdivision 1, clauses 1 to 7, 11 and 12, and section 430.01, if any, exceeds its anticipated fair market value after completion of said preparation; provided that no parcel shall be included within a redevelopment district pursuant to this paragraph (3) unless the authority has concluded an agreement or agreements for the development of at least 50 percent of the acreage having the unusual soil or terrain deficiencies, which agreement provides recourse for the authority should the development not be completed; or*

(4) *The property consists of underutilized air rights existing over a public street, highway or right-of-way; or*

(5) *The property consists of vacant, unused, underused, inappropriately used or infrequently used railyards, rail storage facilities or excessive or vacated railroad rights-of-way.*

(b) For purposes of this subdivision, "structurally substandard" shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance. ("PREDOMINANTLY OCCUPIED" SHALL MEAN AT LEAST 50 PERCENT OF THE PARCELS COMPRISING AT LEAST 50 PERCENT OF THE ACREAGE. PERCENT OF THE PARCELS COMPRISING AT LEAST 50 PERCENT OF THE ACREAGE.) "Parcel" shall mean a tract or plat of land established prior to the certification of the district as a single unit for purposes of assessment.

Sec. 2. Minnesota Statutes 1980, Section 273.73, Subdivision 13, is amended to read:

Subd. 13. [ADMINISTRATIVE EXPENSES.] "Administrative expenses" means all expenditures of an authority other than amounts paid for the purchase of land or amounts paid to contractors or others providing materials and services, includ-

ing architectural and engineering services, directly connected with the physical development of the real property in the district, relocation benefits paid to or services provided for persons residing or businesses located in the district, or amounts used to pay interest on, fund a reserve for, or sell at a discount bonds issued pursuant to section 273.77. *"Administrative expenses" includes amounts paid for services provided by bond counsel, fiscal consultants, and planning or economic development consultants.*

Sec. 3. Minnesota Statutes 1980, Section 273.74, Subdivision 1, is amended to read:

**273.74 [ESTABLISHING, MODIFYING TAX INCREMENT FINANCING PLAN, ANNUAL ACCOUNTS.]**

Subdivision 1. [TAX INCREMENT FINANCING PLAN.]  
A tax increment financing plan shall contain:

(a) A statement of objectives of an authority for the improvement of a (DISTRICT. THE PLAN SHALL CONTAIN) *project*;

(b) A statement as to the development program for the (DISTRICT) *project*, including the property within the (DISTRICT) *project*, if any, which the authority intends to acquire (. IT SHALL ALSO CONTAIN);

(c) A list of any development activities which the plan proposes to take place within the *project*, for which contracts have been entered into at the time of the preparation of the plan, including the names of the parties to the contract, the activity governed by the contract, the cost stated in the contract, and the expected date of completion of that activity;

(d) Identification or description of the type of any other specific development reasonably expected to take place within the *project*, and the date when the development is likely to occur;

(e) Estimates of the following:

(1) Cost of the (DISTRICT) *project*, including administration expenses;

(2) Amount of bonded indebtedness to be incurred;

(3) Sources of revenue to finance or otherwise pay public costs;

(4) The most recent assessed value of taxable real property within the *tax increment financing district*;

(5) The estimated captured assessed value of the *tax increment financing* district at completion; and

(6) The duration of the *tax increment financing* district's existence (. THE PLAN SHALL ALSO CONTAIN); and

(f) A statement of the authority's estimate of the impact of tax increment financing on the assessed values of all taxing jurisdictions in which the *tax increment financing* district is located in whole or in part.

Sec. 4. Minnesota Statutes 1981 Supplement, Section 273.74, Subdivision 2, is amended to read:

Subd. 2. [CONSULTATIONS; COMMENT AND FILING.] Before formation of a tax increment financing district, the authority shall provide an opportunity to the members of the county boards of commissioners of any county in which any portion of the proposed district is located and the members of the school board of any school district in which any portion of the proposed district is located to meet with the authority. The authority shall present to the members of the county boards of commissioners and the school boards its estimate of the fiscal and economic implications of the proposed tax increment financing district. The members of the county boards of commissioners and the school boards may present their comments at the public hearing on the tax increment financing plan required by subdivision 3. *The county auditor shall not certify the original assessed value of a district pursuant to section 273.76, subdivision 1, until the county board of commissioners has presented its written comment on the proposal to the authority, or 30 days has passed from the date of the transmittal by the authority to the board of the information regarding the fiscal and economic implications, whichever occurs first.* Upon adoption of the tax increment financing plan, the authority shall file the same with the commissioner of energy, planning and development.

Sec. 5. Minnesota Statutes 1980, Section 273.74, Subdivision 3, is amended to read:

Subd. 3. [MUNICIPALITY APPROVAL.] No county auditor shall certify the original assessed value of a tax increment financing district until the tax increment financing plan proposed for that district has been approved by the municipality in which the district is located. If an authority which proposes to establish a tax increment financing district and the municipality are not the same, the authority shall apply to the municipality in which the district is proposed to be located and shall obtain the approval of its tax increment financing plan by the municipality before the authority may use tax increment financing. The municipality shall approve the tax increment financing plan only after a public hearing thereon after published notice

in a newspaper of general circulation in the municipality at least once not less than ten days nor more than 30 days prior to the date of the hearing. This hearing may be held before or after the approval or creation of the project or it may be held in conjunction with a hearing to approve the project. Before or at the time of approval of the tax increment financing plan, the municipality shall make the following findings, *and shall set forth in writing the reasons and supporting facts for each determination*:

(a) That the proposed tax increment financing district is a redevelopment district, a housing district or an economic development district (AND THE SPECIFIC BASES FOR SUCH DETERMINATION).

(b) That the proposed development or redevelopment, in the opinion of the municipality, would not *reasonably be expected* to occur solely through private investment within the reasonably foreseeable future and therefore the use of tax increment financing is deemed necessary.

(c) That the tax increment financing plan conforms to the general plan for the development or redevelopment of the municipality as a whole.

(d) That the tax increment financing plan will afford maximum opportunity, consistent with the sound needs of the municipality as a whole, for the development or redevelopment of the (DISTRICT) *project* by private enterprise.

(e) That the municipality elects the method of tax increment computation set forth in section 273.76, subdivision 3, clause (b), if applicable.

When the municipality and the authority are not the same, the municipality shall approve or disapprove the tax increment financing plan within 60 days of submission by the authority, or the plan shall be deemed approved. When the municipality and the authority are not the same, the municipality may not amend or modify a tax increment financing plan except as proposed by the authority pursuant to subdivision 4. Once approved, the determination of the authority to undertake the project through the use of tax increment financing and the resolution of the governing body shall be conclusive of the findings therein and of the public need for such financing.

Sec. 6. Minnesota Statutes 1980, Section 273.74, Subdivision 4, is amended to read:

Subd. 4. [MODIFICATION OF PLAN.] A tax increment financing plan may be modified by an authority, provided that any reduction or enlargement of geographic area *of the project or tax increment financing district*, increase in amount of bonded

indebtedness to be incurred, *including a determination to capitalize interest on the debt if that determination was not a part of the original plan, or to increase or decrease the amount of interest on the debt to be capitalized, increase in the portion of the captured assessed value to be retained by the authority, increase in total estimated tax increment expenditures or designation of additional property to be acquired by the authority shall be approved upon the notice and after the discussion, public hearing and findings required for approval of the original plan; provided that if an authority changes the type of district from housing, redevelopment or economic development to another type of district, this change shall not be considered a modification but shall require the authority to follow the procedure set forth in sections 273.71 to 273.78 for adoption of a new plan, including certification of the assessed valuation of the district by the county auditor.*

The geographic area of a tax increment financing district may be reduced, but shall not be enlarged after five years following the date of certification of the original assessed value by the county auditor or five years from August 1, 1979, for tax increment financing districts authorized prior to August 1, 1979, except that development districts created pursuant to chapter 472A prior to August 1, 1979 may be reduced but shall not be enlarged after five years following the date of designation of such district.

Sec. 7. Minnesota Statutes 1980, Section 273.75, Subdivision 2, is amended to read:

Subd. 2. [EXCESS TAX INCREMENTS.] In any year in which the tax increment exceeds the amount necessary to pay the costs authorized by the tax increment financing plan, including the amount necessary to cancel any tax levy as provided in section 475.61, subdivision 3, the authority shall use the excess amount to *do any of the following, in the order determined by the authority:* (a) prepay any outstanding bonds, (b) discharge the pledge of tax increment therefor, (c) pay into an escrow account dedicated to the payment of such bond, or (SHALL) (d) return the excess amount to the county auditor who shall distribute the excess amount to the municipality, county and school district in which the tax increment financing district is located in direct proportion to their respective mill rates.

Sec. 8. Minnesota Statutes 1980, Section 273.75, Subdivision 3, is amended to read:

Subd. 3. [LIMITATION ON ADMINISTRATIVE EXPENSES.] No tax increment shall be used to pay any administrative expenses for a (DISTRICT) *project* which exceed (FIVE) *ten* percent of the total tax increment expenditures authorized by the tax increment financing plan or the total

tax increment expenditures for the (DISTRICT) *project*, which ever is less.

Sec. 9. Minnesota Statutes 1980, Section 273.75, Subdivision 4, is amended to read:

Subd. 4. [LIMITATION ON USE OF TAX INCREMENT.] All revenues derived from tax increment shall be used in accordance with the tax increment financing plan. The revenues shall be used solely for the following purposes: (a) to pay the principal of and interest on bonds issued to finance a project; (b) by a rural development financing authority for the purposes stated in section 362A.01, subdivision 2, by a port authority or municipality exercising the powers of a port authority to finance or otherwise pay the cost of redevelopment pursuant to chapter 458, by a housing and redevelopment authority to finance or otherwise pay public redevelopment costs pursuant to chapter 462, by a municipality to finance or otherwise pay the capital and administration costs of a development district pursuant to chapter 472A, by a municipality or redevelopment agency to finance or otherwise pay premiums for insurance guaranteeing the payment of net rentals when due under the project lease or to accumulate and maintain a reserve securing the payment when due of the principal of and interest on the bonds pursuant to chapter 474. These revenues shall not be used to circumvent existing levy limit law. *No revenues derived from tax increment shall be used for the construction or renovation of a municipally owned building used primarily and regularly for conducting the business of the municipality; this provision shall not prohibit the use of revenues derived from tax increments for the construction or renovation of a parking structure, a commons area used as a public park or a facility used for social, recreational or conference purposes and not primarily for conducting the business of the municipality.*

Sec. 10. Minnesota Statutes 1980, Section 273.75, Subdivision 5, is amended to read:

Subd. 5. [REQUIREMENT FOR AGREEMENTS.] No more than 25 percent, by acreage, of the property to be acquired within a *project which contains* a redevelopment district, or ten percent, by acreage, of the property to be acquired within a *project which contains* a housing or economic development district, as set forth in the tax increment financing plan, shall at any time be owned by an authority as a result of acquisition with the proceeds of bonds issued pursuant to section 273.77 without the authority having prior to acquisition in excess of the percentages concluded an agreement for the development or redevelopment of the property acquired and which provides recourse for the authority should the development or redevelopment not be completed.

Sec. 11. Minnesota Statutes 1980, Section 273.75, Subdivision 6, is amended to read:

Subd. 6. [LIMITATION ON INCREMENT.] If, after (FIVE) *four* years from the date of certification of the original assessed value of the tax increment financing district pursuant to section 273.76, no demolition, rehabilitation or renovation of property or other site preparation, including improvement of a street adjacent to a parcel but not installation of utility service *including sewer or water systems*, has been commenced on a parcel located within a tax increment financing district by the authority or by the owner of the parcel in accordance with the tax increment financing plan, no additional tax increment may be taken from that parcel, and the original assessed value of that parcel shall be excluded from the original assessed value of the tax increment financing district. If the authority or the owner of the parcel subsequently commences demolition, rehabilitation or renovation or other site preparation on that parcel including improvement of a street adjacent to that parcel, in accordance with the tax increment financing plan, the authority shall certify to the county auditor that the activity has commenced, and the county auditor shall certify the assessed value thereof as most recently certified by the commissioner of revenue and add it to the original assessed value of the tax increment financing district. For purposes of this subdivision "parcel" means a tract or plat of land established *prior to the certification of the district* as a single unit for purposes of assessment.

Sec. 12. Minnesota Statutes 1980, Section 273.75, is amended by adding a subdivision to read:

Subd. 7. [SUBSEQUENT DISTRICTS.] *Except as provided in section 273.75, subdivision 6, for subsequent recertification of parcels eliminated from a district because of lack of development activity, no parcel that has been so eliminated subsequent to two years from the date of the original certification may be included in a tax increment district if, at any time during the 20 years prior to the date when certification of the district is requested pursuant to section 273.76, subdivision 1, that parcel had been included in an economic development district.*

Sec. 13. Minnesota Statutes 1980, Section 273.76, Subdivision 1, is amended to read:

Subdivision 1. [ORIGINAL ASSESSED VALUE.] Upon or after adoption of a tax increment financing plan, the auditor of any county in which the district is situated shall, upon request of the authority, certify the original assessed value of the tax increment financing district as described in the tax increment financing plan and shall certify in each year thereafter the amount by which the original assessed value has increased or decreased as a result of a change in tax exempt status of property



within the district, reduction or enlargement of the district or changes pursuant to subdivision 4. The amount to be added to the original assessed value of the district as a result of previously tax exempt real property within the district becoming taxable shall be equal to the assessed value of the real property as most recently assessed pursuant to section 273.18 or, if that assessment was made more than one year prior to the date of title transfer rendering the property taxable, the value which shall be assessed by the assessor at the time of such transfer. The amount to be added to the original assessed value of the district as a result of enlargement thereof shall be equal to the assessed value of the added real property as most recently certified by the commissioner of revenue as of the date of modification of the tax increment financing plan pursuant to section 273.74, subdivision 4. *Each year the auditor shall also add to the original assessed value of each economic development district an amount equal to the original assessed value for the preceding year multiplied by the average percentage increase in the assessed valuation of all property included in the economic development district during the five years prior to certification of the district.* The amount to be subtracted from the original assessed value of the district as a result of previously taxable real property within the district becoming tax exempt, or a reduction in the geographic area of the district, shall be the amount of original assessed value initially attributed to the property becoming tax exempt or being removed from the district. If the assessed value of property located within the tax increment financing district is reduced by reason of a court-ordered abatement, stipulation agreement, voluntary abatement made by the assessor or auditor or by order of the commissioner of revenue, the reduction shall be applied to the original assessed value of the district when the property upon which the abatement is made has not been improved since the date of certification of the district and to the captured assessed value of the district in each year thereafter when the abatement relates to improvements made after the date of certification. The county auditor shall have the power to specify reasonable form and content of the request for certification of the authority and any modification thereof pursuant to section 273.74, subdivision 4.

Sec. 14. Minnesota Statutes 1980, Section 273.76, Subdivision 4, is amended to read:

Subd. 4. [PRIOR PLANNED IMPROVEMENTS.] The authority shall, after due and diligent search, accompany its request for certification to the county auditor pursuant to subdivision 1, or its notice of district enlargement pursuant to section 273.74, subdivision 5, with a listing of all properties within the tax increment financing district or area of enlargement for which building permits have been issued during the 18 months immediately preceding approval of the tax increment financing plan by the municipality pursuant to section 273.74, subdivision 4. (FOR 12 MONTHS AFTER COMPLETION OF THE IMPROVEMENTS FOR WHICH A BUILDING PERMIT WAS

ISSUED DURING SAID 18 MONTH PERIOD,) The county auditor (IS AUTHORIZED, BUT NOT REQUIRED, TO) *shall* increase the original assessed value of the district by the assessed valuation of the improvements for which the building permit was issued, *excluding the assessed valuation of improvements for which a building permit was issued during the three month period immediately preceding said approval of the tax increment financing plan, as certified by the assessor.*

Sec. 15. Minnesota Statutes 1980, Section 273.77, is amended to read:

### 273.77 [TAX INCREMENT BONDING.]

Any other law, general or special, notwithstanding, after August 1, 1979 no bonds, payment for which tax increment is pledged, shall be issued in connection with any project for which tax increment financing has been undertaken other than as is authorized hereby and the proceeds therefrom shall be used only in accordance with section 273.75, subdivision 4 as if said proceeds were tax increment, except that a tax increment financing plan need not be adopted for any project for which tax increment financing has been undertaken prior to August 1, 1979, pursuant to statutes not requiring a tax increment financing plan. Such bonds shall not be included for purposes of computing the net debt of any municipality.

(a) A municipality may issue general obligation bonds to finance any expenditure by the municipality or an authority the jurisdiction of which is wholly or partially within that municipality, pursuant to section 273.75, subdivision 4 in the same manner and subject only to the same conditions as those provided in chapter 475 for bonds financing improvement costs reimbursable from special assessments. Any pledge of tax increment, assessments or other revenues for the payment of the principal of and interest on general obligation bonds issued under this subdivision, except when the authority and the municipality are the same, shall be made by written agreement by and between the authority and the municipality and filed with the county auditor. When the authority and the municipality are the same, the municipality may by covenant pledge tax increment, assessments or other revenues for the payment of the principal of and interest on general obligation bonds issued under this subdivision and thereupon shall file the resolution containing such covenant with the county auditor. When tax increment, assessments and other revenues are pledged, the estimated collections of said tax increment, assessments and any other revenues so pledged may be deducted from the taxes otherwise required to be levied before the issuance of the bonds under section 475.61, subdivision 1, or the collections thereof may be certified annually to reduce or cancel the initial tax levies in accordance with section 475.61, subdivision 1 or 3.

(b) When the authority and the municipality are not the same, an authority may, by resolution, authorize, issue and sell its general obligation bonds to finance any expenditure which that authority is authorized to make by section 273.75, subdivision 4. Said bonds of the authority shall be authorized by its resolution, shall mature as determined by resolution of the authority in accordance with Laws 1979, Chapter 322, and may be issued in one or more series and shall bear such date or dates, bear interest at such rate or rates, be in such denomination or denominations, be in such form either coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in medium of payment at such place or places, and be subject to such terms of redemption, with or without premium, as such resolution, its trust indenture or mortgage may provide. The bonds may be sold at public or private sale at the price or prices as the authority by resolution shall determine, and any provision of any law to the contrary notwithstanding, the bonds shall be fully negotiable. In any suit, actions, or proceedings involving the validity of enforceability of any bonds of the authority or the security therefor, any bond reciting in substance that it has been issued by the authority to aid in financing a (DISTRICT) *project* shall be conclusively deemed to have been issued for such purpose, and the *tax increment financing district within the project* shall be conclusively deemed to have been planned, located, and carried out in accordance with the purposes and provisions of Laws 1979, Chapter 322. Neither the authority, nor any director, commissioner, council member, board member, officer, employee or agent of the authority nor any person executing the bonds shall be liable personally on the bonds by reason of the issuance thereof. The bonds of the authority, and such bonds shall so state on their face, shall not be a debt of any municipality, the state or any political subdivision thereof, and neither the municipality nor the state or any political subdivision thereof shall be liable thereon, nor in any event shall such bonds be payable out of any funds or properties other than those of the authority and any tax increment and revenues of a tax increment financing district pledged therefor.

(c) Notwithstanding any other law general or special, an authority may, by resolution, authorize, issue and sell revenue bonds payable solely from all or a portion of revenues, including but not limited to tax increment revenues and assessments, derived from a tax increment financing district located wholly or partially within the municipality to finance any expenditure which the authority is authorized to make by section 273.75, subdivision 4. The bonds shall mature as determined by resolution of the authority in accordance with Laws 1979, Chapter 322 and may be issued in one or more series and shall bear such date or dates, bear interest at such rate or rates, be in such denomination or denominations, be in such form either coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in medium of payment at such place or places, and

be subject to such terms of redemption, with or without premium, as such resolution, its trust indenture or mortgage may provide. The bonds may be sold at public or private sale at the price or prices as the authority by resolution shall determine, and any provision of any law to the contrary notwithstanding, shall be fully negotiable. In any suit, action, or proceedings involving the validity or enforceability of any bonds of the authority or the security therefor, any bond reciting in substance that it has been issued by the authority to aid in financing a (DISTRICT) *project* shall be conclusively deemed to have been issued for such purpose, and the *tax increment financing district within the project* shall be conclusively deemed to have been planned, located, and carried out in accordance with the purposes and provisions of Laws 1979, Chapter 322. Neither the authority, nor any director, commissioner, council member, board member, officer, employee or agent of the authority nor any person executing the bonds shall be liable personally on the bonds by reason of the issuance thereof. The bonds may be further secured by a pledge and mortgage of all or any portion of the district in aid of which the bonds are issued and such covenants as the authority shall deem by such resolution to be necessary and proper to secure payment of the bonds. The bonds, and the bonds shall so state on their face, shall not be payable from nor charged upon any funds other than the revenues and property pledged or mortgaged to the payment thereof, nor shall the issuing authority be subject to any liability thereon or have the powers to obligate itself to pay or pay the bonds from funds other than the revenues and properties pledged and mortgaged and no holder or holders of the bonds shall ever have the right to compel any exercise of any taxing power of the issuing authority or any other public body, other than as is permitted or required under Laws 1979, Chapter 322 and pledged therefor hereunder, to pay the principal of or interest on any such bonds, nor to enforce payment thereof against any property of the authority or other public body other than that expressly pledged or mortgaged for the payment thereof.

(d) (1) *In anticipation of the issuance of bonds pursuant to either paragraph (a), (b) or (c) of this section, the authority or municipality may by resolution issue and sell temporary bonds pursuant to paragraph (a), (b) or (c), maturing within not more than three years from their date of issue, to pay any part or all of the cost of a project. To the extent that the principal of and interest on the temporary bonds cannot be paid when due from receipts of tax increment, assessments, or other funds appropriated for the purpose, they shall be paid from the proceeds of long-term bonds or additional temporary bonds which the authority or municipality shall offer for sale in advance of the maturity date of the temporary bonds, but the indebtedness funded by an issue of temporary bonds shall not be extended by the issue of additional temporary bonds for more than six years from the date of the first issue. Long-term bonds may be issued pursuant to paragraph (a), (b) or (c)*

*without regard to whether the temporary bonds were issued pursuant to paragraph (a), (b) or (c). If general obligation temporary bonds are issued pursuant to paragraph (a), proceeds of long-term bonds or additional temporary bonds not yet sold may be treated as pledged revenues, in reduction of the tax otherwise required by section 475.61 to be levied prior to delivery of the obligations. Subject to the six-year maturity limitation contained above, but without regard to the requirement of section 475.58, if any temporary bonds are not paid in full at maturity, in addition to any other remedy authorized or permitted by law, the holders may demand, in which case the authority or municipality shall, issue pursuant to paragraph (a), (b) or (c) as the temporary bonds and in exchange for the temporary bonds, at par, replacement temporary bonds dated as of the date of the replaced temporary bonds, maturing within one year from the date of the replacement temporary bonds and earning interest at the rate set forth in the resolution authorizing the issuance of the replaced temporary bonds, provided that the rate shall not exceed the maximum rate permitted by law at the date of issue of the replaced temporary bonds.*

*(2) Funds of a municipality may be invested in its temporary bonds in accordance with the provisions of section 471.56, and may be purchased upon their initial issue, but shall be purchased only from funds which the governing body of the municipality determines will not be required for other purposes before the maturity date, and shall be resold before maturity only in case of emergency. If purchased from a debt service fund securing other bonds, the holders of those bonds may enforce the municipality's obligations on the temporary bonds in the same manner as if they held the temporary bonds.*

#### Sec. 16. [EFFECTIVE DATE.]

*Sections 1 to 15 are effective with respect to districts for which certification is requested after June 30, 1982, except that the provisions of section 6 relating to changes in the type of an existing district shall apply to any district the type of which is changed subsequent to the date of final enactment of this act.*

### ARTICLE XXXIX

Section 1. Minnesota Statutes 1980, Section 278.08, is amended to read:

#### 278.08 [INTEREST.]

*Subdivision 1. [TAXES DUE.] (IF) Whether or not the tax is sustained in full as levied and section 278.03 notwithstanding, the judgment shall include any interest which has (THEN) accrued (THEREON) on the taxes for failure to pay*

the (SAME,) *taxes* or any part (THEREOF, AT THE TIME REQUIRED BY LAW) *of the taxes as provided in sections 279.01 and 279.03.* If the tax is reduced, no (PENALTIES AND INTEREST) *penalty* shall be included in the judgment because of the failure to pay the reduced tax prior to (THE) entry (THEREOF) *of judgment. After the judgment is entered, it shall be subject to interest (OR PENALTIES AS WOULD UNDER THE LAW ATTACH TO THE TAX EMBRACED THEREIN AFTER THE ENTRY THEREOF) and penalty at the rates provided in chapter 279 for delinquent payment of property taxes.*

*Subd. 2. [REFUND.] If the petitioner has overpaid the tax determined or stipulated to be due, the county auditor shall compute interest on the overpayment from the date of the filing of the petition for review or from the date of payment of the tax, whichever is later, until the date of issuance of the refund warrant. Interest shall be calculated on the overpayment at the rate provided in section 279.03 for delinquent property taxes for the levy year involved.*

Sec. 2. Minnesota Statutes 1981 Supplement, Section 279.03, is amended to read:

**279.03 [INTEREST ON DELINQUENT (REAL ESTATE) PROPERTY TAXES.]**

*Subdivision 1. [RATE.] The rate of interest on delinquent (REAL ESTATE) property taxes levied in 1979 and prior years is fixed at six percent per (ANNUM) year until January 1, 1983. Thereafter interest is payable at the rate determined pursuant to section 549.09. The rate of interest on delinquent (REAL ESTATE) property taxes levied in 1980 and subsequent years (SHALL BE) is the rate determined pursuant to section 549.09. All provisions of law except section 549.09 providing for the calculation of interest at any different rate on delinquent taxes in any notice or proceeding in connection with the payment, collection, sale, or assignment of delinquent taxes, or redemption from such sale or assignment are hereby amended to correspond herewith. Section 549.09 shall continue in force with respect to judgments arising out of petitions for review filed pursuant to chapter 278 irrespective of the levy year.*

(SUCH INTEREST SHALL BE CALCULATED FROM THE SECOND MONDAY OF MAY FOLLOWING THE YEAR IN WHICH THE TAXES BECAME DUE, ON THE FULL AMOUNT OF THE TAXES, PENALTIES AND COSTS ACCRUED.)

(THE PROVISIONS OF THIS SECTION SHALL NOT APPLY TO ANY TAXES WHICH HAVE HERETOFORE BEEN BID IN BY AN ACTUAL PURCHASER AT A

**MAY TAX SALE OR WHICH HAVE HERETOFORE BEEN ASSIGNED.)**

*For property taxes levied in 1980 and prior years, interest is to be calculated at simple interest from the second Monday in May following the year in which the taxes become due until the time that the taxes and penalties are paid, computed on the amount of unpaid taxes, penalties and costs. For property taxes levied in 1981 and subsequent years, interest shall commence on the first day of January following the year in which the taxes become due, but the county treasurer need not calculate interest on unpaid taxes and penalties on the tax list returned to the county auditor pursuant to section 279.01.*

*If interest is payable for a portion of a year, the interest is calculated only for the months that the taxes or penalties remain unpaid, and for this purpose a portion of a month is deemed to be a whole month.*

*Subd. 2. [COMPOSITE JUDGMENT.] Amounts included in composite judgment, as authorized by section 279.37, and confessed on or after July 1, 1982, are subject to interest at the rate determined pursuant to section 549.09. During each calendar year, interest shall accrue on the unpaid balance of the composite judgment from the time it is confessed until it is paid. The rate of interest is subject to change each year in the same manner that section 549.09 provides for rate changes on judgments. Interest on the unpaid contract balance on judgments confessed before July 1, 1982, is payable at the rate applicable to the judgment at the time that it was confessed.*

**Sec. 3. Minnesota Statutes 1980, Section 279.37, Subdivision 1, is amended to read:**

**279.37 [CONFESSION OF JUDGMENT FOR DELINQUENT TAXES.]**

**Subdivision 1. [COMPOSITION INTO ONE ITEM.]** Delinquent taxes upon any parcel of real estate which have been bid in for and are held by the state and not assigned by it, may be composed into one item or amount by confession of judgment at any time prior to the forfeiture of such parcel of land to the state for taxes, for the aggregate amount of all such taxes, costs, penalties, and interest accrued against said parcel, as hereinafter provided; provided that (NO SUCH TAXES UPON LANDS CLASSIFIED FOR ASSESSMENT AT AN ASSESSED VALUE EXCEEDING 40 PERCENT OF THE MARKET VALUE, SHALL BE COMPOSED INTO ANY SUCH JUDGMENT OR BE PAYABLE IN THE MANNER PROVIDED BY THIS SECTION) *only taxes upon property which, for the previous year's assessment, was classified as homestead property pursuant to section 273.13, subdivisions 6, 6a, 7, and 14a shall*

*be eligible to be composed into any confession of judgment pursuant to this section.*

Sec. 4. Minnesota Statutes 1980, Section 279.37, Subdivision 2, is amended to read:

Subd. 2. [INSTALLMENT PAYMENTS.] The owner of any such parcel, or any person to whom the right to pay taxes has been given by statute, mortgage, or other agreement, may make and file with the county auditor of the county wherein (SAID) *the* parcel is located a written offer to pay the current taxes each year before they become delinquent, or to contest (SUCH) *the* taxes under Minnesota Statutes 1941, Sections 278.01 to 278.13, and agree to confess judgment for the amount hereinbefore provided, as determined by the county auditor, and shall thereby waive all irregularities in connection with the tax proceedings affecting (SUCH) *the* parcel and any defense or objection which he may have (THERETO) *to the proceedings*, and shall thereby waive the requirements of any notice of default in the payment of any installment or interest to become due pursuant to the composite judgment to be so entered, and shall tender therewith one-tenth of the amount of (SUCH) *the* delinquent taxes, costs, penalty, and interest, and agree therein to pay the balance in nine equal installments, with interest (AT THE RATE OF EIGHT PERCENT PER ANNUM) *as provided in section 279.03*, payable annually on installments remaining unpaid from time to time, on or before December 31 of each year following the year in which judgment was confessed, which offer shall be substantially as follows:

"To the clerk of the district court of \_\_\_\_\_ county, I, \_\_\_\_\_, owner of the following described parcel of real estate situate in \_\_\_\_\_ county, Minnesota, to-wit: \_\_\_\_\_ upon which there are delinquent taxes for the year \_\_\_\_\_, and prior years, as follows: (here insert year of delinquency and the total amount of delinquent taxes, costs, interest, and penalty) do hereby offer to confess judgment in the sum of \$ \_\_\_\_\_ and hereby waive all irregularities in the tax proceedings affecting such taxes and any defense or objection which I may have thereto, and direct judgment to be entered for the amount hereby confessed, less the sum of \$ \_\_\_\_\_, hereby tendered, being one-tenth of the amount of said taxes, costs, penalty, and interest; I agree to pay the balance of said judgment in nine equal, annual installments, with interest (AT THE RATE OF EIGHT PERCENT PER ANNUM) *as provided in section 279.03*, payable annually, on the installments remaining unpaid from time to time, said installments and interest to be paid on or before December 31 of each year following the year in which this judgment is confessed and current taxes each year before they become delinquent, or within 30 days after the entry of final judgment in proceedings to contest such taxes under Minnesota Statutes 1941, Sections 278.01 to 278.13.



Dated this . . . . ., 19 . . . . ."

Sec. 5. Minnesota Statutes 1980, Section 282.01, Subdivision 4, is amended to read:

Subd. 4. [CONDUCT OF SALE.] (SUCH) *The sale shall be conducted by the county auditor at the county seat of the county in which (SUCH) the parcels lie, provided that, in St. Louis and Koochiching counties, the sale may be conducted in any county facility within the county, and (SUCH) the parcels shall be sold for cash only and at not less than the appraised value, unless the county board of the county shall have adopted a resolution providing for their sale on terms, in which event (SUCH) the resolution shall control with respect thereto. When the sale is made on terms other than for cash only a payment of at least ten percent of the purchase price must be made at the time of purchase, thereupon the balance shall be paid in (NOT TO EXCEED) no more than ten equal annual installments. No standing timber or timber products shall be removed from these lands until an amount equal to the appraised value of all (SUCH) standing timber or timber products (AS MAY HAVE BEEN STANDING) on (SUCH) the lands at the time of purchase has been paid by the purchaser; provided, that in case any parcel of land bearing standing timber or timber products is sold at public auction for more than the appraised value, the amount bid in excess of the appraised value shall be allocated between the land and the timber in proportion to the respective appraised values thereof, and no standing timber or timber products shall be removed from (SUCH) the land until the amount of (SUCH) the excess bid allocated to timber or timber products (SHALL HAVE) has been paid in addition to the appraised value thereof. (WHEN SALES ARE MADE ON SUCH TERMS THE INTEREST RATE ON THE UNPAID PORTION SHALL BE EIGHT PERCENT PER ANNUM.) The purchaser (AT SUCH SALE SHALL BE) is entitled to immediate possession, subject to the provisions of any existing valid lease made in behalf of the state.*

*For sales occurring on or after July 1, 1982, the unpaid balance of the purchase price is subject to interest at the rate determined pursuant to section 549.09. The interest rate is subject to change each year on the unpaid balance in the manner provided in section 549.09 for rate changes on judgments. Interest on the unpaid contract balance on sales occurring before July 1, 1982, is payable at the rate applicable to the sale at the time that the sale occurred.*

Sec. 6. Minnesota Statutes 1980, Section 282.01, is amended by adding a subdivision to read:

Subd. 7a. [ALTERNATE SALE PROCEDURE.] *Land located in a home rule charter or statutory city, or in a town described in section 368.01, subdivision 1, which cannot be improved because of noncompliance with local ordinances re-*

*garding minimum area, shape, frontage or access may be sold by the county auditor pursuant to this subdivision if the auditor determines that a nonpublic sale will encourage the approval of sale of the land by the city or town and promote its return to the tax rolls. The sale of land pursuant to this subdivision shall be subject to any conditions imposed by the county board pursuant to section 282.03. The governing body of the city or town may recommend to the county board conditions to be imposed on the sale. The county auditor may restrict the sale to owners of lands adjoining the land to be sold. The county auditor shall conduct the sale by sealed bid or may select another means of sale. The land shall be sold to the highest bidder but in no event shall the land be sold for less than its appraised value. All owners of land adjoining the land to be sold shall be given a written notice at least 30 days prior to the sale.*

*This subdivision shall be liberally construed to encourage the sale and utilization of tax-forfeited land, to eliminate nuisances and dangerous conditions and to increase compliance with land use ordinances.*

Sec. 7. Minnesota Statutes 1980, Section 282.04, is amended by adding a subdivision to read:

*Subd. 1a. [LEASING WITHOUT BIDS.] The county auditor may within a period of two years immediately following the date of forfeiture lease tax-forfeited land on which are located structures or buildings without advertising for bids. Notwithstanding subdivision 1, the property may be leased for a period no longer than one year without bids, regardless of the consideration received for the lease. With the approval of the county board, the county auditor may under similar circumstances enter into a management contract without bids when that action is necessary for the operation, use or preservation of the property and the safety of the public.*

Sec. 8. Minnesota Statutes 1980, Section 282.08, is amended to read:

#### 282.08 [APPORTIONMENT OF PROCEEDS.]

The net proceeds from the sale or rental of any parcel of forfeited land, or from the sale of any products therefrom, shall be apportioned by the county auditor to the taxing districts interested therein, as follows:

(1) Such portion as may be required to pay any amounts included in the appraised value under section 282.01, subdivision 3, as representing increased value due to any public improvement made after forfeiture of such parcel to the state, but not exceeding the amount certified by the clerk of the municipi-

pality, shall be apportioned to the municipal subdivision entitled thereto;

(2) Such portion of the remainder as may be required to discharge any special assessment chargeable against such parcel for drainage or other purpose whether due or deferred at the time of forfeiture, shall be apportioned to the municipal subdivision entitled thereto; *and*

(3) (SUCH PORTION OF THE REMAINDER AS MAY HAVE BEEN THERETOFORE LEVIED ON THE PARCEL OF LAND FOR ANY BOND ISSUE OF THE SCHOOL DISTRICT, TOWN, CITY, OR COUNTY, WHEREIN THE PARCEL OF LAND IS SITUATED SHALL BE APPORTIONED TO THE MUNICIPAL SUBDIVISIONS IN THE PROPORTIONS OF THE RESPECTIVE INTEREST; AND)

((4)) Any balance shall be apportioned as follows:

(a) Any county board may annually by resolution set aside (NOT EXCEEDING) *no more than* 30 percent of the receipts remaining to be used for timber development on tax-forfeited land and dedicated memorial forests, to be expended under the supervision of the county board. It shall be expended only on projects approved by the commissioner of natural resources.

(b) Any county board may annually by resolution set aside (NOT EXCEEDING) *no more than* 20 percent of the receipts remaining to be used for the acquisition and maintenance of county parks or recreational areas as defined in sections 398.31 to 398.36, to be expended under the supervision of the county board.

(c) If the board does not avail itself of the authority under paragraph (a) or (b) any balance remaining shall be apportioned as follows: county, 40 percent; town or city, 20 percent; and school district, 40 percent, and if the board avails itself of the authority under paragraph (a) or (b) the balance remaining shall be apportioned among the county, town or city, in the proportions in this paragraph above stated, provided, however, that in unorganized territory that portion which should have accrued to the township shall be administered by the county board of commissioners.

Sec. 9. Minnesota Statutes 1980, Section 282.261, is amended to read:

282.261 [(DOWN PAYMENT) *TERMS OF REPURCHASE.*]

*Subdivision 1. [PAYMENTS; TAXES.]* A person repurchasing under section 282.241 shall pay at the time of repurchase

not less than one-tenth of (SUCH) *the* repurchase price and shall pay the balance in ten equal annual instalments, with the privilege of paying the unpaid balance in full at any time, with interest (AT THE RATE OF EIGHT PERCENT ON THE BALANCE REMAINING UNPAID EACH YEAR) *as provided in subdivision 2*, the first instalment of principal and interest to become due and payable on December 31 of the year following the year in which the repurchase was made, the remaining instalments to become due and payable on December 31 of each year thereafter until fully paid. (HE) *The person shall pay the current taxes each year thereafter before (THE SAME SHALL) they become delinquent up to the time when he (SHALL PAY) has paid the repurchase price in full.*

*Subd. 2. [INTEREST RATE.] The unpaid balance on any repurchase contract approved by the county board on or after July 1, 1982, is subject to interest at the rate determined pursuant to section 549.09. The interest rate is subject to change each year on the unpaid balance in the manner provided in section 549.09 for rate changes on judgments. Interest on the unpaid contract balance on repurchases approved before July 1, 1982, is payable at the rate applicable to the repurchase contract at the time that it was approved.*

*Subd. 3. [ALTERNATIVE TREATMENT OF NONHOMESTEAD PROPERTY.] A county board of commissioners may by resolution provide that the installment arrangement in subdivision 1 is not applicable to nonhomestead property and that this subdivision applies instead. If the resolution is approved, the minimum downpayment shall be 20 percent of the repurchase price and the balance shall be payable in four equal annual installments. A resolution shall remain in force for at least one year after approval and shall be applied uniformly to all nonhomestead property in the county. "Nonhomestead property" means all property except that which is classified for property tax purposes as homestead property at the time that the repurchase application is approved.*

#### Sec. 10. [EFFECTIVE DATE.]

*This article is effective the day following final enactment.*

### ARTICLE XL

Section 1. Minnesota Statutes 1981 Supplement, Section 290.01, Subdivision 20, as amended by Laws 1981, Third Special Session Chapter 2, Article III, Section 2, is amended to read:

*Subd. 20. [GROSS INCOME.] Except as otherwise provided in this chapter, the term "gross income," as applied to corporations includes every kind of compensation for labor or personal services of every kind from any private or public employment, office, position or services; income derived from*

the ownership or use of property; gains or profits derived from every kind of disposition of, or every kind of dealing in, property; income derived from the transaction of any trade or business; and income derived from any source; except that gross income shall not include "exempt function income" of a "homeowners association" as those terms are defined in Section 528 of the Internal Revenue Code of 1954, as amended through December 31, 1980.

The term "gross income" in its application to individuals, estates, and trusts shall mean the adjusted gross income as defined in the Internal Revenue Code of 1954, as amended through the date specified herein for the applicable taxable year, with the modification specified in this subdivision. For estates and trusts the adjusted gross income shall be their federal taxable income as defined in the Internal Revenue Code of 1954, as amended through the date specified herein for the applicable taxable year, with the modifications specified in this subdivision and with the modification that the federal deduction for personal exemptions for trusts and estates shall not be allowed.

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

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

The provisions of section 4 of P.L. 95-458, sections 131, 133, 134, 141, 152, 156, 157, 405, and 543 of P.L. 95-600, and section 2 of P.L. 96-608 (relating to pensions, individual retirement accounts, deferred compensation plans, the sale of a residence and to conservation payments to farmers) including the amendments made to these sections in P.L. 96-222 shall be effective at the same time that these provisions became effective for federal income tax purposes.

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

(iv) The Internal Revenue Code of 1954, as amended through December 31, 1980, and as amended by sections 302(b) and 501

to 509 of Public Law Number 97-34, shall be in effect for taxable years beginning after December 31, 1980 including the provisions of section 404 (relating to partial exclusions of dividends and interest received by individuals) of the Crude Oil Windfall Profit Tax Act of 1980, P.L. 96-223. The provisions of P.L. 96-471 (relating to installment sales) (AND) sections 122, 123, 126, 201, 202, 203, 204, 211, 213, 214, 251, 261, 264, 265, 311(g)(3), 313, 314 (a)(1), 321(a), 501 to 507, 811, and 812 of the Economic Recovery Tax Act of 1981, Public Law Number 97-34 and section 113 of Public Law Number 97-119 shall be effective at the same time that they become effective for federal income tax purposes.

*(v) The Internal Revenue Code of 1954, as amended through December 31, 1981, shall be in effect for taxable years beginning after December 31, 1981.*

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

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

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

(2) A business casualty loss if the taxpayer elected to deduct the loss on the current year's federal income tax return but had deducted the loss on the previous year's Minnesota income tax return;

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

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

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

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

year. The amount of the federal income tax overpayment shall be reported only to the extent that the amount resulted in a reduction of the tax imposed by this chapter.

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

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

(8) The amount of any increase in the taxpayer's federal tax liability under section 47 of the Internal Revenue Code of 1954 to the extent of the credit under section 38 of the Internal Revenue Code of 1954 that was previously allowed as a deduction either under section 290.01, subdivision 20 (b) (7);

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

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

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

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

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

(14) Exempt-interest dividends, as defined in section 852 (b)(5)(A) of the Internal Revenue Code of 1954, not included in federal adjusted gross income pursuant to section 852(b)(5)(B) of the Internal Revenue Code of 1954, except for that portion of exempt-interest dividends derived from interest income on obligations of the state of Minnesota, any of its political

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

(15) The amount of any excluded gain recognized by a trust on the sale or exchange of property as defined in section 641 (c) (1) of the Internal Revenue Code of 1954;

(16) (FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1980 BUT BEFORE JANUARY 1, 1983, IN THE CASE OF RECOVERY PROPERTY WITHIN THE MEANING OF SECTION 168 OF THE INTERNAL REVENUE CODE OF 1954 AS AMENDED THROUGH DECEMBER 31, 1981, THE AMOUNT ALLOWED UNDER SECTION 167 OF THE INTERNAL REVENUE CODE;)

((17)) To the extent not included in the taxpayer's federal adjusted gross income, the amount of any gain, from the sale or other disposition of property having a lower adjusted basis for Minnesota income tax purposes than for federal income tax purposes. This modification shall not exceed the difference in basis. If the gain is considered a long term capital gain for federal income tax purposes, the modification shall be limited to 40 percent of the portion of the gain. This modification is limited to property that qualified for the energy credit contained in section 290.06, subdivision 14, and to property acquired in exchange for the release of the taxpayer's marital rights contained in section 290.14, clause (9);

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

((19)) (18) The amount of a distribution from an individual housing account which is to be included in gross income as required under section 290.08, subdivision 25;

((20)) (19) To the extent deducted in computing the taxpayer's federal adjusted gross income, interest, taxes and other expenses which are not allowed under section 290.10, clause (9) or (10);

((21)) (20) To the extent excluded from federal adjusted gross income, in the case of a city manager or city administrator who elects to be excluded from the public employees retirement association and who makes contributions to a deferred compensation program pursuant to section 353.028, the amount of contributions made by the city manager or administrator which is equal to the amount which would have been the city manager's or administrator's employee contribution pursuant to section 353.27, subdivision 2, if he were a member of the public employees retirement association;



(21) *The deduction for two-earner married couples provided in section 221 of the Internal Revenue Code of 1954; (AND)*

(22) (FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1980 BUT BEFORE JANUARY 1, 1983, IN THE CASE OF SECTION 179 PROPERTY WITHIN THE MEANING OF THE INTERNAL REVENUE CODE OF 1954, THE AMOUNT ALLOWED AS A DEDUCTION UNDER SECTION 179 OF THE INTERNAL REVENUE CODE) *Interest on all-savers certificates which is excluded under section 128 of the Internal Revenue Code of 1954;*

(23) *The amount of contributions to an individual retirement account, simplified employee pension plan, or self-employed retirement plan which is allowed under sections 311 and 312 of Public Law Number 97-34 to the extent those contributions were not an allowable deduction prior to the enactment of that law; and*

(24) *To the extent deducted in computing federal adjusted gross income, living expenses of a member of congress in excess of that allowable under section 290.09, subdivision 2, clause (a)(3).*

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

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

(2) The portion of any gain, from the sale or other disposition of property having a higher adjusted basis for Minnesota income tax purposes than for federal income tax purposes, that does not exceed such difference in basis; but if such gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to 60 per centum of the portion of the gain. This modification shall not be applicable if the difference in basis is due to disallowance of depreciation pursuant to section 290.101.

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

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

carryforwards resulting from the losses, and including any farm loss carryforwards or carrybacks;

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

(6) To the extent included in federal adjusted gross income, or the amount reflected as the ordinary income portion of a lump sum distribution under section 402(e) of the Internal Revenue Code of 1954, notwithstanding any other law to the contrary, the amount received by any person (i) from the United States, its agencies or instrumentalities, the Federal Reserve Bank or from the state of Minnesota or any of its political or governmental subdivisions or from any other state or its political or governmental subdivisions, or a Minnesota volunteer firefighter's relief association, by way of payment as a pension, public employee retirement benefit, or any combination thereof, or (ii) as a retirement or survivor's benefit made from a plan qualifying under section 401, 403, 404, 405, 408, 409 or 409A of the Internal Revenue Code of 1954. The maximum amount of this subtraction shall be \$11,000 less the amount by which the individual's federal adjusted gross income, plus the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code of 1954, exceeds \$17,000. In the case of a volunteer firefighter who receives an involuntary lump sum distribution of his pension or retirement benefits, the maximum amount of this subtraction shall be \$11,000; this subtraction shall not be reduced by the amount of the individual's federal adjusted gross income in excess of \$17,000;

(7) The amount of any credit to the taxpayer's federal tax liability under section 38 of the Internal Revenue Code of 1954 but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

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

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

(10) Interest, including payment adjustment to the extent that it is applied to interest, earned by the seller of the property on a family farm security loan executed before January 1, 1986 that is guaranteed by the commissioner of agriculture as provided in sections 41.51 to 41.60;

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

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

(13) In the case of wages or salaries paid or incurred on or after January 1, 1977, the amount of any credit for employment of certain new employees under sections 44B and 51 to 53 of the Internal Revenue Code of 1954 which is claimed as a credit against the taxpayer's federal tax liability, but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

(14) In the case of work incentive program expenses paid or incurred on or after January 1, 1979, the amount of any credit for expenses of work incentive programs under sections 40, 50A and 50B of the Internal Revenue Code of 1954 which is claimed as a credit against the taxpayer's federal tax liability, but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

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

(16) To the extent included in federal adjusted gross income, severance pay that may be treated as a lump sum distribution under the provisions of section 290.082, subdivision 5;

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

(18) Minnesota exempt-interest dividends as provided by subdivision 27;

(19) A business casualty loss which the taxpayer elected to deduct on the current year's Minnesota income tax return but

did not deduct on the current year's federal income tax return; and

(20) Income from the performance of personal or professional services which is subject to the reciprocity exclusion contained in section 290.081, clause (a);

(21) To the extent included in federal adjusted gross income, in the case of a city manager or city administrator who elects to be excluded from the public employees retirement association and who makes contributions to a deferred compensation program pursuant to section 353.028, the amount of payments from the deferred compensation program equivalent to the amount of contributions taxed under clause (a) (21) (20);

(22) Contributions to and interest earned on an individual housing account as provided by section 290.08, subdivision 25;

(23) Interest earned on a contract for deed entered into for the (PURCHASE) *sale* of property for agricultural use if the rate of interest set in the contract is no more than (EIGHT) *nine* percent per year for the duration of the term of the contract. This exclusion shall be available only if (1) the purchaser is an individual who, together with his spouse and dependents, has a total net worth valued at less than \$150,000 and (2) the property (PURCHASED) *sold* under the contract is farm land as defined in section 41.52, subdivision 6 of no more than 1,000 acres that the purchaser intends to use for agricultural purposes. Compliance with these requirements shall be stated in an affidavit to be filed with the first income tax return on which the taxpayer claims the exclusion provided in this clause. Upon request accompanied by the information necessary to make the determination, the commissioner shall determine whether interest to be paid on a proposed transaction will qualify for this exclusion; the determination shall be provided within 30 days of receipt of the request, unless the commissioner finds it necessary to obtain additional information, or verification of the information provided, in which case the determination shall be provided within 30 days of receipt of the final item of information or verification. The exclusion provided in this clause shall apply to interest earned on contracts for deed entered into after December 31, 1981 and before July 1, 1983; *and*

(24) (FOR THE TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 1980, BUT BEFORE JANUARY 1, 1982, AN AMOUNT EQUAL TO 85 PERCENT OF THE DEDUCTION ALLOWED UNDER SECTION 168 OF THE INTERNAL REVENUE CODE OF 1954 AS AMENDED THROUGH DECEMBER 31, 1981. FOR THE TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 1981 BUT BEFORE JANUARY 1, 1983, 83 PERCENT OF THE DEDUCTION ALLOWED UNDER SECTION 168 OF THE INTERNAL REV-

ENUE CODE OF 1954 AS AMENDED THROUGH DECEMBER 31, 1981. THE DEPRECIATION ADJUSTMENTS MADE TO BASIS IN THE CASE OF RECOVERY PROPERTY WITHIN THE MEANING OF SECTION 168 OF THE INTERNAL REVENUE CODE OF 1954 AS AMENDED THROUGH DECEMBER 31, 1981 SHALL BE THE DEPRECIATION ADJUSTMENTS MADE FOR FEDERAL INCOME TAX PURPOSES UNDER THE INTERNAL REVENUE CODE OF 1954, AS AMENDED THROUGH DECEMBER 31, 1981. ADOPTION OF THIS PROVISION SHALL NOT BE CONSTRUED AS INDICATING THE INTENT OF THE LEGISLATURE TO ENACT PROVISIONS AUTHORIZING AMORTIZATION OF THE AMOUNT OF DEPRECIATION NOT EXCLUDABLE UNDER THIS CLAUSE; AND)

((25) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1980 BUT BEFORE JANUARY 1, 1983, AN AMOUNT EQUAL TO THE DEDUCTION ALLOWED UNDER SECTION 179 OF THE INTERNAL REVENUE CODE OF 1954 AS AMENDED THROUGH DECEMBER 31, 1981) *The penalty on the early withdrawal of an all-savers certificate as provided in section 128(e) of the Internal Revenue Code of 1954 to the extent that the interest was included in income under clause (a)(22).*

(c) A modification affecting shareholders of electing small business corporations under section 1372 of the Internal Revenue Code of 1954 shall be made.

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

(d) Amounts transferred from a reserve or other account, if in effect transfers to surplus, shall, to the extent that the amounts were accumulated through deductions from gross income or entered into the computation of taxable net income during any taxable year, be treated as gross income for the year in which the transfer occurs, but only to the extent that the amounts resulted in a reduction of the tax imposed by this chapter and amounts received as refunds on account of taxes deducted from gross income during any taxable year shall be treated as gross income for the year in which actually received, but only to the extent that such amounts resulted in a reduction of the tax imposed by this chapter.

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

(f) *A modification shall be made for the allowable deduction under the accelerated cost recovery system as provided in section 2.*

Sec. 2. Minnesota Statutes 1980, Section 290.01, is amended by adding a subdivision to read:

*Subd. 28. The allowable deduction for the accelerated cost recovery system as provided in section 168 of the Internal Revenue Code shall be the same amount as provided in that section for individuals, estates, and trusts with the following modifications:*

*(1) For property placed in service after December 31, 1980 and for taxable years beginning before January 1, 1982, 15 percent of the allowance provided in section 168 of the Internal Revenue Code shall not be allowed.*

*(2)(a) For taxable years beginning after December 31, 1981 and before December 31, 1982, for 15 year real property as defined in section 168 of the Internal Revenue Code, 40 percent of the allowance provided in section 168 of the Internal Revenue Code shall not be allowed and for all other property, 17 percent of the allowance shall not be allowed.*

*(2)(b) For taxable years beginning after December 31, 1982, for 15 year real property as defined in section 168 of the Internal Revenue Code, 40 percent of the allowance provided in section 168 of the Internal Revenue Code shall not be allowed and for all other property 20 percent of the allowance shall not be allowed.*

(3) For property placed in service after December 31, 1980 for which the taxpayer elects to use the straight line method provided in section 168(b)(3) or a method provided in section 168(e)(2) of the Internal Revenue Code, the modifications provided in clauses (1) and (2) do not apply.

(4) For property subject to the modifications contained in clause (1) or (2) above, the following modification shall be made after the entire amount of the allowable deduction for that property under the provision of section 168 of the Internal Revenue Code has been obtained. The remaining depreciable basis in those assets for Minnesota purposes shall be a depreciation allowance computed by using the straight line method over the following number of years:

- (a) 3 year property—1 year.
- (b) 5 year property—2 years.
- (c) 10 year property—5 years.
- (d) All 15 year property—7 years.

(5) The basis of property to which section 168 of the Internal Revenue Code applies shall be its basis as provided in this chapter and including the modifications provided in this subdivision. The recapture tax provisions provided in sections 1245 and 1250 of the Internal Revenue Code shall apply but shall be calculated using the basis provided in the preceding sentence. When an asset is exchanged for another asset including an involuntary conversion and under the provision of the Internal Revenue Code gain is not recognized in whole or in part on the exchange of the first asset, the basis of the second asset shall be the same as its federal basis provided that the difference in basis due to clause (1) or (2) can be written off as provided in clause (4).

(6) Wherever used in this subdivision, the term "Internal Revenue Code" shall mean the Internal Revenue Code of 1954, as amended through December 31, 1981.

(7) The modifications provided in this subdivision shall apply before applying any limitation to out of state losses contained in section 290.17 or farm losses contained in section 290.09, subdivision 29.

Sec. 3. Minnesota Statutes 1980, Section 290.067, Subdivision 1, is amended to read:

Subdivision 1. [AMOUNT OF CREDIT.] A taxpayer may take as a credit against the tax due from him and his spouse, if any, under this chapter an amount equal to the dependent

care credit for which he is eligible pursuant to the provisions of section 44A of the Internal Revenue Code of 1954, as amended through December 31, (1979) 1981, *except that the applicable percentage of the employment-related expenses shall be 20 percent and subject to the other limitations provided in subdivision 2.*

Sec. 4. Minnesota Statutes 1981 Supplement, Section 290.09, Subdivision 7, as amended by Laws 1981, Third Special Session Chapter 2, Article III, Section 8, is amended to read:

Subd. 7. [DEPRECIATION.] (A) [CUMULATIVE DEPRECIATION.] (a) There shall be allowed as a depreciation deduction a reasonable allowance for the exhaustion, wear and tear (including a reasonable allowance for obsolescence):

- (1) of property used in the trade or business, or
- (2) of property held for the production of income.

(b) The term "reasonable allowance" as used in clause (a) shall include (but shall not be limited to) an allowance computed in accordance with regulations prescribed by the commissioner, under any of the following methods:

- (1) the straight line method.

(2) the declining balance method, using a rate not exceeding twice the rate which would have been used had the annual allowance been computed under the method described in paragraph (1).

- (3) the sum of the years-digits method, and

(4) any other consistent method productive of an annual allowance, which, when added to all allowances for the period commencing with the taxpayer's use of the property and including the taxable year, does not, during the first two-thirds of the useful life of the property, exceed the total of such allowances which would have been used had such allowances been computed under the method described in (2). Nothing in this clause (b) shall be construed to limit or reduce an allowance otherwise allowable under clause (a).

(c) For purposes of this subdivision "reasonable allowance" shall (NOT) include the accelerated cost recovery system provisions of section 168 of the Internal Revenue Code of 1954, as amended through December 31, 1981, except as provided in this subdivision (UNLESS SPECIFICALLY AUTHORIZED BY LEGISLATION ENACTED AFTER THE FINAL ENACTMENT OF THIS SECTION). In the case of recovery property within the meaning of section 168 of the Internal Revenue Code



of 1954, as amended through December 31, 1981, the term "reasonable allowance" as used in clause (a) shall mean 85 percent of the deduction allowed pursuant to section 168 of the Internal Revenue Code of 1954 for property placed in service after December 31, 1980 and for taxable years beginning (AFTER DECEMBER 31, 1980 AND) before January 1, 1982 (; AND 83 PERCENT OF THE DEDUCTION ALLOWED PURSUANT TO SECTION 168 OF THE INTERNAL REVENUE CODE OF 1954 FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1981 AND BEFORE JANUARY 1, 1983).

*For taxable years beginning after December 31, 1981 the term reasonable allowance as used in clause (a) shall mean the following percent of the deduction allowed pursuant to section 168 of the Internal Revenue Code of 1954, as amended through December 31, 1981:*

(1) *For 3, 5 and 10 year property and for 15 year public utility property the allowable percentage is 83 percent and 80 percent for taxable years beginning after December 31, 1982.*

(2) *For 15 year real property the allowable percentage is 60 percent.*

*For property placed in service after December 31, 1980 the term "reasonable allowance" as used in clause (a) shall mean 100 percent of the deduction allowed pursuant to section 168 of the Internal Revenue Code of 1954 where the taxpayer elects to use the straight line method provided in section 168(b)(3) or a method provided in section 168(e)(2) of the Internal Revenue Code of 1954, as amended through December 31, 1981. For property placed in service after December 31, 1980 and for which the full amount of the deduction allowed under section 168 of the Internal Revenue Code of 1954, as amended through December 31, 1981 has been allowed, the remaining depreciable basis in those assets for Minnesota purposes shall be a depreciation allowance computed by using the straight line method over the following number of years:*

(1) *3 year property—1 year.*

(2) *5 year property—2 years.*

(3) *10 year property—5 years.*

(4) *All 15 year property—7 years.*

*When an asset is exchanged for another asset including an involuntary conversion and under the provision of the Internal Revenue Code gain is not recognized in whole or in part on the exchange of the first asset, the basis of the second asset shall be the same as its federal basis provided that the difference in basis*

*due to the limitations provided in this clause can be written off as provided in the preceding sentence.*

*The modification provided in this clause shall apply before applying a limitation on farm losses as contained in section 290.09, subdivision 29.*

(d) Paragraphs (2), (3), and (4) of clause (b) shall apply only in the case of property (other than intangible property) described in clause (a) with a useful life of three years or more.

(1) the construction, reconstruction, or erection of which is completed after December 31, 1958, and then only to that portion of the basis which is properly attributable to such construction, reconstruction, or erection after December 31, 1958, or

(2) acquired after December 31, 1958, if the original use of such property commenced with the taxpayer and commences after such date.

(e) Where, under regulations prescribed by the commissioner, the taxpayer and the commissioner have, after June 30, 1959, entered into an agreement in writing specifically dealing with the useful life and rate of depreciation of any property, the rate so agreed upon shall be binding on both the taxpayer and the commissioner in the absence of facts or circumstances not taken into consideration in the adoption of such agreement. The responsibility of establishing the existence of such facts and circumstances shall rest with the party initiating the modification. Any change in the agreed rate and useful life specified in the agreement shall not be effective for taxable years before the taxable year in which notice in writing by certified mail is served by the party to the agreement initiating such change.

(f) In the absence of an agreement under clause ((D)) (e) containing a provision to the contrary, a taxpayer may at any time elect in accordance with regulations prescribed by the commissioner to change from the method of depreciation prescribed in clause (b) (2) to the method described in clause (b) (1).

(g) The basis on which exhaustion, wear and tear, and obsolescence are to be allowed in respect of any property shall be the adjusted basis provided in (SECTIONS 290.131 TO 290.139, 290.14 AND 290.15) *this chapter* for the purpose of determining the gain on the sale or other disposition of such property (EXCEPT THAT IN THE CASE OF RECOVERY PROPERTY WITHIN THE MEANING OF SECTION 168 OF THE INTERNAL REVENUE CODE AS AMENDED THROUGH DECEMBER 31, 1981, FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1980 BUT BEFORE JANUARY 1, 1983, THE DEPRECIATION ADJUSTMENT TO BASIS SHALL BE THE SAME AS THE DEPRECIATION ADJUST-

MENTS UNDER THE INTERNAL REVENUE CODE OF 1954 AS AMENDED THROUGH DECEMBER 31, 1981).

((H) IN THE CASE OF PROPERTY HELD BY ONE PERSON FOR LIFE WITH REMAINDER TO ANOTHER PERSON, THE DEDUCTION SHALL BE COMPUTED AS IF THE LIFE TENANT WERE THE ABSOLUTE OWNER OF THE PROPERTY AND SHALL BE ALLOWED TO THE LIFE TENANT. IN THE CASE OF PROPERTY HELD IN TRUST THE ALLOWABLE DEDUCTION SHALL BE APPORTIONED BETWEEN THE INCOME BENEFICIARY AND THE TRUSTEE IN ACCORDANCE WITH THE PERTINENT PROVISIONS OF THE INSTRUMENT CREATING THE TRUST, OR, IN THE ABSENCE OF SUCH PROVISIONS, ON THE BASIS OF THE TRUST INCOME ALLOCABLE TO EACH. IN THE CASE OF AN ESTATE, THE ALLOWABLE DEDUCTION SHALL BE APPORTIONED BETWEEN THE ESTATE AND THE HEIRS, LEGATEES, AND DEVISEES ON THE BASIS OF THE INCOME OF THE ESTATE ALLOCABLE TO EACH.)

((I) IN THE CASE OF BUILDINGS OR OTHER STRUCTURES OR IMPROVEMENTS CONSTRUCTED OR MADE ON LEASED PREMISES BY A LESSEE, AND THE FIXTURES AND MACHINERY THEREIN INSTALLED, THE LESSEE ALONE SHALL BE ENTITLED TO THE ALLOWANCE OF THIS DEDUCTION.)

(B) [FIRST YEAR DEPRECIATION.] ((A) IN THE CASE OF SECTION 1 PROPERTY,) The term "reasonable allowance" as used in *this* subdivision (7.) may, at the election of the taxpayer, include an (ALLOWANCE, FOR THE FIRST TAXABLE YEAR FOR WHICH A DEDUCTION IS ALLOWABLE UNDER SUBDIVISION 7, TO THE TAXPAYER WITH RESPECT TO SUCH PROPERTY, OF 20 PERCENT OF THE COST OF SUCH PROPERTY. FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1980 AND BEFORE JANUARY 1, 1983, IN THE CASE OF RECOVERY PROPERTY WITHIN THE MEANING OF SECTION 168 OF THE INTERNAL REVENUE CODE OF 1954, AS AMENDED THROUGH DECEMBER 31, 1981, THE FIRST YEAR DEPRECIATION ALLOWANCE SHALL BE THE ALLOWANCE FOR FEDERAL INCOME TAX PURPOSES) *amount as provided* under section 179 of the Internal Revenue Code of 1954, as amended through December 31, 1981.

((B) IF IN ANY ONE TAXABLE YEAR THE COST OF SECTION 1 PROPERTY WITH RESPECT TO WHICH THE TAXPAYER MAY ELECT AN ALLOWANCE UNDER (A) FOR SUCH TAXABLE YEAR EXCEEDS \$10,000, THEN (A) SHALL APPLY WITH RESPECT TO THOSE ITEMS SELECTED BY THE TAXPAYER, BUT ONLY TO THE EXTENT OF AN AGGREGATE COST OF \$10,000. IN THE

CASE OF A HUSBAND AND WIFE WHO FILE A JOINT RETURN UNDER SECTION 290.38 FOR THE TAXABLE YEAR, THE LIMITATION UNDER THE PRECEDING SENTENCE SHALL BE \$20,000 IN LIEU OF \$10,000.)

((C) (1) THE ELECTION UNDER THIS SUBDIVISION FOR ANY TAXABLE YEAR SHALL BE MADE WITHIN THE TIME PRESCRIBED BY LAW (INCLUDING EXTENSIONS THEREOF) FOR FILING THE RETURN FOR SUCH TAXABLE YEAR. THE ELECTION SHALL BE MADE IN SUCH MANNER AS THE COMMISSIONER MAY BY REGULATIONS PRESCRIBE.)

((2) ANY ELECTION MADE UNDER THIS SUBDIVISION MAY NOT BE REVOKED EXCEPT WITH THE CONSENT OF THE COMMISSIONER.)

((D) (1) FOR PURPOSES OF THIS SUBDIVISION, THE TERM "SECTION 1 PROPERTY" MEANS TANGIBLE PERSONAL PROPERTY (EXCLUDING BUILDINGS AND STRUCTURES))

((A) OF A CHARACTER SUBJECT TO THE ALLOWANCE FOR DEPRECIATION UNDER SUBDIVISION 7.)

((B) ACQUIRED BY PURCHASE AFTER DECEMBER 31, 1958, FOR USE IN A TRADE OR BUSINESS OR FOR HOLDING FOR PRODUCTION OF INCOME, AND)

((C) WITH A USEFUL LIFE (DETERMINED AT THE TIME OF SUCH ACQUISITION) OF SIX YEARS OR MORE.)

((2) FOR PURPOSES OF PARAGRAPH (1), THE TERM "PURCHASE" MEANS ANY ACQUISITION OF PROPERTY, BUT ONLY IF)

((A) THE PROPERTY IS NOT ACQUIRED FROM A PERSON WHOSE RELATIONSHIP TO THE PERSON ACQUIRING IT WOULD RESULT IN THE DISALLOWANCE OF LOSSES UNDER SECTION 290.10(6),)

((B) THE PROPERTY IS NOT ACQUIRED BY ONE COMPONENT MEMBER OF A CONTROLLED GROUP FROM ANOTHER COMPONENT MEMBER OF THE SAME CONTROLLED GROUP, AND)

((C) THE BASIS OF THE PROPERTY IN THE HANDS OF THE PERSON ACQUIRING IT IS NOT DETERMINED)

((I) IN WHOLE OR IN PART BY REFERENCE TO THE ADJUSTED BASIS OF SUCH PROPERTY IN THE HANDS OF THE PERSON FROM WHOM ACQUIRED, OR)

((II) UNDER SECTION 290.14(4) (RELATING TO PROPERTY ACQUIRED FROM A DECEDENT).)

((3) FOR PURPOSES OF THIS SUBDIVISION, THE COST OF PROPERTY DOES NOT INCLUDE SO MUCH OF THE BASIS OF SUCH PROPERTY AS IS DETERMINED BY REFERENCE TO THE BASIS OF OTHER PROPERTY HELD AT ANY TIME BY THE PERSON ACQUIRING SUCH PROPERTY.)

((4) THIS SUBDIVISION SHALL NOT APPLY TO TRUSTS.)

((5) IN THE CASE OF AN ESTATE, ANY AMOUNT APPORTIONED TO AN HEIR, LEGATEE, OR DEVISEE SHALL NOT BE TAKEN INTO ACCOUNT IN APPLYING (B) OF THIS SUBDIVISION TO SECTION 1 PROPERTY OF SUCH HEIR, LEGATEE, OR DEVISEE NOT HELD BY SUCH ESTATE.)

((6) FOR PURPOSES OF (B) OF THIS SUBDIVISION)

((A) ALL COMPONENT MEMBERS OF A CONTROLLED GROUP SHALL BE TREATED AS ONE TAX-PAYER, AND)

((B) THE COMMISSIONER SHALL APPORTION THE DOLLAR LIMITATION CONTAINED IN SUCH (B) AMONG THE COMPONENT MEMBERS OF SUCH CONTROLLED GROUP IN SUCH MANNER AS HE SHALL BY REGULATIONS PRESCRIBE.)

((7) FOR PURPOSES OF PARAGRAPHS (2) AND (6), THE TERM "CONTROLLED GROUP" HAS THE MEANING ASSIGNED TO IT BY SECTION 1563(A) OF THE INTERNAL REVENUE CODE OF 1954, AS AMENDED THROUGH DECEMBER 31, 1979, EXCEPT THAT, FOR SUCH PURPOSES, THE PHRASE "MORE THAN 50 PERCENT" SHALL BE SUBSTITUTED FOR THE PHRASE "AT LEAST 80 PERCENT" EACH PLACE IT APPEARS IN SECTION 1563(A) (1) OF THE INTERNAL REVENUE CODE OF 1954, AS AMENDED THROUGH DECEMBER 31, 1979.)

Sec. 5. Minnesota Statutes 1981 Supplement, Section 290.09, Subdivision 29, is amended to read:

Subd. 29. [DEDUCTIONS ATTRIBUTABLE TO FARMING.] (a) [DEFINITIONS.] For purposes of this subdivision, income and gains and expenses and losses shall be considered as "arising from a farm" if such items are received or incurred in connection with cultivating the soil, or in connection

with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of livestock, bees, poultry, and fur-bearing animals and wildlife, and all operations incident thereto, including but not limited to the common use of "hedging".

(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.) 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 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, the maximum allowable amount of \$15,000 shall be reduced by twice the amount by which the non-farm income exceeds the amount of \$15,000. 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, *and no deduction shall be allowed for two-earner married couples as provided in section 221 of the Internal Revenue Code of 1954, as amended through December 31, 1981.* 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 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, the maximum allowable amount of \$15,000 shall be reduced by twice the amount by which the non-farm income exceeds the amount of \$15,000.

(d) [SHAREHOLDERS SEPARATE ENTITIES.] For purposes of this subdivision, individual shareholders of an elect-

ing 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 limitations 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. 6. Minnesota Statutes 1981 Supplement, Section 290.091, as amended by Laws 1981, Third Special Session Chapter 2, Article III, Section 9, is amended to read:

#### 290.091 [MINIMUM TAX ON PREFERENCE ITEMS.]

In addition to all other taxes imposed by this chapter there is hereby imposed, a tax which, in the case of a resident individual, shall be equal to 40 percent of the amount of the taxpayer's minimum tax liability for tax preference items pursuant to the provisions of sections 55 to 58 and 443(d) of the Internal Revenue Code of 1954 as amended through December 31, 1980 except that for purposes of the tax imposed by this section, capital gain as defined in section 57(a) of the Internal Revenue Code shall not include that portion of any gain occasioned by sale, transfer or the granting of a perpetual easement pursuant to any eminent domain proceeding or threat thereof as described in section 290.13, subdivision 5. This modification shall apply to the years in which the gain or reduction in loss is actually included in federal adjusted gross income even though amounts received pursuant to the eminent domain proceedings were received in prior years. In the case of a resident individual, having preference items which could not be taken to reduce income from sources outside the state pursuant to section 290.17, subdivision 1, or any other taxpayer the tax shall equal 40 percent of that federal liability, multiplied by a fraction the numerator

of which is the amount of the taxpayer's preference item income allocated to this state pursuant to the provisions of sections 290.17 to 290.20, and the denominator of which is the taxpayer's total preference item income for federal purposes.

*For property placed in service after December 31, 1980, the preference items contained in section 57 (a)(12) of the Internal Revenue Code of 1954, as amended through December 31, 1981, shall not apply.*

Sec. 7. Minnesota Statutes 1981 Supplement, Section 290.095, Subdivision 11, is amended to read:

Subd. 11. [CARRYBACK OR CARRYOVER ADJUSTMENTS.] (a) For individuals the amount of a net operating loss that may be carried back or carried over shall be the same dollar amount allowable in the determination of federal adjusted gross income. For estates and trusts the amount of a net operating loss that may be carried back or carried over shall be the same dollar amount allowable in the determination of federal taxable income.

(b) The following adjustments to the amount of the net operating loss that may be carried back or carried over must be made for:

(1) Nonassignable income or losses as required by section 290.17, subdivision 2.

(2) Losses which constitute tax preference items as required in section 290.17, subdivision 1.

(3) Modifications required because of the restrictions on farm losses as provided in section 290.09, subdivision 29.

(4) Adjustments to the determination of federal adjusted gross income that must be made because of changes in the Internal Revenue Code that have not yet been adopted by the legislature by updating the reference to the Internal Revenue Code contained in section 290.01, subdivision 20.

(5) Modifications to income and loss contained in federal adjusted gross income according to the provisions of section 290.01, subdivision 20, clause (c).

(6) Gains or losses which result from the sale or other disposition of property having a higher adjusted basis for Minnesota income tax purposes than for federal income tax purposes subject to the limitations contained in section 290.01, subdivision 20, clause (b) (2) and (4).



(7) Interest, taxes, and other expenses not allowed under section 290.10, clauses (9) and (10) or section 290.101.

(8) *The modification for accelerated cost recovery system depreciation as provided in section 2.*

(c) (1) The net operating loss carryback or carryover applied as a deduction in the taxable year to which the net operating loss is carried back or carried over shall be equal to the net operating loss carryback or carryover applied in the taxable year in arriving at federal adjusted gross income (or federal taxable income for trusts and estates) subject to the modifications contained in clause (b) and to the following modifications:

(A) Increase the amount of carryback or carryover applied in the taxable year by the amount of losses and interest, taxes and other expenses not assignable or allowable to Minnesota incurred in the taxable year.

(B) Decrease the amount of carryback or carryover applied in the taxable year by the amount of income not assignable to Minnesota earned in the taxable year and the amount of federal jobs credit or WIN credit earned in the taxable year.

(C) A taxpayer who is not a resident of Minnesota during any part of the taxable year and who has no income assignable to Minnesota during the taxable year shall apply no net operating loss carryback or carryover in the taxable year.

(2) The provisions of section 172(b) of the Internal Revenue Code of 1954 as amended through December 31, 1980 (relating to carrybacks and carryovers) shall apply. The net operating loss carryback or carryover to the next consecutive taxable year shall be the net operating loss carryback or carryover as calculated in clause (c) (1) less the amount applied in the earlier taxable year(s). No additional net operating loss carryback or carryover shall be allowed if the entire amount has been used to offset Minnesota income in a year earlier than was possible on the federal return. A net operating loss carryback or carryover that was allowed to offset federal income in a year earlier than was possible on the Minnesota return shall still be allowed to offset Minnesota income but only if the loss was assignable to Minnesota in the year the loss occurred.

(d) A net operating loss shall be allowed to be carried back or carried forward only to the extent that loss was assignable to Minnesota in the year the loss occurred or in the year to which the loss was carried over, whichever would allow more of the loss to be allowed for Minnesota purposes.

(e) If a taxpayer has a net operating loss for federal purposes and the provisions of the farm loss limitation as provided

in section 290.09, subdivision 29 apply, the limitations applying to the farm losses that are carried back or carried over are applied first and the net operating loss that is carried back or carried over is limited to the excess, if any, that the net operating loss exceeds the farm loss limitation.

Sec. 8. Minnesota Statutes 1980, Section 290.16, Subdivision 15, as amended by Laws 1981, Third Special Session Chapter 2, Article III, Section 11, is amended to read:

Subd. 15. [GAIN FROM DISPOSITIONS OF CERTAIN DEPRECIABLE PROPERTY.] For purposes of this subdivision "depreciable property" shall mean "Section 1245 property" as that phrase is defined in Section 1245(a) (3) of the Internal Revenue Code of 1954, as amended through December 31, (1979) 1981.

In determining net income of any corporate taxpayer, the gain realized from the disposition of "depreciable property" shall be treated in the same manner as is provided by Section 1245 of the Internal Revenue Code of 1954, as amended through December 31, (1979) 1981 and regulations adopted pursuant thereto except that the determination shall be made using the basis computed under this chapter.

Sec. 9. Minnesota Statutes 1980, Section 290.16, Subdivision 16, as amended by Laws 1981, Third Special Session Chapter 2, Article III, Section 12, is amended to read:

Subd. 16. [GAIN FROM DISPOSITION OF CERTAIN DEPRECIABLE REALTY.] For purposes of this subdivision "depreciable realty" shall mean "Section 1250 realty" as that phrase is defined in Section 1250(c) of the Internal Revenue Code of 1954, as amended through December 31, (1979) 1981.

In determining net income of any corporate taxpayer, the gain realized from the disposition of "depreciable realty" shall be treated in the same manner as is provided by Section 1250 of the Internal Revenue Code of 1954, as amended through December 31, (1979) 1981, and regulations adopted pursuant thereto except that the determination shall be made using the basis computed under this chapter.

Sec. 10. Minnesota Statutes 1981 Supplement, Section 290.92, Subdivision 15, is amended to read:

Subd. 15. [PENALTIES.] (1) If any tax required to be deducted and withheld under subdivision 2a or subdivision 3, or any portion thereof, is not paid to or deposited with the commissioner within the time specified in subdivision 6 for the payment thereof, there shall be added thereto a penalty equal to ten percent of the amount so remaining unpaid. Such penalty shall be

collected as part of said tax, and the amount of said tax not timely paid, together with said penalty, shall bear interest at the rate specified in section 270.75 from the time such tax should have been paid or deposited until paid. Where an extension of time for payment has been granted under the provisions of subdivision 6, interest shall be paid at the rate specified in section 270.75 from the date when such payment or deposit should have been made if no extension had been granted, until such tax is paid. If payment is not made at the expiration of the extended period the penalties provided in this subdivision shall apply.

(2) In the case of any failure to withhold a tax on wages, make and file quarterly returns or make payments to or deposits with the commissioner of amounts withheld, as required by this section, within the time prescribed by law, unless it is shown that such failure is not due to wilful neglect, there shall be added to the tax in lieu of the penalty provided in paragraph (1) a penalty equal to ten percent of the amount of tax that should have been properly withheld and paid over to or deposited with the commissioner if the failure is for not more than 30 days with an additional five percent for each additional 30 days or fraction thereof during which such failure continues, not exceeding 25 percent in the aggregate. The amount of the tax together with this amount shall bear interest at the rate specified in section 270.75 from the time the tax should have been paid until paid. The amount so added to the tax shall be collected at the same time and in the same manner and as a part of the tax unless the tax has been paid before the discovery of the negligence, in which case the amount so added shall be collected in the same manner as the tax.

(3) If any employer required to withhold a tax on wages, make deposits, make and file quarterly returns and make payments to the commissioner of amounts withheld, as required by sections 290.92 to 290.97, wilfully fails to withhold such a tax or make such deposits, files a false or fraudulent return, wilfully fails to make such a payment or deposit, or wilfully attempts in any manner to evade or defeat any such tax or the payment or deposit thereof, there shall also be imposed on such employer as a penalty an amount equal to 50 percent of the amount of tax (less any amount paid or deposited by such employer on the basis of such false or fraudulent return or deposit) that should have been properly withheld and paid over or deposited with the commissioner. The amount of the tax together with this amount shall bear interest at the rate specified in section 270.75 from the time the tax should have been paid until paid. The penalty imposed by this paragraph shall be collected as a part of the tax, and shall be in addition to any other penalties civil and criminal, prescribed by this subdivision.

(4) If any person required under the provisions of subdivision 7 to furnish a statement to an employee or payee and a duplicate statement to the commissioner, or to furnish a recon-

ciliation of such statements (and quarterly returns) to the commissioner, wilfully furnishes a false or fraudulent statement to an employee or payee or a false or fraudulent duplicate statement or reconciliation of statements (and quarterly returns) to the commissioner, or wilfully fails to furnish a statement or such reconciliation in the manner, at the time, and showing the information required by the provisions of subdivision 7, or regulations prescribed by the commissioner thereunder, there shall be imposed on such a person a penalty of \$10 for each such act or failure to act. The penalty imposed by this paragraph shall become due and payable within ten days after the mailing of a written demand therefor, and may be collected in the manner prescribed in subdivision 6(8).

(5) In addition to the penalties hereinbefore prescribed, any person required to withhold a tax on wages, make and file quarterly returns and make payments or deposits to the commissioner of amounts withheld, as required by this section, who wilfully fails to withhold such a tax or truthfully make and file such a quarterly return or make such a payment or deposit, shall be guilty of a gross misdemeanor.

(6) In lieu of any other penalty provided by law, except the penalty provided by paragraph (4), any person required under the provisions of subdivision 7 to furnish a statement of wages to an employee and a duplicate statement to the commissioner, who wilfully furnishes a false or fraudulent statement of wages to an employee or a false or fraudulent duplicate statement of wages to the commissioner, or who wilfully fails to furnish such a statement in the manner, at the time, and showing the information required by the provisions of subdivision 7, or regulations prescribed by the commissioner thereunder, shall be guilty of a gross misdemeanor.

(7) Any employee required to supply information to his employer under the provisions of subdivision 5, who wilfully fails to supply information thereunder which would require an increase in the tax to be deducted and withheld under subdivision 2a or subdivision 3, shall be guilty of a misdemeanor.

(8) The term "person," as used in this section, includes an officer or employee of a corporation, or a member or employee of a partnership, who as such officer, employee, or member is under a duty to perform the act in respect of which the violation occurs.

(9) All payments received shall be credited first to penalties, next to interest, and then to the tax due.

(10) In addition to any other penalty provided by law, any employee who furnishes a withholding exemption certificate to his employer which the employee has reason to know contains a materially incorrect statement shall be liable to the commissioner of revenue for a penalty of (\$100) \$500 for each instance. The

penalty shall be immediately due and payable and may be collected in the same manner as any delinquent income tax.

(11) In addition to any other penalty provided by law, any employer who fails to submit a copy of a withholding exemption certificate required by subdivision 5a, clause (1)(a), (1)(b), or (2) shall be liable to the commissioner of revenue for a penalty of \$50 for each instance. The penalty shall be immediately due and payable and may be collected in the manner provided in subdivision 6(8).

**Sec. 11. Minnesota Statutes 1981 Supplement, Section 290.93, Subdivision 1, is amended to read:**

**Subdivision 1. [REQUIREMENT OF DECLARATION.]**

(1) Every individual shall, at the time prescribed in subdivision 5 of this section, make and file with the commissioner a declaration of his estimated tax for the taxable year if

(a) The gross income (as defined in section 290.01, subdivision 20) for the taxable year can reasonably be expected to exceed the gross income amounts set forth in section 290.37, subdivision 1 pertaining to the requirements for making a return; and

(b) Such gross income can reasonably be expected to include more than \$500 from sources other than wages upon which a tax has been deducted and withheld under section 290.92, subdivision 2a or subdivision 3.

(2) If the individual is an infant or incompetent person, the declaration shall be made by his guardian.

(3) Notwithstanding the provisions of this section, no declaration is required if the estimated tax (as defined in subdivision 3) **(CAN REASONABLY BE EXPECTED TO BE)** *is less than (\$100) \$200 for taxable years beginning after December 31, 1981, \$300 for taxable years beginning after December 31, 1982, \$400 for taxable years beginning after December 31, 1983, and \$500 for taxable years beginning after December 31, 1984.*

**Sec. 12. Minnesota Statutes 1981 Supplement, Section 290.934, Subdivision 4, is amended to read:**

**Subd. 4. [EXCEPTION.]** (a) Notwithstanding the provisions of the preceding subdivisions, the addition to the tax with respect to any underpayment of any installment shall not be imposed if the total amount of all payments of estimated tax made on or before the last date prescribed for the payment of such installment equals or exceeds the amount which would have

been required to be paid on or before such date if the estimated tax were whichever of the following is the lesser

(1) The tax shown on the return of the corporation for the preceding taxable year, if a return showing a liability for tax was filed by the corporation for the preceding taxable year and such preceding year was a taxable year of 12 months.

(2) An amount equal to the tax computed at the rates applicable to the taxable year but otherwise on the basis of the facts shown on the return of the corporation for, and the law applicable to, the preceding taxable year.

(3) (A) *An amount equal to the tax for the taxable year computed by placing on an annualized basis the taxable income:*

(i) *for the first two months of the taxable year, in the case of the installment required to be paid in the third month,*

(ii) *for the first two months or for the first five months of the taxable year, in the case of the installment required to be paid in the sixth month,*

(iii) *for the first six months or for the first eight months of the taxable year in the case of the installment required to be paid in the ninth month, and*

(iv) *for the first nine months or for the first 11 months of the taxable year, in the case of the installment required to be paid in the 12th month of the taxable year.*

(B) *For purposes of this paragraph, the taxable income shall be placed on an annualized basis by*

(i) *multiplying by 12 the taxable income referred to in subparagraph (A), and*

(ii) *dividing the resulting amount by the number of months in the taxable year (2, 5, 6, 8, 9, or 11, as the case may be) referred to in subparagraph (A).*

(b) Notwithstanding clause (a) (1) and (2), in the case of a large corporation, the addition to the tax with respect to any underpayment of any installment shall be imposed if the total amount of all payments of estimated tax made on or before the last date prescribed for the payment of the installment is less than the amount required to be paid on or before the date. The amount required to be paid as estimated tax for the taxable year shall in no event be less than (60 PERCENT) *the applicable percentage of (A) the tax shown on the return for the taxable year, or (B) if no return was filed, the tax for the year. The term "large corporation" means any corporation (or any pre-*

decessor corporation) which had taxable net income of \$1,000,000 or more for any taxable year during the testing period. The term "testing period" means the three taxable years immediately preceding the taxable year involved. *The term "applicable percentage" means 65 percent for taxable years beginning after April 30, 1982, 75 percent for taxable years beginning after December 31, 1982, and 80 percent for taxable years beginning after December 31, 1983.*

Sec. 13. Minnesota Statutes 1981 Supplement, Section 290A.-03, Subdivision 3, is amended to read:

Subd. 3. [INCOME.] (1) "Income" means the sum of the following:

(a) federal adjusted gross income as defined in the Internal Revenue Code of 1954 as amended through December 31, (1980) 1981; and

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

(i) additions to federal adjusted gross income as provided in Minnesota Statutes, Section 290.01, Subdivision 20, Clause (a)(1), (a)(3), (a)(9), (a)(14), (AND) (a)(15), and (a)-(21);

(ii) all nontaxable income;

(iii) recognized net long term capital gains;

(iv) dividends and interest excluded from federal adjusted gross income under (SECTION) sections 116 or 128 of the Internal Revenue Code of 1954;

(v) cash public assistance and relief;

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

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

(viii) workers' compensation;

(ix) unemployment benefits;

(x) nontaxable strike benefits; and

(xi) the gross amounts of payments received in the nature of disability income or sick pay as a result of accident, sickness, or other disability, whether funded through insurance or otherwise. In the case of an individual who files an income tax return on a fiscal year basis, the term "federal adjusted gross income" shall mean federal adjusted gross income reflected in the fiscal year ending in the calendar year.

(2) "Income" does not include

(a) amounts excluded pursuant to the Internal Revenue Code, Sections 101(a), 102, 117, and 121;

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

(c) gifts from nongovernmental sources;

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

(e) relief granted under sections 290A.01 to 290A.20;

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

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

(h) *federal adjusted gross income shall be reduced by the amount of the penalty on the early withdrawal of an all-savers certificate as provided in section 128(e) of the Internal Revenue Code of 1954.*

#### Sec. 14. [DIRECTION TO REVISOR.]

*In the next edition of Minnesota Statutes, the revisor of statutes shall substitute the phrase "Internal Revenue Code of 1954, as amended through December 31, 1981" for the words "Internal Revenue Code of 1954, as amended through December 31, 1980" wherever the phrase occurs in chapter 290, except section 290.01, subdivision 20.*

#### Sec. 15. [REPEALER.]



*Minnesota Statutes 1980, Section 290.65, Subdivisions 2, 3, 4, 5, 6, and 7 are repealed.*

**Sec. 16. [EFFECTIVE DATE.]**

*Section 1 is effective for taxable years beginning after December 31, 1981, except as otherwise provided. In section 1, the repeal of the language concerning depreciation contained in clauses (a)(16), (a)(22), (b)(24), and (b)(25) and the provision of clause (f) is effective for property placed in service after December 31, 1980 in taxable years ending after that date. Sections 2, 4, Part (A), 6, 7, 8, and 9 are effective for property placed in service after December 31, 1980 in taxable years ending after that date, except as otherwise provided. Part (B) of section 4 is effective for taxable years beginning after December 31, 1980. Sections 3, 5, 11, 14, and 15 are effective for taxable years beginning after December 31, 1981. Section 10 is effective on May 1, 1982. Section 12 is effective for taxable years beginning after April 30, 1982. Section 13 is effective for claims based on rent paid in 1981 and subsequent years and property taxes payable in 1982 and subsequent years.*

**ARTICLE XLI**

**Section 1.** Minnesota Statutes 1981 Supplement, Section 298.-28, Subdivision 1, is amended to to read:

**Subdivision 1. [DISTRIBUTION FROM GENERAL FUND.]** The proceeds of the taxes collected under section 298.-24, except the tax collected under section 298.24, subdivision 2, shall, upon certificate of the commissioner of revenue to the general fund of the state, be paid by the commissioner of revenue as follows:

(1) 2.5 cents per gross ton of merchantable iron ore concentrate, hereinafter referred to as "taxable ton", to the city or town in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. If the mining, quarrying, and concentration, or different steps in either thereof are carried on in more than one taxing district, the commissioner shall apportion equitably the proceeds of the part of the tax going to cities and towns among such subdivisions upon the basis of attributing 40 percent of the proceeds of the tax to the operation of mining or quarrying the taconite, and the remainder to the concentrating plant and to the processes of concentration, and with respect to each thereof giving due consideration to the relative extent of such operations performed in each such taxing district. His order making such apportionment shall be subject to review by the tax court at the instance of any of the interested taxing districts, in the same manner as other orders of the commissioner.

(2) 12.5 cents per taxable ton, less any amount distributed under clause (8), to the taconite municipal aid account in the apportionment fund of the state treasury, to be distributed as provided in section 298.282.

(3) 29 cents per taxable ton plus the increase provided in paragraph (c) to qualifying school districts to be distributed as follows:

(a) Six cents per taxable ton to the school districts in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. The commissioner shall follow the apportionment formula prescribed in clause (1).

(b) 23 cents per taxable ton, less any amount distributed under part (d), shall be distributed to a group of school districts comprised of those school districts wherein the taconite was mined or quarried or the concentrate produced or in which there is a qualifying municipality as defined by section 273.134 in direct proportion to school district tax levies as follows: each district shall receive that portion of the total distribution which its permitted levy for the prior year, computed pursuant to section 275.125, comprises of the sum of permitted levies for the prior year for all qualifying districts, computed pursuant to section 275.125. For purposes of distributions pursuant to this part, permitted levies for the prior year computed pursuant to section 275.125 shall not include the amount of any increased levy authorized by referendum pursuant to section 275.125, subdivision 2d.

(c) On July 15, 1982 and on July 15 in subsequent years, an amount equal to the increase derived by increasing the amount determined by clause (3)(b) in the same proportion as the increase in the steel mill products index over the base year of 1977 as provided in section 298.24, subdivision 1, clause (a), shall be distributed to any school district described in clause (3)(b) where a levy increase pursuant to section 275.125, subdivision 2d is authorized by referendum, according to the following formula. Each district shall receive the product of:

(i) \$150 times the pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), enrolled in the previous school year, less the product of two mills times the district's taxable valuation in the second previous year; times

(ii) the lesser of:

(A) one, or

(B) the ratio of the amount certified pursuant to section 275.125, subdivision 2d, in the previous year, to the product of two mills times the district's taxable valuation in the second previous year.

If the total amount provided by clause (3)(c) is insufficient to make the payments herein required then the entitlement of \$150 per pupil unit shall be reduced uniformly so as not to exceed the funds available. Any amounts received by a qualifying school district in any fiscal year pursuant to clause (3)(c) shall not be applied to reduce foundation aids which the district is entitled to receive pursuant to section 124.212 or the permissible levies of the district. Any amount remaining after the payments provided in this paragraph shall be paid to the commissioner of finance who shall deposit the same in the taconite environmental protection fund and the northeast Minnesota economic protection fund as provided in section 298.28, subdivision 1, clause 10.

(d) There shall be distributed to any school district the amount which the school district was entitled to receive under section 298.32 in 1975.

(4) 19.5 cents per taxable ton to counties to be distributed as follows:

(a) 15.5 cents per taxable ton shall be distributed to the county in which the taconite is mined or quarried or in which the concentrate is produced, less any amount which is to be distributed pursuant to part (b). The commissioner shall follow the apportionment formula prescribed in clause (1).

(b) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a county other than the county in which the mining and the concentrating processes are conducted, one cent per taxable ton of the tax distributed to the counties pursuant to part (a) and imposed on and collected from such taxpayer shall be distributed by the commissioner of revenue to the county in which the power plant is located.

(c) Four cents per taxable ton shall be paid to the county from which the taconite was mined, quarried or concentrated to be deposited in the county road and bridge fund. If the mining, quarrying and concentrating, or separate steps in any of those processes are carried on in more than one county, the commissioner shall follow the apportionment formula prescribed in clause (1).

(5) (a) 25.75 cents per taxable ton, less any amount required to be distributed under part (b), to the taconite property tax relief account in the apportionment fund in the state treasury, to be distributed as provided in sections 273.134 to 273.136.

(b) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a county other than the county in which the mining and the concentrating processes are conducted, .75

cent per taxable ton of the tax imposed and collected from such taxpayer shall be distributed by the commissioner of revenue to the county and school district in which the power plant is located as follows: 25 percent to the county and 75 percent to the school district.

(6) One cent per taxable ton to the state for the cost of administering the tax imposed by section 298.24.

(7) Three cents per taxable ton shall be deposited in the state treasury to the credit of the iron range resources and rehabilitation board account in the special revenue fund for the purposes of section 298.22. The amount determined in this clause shall be increased in 1981 and subsequent years in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1. The amount distributed pursuant to this clause shall be expended within or for the benefit of a tax relief area defined in section 273.134. No part of the fund provided in this clause may be used to provide loans for the operation of private business unless the loan is approved by the governor and the legislative advisory commission.

(8) .20 cent per taxable ton shall be paid in 1979 and each year thereafter, to the range association of municipalities and schools, for the purpose of providing an area wide approach to problems which demand coordinated and cooperative actions and which are common to those areas of northeast Minnesota affected by operations involved in mining iron ore and taconite and producing concentrate therefrom, and for the purpose of promoting the general welfare and economic development of the cities, towns and school districts within the iron range area of northeast Minnesota.

(9) the amounts determined under clauses (4)(a), (4)(c), and (5) shall be increased in 1979 and subsequent years in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1.

(10) the proceeds of the tax imposed by section 298.24 which remain after the distributions in clauses (1) to (9) and parts (a) and (b) of this clause have been made shall be divided between the taconite environmental protection fund created in section 298.223 and the northeast Minnesota economic protection fund created in section 298.292 as follows: In 1981 and each year thereafter, two-thirds to the taconite environmental protection fund and one-third to the northeast Minnesota economic protection fund. The proceeds shall be placed in the respective special accounts in the general fund.

(a) In 1978 and each year thereafter, there shall be distributed to each city, town, school district, and county the amount

*that they received under section 294.26 in calendar year 1977; provided, however, that the amount distributed in 1981 to the unorganized territory number 2 of Lake County and the town of Beaver Bay based on the between-terminal trackage of Erie Mining Company will be distributed in 1982 and subsequent years to the unorganized territory number 2 of Lake County and the towns of Beaver Bay and Stony River based on the miles of track of Erie Mining Company in each taxing district.*

(b) In 1978 and each year thereafter, there shall be distributed to the iron range resources and rehabilitation board the amounts it received in 1977 under section 298.22.

On or before October 10 of each calendar year each producer of taconite or iron sulphides subject to taxation under section 298.24 (hereinafter called "taxpayer") shall file with the commissioner of revenue and with the county auditor of each county in which such taxpayer operates, and with the chief clerical officer of each school district, city or town which is entitled to participate in the distribution of the tax, an estimate of the amount of tax which would be payable by such taxpayer under said law for such calendar year; provided such estimate shall be in an amount not less than the amount due on the mining and production of concentrates up to September 30 of said year plus the amount becoming due because of probable production between September 30 and December 31 of said year, less any credit allowable as hereinafter provided. Such estimate shall list the taxing districts entitled to participate in the distribution of such tax, and the amount of the estimated tax which would be distributable to each such district in the next ensuing calendar year on the basis of the last percentage distribution certified by the commissioner of revenue. If there be no such prior certification, the taxpayer shall set forth its estimate of the proper distribution of such tax under the law, which estimate may be corrected by the commissioner if he deems it improper, notice of such correction being given by him to the taxpayer and the public officers receiving such estimate. The officers with whom such report is so filed shall use the amount so indicated as being distributable to each taxing district in computing the permissible tax levy of such county, city or school district in the year in which such estimate is made, and payable in the next ensuing calendar year, except that in 1978 and 1979 two cents per taxable ton, and in 1980 and thereafter, one cent per taxable ton of the amount distributed under clause (4)(c) shall not be deducted in calculating the permissible levy. Such taxpayer shall then pay, at the times payments are required to be made pursuant to section 298.27, as the amount of tax payable under section 298.24, the greater of (a) the amount shown by such estimate, or (b) the amount due under said section as finally determined by the commissioner of revenue pursuant to law. If, as a result of the payment of the amount of such estimate, the taxpayer has paid in any calendar year an amount of tax in excess of the amount due in such year under section 298.-

24, after application of credits for any excess payments made in previous years, all as determined by the commissioner of revenue, the taxpayer shall be given credit for such excess amount against any taxes which, under said section, may become due from the taxpayer in subsequent years. In any calendar year in which a general property tax levy subject to sections 275.125 or 275.50 to 275.59 has been made, if the taxes distributable to any such county, city or school district are greater than the amount estimated to be paid to any such county, city or school district in such year, the excess of such distribution shall be held in a special fund by the county, city or school district and shall not be expended until the succeeding calendar year, and shall be included in computing the permissible levies under sections 275.125 or 275.50 to 275.59, of such county, city or school district payable in such year. If the amounts distributable to any such county, city or school district, after final determination by the commissioner of revenue under this section are less than the amounts indicated by such estimates, such county, city or school district may issue certificates of indebtedness in the amount of the shortage, and may include in its next tax levy, in excess of the limitations of sections 275.125 or 275.50 to 275.59 an amount sufficient to pay such certificates of indebtedness and interest thereon, or, if no certificates were issued, an amount equal to such shortage.

There is hereby annually appropriated to such taxing districts as are stated herein, to the taconite property tax relief account and to the taconite municipal aid account in the apportionment fund in the state treasury, to the department of revenue, to the iron range resources and rehabilitation board, to the range association of municipalities and schools, to the taconite environmental protection fund, and to the northeast Minnesota economic protection fund, from any fund or account in the state treasury to which the money was credited, an amount sufficient to make the payment or transfer. The payment of the amount appropriated to such taxing districts shall be made by the commissioner of revenue on or before May 15 annually.

#### Sec. 2. [APPLICABILITY.]

*On its effective date, section 1 applies to the town of Stony River, the town of Beaver Bay, and Lake County.*

#### Sec. 3. [LOCAL APPROVAL.]

*Section 1 is effective for the town of Stony River, the town of Beaver Bay, and Lake County upon approval by the governing body of each.*

#### Sec. 4. [EFFECTIVE DATE.]

*Section 1 is effective for distributions made in 1982 and subsequent years.*

## ARTICLE XLII

## Section 1. [EQUALIZATION ZONES FOR BORDER COMMUNITIES.]

*The department of energy, planning and development shall evaluate the local and regional impact of the economic and fiscal distress on Minnesota communities which have a contiguous border with a city in another state or which are in close proximity to a city in another state. The department shall report its findings to the legislature by January 1, 1983. Also included in this report shall be the designation of equalization zones for communities most severely distressed, and recommendations for measures to be taken by the legislature to reduce the economic and fiscal disparities identified in communities designated as equalization zones.*

## Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to the financing of government in this state; providing for the collection of taxes; providing for distribution of campaign funds after reapportionment; providing a formula for determining limitations on interest rates on municipal bonds; changing a public sale requirement; providing for withholding of income tax refunds from child support debtors; making technical corrections and administrative changes to the income tax and property tax refund; requiring registration of rental housing in the city of Minneapolis and denying certain income tax deductions for owners who fail to comply; extending the effective date of residential energy credits; requiring notification to school districts of certain property tax assessment challenge proceedings; authorizing school districts to participate at certain hearings; allowing disclosure of private data to permit vendor processing of income and sales tax returns; altering the date warrants are issued to the sheriff for collection of certain mobile home property taxes; requiring county auditors to combine certain legal descriptions for property tax purposes; providing for sales of unstamped cigarettes to members of Indian tribes; providing for the rounding off of market value amounts; permitting leases and installment purchases of equipment by local governments and providing for their tax and fiscal treatment; adopting certain federal provisions for purposes of the research and experimental expenditures credit; clarifying the neighborhood real estate trust provisions; changing certain procedures and interest rates applicable to delinquent property taxes and tax-forfeited land sales; restricting eligibility for the property tax refund; imposing certain requirements and restrictions on the use of tax increment financing; allowing issuance of bonds to promote

tourism projects in the metropolitan area; allowing an exemption of property taxes on certain property located in municipal development districts providing for the valuation of certain agricultural property; allowing the town of Rice Lake to levy in excess of its levy limitation for taxes payable in 1982; permitting the towns of Erin, Forest, Webster, and Wheatland in Rice County to impose a special levy for fire protection purposes; allowing a levy limit increase for Clearwater County; authorizing the issuance of bonds for certain facilities for the city of Bloomington and Lake County; authorizing the sale of bonds to finance the purchase of certain equipment in the city of Duluth; reducing the rate of interest on estate tax installment payments; changing the effective date of certain estate tax provisions to conform with federal law; providing that landowners in unorganized townships receive a property tax credit for certain transmission lines; clarifying the taxation of gravel and the distribution of revenue; validating certain tax collections by Clay County; providing for the lease of hydropower sites by the state or local governmental units; imposing a hotel and motel tax in the city of St. Paul; authorizing the city of St. Paul to issue bonds for certain purposes; establishing a port authority for the city of South St. Paul; authorizing a waiver of certain security deposits in Olmsted County; exempting certain towns from general levy limits; delaying the coefficient of dispersion penalty; clarifying the taxation of meals and food products for sales tax purposes; providing that certain leasing of manufactured homes is not a sale for purposes of the sales tax; eliminating tax recapture or payment acceleration of deferred special assessments upon certain sales of qualifying agricultural property; providing for the rate and disposition of certain taconite credits; providing for school bonds and related taxation in certain school districts; providing for homestead for certain leasehold cooperatives; revising the metropolitan agricultural preserves act; providing for reassessment of homestead property damage by a disaster; providing an action to enjoin certain tax return preparers from engaging in certain conduct or from preparing returns; imposing penalties on a preparer for wilfully understating an income tax liability or wilfully overstating a property tax refund claim; clarifying the taxation of income of athletes and entertainers; altering certain unitary tax provisions; adopting certain federal income tax amendments; providing for the distribution of production tax proceeds; requiring a study of financial problems of border communities; providing 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; 270.75, by adding a subdivision; 272.02, Subdivision 1; 273.111, Subdivisions 9, 11, and by adding a subdivision; 273.121; 273.13, Subdivisions 7c and 17d; 273.133, by adding a subdivision; 273.42, as amended; 273.425; 273.73, Subdivisions 10 and 13; 273.74, Subdivisions 1, 3, and 4; 273.75, Subdivisions 2, 3, 4, 5, and 6, and by adding a subdivision;



273.76, Subdivisions 1 and 4; 273.77; 274.19, Subdivision 3; 278.01; 278.05, Subdivisions 2 and 4; 278.08; 279.37, Subdivisions 1 and 2; 282.01, Subdivision 4, and by adding a subdivision; 282.014; 282.04, by adding a subdivision; 282.08; 282.09, Subdivision 1; 282.261; 290.01, by adding a subdivision; 290.012, Subdivision 2; 290.02; 290.03; 290.032, Subdivision 5; 290.06, Subdivisions 9 and 9a, and by adding a subdivision; 290.067, Subdivision 1; 290.079, Subdivision 1; 290.09, Subdivisions 16 and 17; 290.095, Subdivisions 3 and 4; 290.13, Subdivision 1; 290.133, Subdivision 1; 290.16, Subdivisions 15, as amended, and 16, as amended; 290.19, Subdivision 1; 290.281, Subdivision 1; 290.31, Subdivisions 5 and 19; 290.34, Subdivision 2, as amended; 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; 291.015, as amended; 291.03, Subdivision 3, as amended; 291.051, as amended; 291.09, Subdivision 1a, as amended; 291.15; 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; 474.02, Subdivision 1b; 474.06; 475.55; 475.60, Subdivision 2; 508.25; 559.21, by adding a subdivision; 580.15; Minnesota Statutes 1981 Supplement, Sections 10A.31, Subdivision 5; 270.063; 270.66; 270.75, as amended, by adding a subdivision; 272.46; 273.11, Subdivisions 1 and 7; 273.13, Subdivision 9; 273.74, Subdivision 2; 275.50, Subdivision 2; 279.03; 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 1, 2, 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, as amended; 290.18, Subdivisions 1 and 2; 290.21, Subdivisions 3, and 4, as amended; 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, 12, 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; 298.28, Subdivision 1; 298.75; 474.03; 477A.04, Subdivision 2; Laws 1981, Third Special Session Chapter 2, Articles III, Section 6, Subdivisions 1 and 3, Section 22, and VI, Section 8; proposing new law coded in Minnesota Statutes, Chapters 270; 273; 290; 290A; 295; 297; 473H; repealing Minnesota Statutes 1980, Sections 210A.22; 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; 290.973; 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; and 290.971, Subdivision 7; 298.76."

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

House Conferees: IRVIN N. ANDERSON, WILLIS R. EKEN, JIM EVANS, JOEL JACOBS and HARRY A. SIEBEN, JR.

Senate Conferees: DOUGLAS J. JOHNSON, MARV HANSON, LINDA BERGLIN, A. O. H. SETZEFFANDT and RON SIELOFF.

Anderson, I., moved that the report of the Conference Committee on H. F. No. 1872 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 with-

holding 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, Sub-

division 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 by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 91 yeas and 35 nays as follows:

Those who voted in the affirmative were:

Anderson, B.    Anderson, I.    Battaglia    Begich    Berkelman

Blatz	Harens	Luknic	Otis	Staten
Brandl	Hauge	Mann	Peterson, D.	Stumpf
Brinkman	Heap	McCarron	Pogemiller	Svigum
Byrne	Himle	McEachern	Redalen	Swanson
Carlson, D.	Hoberg	Mehrkens	Reding	Tomlinson
Carlson, L.	Hokanson	Metzen	Rees	Valan
Clark, J.	Jacobs	Minne	Reif	Valento
Clark, K.	Jennings	Munger	Rice	Vanasek
Clawson	Johnson, C.	Murphy	Rodriguez, C.	Vellenga
Dahlvang	Jude	Nelsen, B.	Rodriguez, F.	Voss
Eken	Kahn	Nelson, K.	Rose	Welch
Elioff	Kalis	Norton	Samuelson	Wenzel
Ellingson	Kelly	Novak	Sarna	Wynia
Evans	Kostohryz	O'Connor	Schoenfeld	Spkr. Sieben, H.
Fjoslien	Lehto	Ogren	Sieben, M.	
Greenfield	Lemen	Olsen	Simoneau	
Gustafson	Levi	Onnen	Skoglund	
Hanson	Long	Osthoff	Stadum	

Those who voted in the negative were:

Aasness	Erickson	Hokr	McDonald	Sherman
Ainley	Esau	Johnson, D.	Niehaus	Sherwood
Anderson, G.	Ewald	Kaley	Nysether	Stowell
Dean	Gruenes	Kvam	Peterson, B.	Welker
Dempsey	Halberg	Laidig	Rothenberg	Wieser
Den Ouden	Haukoos	Ludeman	Schafer	Wigley
Drew	Heinitz	Marsh	Schreiber	Zubay

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

The Speaker resumed the Chair.

## MESSAGES FROM THE SENATE, Continued

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 353, A bill for an act relating to agriculture; protecting agricultural operations from nuisance suits under certain circumstances; proposing new law coded in Minnesota Statutes, Chapter 561.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 1897, A bill for an act relating to the state agricultural society; updating and clarifying certain powers and duties of the society; amending Minnesota Statutes 1980, Sections 37.-

01; 37.04, Subdivision 3; 37.05; 37.06; 37.17, Subdivisions 1, 2, and by adding a subdivision; 37.18; 37.19; 37.20; 37.21; and 37.22; repealing Minnesota Statutes 1980, Section 37.23; Minnesota Statutes 1981 Supplement, Sections 37.17, Subdivision 3; and 37.27.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

**Mr. Speaker:**

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

S. F. No. 1706, A bill for an act relating to insurance; authorizing separate accounts for certain pension plans; amending Minnesota Statutes 1981 Supplement, Section 61A.282, Subdivision 2; proposing new law coded in Minnesota Statutes, Chapter 61A.

And the Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Messrs. Petty, Frank and Frederickson.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Wynia moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two Houses on S. F. No. 1706. The motion prevailed.

**Mr. Speaker:**

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

S. F. No. 1907, A bill for an act relating to real property; requiring certification by the municipality prior to transfer by the county auditor of certain unplatted properties; proposing new law coded in Minnesota Statutes, Chapter 272.

And the Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Messrs. Merriam, Luther and Peterson, R. W.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Jacobs moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two Houses on S. F. No. 1907. The motion prevailed.

#### ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1706:

Wynia, Greenfield and Gruenes.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1907:

Jacobs, Metzen and Redalen.

The following conference committee report was received:

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 1611

A bill for an act relating to garnishment; authorizing an employer to recover expenses incurred for administering garnishment of an employee's wages; amending Minnesota Statutes 1980, Section 571.57.

March 13, 1982

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

The Honorable Jack Davies  
President of the Senate

We, the undersigned conferees for H. F. No. 1611, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 1611 be further amended as follows:

Page 2, line 3, after the period, insert "*A processing transaction means any written response the garnishee employer is required by law to mail or deliver for purposes of administering the garnishment of an employee's wages.*"

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

House Conferees: MARY M. FORSYTHE, TERRY M. DEMPSEY and TAD JUDE.

Senate Conferees: OTTO T. BANG, JR., BOB LESSARD and RANDOLPH W. PETERSON.

Dempsey moved that the report of the Conference Committee on H. F. No. 1611 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1611, A bill for an act relating to garnishment; authorizing an employer to recover expenses incurred for administering garnishment of an employee's wages; amending Minnesota Statutes 1980, Section 571.57.

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

The question was taken on the repassage of the bill and the roll was called. There were 121 yeas and 4 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Ellingson	Norton	Osthoff	Skoglund
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The bill was repassed, as amended by Conference, and its title agreed to.



## MESSAGES FROM THE SENATE, Continued

Mr. Speaker :

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1220, A bill for an act relating to unemployment compensation; clarifying that quitting work due to sexual harassment does not result in benefit disqualification; amending Minnesota Statutes 1980, Section 268.09, Subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

Simoneau moved that the House concur in the Senate amendments to H. F. No. 1220 and that the bill be repassed as amended by the Senate.

Heinitz moved that the House refuse to concur in the Senate amendments to H. F. No. 1220, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two Houses.

A roll call was requested and properly seconded.

## CALL OF THE HOUSE

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

Aasness	Eken	Johnson, D.	Minne	Rice
Ainley	Elioff	Jude	Munger	Rodriguez, C.
Anderson, B.	Ellingson	Kahn	Murphy	Rodriguez, F.
Anderson, G.	Erickson	Kaley	Nelsen, B.	Rose
Anderson, I.	Esau	Kalis	Nelson, K.	Rothenberg
Anderson, R.	Ewald	Kelly	Niehaus	Sarna
Battaglia	Fjoslien	Knickerbocker	Norton	Schafer
Begich	Forsythe	Kostohryz	Novak	Schoenfeld
Blatz	Greenfield	Laidig	Nysether	Schreiber
Brandl	Gruenes	Lehto	O'Connor	Shea
Brinkman	Halberg	Lemen	Ogren	Sherman
Byrne	Hanson	Levi	Olsen	Sherwood
Carlson, D.	Harens	Long	Onnen	Sieben, M.
Carlson, L.	Hauge	Ludeman	Osthoff	Simoneau
Clark, J.	Haukoos	Luknic	Otis	Skoglund
Clark, K.	Heap	Mann	Peterson, B.	Stadum
Clawson	Heinitz	Marsh	Peterson, D.	Staten
Dahlvang	Hoberg	McCarron	Piepho	Stowell
Dean	Hokanson	McDonald	Pogemiller	Stumpf
Dempsey	Hokr	McEachern	Redalen	Sviggum
Den Ouden	Jacobs	Mehrkins	Reding	Swanson
Drew	Jennings	Metzen	Reif	Tomlinson

Valan	Vellenga	Welch	Wieser	Zubay
Valento	Voss	Welker	Wigley	
Vanasek	Weaver	Wenzel	Wynia	

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 Heinitz motion and the roll was called. There were 98 yeas and 33 nays as follows:

Those who voted in the affirmative were:

Aasness	Elioff	Johnson, D.	Nelsen, B.	Schreiber
Ainley	Erickson	Jude	Niehaus	Sherman
Anderson, B.	Esau	Kaley	Nysether	Sherwood
Anderson, G.	Evans	Kalis	O'Connor	Stadum
Anderson, I.	Ewald	Knickerbocker	Olsen	Stowell
Anderson, R.	Fjoslien	Kostohryz	Onnen	Sviggum
Battaglia	Forsythe	Kvam	Peterson, B.	Swanson
Begich	Gruenes	Laidig	Piepho	Valan
Berkelman	Gustafson	Lehto	Pogemiller	Valento
Blatz	Halberg	Lemen	Redalen	Vanasek
Brandl	Hanson	Levi	Rees	Vellenga
Brinkman	Hauge	Ludeman	Reif	Weaver
Carlson, D.	Haukoos	Luknic	Rice	Welker
Carlson, L.	Heap	Marsh	Rodriguez, C.	Wenzel
Clawson	Heinitz	McDonald	Rose	Wieser
Dahlvang	Himle	McEachern	Rothenberg	Wigley
Dean	Hoberg	Mehrkens	Samuelson	Wynia
Dempsey	Hokanson	Metzen	Sarna	Zubay
Den Ouden	Hokr	Minne	Schafer	
Drew	Jennings	Murphy	Schoenfeld	

Those who voted in the negative were:

Byrne	Johnson, C.	Nelson, K.	Reding	Stumpf
Clark, J.	Kahn	Norton	Rodriguez, F.	Tomlinson
Clark, K.	Kelly	Novak	Shea	Voss
Eken	Long	Ogren	Sieben, M.	Welch
Ellingson	Mann	Osthoff	Simoneau	Spkr. Sieben, H.
Greenfield	McCarron	Otis	Skoglund	
Harens	Munger	Peterson, D.	Staten	

The motion prevailed.

#### CALL OF THE HOUSE LIFTED

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

Johnson, C., and Zubay were excused for the remainder of today's session.

The following conference committee reports were received:

## CONFERENCE COMMITTEE REPORT ON 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.

March 12, 1982

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

The Honorable Jack Davies  
President of the Senate

We, the undersigned conferees for H. F. No. 438, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 438 be further amended as follows:

Delete everything after the enacting clause and insert:

*"Article I*

*Miscellaneous Retirement Modifications*

Section 1. Minnesota Statutes 1981 Supplement, Section 43A.465, is amended to read:

43A.465 [CREDIT FOR PRIOR PART-TIME SERVICE.]

Any person who was employed in a shared position in the Minnesota demonstration job-sharing program pursuant to (LAWS 1980, CHAPTER 572) *Minnesota Statutes 1980, Sections 43.56 to 43.62 or sections 43A.40 to 43A.46*, prior to (MAY 1, 1981) *the effective date of this section* shall have service credit for that service in the applicable retirement fund recalculated in accordance with the provisions of section (43.60) *43A.44*, subdivision (3) 2, clause (a).

Sec. 2. Minnesota Statutes 1980, Section 352.04, Subdivision 8, is amended to read:

Subd. 8. [DEPARTMENT REQUIRED TO PAY (EQUIVALENT OF INTEREST ON) OMITTED SALARY DEDUC-

TIONS.] (a) If any department fails to take deductions *past due for a period of 60 days or less* from an employee's salary as provided in this section (SUCH), *those* deductions shall be taken on subsequent payroll abstracts (, AND THE DEPARTMENT, AND NOT THE EMPLOYEE, SHALL PAY IN LIEU OF INTEREST AN AMOUNT EQUIVALENT TO SIX PERCENT OF THE AMOUNT DUE FOR BOTH THE EMPLOYEE AND EMPLOYER CONTRIBUTIONS). (b) *If any department fails to take deductions past due for a period in excess of 60 days from an employee's salary as provided in this section, the department, and not the employee, shall pay the employee and employer contributions and an amount equivalent to six percent of the total amount due in lieu of interest.* (c) *If any department fails to take deductions past due for a period of 60 days or less and the employee is no longer in state service so that the required deductions cannot be taken from (HIS) the salary of the employee, the department shall nevertheless pay the required employer contributions (PLUS AN AMOUNT EQUIVALENT TO SIX PERCENT OF THE REQUIRED EMPLOYEE AND EMPLOYER CONTRIBUTIONS).*

*If any department fails to take deductions past due for a period in excess of 60 days and the employee is no longer in state service, the omitted contributions shall be recovered pursuant to clause (b).* (C) (d) *If an employee from whose salary required deductions were (NOT TAKEN) past due for a period of 60 days or less leaves state service prior to the payment of the omitted deductions and subsequently returns to state service, the unpaid amount thereof shall be considered the equivalent of a (REFUNDMENT) refund, and the employee shall accrue no right by reason thereof, except that (HE) the employee may pay the amount thereof as provided in section 352.23.*

### Sec. 3. [352C.0911] [BENEFIT ADJUSTMENTS.]

*Retirement allowances payable to retired constitutional officers pursuant to section 352C.031 and surviving spouse benefits payable pursuant to section 352C.04, shall be adjusted in the same manner, at the same times and in the same amounts as are benefits payable from the Minnesota post retirement investment fund to retirees of a participating public pension fund.*

Sec. 4. Minnesota Statutes 1981 Supplement, Section 353.31, Subdivision 1, is amended to read:

Subdivision 1. [BENEFITS FOR SURVIVING SPOUSE AND DEPENDENT CHILDREN; BEFORE RETIREMENT.] Upon the death of a "basic member" before retirement or upon the death of a "basic member" who was disabled and receiving disability benefits pursuant to section 353.33 at the time of death who has had at least 18 months of credited allowable service, the surviving spouse and dependent children of the mem-

ber, as defined in section 353.01, subdivisions 15 and 20, shall be entitled to receive the monthly benefit provided below:

- |                          |  |
|--------------------------|--|
| (a) Surviving spouse     | 30 percent of the member's monthly average salary in effect over the last full six months of allowable service preceding the month in which death occurred |
| (b) Each dependent child | 10 percent of the member's monthly average salary in effect over the last full six months of allowable service preceding the month in which death occurred |

Payments for the benefit of any dependent child, as defined in section 353.01, subdivision 15, shall be made to the surviving parent, or if there be none, to the legal guardian of the child. The maximum monthly benefit for a family shall not exceed (\$450) \$700, and the minimum benefit per family shall not be less than 30 percent of the "basic member's" (SAID) *specified* average salary, subject to the aforementioned maximum. The surviving spouse benefit shall terminate upon the remarriage of the spouse, and the dependent children's benefit shall be reduced pro tanto when any child is no longer dependent.

Any survivor of a "basic member" whose average salary was less than \$75 per month shall not be entitled to the benefits provided in this subdivision.

Except for any benefits provided pursuant to section 353.32, subdivisions 1 and 1a, there are no survivor benefits payable to the surviving spouse or dependent children of a deceased "co-ordinated member".

Sec. 5. Minnesota Statutes 1980, Section 354.06, Subdivision 4, is amended to read:

Subd. 4. All members of the board shall serve without compensation but shall receive necessary expenses while attending all meetings of the board or *meetings of any committee authorized by the board*, to be paid out of the fund. *Necessary expenses may include the salary of any substitute teacher which the employing unit is required to hire. The board may reimburse the employing unit for the salary of the substitute teacher. Members of the board shall suffer no loss of compensation from their employing units by reason of service on or for the board or any committee authorized by the board.*

Sec. 6. Minnesota Statutes 1981 Supplement, Section 354.091, is amended to read:

## 354.091 [SERVICE CREDIT.]

In computing the time of service of a teacher, the length of a legal school year in the district or institution where such service was rendered shall constitute a year under sections 354.05 to 354.10, provided such year is not less than the legal minimum school year of this state. No person shall be allowed credit for more than one year of teaching service for any fiscal year. Commencing July 1, 1969 (1) if a teacher teaches only a fractional part of a day, credit shall be given for a day of teaching service for each five hours taught, and (2) if a teacher teaches at least 170 full days in any fiscal year credit shall be given for a full year of teaching service, and (3) if a teacher teaches for only a fractional part of the year credit shall be given for such fractional part of the year as the term of service rendered bears to 170 days. Teaching service performed prior to July 1, 1969 shall be computed pursuant to the law in effect at the time it was rendered.

*In no event shall any teacher lose or gain retirement service credit as a result of the employer converting to a four day work week. If the employer does convert to a four day work week, the forms for reporting and procedures for determining service credit shall be determined by the executive director with the approval of the board of trustees.*

Sec. 7. Minnesota Statutes 1981 Supplement, Section 354.46, Subdivision 1, is amended to read:

Subdivision 1. [BASIC PROGRAM; BENEFITS FOR SPOUSE AND CHILDREN OF TEACHER.] If a basic member who has at least 18 months of allowable service credit and who has an average salary as defined in section 354.44, subdivision 6 equal to or greater than \$75 dies prior to retirement or if a former basic member who, at the time of death, was totally and permanently disabled and receiving disability benefits pursuant to section 354.48 dies prior to attaining the age of 65 years, the surviving dependent spouse and dependent children of the basic member or former basic member shall be entitled to receive a monthly benefit as follows:

(a) Surviving  
dependent

spouse ..... 30 percent of the basic member's monthly average salary paid in the last full fiscal year preceding death

(b) Each  
dependent

child ..... ten percent of the basic member's monthly average salary paid in the last full fiscal year preceding death

Payments for the benefit of any dependent child under the age of 22 years shall be made to the surviving parent, or if there be none, to the legal guardian of the child. The maximum monthly benefit shall not exceed (\$450) \$700 for any one family, and the minimum benefit per family shall not be less than 30 percent of the basic member's average salary, subject to the foregoing maximum. The surviving dependent spouse benefit shall terminate upon remarriage, and the surviving dependent children's benefit shall be reduced pro tanto when any surviving child is no longer dependent.

If the basic member and the surviving dependent spouse are killed in a common disaster and if the total of all survivors benefits payable pursuant to this subdivision is less than the accumulated deductions plus interest payable, the surviving dependent children shall receive the difference in a lump sum payment.

If the survivor benefits provided in this subdivision exceed in total the monthly average salary of the deceased basic member, these benefits shall be reduced to an amount equal to the deceased basic member's monthly average salary.

Prior to payment of any survivor benefit pursuant to this subdivision, in lieu of that benefit, the surviving dependent spouse may elect to receive the joint and survivor annuity provided pursuant to subdivision 2, or may elect to receive a refund of accumulated deductions with interest in a lump sum as provided pursuant to sections 354.47, subdivision 1 or 354.62, subdivision 5, clause (3). If there are any surviving dependent children, the surviving dependent spouse may elect to receive the refund of accumulated deductions only with the consent of the district court of the district in which the surviving dependent child or children reside.

Sec. 8. Minnesota Statutes 1981 Supplement, Section 354.46, Subdivision 2, is amended to read:

Subd. 2. [DEATH WHILE ELIGIBLE DESIGNATED BENEFICIARY BENEFIT.] *The surviving spouse of any member who has attained the age of at least 55 years and has credit for at least 20 years of allowable service or who has credit for at least 30 years of allowable service irrespective of age shall be entitled to (ELECT) joint and survivor annuity coverage in the event of death of the member prior to retirement (WHICH SHALL BE PAYABLE TO THE SURVIVING SPOUSE). (IF THE ELECTION IS MADE AND THE PERSON DIES PRIOR TO RETIREMENT, THE SURVIVING SPOUSE.)* If the surviving spouse does not elect to receive a surviving spouse benefit provided pursuant to subdivision 1, if applicable, or does not elect to receive a refund of accumulated member contributions provided pursuant to sections 354.47, subdivision 1, or 354.62, subdivision 5, clause (3), whichever is

applicable, *the surviving spouse* shall be entitled to receive, upon written application on a form prescribed by the executive director, a benefit equal to the second portion of a 100 percent joint and survivor annuity as provided pursuant to section 354.45 and computed pursuant to section 354.44, subdivisions 2, 6 or 7, whichever is applicable. If the member was a participant in the variable annuity division, the applicable portion of the benefit shall be computed pursuant to section 354.62, subdivision 5, clause (1). The benefit shall be payable for life.

Sec. 9. Minnesota Statutes 1980, Section 354A.11, is amended to read:

**354A.11 [CERTAIN MONEYS AND CREDITS OF TEACHERS EXEMPT.]**

All moneys deposited by a teacher or member or deposited by any other person or corporation, municipal or private, to the credit of a teacher or member of a teachers retirement fund association organized pursuant to this chapter, and all moneys, rights, and interests or annuities due or to become due to a teacher, member, or annuitant, or their beneficiaries, from any association shall not be assignable, shall be exempt from garnishment, attachment, and execution or sale on any final process issued from any court and *every other legal process whatsoever including, but not limited to, divorce, legal separation, and child support*, and shall not be subject to the estate tax provisions of this state.

**Sec. 10. [356.61] [LIMITATION ON PUBLIC EMPLOYEE RETIREMENT ANNUITIES.]**

*Notwithstanding any provision of law, bylaws, articles of incorporation, retirement and disability allowance plan agreements or retirement plan contracts to the contrary, no person who has pension or retirement coverage by a public pension plan shall be entitled to receive a monthly retirement annuity or disability benefit which, at the time of commencement of the retirement annuity or disability benefit, exceeds the amount of the final monthly salary of the person.*

*A public pension plan is any Minnesota public pension plan or fund which provides pension or retirement coverage for public employees other than volunteer firefighters, including any plan or fund enumerated in sections 356.20, subdivision 2, or 356.30, subdivision 3, any local police or firefighter's relief association to which section 69.77 applies, or any retirement or pension plan or fund, including a supplemental retirement plan or fund established, maintained or supported by any governmental subdivision or public body whose revenues are derived from taxation, fees, assessments or from other public sources. Final monthly salary is the hourly rate of compensation received by the person on*



*account of the most recent public employment for the final pay period occurring prior to retirement multiplied by 174.*

*The figure for the monthly retirement annuity or disability benefit to be used for the calculation of this limitation shall not include any reduction or adjustment required for retirement prior to the normal retirement age or required for the election of an optional annuity.*

*If the figure for the monthly retirement annuity or disability benefit exceeds the limit contained in this section, the annuity or benefit payable shall be reduced appropriately.*

*The managing board of each public pension plan from which a retirement annuity or disability benefit is payable shall, at the time that the retirement annuity or disability benefit commences, contact all other public pension plans to determine whether or not the recipient of the retirement annuity or disability benefit is also receiving or is entitled to receive a retirement annuity or disability benefit from any other public pension plan. If a person is entitled to receive or is receiving a retirement annuity or disability benefit from more than one public pension plan, all retirement annuities or disability benefits from all public pension plans shall be totalled in determining whether or not the limitation shall apply; provided however, that the limitation shall be based on the highest final monthly salary received by the individual from any plan. Any reduction in the amount of the retirement annuity or disability benefit required pursuant to this section shall be made by the public pension plan which provided retirement coverage for the most recent period of service.*

**Sec. 11. [423A.10] [POWERS OF CITY OFFICIALS LIMITED.]**

*When the governing board of a firefighters or police relief association in any city shall determine what is necessary to adequately protect, maintain and administer the firefighters or police relief association, neither the governing body of the city nor any official of the city may thereafter deny adequate representation therefor. Any duties performed by any member of the association pursuant to the determination under this section are deemed to be fire or police duties.*

**Sec. 12. Minnesota Statutes 1980, Section 490.025, Subdivision 2, is amended to read:**

**Subd. 2. [RETIREMENT COMPENSATION; AMOUNT.]**  
*A justice retiring pursuant to subdivision 1 shall be entitled to receive the compensation allotted to (HIS) the office of the justice for the remainder of the term for which the justice was elected. If a justice be retired for age or disability and, at the time of (HIS) retirement, (HAS) had served as a justice for two full terms or the equivalent thereof or as a justice and as a judge*

of the district court for 15 years (HE), *the justice shall, after (THE EXPIRATION OF THE TERM FOR WHICH ELECTED OR APPOINTED,) qualifying for a pension be entitled to receive, for the remainder of (HIS) the life of the justice, a retirement annuity equal to one-half of the compensation allotted to (HIS) the office of the justice at the time of (HIS) retirement or discontinuance of service plus two and one-half percent of the compensation allotted to (HIS) the office of the justice at the time of (HIS) retirement or discontinuance of service for each year, not exceeding (10) ten, which (HE) the justice served in (HIS) office in excess of two full terms, or the equivalent thereof, on the supreme court or in excess of 15 years as a justice of (SUCH) the supreme court and as a judge of the district court. Any retirement annuity to which a justice is entitled pursuant to this section may be deferred until the former justice attains retirement age notwithstanding the termination of service by the justice prior to attaining retirement age. (ALL SUCH) The retirement (PAY) annuity shall be paid by the executive director of the Minnesota state retirement system in the same manner as other retirement annuities and benefits are paid.*

Sec. 13. Minnesota Statutes 1980, Section 490.025, Subdivision 3, is amended to read:

Subd. 3. [RETIREMENT AGE.] (WHERE) *If a justice of the supreme court (HAS SERVED) serves for two full terms and during this period (REACHES) attains the age of 70, the justice, upon the completion of this period, (HE) may apply for and be entitled to receive, for the remainder of (HIS) the life of the justice, the equivalent of the retirement (COMPENSATION) annuity granted to retiring justices of the supreme court (UNDER) pursuant to subdivision 2, or (WHERE) if a justice (HAS SERVED) serves a minimum period of (15) 12 years on the supreme court and (HAS REACHED) attains the age of 65, (HE) the justice may (RETIRE AND), on or after terminating active service, be entitled to apply for and receive, for the remainder of (HIS) the life of the justice, the equivalent of the retirement (COMPENSATION) annuity payable (UNDER) pursuant to subdivision 2 to a retired justice whose final elective term has expired.*

Sec. 14. [REPAYMENT OF REFUND FOR VIRGINIA FIREFIGHTERS RELIEF ASSOCIATION.]

*Notwithstanding any law to the contrary, a member of the Virginia firefighters relief association who was employed by the Virginia fire department from February 1960 to December 1968, who received a refund of accumulated employee contributions upon termination of service, and who was reemployed by the Virginia fire department in July 1973, shall be entitled to repay the refund plus interest at six percent per annum compounded annually. Upon repayment of the refund amount plus interest, the allowable service credit for the period of previous employment shall be restored to the account of the member.*

**Sec. 15. [PURCHASE OF PRIOR SERVICE VALIDATED.]**

*Notwithstanding any law to the contrary, the public employees retirement association shall credit to the account of a St. Louis county commissioner service credit for service as an elected official for the period from January 1, 1969 to April, 1977 for which the association received payment of \$14,216.68 in January 1981.*

**Sec. 16. [CERTAIN OMITTED CONTRIBUTIONS TO THE COLLEGE SUPPLEMENTAL PLAN.]**

*Notwithstanding the provisions of Minnesota Statutes, Section 136.81, a member of the teachers retirement association, who was born on September 3, 1919, and who taught at Moorhead State University during the 1970-1972 school years, shall be entitled to make payment to the state university and community college supplemental retirement plan of the teachers retirement fund for deposit in the Minnesota supplemental investment fund in an amount equal to the amount of the shortages for the 1970-1972 school years and the amount of the matching employer contribution. The employer of the member for the 1970-1972 school years may, at its discretion, pay the matching employer contribution. The authority to make the payment shall expire on June 30, 1982.*

**Section 17. [PROPORTIONATE ANNUITY FOR CERTAIN FORMER MEMBER.]**

*A former member of the public employees retirement association who had allowable service credit totalling nine years, four months and 27 days at the time of termination of public service on November 27, 1978, and who would have been entitled to a proportionate annuity had her service continued after January 1, 1979, shall nevertheless be entitled to a proportionate annuity pursuant to Minnesota Statutes, Section 356.32. Payment of the annuity shall commence upon attaining the age of 65 years or upon the effective date of this act, whichever is later, provided that the former member repays to the association, within 60 days after the effective date of this act, any refund of employee contributions previously taken, without interest.*

**Sec. 18. [SAVINGS PROVISION.]**

*Any person who has covered service in excess of 40 years in a public pension plan, as these terms are defined in Minnesota Statutes 1980, Section 356.60, Subdivision 1, a portion of which service was performed after April 6, 1978 and prior to the effective date of this section, shall receive credit for that service. If that person commenced receiving a retirement annuity during the period specified, the amount of the annuity shall be adjusted*

*based upon total covered service commencing with the first annuity payment after the effective date of this section.*

**Sec. 19. [REPEAL.]**

*Minnesota Statutes 1980, Sections 356.60, Subdivisions 2 and 3; and 423.815, as amended by Laws 1981, Chapter 224, Section 206; and Minnesota Statutes 1981 Supplement, Section 356.60, Subdivision 1 are repealed.*

**Sec. 20. [EFFECTIVE DATE.]**

*Except as hereafter provided, Article I is effective the day following final enactment. Section 2 applies retroactively to omitted deductions of employees of the board of regents of the University of Minnesota discovered after July 1, 1981. Omitted deductions for the period from June 1, 1977, to September 30, 1981, which were deducted from an employee's salary after July 1, 1981, shall be treated as erroneous deductions subject to refund pursuant to section 352.04, subdivision 9. Section 14 is effective upon approval by the Virginia City Council and upon compliance with Minnesota Statutes, Section 645.021.*

**Article II**

**PURCHASES OF PRIOR SERVICE**

**Section 1. [PURCHASE OF PRIOR SERVICE CREDIT.]**

*Subdivision 1. [AUTHORITY.] Notwithstanding any provision of law to the contrary, the following persons shall be entitled to purchase prior service credit from the appropriate retirement fund or association for service for which the person has not previously received service credit. The amount and manner of payment shall be governed by the provisions of section 2.*

*Subd. 2. From the Minnesota state retirement system, a member who has prior service as a labor service employee employed as a laborer 1 on an hourly basis between May 4, 1960 and December 26, 1961, and who is currently an employee of the department of natural resources, shall be entitled to purchase service credit for the period from May 4, 1960 to December 26, 1961.*

*Subd. 3. From the teachers retirement association, any member who rendered active military service in the United States Army, Navy, Marine Corps, Coast Guard or Air Force shall be entitled to purchase service credit for the period of active military service, but service credit shall not be granted for any voluntary extension of military service at the instance of the member beyond the initial period of enlistment, induction or call to duty.*

*Subd. 4. From the teachers retirement association, any member who rendered teaching service prior to July 1, 1957 as defined in Minnesota Statutes, Section 354.05, but who did not make the full required contributions for this service because of limited or permanent exempt status wherein membership in the association was optional or because of the contribution limits then in effect, shall be entitled to purchase service credit for any of the above periods of service.*

*Subd. 5. From the public employees retirement association, a basic member who served as county attorney for Lac Qui Parle county between January 1, 1951 and September 1, 1960, shall be entitled to purchase service credit for the period served as county attorney.*

*Subd. 6. From the public employees retirement association, a person who was employed by the St. Paul bureau of health from January 1948 to September 1953 and who contributed to the bureau of health retirement plan from February 1951 to September 1953, and who was reemployed by the city of St. Paul in the department of community services, division of public health from April 22, 1974 until December 31, 1981, shall be entitled to purchase service credit for the period from February 1951 to September 1953.*

*Subd. 7. From the Minneapolis teachers retirement fund association, if the articles of incorporation are amended pursuant to section 3, any member who has performed active military service in the United States Army, Navy, Marine Corps, Coast Guard or Air Force, shall be entitled to purchase service credit for the period of prior military service for the lesser of either the actual military service without any voluntary extension beyond the initial period of military service or four years.*

*Subd. 8. From the Buhl police relief association, a member who has at least 15 years of service credit in the Buhl police relief association, and who was a member of the public employees police and fire fund for the period of probationary service and who took a refund of the employee contributions at the end of the probationary period, shall be entitled to purchase service credit in the Buhl police relief association for the period of probationary service.*

*Subd. 9. From the teachers retirement association, any person who was born on May 29, 1932, who is employed as an elementary school principal by independent school district no. 316, Coleraine, who was employed as a high school teacher and coach by the Hackensack school district during the 1955-1956 school year, who was employed as a high school teacher and coach by the Kelliher school district during the 1956-1957 school year, and who served on active military duty from June 15, 1957 to December 14, 1957, shall be entitled to purchase credit for any*

*period of teaching service or active military service for which the person does not have service credit.*

*Subd. 10. From the Minnesota state retirement system, a former member who was employed by the state department of taxation, income tax division, as a probationary employee from June 1942 until January 1943, and as a regular employee of that division until October 1946, and who is currently employed by the public employees retirement association, shall be entitled to purchase service credit for any portion of probationary service, which when added to the service credit obtained by the repayment of a refund authorized under Minnesota Statutes, Section 356.30, Subdivision 2, will enable the person to acquire twenty years of service credit.*

*Subd. 11. From the public employees retirement association, any person who was a member of the West St. Paul city council from January 1, 1972 to December 31, 1976, and who was a county commissioner for the county of Dakota from January 1, 1977 to December 31, 1980, shall be entitled to purchase service credit for the period from January 1, 1972 to December 31, 1976.*

*Subd. 12. From the Minnesota state retirement system, any employee or former employee of the department of employment services who was employed during the period June 1, 1941 to June 17, 1947, by the United States employment service and who became a public employee covered by one of the retirement funds enumerated in section 356.30, subdivision 3, subsequent to June 17, 1947, for the period of service with the United States employment service.*

*Subd. 13. From the public employees retirement association, any person who is employed as a police officer by the city of New Brighton, who was employed as a part time police officer on an as needed basis by that city from June, 1957 to November, 1964, and who was appointed by that city as a fulltime police officer in November, 1964, shall be entitled to purchase service credit for any months during the period from June 1, 1957 to February 28, 1961, in which the person rendered service as a part time police officer and received compensation for those services as certified by the city of New Brighton.*

## Sec. 2. [PAYMENT.]

*Subdivision 1. [CALCULATION OF PRESENT VALUE.] For the persons entitled to purchase prior service credit, there shall be paid to the applicable retirement fund or association an amount equal to the present value, on the date of payment, of the amount of the additional service pension or retirement annuity which would be obtained by virtue of the purchase of the additional service credit, using the interest rate specified in*

Minnesota Statutes, Section 356.215, Subdivision 4, Clause (4), and the applicable mortality table adopted for the appropriate retirement fund or association and assuming continuous service until, and retirement at, the age at which the minimum age and service, age or service requirements of the retirement fund for normal retirement or retirement with an annuity unreduced for retirement at an early age are met with the additional service credit purchased, for the appropriate retirement fund or association, or the age at the date of payment or of the agreement to pay, whichever is older, and a future salary history which includes annual salary increases at the salary increase rate specified in Minnesota Statutes, Section 356.215, Subdivision 4, Clause (4). The person requesting the purchase of prior service must establish in the records of the retirement fund or association proof of the service for which the purchase of prior service is requested. The manner of the proof of service shall be in accordance with procedures prescribed by the board of trustees of the fund or association or by the executive director.

**Subd. 2. [PAYMENT OF PRESENT VALUE; CREDITING OF SERVICE.]** Payment shall be made in one lump sum, unless the executive director of the appropriate retirement fund or association agrees to accept payment in installments over a period of not to exceed three years from the date of the agreement, with interest at a rate deemed appropriate by the executive director. The period of allowable service shall be credited to the account of the person only after receipt of full payment by the executive director.

**Subd. 3. [OPTIONAL EMPLOYER PARTIAL PAYMENT.]** Payment shall be made by the person entitled to purchase prior service, except that the current or former employer of the person may, at its discretion, pay all or any portion of the payment amount which exceeds an amount equal to the employee contribution rates in effect for the retirement fund during the period or periods of prior service applied to the actual salary rates in effect during the period or periods of prior service, plus interest at the rate of six percent per annum compounded annually from the date on which the contributions would otherwise have been made to the date on which the payment is made. If more than one person who is a current or former employee of an employing unit is eligible to purchase prior service, the governing body of the employing unit shall establish and implement a uniform policy on the payment by it of a portion of the purchase of prior service payment amount.

**Subd. 4. [TIME LIMITATION ON AUTHORITY TO MAKE PAYMENT.]** For the provisions of section 1, subdivisions 3 and 4, the authority to make a lump sum payment or the agreement to make payments in installments over a period of not to exceed three years shall expire on July 1, 1987. For the provisions of section 1, subdivision 7, payment shall be made on or before

*July 1, 1985, or the date the member terminates active service, whichever is earlier. For the remaining provisions of section 1, the authority to make a lump sum payment or to make an agreement to make installments shall expire on July 1, 1983.*

*Any payments made pursuant to section 1, subdivisions 3 and 4, shall be accumulated deductions as defined in section 354.05, subdivision 11, and these payments shall be credited to the member's individual account.*

**Sec. 3. [MINNEAPOLIS TEACHERS RETIREMENT FUND ASSOCIATION; AUTHORIZATION OF AMENDMENT OF ARTICLES OF INCORPORATION.]**

*Authorization is hereby granted in accordance with Minnesota Statutes, Section 354A.12, Subdivision 4, for the Minneapolis teachers retirement fund association to amend its articles of incorporation to authorize its members to purchase military service credit.*

*A new subsection (18) may be added to article IX of the articles of incorporation to provide that an active member of the Minneapolis teachers retirement fund association who has acquired at least 15 years of service credit from the retirement fund association and who has performed active military service in the United States Army, Navy, Marine Corps, Coast Guard or Air Force, shall be entitled upon application to purchase service credit for the period of active military service, which shall not exceed the lesser of the actual military service without any voluntary extension beyond the initial period of military service or four years. The period of military service purchased shall not include any period of service for which the member on the date of purchase is receiving retirement benefits from any federal, state or local public or governmental pension fund or plan other than the federal social security system.*

*To purchase the military service credit, the member shall pay the retirement fund an amount calculated pursuant to section 2. Payment may be made either in a lump sum or in installments by payroll deduction from the salary of the member. Service credit for the period of military service shall not be granted until full payment is received by the retirement fund and until sufficient documentation concerning the period of military service and the status of other public pension fund or plan credit for the period is provided to the retirement fund.*

**Sec. 4. [PURCHASE OF PRIOR SERVICE IN UNCLASSIFIED EMPLOYEES PLAN.]**

*Subdivision 1. [ENTITLEMENT.] A person who was employed by the legislature during the 1981 session and who is currently a permanent employee of the governor's office shall be*



*entitled to purchase service credit for the period of prior intermittent legislative service.*

**Subd. 2. [PAYMENT; PROOF OF EMPLOYMENT.]** *The calculation of the payment to purchase prior service and proof of legislative employment shall be certified pursuant to Laws 1981, Chapter 297, Section 2, Subdivision 2, Paragraph 2, except that the matching employer contributions shall be at the discretion of the employer. The authority to make a lump sum payment or to make an agreement to make installment payments shall expire on July 1, 1983.*

**Sec. 5. [FUTURE PENSION COVERAGE FOR CERTAIN STATE EMPLOYEES IN UNCLASSIFIED SERVICE; REFUND OR MEMBER CONTRIBUTION; PURCHASE OF PRIOR SERVICE CREDIT.]**

**Subdivision 1. [COVERAGE FOR FUTURE SERVICE.]** *Notwithstanding any provision of law to the contrary, any person who is an employee in the unclassified civil service of the state, who was covered by the state employees retirement fund of the Minnesota state retirement system established pursuant to Minnesota Statutes, Chapter 352, prior to July 1, 1980, and who was a member of, and had at least ten years of allowable service credit as defined in Minnesota Statutes, Section 352B.01, Subdivision 3, in the highway patrol retirement fund established pursuant to Minnesota Statutes, Chapter 352B, shall be entitled, on or before January 1, 1983, to elect to have retirement coverage for all service as an unclassified state employee rendered subsequent to the date of the election be provided by the highway patrol retirement fund, and not by the state employees retirement fund. The election shall be made in writing and shall be filed with the executive director of the Minnesota state retirement system.*

**Subd. 2. [REFUND OF MEMBER CONTRIBUTIONS.]** *If the election of a change in retirement coverage is made, any person to whom subdivision 1 applies shall be required to take a refund of all accumulated member contributions made to the state employees retirement fund to the credit of the person.*

**Subd. 3. [PURCHASE OF PRIOR SERVICE CREDIT.]** *If the election of a change in retirement coverage is made, any person to whom subdivision 1 applies shall be entitled to purchase prior service credit from the highway patrol retirement fund for any period of service covered by the state employees retirement fund. The amount and manner of payment shall be governed by section 2.*

**Sec. 6. [EFFECTIVE DATE.]**

*This article is effective the day following final enactment.*

## Article III

*Clarification of Miscellaneous Retirement Provisions*

Section 1. Minnesota Statutes 1981 Supplement, Section 43A.34, Subdivision 4, is amended to read:

Subd. 4. [**HIGHWAY PATROL, CONSERVATION AND CRIME BUREAU OFFICERS EXEMPTED.**] Notwithstanding any (PROVISIONS OF CHAPTER 352B OR ANY OTHER LAW) provision to the contrary, (a) conservation officers and crime bureau officers who were first employed on or after July 1, 1973 and who are members of the highway (PATROLMEN'S) patrol retirement (ASSOCIATION) fund by reason of their employment, and members of the Minnesota highway patrol division of the department of public safety who are members of the highway patrol retirement association by reason of their employment, shall not continue employment after attaining the age of 60 years, except for a fractional portion of one year that will enable the employee to complete (HIS) the employee's next full year of allowable service (. NOTWITHSTANDING ANY PROVISIONS OF CHAPTER 352B OR ANY OTHER LAW TO THE CONTRARY,) as defined pursuant to section 352B.01, subdivision 3; and (b) conservation officers and crime bureau officers who were first employed and are members of the highway (PATROLMEN'S) patrol retirement (ASSOCIATION) fund by reason of their employment before July 1, 1973, shall (BE GOVERNED BY THE SAME MANDATORY RETIREMENT RULES APPLIED TO OTHER EMPLOYEES WHO ARE COVERED BY THE MINNESOTA STATE RETIREMENT SYSTEM) not continue employment after attaining the age specified in subdivision 1.

Sec. 2. Minnesota Statutes 1981 Supplement, Section 69.77, Subdivision 2, is amended to read:

Subd. 2. The penalty provided for in subdivision 1 shall not apply to a relief association enumerated in subdivision 1a if the following requirements are met:

(1) Each member of the relief association pays into the special fund of the association during a year of covered service, a contribution for retirement coverage including survivorship benefits of not less than eight percent of the maximum rate of salary upon which retirement coverage is credited and service pension and retirement benefit amounts are determined. The member contributions shall be made by payroll deduction from the salary of the member by the municipality, and shall be transmitted by the municipality to the relief association as soon as practical. The relief association shall deposit the member contribution to the credit of the special fund of the relief association, provided that to avoid undue increase in the amount of employee contributions in any one year, any increase in the amount of

contributions required by this section may be spread over several years with the approval of the municipality, but the increase in rate of contribution in each year shall not be less than one percent until the appropriate levels of required employee contributions have been reached. The member contribution requirement specified in this clause shall not apply to any members who are volunteer firefighters unless the governing body of the municipality did not approve this member contribution exemption following the consideration by the municipal governing body of the first actuarial survey filed with the municipality following January 1, 1970.

(2) The officers of the relief association determine the financial requirements of the relief association and minimum obligation of the municipality for the following calendar year in accordance with the requirements of this clause. The financial requirements of the relief association and the minimum obligation of the municipality shall be determined on or before the submission date established by the municipality pursuant to clause (3).

The financial requirements of the relief association for the following calendar year shall be based on the most recent actuarial valuation or survey prepared in accordance with sections 356.215, subdivision 4 and 356.216, whether or not the actuarial valuation or survey was prepared at a greater frequency than minimally required pursuant to clause (8). In the event that an updated actuarial valuation or an actuarial estimate is prepared by the actuary of the relief association as part of obtaining a modification of the benefit plan of the relief association and the modification is implemented, the updated actuarial valuation or actuarial estimate shall be used in calculating the financial requirements of the relief association.

If the relief association has an unfunded accrued liability as reported in the most recent actuarial valuation or survey, the total of the amounts calculated pursuant to clauses (a) and (b) shall constitute the financial requirements of the relief association for the following year. If the relief association does not have an unfunded accrued liability as reported in the most recent actuarial valuation or survey the amount calculated pursuant to subclause (a) shall constitute the financial requirements of the relief association for the following year.

(a) The normal level cost requirement for the following year, expressed as a dollar amount, which shall be determined by applying the normal level cost of the relief association as reported in the actuarial valuation or survey and expressed as a percentage of covered payroll to the estimated covered payroll of the active membership of the relief association, including any projected increase in the active membership, for the following year

(b) To the dollar amount of normal cost thus determined shall be added an amount equal to the level annual dollar amount which is sufficient to amortize the unfunded accrued liability by December 31, 2010, as determined from the actuarial valuation or survey of the fund, using an interest assumption set at the rate specified in section 356.215, subdivision 4, clause (4). The amortization date specified in this subclause shall apply to all local police or salaried firefighters relief associations and shall supersede any amortization date specified in any applicable special law.

The minimum obligation of the municipality shall be an amount equal to the financial requirements of the relief association reduced by the estimated amount of member contributions from covered salary anticipated for the following calendar year and the estimated amounts from the applicable state aid program established pursuant to sections 69.011 to 69.051 anticipated as receivable by the relief association after any allocation pursuant to section 69.031, subdivision 5, clause (2), subclause ((B)) (c) or (LAWS 1980, CHAPTER 607, ARTICLE XV, SECTION 4, SUBDIVISION 2) *423A.01, subdivision 2, clause (6)*, and from the local police and salaried firefighters' relief association amortization aid program established pursuant to section 423A.02 anticipated for the following calendar year.

(3) The officers of the relief association shall submit determination of the financial requirements of the relief association and of the minimum obligation of the municipality to the governing body on or before the date established by the municipality which shall not be earlier than August 1 and shall not be later than September 1 of each year. The governing body of the municipality shall ascertain whether or not the determinations were prepared in accordance with law.

(4) The municipality shall provide for and shall pay each year at least the amount of the minimum obligation of the municipality to the relief association. If there is any deficiency in the municipal payment to meet the minimum obligation of the municipality as of the end of any calendar year, the amount of the deficiency shall be added to the minimum obligation of the municipality for the following year calculated pursuant to clause (2) and shall include interest at the rate of six percent per annum compounded from the date that the municipality was required to make payment pursuant to this clause until the date that the municipality actually makes the required payment.

(5) The municipality shall provide in the annual municipal budget for at least the minimum obligation of the municipality calculated pursuant to clause (2). The municipality may levy taxes for the payment of the minimum obligation of the municipality without any limitation as to rate or amount and irrespective of limitations imposed by other provisions of law upon the rate or amount of taxation when the balance of the

special fund or any fund of the relief association has attained a specified minimum asset level. In addition, any taxes levied pursuant to this section shall not cause the amount or rate of other taxes levied in that year or to be levied in a subsequent year by the municipality which are subject to a limitation as to rate or amount to be reduced. If the municipality does not include the full amount of the minimum obligation of the municipality in the levy that the municipality certified to the county auditor in any year, the officers of the relief association shall certify the amount of any deficiency to the county auditor. Upon verifying the existence of any deficiency in the levy certified by the municipality, the county auditor shall spread a levy over the taxable property of the municipality in the amount of the deficiency certified to by the officers of the relief association.

(6) Any sums of money paid by the municipality to the relief association in excess of the minimum obligation of the municipality in any year shall be used to amortize any unfunded liabilities of the relief association.

(7) The funds of the association shall be invested in securities which are proper investments pursuant to section 11A.24, except that up to \$10,000 may be invested in the stock of any one corporation in any account of such small size that the three percent stock limitation specified in section 11A.24, subdivision 5 would necessitate a lesser investment. Securities held by the association before July 1, 1971, which do not meet the requirements of this paragraph may be retained after that date if they were proper investments for the association on April 28, 1969. The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify funds for investment by the state board under the provisions of section 11A.17, provided that there be no limit to the amount which may be invested in the income share account, in the bond account, or in the fixed-return account, and that up to 20 percent of that portion of the assets of the association invested in the Minnesota supplemental investment fund may be invested in the growth share account.

(8) The association shall procure an actuarial valuation showing the condition of the special fund of the relief association pursuant to sections 356.215 and 356.216 as of December 31 as of every even numbered year. The association shall also procure a quadrennial experience study pursuant to sections 356.215 and 356.216, as of December 31, 1978, and shall procure a quadrennial experience study every four years thereafter. A copy of the actuarial survey and the quadrennial experience study shall be filed with the director of the legislative reference library, the governing body of the municipality in which the association is organized, the executive secretary of the legislative commission on pensions and retirement, and the commissioner of insurance, not later than June 1 of the following year.

Sec. 3. Minnesota Statutes 1981 Supplement, Section 354.47, Subdivision 1, is amended to read:

Subdivision 1. [DEATH BEFORE RETIREMENT.] (1) If a member dies before retirement and is covered pursuant to the provisions of section 354.44, subdivision 2, and neither an optional annuity, nor a reversionary annuity, nor a benefit pursuant to section 354.46, subdivision 1 is payable to the survivors if the member was a basic member, the surviving spouse, *or if there is no surviving spouse, the designated beneficiary* shall be entitled to an amount equal to the member's accumulated deductions with interest credited to the account of the member to the date of death.

(2) If a member dies before retirement and is covered (UNDER) *pursuant to* the provisions of section 354.44, subdivisions 6 and 7, and neither an optional annuity, nor reversionary annuity, nor the benefit described in section 354.46, subdivision 1 is payable to the survivors if the member was a basic member, the surviving spouse, *or if there is no surviving spouse, the designated beneficiary* shall be entitled to an amount equal to the member's accumulated deductions credited to the account of the member as of June 30, 1957 and from July 1, 1957 to the date of death the member's accumulated deductions plus interest at the rate of 3-1/2 percent per annum compounded annually.

(3) The amounts payable in clause (1) or *clause* (2) are in addition to the amount payable in section 354.62, subdivision 5, for the member's variable annuity account.

Sec. 4. Minnesota Statutes 1981 Supplement, Section 354.48, Subdivision 10, is amended to read:

Subd. 10. [RETIREMENT STATUS AT AGE 65.] No person shall be entitled to receive both a disability (BENEFITS) *benefit* and a retirement annuity provided by this chapter. The disability benefit paid to a person hereunder shall terminate (WHEN THE PERSON REACHES) *at the end of the month in which the person attains the age of 65 years*. If the person is still totally and permanently disabled (WHEN) *at the beginning of the month next following the month in which the person attains the age of 65 years*, the person shall be deemed to be on retirement status and, if the person had elected an optional annuity pursuant to subdivision 3a, shall receive an annuity in accordance with the terms of the optional annuity previously elected, or, if the person had not elected an optional annuity pursuant to subdivision 3a, may at the option of the person elect to receive either a straight life retirement annuity computed pursuant to section 354.44 or a straight life retirement annuity equal to the disability benefit paid (BEFORE THE PERSON REACHED) *prior to the date on which the person attained the age of 65 years*, whichever amount is greater, or elect to receive an optional annuity as provided in section 354.45, subdivision 1. Elec-

tion of an optional annuity shall be made prior to the person attaining the age of 65 years. If an optional annuity is elected, the election shall be effective on the date on which the person attains the age of 65 years and the optional annuity shall begin to accrue on the first day of the month next following the month in which the person attains the age of 65 years.

Sec. 5. Minnesota Statutes 1981 Supplement, Section 354.66, Subdivision 4, is amended to read:

Subd. 4. Notwithstanding any provision of this chapter relating to the salary figure to be used for the determination of contributions or the accrual of service credit to the contrary, a teacher shall continue to make employee contributions to and accrue allowable service credit in the retirement fund during the period of part time employment pursuant to this section upon the same basis and in the same amounts as would have been paid and accrued if the teacher had been employed on a full time basis. The state shall make the full required employer contributions on behalf of the teacher to the retirement association for the part time teaching service in the manner described in section 354.43, subdivisions 1, 2 and 5. Full accrual of allowable service credit and employee contributions for part time teaching service pursuant to this section *and section 354A.094* shall not continue for a period longer than 10 years.

Sec. 6. Minnesota Statutes 1980, Section 354A.094, Subdivision 4, is amended to read:

Subd. 4. Notwithstanding any provision to the contrary in this chapter or the articles of incorporation or bylaws of an association relating to the salary figure to be used for the determination of contributions or the accrual of service credit, a teacher shall continue to make employee contributions to and to accrue allowable service credit in the applicable association during the period of part time employment pursuant to this section upon the same basis and in the same amounts as would have been paid and accrued if the teacher had been employed on a full time basis. The state shall make the full required employer contributions on behalf of the teacher to the applicable association for the part time teaching service in the manner described in section 354.43, subdivisions 1, 2 and 5. Full membership, accrual of allowable service credit and employee contributions for part time teaching service by a teacher pursuant to this section *and section 354.66* shall not continue for a period longer than ten years.

Sec. 7. Minnesota Statutes 1981 Supplement, Section 354A.-12, Subdivision 1, is amended to read:

Subdivision 1. [EMPLOYEE CONTRIBUTIONS.] The contribution required to be paid by each member of a teachers retirement fund association shall be not less than the percentage

of total salary specified below for the applicable association and program:

Association and Program	Percentage of Total Salary
Duluth teachers retirement association	
<i>old law and new law</i> coordinated (PROGRAM) <i>programs</i>	4.5 percent
Minneapolis teachers retirement association	
basic program	8.5 percent
coordinated program	4.5 percent
St. Paul teachers retirement association	
basic program	8 percent
coordinated program	4.5 percent

Sec. 8. Minnesota Statutes 1980, Section 354A.35, is amended by adding a subdivision to read:

*Subd. 2a. [MODIFICATION IN SURVIVOR COVERAGE IN CERTAIN INSTANCES.] Any person who elected joint and survivor annuity coverage pursuant to subdivision 2 prior to July 1, 1981 and the spouse of the person shall be entitled to modify that election by making a joint specification in writing on a form prescribed by the executive secretary that the benefits provided in this section, whichever is applicable, shall be paid only to a designated beneficiary. Authority for any person and the spouse of the person to modify the prior election shall expire on the date of the retirement of the person who elected the coverage or the date of death of the person who elected the coverage, whichever occurs first.*

Sec. 9. Minnesota Statutes 1981 Supplement, Section 356.371, Subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in this section, the following terms shall have the meanings given.

(1) "Annuity form" means the payment procedure and duration of a retirement annuity or disability benefit available to a



member of a public pension fund, based on the period over which a retirement annuity *or disability benefit* is payable, determined by the number of persons to whom the retirement annuity *or disability benefit* is payable, and the amount of the retirement annuity *or disability benefit* which is payable to each person.

(2) "Joint and survivor optional annuity" means an optional annuity form which provides a retirement annuity *or disability benefit* to a retired member and spouse of the member on a joint basis during the lifetime of the retired member and all or a portion of the original retirement annuity *or disability benefit* amount to the surviving spouse in the event of the death of the retired member.

(3) "Optional annuity form" means an annuity form which is elected by a member and is not provided automatically as the standard annuity form of the public pension fund.

(4) "Public pension fund" means a public pension plan as defined pursuant to section 356.60, subdivision 1, clause (a).

(5) "Retirement annuity" means *a series of monthly payments to which a former or retired member of a public pension fund is entitled on account of attaining a specified age and acquiring credit for a specified period of service, which shall include a retirement annuity, retirement allowance or service pension.*

(6) "Disability benefit" means *a series of monthly payments to which a former or disabled member of a public pension fund is entitled on account of a physical or mental inability to engage in specified employment.*

Sec. 10. Minnesota Statutes 1981 Supplement, Section 356.371, Subdivision 2, is amended to read:

Subd. 2. [PROVISION OF INFORMATION ON ANNUITY FORMS.] Every public pension fund which provides for an annuity form other than a single life retirement annuity as an option which can be elected by (THE) *an active, disabled or retiring member shall provide as a part of, or accompanying the annuity application form, a written statement summarizing the optional annuity forms which are available, a general indication of the consequences of selecting one annuity form over another, a calculation of the actuarial reduction in the amount of the retirement annuity which would be required for each optional annuity form and the procedure to be followed to obtain more information from the public pension fund concerning the optional annuity forms provided by the fund.*

Sec. 11. Minnesota Statutes 1980, Section 356.41, is amended to read:

## 356.41 [BENEFIT ADJUSTMENTS.]

Disability benefits and survivor benefits payable to a disabled person or a survivor now or hereafter receiving benefits from any public pension fund which participates in the Minnesota post-retirement investment fund shall be adjusted in the same manner, at the same times and in the same amounts as are benefits payable from the Minnesota post-retirement investment fund to retirees of that public pension fund. *If a disability benefit is recomputed as a retirement annuity and the recipient would have been eligible for an adjustment pursuant to this section if the disability benefit was not recomputed, the recipient will continue to be eligible for the adjustment after the recomputation. For the survivor of a deceased annuitant who receives a survivor benefit calculated pursuant to a prior law rather than the second portion of a joint and survivor annuity, any period of receipt of a retirement annuity by the annuitant shall be utilized in determining the period of receipt for eligibility to receive an adjustment.* No recipient shall, however, be entitled to more than one adjustment at one time by reason of this section.

Sec. 12. Minnesota Statutes 1981 Supplement, Section 422A.-06, Subdivision 1, is amended to read:

Subdivision 1. [CREATION ; DIVISIONS OF FUND.] For the purposes of (SECTIONS 422A.01 TO 422A.25) *this chapter*, there shall be a Minneapolis employees retirement fund, hereafter referred to as the retirement fund. The retirement fund shall be subdivided into (1) a deposit accumulation fund, (2) (A PARTICIPATING SHARE IN THE MINNESOTA POST-RETIREMENT INVESTMENT FUND, (3)) a survivor benefit fund, ((4)) (3) a disability benefit fund, and ((5)) (4) a retirement benefit fund. *The expense of the administration of the retirement fund shall be paid from the deposit accumulation fund, less the amount as the retirement board may charge against income of the retirement fund from investments as the cost of handling the investments of the retirement fund.*

Sec. 13. Minnesota Statutes 1981 Supplement, Section 422A.-06, Subdivision 3, is amended to read:

Subd. 3. [DEPOSIT ACCUMULATION FUND.] The deposit accumulation fund shall consist of the assets held in the fund, increased by amounts contributed by or for employees, amounts contributed by the city, amounts contributed by municipal activities supported in whole or in part by revenues other than taxes and amounts contributed by any public corporation, *amounts paid* by the state and by income from investments. There shall be paid from the fund the amounts required to be transferred to the (MINNESOTA POST-RETIREMENT INVESTMENT FUND,) retirement benefit fund, or the disability

benefit fund, refunds of contributions, death benefits payable on death before retirement which are not payable from the survivors' benefit fund, post retirement increases in retirement allowances granted pursuant to Laws 1965, Chapter 688, or Laws 1969, Chapter 859, and expenses of the administration of the retirement fund which were not charged by the retirement board against the income of the retirement fund from investments as the cost of handling the investments of the retirement fund.

Sec. 14. Minnesota Statutes 1981 Supplement, Section 422A.-06, Subdivision 4, is amended to read:

Subd. 4. [NO PARTICIPATION IN THE MINNESOTA POST-RETIREMENT INVESTMENT FUND.] The Minneapolis employees retirement fund shall not participate in the Minnesota post-retirement (ADJUSTMENT) investment fund. (IN THAT FUND THERE SHALL BE DEPOSITED THE AMOUNTS PROVIDED IN SUBDIVISION 5.)

Sec. 15. Minnesota Statutes 1981 Supplement, Section 422A.-06, Subdivision 5, is amended to read:

Subd. 5. [(VALUATION OF ASSETS) TRANSFER OF RESERVES TO RETIREMENT BENEFIT FUND; ADJUSTMENTS OF ANNUITIES AND BENEFITS.] (a) For those members retiring pursuant to this chapter, assets equal to the required reserves as determined in accordance with a mortality table appropriate to the retirement fund with an interest assumption set at the rate specified in section 356.215, subdivision 4, clause (4), shall be transferred to the (MINNESOTA POST-RETIREMENT INVESTMENT FUND, THE) disability benefit fund as provided in subdivision 7, or the retirement benefit fund, except for any amounts payable from the survivor benefit fund, as of date of retirement.

(b) Annuity payments shall be adjusted in accordance with the provisions of (SECTIONS 422A.09 AND 422A.15) this chapter, except that no minimum retirement payments therein described shall include any amounts payable from the survivors' benefit fund or disability benefit fund and supplemented benefits specifically financed by statute.

(c) Notwithstanding the provisions of section 356.18, increases in annuity payments pursuant to this section shall be made automatically unless written notice on a form prescribed by the board is filed with the retirement board requesting that the increase not be made.

(d) (ALL ANNUITIES PAYABLE FROM THE MINNESOTA POST-RETIREMENT INVESTMENT FUND WHICH ARE IN EFFECT ON JUNE 30, 1973 SHALL BE INCREASED

IN THE SAME RATIO THAT THE ACTUARIALLY COMPUTED RESERVE FOR THE ANNUITIES DETERMINED BY USING AN INTEREST ASSUMPTION OF 3-1/2 PERCENT BEARS TO THE ACTUARIALLY COMPUTED RESERVE FOR THE ANNUITIES DETERMINED BY USING AN INTEREST ASSUMPTION OF FIVE PERCENT. THE RESERVES UPON WHICH THE INCREASES SHALL BE BASED SHALL BE THE ACTUARIALLY DETERMINED RESERVES FOR ALL MINNESOTA POST-RETIREMENT INVESTMENT FUND ANNUITIES WHICH WERE IN EFFECT ON DECEMBER 31, 1972, IN ACCORDANCE WITH THE MORTALITY ASSUMPTIONS THEN IN EFFECT AND AT INTEREST ASSUMPTIONS OF 3-1/2 PERCENT AND FIVE PERCENT. THE RATIO OF INCREASE COMPUTED TO THE LAST FULL 1/100 OF ONE PERCENT SHALL BE APPLIED TO ALL ANNUITIES PAYABLE FROM THE MINNESOTA POST-RETIREMENT INVESTMENT FUND WHICH ARE IN EFFECT ON JUNE 30, 1973.) Any additional annuity (SHALL BEGIN) *which began to accrue on July 1, 1973 (AND) or which began to accrue on January 1, 1974, pursuant to Laws 1973, Chapter 770, Section 1,* shall be considered as part of the base amount to be used in determining any *postretirement* adjustments payable pursuant to the provisions of (SECTION 11A.18) *subdivision 8.*

((E) THE MUNICIPAL EMPLOYEES RETIREMENT FUND OF MINNEAPOLIS SHALL DETERMINE THE INCREASE IF ANY IN ACCRUAL OF BENEFITS COMMENCING JANUARY 1, 1974, DETERMINED ON THE BASIS OF ITS ENTIRE PARTICIPATION IN THE MANNER PROVIDED IN MINNESOTA STATUTES, 1973 SUPPLEMENT, SECTION 11.25, SUBDIVISIONS 12 AND 13.)

((F) THE ACTUARY FOR EACH PARTICIPATING FUND SHALL CALCULATE THE RESERVE REQUIRED TO SUPPORT THE BENEFITS IN EFFECT ON JUNE 30, 1973 AS INCREASED ON JULY 1, 1973 AND HEREIN. AS OF DECEMBER 31, 1973, EACH PARTICIPATING FUND SHALL TRANSFER TO OR FROM THE MINNESOTA POST-RETIREMENT INVESTMENT FUND ASSETS SO THAT ITS PARTICIPATION EQUALS THE TOTAL OF THE REQUIRED RESERVES AND THE RESERVE FOR BENEFITS AUTHORIZED ON OR AFTER JULY 1, 1973. THE INCREASED BENEFITS ACCRUING AS OF JANUARY 1, 1974 SHALL BE THE BASE FOR FUTURE ADJUSTMENTS.)

Sec. 16. Minnesota Statutes 1980, Section 423A.01, Subdivision 2, is amended to read:

Subd. 2. [OPERATION OF LOCAL RELIEF ASSOCIATION UPON MODIFICATION OF RETIREMENT COVERAGE FOR NEWLY HIRED POLICE OFFICERS AND FIREFIGHTERS.] *The following provisions shall govern the opera-*

*tion of a local relief association upon the modification of retirement coverage for newly hired police officers or firefighters:*

(1) The minimum obligation of a municipality in which the retirement coverage for newly hired police officers or salaried firefighters has been modified pursuant to subdivision 1 with respect to the local relief association shall be determined and governed in accordance with the provisions of sections 69.77, 356.215 and 356.216, except that the normal cost calculation for the relief association shall be computed as a percentage of the compensation paid to the active members of the relief association. The compensation paid to persons with retirement coverage modified pursuant to subdivision 1 shall not be included in any of the computations made in determining the obligation of the municipality with respect to the local relief association.

(2) The contribution rate of members of the local relief association shall be governed by section 69.77, unless a special law establishing a greater member contribution rate is applicable whereupon it shall continue to govern. The member contribution rate of persons with retirement coverage modified pursuant to subdivision 1 shall be governed by section 353.65.

(3) When every active member of the local relief association retires or terminates from active duty, the local relief association shall cease to exist as a legal entity and the assets of the special fund of the relief association shall be transferred to a trust fund to be established by the appropriate municipality for the purpose of paying service pensions and retirement benefits to recipient beneficiaries. If there are at least five recipient beneficiaries, the trust fund shall be managed by a board of trustees composed of five members selected by the recipient beneficiaries of the fund, subject to the approval of the governing body of the municipality. If there are fewer than five recipient beneficiaries, the trust fund shall be managed by the governing body of the municipality. The term of the elected members of the board of trustees shall be indefinite and shall continue until a vacancy occurs in one of the board of trustee member positions. Board of trustee members shall not be compensated for their services, but shall be reimbursed for any expenses actually and necessarily incurred as a result of the performance of their duties in their capacity as board of trustee members. The municipality shall perform whatever services are necessary to administer the trust fund. (THE BALANCE OF ASSETS REMAINING IN THE TRUST FUND SHALL NOT REVERT TO THE MUNICIPALITY UNTIL) *When all obligations of the trust fund are paid, the balance of the assets remaining in the trust fund shall revert to the municipality for expenditure for law enforcement or firefighting purposes, whichever is applicable.*

(4) The financial requirements of the trust fund and the minimum obligation of the municipality with respect to the trust fund shall be determined in accordance with sections 69.77, 356.-

215 and 356.216 until the unfunded accrued liability of the trust fund is fully amortized in accordance with (LAWS 1980, CHAPTER 607) *section 69.77, subdivision 2, clause (2)*. The municipality shall provide in its annual budget for at least the aggregate amount of service pensions, disability benefits, survivorship benefits and refunds which are projected as payable for the following calendar year, as determined by the board of trustees of the trust fund, less the amount of assets in the trust fund as of the end of the most current calendar year for which figures are available, valued pursuant to section 356.20, subdivision 4, clause (1) (a), if the difference between those two figures is a positive number.

(5) In calculating the amount of service pensions and other retirement benefits payable from the local relief association and in calculating the amount of any automatic post retirement increases in those service pensions and retirement benefits based on the salary paid or payable to active members or escalated in any fashion, the salary for use as the base for the service pension or retirement benefit calculation and the post retirement increase calculation for the local relief association shall be the salary for the applicable position as specified in the articles of incorporation or bylaws of the relief association as of the date immediately prior to the effective date of the modification of retirement coverage for newly hired personnel pursuant to subdivision 1, as the applicable salary is reset by the municipality periodically, irrespective of whether retirement coverage for persons holding the applicable position used in calculations is provided by the relief association or by the public employees police and fire fund.

(6) If the modification of retirement coverage implemented pursuant to subdivision 1 is applicable to a local police relief association, the police state aid received by the municipality shall be disbursed pursuant to section 69.031, subdivision 5, clause (2) (c). If the modification of retirement coverage implemented pursuant to subdivision 1 is applicable to a local firefighters' relief association, the fire state aid received by the applicable municipality shall be disbursed as the municipality at its option may elect. The municipality may elect: ((1)) (a) to transmit the total fire state aid to the treasurer of the local relief association for immediate deposit in the special fund of the relief association; or ((2)) (b) to apply the total fire state aid toward the employer contribution of the municipality to the public employees police and fire fund pursuant to section 353.65, subdivision 3; or ((3)) (c) to allocate the total fire state aid proportionately between the special fund of the local relief association and employer contribution of the municipality to the public employees police and fire fund on the basis of the respective number of active full time salaried firefighters receiving retirement coverage from each.

Sec. 17. Laws 1981, Chapter 156, Section 7, is amended to read:

**Sec. 7. [354.465] [(TEMPORARY PROVISION) MODIFICATION IN SURVIVOR COVERAGE IN CERTAIN INSTANCES.]**

Any person who elected joint and survivor annuity coverage pursuant to (MINNESOTA STATUTES,) section 354.46, subdivision 2, (OR 354A.35, SUBDIVISION 2,) prior to (THE EFFECTIVE DATE OF THIS ACT) *July 1, 1981*, and the spouse of the person shall be entitled to modify that election by making a joint specification in writing on a form prescribed by the executive director (OR EXECUTIVE SECRETARY, WHICHEVER IS APPLICABLE,) that the benefits provided in sections 354.46, subdivision 2, or 354.47, subdivision 1, (OR 354A.35, SUBDIVISIONS 1 OR 2,) whichever is applicable, shall be paid only to a designated beneficiary. Authority for any person and the spouse of the person to modify the prior election shall expire (DECEMBER 31, 1981) *on the date of the retirement of the person who elected the coverage or the date of death of the person who elected the coverage whichever occurs first.*

**Sec. 18. [VALIDATION OF CERTAIN SPECIAL LAW APPROVAL.]**

*Notwithstanding any contrary provision of Minnesota Statutes, Section 645.021, Subdivision 3, any certificate of approval concerning the applicability of Minnesota Statutes, Section 423A.02, Subdivision 4, to the Moorhead firefighters relief association and the Moorhead police relief association filed by the city of Moorhead prior to April 1, 1981 shall be deemed to be proper approval of the applicability of the provisions as required pursuant to Laws 1980, Chapter 607, Article XV, Section 4, Subdivision 4.*

**Sec. 19. [REPEALER.]**

*Minnesota Statutes 1981 Supplement, Section 354.48, Subdivision 4a; Laws 1978, Chapters 690, Section 2; and 720, Section 13; and Laws 1981, Chapters 68, Section 1; 160, Section 10; and 224, Sections 78, 92 and 118 are repealed.*

**Sec. 20. [EFFECTIVE DATE.]**

*Sections 3, 8 and 17 are effective July 1, 1981. Section 4 is effective May 1, 1981. The balance of this article is effective on the day following final enactment."*

**Delete the title and insert:**

**"A bill for an act relating to retirement; clarifying the retirement service credit for certain participants in the Minnesota demonstration job-sharing program; Minnesota state retirement system; imposing liability for certain omitted employee contribu-**

tions on the employing unit; elective state officers retirement plan; providing benefit adjustments for retired constitutional officers and surviving spouses; public employees retirement association; increasing the family maximum on survivors benefits; teachers retirement association; authorizing the reimbursement of certain employing unit expenses with respect to board members; providing for the crediting of service credit for employees on a four day work week; modifying survivor benefits; exempting certain money and credits of teachers retirement funds; limiting the amount of public employee retirement annuities; limiting the powers of city officials regarding the administration of relief associations; supreme court justices retirement plan; providing a deferred retirement annuity; modifying a vesting requirement; permitting the repayment of a refund by a member of the Virginia firefighters relief association; validating the purchase of prior service credit for a certain county commissioner; permitting payment of omitted contributions; granting a proportionate annuity for certain persons; 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, clarifying various provisions of retirement law; amending Minnesota Statutes 1980, Sections 352.04, Subdivision 8; 354.06, Subdivision 4; 354A.094, Subdivision 4; 354A.11; 354A.35, by adding a subdivision; 356.41; 423A.01, Subdivision 2; 490.025, Subdivisions 2 and 3; Minnesota Statutes 1981 Supplement, Sections 43A.34, Subdivision 4; 43A.465; 69.77, Subdivision 2; 353.31, Subdivision 1; 354.091; 354.46, Subdivisions 1 and 2; 354.47, Subdivision 1; 354.48, Subdivision 10; 354.66, Subdivision 4; 354A.12, Subdivision 1; 356.371, Subdivisions 1 and 2; 422A.06, Subdivisions 1, 3, 4 and 5; Laws 1981, Chapter 156, Section 7; proposing new law coded in Minnesota Statutes, Chapters 352C; 356; and 423A; repealing Minnesota Statutes 1980, Sections 356.60, Subdivisions 2 and 3; and 423.815, as amended; Minnesota Statutes 1981 Supplement, Sections 354.48, Subdivision 4a; 356.60, Subdivision 1; Laws 1978, Chapters 690, Section 2; and 720, Section 13; Laws 1981, Chapter 68, Section 1; 160, Section 10; and 224, Sections 73, 92 and 118."

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

House Conferees: JOHN J. SARNA, JOHN R. KALEY, LEO J. REDING, JAMES I. RICE and FRANK J. RODRIGUEZ, SR.

Senate Conferees: COLLIN C. PETERSON, EARL W. RENNEKE, DONALD M. MOE, ALLAN H. SPEAR and DENNIS FREDERICKSON.

Sarna moved that the report of the Conference Committee on H. F. No. 438 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.



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, as amended by Conference, and placed upon its repassage.

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

Those who voted in the affirmative were:

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

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

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 552

A bill for an act relating to commerce; prohibiting fraud in the use of recreational camping areas; providing a penalty; amending Minnesota Statutes 1980, Sections 327.07; and 327.14, Subdivision 8.

March 12, 1982

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

The Honorable Jack Davies  
President of the Senate

We, the undersigned conferees for H. F. No. 552, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 552 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 327.07, is amended to read:

327.07 [FRAUD.]

Any person who (SHALL OBTAIN) (1) *obtains* food, lodging, or other accommodations at any hotel, lodging house, inn, boarding or eating house, or *recreational camping area*, without paying (THEREFOR) *for it*, with intent to defraud the owner or manager thereof, or (WHO) (2) obtains credit at any hotel, lodging house, inn, boarding or eating house, or *recreational camping area* by or through any false pretense, or by or through the aid, assistance, or influence of any baggage or effects in his possession and control, but not actually belonging to (SUCH PERSON) *him*, shall be guilty of a misdemeanor (; AND UPON CONVICTION THEREOF SHALL BE PUNISHED BY A FINE OF NOT LESS THAN \$10 NOR MORE THAN \$100 OR BY IMPRISONMENT IN THE COUNTY JAIL FOR NOT MORE THAN 90 DAYS).

Sec. 2. Minnesota Statutes 1980, Section 327.14, Subdivision 8, is amended to read:

Subd. 8. [RECREATIONAL CAMPING AREA.] The words "recreational camping area" as used in sections 327.07, 327.10, 327.11, 327.14 to 327.28 (SHALL MEAN) *means* any area, whether privately or publicly owned, used on a daily, nightly, weekly, or longer basis for the accommodation of five or more units, consisting of tents, travel trailers, pick-up coaches, motor-homes, or camping trailers and whether use of (SUCH) *the* accommodation is granted free of charge or for compensation. Provided, that nothing in this definition shall be constructed to include children's camps, industrial camps, migrant labor camps, as defined in Minnesota Statutes and state commissioner of health regulations and also shall not include United States forest service camps, state forest service camps, state wildlife management areas or state owned public access areas which are restricted in use to picnicking and boat landing.

Sec. 3. [EFFECTIVE DATE.]

*Sections 1 and 2 are effective the day following final enactment."*

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

House Conferees: JOHN T. CLAWSON, JAMES I. RICE and CHARLES C. HALBERG.

Senate Conferees: RANDOLPH W. PETERSON, JOHN BERNHAGEN and GREGORY L. DAHL.

Clawson moved that the report of the Conference Committee on H. F. No. 552 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 552, A bill for an act relating to commerce; prohibiting fraud in the use of recreational camping areas; providing a penalty; amending Minnesota Statutes 1980, Sections 327.07; and 327.14, Subdivision 8.

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

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

Those who voted in the affirmative were:

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

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

## ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1220:

Simoneau, Rice, Begich, Stadum and Rose.

## MESSAGES FROM THE SENATE, Continued

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1018, A bill for an act relating to agriculture; consolidating existing laws; providing for agricultural commodity research and promotion councils; establishing procedures; providing penalties; amending Minnesota Statutes 1980, Sections 17.53; 17.54; 17.56; 17.57; 17.58; 17.59, Subdivisions 1, and 2; 17.60; 17.62; 17.63; 17.64; and 17.67; amending Minnesota Statutes 1981 Supplement, Section 17.59, Subdivision 4; repealing Minnesota Statutes 1980, Sections 17.55; 17.601; 17.65; 17.68; 21A.01 to 21A.19, as amended; 29.14 to 29.16; 29.18; 29.19; 30.461 to 30.468, as amended; 30.472 to 30.479; 32B.01 to 32B.06; 32B.08 to 32B.11; 32B.13; Minnesota Statutes 1981 Supplement, Sections 29.17; 30.469; 30.47; 32B.07; and 32B.12.

PATRICK E. FLAHAVEN, Secretary of the Senate

## CONCURRENCE AND REPASSAGE

Eken moved that the House concur in the Senate amendments to H. F. No. 1018 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1018, A bill for an act relating to agriculture; consolidating existing laws; providing for agricultural commodity research and promotion councils; establishing procedures; providing penalties; amending Minnesota Statutes 1980, Sections 17.53; 17.54; 17.56; 17.57; 17.58; 17.59, Subdivisions 1, and 2; 17.60; 17.62; 17.63; 17.64; and 17.67; Minnesota Statutes 1981 Supplement, Section 17.59, Subdivision 4; repealing Minnesota Statutes 1980, Sections 17.55; 17.601; 17.65; 17.68; 21A.01 to 21A.19, as amended; 29.14 to 29.16; 29.18; 29.19; 30.461 to 30.468, as amended; 30.472 to 30.479; 32B.01 to 32B.06; 32B.08 to 32B.11; 32B.13; Minnesota Statutes 1981 Supplement, Sections 29.17; 30.469; 30.47; 32B.07; and 32B.12.

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

The question was taken on the repassage of the bill and roll was called. There were 126 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Stowell

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

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1553, A bill for an act relating to drivers licenses; requiring the suspension of licenses of certain uninsured persons; providing a penalty; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 171.

PATRICK E. FLAHAVEN, Secretary of the Senate

## CONCURRENCE AND REPASSAGE

Sieben, M., moved that the House concur in the Senate amendments to H. F. No. 1553 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1553, A bill for an act relating to drivers licenses; requiring the suspension of licenses of certain uninsured persons; providing a penalty; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 171.

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

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

Those who voted in the affirmative were:

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

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

## SPECIAL ORDERS

The Speaker called Halberg to the Chair.

H. F. No. 1642 was reported to the House.

There being no objection, H. F. No. 1642 was continued on Special Orders.

H. F. No. 1558 was reported to the House.

There being no objection, H. F. No. 1558 was continued on Special Orders.

S. F. No. 1640 was reported to the House.

Ellingson moved to amend S. F. No. 1640 as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 462.445 is amended by adding a subdivision to read:

*Subd. 11a. [INTEREST REDUCTION PROGRAM, LIMITATIONS.] An authority may provide interest reduction assistance for a rental housing development which is located in a targeted area as defined in section 462C.02 without regard to the limitations imposed upon assisted housing units by subdivision 11.*

Sec. 2. Laws 1965, Chapter 855, Section 4, Subdivision 1, as amended by Laws 1980, Chapter 573, Section 4, is amended to read:

#### Sec. 4. [DUTIES OF THE PERSONNEL BOARD.]

Subdivision 1. [BOARD PROCEEDINGS.] When any member of the board is not present at the time a matter is submitted to the board such matter shall be deemed submitted to each member of the board with like effect as though each member of the board had been present at the time of submission of such matter. Whenever during the consideration of a matter which is before the board, there is a change in the personnel of the board, the matter shall be deemed submitted to the new member, or members, as though said new member, or members, had been a member of the board at the time of the submission of the matter.

No meetings of the board shall be held unless at least (THREE) four members are present. A majority vote of all members shall constitute the decision of the board. The board shall keep records and minutes of its business and official actions which shall be open to public inspection subject to such reasonable rules as to time and place of inspection as the board may establish.

Sec. 3. Laws 1965, Chapter 855, Section 7, Subdivision 3, as amended by Laws 1980, Chapter 573, Section 7, is amended to read:

Subd. 3. [UNCLASSIFIED SERVICE, COMPENSATION.] The director shall establish a compensation plan in accordance with section 6, clause (e) for those employees in the unclassified service identified in subdivision 2, clauses (c), (d), (f), (h), (i), (j), (k), (l), (m), (n), (o), (r) and (s).

Sec. 4. Laws 1965, Chapter 855, Section 7, Subdivision 4, as amended by Laws 1980, Chapter 573, Section 7, is amended to read:

Subd. 4. [UNCLASSIFIED SERVICE, TENURE, BENEFITS.] The positions in the unclassified service enumerated in subdivision 2, clauses (c), (d), (h), (i), (j), (k), (l), (m), (n), (o), (q), (r) and (s) shall not have permanent tenure but shall have all other benefits provided for in this act. The term of office of any position established by another statute shall be as provided in it.

Sec. 5. Laws 1979, Chapter 55, Section 1, is amended to read:

Section 1. [COUNTY BOARD; SELF INSURANCE.]

Notwithstanding any contrary provision of other law, the board of commissioners of Hennepin county may insure the county against any claim of liability or loss using funds of the county, without procuring insurance from any private insurance company when the county board considers it to be in the best interests of the county. This provision shall not be construed as an increase of the liability limitations or as a waiver of defenses allowable in any action pursuant to Minnesota Statutes, Chapter 466. The board may transfer amounts of money from funds of the county to the funds the county may establish for the above purposes in accord with generally accepted accounting principles. The term "liability" shall extend to all liability or loss that may be covered by any form of insurance, including but not limited to malpractice, general liability, or workers' compensation. (THIS ACT SHALL NOT AUTHORIZE SELF INSURANCE AGAINST RISKS AS DEFINED IN MINNESOTA STATUTES, SECTION 60A.06, SUBDIVISION 1, CLAUSES (4) AND (5)(A).) *Minnesota Statutes, Section 471.617 applies to Hennepin County.*

Sec. 6. Laws 1979, Chapter 198, Article II, Section 7, Subdivision 1, is amended to read:

Sec. 7. [CERTIFICATES OF INDEBTEDNESS.]

Subdivision 1. [TAX ANTICIPATION CERTIFICATES.] At any time after the first day of the year following the making of an annual tax levy, the county board may, by resolution and without public referendum, issue certificates of indebtedness in anticipation of the collection of taxes levied for any fund and



not yet collected. The total of all certificates issued against any fund for any year with interest thereon until maturity, together with all orders outstanding against the fund, shall not exceed the total current taxes for the fund uncollected at the time of issuance plus the cash currently in the fund. If certificates are issued against the anticipated tax levy for any fund, any unpaid orders outstanding against the fund shall be redeemed from the proceeds of the certificates. All tax anticipation certificates shall be negotiable and shall be payable to the order of the payee and shall have a definite due date but may be payable on or before that date. No certificate shall be issued to become due and payable later than the first day of April of the year following the year of issuance. Certificates shall be sold for not less than par and accrued interest and shall bear interest at a rate (NOT TO EXCEED SEVEN PERCENT PER ANNUM) *that conforms to Minnesota Statutes, Section 475.55*, payable at maturity or at such earlier times as the board may determine. Each certificate shall state upon its face the fund for which the proceeds of the certificate shall be used, the total amount of the certificates so issued against the fund and the total amount embraced in the tax levy for that fund. They shall otherwise be issued on terms and conditions as the board may determine. The proceeds of the taxes assessed on account of the fund against which tax anticipation certificates are issued and the full faith and credit of the county shall be irrevocably pledged for the redemption of the certificate in the order of issuance against the fund.

Sec. 7. Laws 1979, Chapter 198, Article II, Section 7, Subdivision 2, is amended to read:

Subd. 2. [EQUIPMENT ACQUISITION; CAPITAL NOTES.] The board may, by resolution and without public referendum, issue (CERTIFICATES OF INDEBTEDNESS) *capital notes* within existing debt limits for the purpose of purchasing ambulance and other medical equipment, road construction or maintenance equipment, public safety equipment and other capital equipment having an expected useful life at least equal to the term of the (CERTIFICATES) *notes* issued. The (CERTIFICATES) *notes* shall be payable in not more than five years and shall be issued on terms and in a manner as the board determines. The total principal amount of the (CERTIFICATES OF INDEBTEDNESS) *notes* issued for any fiscal year shall not exceed one percent of the total annual budget for that year and shall be issued solely for the purchases authorized in this subdivision. A tax levy shall be made for the payment of the principal and interest on such (CERTIFICATES) *notes* as in the case of bonds.

#### Sec. 8. [COMMISSIONERS COMPENSATION.]

*No per diem payment shall be allowed county board members for service on the county board or any other county body. County board members shall pay for parking in county owned parking*

*facilities where payment is required. County board members may be allowed mileage for use of their personal automobile at a rate per mile.*

*The Hennepin county board may set the salary of board members by resolution limited to that subject. Adjustments in commissioners' salaries shall be adopted by the county board by resolution prior to a general election to take effect January 1 of the succeeding year.*

#### Sec. 9. [REGIONAL RECREATIONAL OPEN SPACE.]

*The housing outparcel on Nicollet Island referred to by Laws 1981, Chapter 304, Section 2, is more particularly described as follows:*

*A parcel bounded on the north by Hennepin Avenue, on the south by Merriam Street, on the west by Wilder Street, and on the east by East Island Avenue, as said streets are presently located;*

*Together with a parcel bounded on the north by the Burlington Northern Railroad right-of-way, on the south by Hennepin Avenue, on the east by East Island Avenue, and on the west by West Island Avenue;*

*Together with a parcel bounded on the north by Maple Place, on the south by the Burlington Northern Railroad right-of-way, on the east by Nicollet Street, and on the west by West Island Avenue;*

*Together with lots 7, 8, and 9, and the west 60 feet of lot 10, block 1, Nicollet Island;*

*Together with lots 6 and 7, and lots 10 to 16, inclusive, block 3, Nicollet Island.*

#### Sec. 10. [HENNEPIN COUNTY PARK RESERVE DISTRICT; HYDROELECTRIC GENERATION FACILITIES CONSTRUCTION AND OPERATION.]

*In furtherance of the authority granted by Minnesota Statutes, Chapter 398, the Hennepin County park reserve district may, acting jointly with another local government unit pursuant to Minnesota Statutes, Section 471.59, participate in the construction, establishment, ownership, operation, and maintenance of hydroelectric generation and transmission facilities in connection with dams owned or controlled by the district, and the use, distribution, or sale of hydroelectric power generated by the facilities. The district shall exercise its authority under this section to further the maintenance of its park property and services,*

*to use the hydroelectric capacity of the dams and to preserve the economic benefits of the dams.*

Sec. 11. [EFFECTIVE DATE; LOCAL APPROVAL.]

*Section 1 is effective the day after final enactment of this act. Sections 2 to 8 are effective the day after compliance with Minnesota Statutes, Section 645.021, Subdivision 3, by the Hennepin County board. Section 9 is effective in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington the day after final enactment. Section 10 is effective the day after compliance with Minnesota Statutes, Section 645.021, Subdivision 3, by the governing body of the Hennepin County park reserve district."*

Further, delete the title and insert

"A bill for an act relating to government operations; permitting housing and redevelopment authorities to provide interest rate reduction assistance; regulating the debt, personnel, insurance and compensation powers of Hennepin county; describing land to be acquired for open space purposes; authorizing the Hennepin County park reserve district to participate in hydroelectric power generation with other local government units under certain conditions; amending Minnesota Statutes 1980, Section 462.445, by adding a subdivision; Laws 1965, Chapter 855, Section 4, Subdivision 1, as amended, and Section 7, Subdivision 3, as amended, and 4, as amended; Laws 1979, Chapter 55, Section 1; and Laws 1979, Chapter 198, Article II, Section 7, Subdivisions 1 and 2."

Weaver moved to amend the Ellingson amendment to S. F. No. 1640, as follows:

Page 5, line 23 to 36, to page 6, line 1, delete Section 10 from the amendment

Page 6, line 8, after "enactment." delete "Section 10 is"

Page 6, delete lines 9, 10 and 11

Amend the title as follows:

Page 6, delete lines 19, 20 and 21

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 47 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Aasness	Halberg	Ludeman	Redalen	Valan
Ainley	Haukoos	Marsh	Rees	Valento
Carlson, D.	Heinitz	McCarron	Reif	Weaver
Dempsey	Hoberg	McDonald	Rothenberg	Welch
Den Ouden	Hokr	Mehrrens	Schafer	Welker
Drew	Jennings	Nelsen, B.	Schreiber	Wieser
Erickson	Kaley	Niehaus	Sherman	Wigley
Esau	Laidig	Nysether	Sherwood	
Evans	Lemen	Onnen	Stadum	
Ewald	Levi	Piepho	Sviggun	

Those who voted in the negative were:

Anderson, B.	Dean	Jude	Murphy	Rodriguez, F.
Anderson, G.	Eken	Kahn	Nelson, K.	Sarna
Anderson, I.	Elioff	Kalis	Norton	Sieben, M.
Battaglia	Ellingson	Kelly	Novak	Skoglund
Begich	Fjoslien	Knickerbocker	O'Connor	Staten
Berkelman	Greenfield	Kostohryz	Ogren	Stumpf
Blatz	Gustafson	Kvam	Olsen	Swanson
Brandl	Hanson	Lehto	Osthoff	Tomlinson
Byrne	Harens	Long	Otis	Vanasek
Carlson, L.	Hauge	Mann	Peterson, B.	Vellenga
Clark, J.	Himle	McEachern	Peterson, D.	Voss
Clark, K.	Hokanson	Metzen	Pogemiller	Wenzel
Clawson	Jacobs	Minne	Rice	Wynia
Dahlvang	Johnson, D.	Munger	Rodriguez, C.	

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

The question recurred on the Ellingson amendment. The motion prevailed and the amendment was adopted.

S. F. No. 1640, A bill for an act relating to Hennepin County; providing for the interest on and name of certain debt; regulating personnel provisions; clarifying self insurance authority; permitting the county board members to be paid an allowance in lieu of mileage; removing an exception to the general law; amending Minnesota Statutes 1981 Supplement, Section 375.055, Subdivision 1; Laws 1965, Chapter 855, Section 4, Subdivision 1, as amended, and Section 7, Subdivisions 3, as amended, and 4, as amended; Laws 1979, Chapter 55, Section 1; and Laws 1979, Chapter 198, Article II, Section 7, 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 70 yeas and 56 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Anderson, I.	Begich	Blatz	Byrne
Anderson, G.	Battaglia	Berkelman	Brandl	Carlson, L.

Clark, J.	Hanson	Knickerbocker	Osthoff	Skoglund
Clark, K.	Harens	Lehto	Otis	Staten
Clawson	Hauge	Long	Peterson, B.	Stowell
Dahlvang	Heinitz	Mann	Peterson, D.	Stumpf
Dean	Himle	Minne	Pogemiller	Swanson
Eken	Hokanson	Munger	Rodriguez, C.	Tomlinson
Elioff	Hokr	Murphy	Rodriguez, F.	Vanasek
Ellingson	Jacobs	Nelson, K.	Sarna	Vellenga
Fjoslien	Jude	Norton	Schoenfeld	Voss
Forsythe	Kahn	Novak	Sherman	Welch
Greenfield	Kalis	O'Connor	Sieben, M.	Wenzel
Gustafson	Kelly	Olsen	Simoneau	Wynia

Those who voted in the negative were:

Aasness	Gruenes	Luknic	Piepho	Stadum
Ainley	Halberg	Marsh	Redalen	Sviggum
Anderson, R.	Haukoos	McCarron	Reding	Valan
Brinkman	Hoberg	McDonald	Rees	Valento
Carlson, D.	Johnson, D.	McEachern	Reif	Weaver
Dempsey	Kaley	Mehrkens	Rice	Welker
Den Ouden	Kostohryz	Metzen	Rose	Wieser
Drew	Kvam	Nelsen, B.	Rothenberg	Wigley
Erickson	Laidig	Niehaus	Schafer	
Esau	Lemen	Nysether	Schreiber	
Evans	Levi	Ogren	Shea	
Ewald	Ludeman	Onnen	Sherwood	

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

S. F. No. 1738 was reported to the House.

Levi moved to amend S. F. No. 1738, the second engrossment, as follows:

Page 3, line 29, after "a" insert "gross"

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

Rothenberg offered an amendment to S. F. No. 1738, the second engrossment, as amended.

#### POINT OF ORDER

Kahn raised a point of order pursuant to rule 3.9 that the amendment was out of order. The Speaker ruled the point of order well taken and the amendment out of order.

Rothenberg appealed the decision of the Chair.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?"

It was the judgment of the House that the decision of the Speaker should stand and the amendment was not in order.

S. F. No. 1738, A bill for an act relating to crimes; prohibiting possession of obscene works appealing to pedophiles; increasing the fines for distribution of obscene material; prescribing penalties; amending Minnesota Statutes 1980, Sections 617.241; and 617.246, Subdivision 4; proposing new law coded in Minnesota Statutes, Chapter 617.

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

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

Those who voted in the affirmative were:

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

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

S. F. No. 1508 was reported to the House.

Harens moved to amend S. F. No. 1508, the first engrossment, as follows:

Page 5, delete lines 14 to 18 and insert:

*"The sum of \$62,500 is appropriated from the general fund to the commissioner for the purpose of administering sections 1 to 8. The sum is available to June 30, 1983. The approved complement of the department of veterans affairs is increased by two positions. The commissioner shall solicit any grants, gifts, bequests, or any other donations which might be available to fund the purpose of sections 1 to 8."*

## POINT OF ORDER

Kahn raised a point of order pursuant to rule 3.12 that a roll call was required on the amendment. The Speaker ruled the point of order well taken and the roll was called.

The question was taken on the amendment and the roll was called. There were 114 yeas and 3 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Hokr Kahn Voss

The motion prevailed and the amendment was adopted.

S. F. No. 1508, A bill for an act relating to veterans; establishing information and referral assistance programs; authorizing limited studies; mandating annual reports; establishing an Agent Orange information and assistance section in the department of veterans affairs; providing Agent Orange information to health professionals; providing genetic information and counseling; classifying certain information as confidential; authorizing certain class actions; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 196.

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

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

There being no objection the order of business reverted to Messages from the Senate.

## MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 1975, A bill for an act relating to local government; permitting towns to issue off-sale liquor licenses; amending Minnesota Statutes 1980, Section 340.11, by adding a subdivision.

The Senate has appointed as such committee Messrs. Davis, Sikorski and Benson.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate



Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1017, A bill for an act proposing an amendment to the Minnesota Constitution, Article XI, Section 5; providing for the improvement and rehabilitation of certain railroad facilities; amending Minnesota Statutes 1980, Section 222.49.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Kalis moved that the House concur in the Senate amendments to H. F. No. 1017 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1017, A bill for an act relating to railroads; proposing an amendment to the Minnesota Constitution, Article XI, Section 5; providing for the improvement and rehabilitation of certain railroad facilities; amending Minnesota Statutes 1980, Section 222.49.

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

The question was taken on the repassage of the bill and the roll was called. There were 121 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Norton

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

The following conference committee report was received:

CONFERENCE COMMITTEE REPORT ON 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.

March 13, 1982

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

The Honorable Jack Davies  
President of the Senate

We, the undersigned conferees for H. F. No. 1176, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 1176 be further amended as follows:

Delete everything after the enacting clause and insert:

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

*Sections 1 to 16 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 16, 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 disease 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 16.*

**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 environment 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 application of fertilizer or 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 was 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 the following costs and damages which result from the release or threatened release or to which the release or threatened release significantly contributes:

(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 actual economic loss 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 past or future income or profits 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 the property or resources;*

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

*(d) Death due to personal injury or disease; and*

*(e) Physical impairment or loss of earning capacity 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 14, 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 subdivision 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 section 3 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 section 3:*

(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 damages 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 in the permit;*

(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, the permit was issued or modified under federal or state law, and the release conformed with the permit;*

(3) *If the release is any part of an emission or discharge into the air or water which emission or discharge is subject to a federal or state permit held by the person, and the emission or discharge 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 subdivision 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. Any person has the right at trial to have the trier of fact apportion liability as provided in this section. 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 is held jointly and severally liable under section 3 and his share of the common liability can be apportioned, the liability of that person shall be limited to three times 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 civil 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 14, 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 section 3 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. [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 hazardous waste 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 hazardous 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. 14. [115B.14] [STATE RESPONSE TO RELEASES.]**

**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 environment, 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), subclauses (1) and (2).

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 14.*

**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 14, or to other public agencies concerned with the implementation of sections 1 to 14.*

**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 against any responsible person who may be liable under section 3. 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 section 3 or any other law shall be deposited in the fund and may be appropriated only for additional response actions as provided in section 16, 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 section 3 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 section 3 or any other law for injury to, or loss of natural resources resulting from the release of a hazardous substance, pollutant or contaminant shall be deposited in the fund and may be appropriated only for the purposes provided in section 16, subdivision 2, clause (e).*

**Subd. 9. [ACTIONS RELATING TO PESTICIDES OR FERTILIZER OR SOIL OR PLANT AMENDMENTS.]** *When the commissioner of agriculture has reported an incident involving the release of pesticides under the provisions of section 18A.37 or the release of fertilizers or soil or plant amendments, 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 16, 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 November 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.*

## **Sec. 15. [PURPOSES OF FUND, TAXES AND FEES.]**

*In establishing the environmental response, compensation and compliance fund and imposing the tax in section 18 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 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;*

*(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. 16. [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 14, 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, including related compliance efforts, taken or authorized by the agency or director under section 14 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 commercial hazardous waste facilities located under the siting authority of chapter 115A;*

(c) *Removal and remedial actions, including related compliance efforts, taken or authorized by the agency or director under section 14 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 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, monitoring and compliance efforts 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 taxes imposed pursuant to section 18, including interest and penalties;*

*(b) All money recovered by the state under sections 1 to 14 or under 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 but excluding fees imposed under section 21;*

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

*(d) 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. 17. [TAXES; DEFINITIONS.]**

*Subdivision 1. [APPLICATION.] The definitions provided in this section and section 2 apply to sections 17 to 20.*

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

**Subd. 3. [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. 4. [LONG TERM CONTAINMENT.]** *"Long term containment" means land disposal or storage for a period of more than one year.*

**Subd. 5. [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.*

**Subd. 6. [WASTEWATER TREATMENT UNIT.]** *"Wastewater treatment unit" means a device which is part of a wastewater treatment facility subject to regulation pursuant to the federal Clean Water Act under 33 U.S.C. Section 1317 (b) or 1342.*

## **Sec. 18. [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 32 cents per gallon of liquid or \$32 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, other than as provided in subdivision 6, 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. [ON-SITE WASTEWATER TREATMENT.]** *The tax imposed under this section does not apply to hazardous waste which is destined for treatment in a wastewater treatment unit to produce a material which is not hazardous before entering a public sewer system or waters of the state but the tax does apply to any residue of treatment which is a hazardous waste.*

**Subd. 7. [DISPOSITION OF PROCEEDS.]** *The proceeds of the tax imposed under this section including any interest and penalties shall be deposited in the fund.*

#### **Sec. 19. [SEVERABILITY.]**

*If any tax imposed under section 18 is found to be invalid because of the purpose for which the proceeds were appropriated or made available under section 16, 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 16, subdivision 2.*

#### **Sec. 20. [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 18, except as provided in subdivision 4 of this section, 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.]** *A 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 sections 116.075 or 290.61 or any other*

law to the contrary, the commissioner of revenue and the pollution control agency may provide each other with the information necessary for the enforcement of section 18 and this section. Information disclosed in a return filed pursuant to this section or information exchanged between the commissioner and the agency is public 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 18, subdivisions 2 to 4 shall pay the tax imposed by section 18 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 AND METROPOLITAN COUNTIES.]** 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 18, together with any information which the agency possesses concerning the amount of solid waste accepted or hazardous waste generated and disposed of by those persons. Metropolitan counties required to regulate hazardous wastes under section 473.811, subdivision 5b, shall provide to the agency the data and information necessary to allow the agency to carry out its duties under this subdivision. Upon request by the commissioner, the agency shall examine returns and reports filed with the commissioner and notify the commissioner of any suspected inaccurate or fraudulent declaration or return. The agency may assist in auditing any person subject to tax under section 18 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 taxes imposed under section 18 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 and section 18.

**Subd. 8. [ADMINISTRATIVE EXPENSES.]** Any amount expended by the commissioner or agency from a general fund appropriation to enforce and administer section 18 and this section shall be reimbursed to the general fund and the amount necessary to make the reimbursement is appropriated from the



*fund to the commissioner of finance for transfer to the general fund.*

**Sec. 21. [116.12] [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, monitoring, inspection and enforcement expenses of the hazardous waste activities of the agency, excluding any amount appropriated under section 16, 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 hazardous waste activities of the agency in order to assure adequate funding for the regulatory and enforcement functions of the agency related to hazardous waste. 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 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. 22.** Minnesota Statute 1981 Supplement, Section 115A.-24, Subdivision 1, is amended to read:

**Subdivision 1. [CERTIFICATE.] (EXCEPT AS PROVIDED IN SUBDIVISION 2.)** By December 15, 1982, on the basis of and consistent with its hazardous waste management plan adopted under section 115A.11, the board shall issue a certificate or certificates of need for disposal facilities for hazardous wastes in the state. The certificate or certificates shall indicate the types and volumes of waste for which disposal facilities are and will be needed through the year 2000 and the number, types, sizes, general design and operating specifications, and function or use of the disposal facilities needed in the state. The board shall certify need only to the extent that the board has determined that there are no feasible and prudent alternatives including waste reduction, separation, pretreatment, processing, and resource recovery which would minimize adverse impact upon natural resources, provided that the board shall require the establishment of at least one commercial disposal facility in the state. Economic considerations alone shall not justify certification nor the rejection of alternatives. Alternatives that are speculative and conjectural shall not be deemed to be feasible and prudent. The certificate or certificates shall not be subject to the provisions of chapter 15 but shall be the final determination required on the matters decided by the certificate or certificates and shall have the force and effect of law. The certificate or certificates shall not be amended for five years. The board and the permitting agencies, in reviewing and selecting sites, completing environmental impact statements, and issuing approvals and permits for waste disposal facilities described in the certificate or certificates of need, shall not reconsider matters determined in the certification. The board and the permitting agencies shall be required to make a final decision approving the establishment of facilities consistent with the certification. The board and the permitting agencies shall be required to make a final decision approving the establishment of at least one commercial disposal facility for hazardous waste in the state.

**Sec. 23.** 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. 24. 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. 25. [APPROPRIATION; COMPLEMENT.]**

*Subdivision 1. [APPROPRIATION TO FUND.] The sum of \$3,200,000 is appropriated from the general fund and transferred to the environmental response, compensation and compliance fund established in section 16.*

*Subd. 2. [TAX ADMINISTRATION; COMPLEMENT.] The following sums are appropriated from the general fund to be available until June 30, 1983, for costs of administering and enforcing sections 18 and 20.*

(a) *To the commissioner of revenue . . . . . \$90,500*

*The approved complement of the department of revenue is increased by two positions.*

(b) *To the pollution control agency . . . . . \$30,000*

*The approved complement of the pollution control agency is increased by one position.*

*Subd. 3. [APPROPRIATION FOR RESPONSE ACTIONS.] For the biennium ending June 30, 1983, and except as provided in subdivision 4, all money in the environmental response, compensation and compliance fund except any money recovered with*

*respect to natural resources under section 14, subdivision 8, is appropriated to the pollution control agency for the purposes described in section 16, subdivision 2, clauses (a) and (b).*

**Subd. 4. [RULES; PRIORITY LISTS; COMPLEMENT.]**  
*The sum of \$40,000 is appropriated from the environmental response, compensation and compliance fund to the pollution control agency for the cost of establishing priority lists and adopting rules as required under section 14, subdivision 13, to be available until June 30, 1983.*

*The approved complement of the pollution control agency is increased by six positions.*

**Sec. 26. [REPEALER.]** *Minnesota Statutes 1981 Supplement, Section 115A.24, Subdivision 2, is repealed.*

**Sec. 27. [EFFECTIVE DATE.]**

*Sections 17 to 20 are effective the day following final enactment except that the tax imposed by section 18 is effective January 1, 1983. Section 21 is effective July 1, 1983. Section 25 is effective the day following final enactment. The remaining sections of this act are effective July 1, 1982.*

Delete the title and insert:

**"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; imposing taxes, fees and penalties; appropriating money; amending Minnesota Statutes 1980, Sections 466.01, by adding a subdivision; and 466.04, Subdivision 1; Minnesota Statutes 1981 Supplement, Section 115A.24, Subdivision 1; proposing new law coded in Minnesota Statutes, Chapter 116; proposing new law coded as Minnesota Statutes, Chapter 115B; repealing Minnesota Statutes 1981 Supplement, Section 115A.24, Subdivision 2."**

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

House Conferees: DEE LONG, ELLIOT C. ROTHENBERG, THOMAS J. HARENS, IRVIN N. ANDERSON and DEAN E. JOHNSON.

Senate Conferees: GENE MERRIAM, JACK DAVIES, JAMES C. PEHLER, RANDOLPH W. PETERSON and DUANE D. BENSON.

Long moved that the report of the Conference Committee on H. F. No. 1176 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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.

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

The question was taken on the repassage of the bill and the roll was called. There were 79 yeas and 45 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Elioff	Kostohryz	Otis	Simoneau
Anderson, G.	Ellingson	Lehto	Peterson, B.	Skoglund
Anderson, I.	Ewald	Long	Peterson, D.	Staten
Battaglia	Greenfield	McEachern	Piepho	Stumpf
Begich	Gruenes	Metzen	Pogemiller	Swanson
Berkelman	Gustafson	Minne	Redalen	Tomlinson
Brandl	Hanson	Munger	Reding	Vanasek
Byrne	Harens	Murphy	Rice	Vellenga
Carlson, D.	Hauge	Nelson, K.	Rodriguez, C.	Voss
Carlson, L.	Hokanson	Norton	Rodriguez, F.	Weaver
Clark, J.	Jacobs	Novak	Rothenberg	Welch
Clark, K.	Johnson, D.	O'Connor	Samuelson	Wenzel
Clawson	Jude	Ogren	Sarna	Wieser
Dahlvang	Kahn	Olsen	Schoenfeld	Wynia
Dean	Kelly	Onnen	Shea	Spkr. Sieben, H.
Drew	Knickerbocker	Osthoff	Sieben, M.	

Those who voted in the negative were:

Aasness	Evans	Hokr	Luknic	Rees
Ainley	Fjoslien	Jennings	Mann	Schafer
Blatz	Forsythe	Kaley	Marsh	Schreiber
Brinkman	Halberg	Kalis	McCarron	Sherman
Dempsey	Haukoos	Kvam	McDonald	Swiggum
Den Ouden	Heap	Laidig	Mehrkens	Valan
Eken	Heinitz	Lemen	Nelsen, B.	Valento
Erickson	Himle	Levi	Niehaus	Welker
Esau	Hoberg	Ludeman	Nysether	Wigley

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

## MESSAGES FROM THE SENATE, Continued

Mr. Speaker:

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

S. F. No. 1962.

PATRICK E. FLAHAVEN, Secretary of the Senate

## FIRST READING OF SENATE BILLS

S. F. No. 1962, 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.

The bill was read for the first time.

## SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Anderson, G., moved that the rule therein be suspended and an urgency be declared so that S. F. No. 1962 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Anderson, G., moved that the rules of the House be so far suspended that S. F. No. 1962 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 1962 was read for the second time.

Anderson, G., moved to amend S. F. No. 1962, the second engrossment, as follows:

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.]** *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.*

**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 li-*

*censed 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.*

*Subd. 3. [INSPECTION, SAMPLING.] The commissioner or his authorized agent shall sample, inspect, and grade grains received or distributed from grain warehouses at such time and place and to such an extent as he may deem necessary to determine whether the sampling, inspection, and grading conducted by the warehouse operator conforms with the standards set by the board of grain standards. The commissioner may obtain any additional information he deems necessary and is authorized to enter upon any public or private premises during regular business hours in order to carry out the provisions of this subdivision.*

**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)
((2) OVER 5,000 TO 10,000 .....	\$125)
((3) OVER 10,000 TO 20,000 .....	\$200)
((4) OVER 20,000 TO 100,000 .....	\$250)
((5) OVER 100,000 TO 200,000 .....	\$325)
((6) OVER 200,000 .....	\$375)

*set by the commissioner.*

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 addi-



tional 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 or 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 ware-

house 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.

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 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.*

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 \$164,600 is appropriated to the commissioner of agriculture for the purposes of sections 1 to 9. This amount is added to the appropriation made in Laws 1981, Chapter 356, Section 23, and is available until June 30, 1983. The approved complement of the department is increased by three.*

#### Sec. 11. [REPEALER.]

*Minnesota Statutes 1980, Sections 232.06, Subdivision 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."*

The motion prevailed and the amendment was adopted.

Anderson, G., moved to amend S. F. No. 1962, the second engrossment, as amended, as follows:

Page 17, line 24, delete "Section 1" and insert "Section 2"

The motion prevailed and the amendment was adopted.

Mehrkens moved to amend S. F. No. 1962, the second engrossment, as amended, as follows:

Page 12, delete lines 11 to 21

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 55 yeas and 65 nays as follows:

Those who voted in the affirmative were:

Aasness

Ainley

Anderson, R.

Blatz

Dean

Dempsey	Heap	Lemen	Onnen	Sherwood
Den Ouden	Heinitz	Levi	Peterson, B.	Stadum
Drew	Himle	Ludeman	Piepho	Stowell
Erickson	Hoberg	Marsh	Redalen	Svigum
Esau	Hokr	McDonald	Reif	Valan
Evans	Johnson, D.	Mehrrens	Rose	Valento
Fjoslien	Kaley	Nelsen, B.	Rothenberg	Weaver
Forsythe	Knickerbocker	Niehaus	Schafer	Welker
Halberg	Kvam	Nysether	Schreiber	Wieser
Haukoos	Laidig	Olsen	Sherman	Wigley

Those who voted in the negative were:

Anderson, B.	Eken	Kostohryz	Osthoff	Simoneau
Anderson, G.	Ellingson	Lehto	Otis	Skoglund
Battaglia	Greenfield	Long	Peterson, D.	Staten
Begich	Gruenes	Mann	Pogemiller	Stumpf
Berkelman	Gustafson	McCarron	Reding	Swanson
Brinkman	Hanson	McEachern	Rees	Tomlinson
Byrne	Hauge	Metzen	Rice	Vanasek
Carlson, D.	Hokanson	Minne	Rodriguez, C.	Vellenga
Carlson, L.	Jacobs	Munger	Rodriguez, F.	Voss
Clark, J.	Jude	Murphy	Sarna	Welch
Clark, K.	Kahn	Nelson, K.	Schoenfeld	Wenzel
Clawson	Kalis	Norton	Shea	Wynia
Dahlvang	Kelly	Novak	Sieben, M.	Spkr. Sieben, H.

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

Piepho, Novak, Wenzel and Rose moved to amend S. F. No. 1962, the second engrossment, as amended, as follows:

Page 13, lines 22 to 23, restore stricken language

Page 13, delete lines 24 to 31 and insert:

"Storage capacity in square feet:

5,000 or less	(\$ 65)	\$ 90
Over 5,000 to 10,000	(\$125)	\$175
Over 10,000 to 20,000	(\$200)	\$250
Over 20,000 to 100,000	(\$250)	\$325
Over 100,000 to 200,000	(\$325)	\$400
Over 200,000	(\$375)	\$450"

Page 17, line 14, delete "\$164,600" and insert "\$142,700"

Page 17, line 18, delete "three" and insert "two"

The motion prevailed and the amendment was adopted.

Aasness and Redalen offered an amendment to S. F. No. 1962, the second engrossment, as amended.

### POINT OF ORDER

Kahn 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.

S. F. No. 1962, 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.

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

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

## SPECIAL ORDERS

H. F. No. 2034 was reported to the House.

Anderson, G., moved that H. F. No. 2034 be returned to its author. The motion prevailed.

H. F. No. 2040 was reported to the House.

There being no objection, H. F. No. 2040 was continued on Special Orders.

S. F. No. 1780 was reported to the House.

Osthoff moved to amend S. F. No. 1780, the second engrossment, as amended on Friday, March 12, 1982, as follows:

Page 13, after line 13, insert:

"Section 9. Minnesota Statutes 1980, Section 161.12, is amended to read:

161.12 [ADDITIONAL ROUTES ADDED TO TRUNK HIGHWAY SYSTEM.]

To take advantage of federal aid made available by the United States to the state of Minnesota for highway purposes, the following trunk highway routes are added to the trunk highway system which routes form a part of the national system of interstate and defense highways and may be referred to as the interstate system:

Route No. 390. Beginning at a point on the boundary between the states of Minnesota and Iowa, southerly of Albert Lea; thence extending in a general northeasterly direction to a point in Duluth on the boundary between the states of Minnesota and Wisconsin. Route No. 390 shall not include any portion of (ROUTE NO. 382 AS DESIGNATED BY SECTION 161.117 OR ANY PORTION OF ANY ROUTE CONNECTING ROUTE NO. 382 TO ROUTE NO. 392, NOR SHALL IT INCLUDE ANY PORTION OF) trunk highway marked No. 3 from trunk highway marked No. 110 in Dakota county to East Seventh Street in the city of St. Paul.

Route No. 391. Beginning at a point on the boundary between the states of Minnesota and South Dakota, westerly of Luverne; thence extending in a general easterly direction to a point on the boundary between the states of Minnesota and Wisconsin, near La Crescent.

Route No. 392. Beginning at a point on the boundary between the states of Minnesota and North Dakota in or near Moorhead;

thence extending in a general southeasterly direction through the city of Minneapolis; thence in a general easterly direction through the city of St. Paul to a point on the boundary between the states of Minnesota and Wisconsin in or near Lakeland.

Route No. 393. Beginning at a point on Route No. 392, easterly of the city of St. Paul; thence in a general southerly and westerly direction through the city of South St. Paul; thence in a general westerly direction to a point in Eden Prairie Township, Hennepin County; thence in a general northerly direction to a point in the city of Maple Grove, Hennepin County; thence in a general easterly direction to a point on Route 390; thence in a general easterly, southeasterly and southerly direction to the point of beginning on Route No. 392, easterly of St. Paul.

Route No. 394. Beginning at a point on Route No. 390, southerly of the Minnesota River; thence extending in a general northerly and northeasterly direction through the city of Minneapolis; thence continuing in a northeasterly direction to a point on Route No. 390, near Forest Lake and there terminating.

Route No. 395. Beginning at a point on Route No. 390 at or near the intersection of Superior Street and Nineteenth Avenue West in the city of Duluth, thence extending in a northeasterly direction to a point on Route No. 103 at or near the intersection of Superior Street and Tenth Avenue East in the city of Duluth.

Sec. 10. Minnesota Statutes 1980, Section 161.1245, Subdivision 1, is amended to read:

Subdivision 1. The commissioner of transportation is authorized to construct a four-lane parkway with limited access along the right of way of Route No. 382 in the city of St. Paul, which parkway (MAY) shall be connected with Route No. 392 by a roadway that is (NOT) a controlled access highway as defined in section 160.02. The commissioner shall not construct any highway on Route No. 382 or connection to Route No. 392 other than that described in this subdivision.

#### Sec. 12. [BOND REQUIRED.]

*Any person initiating any administrative, judicial or quasi-judicial proceeding contesting the provisions of section 1 shall post bond for the benefit of the state conditioned upon the payment of all costs and damages caused by the proceeding that may result to the state from the possibility of exceeding the federal deadlines.*

#### Sec. 13. [REPEALER.]

*Minnesota Statutes 1980, Section 161.1245, Subdivision 2, is repealed.*

Renumber the remaining sections.

#### POINT OF ORDER

Norton 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.

Anderson, G., moved that S. F. No. 1780, as amended on Friday, March 12, 1982, be continued on Special Orders. The motion prevailed.

Dean, Ewald and Reif were excused between the hours of 8:45 p.m. and 9:30 p.m.

S. F. No. 1793 was reported to the House.

Voss moved to amend S. F. No. 1793, the second engrossment, as follows:

Delete everything after the enacting clause and insert:

**"Section 1. [375B.01] [COUNTIES; SUBORDINATE GOVERNMENTAL SERVICE DISTRICTS; PURPOSE.]**

*It is the purpose of this act to provide a means by which a county as a unit of general local government can effectively provide and finance various governmental services for its residents.*

**Sec. 2. [375B.02] [DEFINITION.]**

*"Subordinate service district" means a compact and contiguous district within the county in which one or more governmental services or additions to countywide services are provided by the county and financed from revenues secured from within that district. The boundaries of a single subordinate service district may not embrace an entire county.*

**Sec. 3. [375B.03] [ESTABLISHMENT OF SERVICE DISTRICTS.]**

*Notwithstanding any provision of law requiring uniform property tax rates on real or personal property within the county, any county in this state except a metropolitan county and any other county containing a city of the first class as defined in section 473.121, subdivision 4, may establish subordinate service districts to provide and finance any governmental service or function which it is otherwise authorized to undertake. A function or service to be provided shall not include a function, or service which the county generally provides throughout the county unless an increase in the level of the service is to be supplied in the service district.*



## Sec. 4. [375B.04] [CREATION BY COUNTY BOARD.]

*The county board of commissioners of any county, except a metropolitan county and any other county containing a city of the first class as defined in section 473.121, subdivision 4, may establish a subordinate service district in a portion of the county by adoption of an appropriate resolution. Before the adoption of the resolution, the county board shall hold a public hearing on the question of whether or not a subordinate service district shall be established. The resolution shall specify the service or services to be provided within the subordinate service district and shall specify the territorial boundaries of the district.*

## Sec. 5. [375B.05] [CREATION BY PETITION.]

*Subdivision 1. [PETITION.] A petition signed by ten percent of the qualified voters within the portion of the county proposed for the subordinate service district may be submitted to the county board requesting the establishment of a subordinate county service district to provide any service or services which the county is otherwise authorized by law to provide. The petition shall include the territorial boundaries of the proposed district and shall specify the types of services to be provided within the district.*

*Subd. 2. [PUBLIC HEARING.] Upon receipt of the petition, and verification of the signatures by the county auditor, the county board shall, within 30 days following verification, hold a public hearing on the question of whether or not the requested district shall be established.*

*Subd. 3. [APPROVAL; DISAPPROVAL.] Within 30 days following the holding of a public hearing, the county board, by resolution, shall approve or disapprove the establishment of the requested district. A resolution approving the creation of the district may contain amendments or modifications of the district's boundaries or functions as set forth in the petition.*

## Sec. 6. [375B.06] [PUBLICATION AND EFFECTIVE DATE.]

*Upon passage of a resolution authorizing the creation of a subordinate service district, the county board shall cause the resolution to be published once in the official newspaper. The resolution shall include a general description of the territory to be included within the district, the type of service or services to be undertaken in the district, a statement of the means by which the service or services will be financed, and a designation of the county agency or officer who will be responsible for supervising the provision of the service or services. The district shall be deemed established 30 days after publication or at a later date as may be specified in the resolution.*

## Sec. 7. [375B.07] [REFERENDUM.]

*Subdivision 1. [PETITION.] Upon receipt of a petition signed by five percent of the qualified voters within the territory of the proposed district prior to the effective date of its creation as specified in section 375B.06, the creation shall be held in abeyance pending referendum vote of all qualified electors residing within the boundaries of the proposed district.*

*Subd. 2. [ELECTION.] The county board shall make arrangements for the holding of a special election not less than 30 nor more than 90 days after receipt of the petition within the boundaries of the proposed district. The question to be submitted and voted upon by the qualified voters within the territory of the proposed district shall be phrased substantially as follows:*

*"Shall a subordinate service district be established in order to provide (service or services to be provided) financed by (revenue sources)?"*

*If a majority of those voting on the question favor creation of the proposed district, the district shall be deemed created upon certification of the vote by the county auditor. The county auditor shall administer the election.*

## Sec. 8. [375B.08] [EXPANSION OF THE BOUNDARIES OF A SUBORDINATE SERVICE DISTRICT.]

*The county board, on its own motion or pursuant to petition, may enlarge any existing subordinate service district pursuant to the procedures specified in sections 375B.04 to 375B.07. Only qualified voters residing in the district to be added shall be eligible to participate in the election, but if five percent of the qualified voters residing in the existing service district petition to participate in the election, all qualified voters residing in the proposed service district shall be eligible.*

## Sec. 9. [375B.09] [FINANCING.]

*Upon adoption of the next annual budget following the creation of a subordinate service district the county board shall include in the budget appropriate provisions for the operation of the district including, as appropriate, either a property tax levied only on property within the boundaries of the district or a levy of a service charge against the users of the service within the district, or any combination of a property tax and a service charge. A tax or service charge or a combination thereof shall not be imposed to finance a function or service in the service district which the county generally provides throughout the county unless an increase in the level of the service is to be supplied in the service district in which case, in addition to the countywide tax levy, only an amount necessary to pay for the increased level of service may be imposed.*

**Sec. 10. [375B.10] [WITHDRAWAL; ELECTION.]**

*Upon receipt of a petition signed by ten percent of the qualified voters within the territory of the subordinate service district requesting the removal of the district, or pursuant to its own resolution, the county board shall make arrangements for the holding of a special election within the boundaries of the service district not less than 30 nor more than 90 days after the resolution or receipt of the petition. The question to be submitted and voted upon by the qualified voters within the territory of the district shall be phrased substantially as follows:*

*"Shall the subordinate service district presently established be removed and the service or services of the county as provided for the service district be discontinued?"*

*If a majority of those voting on the question favor the removal and discontinuance of the services, the service district shall be removed and the services shall be discontinued upon certification of the vote by the county auditor. The county auditor shall administer the election.*

**Sec. 11. [375B.11] [WITHDRAWAL; BY RESOLUTION OF COUNTY BOARD.]**

*The county board may by resolution withdraw a subordinate service district from the provisions of this chapter and discontinue the service provided within the service district. The county board shall cause notice of its intention to withdraw the service district to be published at least once in the official newspaper not more than six months or less than three months before the resolution is adopted. If a joint powers agreement is a part of the subordinate service district arrangement no withdrawal shall be effective under this section unless all parties to the joint powers agreement agree to the withdrawal.*

**Sec. 12. [375B.12] [LOCAL LAWS SUPERSEDED.]**

*A special law for a single county except a metropolitan county and any other county containing a city of the first class as defined in section 473.121, subdivision 4, which authorizes the county to establish subordinate service districts or areas is hereby superseded. Any service being provided pursuant to the special law on or before the effective date of sections 1 to 12 may continue to be provided pursuant to the special law.*

**Sec. 13.** Minnesota Statutes 1980, Section 275.50, is amended by adding a subdivision to read:

**Subd. 7.** A tax or service charge levied by the county board within a subordinate service district pursuant to chapter 375B is a "special levy" and is not subject to tax levy limitations in-

*cluding those contained in sections 275.50 to 275.56 or any other law. Subsequent increases in the initial tax or service charge, or additional taxes or service charges imposed at a time later than the adoption of the initial tax or service charge shall be subject to levy limitation.*

Sec. 14. 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. 15. 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 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. 16. 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 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. 17. 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 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 section 5, subdivision 2, clause (a). If any local government unit challenges the determination, the dispute shall be resolved by arbitration following the procedures of the American Arbitration Association.*

*(b) After appointing the independent consulting engineer, the composition of the board shall be changed to comply with subdivision 2.*

Sec. 18. 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 of Boise Cascade Corporation 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. 19. 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,* 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. 20. 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. 21. 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, 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. 22. 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 section 2, subdivision 10, clause (a).*

Sec. 23. 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. 24. Laws 1981, Chapter 291, Section 24, is amended to read:

Sec. 24. [EFFECTIVE DATE; LOCAL APPROVAL.]

This act 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.) *March 22, 1982, pursuant to Minnesota Statutes, Section 645.023, Subdivision 1, Clause (a).*

Sec. 25. [EFFECTIVE DATE.]

*Sections 14 to 24 are effective the day following final enactment."*

The motion prevailed and the amendment was adopted.

Novak, Brandl, Tomlinson, Piepho, Swanson, Gruenes and Marsh moved to amend S. F. No. 1793, the second engrossment, as amended, as follows:

Page 11, after line 31, insert:

"Section 25. [DEFINITIONS.]

*Subdivision 1. For the purpose of sections 27 to 38 the terms defined in this section have the following meanings.*

*Subd. 2. "Municipality" means any home rule charter or statutory city.*



Subd. 3. "Special services" means all services rendered or contracted for by a municipality, including, but not limited to, (a) the repair, maintenance, operation and construction of any improvements authorized by Minnesota Statutes, Section 429.021; (b) parking services rendered or contracted for by a municipality; and (c) any other service provided to the public by a municipality authorized by any law or charter provision to provide the service. Special services shall not include services which are ordinarily provided throughout the municipality from general fund revenues of the municipality unless an increased level of the service is provided in the special service district.

Subd. 4. "Special service district" means a defined area within a municipality in which special services are rendered and the costs of the special services are paid from revenues collected from taxes and service charges imposed within that area.

Subd. 5. "Assessed value" means the assessed value as most recently certified by the commissioner of revenue as of the effective date of the ordinance or resolution adopted pursuant to section 28 or 29.

Subd. 6. "Land area" means the land area located within the district which is subject to property taxation.

**Sec. 26. [ESTABLISHMENT OF SPECIAL SERVICE DISTRICT.]**

**Subdivision 1. [ORDINANCE.]** The governing body of a municipality may adopt an ordinance establishing a special service district. Only property which is zoned for commercial, business, or industrial use under a municipal zoning ordinance may be included in a special service district. The ordinance shall describe with particularity the area within the municipality to be included in the district and the special services to be furnished within the district. The ordinance may not be adopted until after a public hearing has been held on the question. Notice of the hearing shall include:

- (a) The time and place of hearing;
- (b) The boundaries of the area by legal description and by street location where possible; and
- (c) A statement that all persons owning property in the proposed special service district will be given opportunity to be heard at the hearing.

Subd. 2. [NOTICE.] Notice of the hearing shall be given by publication in two issues of the official newspaper of the municipality. The two publications shall be a week apart and the hearing shall be held at least three days after the last publica-

tion. Not less than ten days before the hearing, notice shall also be mailed to the owner of each parcel within the area proposed to be included in the special service district. For the purpose of giving mailed notice, owners shall be those shown on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer. Other records may be used to supply the necessary information. For properties which are tax exempt or subject to taxation on a gross earnings basis in lieu of property tax and are not listed on the records of the county auditor or the county treasurer, the owners shall be ascertained by any practicable means and mailed notice given them. At the public hearing any person affected by the proposed special services district may be heard orally in respect to any issues embodied in the notice. The hearing may be adjourned from time to time and the ordinance establishing the special services district may be adopted at any time within six months after the date of the conclusion of the hearing by a vote of the majority of the governing body of the municipality.

**Sec. 27. [RATE OF TAX; NOTICE AND HEARING REQUIREMENTS.]**

**Subdivision 1. [TAXES; HEARING.]** Ad valorem taxes may be levied on taxable property or service charges may be imposed by the municipality within the special service district at a rate or amount sufficient to produce revenues required to provide special services within the district. For purposes of determining the appropriate mill rate, taxable property or value shall be determined without regard to captured or original assessed value under section 273.76 or to the distribution or contribution value under section 473F.08. Taxes and service charges shall not be imposed to finance a special service if the service is ordinarily provided by the municipality from general fund revenues of the municipality unless the service is provided in the special service district at an increased level, in which case only an amount to pay for the increased level may be imposed. A service charge shall not be imposed on the receipts from the sale of intoxicating liquor, food, or lodging. Prior to the levy of taxes or imposition of service charges in a special service district, for each calendar year notice shall be given and hearing shall be held pursuant to section 28 except that notice shall also be mailed to any individual or business organization subject to a service charge. For purposes of this section the notice shall also include:

(a) A statement that all interested persons will be given an opportunity to be heard at the hearing regarding a proposed tax levy or service charge.

(b) The estimated cost of improvements to be paid for in whole or in part by taxes or service charges imposed pursuant to this section, the estimated cost of operating and maintaining

*the improvements during the first year after completion of the improvements, and the proposed method and source of financing the improvements and the annual cost of operating and maintaining the improvements.*

(c) *The proposed rate or amount of taxes to be extended or the proposed service charge to be imposed in the special service district during the calendar year and the nature and character of special services to be rendered in the special service district during the calendar year.*

(d) *A statement that the petition requirements of section 35 have either been met or do not apply to the proposed taxes or service charge.*

*Within six months of the public hearing, the municipality may adopt a resolution levying a tax or imposing a service charge within the special service district not exceeding the amount or rate expressed in the notice issued pursuant to this section. Before the governing body of the municipality may adopt a resolution levying an ad valorem tax, it shall make a determination that property subject to the tax is directly or indirectly benefited. Before the governing body of the municipality may adopt a resolution imposing a service charge, it shall make a determination that the individuals and business organizations subject to the service charge are directly or indirectly benefited. The determination of direct or indirect benefit to the property, individuals, or business organizations need not be related to an increase in the value of the property.*

**Subd. 2. [EXEMPTION OF CERTAIN PROPERTIES FROM TAXES.]** *Property exempted from taxation by Minnesota Statutes, Section 272.02, shall be exempted from any ad valorem taxes imposed pursuant to sections 27 to 38.*

**Sec. 28. [ENLARGEMENT OF SPECIAL SERVICE DISTRICTS.]**

*Boundaries of a special service area may be enlarged only after hearing and notice as provided in sections 28 and 29. Notice shall be served in the original special service district and in the area proposed to be added to the special service district. Property added to the district shall be subject to all taxes levied and service charges imposed within the district after the property becomes a part of the district. The petition requirement in section 35 and the veto power in section 36 shall only apply to owners and individuals and business organizations in the area proposed to be added to the special service district.*

**Sec. 29. [COLLECTION OF TAXES.]**

*Ad valorem taxes levied within a special service district shall be collected and paid over as other taxes, but shall be spread only*

*upon the assessed value of property described in the ordinance. Service charges imposed shall be collected as provided by ordinance. Ad valorem taxes levied pursuant to this chapter shall be remitted directly to the municipality notwithstanding Minnesota Statutes, Section 273.76 and Chapter 473F.*

### Sec. 30. [BONDS.]

*At any time after a contract for the construction of all or part of an improvement authorized pursuant to this chapter has been entered into or the work has been ordered done by day labor, the governing body may issue obligations in the amount it deems necessary to defray in whole or in part the expense incurred and estimated to be incurred in making the improvement, including every item of cost from inception to completion and all fees and expenses incurred in connection with the improvement or its financing. The obligations shall be payable primarily out of the proceeds of the tax levied pursuant to section 29. The governing body may, by resolution adopted prior to the sale of obligations, pledge the full faith, credit and taxing power of the municipality to assure payment of the principal and interest if the proceeds of the tax levy in the district are insufficient to pay the principal and interest. Obligations shall be issued in accordance with Minnesota Statutes, Chapter 475, except that an election shall not be required, and the amount of the obligations shall not be included in determining the net indebtedness of the municipality under the provisions of any law or charter limiting indebtedness.*

### Sec. 31. [LEVY LIMIT EXCEPTION.]

*Taxes and service charges imposed pursuant to this act shall not be included in the calculation of levies or limits on levies provided by other law or home rule charter provision.*

### Sec. 32. [ADVISORY BOARD.]

*The governing body of a municipality may create and appoint an advisory board for each special service district in the municipality to advise the governing body in connection with the construction, maintenance and operation of improvements and the furnishing of special services in a special service district. The advisory board shall make recommendations to the governing body on the requests and complaints of owners, occupants and users of property within the special service district and members of the public. Prior to the adoption of any proposal by the governing body to provide services or impose taxes or service charges within the special service district, the advisory board of the special service district shall review and comment upon such proposal. Each advisory board shall be appointed at least 30 days prior to the date of a public hearing on the ordinance proposing the establishment of the special service district. Seventy-five percent of the members of each advisory board shall be*

owners or occupants of property located in the special service district or their representatives. If, following the adoption of the special service district boundaries, fewer than 75 percent of the members are owners or occupants of property located in the district or their representatives, the governing body shall dismiss or appoint advisory board members as necessary to assure 75 percent representation of owners or occupants of district properties. Each advisory board may elect an executive secretary, who need not be a member of the board, to keep its minutes, records and correspondence and to communicate with the governing body and other officials and with the owners, occupants and users of property located within the special service district. Administrative expenses of the advisory board shall be paid from the proceeds of taxes and service charges collected in the special service district.

### Sec. 33. [PETITION REQUIRED.]

No public hearing may be held pursuant to section 28 unless owners of 25 percent or more of the land area of the proposed special service district and owners of 25 percent or more of the assessed value of the proposed special service district file a petition requesting the public hearing with the city clerk of the municipality where the special service district is located. No public hearing may be held pursuant to section 3 to impose an ad valorem tax unless owners of 25 percent or more of the land area subject to a proposed tax and owners of 25 percent or more of the assessed value subject to a proposed tax file a petition requesting the public hearing with the city clerk of the municipality where the special service district is located. No public hearing may be held pursuant to section 29 to impose a service charge unless 25 percent or more of the individual or business organizations subject to the proposed service charge file a petition requesting the public hearing with the city clerk. If the boundaries of the proposed special service district are changed or the land area or assessed value subject to a tax or the individuals or business organizations subject to a service charge are changed after the public hearing, a petition meeting the requirements of this section must be filed with the city clerk before the ordinance establishing the district or resolution imposing the tax or service charge may become effective.

### Sec. 34. [VETO POWER OF OWNERS.]

*Subdivision 1. [NOTICE OF RIGHT TO FILE OBJECTIONS.]* Except as provided in section 37, the effective date of any ordinance or resolution adopted pursuant to sections 28 and 29 shall be at least 45 days after it is adopted. Within five days after adoption of the ordinance or resolution, a copy of the ordinance or resolution shall be mailed to the owner of each parcel included in the special service district and any individual or business organization subject to a service charge in the same manner as notice is mailed pursuant to section 28. The mailing

*shall include a notice that owners subject to a tax and individuals and business organizations subject to a service charge have a right to veto the ordinance or resolution by filing the required number of objections with the city clerk before the effective date of the ordinance or resolution.*

**Subd. 2. [REQUIREMENTS FOR VETO.]** *If owners of 35 percent of the land area in the special service district and owners of 35 percent of the assessed value in the special service district file an objection to the ordinance adopted by the municipality pursuant to section 28 with the city clerk before the effective date of the ordinance, the ordinance shall not become effective. If owners of 35 percent of the land area subject to a tax and owners of 35 percent of the assessed value subject to a tax file an objection to the resolution adopted by the municipality levying an ad valorem tax pursuant to section 29 with the city clerk before the effective date of the resolution, the resolution shall not become effective. If 35 percent of individuals and business organizations subject to a service charge file an objection to the resolution adopted by the municipality imposing a service charge pursuant to section 29 with the city clerk before the effective date of the resolution, the resolution shall not become effective.*

**Sec. 35. [EXCLUSION FROM PETITION REQUIREMENTS AND VETO POWER.]**

*The petition requirement of section 35 and the right of owners and those subject to a service charge to veto a resolution in section 36 shall not apply to second or subsequent years' applications of a tax or service charge which is authorized to be in effect for more than one year pursuant to a resolution which has met the petition requirements of section 35 and which has not been vetoed under section 36 for the first year's application. The determination of the governing body required by section 29 shall not apply to second or subsequent years' applications of a tax or service charge which is authorized to be in effect for more than one year pursuant to a resolution which has met the petition requirements of section 35 and which has not been vetoed under section 36 for the first year's application. A resolution levying a tax or imposing a service charge for more than one year shall not be adopted unless the notice of public hearing required by section 29 and the notice mailed with the adopted resolution pursuant to section 36 include the following information:*

*(a) In the case of improvements, the maximum rate or amount of taxes to be levied or the maximum service charge to be imposed in any year and the maximum number of years the taxes will be levied or service charges imposed to pay for the improvement.*

(b) *In the case of operating and maintenance services, the maximum rate or amount of taxes to be levied or the maximum service charge to be imposed in any year and the maximum number of years, or a statement that the tax will be imposed for an indefinite number of years, the taxes will be levied or service charges imposed to pay for operation and maintenance services.*

*The resolution may provide that the maximum amount of tax to be levied or maximum service charge to be imposed in any year will increase or decrease from the maximum amount authorized in the preceding year based on an indicator of increased cost or a percentage amount established by the resolution.*

**Sec. 36. [LIMITATION.]**

*No special service district may be established pursuant to the provisions of sections 27 to 37 after June 30, 1986.*

**Sec. 37. [EFFECTIVE DATE.]**

*Sections 25 to 36 are effective May 1, 1982."*

Renumber the remaining section

Amend the title as follows:

Page 1, line 4, after "services;" insert "permitting the establishment of special service districts in municipalities; providing taxing and other financial authorities for municipalities;"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 29 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Brandl	Greenfield	Marsh	Piepho	Staten
Clark, J.	Gruenes	Nelson, K.	Pogemiller	Swanson
Clark, K.	Hauge	Novak	Rodriguez, C.	Tomlinson
Dahlvang	Kelly	O'Connor	Rodriguez, F.	Vellenga
Dempsey	Long	Otis	Sarna	Voss
Ellingson	Luknie	Peterson, B.	Skoglund	

Those who voted in the negative were:

Aasness	Blatz	Drew	Fjoslien	Hokanson
Ainley	Brinkman	Eken	Forsythe	Jacobs
Anderson, I.	Byrne	Elioff	Halberg	Jennings
Battaglia	Carlson, D.	Erickson	Harens	Johnson, D.
Begich	Clawson	Esau	Haukoos	Jude
Berkelman	Den Ouden	Evans	Hoberg	Kahn

Kalis	McDonald	Ogren	Schafer	Valento
Knickerbocker	Mehrkens	Olsen	Schreiber	Weaver
Kostohryz	Metzen	Onnen	Sherman	Welch
Laidig	Minne	Osthoff	Sherwood	Welker
Lehto	Munger	Peterson, D.	Stadum	Wenzel
Lemen	Murphy	Redalen	Stowell	Wieser
Levi	Nelsen, B.	Reding	Stumpf	Wigley
Ludeman	Niehaus	Rees	Sviggum	Wynia
Mann	Nysether	Rothenberg	Valan	Spkr. Sieben, H.

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

Kelly moved to amend S. F. No. 1793, the second engrossment, as amended, as follows:

Page 11, after line 34, insert:

"Sec. 26. [ST. PAUL TAX AND ADMINISTRATION.]

*Subdivision 1. A tax, supplemental to the general sales tax imposed by Minnesota Statutes, Chapter 297A, is imposed on transient lodging in the city of St. Paul at a rate equal to four percent of the consideration paid for lodging and related services by a hotel, rooming house, tourist court, motel or trailer camp or for the granting of any similar license to use real property. The tax does not apply to a rental or lease for 30 or more days continuously. This tax supersedes any similar tax imposed pursuant to city charter. The tax shall be collected by and its proceeds paid to the city. At least 25 percent of the revenues generated by the tax shall be used for the payment of the bonds and any interest or premium on the bonds authorized by this section. The tax will be reduced to three percent upon the payment of the bonds authorized by this section.*

*Subd. 2. The city of St. Paul may, by resolution, authorize, issue and sell general obligation or special obligation bonds in an amount not to exceed \$4,000,000 to finance any expenditure for the repair, remodeling, equipping, construction, reconstruction and betterment of the civic center parking ramp. Except as provided by this section the bonds shall be authorized, issued and sold in the same manner and subject to the conditions provided in Minnesota Statutes, Chapter 475. Any special tax imposed by this section in the city of St. Paul, any tax increment generated by private development in, and net revenues from, the operation of the civic center complex shall be pledged in whole or in part to the payment of the bonds authorized by this act and the interest and any premium on them. When any revenues, tax increment, or any special tax imposed by the city are pledged in whole or part for the repayment of general obligation bonds authorized by this act, including any interest or premium on them, the estimated collections of the revenues or taxes pledged shall be deducted from the general ad valorem taxes otherwise required to be levied before the issuance of the*



bonds under Minnesota Statutes, Section 475.61, Subdivision 1, or the collections of them may be certified annually to reduce or cancel the initial tax levies in accordance with Minnesota Statutes, Section 475.61, Subdivision 1 or 3. Notwithstanding any contrary provision of Minnesota Statutes, Chapter 475, or any other law or charter provision, the bonds may be authorized, issued and sold without a vote of the electorate and without limit as to interest rate and the issue shall not be included in the net debt or per capita tax limitations of the city. If the bonds are special obligation bonds, the city may exercise any of the powers granted an authority for issuing revenue bonds under Minnesota Statutes, Section 273.77, paragraph (c).

Subd. 3. Notwithstanding any contrary provision of law or charter, the civic center authority and the city of St. Paul may license or lease the operation of the civic center complex or any part thereof for any period of time by agreement in which the city retains title to the property and requires operation of the civic center complex for the public purposes contemplated in Laws 1967, Chapter 459, as amended by Laws 1969, Chapter 1138. The use and operation of the property, whether by the civic center authority or its licensee or lessee is declared a use, lease or occupancy for public, governmental, and municipal purposes, and the property shall be exempt from taxation by the state or any political subdivision of the state during such use. The city may lease or sell land, including air rights, and improvements thereon which are a part of the civic center complex no longer required for civic center purposes upon the determination by the authority that private development and usage is compatible with operation of the civic center. The land disposition shall be in the manner provided by Minnesota Statutes, Section 458.196, and the land so disposed of shall be subject to all applicable taxes and assessments as if the property were privately owned. The city may issue or transfer the additional liquor license authorized by Laws 1969, Chapter 783, at the civic center to the operational licensee or lessee in lieu of its food catering contractor.

Subd. 4. The authority shall be responsible for the repair or betterments to be carried out with the proceeds of bonds authorized in this section. The authority shall receive all rents or fees from a lease or license of civic center facilities. The authority shall monitor operation by any lease or license of civic center facilities. The provisions of Laws 1969, Chapter 1138, Section 3, are hereby amended to the extent necessary for implementation of any lease or license authorized under this section.

Subd. 5. In the event of a lease or license, permanent, full time civic center employees shall be protected in their rights, including retirement benefits, in accordance with city civil service rules and the terms of their collective bargaining agreement, the city shall provide police protection equal to or greater

*than that provided in 1981 and the civic center authority shall reserve the right in any such lease or license to disapprove any event sponsored at the civic center complex.*

*Subd. 6. The taxes imposed by this section are effective notwithstanding Minnesota Statutes, Section 477A.016, or other law.*

*Subd. 7. This section is effective the day after compliance with Minnesota Statutes, Section 645.021, Subdivision 3, by the governing body of the city of St. Paul.*

## Sec. 27. [EFFECT OF IRRECONCILABLE ENACTMENTS.]

*Regardless of the order of final enactment of section 26 and House File 1872, Article XXV, the provisions of section 26 prevail notwithstanding the provisions of section 645.26, subdivision 3."*

Renumber the remaining section

Amend the title, as follows:

Page 1, line 7, after the semicolon, insert "providing for a St. Paul tax and bond issue; providing for St. Paul and the civic center authority operation of the civic center;"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 37 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Berkelman	Greenfield	Kostohryz	Pogemiller	Tomlinson
Brandl	Gruenes	McCarron	Reding	Vanasek
Byrne	Gustafson	McDonald	Rees	Vellenga
Clark, J.	Hanson	Nelson, K.	Rodriguez, C.	Voss
Clark, K.	Harens	Norton	Rodriguez, F.	Wynia
Clawson	Hauge	Novak	Sherman	
Ellingson	Kelly	Osthoff	Skoglund	
Forsythe	Knickerbocker	Otis	Staten	

Those who vote in the negative were:

Aasness	Den Ouden	Johnson, D.	Mann	Olsen
Ainley	Elioff	Jude	Marsh	Onnen
Anderson, G.	Erickson	Kaley	McEachern	Peterson, B.
Anderson, I.	Esau	Kalis	Mehrkens	Peterson, D.
Battaglia	Evans	Kvam	Metzen	Piepho
Begin	Fjoslien	Laidig	Minne	Redalen
Blatz	Haukoos	Lehto	Murphy	Rothenberg
Brinkman	Hoberg	Lemen	Nelsen, B.	Samuelson
Carlson, D.	Hokanson	Levi	Niehaus	Sarna
Carlson, L.	Hokr	Long	Nysether	Schafer
Dahlvang	Jacobs	Ludeman	O'Connor	Sherwood
Dempsey	Jennings	Luknic	Ogren	Sieben, M.

Stowell  
Sviggum  
Swanson

Valan  
Valento  
Weaver

Welch  
Welker  
Wenzel

Wieser  
Wigley

Spkr. Sieben, H.

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

S. F. No. 1793, A bill for an act relating to local government; authorizing the establishment of subordinate service districts in order to provide and finance governmental services; establishing provision for the event that grant funding is not received for the North Koochiching area sanitary district; amending Minnesota Statutes 1980, Section 275.50, by adding a subdivision; Laws 1981, Chapter 291, Sections 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; proposing new law coded as Minnesota Statutes, Chapter 375B.

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 75 yeas and 42 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Eken	Kahn	Niehaus	Schreiber
Anderson, G.	Elioff	Kelly	Novak	Sherman
Battaglia	Ellingson	Knickerbocker	O'Connor	Sieben, M.
Begeh	Greenfield	Kostohryz	Olsen	Simoneau
Berkelman	Gruenes	Laidig	Otis	Skoglund
Blatz	Gustafson	Lehto	Peterson, B.	Staten
Brandl	Hanson	Long	Peterson, D.	Stumpf
Brinkman	Harens	Luknic	Pogemiller	Swanson
Carlson, D.	Hauge	Mann	Reding	Vanasek
Carlson, L.	Heap	Marsh	Rice	Vellenga
Clark, J.	Himle	Metzen	Rodriguez, C.	Voss
Clark, K.	Hokanson	Minne	Rodriguez, F.	Welch
Clawson	Jacobs	Munger	Rothenberg	Wenzel
Dahlvang	Johnson, D.	Murphy	Samuelson	Wynia
Dempsey	Jude	Nelson, K.	Sarna	Spkr. Sieben, H.

Those who voted in the negative were:

Aasness	Forsythe	Ludeman	Osthoff	Tomlinson
Ainley	Haukoos	McCarron	Piepho	Valento
Anderson, I.	Heinitz	McDonald	Redalen	Weaver
Byrne	Hoberg	McEachern	Rees	Welker
Den Ouden	Jennings	Mehrken	Schafer	Wieser
Erickson	Kalis	Nelsen, B.	Schoenfeld	Wigley
Esau	Kvam	Norton	Stadum	
Evans	Lemen	Nysether	Stowell	
Fjoslien	Levi	Onnen	Sviggum	

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

There being no objection the order of business reverted to Messages from the Senate.

### MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 788, A bill for an act relating to courts; conciliation courts; authorizing actions to recover amounts lost due to worthless checks in the county of issuance and where the plaintiff resides; amending Minnesota Statutes 1980, Section 487.30, by adding a subdivision; 488A.12, Subdivision 3; and 488A.29, Subdivision 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

Anderson, B., moved that the House refuse to concur in the Senate amendments to H. F. No. 788, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two Houses. The motion prevailed.

### ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 788:

Anderson, B.; Jude and Dempsey.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1939, A bill for an act relating to transportation; directing the commissioner of transportation to construct a parkway along a certain route in the city of St. Paul; amending Minnesota Statutes 1980, Sections 161.12; 161.1245, Subdivision 1; repealing Minnesota Statutes 1980, Section 161.1245, Subdivision 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

## CONCURRENCE AND REPASSAGE

Rodriguez, C., moved that the House concur in the Senate amendments to H. F. No. 1939 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1939, A bill for an act relating to transportation; directing the commissioner of transportation to construct a parkway along a certain route in the city of St. Paul; amending Minnesota Statutes 1980, Sections 161.12; 161.1245, Subdivision 1; repealing Minnesota Statutes 1980, Section 161.1245, Subdivision 2.

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

The question was taken on the repassage of the bill and the roll was called. There were 87 yeas and 23 nays as follows:

Those who voted in the affirmative were:

Aasness	Evans	Knickerbocker	Olsen	Sieben, M.
Anderson, B.	Fjoslien	Kostohryz	Onnen	Stadum
Anderson, I.	Forsythe	Kvam	Osthoff	Stowell
Battaglia	Gruenes	Lehto	Otis	Stumpf
Begich	Gustafson	Lemen	Peterson, B.	Sviggun
Berkelman	Halberg	Levi	Peterson, D.	Swanson
Blatz	Haukoos	Luknic	Piepho	Tomlinson
Brinkman	Heap	Mann	Redalen	Valento
Byrne	Heinitz	Marsh	Reding	Vanasek
Carlson, D.	Himle	McEachern	Rees	Voss
Carlson, L.	Hoberg	Mehrkins	Rodriguez, C.	Weaver
Clark, J.	Hokanson	Minne	Rodriguez, F.	Welch
Dahlvang	Hokr	Murphy	Rose	Wieser
Dempsey	Jacobs	Nelsen, B.	Samuelson	Wigley
Den Ouden	Jennings	Nelson, K.	Sarna	Spkr. Sieben, H.
Elioff	Johnson, D.	Niehaus	Schoenfeld	
Erickson	Jude	Novak	Schreiber	
Esau	Kelly	O'Connor	Shea	

Those who voted in the negative were:

Ainley	Hanson	Ludeman	Rothenberg	Welker
Brandl	Harens	Norton	Schafer	Wenzel
Clark, K.	Kahn	Nysether	Sherman	Wynia
Clawson	Laidig	Ogren	Skoglund	
Ellingson	Long	Pogemiller	Vellenga	

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

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 1965.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 1965

A bill for an act relating to the environment; amending various provisions of the waste management act; authorizing the commissioner of administration to acquire certain development rights; defining terms for purposes of the resource recovery program; prohibiting the waste management board from certifying the use of facilities for disposal of radioactive waste; stating various policies and requirements relating to solid and hazardous waste plans and facility permits; prescribing standards, procedures, approvals, and supervision relating to designations of resource recovery facilities; requiring the board to place its highest priority on alternatives to land disposal of hazardous waste; allowing the removal of the moratorium on development at certain sites; directing a study of solid waste utilization in the St. Cloud area; appropriating money; amending Minnesota Statutes 1980, Sections 115A.08, by adding a subdivision; 115A.15, Subdivisions 2, 6, and by adding a subdivision; 115A.42; 115A.46; 115A.62; 115A.69, Subdivision 10; 115A.70, Subdivisions 1, 2, and 3; 116.07, Subdivision 4b; 400.16; 400.162; 473.149, Subdivision 1; 473.153, by adding subdivisions; 473.802; 473.803, Subdivision 1, and by adding a subdivision; 473.811, Subdivision 7, and by adding a subdivision; 473.823, Subdivision 3; 473.827, Subdivision 1, and by adding a subdivision; 473.831, Subdivision 2; Minnesota Statutes 1981 Supplement, Sections 115A.06, Subdivisions 4 and 13; 115A.11, Subdivision 1; 115A.21, Subdivision 3; 115A.24, Subdivision 1, and by adding a subdivision; 473.803, Subdivision 1a; and 473.831, Subdivision 1; proposing new law coded in Minnesota Statutes, Chapter 115A; repealing Minnesota Statutes 1980, Section 473.827, Subdivisions 2, 3, 4, 5, and 6.

March 12, 1982

The Honorable Jack Davies  
President of the Senate

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

We, the undersigned conferees for S. F. No. 1965, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 1965 be further amended as follows:

Page 5, line 34, after "pretreatment," insert "*retrievable storage,*"

Page 6, line 10, after "commercial" insert "*retrievable storage or*"

Page 32, after line 34, insert:

"Sec. 37. [116.082] [OPEN BURNING OF LEAVES: LOCAL ORDINANCES.]

*Subject to sections 88.16, 88.17 and 88.22, but notwithstanding any law or rule to the contrary, a town or home rule charter or statutory city located outside the metropolitan area as defined in section 473.121, subdivision 2, by adoption of an ordinance, may permit the open burning of dried leaves within the boundaries of the town or city. The ordinance shall limit leaf burning to the period between September 15 and December 1 and shall set forth limits and conditions on leaf burning to minimize air pollution and fire danger and any other hazards or nuisance conditions. No open burning of leaves shall take place during an air pollution alert, warning or emergency declared by the agency. Any town or city adopting an ordinance pursuant to this section shall submit a copy of the ordinance to the agency and the department of natural resources."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 34, delete "Chapter 115A" and insert "Chapters 115A and 116"

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

Senate Conferees: GENE MERRIAM, GERALD L. WILLET and STEVE ENGLER.

House Conferees: DEE LONG, GEORGE C. DAHLVANG and TOM REES.

Long moved that the report of the Conference Committee on S. F. No. 1965 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1965, A bill for an act relating to the environment; amending various provisions of the waste management act; authorizing the commissioner of administration to acquire certain development rights; defining terms for purposes of the resource recovery program; prohibiting the waste management board from certifying the use of facilities for disposal of radio-

active waste; stating various policies and requirements relating to solid and hazardous waste plans and facility permits; prescribing standards, procedures, approvals, and supervision relating to designations of resource recovery facilities; requiring the board to place its highest priority on alternatives to land disposal of hazardous waste; allowing the removal of the moratorium on development at certain sites; directing a study of solid waste utilization in the St. Cloud area; appropriating money; amending Minnesota Statutes 1980, Sections 115A.08, by adding a subdivision; 115A.15, Subdivisions 2, 6, and by adding a subdivision; 115A.42; 115A.46; 115A.62; 115A.69, Subdivision 10; 115A.70, Subdivisions 1, 2, and 3; 116.07, Subdivision 4b; 400.16; 400.162; 473.149, Subdivision 1; 473.153, by adding subdivisions; 473.802; 473.803, Subdivision 1, and by adding a subdivision; 473.811, Subdivision 7, and by adding a subdivision; 473.823, Subdivision 3; 473.827, Subdivision 1, and by adding a subdivision; 473.831, Subdivision 2; Minnesota Statutes 1981 Supplement, Sections 115A.06, Subdivisions 4 and 13; 115A.11, Subdivision 1; 115A.21, Subdivision 3; 115A.-24, Subdivision 1, and by adding a subdivision; 473.803, Subdivision 1a; and 473.831, Subdivision 1; proposing new law coded in Minnesota Statutes, Chapter 115A; repealing Minnesota Statutes 1980, Section 473.827, Subdivisions 2, 3, 4, 5, and 6.

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

The question was taken on the repassage of the bill and the roll was called. There were 118 yeas and 9 nays as follows:

Those who voted in the affirmative were:

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



Those who voted in the negative were:

Ainley Dempsey	Den Ouden Erickson	Esau Jennings	Ludeman Schafer	Welker
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The bill was repassed, as amended by Conference, and its title agreed to.

**Mr. Speaker:**

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1727, A bill for an act relating to courts; proposing an amendment to the Minnesota Constitution, Article VI, Sections 1, 2, 5 and 6; providing for a court of appeals; providing for election of judges; conferring certain powers and duties on the court of appeals; amending Minnesota Statutes 1980, Sections 480.01; 484.63; 487.39, Subdivisions 1 and 2; 488A.01, Subdivision 14; and Minnesota Statutes 1981 Supplement, Sections 204B.06, Subdivision 6; 204B.34, Subdivision 3; proposing new law coded as Minnesota Statutes, Chapters 480A; and 632; repealing Minnesota Statutes 1980, Sections 80A.24, Subdivision 3; 363.10; 473.597; and 525.74.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Clawson moved that the House concur in the Senate amendments to H. F. No. 1727 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1727, A bill for an act relating to courts; proposing an amendment to the Minnesota Constitution, Article VI, Sections 1, 2, 5 and 6; and Article VIII, Section 2; providing for a court of appeals; providing for election of judges; conferring certain powers and duties on the court of appeals; amending Minnesota Statutes 1980, Sections 480.01; 484.63; 487.39, Subdivisions 1 and 2; 488A.01, Subdivision 14; and Minnesota Statutes 1981 Supplement, Sections 204B.06, Subdivision 6; 204B.34, Subdivision 3; proposing new law coded as Minnesota Statutes, Chapters 480A and 632; repealing Minnesota Statutes 1980, Sections 80A.24, Subdivision 3; 363.10; 473.597; and 525.74.

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

The question was taken on the repassage of the bill and the roll was called. There were 118 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Lemen

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

The following conference committee report was received:

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 2058

A bill for an act relating to public welfare; providing for classification, access, and destruction of certain child abuse report records; clarifying the classification of reports regarding vulnerable adults; amending Minnesota Statutes 1980, Sections 626.556, Subdivisions 3, 7, and by adding a subdivision; 626.557, by adding a subdivision; and Minnesota Statutes 1981 Supplement, Section 626.556, Subdivision 11.

March 13, 1982

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

The Honorable Jack Davies  
President of the Senate

We, the undersigned conferees for H. F. No. 2058, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 2058 be further amended as follows:

Page 2, line 10, before the period insert "*, unless release would be detrimental to the best interests of the child*"

Page 3, delete lines 20 to 28 and insert "*confidential while the report is under investigation. After the investigation is completed, the name of the reporter shall be confidential but shall be accessible to the individual subject of the record upon court order.*"

Page 4, delete lines 2 to 5 and insert "*private data. If no*"

Page 4, after line 34, insert

"Sec. 6. Minnesota Statutes 1980, Section 626.557, Subdivision 19, is amended to read:

Subd. 19. [PENALTY.] Any caretaker, as defined in subdivision 2, or operator or employee thereof, or volunteer worker thereat, who intentionally abuses or neglects a vulnerable adult, or being a caretaker, *knowingly* permits conditions to exist which result in the abuse or neglect of a vulnerable adult, (MAY BE CHARGED WITH A VIOLATION OF SECTION 609.23) *is guilty of a gross misdemeanor.*"

Page 4, line 36, delete "5" and insert "6"

Renumber the section in sequence

Further, amend the title as follows:

Page 1 after line 5, insert "prescribing penalties;"

Page 1, line 8 after the comma insert "Subdivision 19, and"

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

House Conferees: SHIRLEY A. HOKANSON, DOROTHY I. HOKR and DON SAMUELSON.

Senate Conferees: LINDA BERGLIN, RON SIELOFF and GENE MERRIAM.

Hokanson moved that the report of the Conference Committee on H. F. No. 2058 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2058, A bill for an act relating to public welfare; providing for classification, access, and destruction of certain child

abuse report records; clarifying the classification of reports regarding vulnerable adults; amending Minnesota Statutes 1980, Sections 626.556, Subdivisions 3, 7, and by adding a subdivision; 626.557, by adding a subdivision; and Minnesota Statutes 1981 Supplement, Section 626.556, Subdivision 11.

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

The question was taken on the repassage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

## MOTIONS AND RESOLUTIONS

Eken introduced:

House Concurrent Resolution No. 8, A house concurrent resolution relating to adjournment of the Senate and House of Representatives for more than three days.

## SUSPENSION OF RULES

Eken moved that the Rules be so far suspended that House Concurrent Resolution No. 8 be now considered and be placed upon its adoption. The motion prevailed.

## HOUSE CONCURRENT RESOLUTION NO. 8

A house concurrent resolution relating to adjournment of the Senate and House of Representatives for more than three days.

*Be It Resolved* by the House of Representatives, the Senate concurring:

(1) Upon their adjournments on March 13, 1982, the House of Representatives may set its next day of meeting for March 18, 1982, at 11:00 a.m. and the Senate may set its next day of meeting for March 18, 1982, at 11:00 a.m.

(2) By adoption of this resolution, each house consents to adjournment of the other body for more than three days.

Eken moved that House Concurrent Resolution No. 8 be now adopted. The motion prevailed and House Concurrent Resolution No. 8 was adopted.

Munger, Norton, Dean, Skoglund and Lehto introduced:

House Concurrent Resolution No. 9, A house concurrent resolution expressing the importance of clean air and urging the Minnesota Pollution Control Agency to maintain strong air quality standards that will fully provide the necessary protection for the State of Minnesota.

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

The following conference committee reports were received:

## CONFERENCE COMMITTEE REPORT ON H. F. NO. 1902

A bill for an act relating to Ramsey County; permitting the county to establish a small business set-aside program.

March 13, 1982

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

The Honorable Jack Davies  
President of the Senate

We, the undersigned conferees for H. F. No. 1902, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that H. F. No. 1902 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [DEFINITIONS.]

*Subdivision 1. For purposes of this section, the following terms have the meanings given them, unless the language or context clearly indicates that a different meaning is intended.*

*Subd. 2. "Small business" means a business entity organized for profit, including an individual, partnership, corporation, joint venture, association or cooperative which has its principal place of business in Minnesota, and which*

*(a) Is not dominant in its field of operation, and*

*(b) Is not an affiliate or subsidiary of a business dominant in its field of operations.*

*If a federal or state program prohibits any geographical limitation on the principal place of business of an eligible business in order for the county to be eligible for funds, the federal or state requirement shall prevail.*

*Subd. 3. "Dominant in its field of operation" means exercising a controlling or major influence in a business activity in which a number of businesses are engaged. In determining whether a business is dominant, the following criteria, among others, shall be considered: number of employees; volume of business; financial resources; competitive status or position; ownership or control of materials, processes, patents, license agreements and facilities; sales territory; and nature of business activity. The following businesses shall be deemed dominant in their field of operation:*

*(a) Manufacturing businesses which employ more than 100 persons and have in the preceding three fiscal years exceeded a total of \$15,000,000 in gross receipts for the three year period;*

*(b) General construction businesses which in the preceding three fiscal years have exceeded a total of \$6,000,000 in gross receipts for the three year period;*

*(c) Specialty construction businesses which in the preceding three fiscal years have exceeded a total of \$3,000,000 in gross receipts for the three year period; and*

*(d) Nonmanufacturing businesses which employ more than 25 persons and have in the preceding three fiscal years exceeded a total of \$3,000,000 in gross receipts for the three year period.*

*Subd. 4. "Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least 20 percent owned by a business dominant in that field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation.*

## **Sec. 2. [SMALL BUSINESS SET-ASIDE.]**

*Nothing in Minnesota Statutes, Section 471.345 shall be construed to prohibit Ramsey County from adopting a resolution, rule, regulation or ordinance which on an annual basis sets aside for awarding to small businesses a percentage of the value of the county's anticipated total procurement of goods and services, including construction, otherwise subject to that section, and which uses either a negotiated price or bid contract*

*procedure to award a procurement contract under a set-aside program allowed in this section. Any award based on a negotiated price shall not exceed by more than five percent the county's estimated price for the goods and services if they were purchased in the open market and not under the set-aside program.*

Sec. 3. Minnesota Statutes 1981 Supplement, Section 488A.34, Subdivision 2, is amended to read:

Subd. 2. [PROCEDURE FOR REMOVAL OF CAUSE.] No cause shall be so removed unless all the following acts are performed by the aggrieved party within 20 days after the date the administrator mailed to him notice of the order for judgment:

(a) Serve on the opposing party or his attorney a demand for removal of the cause to the municipal court for trial de novo stating whether trial by a jury of six persons or by the court without a jury is demanded. Service shall be made upon a party in accordance with the provisions for personal service of a summons in the municipal court or shall be made upon the party's attorney in accordance with the provisions for service of a notice of motion upon an attorney in the municipal court. The demand shall show the office address of the attorney for each party and the residence address of each party who does not have an attorney.

(b) File with the administrator of conciliation court the original demand for removal and proof of service thereof. If the opposing party or his attorney cannot be found and service of the demand be made within the 20 day period, the aggrieved party may file with the administrator within the 20 day period the original and a copy of the demand, together with an affidavit by himself or his attorney showing that due and diligent search has been made and that the opposing party or his attorney cannot be found and the filing of this affidavit shall serve in lieu of making service and filing proof of service. When such an affidavit is filed, the administrator shall mail the copy of the demand to the opposing party at his last known address.

(c) File with the administrator of conciliation court an affidavit by the aggrieved party or his attorney stating that the removal is made in good faith and not for the purpose of delay.

(d) Pay to the administrator of conciliation court the fee set by the board of Ramsey County commissioners when the demand is for trial by court, (PLUS \$6 ADDITIONAL) and the fee as set by the Ramsey County commissioners when the demand is for trial by a jury of six. The above fee is not payable by the county.

Sec. 4. [RAMSEY COUNTY MEDICAL FACILITY WATER SYSTEM.]

*Subdivision 1. Ramsey County may issue and sell from time to time general obligation bonds of the county in an aggregate principal amount not to exceed \$5,000,000 to finance the construction, installation, modification or improvement of heating, cooling and domestic hot water systems serving buildings owned in whole or part, operated or maintained by the county or the Ramsey County medical center commission. The county shall pledge its full faith and credit and taxing powers for the payment of the bonds. Except as provided in this section, the bonds shall be issued in accordance with Minnesota Statutes, Chapter 475. The bonds may be issued and sold without submitting the question of the issuance of the bonds to a vote by the people. The bonds shall be in a form and bear interest at the rate that the county prescribes and shall be sold by the county to the bidder with the most favorable bid, after notice of the time and place for the receiving of the bids has been published according to law. The bonds shall not be included in computing the net debt of the county under any law, and the taxes required for payment of the bonds and interest on them shall not be subject to any limitation provided by other law.*

*Subd. 2. In substitution of, but not in addition to, powers granted to Ramsey County in subdivision 1, Ramsey County may levy and collect a tax, not to exceed the lesser of \$5,000,000 or two mills, upon all taxable property in Ramsey County to finance the construction, installation, modification or improvement of heating, cooling and domestic hot water systems serving buildings owned in whole or part, operated or maintained by the county or Ramsey County medical center commission. A levy made pursuant to this subdivision shall not be subject to any limitation provided by other law.*

*Subd. 3. The bonds described in subdivision 1 may not be issued and the tax described in subdivision 2 may not be levied until construction is commenced on a district heating system in St. Paul which is designed for heating or cooling or domestic hot water service to one or more buildings owned in whole or part, operated or maintained by the county or the Ramsey County medical center commission.*

#### **Sec. 5. [EFFECTIVE DATE.]**

*Sections 1, 2, and 4 are effective the day after compliance with Minnesota Statutes, Section 645.021, Subdivision 3, by the governing body of Ramsey County.*

#### **Sec. 6. [MAPLEWOOD; PROJECT; BONDS.]**

*Subdivision 1. Notwithstanding Minnesota Statutes, Section 474.02, Subdivision 1b, the city of Maplewood may undertake a project consisting of properties, real or personal, used or useful, in connection with a revenue producing enterprise com-*



*prising a hotel or motel and may issue revenue bonds of the city to finance the project pursuant to Minnesota Statutes, Chapter 474, in an aggregate principal amount not to exceed \$10,000,000.*

*Subd. 2. This section is effective on the day after compliance with Minnesota Statutes, Section 645.021, Subdivision 3, by the governing body of the city of Maplewood."*

Delete the title and insert:

"A bill for an act relating to local government; providing for a Ramsey county small business set-aside program; authorizing Ramsey county commissioners to set fees for removal to municipal court; allowing Ramsey county to issue bonds or levy taxes for a medical facility water system; permitting a Maplewood bond issue; amending Minnesota Statutes 1981 Supplement, Section 488A.34, Subdivision 2."

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

House Conferees: FRANK J. RODRIGUEZ, SR., RANDY C. KELLY and RICHARD J. KOSTOHRYZ.

Senate Conferees: MARILYN M. LANTRY, GENE WALDORF and JEROME M. HUGHES.

Rodriguez, F., moved that the report of the Conference Committee on H. F. No. 1902 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1902, A bill for an act relating to Ramsey County; permitting the county to establish a small business set-aside program.

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

The question was taken on the repassage of the bill and the roll was called. There were 102 yeas and 18 nays as follows:

Those who voted in the affirmative were:

Aasness	Carlson, L.	Fjoslien	Himle	Kostohryz
Anderson, B.	Clark, J.	Forsythe	Hoberg	Laidig
Anderson, I.	Clawson	Greenfield	Hokanson	Lehto
Battaglia	Dahlvang	Gruenes	Jacobs	Lemen
Begich	Dean	Gustafson	Johnson, D.	Levi
Berkelman	Dempsey	Hanson	Jude	Long
Blatz	Drew	Harens	Kahn	Luknic
Brandl	Eken	Hauge	Kaley	Mann
Brinkman	Elioff	Haukoos	Kalis	Marsh
Byrne	Ellingson	Heap	Kelly	McCarron
Carlson, D.	Evans	Heinitz	Knickerbocker	McEachern

Metzen	Olsen	Rees	Sherman	Vellenga
Minne	Onnen	Rodriguez, C.	Sieben, M.	Voss
Munger	Osthoff	Rodriguez, F.	Simoneau	Weaver
Murphy	Otis	Rose	Skoglund	Welch
Nelsen, B.	Peterson, B.	Rothenberg	Stadum	Wenzel
Nelson, K.	Peterson, D.	Samuelson	Staten	Wynia
Norton	Piepho	Sarna	Stowell	Spkr. Sieben, H.
Novak	Pogemiller	Schoenfeld	Swanson	
O'Connor	Redalen	Schreiber	Valento	
Ogren	Reding	Shea	Vanasek	

Those who voted in the negative were:

Den Ouden	Hokr	Ludeman	Sviggum	Wigley
Erickson	Jennings	McDonald	Welker	
Esau	Kvam	Schafer	Wieser	

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

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 1760

A bill for an act relating to crimes; expanding criminal responsibility of certain recipients of stolen property; modifying penalties for receiving stolen property; expanding definition of "burglary"; amending Minnesota Statutes 1980, Sections 609.53, Subdivisions 1 and 3; and 609.58, Subdivision 2; 626A.05, Subdivision 2; Minnesota Statutes 1981 Supplement, Section 609.53, Subdivisions 1a and 4; repealing Minnesota Statutes 1980, Section 609.53, Subdivision 2; and Minnesota Statutes 1981 Supplement, Section 609.53, Subdivision 2a.

March 13, 1982

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

The Honorable Jack Davies  
President of the Senate

We, the undersigned conferees for H. F. No. 1760, report that we have agreed upon the items in dispute and recommend as follows:

That the House accede to the amendments adopted by the Senate and that H. F. No. 1760 be further amended as follows:

Page 4, after line 3 insert:

"Sec. 6. Minnesota Statutes 1980, Section 626A.05, Subdivision 2, is amended to to read:

Subd. 2. [OFFENSES FOR WHICH INTERCEPTION OF WIRE OR ORAL COMMUNICATION MAY BE AUTHO-

RIZED.] A warrant authorizing interception of wire or oral communications by investigative or law enforcement officers may only be issued when (SUCH) *the* interception may provide evidence of the commission of *gambling* or any criminal felony offense involving murder, manslaughter, aggravated assault, aggravated robbery, kidnapping, aggravated rape, prostitution, bribery, perjury, escape from custody, theft, receiving stolen property, embezzlement, burglary, forgery, aggravated forgery, (GAMBLING,) and offenses relating to controlled substances, or an attempt or conspiracy to commit any (SUCH OFFENSE OR SAID) *of these* offenses, as punishable under sections 609.185, 609.19, 609.195, 609.20, 609.225, 609.245, 609.25, 609.291, 609.321 to 609.324, 609.42, 609.48, 609.485, subdivision 4, clause (1), 609.52, 609.53, 609.54, 609.58, 609.625, 609.63, 609.76, 609.825, and chapter 152."

Page 4, line 28, after the period insert: "*Section 6 is effective May 1, 1982, and applies to warrants issued on or after that date. Section 7 is effective August 1, 1982.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon, insert: "providing for interception of certain wire or oral communications;"

Page 1, line 7, after the first semicolon insert "626A.05, Subdivision 2;"

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

House Conferees: LAWRENCE J. POGEMILLER, ARLENE I. LEHTO and DEAN E. JOHNSON.

Senate Conferees: ERIC D. PETTY, GREGORY L. DAHL and ALLAN A. SPEAR.

Pogemiller moved that the report of the Conference Committee on H. F. No. 1760 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1760, A bill for an act relating to crimes; expanding criminal responsibility of certain recipients of stolen property; modifying penalties for receiving stolen property; expanding definition of "burglary"; amending Minnesota Statutes 1980, Sections 609.53, Subdivisions 1 and 3; and 609.58, Subdivision 2; 626A.05, Subdivision 2; Minnesota Statutes 1981 Supplement, Section 609.53, Subdivisions 1a and 4; repealing Minnesota Stat-

utes 1980, Section 609.53, Subdivision 2; and Minnesota Statutes 1981 Supplement, Section 609.53, Subdivision 2a.

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

The question was taken on the repassage of the bill and the roll was called. There were 116 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

There being no objection the order of business reverted to Messages from the Senate.

## MESSAGES FROM THE SENATE

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 378.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

## CONFERENCE COMMITTEE REPORT ON S. F. NO. 378

A bill for an act relating to marriage dissolution; clarifying factors to consider in awarding maintenance; amending Minnesota Statutes 1980, Section 518.552.

March 12, 1982

The Honorable Jack Davies  
President of the Senate

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

We, the undersigned conferees for S. F. No. 378, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 378 be amended as follows:

Page 2, line 16, delete *"or education"*

Page 2, line 18, after *"outmoded"* insert *"and earning capacity has become permanently diminished"*

Page 2, after line 27 insert:

"Sec. 2. [EFFECTIVE DATE.] *Section 1 is effective May 1, 1982.*"

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

Senate Conferees: LINDA BERGLIN, RANDOLPH W. PETERSON and JIM RAMSTAD.

House Conferees: ANN WYNIA, MARY M. FORSYTHE and FRED C. NORTON.

Wynia moved that the report of the Conference Committee on S. F. No. 378 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 378, A bill for an act relating to marriage dissolution; clarifying factors to consider in awarding maintenance; amending Minnesota Statutes 1980, Section 518.552.

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

The question was taken on the repassage of the bill and the roll was called. There were 93 yeas and 22 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Kahn	Nysether	Sieben, M.
Anderson, G.	Erickson	Kaley	O'Connor	Simoneau
Anderson, I.	Evans	Knickerbocker	Ogren	Skoglund
Battaglia	Forsythe	Kostohryz	Olsen	Stowell
Begich	Greenfield	Laidig	Onnen	Stumpf
Berkelman	Gruenes	Lehto	Otis	Sviggum
Blatz	Gustafson	Levi	Peterson, B.	Swanson
Brandl	Halberg	Long	Peterson, D.	Tomlinson
Byrne	Hanson	Luknic	Piepho	Valan
Carlson, D.	Hauge	Marsh	Pogemiller	Valento
Carlson, L.	Heap	Mehrkens	Reding	Vanasek
Clark, J.	Heintz	Metzen	Rice	Vellenga
Clark, K.	Himle	Minne	Rodriguez, C.	Voss
Clawson	Hoberg	Munger	Rodriguez, F.	Weaver
Dahlvang	Hokanson	Murphy	Rose	Wenzel
Dempsey	Hokr	Nelsen, B.	Rothenberg	Wynia
Drew	Jacobs	Nelson, K.	Sarna	Spkr. Sieben, H.
Eken	Johnson, D.	Norton	Shea	
Elioff	Jude	Novak	Sherman	

Those who voted in the negative were:

Aasness	Fjoslien	Lemen	Redalen	Welker
Ainley	Haukoos	Ludeman	Schafer	Wigley
Brinkman	Jennings	Mann	Schoenfeld	
Den Ouden	Kalis	Niehaus	Sherwood	
Esau	Kvam	Osthoff	Staten	

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

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 1894.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONFERENCE COMMITTEE REPORT ON S. F. NO. 1894

A bill for an act relating to energy; changing the duties of the commissioner of the department of energy, planning and development; expanding the scope of certain energy education programs; changing certain residential energy sales programs; providing for wind energy conversion systems in county and municipal zoning law; creating wind easements; amending

Minnesota Statutes 1980, Sections 116H.02, by adding a subdivision; 116H.15, Subdivisions 1 and 3; 394.25, Subdivision 3; 462.357, Subdivision 1; 500.30; Minnesota Statutes 1981 Supplement, Sections 116H.07; 116H.088, Subdivision 1; 116H.095, Subdivisions 4 and 5; 116H.10, Subdivision 4; 116H.11, Subdivision 1; 116H.128; 116H.15, Subdivision 2; 116H.18; proposing new law coded in Minnesota Statutes, Chapter 325E; repealing Minnesota Statutes 1980, Sections 116H.088, Subdivision 2; 116H.12, Subdivision 8; and Minnesota Statutes 1981 Supplement, Section 120.78, Subdivision 1.

March 12, 1982

The Honorable Jack Davies  
President of the Senate

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

We, the undersigned conferees for S. F. No. 1894, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments, and that Senate File No. 1894 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 16.86, Subdivision 4, is amended to read:

Subd. 4. The commissioner, (NOTWITHSTANDING ANY LAW TO THE CONTRARY) *except in the case of energy conservation standards promulgated or amended pursuant to section 116H.12, subdivision 4*, shall hold all state hearings and make all determinations regarding any subject matter dealt with in the code including those in which another department or agency proposes to adopt or amend rules and regulations which are incorporated by reference into the code or whenever the commissioner proposes to incorporate such regulations into the state building code. In no event shall a state agency or department subsequently authorized to adopt rules and regulations involving state building code subject matter proceed to adopt the rules and regulations without prior consultation with the commissioner.

Sec. 2. Minnesota Statutes 1980, Section 116H.02, is amended by adding a subdivision to read:

Subd. 15. [DEFINITIONS.] *Wind energy conversion system (WECS) means any device, such as a wind charger, wind-*

*mill, or wind turbine, which converts wind energy to a form of useable energy.*

Sec. 3. Minnesota Statutes 1981 Supplement, Section 116H.07, is amended to read:

116H.07 [DUTIES.]

The commissioner shall:

(a) Manage the department as the central repository within the state government for the collection of data on energy;

(b) Prepare and adopt an emergency allocation plan specifying actions to be taken in the event of an impending serious shortage of energy, or a threat to public health, safety, or welfare;

(c) Undertake a continuing assessment of trends in the consumption of all forms of energy and analyze the social, economic, and environmental consequences of these trends;

(d) Carry out energy conservation measures as specified by the legislature and recommend to the governor and the legislature additional energy policies and conservation measures as required to meet the objectives of sections 116H.01 to 116H.15;

(e) Collect and analyze data relating to present and future demands and resources for all sources of energy, and specify energy needs for the state and various service areas as a basis for planning large energy facilities;

(f) Require certificate of need for construction of large energy facilities;

(g) Evaluate policies governing the establishment of rates and prices for energy as related to energy conservation, and other goals and policies of sections 116H.01 to 116H.15, and make recommendations for changes in energy pricing policies and rate schedules;

(h) Study the impact and relationship of the state energy policies to international, national, and regional energy policies;

(i) Design and implement a state program for the conservation of energy; this program shall include but not be limited to, general commercial, industrial, and residential, and transportation areas; such program shall also provide for the evaluation of energy systems as they relate to lighting, heating, refrigeration, air conditioning, building design and operation, and appliance manufacturing and operation;



(j) Inform and educate the public about the sources and uses of energy and the ways in which persons can conserve energy;

(k) Dispense funds made available for the purpose of research studies and projects of professional and civic orientation, which are related to either energy conservation or the development of alternative energy technologies which conserve nonrenewable energy resources while creating minimum environmental impact;

(l) Charge other governmental departments and agencies involved in energy related activities with specific information gathering goals and require that those goals be met.

Sec. 4. Minnesota Statutes 1981 Supplement, Section 116H.-088, Subdivision 1, is amended to read:

Subdivision 1. The commissioner, in consultation with the state board of education, the higher education coordinating board, the state board for community colleges, the state university board, and the board of regents of the University of Minnesota, shall (DEVELOP A PLAN FOR) *assist in the development and implementation of adult and post-secondary energy education programs.*

Sec. 5. Minnesota Statutes 1981 Supplement, Section 116H.-095, Subdivision 4, is amended to read:

Subd. 4. [SET-ASIDE REQUIRED.] Every prime supplier shall allocate for sale or exchange monthly upon order of the commissioner a volume of *motor* gasoline and middle distillate not exceeding the monthly set-aside amount. The amount of gasoline subject to monthly set-aside shall be an amount equal to three percent of the prime supplier's (SALES OF GASOLINE DURING THE CORRESPONDING MONTH OF 1980) *monthly supply estimate.* The amount of middle distillate subject to monthly set-aside shall be an amount equal to four percent of the prime supplier's (SALES OF MIDDLE DISTILLATE DURING THE CORRESPONDING MONTHS OF 1980) *monthly supply estimate.*

Sec. 6. Minnesota Statutes 1981 Supplement, Section 116H.-095, Subdivision 5, is amended to read:

Subd. 5. [REPORT OF ESTIMATED VOLUME.] Every prime supplier (WHO DID NOT DO BUSINESS IN THE STATE DURING THE CORRESPONDING MONTH OF 1980) shall file with the commissioner a *monthly* report of its estimated volume of gasoline and middle distillate (SALE) *deliveries.* The report shall be in a form prescribed by the commissioner and shall be submitted by the 25th day of the month

preceding the month covered by the report. Each prime supplier (SUBJECT TO THIS SUBDIVISION) shall allocate monthly for sale or exchange upon order of the commissioner three percent of estimated *motor* gasoline supplies and four percent of estimated middle distillate supplies as shown by the report.

Sec. 7. Minnesota Statutes 1981 Supplement, Section 116H.10, Subdivision 4, is amended to read:

Subd. 4. Reports issued pursuant to this section, *other than individual corporate reports classified as nonpublic data in section 15.1682*, shall be available for public inspection in the office of the department during normal business hours.

Sec. 8. Minnesota Statutes 1981 Supplement, Section 116H.11, Subdivision 1, is amended to read:

Subdivision 1. By January 1 of each even-numbered year, the commissioner shall transmit to the governor and the legislature a comprehensive report designed to identify emerging trends related to energy supply, demand, conservation, public health and safety factors, and to specify the level of statewide and (GEOGRAPHICAL) *utility service* area energy need. The report shall include, but not be limited to, all of the following:

(a) A final report on the accuracy and acceptability of the energy forecasts received under section 116H.10 and the alternatives to meeting that demand;

(b) An estimate of statewide and (GEOGRAPHICAL) *utility service* area energy need for the forthcoming (FIVE AND TEN) 20 year period which, in the judgment of the commissioner, will reasonably balance requirements of state (AND GEOGRAPHICAL AREA) *economic* growth and development, protection of public health and safety, preservation of environmental quality, and conservation of energy resources;

(c) The anticipated level of statewide (AND GEOGRAPHICAL AREA) energy demand for 20 years, which shall serve as the basis for long range action;

(d) The identification of potential adverse social, economic, or environmental effects caused by a continuation of the present energy demand trends;

(e) An assessment of the state's energy resources, including examination of the availability of commercially developable and imported fuels;

(f) The estimated reduction in annual energy consumption resulting from various energy conservation measures;

(g) The cost of energy to residential and rental consumers in relation to their socio-economic status;

(h) An assessment of the economic and employment implications of proposed state energy policies;

(i) The status of the department's ongoing studies;

(j) Recommendations to the governor and the legislature for administrative and legislative actions to accomplish the purposes of sections 116H.01 to 116H.15.

Sec. 9. Minnesota Statutes 1981 Supplement, Section 116H.12, Subdivision 4, is amended to read:

Subd. 4. In recognition of the compelling need for energy conservation in order to safeguard the public health, safety and welfare, it is necessary to provide building design and construction standards consistent with the most efficient use of energy. Therefore, the commissioner (OF ADMINISTRATION, IN CONSULTATION WITH THE COMMISSIONER,) shall, pursuant to chapter 15, adopt rules governing building design and construction standards regarding heat loss control, illumination and climate control. *To the maximum extent practicable, the rules providing for the energy portions of the building code shall be based on and conform to model codes generally accepted throughout the United States.* The rules shall apply to all new buildings and remodeling affecting heat loss control, illumination and climate control. The rules shall be economically feasible in that the resultant savings in energy procurement shall exceed the cost of the energy conserving requirements amortized over the life of the building. The rules (SHALL BECOME PART OF THE STATE BUILDING CODE AND BE EFFECTIVE SIX MONTHS AFTER PROMULGATION) *adopted pursuant to this subdivision, shall be part of the state building code. Notwithstanding the provisions of this subdivision, all applications for approval of building specifications and plans may be submitted to the state building inspector as provided in Section 16.862.*

Sec. 10. Minnesota Statutes 1981 Supplement, Section 116H.-128, is amended to read:

**116H.128 [REVIEW OF ENERGY RESEARCH AND DEMONSTRATION PROJECTS.]**

The commissioner shall continuously identify, monitor, and evaluate in terms of potential direct benefit to, and possible implementation in Minnesota, research studies and demonstration projects of alternative energy and energy conservation systems and methodologies currently performed in Minnesota and other states and countries including:

- (a) Solar energy systems for heating and cooling;
- (b) Energy systems using wind, agricultural wastes, forestry products, peat, and other nonconventional energy resources;
- (c) Devices and technologies increasing the energy efficiency of energy consuming appliances, equipment, and systems;
- (d) Hydroelectric power; and
- (e) Other projects the commissioner deems appropriate and of direct benefit to Minnesota and other states of the upper mid-west.

Sec. 11. Minnesota Statutes 1980, Section 116H.15, Subdivision 1, is amended to read:

Subdivision 1. Any person who violates (SECTIONS 116H.01 TO 116H.15,) *any provision of this chapter or section 325F.20 (,) or 325F.21, or any rule or regulation promulgated thereunder, or knowingly submits false information in any report required by (SECTIONS 116H.01 TO 116H.15,) this chapter or section 325F.20 (,) or 325F.21 shall be guilty of a misdemeanor.* Each day of violation shall constitute a separate offense.

Sec. 12. Minnesota Statutes 1981 Supplement, Section 116H.15, Subdivision 2, is amended to read:

Subd. 2. The provisions of *this chapter and sections (116H.01 TO 116H.15,) 325F.20 (,) and 325F.21, or any rules or regulations promulgated hereunder may be enforced by injunction, action to compel performance or other appropriate action in the district court of the county wherein the violation takes place. The attorney general shall bring any action under this subdivision upon the request of the commissioner, and the existence of an adequate remedy at law shall not be a defense to an action brought under this subdivision.*

Sec. 13. Minnesota Statutes 1980, Section 116H.15, Subdivision 3, is amended to read:

Subd. 3. When the court finds that any person has violated (SECTIONS 116H.01 TO 116H.15,) *any provision of this chapter or section 325F.20 (,) or 325F.21, or any rule or regulation thereunder, has knowingly submitted false information in any report required by (SECTIONS 116H.01 TO 116H.15,) this chapter or section 325F.20 (,) or 325F.21, or has violated any court order issued under (SECTIONS 116H.01 TO 116H.15,) this chapter or section 325F.20 (,) or 325F.21, the court may impose a civil penalty of not more than \$10,000 for each violation. These penalties shall be paid to the general fund in the state treasury.*

Sec. 14. Minnesota Statutes 1981 Supplement, Section 116H.18, is amended to read:

**116H.18 [ENERGY EFFICIENT BUILDING EDUCATION.]**

The commissioner shall develop a program to provide information and training to *persons in the state who influence the energy efficiency of new buildings, including contractors, engineers and architects* on techniques and standards for the design and construction of buildings which maximize energy efficiency. The program may include the production of printed materials and the development of training courses.

**Sec. 15. [§25E.015] [RESIDENTIAL ENERGY SALES PRACTICES.]**

*Subdivision 1. [DEFINITION.] "Budget payment plan" means a billing method in which estimated annual energy consumption costs are billed to the consumer in ten or more approximately equal monthly payments.*

*Subd. 2. [BUDGET PAYMENT PLAN A CUSTOMER OPTION.] Not later than September 1, 1982, every supplier of electricity or space heating fuels that offers some of its residential customers a budget payment plan shall make the plan available to all residential customers who request it provided that any customer with an outstanding balance on an account shall be placed on a budget payment plan that includes repayment of the outstanding balance. Suppliers of fuel oil, liquified petroleum gas, firewood, and coal are exempt from the provisions of this subdivision.*

Sec. 16. Minnesota Statutes 1980, Section 500.30, is amended to read:

**500.30 [SOLAR OR WIND EASEMENTS.]**

*Subdivision 1. "Solar easement" means a right, whether or not stated in the form of a restriction, easement, covenant, or condition, in any deed, will, or other instrument executed by or on behalf of any owner of land or solar skyspace for the purpose of ensuring adequate exposure of a solar energy system as defined in section 116H.02, subdivision 11, to solar energy.*

*Subd. 1a. "Wind easement" means a right, whether or not stated in the form of a restriction, easement, covenant, or condition, in any deed, will, or other instrument executed by or on behalf of any owner of land or air space for the purpose of ensuring adequate exposure of a wind power system to the winds.*

Subd. 2. Any property owner may grant a solar *or wind* easement in the same manner and with the same effect as a conveyance of an interest in real property. The easements shall be created in writing and shall be filed, duly recorded, and indexed in the office of the recorder of the county in which the easement is granted. No duly recorded (SOLAR) easement shall be unenforceable on account of lack of privity of estate or privity of contract; such easements shall run with the land or lands benefited and burdened and shall constitute a perpetual easement, except that (A SOLAR) *an* easement may terminate upon the conditions stated therein or pursuant to the provisions of section 500.20.

Subd. 3. Any deed, will, or other instrument that creates a solar *or wind* easement shall include, but the contents are not limited to:

(a) a description of the real property subject to the (SOLAR) easement and a description of the real property benefiting from the solar *or wind* easement; and

(b) *for solar easements*, a description of the vertical and horizontal angles, expressed in degrees and measured from the site of the solar energy system, at which the solar easement extends over the real property subject to the (SOLAR) easement, or any other description which defines the three dimensional space, or the place and times of day in which an obstruction to direct sunlight is prohibited or limited;

(c) *a description of the vertical and horizontal angles, expressed in degrees, and distances from the site of the wind power system in which an obstruction to the winds is prohibited or limited;*

(d) any terms or conditions under which the (SOLAR) easement is granted or may be terminated;

((D)) (e) any provisions for compensation of the owner of the real property benefiting from the (SOLAR) easement in the event of interference with the enjoyment of the (SOLAR) easement, or compensation of the owner of the real property subject to the (SOLAR) easement for maintaining the (SOLAR) easement;

((E)) (f) any other provisions necessary or desirable to execute the instrument.

Subd. 4. A solar *or wind* easement may be enforced by injunction or proceedings in equity or other civil action.

Subd. 5. Any depreciation caused by any solar *or wind* easement which is imposed upon designated property, but not any

appreciation caused by any (SOLAR) easement which benefits designated property, shall be included in the valuation of the property for property tax purposes.

Sec. 17. [REPEALER.]

*Minnesota Statutes 1980, Sections 116H.088, Subdivision 2; 116H.12, Subdivision 8; and Minnesota Statutes 1981 Supplement, Section 120.78, Subdivision 1, are repealed.*

Further, amend the title as follows:

Page 1, line 9, after "Sections" insert "16.86, Subdivision 4;"

Page 1, line 10, after the first semicolon, delete the remainder of the line

Page 1, line 11, delete "462.357, Subdivision 1;"

Page 1, line 15, before "116H.128;" insert "116H.12, Subdivision 4;"

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

Senate Conferees: GENE WALDORF, GREGORY L. DAHL and JOHN BERNHAGEN.

House Conferees: KEN G. NELSON, JIM EVANS and ANN WYNIA.

Nelson, K., moved that the report of the Conference Committee on S. F. No. 1894 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1894, A bill for an act relating to energy; changing the duties of the commissioner of the department of energy, planning and development; expanding the scope of certain energy education programs; changing certain residential energy sales programs; providing for wind energy conversion systems in county and municipal zoning law; creating wind easements; amending Minnesota Statutes 1980, Sections 116H.02, by adding a subdivision; 116H.15, Subdivisions 1 and 3, 394.25, Subdivision 3; 462.357, Subdivision 1; 500.30; Minnesota Statutes 1981 Supplement, Sections 116H.07; 116H.088, Subdivision 1; 116H.095, Subdivisions 4 and 5; 116H.10, Subdivision 4; 116H.11, Subdivision 1; 116H.128; 116H.15, Subdivision 2; 116H.18; proposing new law coded in Minnesota Statutes, Chapter 325E; repealing Minnesota Statutes 1980, Sections 116H.088, Subdivision 2; 116H.12, Subdivision 8; and Minnesota Statutes 1981 Supplement, Section 120.78, Subdivision 1.

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

The question was taken on the repassage of the bill and the roll was called. There were 95 yeas and 25 nays as follows:

Those who voted in the affirmative were:

Aasness	Ellingson	Kelly	O'Connor	Sherman
Anderson, G.	Fjoslien	Knickerbocker	Ogren	Sieben, M.
Anderson, I.	Greenfield	Kostohryz	Olsen	Simoneau
Battaglia	Gruenes	Laidig	Onnen	Skoglund
Begich	Gustafson	Lehto	Osthoff	Stadum
Berkelman	Halberg	Levi	Otis	Staten
Blatz	Hanson	Long	Peterson, B.	Stowell
Brandl	Harens	Luknic	Peterson, D.	Stumpf
Brinkman	Hauge	Mann	Piepho	Swanson
Byrne	Heap	Marsh	Pogemiller	Tomlinson
Carlson, D.	Heinitz	McEachern	Reding	Vanasek
Carlson, L.	Himle	Metzen	Rees	Vellenga
Clark, J.	Hoberg	Minne	Rice	Voss
Clark, K.	Hokanson	Munger	Rodriguez, C.	Weaver
Clawson	Hokr	Murphy	Rodriguez, F.	Welch
Dahlvang	Jacobs	Nelsen, B.	Rothenberg	Wenzel
Drew	Johnson, D.	Nelson, K.	Samuelson	Wigley
Eken	Jude	Norton	Sarna	Wynia
Elioff	Kahn	Novak	Schreiber	Spkr. Sieben, H.

Those who voted in the negative were:

Ainley	Haukoos	Lemen	Niehaus	Sherwood
Dempsey	Jennings	Ludeman	Nysether	Sviggum
Den Ouden	Kaley	McCarron	Redalen	Valento
Erickson	Kalis	McDonald	Schafer	Welker
Esau	Kvam	Mehrkens	Schoenfeld	Wieser

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

The following conference committee report was received:

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 1817

A bill for an act relating to transportation; adding a new route to the trunk highway system in substitution of an existing route; discontinuing and removing a route from the trunk highway system; providing for the disposal of surplus property; exempting the state transportation plan from the provisions of the administrative procedure act; requiring driver qualifications and safety requirements for certain motor carriers; regulating building movers and establishing fees; allowing expenditures from the state airports fund for educational programs to promote interest and safety in aeronautics; amending Minnesota Statutes 1980, Sections 161.41; 173.02, Subdivision 2; 174.03, Subdivisions 1 and 2; 360.015, Subdivision 2; 360.017, Subdivision 1; Minnesota Statutes 1981 Supplement, Sections 221.011, Subdivision 22; and 221.81; proposing new law coded in Min-



nesota Statutes, Chapter 221; repealing Minnesota Statutes 1981 Supplement, Section 161.465.

March 13, 1982

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

The Honorable Jack Davies  
President of the Senate

We, the undersigned conferees for H. F. No. 1817, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and H. F. No. 1817 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 160.283, Subdivision 3, is amended to read:

Subd. 3. For the purposes of sections 160.283 to 160.285 the term "resort" shall be as defined in Minnesota Statutes 1969, Section 157.01 or a golf course.

Sec. 2. [161.115] [TRUNK HIGHWAY SYSTEM; NEW ROUTE IN SUBSTITUTION OF EXISTING ROUTE.]

*Subdivision 1. [ADDITIONAL ROUTE.] There is added to the trunk highway system a new route described as follows:*

*Route No. 129. Beginning at a point on Route No. 3 at or near St. Cloud, thence extending in a southeasterly direction to a point on Route No. 212 as herein established; affording St. Cloud, Clearwater, and Monticello, a reasonable means of communication each with the other and other places within the state.*

*Subd. 2. [SUBSTITUTION.] The route established in subdivision 1 is substituted for trunk highway route numbered 129 as contained and described in Minnesota Statutes 1980, Section 161.115. Route numbered 129 as contained and described in that section is discontinued and removed from the trunk highway system.*

*Subd. 3. [DIRECTION TO REVISOR.] The revisor of statutes, in compiling the next and subsequent editions of the Minnesota Statutes, shall substitute the route established in subdivision 1 for the route discontinued and removed from the trunk highway system in subdivision 2.*

Sec. 3. [161.115] [TRUNK HIGHWAY SYSTEM; REMOVAL OF ROUTE NO. 278.]

*Route No. 278 as described in Minnesota Statutes 1981 Supplement, Section 161.115, is discontinued and removed from the trunk highway system. The revisor of statutes, in compiling the next and subsequent editions of Minnesota Statutes shall delete Route No. 278.*

Sec. 4. Minnesota Statutes 1980, Section 161.41, is amended to read:

**161.41 [SURPLUS PROPERTY NOT NEEDED FOR TRUNK HIGHWAY PURPOSES.]**

Subdivision 1. [COMMISSIONER MAY DECLARE SURPLUS.] The commissioner is authorized to declare as surplus any property acquired by the state for highway purposes, excluding real estate, which (HE) *the commissioner* determines (BY ORDER) to be no longer needed or necessary for state highway purposes.

Subd. 2. [DETERMINATION OF VALUE OF SURPLUS PROPERTY AND (TRANFERENCE) DISPOSITION.] (THE ORDER SHALL DIRECT THAT) *The commissioner shall administer all aspects of the disposition of property declared to be surplus under this section. The commissioner shall first determine the value of the surplus property (SHALL BE DETERMINED, SUBJECT TO THE APPROVAL OF THE COMMISSIONER, BY THE DISTRICT ENGINEER IN WHOSE DISTRICT THE PROPERTY IS LOCATED, AND SHALL AUTHORIZE THE DISTRICT ENGINEER TO). The commissioner may then transfer the possession of the surplus property to any state agency (,) or political subdivision of (GOVERNMENT) this state or to the United States government upon receipt of payment (THEREFOR) in (THE) an amount (SO DETERMINED) equal to the value of the surplus property.*

*The commissioner may also sell the surplus property under the competitive bidding provisions of chapter 16 if no state agency or political subdivision of this state offers to purchase the surplus property for its determined value.*

Subd. 3. [MONEY RECEIVED TO BE CREDITED TO TRUNK HIGHWAY FUND.] *The commissioner shall deposit all money received under this section (SHALL BE DEPOSITED BY THE DISTRICT ENGINEER) with the state treasurer (AND) to be credited to the trunk highway fund.*

Sec. 5. Minnesota Statutes 1981 Supplement, Section 161.465, is amended to read:

**161.465 [REIMBURSEMENT FOR FIRE SERVICES.]**

Ordinary expenses incurred by a municipal or volunteer fire department in extinguishing a fire (OR EASING OR ELIMI-

NATING THE DANGER OF FIRE OR EXPLOSION WITHIN THE RIGHT-OF-WAY OF ANY STATE TRUNK HIGHWAY, OR) outside the right-of-way of *any trunk highway* if the fire originated within the right-of-way, upon approval of a police officer or an officer or employee of the department of public safety shall, upon certification to the commissioner of public safety by the proper official of the municipality or fire department within 60 days after the completion of the service, be reimbursed to the municipality or fire department from funds in the trunk highway fund. The commissioner of public safety shall take whatever action practicable to secure reimbursement to the trunk highway fund of moneys expended pursuant to this section from the person, firm or corporation responsible for the fire or danger thereof.

The provisions of this section shall not be construed to admit any state liability for damage or destruction to private property or for injury to persons resulting from a fire that originates within a trunk highway right-of-way.

Sec. 6. Minnesota Statutes 1980, Section 169.09, Subdivision 13, is amended to read:

Subd. 13. [ACCIDENT REPORTS CONFIDENTIAL.] All written reports and supplemental reports required *under this section* to be provided to the department of public safety (BY THIS SECTION) shall be without prejudice to the individual so reporting and shall be for the confidential use of the department of public safety (, THE MINNESOTA DEPARTMENT OF TRANSPORTATION,) and *other* appropriate state, federal, county and municipal governmental agencies for accident (PREVENTION) *analysis* purposes, except that the department of public safety or any law enforcement department of any municipality or county in this state shall, upon written request of any person involved in an accident or upon written request of the representative of his or her estate, (HIS) surviving spouse, or one or more (OF HIS) surviving next of kin, or a trustee appointed pursuant to section 573.02, disclose to the requester, his or her legal counsel or a representative of his or her insurer any information contained therein except the parties' version of the accident as set out in the written report filed by the parties or may disclose identity of a person involved in an accident when the identity is not otherwise known or when the person denies (HIS) presence at the accident. No report shall be used as evidence in any trial, civil or criminal, arising out of an accident, except that the department of public safety shall furnish upon the demand of any person who has, or claims to have, made a report, or, upon demand of any court, a certificate showing that a specified accident report has or has not been made to the department of public safety solely to prove a compliance or a failure to comply with the requirements that the report be made to the department of public safety. Disclosing any information contained in any accident report, except as provided herein, is unlawful and a misdemeanor.

Nothing herein shall be construed to prevent any person who has made a report pursuant to this chapter from testifying in any trial, civil or criminal, arising out of an accident, as to facts within (HIS) *the person's* knowledge. It is intended by this subdivision to render privileged the reports required but it is not intended to prohibit proof of the facts to which the reports relate. Legally qualified newspaper publications and licensed radio and television stations shall upon request to a law enforcement agency be given an oral statement covering only the time and place of the accident, the names and addresses of the parties involved, and a general statement as to how the accident happened without attempting to fix liability upon anyone, but said legally qualified newspaper publications and licensed radio and television stations shall not be given access to the hereinbefore mentioned confidential reports, nor shall any such statements or information so orally given be used as evidence in any court proceeding, but shall merely be used for the purpose of a proper publication or broadcast of the news.

This subdivision shall supercede other state law relating to data privacy or confidentiality with regard to accident reports. When these reports are released for accident (PREVENTION) *analysis* purposes the identity of any involved person shall not be revealed. Data contained in these reports shall only be used for accident (PREVENTION) *analysis* purposes, except as otherwise provided by this subdivision. Accident reports and data contained therein which may be in the possession or control of departments or agencies other than the department of public safety shall not be discoverable under any provision of law or rule of court.

*The department may charge authorized persons a \$5 fee for a copy of an accident report.*

**Sec. 7. Minnesota Statutes 1980, Section 169.80, Subdivision 1, is amended to read:**

**Subdivision 1. [LIMITATIONS.]** It is a misdemeanor for a person to drive or move, or for the owner to cause or knowingly permit to be driven or moved, on a highway a vehicle or vehicles of a size or weight exceeding the limitations stated in sections 169.80 to 169.88, or otherwise in violation of sections 169.80 to 169.88, and the maximum size and weight of vehicles as prescribed in sections 169.80 to 169.88 shall be lawful throughout this state, and local authorities shall have no power or authority to alter these limitations except as express authority may be granted in sections 169.80 to 169.88.

When all the axles of a vehicle or combination of vehicles are weighed separately the sum of the weights of the axles so weighed shall be evidence of the total gross weight of the vehicle or combination of vehicles so weighed.

When each of the axles of any group that contains two or more consecutive axles of a vehicle or combination of vehicles have been weighed separately the sum of the weights of the axles so weighed shall be evidence of the total gross weight on the group of axles so weighed.

When, in any group of three or more consecutive axles of a vehicle or combination of vehicles any axles have been weighed separately and two or more axles consecutive to each other in the group have been weighed together, the sum of the weights of the axles weighed separately and the axles weighed together shall be evidence of the total gross weight of the group of axles so weighed.

The provisions of sections 169.80 to 169.88 governing size, weight, and load shall not apply to fire apparatus, or to implements of husbandry temporarily moved upon a highway, or to loads of loose hay or corn stalks if transported by a horse-drawn vehicle or drawn by a farm tractor, or to a vehicle operated under the terms of a special permit issued as provided by law. For purposes of sections 169.80 to 169.88, a specialized vehicle resembling a low-slung two wheel trailer having a short bed or platform shall be deemed to be an implement of husbandry when the vehicle is used exclusively to transport implements of husbandry; and the term "temporarily moved upon a highway" shall mean a movement not to exceed 50 miles.

In addition to any other special permits authorized, an annual permit may be issued authorizing movements *on interstate highways and movements exceeding 50 miles on non-interstate highways* of oversize vehicles and loads when the vehicles or combination of vehicles are used exclusively to transport implements of husbandry. Annual permits are issued in accordance with the applicable provisions of section 169.86, except that the transporting vehicle or combination of vehicles may be moved at the discretion of the permittee without prior route approval from the permit issuing office of the department of transportation if:

(a) The overall width of the transporting vehicle, including load, does not exceed 12 feet;

(b) The transporting vehicle otherwise complies with equipment requirements and length, height and weight limitations prescribed by this chapter;

(c) The movement is made after the hour of sunrise and not later than 30 minutes after sunset;

(d) The movement is not made when visibility is impaired by weather, fog or other conditions rendering persons and

vehicles not clearly visible at a distance of 500 feet, or on Sundays *after twelve o'clock noon*, and holidays;

(e) The transporting vehicle shall display at the front and rear end of the load or vehicle a pair of flashing amber lights, as provided in section 169.59, subdivision 4, *whenever the overall width of the vehicle exceeds ten feet, six inches*; and

(f) The movement, if made on a trunk highway, is made on a trunk highway with a surfaced roadway width of not less than 24 feet.

The fee for an annual permit is \$24.

Sec. 8. [169.762] [PRESSURIZED FLAMMABLE GAS.]

*Subdivision 1. [MARKING REQUIRED.] Any vehicle within this state which carries liquefied petroleum gas fuel or natural gas in a tank attached to the vehicle in any concealed area, including but not limited to trunks, compartments, or under the vehicle, shall display on the exterior of the vehicle the words "Pressurized Flammable Gas", or a standard abbreviation or symbol as determined by the department of public safety, in block letters at least two inches high. The letters shall be of contrasting colors and shall be placed as near as possible to the area where the tank is located.*

*Subd. 2. [DISPENSING PROHIBITION.] No person shall dispense liquefied petroleum gas fuel or natural gas into any tank in a concealed area of a vehicle unless the vehicle is in compliance with the requirements of subdivision 1.*

*Subd. 3. [PENALTY.] Any owner convicted of violating the provisions of subdivisions 1 or 2 is guilty of a misdemeanor.*

Sec. 9. Minnesota Statutes 1980, Section 169.81, Subdivision 1, is amended to read:

*Subdivision 1. [HEIGHT.] (a) Except as provided in paragraph (b), no vehicle unladen or with load shall exceed a height of 13 feet six inches.*

*(b) A double-deck bus may not exceed a height of 14 feet three inches. Any carrier operating a double-deck bus exceeding 13 feet six inches shall obtain from the commissioner, with respect to highways under the commissioner's jurisdiction, and from local authorities, with respect to highways under their jurisdiction, an annual permit to operate the bus upon any highway under the jurisdiction of the party granting the permit. Annual permits shall be issued in accordance with applicable provisions of section 169.86. The fee for an annual permit issued*

by the commissioner is as provided in section 169.86, subdivision 5.

Sec. 10. Minnesota Statutes 1981 Supplement, Section 169.81, Subdivision 3, is amended to read:

Subd. 3. [LENGTH OF COMBINATIONS AND SEMI-TRAILERS AND TRUCK-TRACTORS.] (a) *Except as provided in clause (c)*, no combination of vehicles coupled together (UNLADEN OR WITH LOAD), including truck-tractor and (SEMITRAILERS) *semitrailer*, shall consist of more than two units (UNLESS THE COMBINATION CONSISTS OF A TRUCK-TRACTOR AND SEMITRAILER DRAWING ONE ADDITIONAL SEMITRAILER EQUIPPED WITH AN AUXILIARY DOLLY,) and no combination of vehicles, *unladen or with load*, shall exceed a total length of 60 feet. The *length* limitation shall not apply to the transportation of telegraph poles, telephone poles, electric light and power poles, piling, or pole length pulpwood, and is subject to the following further exceptions: The length limitations shall not apply to vehicles when transporting pipe, or other objects by a public utility when required for emergency or repair of public service facilities or when operated under special permits as provided in this subdivision, but with respect to night transportation a vehicle and the load shall be equipped with a sufficient number of clearance lamps and marker lamps on both sides and upon the extreme ends of a projecting load to clearly mark the dimensions of the load. Mount combinations may be drawn but the combinations may not exceed 65 feet in length. The limitation on the number of units shall not apply to vehicles used for transporting milk from point of production to point of first processing, in which case no combination of vehicles coupled together unladen or with load, including truck-tractor and semitrailers, shall consist of more than three units and no combination of those vehicles shall exceed a total length of 60 feet. For the purpose of registration, trailers coupled with a truck-tractor, semitrailer combination shall be (CONSIDERED THE SAME AS) *deemed* semitrailers. The state, as to state trunk highways, and a city or town, as to roads or streets located within the city or town, may issue permits authorizing the transportation of combinations of vehicles exceeding the limitations in this subdivision over highways, roads or streets within their boundaries. Combinations of vehicles authorized by this subdivision may be restricted as to the use of highways by the commissioner, as to state trunk highways, and a road authority, as to highways or streets subject to its jurisdiction. Nothing in this subdivision shall be deemed to alter or change the authority vested in local authorities under the provisions of section 169.04. This subdivision shall not apply to the operation of combinations of vehicles subject to the provisions of section 169.861.

(b) No single semitrailer or trailer shall have an overall length, exclusive of rear protective bumpers which do not in-

crease the overall length by more than six inches and further exclusive of accessory equipment mounted or located on the end of the semitrailer or trailer adjacent to the truck or truck-tractor, in excess of 45 feet, except for those semitrailers governed by subdivision 3a, 3b and 7. For purposes of determining compliance with the provisions of this subdivision, the length of the semitrailer or trailer shall be determined separate from the overall length of the combination of vehicles.

*(c) A combination of vehicles between 55 and 65 feet in length regularly engaged in the transportation of commodities and consisting of a truck and semitrailer or a truck-tractor and semitrailer drawing one additional semitrailer which may be equipped with an auxiliary dolly or a truck-tractor and semitrailer drawing one full trailer may operate only on divided highways having four or more lanes of travel, and on other highways as may be designated by the commissioner of transportation subject to section 169.87, subdivision 1, and subject to the approval of the authority having jurisdiction over the highway, for the purpose of providing access between the divided highways of four or more lanes of travel and truck terminals and marshalling yards or for the purpose of providing continuity of route. All vehicles operated under the provisions of this section shall conform to the standards for those vehicles as prescribed by the United States Department of Transportation, Federal Highway Administration, Bureau of Motor Carrier Safety, and as may be amended. The total length of the combination, unladen or with load, shall not exceed 65 feet. For the purpose of registration, trailers coupled with a truck-tractor semitrailer combination shall be deemed semitrailers.*

Sec. 11. Minnesota Statutes 1981 Supplement, Section 169.825, Subdivision 8, is amended to read:

Subd. 8. [PNEUMATIC-TIRED VEHICLES.] No vehicle or combination of vehicles equipped with pneumatic tires shall be operated upon the highways of this state:

(a) Where the gross weight on any wheel exceeds 9,000 pounds, except that on designated routes the gross weight on any single wheel shall not exceed 10,000 pounds;

(b) Where the gross weight on any single axle exceeds 18,000 pounds, except that on designated routes the gross weight on any single axle shall not exceed 20,000 pounds;

(c) Where the maximum wheel load exceeds 600 pounds per inch of tire width or the manufacturer's recommended load, whichever is less;

(d) Where the gross weight on any axle of a tridem exceeds 15,000 pounds, except that for vehicles to which an additional axle has been added prior to June 1, 1981, the maximum gross



weight on any axle of a tridem (SHALL NOT EXCEED) *may be up to 16,000 pounds (AND) provided the gross weight of the tridem combination (SHALL) does not exceed 37,000 pounds where the first and third axles of the tridem are spaced seven feet apart; 38,500 pounds where the first and third axles of the tridem are spaced eight feet apart; and 39,900 pounds where the first and third axles of the tridem are spaced nine feet apart.*

(e) Where the gross weight on any group of axles exceeds the weights permitted under this section with any or all of the interior axles disregarded and their gross weights subtracted from the gross weight of all axles of the (VEHICLE) *group under consideration.*

Sec. 12. Minnesota Statutes 1981 Supplement, Section 169.-825, Subdivision 10, is amended to read:

Subd. 10. [GROSS WEIGHT SCHEDULE.] (a) No vehicle or combination of vehicles equipped with pneumatic tires shall be operated upon the highways of this state where the total gross weight on any group of two or more consecutive axles of any vehicle or combination of vehicles exceeds that given in the following table for the distance between the centers of the first and last axles of any group of two or more consecutive axles under consideration; the distance between axles being measured longitudinally to the nearest even foot, and when the measurement is a fraction of exactly one-half foot the next largest whole number in feet shall be used, except that when the distance between axles is more than three feet four inches and less than three feet six inches the distance of four feet shall be used:

Maximum gross weight in pounds on a group of			
	2	3	4
Distances in feet between centers of fore- most and rearmost axles of a group	consecutive axles of a 2-axle vehicle or of any vehicle or combination of vehicles having a total of 2 or more axles	consecutive axles of a 3-axle vehicle or of any vehicle or combination of vehicles having a total of 3 or more axles	consecutive axles of a 4-axle vehicle or any com- bination of vehicles having a total of 4 or more axles
4	34,000		
5	34,000		
	(35,000)		

6	34,000		
	(36,000)		
7	34,000	41,500	
	(37,000)		
8	34,000	42,000	
	(38,000)		
9	35,000	43,000	
	(39,000)		
10	36,000	43,500	49,000
	(40,000)		
11	36,000	44,500	49,500
12		45,000	50,000
13		46,000	51,000
14		46,500	51,500
15		47,500	52,000
16		48,000	53,000
17		49,000	53,500
18		49,500	54,000
19		50,500	55,000
20		51,000	55,500
21		52,000	56,000
22		52,500	57,000
23		53,500	57,500
24		54,000	58,000

89th Day]

SATURDAY, MARCH 13, 1982

7993

25	(55,000)	59,000
26	(55,500)	59,500
27	(56,500)	60,000
28	(57,000)	61,000
29	(58,000)	61,500
30	(58,500)	62,000
31	(59,500)	63,000
32	(60,000)	63,500
33		64,000
34		65,000
35		65,500
36		66,000
37		67,000
38		67,500
39		68,000
40		69,000
41		69,500
42		70,000
43		71,000
44		71,500
45		72,000
46		(( )72,500( ))
47		(73,500)
48		(74,000)

49	(74,500)
50	(75,500)
51	(76,000)

## Maximum gross weight in pounds on a group of

	5	6	7
Distances in feet between centers of fore- most and rearmost axles of a group	consecutive axles of a 5-axle vehicle or any com- bination of vehicles having a total of 5 or more axles	consecutive axles of a combination of vehicles having a total of 6 or more axles	consecutive axles of a combination of vehicles having a total of 7 or more axles
14	57,000		
15	57,500		
16	58,000		
17	59,000		
18	59,500		
19	60,000		
20	60,500	66,000	72,000
21	61,500	67,000	72,500
22	62,000	67,500	73,000
23	62,500	68,000	73,500
24	63,000	68,500	74,000
25	64,000	69,000	75,000
26	64,500	70,000	75,500
27	65,000	70,500	76,000
28	65,500	71,000	76,500

89th Day]

SATURDAY, MARCH 13, 1982

7995

29	66,500	71,500	77,000
30	67,000	72,000	77,500
31	67,500	73,000	78,500
32	68,000	73,500	79,000
33	69,000	74,000	79,500
34	69,500	74,500	80,000
35	70,000	75,000	
36	70,500	76,000	
37	71,500	76,500	
38	72,000	77,000	
39	72,500	77,500	
40	73,000	78,000	
41	74,000	79,000	
42	74,500	79,500	
43	75,000	80,000	
44	75,500		
45	76,500		
46	77,000		
47	77,500		
48	78,000		
49	79,000		
50	79,500		
51	80,000		

The gross weights shown in parentheses in this clause are permitted only on routes designated under section 169.832, subdivision 11.

(b) Notwithstanding any lesser weight in pounds shown in this table but subject to the restrictions on gross vehicle weights in clause (c), two consecutive sets of tandem axles may carry a gross load of 34,000 pounds each and a combined gross load of 68,000 pounds provided the overall distance between the first and last axles of the consecutive sets of tandem axles is 36 feet or more.

(c) Notwithstanding the provisions of section 169.85, the gross vehicle weight of all axles of a vehicle or combination of vehicles shall not exceed the following:

(1) 80,000 pounds for routes designated under section 169.832, subdivision 11; and

(2) 73,280 pounds for any vehicle or combination of vehicles with five axles or less on all routes not designated under section 169.832, subdivision 11; and

(3) 80,000 pounds for any vehicle or combination of vehicles with six or more axles on all routes not designated under section 169.832, subdivision 11;

(d) The maximum weights specified in this subdivision for five (AND SIX) consecutive axles shall not apply to a combination of vehicles that includes a three axle semi-trailer first registered before (THE EFFECTIVE DATE OF LAWS 1981, CHAPTER 321, SECTIONS 1 TO 12. THE GROSS WEIGHT FOR FOUR OR FEWER CONSECUTIVE AXLES ON A COMBINATION OF VEHICLES EXCEPTED UNDER THIS CLAUSE SHALL NOT EXCEED ANY MAXIMUM WEIGHT SPECIFIED FOR FOUR OR FEWER CONSECUTIVE AXLES) August 1, 1981. All other weight limitations in this section are applicable;

(e) The maximum weights specified in this subdivision for five consecutive axles shall not apply to a four axle ready mix concrete truck which was equipped with a fifth axle prior to June 1, 1981. The maximum gross weight on four or fewer consecutive axles of vehicles excepted by this clause shall not exceed any maximum weight specified for four or fewer consecutive axles in this subdivision.

Sec. 13. Minnesota Statutes 1981 Supplement, Section 169.825 is amended by adding a subdivision to read:

*Subd. 12a. [GROSS WEIGHT REDUCTION ON RESTRICTED ROUTES.] The maximum weight on any single axle, two consecutive axles spaced within eight feet or less, three consecutive axles spaced within nine feet or less, or four consecutive axles spaced within 14 feet or less shall not exceed 18,000 pounds, 34,000 pounds, 48,000 pounds or 51,500 pounds respec-*

*tively multiplied by a factor of the axle weight in tons allowed on the restricted route divided by nine. No combination of axle weights shall exceed those weights specified in Minnesota Statutes 1981 Supplement, Section 169.825, Subdivision 10 for non-designated routes.*

Sec. 14. Minnesota Statutes 1981 Supplement, Section 169.86, Subdivision 5, is amended to read:

Subd. 5. [FEES.] The commissioner, with respect to highways under his jurisdiction, may charge a fee for each permit issued. All such fees for permits issued by the commissioner of transportation shall be deposited in the state treasury and credited to the trunk highway fund. Except for those annual permits for which the permit fees are specified elsewhere in this chapter, the fees shall be:

- (a) \$12 for each single trip permit.
- (b) \$12 for each job permit. A job permit may be issued for like loads carried on a specific route for a period not to exceed two months. "Like loads" means loads of the same product, weight and dimension.
- (c) \$60 for an annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:
  - (1) truck cranes;
  - (2) construction equipment, machinery, and supplies;
  - (3) mobile homes;
  - (4) farm equipment when the movement is not made according to the provisions of section 169.80, subdivision 1, clauses (a) to (f).
  - (5) refuse compactor vehicles that carry a gross weight up to but not in excess of 22,000 pounds on a single rear axle and not in excess of 38,000 pounds on a tandem rear axle;
  - (6) motor vehicles used to alleviate a temporary crisis adversely affecting the safety or well-being of the public;
  - (7) motor vehicles which travel on interstate highways and carry loads authorized under subdivision 1a;
  - (8) double-deck buses.

Sec. 15. Minnesota Statutes 1981 Supplement, Section 169.87, Subdivision 2, is amended to read:

Subd. 2. [SEASONAL LOAD RESTRICTIONS.] *Except for portland cement concrete roads*, from March 20 to May 15 of each year, the weight on any single axle shall not exceed five tons on a county or town road that has not been restricted as provided in subdivision 1. The gross weight on consecutive axles shall not exceed the gross weight allowed in section 169.825 multiplied by a factor of five divided by nine. This reduction shall not apply to the gross vehicle weight.

Sec. 16. Minnesota Statutes 1980, Section 173.02, Subdivision 2, is amended to read:

Subd. 2. "Advertising device" means any billboard, sign, notice, poster, display, or other device visible to and primarily intended to advertise and inform or to attract or which does attract the attention of operators and occupants of motor vehicles (ON THE INTERSTATE SYSTEM OF HIGHWAYS) and shall include any structure erected primarily for use in connection with the display of any such device and all lighting or other attachments used in connection therewith.

Sec. 17. Minnesota Statutes 1980, Section 174.03, Subdivision 1, is amended to read:

Subdivision 1. [STATEWIDE TRANSPORTATION PLAN; PRIORITIES; SCHEDULE OF EXPENDITURES.] In order to best meet the present and future transportation needs of the public, to insure a strong state economy, to make most efficient use of public and private funds, and to promote the more efficient use of energy and other resources for transportation purposes, the commissioner shall:

(a) Three months after notification that the department is ready to commence operations and prior to the drafting of the statewide transportation plan the commissioner shall hold public hearings as may be appropriate solely for the purpose of receiving suggestions for future transportation alternatives and priorities for the state. The metropolitan council, regional development commissions and port authorities shall appear at the hearings and submit information concerning transportation related planning undertaken and accomplished by these agencies. Other political subdivisions may appear and submit such information at the hearings. These hearings shall be completed no later than six months from the date of the commissioner's notification;

(b) Develop, adopt, revise and monitor a statewide transportation plan, taking into account the suggestions and information submitted at the public hearings held pursuant to clause (a). The plan shall incorporate all modes of transportation and provide for the interconnection and coordination of different modes of transportation. The commissioner shall evaluate alternative transportation programs and facilities proposed for inclusion in the plan in terms of economic costs and



benefits, safety aspects, impact on present and planned land uses, environmental effects, energy efficiency, national transportation policies and priorities and availability of federal and other financial assistance;

(c) Based upon the statewide transportation plan, develop statewide transportation priorities and schedule authorized public capital improvements and other authorized public transportation expenditures pursuant to the priorities;

(d) Complete the plan and priorities required by this subdivision no later than July 1, 1978. (UPON COMPLETION, THE COMMISSIONER SHALL PROMULGATE THE PLAN AND PRIORITIES AS A RULE IN ACCORDANCE WITH CHAPTER 15.) Upon (PROMULGATION) *completion* of the plan and priorities, the commissioner shall prepare and periodically revise, as necessary, the schedule of authorized public transportation expenditures. (THE SCHEDULE, AND REVISIONS THERETO, NEED NOT BE PROMULGATED AS A RULE BUT SHALL NOT BE PREPARED OR REVISED WITHOUT PUBLIC HEARINGS) *The plan, priorities and schedule are exempt from the provisions of the administrative procedure act.*

Sec. 18. Minnesota Statutes 1980, Section 174.03, Subdivision 2, is amended to read:

Subd. 2. [IMPLEMENTATION OF PLAN.] After the adoption of the statewide transportation plan, the commissioner and the transportation regulation board shall take no action inconsistent with that plan. (NOTWITHSTANDING THE FOREGOING, THE COMMISSIONER AND THE BOARD SHALL HAVE AUTHORITY TO PROMULGATE EMERGENCY RULES PURSUANT TO SECTION 15.0412, SUBDIVISION 5, IF NECESSARY TO RESPOND TO TRANSPORTATION EMERGENCIES WHICH MAY REQUIRE AN IMMEDIATE TEMPORARY RESPONSE INCONSISTENT WITH THE STATEWIDE PLAN.)

Sec. 19. Minnesota Statutes 1981 Supplement, Section 221.011, Subdivision 22, is amended to read:

Subd. 22. "Exempt carrier" means any carrier exempt from this chapter (,) or exempted from any other law or rule by the commissioner or board. The following are so exempt except as otherwise specifically provided in (CLAUSE (C)) *section 20*:

(a) Any person engaged in farming or in transporting agricultural, horticultural, dairy, livestock, or other farm products within an area having a 25 mile radius from the person's home post office. The carrier may transport other commodities within the area if the destination of each haul is a farm within the above described area. The owner of any truck operating under

this provision shall imprint the owner's name and address in prominent visible letters on the outside of the cab of the truck.

(b) Any occasional accommodation service beyond the 25 mile radius of the home post office by any person engaged in farming as a primary means of livelihood and actually residing on a farm and whose truck or trucks are licensed under provisions of section 168.013, subdivision 1c. Occasional accommodation service shall mean not in excess of six trips in any calendar year.

(c) Any person engaged in agricultural pursuits, who owns and uses a truck for transporting the products of that person's farm, or any person while engaged exclusively in the transportation of fresh vegetables from farms to canneries or viner stations, or from viner stations to canneries, or from canneries to canneries during the harvesting, canning or packing season, or potatoes, sugar beets, wild rice and rutabagas from the field of production to the first place of delivery or unloading, including but not limited to a processing plant, warehouse or railroad siding. (THIS TERM SHALL ALSO APPLY TO A MANUFACTURER, PRODUCER, DEALER OR DISTRIBUTOR WHO, IN THE PURSUIT OF BUSINESS, OWNS AND USES TRUCKS FOR THE PURPOSE OF TRANSPORTING THAT PERSON'S OWN PRODUCTS, AND SHALL APPLY TO ANY PERSON WHILE ENGAGED EXCLUSIVELY IN THE TRANSPORTATION OF PULPWOOD, CORD WOOD, MINING TIMBER, POLES, POSTS, DECORATIVE EVERGREENS, WOOD CHIPS, SAWDUST, SHAVINGS AND BARK FROM THE PLACE WHERE THE PRODUCTS ARE PRODUCED TO THE POINT WHERE THEY ARE TO BE USED OR SHIPPED; EXCEPT THAT THESE MANUFACTURERS, PRODUCERS, DEALERS OR DISTRIBUTORS TRANSPORTING THEIR OWN PRODUCTS AND THOSE PERSONS ENGAGED EXCLUSIVELY IN THE TRANSPORTATION OF WOOD OR WOOD PRODUCTS, TOGETHER WITH ANY TRANSPORTING VEHICLES LICENSED AND REGISTERED FOR A GROSS VEHICLE WEIGHT OF MORE THAN 10,000 POUNDS, SHALL BE SUBJECT TO THE REQUIREMENTS OF SECTION 221.031 INsofar AS THE PROVISIONS OF THAT SECTION APPLY TO DRIVER QUALIFICATIONS, MAXIMUM HOURS OF SERVICE OF DRIVERS, AND SAFETY OF OPERATIONS AND EQUIPMENT.)

(d) Any person while exclusively engaged in the transportation of dirt and sod within an area having a 50 mile radius from that person's home post office.

(e) Any person while exclusively engaged in the transportation of sand, gravel, bituminous asphalt mix, *concrete ready mix*, *concrete blocks or tile* or crushed rock to or from the point of loading or a place of gathering within an area having a 50 mile

radius from that person's home post office or a 50 mile radius from the site of construction or maintenance of public roads and streets.

(f) Any person engaged in the transportation of household goods for the federal government or any agency of the federal government or the transportation of household goods for the state government or any agency of state government, where competitive bids are required by law shall be exempt from the provisions of section 221.161.

(g) Any person engaged in transporting property or freight, excepting household goods and petroleum products in bulk, when the movement is entirely within the corporate limits of a city or between contiguous cities.

(h) Emergency vehicles including ambulances, tow trucks when picking up and transporting disabled or wrecked motor vehicles, and hearses when carrying proper and legal warning devices.

(i) Any person engaged in delivery or spreading of agricultural lime.

(j) Any person engaged in transporting rubbish as defined in section 443.27.

(k) Any person engaged in the transportation of grain samples under terms and conditions as the commissioner or board may prescribe.

(l) A motor vehicle, in this chapter referred to as a "commuter van," having a capacity of seven to 16 persons that is used principally to provide prearranged transportation of persons for a fee to or from their place of employment or to or from a transit stop authorized by a local transit authority which vehicle is to be operated by a person who does not drive the vehicle for that person's principal occupation but is driving it only to or from that person's principal place of employment, to or from a transit stop authorized by a local transit authority, or for personal use at other times by an authorized driver; provided, that commuter vans shall not be exempt from any provision of this chapter which by its terms explicitly applies to these vehicles.

(m) *Any manufacturer, producer, dealer or distributor who, in the pursuit of business, owns and uses trucks for the purpose of transporting that person's own products, except as otherwise provided in section 20.*

(n) *Any person while engaged exclusively in the transportation of pulpwood, cordwood, mining timber, poles, posts, deco-*

rator evergreens, wood chips, sawdust, shavings, and bark from the place where the products are produced to the point where they are to be used or shipped, except as otherwise provided in section 20.

Sec. 20. [221.032] [OPERATING REQUIREMENTS.]

*The exempt carriers set forth in section 221.011, subdivision 22, clauses (m) and (n), are subject to the requirements of section 221.031 insofar as the provisions of that section apply to driver qualifications, maximum hours of service for drivers, and safety of operations and equipment. This section is applicable only to transporting vehicles licensed and registered for a gross weight of more than 10,000 pounds.*

Sec. 21. Minnesota Statutes 1981 Supplement, Section 221.81, is amended to read:

221.81 [BUILDING MOVER REGULATION.]

Subdivision 1. [DEFINITION.] "Building mover" means any person, corporation, or other entity engaged in the business of raising, supporting off the foundation, and moving buildings, excluding mobile homes.

Subd. 2. [LICENSE.] All building movers operating in Minnesota shall be licensed by the board.

Subd. 3. [LICENSE APPLICATION.] To obtain a license to operate as a building mover an applicant shall file a petition with the commissioner specifying the name and address of its officers and other information as the board may reasonably require. The board shall issue the license upon compliance by the applicant with bonding and insuring requirements set by rule of the department and payment of (A) *an initial \$150 filing fee. A license once granted shall continue in full force and effect, subject to a \$100 annual renewal (FEES) fee and compliance with bonding and insuring requirements, unless revoked or suspended.*

*The commissioner, upon approval of a license for a building mover, shall issue a sufficient number of cab cards to each licensed mover to provide one cab card for each power unit used in moving buildings. The fee is \$50 for each cab card issued. The cab card must be carried at all times in a readily available place in the cab of the power unit for which it was issued. The building mover may also purchase up to five floater cab cards for a fee of \$200 for each floater card issued. Cab cards shall be effective for a 12-month period and shall continue from year to year thereafter upon payment of the required fee. Cab cards shall only be good for the period for which the license is effective.*

*Licenses shall be transferable pursuant to the provisions of section 221.151.*

Subd. 4. [LICENSE REVOCATION, SUSPENSION, DENIAL.] The board, after notice and a hearing, may revoke, suspend or deny a license for:

- (a) failure to pay application or renewal fees;
- (b) failure to comply with bonding and insuring requirements;
- (c) conduct of the applicant or license holder that impairs usage of public highways, roads, streets, or utilities;
- (d) conduct of the applicant or license holders that endangers the health and safety of users of the public highways, roads, streets or utilities; or
- (e) a course of conduct of the applicant or license holder that demonstrates unsafe or hazardous operation of the business.

Subd. 5. [SUSPENSION BY COMMISSIONER.] *The commissioner may suspend a license without a hearing for the following reasons:*

- (1) *Failure to pay the application or renewal fee; or*
- (2) *Failure to comply with bonding and insurance requirements.*

*The suspension shall continue until the fees have been paid and the bonding and insurance requirements have been satisfied.*

Subd. 6. [APPLICATION OF VIOLATION AND PENALTY PROVISIONS.] *The violation and penalty provisions of section 221.291 are applicable to this section.*

Subd. (5) 7. [RULES.] The commissioner shall promulgate rules establishing bonding and insuring requirements.

Subd. (6) 8. [LOCAL REGULATION.] No license to move buildings, bond or insurance coverage shall be required by a political subdivision of the state other than the license, bond and insurance coverage issued or required by the board or commissioner. A political subdivision or the department may require a permit which reasonably regulates the hours, routing, movement, parking or speed limit for a building mover operating on streets or roads within the jurisdiction of the political subdivision or highways within the jurisdiction of the commissioner. Neither the state nor a political subdivision may regulate rates charged by building movers.

*Subd. 9. [FEES DEPOSITED IN GENERAL FUND.] All fees collected pursuant to this section shall be deposited in the general fund.*

**Sec. 22.** Minnesota Statutes 1981 Supplement, Section 299D.-03, Subdivision 5, is amended to read:

**Subd. 5. [FINES AND FORFEITED BAIL MONEY.]** (a) All fines and forfeited bail money, from traffic and motor vehicle law violations, collected from persons apprehended or arrested by such employees, shall be paid by (THE JUSTICE OF THE PEACE, OR) such (OTHER) person or officer collecting such fines, forfeited bail money or installments thereof, on or before the tenth day after the last day of the month in which such moneys were collected, to the county treasurer of the county where the violation occurred. Three-eighths of such receipts shall be credited to the general revenue fund of the county. The other five-eighths of such receipts shall be transmitted by that officer to the state treasurer and shall be credited to the trunk highway fund. If, however, the violation occurs within a municipality and the city attorney prosecutes the offense, and a plea of not guilty is entered, one-third of the receipts shall be credited to the general revenue fund of the county, one-third of the receipts shall be paid to the municipality prosecuting the offense, and one-third shall be transmitted to the state treasurer as provided in this subdivision. All costs of participation in a nation-wide police communication system chargeable to the state of Minnesota shall be paid from appropriations for that purpose.

(b) Notwithstanding any other provisions of law, all fines and forfeited bail money from violations of statutes governing the maximum weight of motor vehicles, collected from persons apprehended or arrested by employees of the state of Minnesota, by means of stationary or portable scales operated by such employees, shall be paid by the person or officer collecting the fines or forfeited bail money, on or before the tenth day after the last day of the month in which the collections were made, to the county treasurer of the county where the violation occurred. (ALL) *Five-eighths* of such receipts shall be transmitted by that officer to the state treasurer and shall be credited to the (TRUNK HIGHWAY) *highway user tax distribution fund. Three-eighths of such receipts shall be credited to the general revenue fund of the county.*

**Sec. 23.** Minnesota Statutes 1980, Section 360.015, Subdivision 2, is amended to read:

**Subd. 2. [COOPERATION WITH FEDERAL AND OTHER AGENCIES.]** (HE) *The commissioner* shall cooperate with and assist the federal government, the municipalities of this state, and others engaged in aeronautics or the promotion of aeronautics (,) and shall seek to coordinate the aeronautical activities of these bodies. To this end, the commissioner is em-

powered to confer with or to hold joint hearings with any federal aeronautical agency in connection with any matter arising under sections 360.011 to 360.076, or relating to the sound development of aeronautics, and to avail himself of the cooperation, services, records, and facilities of such federal agencies, as fully as may be practicable, in the administration and enforcement of sections 360.011 to 360.076. (HE) *The commissioner shall reciprocate by furnishing to the federal agencies his cooperation, services, records, and facilities, in so far as may be practicable. The commissioner may also contract for the presentation of educational and informational programs that promote safety and interest in aeronautics.*

(HE) *The commissioner shall report to the appropriate federal agency all accidents in aeronautics in this state of which (HE) the commissioner is informed (AND). The commissioner shall also preserve, protect, and prevent the removal of the component parts of any aircraft involved in an accident being investigated by (HIM) the commissioner until a federal agency institutes an investigation (, AND). The commissioner shall report the following to the appropriate federal agency:*

(1) all refusals by (HIM) *the commissioner to register federal licenses, certificates, or permits (AND);*

(2) all revocations of certificates of registration, and the reasons therefor (,); and

(3) all penalties of which (HE) *the commissioner has knowledge imposed upon airmen for violations of the laws of this state relating to aeronautics or for violations of the rules, regulations, or orders of the commissioner.*

Sec. 24. Minnesota Statutes 1980, Section 360.017, Subdivision 1, is amended to read:

Subdivision 1. [CREATION.] There is hereby created a fund to be known as the state airports fund. (SUCH) *The fund shall consist of all moneys appropriated to it, or directed to be paid into it, by the legislature. The state airports fund shall be paid out on authorization of the commissioner and shall be used to acquire, construct, improve, maintain, and operate airports and other air navigation facilities and to assist municipalities in the acquisition, construction, improvement, and maintenance of airports and other air navigation facilities. The fund may also be used to promote interest and safety in aeronautics through education and information. Salaries and expenses in the department of transportation related to aeronautic planning, administration and operation shall be paid from the state airports fund. All allotments of money from the state airports fund for salaries and expenses shall be approved by the commissioner of finance.*

Sec. 25. Laws 1979, Chapter 280, Section 2, Subdivision 2, is amended to read:

Subd. 2. \$50,000,000, or so much thereof as is needed, is available for expenditure at a rate not exceeding \$12,500,000 per fiscal year for grants to political subdivisions for construction and reconstruction of key bridges on highways, streets and roads under their jurisdiction. The grants shall not exceed the following aggregate amounts:

- (1) To counties ..... \$8,500,000
- (2) To home rule charter and statutory cities .....  
\$1,000,000
- (3) To towns ..... \$21,000,000

Additional grants may be made in an aggregate amount not to exceed \$19,500,000 to the political subdivisions to match federal-aid grants for construction and reconstruction of key bridges under their jurisdiction. *Appropriations made in subdivisions 1, 2, or 3 may also be used for the following purposes:*

(1) *The costs of abandoning an existing bridge that is deficient and is in need of replacement, but where no replacement will be made.*

(2) *The costs of constructing a road or street that would facilitate the abandonment of an existing bridge determined to be deficient. The construction of the road or street must be judged to be more cost efficient than the reconstruction or replacement of the existing bridge.*

Sec. 26. [PROHIBITION ON ESTABLISHMENT OF NEW DIVISIONS IN DEPARTMENT OF TRANSPORTATION.]

*Notwithstanding any other law to the contrary, the commissioner of transportation shall not establish any new divisions in the department of transportation, other than consolidations of existing divisions.*

Sec. 27. [REPEALER.]

*Minnesota Statutes 1981 Supplement, Sections 169.861 and 169.825, Subdivision 12 are repealed.*

Sec. 28. [EFFECTIVE DATE.]

*Sections 1 to 7 and 9 to 27 are effective the day after final enactment. Section 8 is effective January 1, 1983."*



Delete the title and insert:

"A bill for an act relating to transportation; redefining "resort" for purposes of advertising device authorization; adding a new route to the trunk highway system in substitution of an existing route; discontinuing and removing a route from the trunk highway system; providing for the disposal of surplus property; limiting the liability of the department of transportation for the cost of fighting certain fires; making certain accident reports available to governmental agencies for specified purposes and authorizing a fee for copies of these accident reports; governing the movement of certain vehicles on certain highways; establishing a height limitation for certain vehicles and providing for an annual permit fee for certain buses; expanding the definition of advertising devices; exempting the state transportation plan from the administrative procedure act; expanding the definition of exempt carrier; requiring driver qualifications and safety requirements for certain motor carriers; regulating building movers and requiring fees; allowing expenditures from the state airports fund for educational programs to promote interest and safety in aeronautics; permitting additional uses of certain moneys appropriated for construction and reconstruction of bridges; limiting the authority of the commissioner of transportation to establish new divisions in the department of transportation; allowing the use of certain combinations of vehicles; allowing certain axle weight combinations; establishing allowable axle weight combinations; establishing allowable axle weights on restricted routes; modifying the distribution of receipts collected as fines; providing for seasonal load restrictions; requiring certain exterior markings on vehicles carrying liquified petroleum gas fuel in concealed tanks and prohibiting the dispensing of those fuels in unmarked vehicles; amending Minnesota Statutes 1980, Sections 160.283, Subdivision 3; 161.115; 161.41; 169.09, Subdivision 13; 169.80, Subdivision 1; 169.81, Subdivision 1; 173.02, Subdivision 2; 174.03, Subdivisions 1 and 2; 360.015, Subdivision 2; 360.017, Subdivision 1; Minnesota Statutes 1981 Supplement, Sections 161.465; 169.81, Subdivision 3; 169.825, Subdivisions 8, 10, and by adding a subdivision; 169.86, Subdivision 5; 169.87, Subdivision 2; 221.011, Subdivision 22; 221.81; 299D.03, Subdivision 5; Laws 1979, Chapter 280, Section 2, Subdivision 2; proposing new law coded in Minnesota Statutes, Chapters 169 and 221; repealing Minnesota Statutes 1981 Supplement, Sections 169.861 and 169.825, Subdivision 12."

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

House Conferees: LYLE G. MEHRKENS, GEORGE C. DAHLVANG and GLEN H. ANDERSON.

Senate Conferees: STEVE ENGLER, CLARENCE M. PURFEERST and ROBERT J. SCHMITZ.

Mehrkens moved that the report of the Conference Committee on H. F. No. 1817 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1817, A bill for an act relating to transportation; adding a new route to the trunk highway system in substitution of an existing route; discontinuing and removing a route from the trunk highway system; providing for the disposal of surplus property; exempting the state transportation plan from the provisions of the administrative procedure act; requiring driver qualifications and safety requirements for certain motor carriers; regulating building movers and establishing fees; allowing expenditures from the state airports fund for educational programs to promote interest and safety in aeronautics; amending Minnesota Statutes 1980, Sections 161.41; 173.02, Subdivision 2; 174.03, Subdivisions 1 and 2; 360.015, Subdivision 2; 360.017, Subdivision 1; Minnesota Statutes 1981 Supplement, Sections 221.011, Subdivision 22; and 221.81; proposing new law coded in Minnesota Statutes, Chapter 221; repealing Minnesota Statutes 1981 Supplement, Section 161.465.

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

The question was taken on the repassage of the bill and the roll was called. There were 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

## MESSAGES FROM THE SENATE, Continued

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 1856.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

## CONFERENCE COMMITTEE REPORT ON 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; 241.64, Subdivision 3; 241.65; 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; 190.081; and 190.095; and Minnesota Statutes 1981 Supplement, Section 43A.08, Subdivision 2.

March 10, 1982

The Honorable Jack Davies  
President of the Senate

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

We, the undersigned conferees for S. F. No. 1856, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 1856 be further amended as follows:

Page 18, line 17, strike "(g)" and insert "(h)"

Page 32, line 23, delete "*by the board*"

Page 35, delete lines 2 to 28

Page 39, line 12, after "(WHO)" insert "and"

Page 39, line 19, strike "such"

Page 44, line 16, delete "*the day before the effective*" and insert "*March 10, 1982*"

Page 44, line 17, delete "*date of sections 13 and 14*"

Page 44, line 21, after "*position*" insert "*, but not to exceed five years after the effective date of this section. After the five-year period has expired, the employee shall have all rights granted pursuant to section 43A.07, subdivision 6, to an employee of a newly declassified position*"

Page 44, line 31, delete "*the effective date of this*" and insert "*March 10, 1982*"

Page 44, line 32, delete "*section*"

Page 44, line 35, before the period insert "*, but not to exceed five years after the employee's return to the position. After the five-year period has expired, the employee shall have all rights granted pursuant to section 43A.07, subdivision 6, to an employee of a newly declassified position*"

Page 45, after line 3, insert:

"Sec. 64. [LIMITATION ON THE CONTRACTING-OUT OF SERVICES PROVIDED BY MEMBERS OF A STATE OF MINNESOTA OR UNIVERSITY OF MINNESOTA BARGAINING UNIT.]

*Any contract entered into after the effective date of this section by the state of Minnesota or the University of Minnesota involving services, any part of which, in the absence of the contract, would be performed by members of a unit provided in section 179.741, subdivision 1 or 3, shall be subject to section 16.07*

*and shall provide for the preferential employment by such a party of members of that unit whose employment with the state of Minnesota or the University of Minnesota is terminated as a result of that contract."*

Page 45, line 7, after the period insert "*Section 63, subdivisions 3 and 4, are repealed six years and 30 days after the effective date of section 63.*"

Page 45, line 9, after the period insert:

*"Section 64 is effective the day following final enactment."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 12, delete "241.64, Subdivision 3; 241.65;"

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

Senate Conferees: ALLAN H. SPEAR, ROBERT O. ASHBACH and TOM A. NELSON.

House Conferees: FRED C. NORTON, JOHN T. ROSE and WAYNE A. SIMONEAU.

Norton moved that the report of the Conference Committee on S. F. No. 1856 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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; 241.64, Subdivision 3; 241.65; 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; 190.081; and 190.095; and Minnesota Statutes 1981 Supplement, Section 43A.08, Subdivision 2.

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

The question was taken on the repassage of the bill and the roll was called. There were 93 yeas and 27 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Evans	Kaley	Norton	Schreiber
Anderson, G.	Fjoslien	Kelly	Novak	Sherman
Anderson, I.	Forsythe	Knickerbocker	Ogren	Sieben, M.
Battaglia	Greenfield	Kostohryz	Olsen	Simoneau
Begich	Gruenes	Laidig	Osthoff	Skoglund
Berkelman	Gustafson	Lehto	Otis	Stadum
Blatz	Hanson	Lemen	Peterson, B.	Stumpf
Brandl	Harens	Levi	Peterson, D.	Swanson
Byrne	Hauge	Long	Piepho	Tomlinson
Carlson, D.	Haukoos	Luknic	Pogemiller	Vanasek
Carlson, L.	Heap	Mann	Reding	Vellenga
Clark, J.	Heinitz	Marsh	Rice	Voss
Clark, K.	Himle	McCarron	Rodriguez, C.	Weaver
Clawson	Hoberg	McEachern	Rodriguez, F.	Welch
Dahlvang	Hokanson	Metzen	Rose	Wenzel
Dempsey	Jacobs	Minne	Rothenberg	Wynia
Eken	Johnson, D.	Munger	Samuelson	Spkr. Sieben, H.
Elioff	Jude	Murphy	Sarna	
Ellingson	Kahn	Nelson, K.	Schoenfeld	

Those who voted in the negative were:

Aasness	Esau	Mehrkens	Rees	Welker
Ainley	Hokr	Nelsen, B.	Schafer	Wieser
Brinkman	Kalis	Niehaus	Shea	Wigley
Den Ouden	Kvam	Nysether	Sherwood	
Drew	Ludeman	Onnen	Stowell	
Erickson	McDonald	Redalen	Sviggum	

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

The following conference committee report was received:

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 534

A bill for an act relating to the collection and dissemination of data; administration of the state archives and state and local government records; classifying data; providing a penalty; amending Minnesota Statutes 1980, Sections 15.17; 138.161; 138.17, Subdivisions 1, 6, 7, and by adding subdivisions; 138.19;

138.20; 138.21; proposing new law coded in Minnesota Statutes, Chapter 138; repealing Minnesota Statutes 1980, Sections 16.66 and 138.18.

March 13, 1982

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

The Honorable Jack Davies  
President of the Senate

We, the undersigned conferees for H. F. No. 534, report that we have agreed upon the items in dispute and recommend as follows:

That the House accede to the Senate amendments and that H. F. No. 534 be further amended as follows:

Page 7, before line 6, insert:

*"(c) The state archivist shall notify any person from whom access is withheld pursuant to clause (a) of this subdivision. The person may, within 30 days of the day the notice is sent, appeal the archivist's determination to the executive council of the society. The executive council shall, within 30 days of the filing of an appeal, issue a decision determining if the archivist has correctly applied the standards of clause (a). The decision of the executive council may be appealed to the district court of Ramsey County."*

Page 10, line 7, delete "through" and insert "to"

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

House Conferees: JOHN T. CLAWSON and PEGGY BYRNE.

Senate Conferees PETER P. STUMPF, ROBERT J. TENNESSEN and STEVE LINDGREN.

Clawson moved that the report of the Conference Committee on H. F. No. 534 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 534, A bill for an act relating to the collection and dissemination of data; administration of the state archives and state and local government records; classifying data; providing a penalty; amending Minnesota Statutes 1980, Sections 15.17; 138.161; 138.17, Subdivisions 1, 6, 7, and by adding subdivisions; 138.19; 138.20; 138.21; proposing new law coded in Minnesota Statutes, Chapter 138; repealing Minnesota Statutes 1980, Sections 16.66 and 138.18.

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

The question was taken on the repassage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

## MESSAGES FROM THE SENATE, Continued

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 1522.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

## CONFERENCE COMMITTEE REPORT ON S. F. NO. 1522

A bill for an act relating to local government; changing the filing of the bond of the town clerk and the town treasurer; permitting towns to self insure in the same way as other political



subdivisions; authorizing certain towns to exercise special powers by affirmative vote of the town electors; requiring notice; authorizing towns to plan; providing for standards and criteria for conditional uses and variances; authorizing the establishment of a board for planning in certain areas; authorizing governmental units to provide services for other governmental units; amending Minnesota Statutes 1980, Sections 367.10; 367.15; 368.01; Subdivisions 1, 30, and by adding subdivisions; 462.352, Subdivision 2; 462.357, Subdivision 6; 462.358, Subdivision 1a; 462.36, Subdivision 1; 471.59, by adding a subdivision; and 471.98, Subdivision 2; proposing new law coded in Minnesota Statutes, Chapter 462.

March 12, 1982

The Honorable Jack Davies  
President of the Senate

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

We, the undersigned conferees for S. F. No. 1522, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 1522 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 367.10, is amended to read:

**367.10 [TOWN CLERK; BOND; OATH.]**

Every person elected or appointed to the office of town clerk, before he enters upon the duties of his office, shall give bond to the town, with sureties approved by the town treasurer, in such penal sum as the town board directs, conditioned for the faithful discharge of his duties. The bond, with his oath of office, shall be filed with the (CLERK OF THE DISTRICT COURT) *county auditor*, and an action may be maintained thereon by the town or any person aggrieved.

Sec. 2. Minnesota Statutes 1980, Section 367.15, is amended to read:

**367.15 [TOWN TREASURER; BOND.]**

Every town treasurer, before he enters upon the duties of his office, shall give bond to the town in an amount to be determined by the board, conditioned for the faithful discharge of his duties as such treasurer. Within six days thereafter the chairman shall file such bond, with his approval endorsed thereon, for record with the county (RECORDER) *auditor*.

Sec. 3. Minnesota Statutes 1980, Section 368.01, Subdivision 1, is amended to read:

Subdivision 1. [TOWNS DESCRIBED.] Any town (IN THIS STATE) having therein plated portions in which there reside 1,200 or more people or any towns having plated area within 20 miles of the city hall of a city of the first class having over 200,000 population shall have and possess the powers (AS ARE) enumerated in this section. The town board thereof may adopt, amend, or repeal (SUCH) ordinances, rules, and bylaws for any purposes (SO) enumerated as it deems expedient.

Sec. 4. Minnesota Statutes 1980, Section 368.01, is amended by adding a subdivision to read:

*Subd. 1a. [CERTAIN OTHER TOWNS.] Any town with a population of 1,000 or more according to the most recent federal decennial census that does not otherwise qualify pursuant to subdivision 1 to exercise the powers enumerated in this section, shall have and possess the enumerated powers upon an affirmative vote of the electors of the town at the annual town meeting.*

Sec. 5. Minnesota Statutes 1980, Section 368.01, Subdivision 30, is amended to read:

Subd. 30. [NOTICE TO COUNTY AUDITOR AND SECRETARY OF STATE.] The town clerk of each town exercising special powers pursuant to this section shall so notify in writing the county auditor of the county (WHEREIN SUCH) *in which the town is located and the secretary of state. The written notice shall be filed by the county auditor and the secretary of state as a public record.*

Sec. 6. Minnesota Statutes 1980, Section 368.01, is amended by adding a subdivision to read:

*Subd. 31. [CONTINUING AUTHORITY TO EXERCISE POWERS.] If a town exercises a power pursuant to this section it may continue to exercise the power notwithstanding any subsequent change in population.*

Sec. 7. [NOTICE.]

*A town exercising a power pursuant to Minnesota Statutes, Section 368.01 on or before the effective date of this act which has not notified the county auditor of the county in which the town is located shall do so and shall notify the secretary of state as provided in Minnesota Statutes, Section 368.01, Subdivision 30.*

Sec. 8. [375B.01] [COUNTIES: SUBORDINATE GOVERNMENTAL SERVICE DISTRICTS; PURPOSE.]

*It is the purpose of this act to provide a means by which a county as a unit of general local government can effectively provide and finance various governmental services for its residents.*

**Sec. 9. [375B.02] [DEFINITION.]**

*"Subordinate service district" means a compact and contiguous district within the county in which one or more governmental services or additions to countywide services are provided by the county and financed from revenues secured from within that district. The boundaries of a single subordinate service district may not embrace an entire county.*

**Sec. 10. [375B.03] [ESTABLISHMENT OF SERVICE DISTRICTS.]**

*Notwithstanding any provision of law requiring uniform property tax rates on real or personal property within the county, any county in this state, except a metropolitan county as defined in section 473.121, subdivision 4, and any other county containing a city of the first class, may establish subordinate service districts to provide and finance any governmental service or function which it is otherwise authorized to undertake. A function or service to be provided shall not include a function or service which the county generally provides throughout the county unless an increase in the level of the service is to be supplied in the service district.*

**Sec. 11. [375B.04] [CREATION BY COUNTY BOARD.]**

*The county board of commissioners of any county, except a metropolitan county as defined in section 473.121, subdivision 4, and any other county containing a city of the first class, may establish a subordinate service district in a portion of the county by adoption of an appropriate resolution. Before the adoption of the resolution, the county board shall hold a public hearing on the question of whether or not a subordinate service district shall be established. The resolution shall specify the service or services to be provided within the subordinate service district and shall specify the territorial boundaries of the district.*

**Sec. 12. [375B.05] [CREATION BY PETITION.]**

*Subdivision 1. [PETITION.] A petition signed by ten percent of the qualified voters within the portion of the county proposed for the subordinate service district may be submitted to the county board requesting the establishment of a subordinate county service district to provide any service or services which the county is otherwise authorized by law to provide. The petition shall include the territorial boundaries of the proposed district and shall specify the types of services to be provided within the district.*

*Subd. 2. [PUBLIC HEARING.] Upon receipt of the petition, and verification of the signatures by the county auditor, the county board shall, within 30 days following verification, hold a public hearing on the question of whether or not the requested district shall be established.*

*Subd. 3. [APPROVAL; DISAPPROVAL.] Within 30 days following the holding of a public hearing, the county board, by resolution, shall approve or disapprove the establishment of the requested district. A resolution approving the creation of the district may contain amendments or modifications of the district's boundaries or functions as set forth in the petition.*

**Sec. 13. [375B.06] [PUBLICATION AND EFFECTIVE DATE.]**

*Upon passage of a resolution authorizing the creation of a subordinate service district, the county board shall cause the resolution to be published once in the official newspaper. The resolution shall include a general description of the territory to be included within the district, the type of service or services to be undertaken in the district, a statement of the means by which the service or services will be financed, and a designation of the county agency or officer who will be responsible for supervising the provision of the service or services. The district shall be deemed established 30 days after publication or at a later date as may be specified in the resolution.*

**Sec. 14. [375B.07] [REFERENDUM.]**

*Subdivision 1. [PETITION.] Upon receipt of a petition signed by five percent of the qualified voters within the territory of the proposed district prior to the effective date of its creation as specified in section 375B.06, the creation shall be held in abeyance pending referendum vote of all qualified electors residing within the boundaries of the proposed district.*

*Subd. 2. [ELECTION.] The county board shall make arrangements for the holding of a special election not less than 30 nor more than 90 days after receipt of the petition within the boundaries of the proposed district. The question to be submitted and voted upon by the qualified voters within the territory of the proposed district shall be phrased substantially as follows:*

*"Shall a subordinate service district be established in order to provide (service or services to be provided) financed by (revenue sources)?"*

*If a majority of those voting on the question favor creation of the proposed district, the district shall be deemed created*

*upon certification of the vote by the county auditor. The county auditor shall administer the election.*

**Sec. 15. [375B.08] [EXPANSION OF THE BOUNDARIES OF A SUBORDINATE SERVICE DISTRICT.]**

*The county board, on its own motion or pursuant to petition, may enlarge any existing subordinate service district pursuant to the procedures specified in sections 375B.04 to 375B.07. Only qualified voters residing in the district to be added shall be eligible to participate in the election, but if five percent of the qualified voters residing in the existing service district petition to participate in the election, all qualified voters residing in the proposed service district shall be eligible.*

**Sec. 16. [375B.09] [FINANCING.]**

*Upon adoption of the next annual budget following the creation of a subordinate service district the county board shall include in the budget appropriate provisions for the operation of the district including, as appropriate, either a property tax levied only on property within the boundaries of the district or a levy of a service charge against the users of the service within the district, or any combination of a property tax and a service charge. A tax or service charge or a combination thereof shall not be imposed to finance a function or service in the service district which the county generally provides throughout the county unless an increase in the level of the service is to be supplied in the service district in which case, in addition to the countywide tax levy, only an amount necessary to pay for the increased level of service may be imposed.*

**Sec. 17. [375B.10] [WITHDRAWAL; ELECTION.]**

*Upon receipt of a petition signed by ten percent of the qualified voters within the territory of the subordinate service district requesting the removal of the district, or pursuant to its own resolution, the county board shall make arrangements for the holding of a special election within the boundaries of the service district not less than 30 nor more than 90 days after the resolution or receipt of the petition. The question to be submitted and voted upon by the qualified voters within the territory of the district shall be phrased substantially as follows:*

*"Shall the subordinate service district presently established be removed and the service or services of the county as provided for the service district be discontinued?"*

*If a majority of those voting on the question favor the removal and discontinuance of the services, the service district*

*shall be removed and the services shall be discontinued upon certification of the vote by the county auditor. The county auditor shall administer the election.*

**Sec. 18. [375B.11] [WITHDRAWAL; BY RESOLUTION OF COUNTY BOARD.]**

*The county board may by resolution withdraw a subordinate service district from the provisions of this chapter and discontinue the service provided within the service district. The county board shall cause notice of its intention to withdraw the service district to be published at least once in the official newspaper not more than six months or less than three months before the resolution is adopted. If a joint powers agreement is a part of the subordinate service district arrangement no withdrawal shall be effective under this section unless all parties to the joint powers agreement agree to the withdrawal.*

**Sec. 19. [375B.12] [LOCAL LAWS SUPERSEDED.]**

*A special law for a single county, except a metropolitan county as defined in section 473.121, subdivision 4, and any other county containing a city of the first class, which authorizes the county to establish subordinate service districts or areas is hereby superseded. Any service being provided pursuant to the special law on or before the effective date of sections 1 to 12 may continue to be provided pursuant to the special law.*

**Sec. 20. Minnesota Statutes 1980, Section 275.50, is amended by adding a subdivision to read:**

*Subd. 7. A tax or service charge levied by the county board within a subordinate service district pursuant to chapter 375B is a "special levy" and is not subject to tax levy limitations including those contained in sections 275.50 to 275.56 or any other law. Subsequent increases in the initial tax or service charge, or additional taxes or service charges imposed at a time later than the adoption of the initial tax or service charge shall be subject to levy limitation.*

**Sec. 21. Minnesota Statutes 1980, Section 462.352, Subdivision 2, is amended to read:**

**Subd. 2. "Municipality" means any city, including a city operating under a home rule charter, and any town (HAVING THE POWERS OF STATUTORY CITIES PURSUANT TO SECTION 368.01).**

**Sec. 22. Minnesota Statutes 1980, Section 462.357, Subdivision 6, is amended to read:**

Subd. 6. [APPEALS AND ADJUSTMENTS.] Appeals to the board of appeals and adjustments may be taken by any affected person upon compliance with any reasonable conditions imposed by the zoning ordinance. The board of appeals and adjustments has the following powers with respect to the zoning ordinance:

(1) To hear and decide appeals where it is alleged that there is an error in any order, requirement, decision, or determination made by an administrative officer in the enforcement of the zoning ordinance.

(2) To hear requests for variances from the literal provisions of the ordinance in instances where their strict enforcement would cause undue hardship because of circumstances unique to the individual property under consideration, and to grant such variances only when it is demonstrated that such actions will be in keeping with the spirit and intent of the ordinance. *"Undue hardship" as used in connection with the granting of a variance means the property in question cannot be put to a reasonable use if used under conditions allowed by the official controls, the plight of the landowner is due to circumstances unique to his property not created by the landowner, and the variance, if granted, will not alter the essential character of the locality. Economic considerations alone shall not constitute an undue hardship if reasonable use for the property exists under the terms of the ordinance.* Undue hardship also includes, but is not limited to, inadequate access to direct sunlight for solar energy systems. Variances shall be granted for earth sheltered construction as defined in section 116H.02, subdivision 3, when in harmony with the ordinance. The board of appeals and adjustments or the governing body as the case may be, may not permit as a variance any use that is not permitted under the ordinance for property in the zone where the affected person's land is located. The board or governing body as the case may be, may permit as a variance the temporary use of a one family dwelling as a two family dwelling. The board or governing body as the case may be may impose conditions in the granting of variances to insure compliance and to protect adjacent properties.

Sec. 23. Minnesota Statutes 1980, Section 462.358, Subdivision 1a, is amended to read:

Subd. 1a. [AUTHORITY.] To protect and promote the public health, safety, and general welfare, to provide for the orderly, economic, and safe development of land, to preserve agricultural lands, to promote the availability of housing affordable to persons and families of all income levels, and to facilitate adequate provision for transportation, water, sewage, storm drainage, schools, parks, playgrounds, and other public services and facilities, a municipality may by ordinance adopt subdivision regulations establishing standards, requirements, and

procedures for the review and approval or disapproval of subdivisions. The regulations may contain varied provisions respecting, and be made applicable only to, certain classes or kinds of subdivisions. The regulations shall be uniform for each class or kind of subdivision.

A municipality may by resolution extend the application of its subdivision regulations to unincorporated territory located within two miles of its limits in any direction but not in a town which has adopted subdivision regulations; provided that where two or more noncontiguous municipalities have boundaries less than four miles apart, each is authorized to control the subdivision of land equal distance from its boundaries within this area. (HOWEVER, IF A MUNICIPALITY EXTENDS THE APPLICATION OF ITS SUBDIVISION OR ZONING REGULATIONS TO UNINCORPORATED TERRITORY, UPON THE PETITION OF ANY COUNTY BOARD OR TOWN BOARD AFFECTED BY THE SUBDIVISION OR ZONING REGULATIONS, A JOINT BOARD SHALL BE ESTABLISHED CONSISTING OF A THREE MEMBER COMMITTEE WITH ONE MEMBER APPOINTED FROM EACH OF THE MUNICIPAL, TOWN AND COUNTY GOVERNING BODIES. THIS JOINT BOARD SHALL ADOPT ZONING AND SUBDIVISION REGULATIONS UNDER SECTIONS 462.351 TO 462.364 FOR THE ENTIRE AREA WITHIN TWO MILES OF THE CITY LOCATED WITHIN A TOWN, AND DESIGNATE ONE OF THE GOVERNING BODIES TO SERVE AS THE GOVERNING BODY AND BOARD OF APPEALS AND ADJUSTMENT FOR PURPOSES OF SECTIONS 462.357 AND 462.358 WITHIN THE AREA. DURING THE TIME BEFORE THE JOINT BOARD ADOPTS SUBDIVISION REGULATIONS, THE SUBDIVISION REGULATIONS WHICH THE MUNICIPALITY HAS EXTENDED SHALL APPLY.)

Sec. 24. [462.3585] [JOINT PLANNING BOARD.]

*Upon request of a home rule charter or statutory city council or county or town board by resolution presented to the county auditor of the county of the affected territory a board shall be established to exercise planning and land use control authority in the unincorporated area within two miles of the corporate limits of a city. The board shall have members in a number determined by the city, county, and town. Each governmental unit shall have an equal number of members. The members shall be appointed from the governing bodies of the city, county, and town. Upon request of more than one county or town board with respect to the unincorporated area within two miles of the corporate limits of a single city, the parties may create one board rather than a separate board for each county or town, with equal membership from each affected governmental unit. The board shall serve as the governing body and board of appeals and adjustments for purposes of sections 462.351 to 462.364 within the two-mile area. The board shall have all of the powers contained in sections 462.351 to 462.364 and shall have authority to adopt*



*and enforce the uniform fire code promulgated pursuant to section 299F.011. The city shall provide staff for the preparation and administration of land use controls unless otherwise agreed by the governmental units. If a municipality extends the application of its subdivision regulations to unincorporated territory located within two miles of its limits pursuant to section 462.358, subdivision 1a, before the creation of a joint board, the subdivision regulations which the municipality has extended shall apply until the joint board adopts subdivision regulations.*

**Sec. 25. [462.3595] [CONDITIONAL USE PERMITS.]**

*Subdivision 1. [AUTHORITY.] The governing body may by ordinance designate certain types of developments, including planned unit developments, and certain land development activities as conditional uses under zoning regulations. Conditional uses may be approved by the governing body or other designated authority by a showing by the applicant that the standards and criteria stated in the ordinance will be satisfied. The standards and criteria shall include both general requirements for all conditional uses, and insofar as practicable, requirements specific to each designated conditional use.*

*Subd. 2. [PUBLIC HEARINGS.] Public hearings on the granting of conditional use permits shall be held in the manner provided in section 462.357, subdivision 3.*

*Subd. 3. [DURATION.] A conditional use permit shall remain in effect as long as the conditions agreed upon are observed, but nothing in this section shall prevent the municipality from enacting or amending official controls to change the status of conditional uses.*

*Subd. 4. [FILING OF PERMIT.] A certified copy of any conditional use permit shall be filed with the county recorder or registrar of titles of the county or counties in which the municipality is located for record. The conditional use permit shall include the legal description of the property included.*

**Sec. 26. Minnesota Statutes 1980, Section 462.36, Subdivision 1, is amended to read:**

**Subdivision 1. [REQUIRED DOCUMENTS.]** *A certified copy of every ordinance, resolution, map, (OR) regulation adopted, or variance granted under the provisions of sections (462.358 AND) 462.357 to 462.359 and (AMENDMENTS THERETO) sections 3 and 4 of this act shall be filed with the county recorder of the county or counties in which the municipality adopting it is located. Ordinances, resolutions, maps or regulations filed with the county recorder pursuant to this subdivision do not constitute encumbrances on real property. The order issued by the governing body or board of appeals and*

*adjustments as the case may be, shall include the legal description of the property involved.*

Sec. 27. Minnesota Statutes 1980, Section 471.59, is amended by adding a subdivision to read:

*Subd. 10. [SERVICES PERFORMED BY GOVERNMENTAL UNITS; COMMONALITY OF POWERS.] Notwithstanding the provisions of subdivision 1 requiring commonality of powers between parties to any agreement, the governing body of any governmental unit as defined in subdivision 1 may enter into agreements with any other governmental unit to perform on behalf of that unit any service or function which the governmental unit providing the service or function is authorized to provide for itself.*

Sec. 28. Minnesota Statutes 1980, Section 471.98, Subdivision 2, is amended to read:

*Subd. 2. "Political subdivision" includes a statutory or home rule charter city (OR), a county or a town or an instrumentality thereof having independent policy making and appropriating authority. For the purposes of sections 471.98 and 471.981, the governing body of a town is the town board.*

Sec. 29. [ST. LOUIS COUNTY HISTORICAL SOCIETIES.]

*St. Louis county may provide funds and facilities for more than one historical society of which shall be subject to the provisions of Minnesota Statutes, Sections 138.051, 138.052, and 138.053 and other laws governing the conduct of county historical societies.*

Sec. 30. [EFFECTIVE DATE.]

*Sections 1 to 7, 23, 24, and 28 are effective the day following final enactment. Sections 22, 25, and 26 are effective January 1, 1983. Section 29 is effective the day after compliance with section 645.021, subdivision 3 by the St. Louis county board."*

Delete the title and insert:

*"A bill for an act relating to local government; changing the filing of the bond of the town clerk and the town treasurer; permitting towns to self insure in the same way as other political subdivisions; authorizing certain towns to exercise special powers by affirmative vote of the town electors; requiring notice; authorizing towns to plan; providing for standards and criteria for conditional uses and variances; authorizing the establishment of a board for planning in certain areas; authorizing governmental units to provide services for other governmental units; permitting subordinate service districts; providing for the*

maintenance of St. Louis county historical societies; amending Minnesota Statutes 1980, Sections 275.50, by adding a subdivision; 367.10; 367.15; 368.01, Subdivisions 1, 30, and by adding subdivisions; 462.352, Subdivision 2; 462.357, Subdivision 6; 462.358, Subdivision 1a; 462.36, Subdivision 1; 471.59, by adding a subdivision; and 471.98, Subdivision 2; proposing new law coded in Minnesota Statutes, Chapter 462; and proposing new law coded as Minnesota Statutes, Chapter 375B."

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

**Senate Conferees:** MYRTON O. WEGENER, DAVE RUED and JACK DAVIES.

**House Conferees:** BERNARD J. BRINKMAN, GORDON O. VOSS and JOSEPH T. NIEHAUS.

Brinkman moved that the report of the Conference Committee on S. F. No. 1522 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1522, A bill for an act relating to local government; changing the filing of the bond of the town clerk and the town treasurer; permitting towns to self insure in the same way as other political subdivisions; authorizing certain towns to exercise special powers by affirmative vote of the town electors; requiring notice; authorizing towns to plan; providing for standards and criteria for conditional uses and variances; authorizing the establishment of a board for planning in certain areas; authorizing governmental units to provide services for other governmental units; amending Minnesota Statutes 1980, Sections 367.10; 367.15; 368.01, Subdivisions 1, 30, and by adding subdivisions; 462.352, Subdivision 2; 462.357, Subdivision 6; 462.358, Subdivision 1a; 462.36, Subdivision 1; 471.59, by adding a subdivision; and 471.98, Subdivision 2; proposing new law coded in Minnesota Statutes, Chapter 462.

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

The question was taken on the repassage of the bill and the roll was called. There were 106 yeas and 14 nays as follows:

Those who voted in the affirmative were:

Aasness	Brinkman	Dempsey	Greenfield	Himle
Ainley	Byrne	Eken	Gruenes	Hoberg
Anderson, B.	Carlson, D.	Eloff	Gustafson	Hokanson
Anderson, G.	Carlson, L.	Ellingson	Halberg	Jacobs
Battaglia	Clark, J.	Erickson	Hanson	Jennings
Begich	Clark, K.	Esau	Hauge	Johnson, D.
Berkelman	Clawson	Evans	Haukoos	Jude
Blatz	Dahlvang	Fjoslien	Heap	Kahn
Brandl	Dean	Forsythe	Heinitz	Kalis

Kelly	Minne	Peterson, D.	Shea	Vellenga
Knickerbocker	Munger	Piepho	Sherman	Voss
Kostohryz	Murphy	Pogemiller	Sherwood	Weaver
Kvam	Nelsen, B.	Reding	Sieben, M.	Welch
Laidig	Nelson, K.	Rice	Simoneau	Wenzel
Levi	Niehaus	Rodriguez, C.	Skoglund	Wieser
Long	Norton	Rodriguez, F.	Stadum	Wigley
Ludeman	Novak	Rose	Staten	Wynia
Luknic	Nysether	Rothenberg	Stowell	Spkr. Sieben, H.
Mann	Ogren	Sarna	Stumpf	
Marsh	Olsen	Schafer	Sviggum	
McEachern	Otis	Schoenfeld	Swanson	
Metzen	Peterson, B.	Schreiber	Vanasek	

Those who voted in the negative were:

Anderson, I.	Lemen	Onnen	Rees	Valento
Den Ouden	McCarron	Osthoff	Samuelson	Welker
Drew	McDonald	Redalen	Tomlinson	

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

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 1671.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONFERENCE COMMITTEE REPORT ON S. F. NO. 1671

A bill for an act relating to environment; providing for the chairmanship, staff, and administration of the environmental quality board; amending Minnesota Statutes 1980, Section 116C.03, Subdivision 2a, and by adding subdivisions; Minnesota Statutes 1981 Supplement, Section 116C.03, Subdivisions 2 and 4; repealing Minnesota Statutes 1980, Sections 116C.04, Subdivisions 8 and 9; 116C.05; 116C.07; and Minnesota Statutes 1981 Supplement, Section 116C.03, Subdivision 3.

March 13, 1982

The Honorable Jack Davies  
President of the Senate

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

We, the undersigned conferees for S. F. No. 1671, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 1671 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1981 Supplement, Section 116C.03, Subdivision 2, is amended to read:

Subd. 2. The board shall include as permanent members the (HEAD OF THE PLANNING DIVISION) *commissioner* of the department of energy, planning and development, the director of the pollution control agency, the commissioner of natural resources, the commissioner of agriculture, the commissioner of health, the commissioner of transportation, and a representative of the governor's office designated by the governor. The governor shall appoint five members from the general public to the board, subject to the advice and consent of the senate.

Sec. 2. Minnesota Statutes 1980, Section 116C.03, Subdivision 2a, is amended to read:

Subd. 2a. The membership terms, compensation, removal, and filling of vacancies of (CITIZENS ADVISORY COMMITTEE MEMBERS OR) public members *of the board* (, AS APPROPRIATE, ON THE BOARD) shall be as provided in section 15.0575.

Sec. 3. Minnesota Statutes 1980, Section 116C.03, is amended by adding a subdivision to read:

*Subd. 3a. The representative of the governor's office shall serve as chairman of the board.*

Sec. 4. Minnesota Statutes 1981 Supplement, Section 116C.03, Subdivision 4, is amended to read:

Subd. 4. The (COMMISSIONER OF ENERGY, PLANNING AND DEVELOPMENT) *board* shall employ staff or consultants who will be assigned to work for the board on a continuous basis. *The staff may include an executive director who shall serve in the unclassified service and be responsible for administering the board's staff, work program, budget, and other duties delegated by the board.* The board shall have the authority to request and require staff support from all other agencies of state government as needed for the execution of the responsibilities of the board.

Sec. 5. Minnesota Statutes 1980, Section 116C.03, is amended by adding a subdivision to read:

*Subd. 5. The board shall contract with the department of energy, planning and development for administrative services necessary to the board's activities. The services shall include personnel, budget, payroll and contract administration.*

Sec. 6. Minnesota Statutes 1980, Section 116C.03, is amended by adding a subdivision to read:

*Subd. 6. The board shall adopt an annual budget and work program.*

Sec. 7. [SWIM TRANSFER.]

*The administration and maintenance of the system for water information management shall be transferred from the water planning board to the land management information center in the department of energy, planning, and development.*

Sec. 8. [APPROPRIATION.]

*Subdivision 1. \$195,000 of the appropriation made in Laws 1981, Chapter 356, Section 31, Subdivision 12, is reappropriated to the water planning board to further analyze, develop, and promote implementation of management recommendations of the 1979 framework water plan. This sum shall be available until June 30, 1983. The approved complement of the water planning board for the fiscal year ending June 30, 1983, is six. Notwithstanding any law to the contrary, the water planning board is extended until June 30, 1983.*

*Subd. 2. \$30,000 of the appropriation made in Laws 1981, Chapter 356, Section 31, Subdivision 12, is reappropriated to the department of energy, planning, and development for the purpose of section 7 of this act. This sum is available until June 30, 1983. The complement of the department is increased by one for the purpose of section 7.*

Sec. 9. [REPEALER.]

*Minnesota Statutes 1980, Sections 116C.04, Subdivisions 8 and 9; 116C.05; 116C.07; and Minnesota Statutes 1981 Supplement, Section 116C.03, Subdivision 3, are repealed.*

Sec. 10. [EFFECTIVE DATE.]

*Sections 1 to 9 are effective July 1, 1982."*

Amend the title as follows:

Page 1, line 4, after the semicolon insert "transferring the swim program from the water planning board to the department of energy, planning and development; extending the water planning board; appropriating money;"

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

Senate Conferees: JOHN BERNHAGEN, GENE MERRIAM and WILLIAM P. LUTHER.

House Conferees: WILLARD M. MUNGER, WALTER R. HANSON and WILLIAM D. DEAN.

Munger moved that the report of the Conference Committee on S. F. No. 1671 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1671, A bill for an act relating to environment; providing for the chairmanship, staff, and administration of the environmental quality board; amending Minnesota Statutes 1980, Section 116C.03, Subdivision 2a, and by adding subdivisions; Minnesota Statutes 1981 Supplement, Section 116C.03, Subdivisions 2 and 4; repealing Minnesota Statutes 1980, Sections 116C.04, Subdivisions 8 and 9; 116C.05; 116C.07; and Minnesota Statutes 1981 Supplement, Section 116C.03, Subdivision 3.

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

The question was taken on the repassage of the bill and the roll was called. There were 100 yeas and 21 nays as follows:

Those who voted in the affirmative were:

Aasness	Ellingson	Kelly	O'Connor	Sherman
Anderson, B.	Evans	Knickerbocker	Ogren	Sherwood
Anderson, G.	Fjoslien	Kostohryz	Olsen	Sieben, M.
Anderson, I.	Forsythe	Laidig	Onnen	Simoneau
Battaglia	Greenfield	Lehto	Osthoff	Skoglund
Begich	Gustafson	Lemen	Otis	Stadum
Berkelman	Halberg	Levi	Peterson, B.	Staten
Blatz	Hanson	Long	Peterson, D.	Stowell
Brandl	Harens	Luknic	Piepho	Stumpf
Brinkman	Hauge	Mann	Pogemiller	Swanson
Byrne	Haukoos	Marsh	Reding	Tomlinson
Carlson, D.	Heap	McCarron	Rice	Valan
Carlson, L.	Heinitz	McEachern	Rodriguez, C.	Vanasek
Clark, J.	Himle	Metzen	Rodriguez, F.	Vellenga
Clark, K.	Hoberg	Minne	Rose	Voss
Dahlvang	Hokanson	Munger	Rothenberg	Weaver
Dempsey	Jacobs	Murphy	Samuelson	Welch
Drew	Johnson, D.	Nelson, K.	Sarna	Wenzel
Eken	Jude	Norton	Schafer	Wynia
Elioff	Kahn	Novak	Schreiber	Spkr. Sieben, H.

Those who voted in the negative were:

Den Ouden	Jennings	Mehrkens	Schoenfeld	Wigley
Erickson	Kalis	Nelsen, B.	Sviggun	
Esau	Kvam	Niehaus	Valento	
Gruenes	Ludeman	Redalen	Welker	
Hokr	McDonald	Rees	Wieser	

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

**Mr. Speaker:**

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 2000, A bill for an act relating to health and welfare; strengthening qualifications for persons controlling, administering, or managing nursing homes; requiring review of reimbursement for substandard care; requiring license revocation in certain situations; clarifying certain provisions of the general assistance program; revising a penalty; amending Minnesota Statutes 1980, Sections 144A.01, Subdivision 7; 144A.04, Subdivisions 4 and 6; 144A.08, Subdivision 3; 144A.10, Subdivision 4; 144A.11, Subdivision 2, and by adding a subdivision; and Minnesota Statutes 1981 Supplement, Section 256D.05, Subdivision 1.

**PATRICK E. FLAHAVEN, Secretary of the Senate**

Greenfield moved that the House concur in the Senate amendments to H. F. No. 2000 and that the bill be repassed as amended by the Senate.

Samuelson moved that the House refuse to concur in the Senate amendments to H. F. No. 2000, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two Houses.

A roll call was requested and properly seconded.

The question was taken on the Samuelson motion and the roll was called. There were 76 yeas and 43 nays as follows:

Those who voted in the affirmative were:

Ainley	Brinkman	Dempsey	Esau	Gruenes
Anderson, I.	Byrne	Den Ouden	Evans	Halberg
Berkelman	Carlson, D.	Eken	Fjoslien	Haukoos
Blatz	Dahlvang	Erickson	Forsythe	Heap



Heinitz	Kvam	Metzen	Rees	Valento
Himle	Laidig	Minne	Samuelson	Vanasek
Hoberg	Lehto	Murphy	Sarna	Welch
Hokanson	Lemen	Neisen, B.	Schafer	Welker
Hokr	Levi	Niehaus	Schoenfeld	Wenzel
Jennings	Long	Olsen	Schreiber	Wieser
Johnson, D.	Ludeman	Onnen	Shea	Wigley
Jude	Mann	Osthoff	Sherman	Spkr. Sieben, H.
Kaley	Marsh	Peterson, B.	Sherwood	
Kalis	McCarron	Piepho	Sieben, M.	
Knickerbocker	McEachern	Redalen	Stadum	
Kostohryz	Mehrkens	Reding	Stowell	

Those who voted in the negative were:

Battaglia	Ellingson	Luknic	Pogemiller	Sviggum
Begich	Greenfield	McDonald	Rice	Swanson
Brandl	Gustafson	Nelson, K.	Rodriguez, C.	Tomlinson
Carlson, L.	Hanson	Norton	Rodriguez, F.	Vellenga
Clark, J.	Harens	Novak	Rose	Voss
Clark, K.	Hauge	Nysether	Rothenberg	Weaver
Clawson	Jacobs	Ogren	Simoneau	Wynia
Drew	Kahn	Otis	Skoglund	
Elioff	Kelly	Peterson, D.	Staten	

The motion prevailed.

#### ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2000:

Greenfield, Samuelson and Forsythe.

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 1499.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONFERENCE COMMITTEE REPORT ON S. F. NO. 1499

A bill for an act relating to motor vehicles; providing for special license plates for former prisoners of war; proposing new law coded in Minnesota Statutes, Chapter 168.

March 12, 1982

The Honorable Jack Davies  
President of the Senate

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

We, the undersigned conferees for S. F. No. 1499, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate accede to the House amendment.

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

Senate Conferees: JOE BERTRAM, ROBERT J. SCHMITZ and DENNIS FREDERICKSON.

House Conferees: C. THOMAS OSTHOFF, SHIRLEY A. HOKANSON and DONNA PETERSON.

Osthoff moved that the report of the Conference Committee on S. F. No. 1499 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1499, A bill for an act relating to motor vehicles; providing for special license plates for former prisoners of war; proposing new law coded in Minnesota Statutes, Chapter 168.

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

The question was taken on the repassage of the bill and the roll was called. There were 117 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Ainley	Dempsey	Heap	Laidig	Nelsen, B.
Anderson, B.	Den Ouden	Heinitz	Lehto	Nelson, K.
Anderson, I.	Drew	Himle	Lemen	Niehaus
Battaglia	Eken	Hoberg	Levi	Norton
Begich	Ellingson	Hokanson	Long	Novak
Berkelman	Erickson	Hokr	Ludeman	Nysether
Blatz	Esau	Jacobs	Luknic	O'Connor
Brandl	Evans	Jennings	Mann	Ogren
Brinkman	Fjoslien	Johnson, D.	Marsh	Olsen
Byrne	Forsythe	Jude	McCarron	Onnen
Carlson, D.	Gruenes	Kahn	McDonald	Osthoff
Carlson, L.	Gustafson	Kaley	McEachern	Otis
Clark, J.	Halberg	Kalis	Mehrkens	Peterson, B.
Clark, K.	Harens	Knickerbocker	Metzen	Peterson, D.
Clawson	Hauge	Kostohryz	Minne	Piepho
Dahlvang	Haukoos	Kvam	Munger	Pogemiller

Redalen	Samuelson	Simoneau	Tomlinson	Welker
Reding	Sarna	Skoglund	Valan	Wenzel
Rees	Schafer	Stadum	Valento	Wieser
Rice	Schoenfeld	Staten	Vanasek	Wigley
Rodriguez, C.	Schreiber	Stowell	Vellenga	Spkr. Sieben, H.
Rodriguez, F.	Sherman	Stumpf	Voss	
Rose	Sherwood	Sviggum	Weaver	
Rothenberg	Sieben, M.	Swanson	Welch	

Those who voted in the negative were:

Shea

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

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 155.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONFERENCE COMMITTEE REPORT ON 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.

March 12, 1982

The Honorable Jack Davies  
President of the Senate

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

We, the undersigned conferees for S. F. No. 155, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 155 be further amended as follows:

Page 1, line 11, after "welfare" insert "*after consultation with the legislative advisory committee,*"

Page 1, line 15, after the period insert "*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.*"

Page 1, line 16, strike "the" and insert "all"

Page 1, delete lines 18 to 25

Page 2, line 1, delete "3. [RECORDS.]" and insert "2. [REPORTS.]"

Page 2, line 2, delete "*maintain records*" and insert "*report biennially to the legislature*"

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

Senate Conferees: CLARENCE M. PURFEERST, NANCY BRATAAS and RANDOLPH W. PETERSON.

House Conferees: MARNIE J. LUKNIC, PAUL MCCARRON and DON SAMUELSON.

Luknic moved that the report of the Conference Committee on S. F. No. 155 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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.

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

The question was taken on the repassage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Berkelman	Clark, J.	Eken	Forsythe
Ainley	Blatz	Clark, K.	Elioff	Greenfield
Anderson, B.	Brandl	Clawson	Ellingson	Gruenes
Anderson, G.	Brinkman	Dahivang	Erickson	Gustafson
Anderson, I.	Byrne	Dempsey	Esau	Halberg
Battaglia	Carlson, D.	Den Ouden	Evans	Hanson
Begich	Carlson, L.	Drew	Fjoslien	Harens

Hauge	Laidig	Niehaus	Rodriguez, F.	Swanson
Haukoos	Lehto	Norton	Rose	Tomlinson
Heap	Lemen	Novak	Rothenberg	Valan
Heinitz	Levi	Nysether	Samuelson	Valento
Himle	Long	O'Connor	Sarna	Vanasek
Hoberg	Ludeman	Ogren	Schafer	Vellenga
Hokanson	Luknic	Olsen	Schoenfeld	Voss
Hokr	Mann	Onnen	Schreiber	Weaver
Jacobs	Marsh	Osthoff	Shea	Welch
Jennings	McCarron	Otis	Sherman	Welker
Johnson, D.	McDonald	Peterson, B.	Sherwood	Wenzel
Jude	McEachern	Peterson, D.	Sieben, M.	Wieser
Kahn	Mehrkens	Piepho	Simoneau	Wigley
Kaley	Metzen	Pogemiller	Skoglund	Wynia
Kalis	Minne	Redalen	Stadum	Spkr. Sieben, H.
Kelly	Munger	Reding	Staten	
Knickerbocker	Murphy	Rees	Stowell	
Kostohryz	Nelsen, B.	Rice	Stumpf	
Kvam	Nelson, K.	Rodriguez, C.	Sviggun	

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

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 1821.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONFERENCE COMMITTEE REPORT ON S. F. NO. 1821

A bill for an act relating to community corrections; clarifying and harmonizing the provisions of Minnesota Statutes relating to the administrative structure of participating counties, the composition of the corrections advisory board, the powers of probation officers, and the powers and duties of the commissioner of corrections; amending Minnesota Statutes 1980, Sections 401.01, Subdivision 2; 401.02, Subdivisions 1, 3, and 4; 401.06; 401.08, Subdivisions 1 and 2; and 401.13.

March 12, 1982

The Honorable Jack Davies  
President of the Senate

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

We, the undersigned conferees for S. F. No. 1821, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 1821 be amended as follows:

Page 2, lines 15 through 17, reinstate the stricken and delete the underscored language

Pages 2 and 3 delete section 3 and insert:

"Sec. 3. Minnesota Statutes 1980, Section 401.02, Subdivision 3, is amended to read:

Subd. 3. [ESTABLISHMENT AND REORGANIZATION OF ADMINISTRATIVE STRUCTURE.] Any county or group of counties which have qualified for participation in the community corrections subsidy program provided by this chapter may, after consultation with the judges of the district court, county court, municipal court, probate court and juvenile court having jurisdiction in the county or group of counties establish, organize, and reorganize an administrative structure and provide for the budgeting, staffing and operation of court services and probation, juvenile detention and juvenile correctional facilities, and other activities required to conform to the purposes of this chapter. No contrary general or special statute divests any county or group of counties of the authority granted by this subdivision. This subdivision does not apply to Ramsey County or *Hennepin County* or to the counties in the Arrowhead region. In *Hennepin County and Ramsey County* the county board and the judges of the district court, county court, municipal court, probate court and juvenile court shall (, BEFORE JANUARY 15, 1981,) prepare and implement (, SUBJECT TO THE APPROVAL OF THE COMMISSIONER OF CORRECTIONS,) a joint plan for reorganization of correctional services in the county providing for the administrative structure and providing for the budgeting, staffing and operation of court services and probation, juvenile detention and juvenile correctional facilities, and other activities required to conform to the purposes of this chapter. *The joint plan shall be subject to the approval of the commissioner of corrections and submitted to the legislature on or before January 15, 1983.*"

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

Senate Conferees: EARL W. RENNEKE, GERRY SIKORSKI and DONALD M. MOE.

House Conferees: GARY W. LAIDIG, PAUL MCCARRON and JAMES I. RICE.

Laidig moved that the report of the Conference Committee on S. F. No. 1821 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1821, A bill for an act relating to community corrections; clarifying and harmonizing the provisions of Minnesota Statutes relating to the administrative structure of participating counties, the composition of the corrections advisory board, the powers of probation officers, and the powers and duties of the commissioner of corrections; amending Minnesota Statutes 1980, Sections 401.01, Subdivision 2; 401.02, Subdivisions 1, 3, and 4; 401.06; 401.08, Subdivisions 1 and 2; and 401.13.

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

The question was taken on the repassage of the bill and the roll was called. There were 120 yeas and 3 nays as follows:

**Those who voted in the affirmative were:**

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

**Those who voted in the negative were:**

Hokr                      Peterson, B.      Welker

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

**Mr. Speaker:**

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in

which amendment the concurrence of the House is respectfully requested:

H. F. No. 1704, A bill for an act relating to public safety; making it a felony to use or possess metal-penetrating bullets in the commission of a crime; prescribing penalties; proposing new law coded in Minnesota Statutes, Chapter 624.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Hokanson moved that the House concur in the Senate amendments to H. F. No. 1704 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1704, A bill for an act relating to public safety; making it a felony to use or possess metal-penetrating bullets in the commission of a crime; prescribing penalties; proposing new law coded in Minnesota Statutes, Chapter 624.

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

The question was taken on the repassage of the bill and the roll was called. There were 121 yeas and 3 nays as follows:

Those who voted in the affirmative were:

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



Those who voted in the negative were:

Drew

Hoberg

Welker

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

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 1702.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONFERENCE COMMITTEE REPORT ON S. F. NO. 1702

A bill for an act relating to corrections; authorizing the appointment of internal security investigators for adult correctional facilities in the unclassified civil service; clarifying the "good time" and solitary confinement provisions relating to county jails; amending Minnesota Statutes 1980, Sections 241.01, Subdivision 3a; 641.09; and 643.29, Subdivision 1.

March 12, 1982

The Honorable Jack Davies  
President of the Senate

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

We, the undersigned conferees for S. F. No. 1702, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 1702 be further amended as follows:

Page 1, line 23, after the period insert: *"Inmates shall not exercise custodial functions or have authority over other inmates or serve on the board of directors or hold any executive position in any corporation, private industry or educational program located on the grounds of or conducted within a state correctional facility."*

Amend the title as follows:

Page 1, line 2, after the semicolon insert: "limiting certain inmate functions;"

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

Senate Conferees: SAM G. SOLON, HOWARD A. KNUTSON and EARL W. RENNEKE.

House Conferees: DEAN E. JOHNSON, GARY W. LAIDIG and DAVID P. BATTAGLIA.

Johnson, D., moved that the report of the Conference Committee on S. F. No. 1702 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1702, A bill for an act relating to corrections; authorizing the appointment of internal security investigators for adult correctional facilities in the unclassified civil service; clarifying the "good time" and solitary confinement provisions relating to county jails; amending Minnesota Statutes 1980, Sections 241.01, Subdivision 3a; 641.09; and 643.29, Subdivision 1.

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

The question was taken on the repassage of the bill and the roll was called. There were 122 yeas and 3 nays as follows:

Those who voted in the affirmative were:

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

Weaver  
WelchWenzel  
Wieser

Wigley

Wynia

Spkr. Sieben, H.

Those who voted in the negative were:

McDonald

Rees

Welker

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

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 2188, A bill for an act relating to public welfare; providing for a mechanism in the program of aid to families with dependent children to minimize certain recipients' incentives to quit work; amending Minnesota Statutes 1980, Section 256.74, Subdivisions 1, as amended; and 1a, as amended.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Brandl moved that the House concur in the Senate amendments to H. F. No. 2188 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2188, A bill for an act relating to public welfare; providing for a mechanism in the program of aid to families with dependent children to minimize certain recipients' incentives to quit work; modifying certain provisions relating to medical assistance; allowing a cause of action against responsible relatives; providing for payments to health maintenance organizations; appropriating money; amending Minnesota Statutes 1980, Sections 256.74, Subdivisions 1, as amended, and 1a, as added; 256B.04, by adding a subdivision; 256B.05, Subdivision 2; 256B.06, Subdivision 3; 256B.14; 256B.19, Subdivision 1; 256B.27, Subdivision 3; and Minnesota Statutes 1981 Supplement, Section 256.966.

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

The question was taken on the repassage of the bill and the roll was called. There were 120 yeas and 5 nays as follows:

Those who voted in the affirmative were:

Aasness  
Anderson, B.  
Anderson, G.  
Anderson, I.  
Battaglia  
Begich  
Berkelman  
BlatzBrandl  
Brinkman  
Byrne  
Carlson, D.  
Carlson, L.  
Clark, J.  
Clark, K.  
ClawsonDahlvang  
Dempsey  
Drew  
Eken  
Elioff  
Ellingson  
Erickson  
EsauEvans  
Fjoslien  
Forsythe  
Greenfield  
Gruenes  
Gustafson  
Halberg  
HansonHarens  
Hauge  
Haukoos  
Heap  
Heinitz  
Himle  
Hoberg  
Hokanson

Hokr	Luknic	Nysether	Rodriguez, F.	Stumpf
Jacobs	Mann	O'Connor	Rose	Svigum
Johnson, D.	Marsh	Ogren	Rothenberg	Swanson
Jude	McCarron	Olsen	Sarna	Tomlinson
Kahn	McDonald	Onnen	Schafer	Valan
Kaley	McEachern	Osthoff	Schoenfeld	Valento
Kalis	Mehrkens	Otis	Schreiber	Vanasek
Kelly	Metzen	Peterson, B.	Shea	Vellenga
Knickerbocker	Minne	Peterson, D.	Sherman	Voss
Kostohryz	Munger	Piepho	Sherwood	Weaver
Kvam	Murphy	Pogemiller	Sieben, M.	Welch
Laidig	Nelsen, B.	Redalen	Simoneau	Wenzel
Lehto	Nelson, K.	Reding	Skoglund	Wieser
Lemen	Niehaus	Rees	Stadum	Wigley
Levi	Norton	Rice	Staten	Wynia
Long	Novak	Rodriguez, C.	Stowell	Spkr. Sieben, H.

Those who voted in the negative were:

Ainley      Den Ouden      Jennings      Ludeman      Welker

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

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 16.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONFERENCE COMMITTEE REPORT ON S. F. NO. 16

A bill for an act relating to probate; changing certain time limits and procedures for a personal representative to file an inventory and appraisalment; amending Minnesota Statutes 1980, Section 524.3-706.

March 12, 1982

The Honorable Jack Davies  
President of the Senate

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

We, the undersigned conferees for S. F. No. 16, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 16 be amended as follows:

Page 1, line 16, strike "with the court or"

Page 1, line 17, strike "registrar"

Page 1, line 17, after the first "(AND)" insert "or"

Page 1, line 17, reinstate "(MAIL)"

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

**Senate Conferees:** JACK DAVIES, RON SIELOFF and BOB LESSARD.

**House Conferees:** FRED C. NORTON, TAD JUDE and BILL PETERSON.

Norton moved that the report of the Conference Committee on S. F. No. 16 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 16, A bill for an act relating to probate; changing certain time limits and procedures for a personal representative to file an inventory and appraisal; amending Minnesota Statutes 1980, Section 524.3-706.

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

The question was taken on the repassage of the bill and the roll was called. There were 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Drew	Himle	Long	O'Connor
Ainley	Eken	Hoberg	Ludeman	Ogren
Anderson, B.	Elioff	Hokanson	Luknic	Olsen
Anderson, G.	Ellingson	Hokr	Mann	Onnen
Anderson, I.	Erickson	Jacobs	Marsh	Osthoff
Battaglia	Esau	Jennings	McCarron	Otis
Begich	Evans	Johnson, D.	McDonald	Peterson, B.
Berkelman	Fjoslien	Jude	McEachern	Peterson, D.
Blatz	Forsythe	Kahn	Mehrkens	Piepho
Brandl	Greenfield	Kaley	Metzen	Pogemiller
Brinkman	Gruenes	Kalis	Minne	Redalen
Byrne	Gustafson	Kelly	Munger	Reding
Carlson, L.	Halberg	Knickerbocker	Murphy	Rees
Clark, J.	Hanson	Kostohryz	Nelsen, B.	Rice
Clark, K.	Harens	Kvam	Nelson, K.	Rodriguez, C.
Clawson	Hauge	Laidig	Niehaus	Rodriguez, F.
Dahlvang	Haukoos	Lehto	Norton	Rose
Dempsey	Heap	Lemen	Novak	Rothenberg
Den Ouden	Heinitz	Levi	Nysether	Samuelson

Sarna	Sherwood	Stowell	Valento	Welker
Schafer	Sieben, M.	Stumpf	Vanasek	Wenzel
Schoenfeld	Simoneau	Svigum	Vellenga	Wieser
Schreiber	Skoglund	Swanson	Voss	Wigley
Shea	Stadum	Tomlinson	Weaver	Wynia
Sherman	Staten	Valan	Welch	Spkr. Sieben, H.

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

The following conference committee report was received:

**CONFERENCE COMMITTEE REPORT ON H. F. NO. 1975**

A bill for an act relating to local government; permitting towns to issue off-sale liquor licenses; amending Minnesota Statutes 1980, Section 340.11, by adding a subdivision.

March 13, 1982

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

The Honorable Jack Davies  
President of the Senate

We, the undersigned conferees for H. F. No. 1975, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 1975 be further amended as follows:

Page 1, line 10, before "*may*" insert "*, subdivision 1,*"

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

House Conferees: BOB MCEACHERN, JOHN J. SARNA and JAMES P. METZEN.

Senate Conferees: CHARLES R. DAVIS, GERRY SIKORSKI and DUANE D. BENSON.

McEachern moved that the report of the Conference Committee on H. F. No. 1975 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1975, A bill for an act relating to local government; permitting towns to issue off-sale liquor licenses; amending Minnesota Statutes 1980, Section 340.11, by adding a subdivision.

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

The question was taken on the repassage of the bill and the roll was called. There were 111 yeas and 12 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Den Ouden	Lemen	Onnen	Stowell	Wieser
Erickson	Mann	Schafer	Welker	
Esau	Niehaus	Sherwood		

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

## MESSAGES FROM THE SENATE, Continued

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 788, A bill for an act relating to courts; conciliation courts; authorizing actions to recover amounts lost due to worthless checks in the county of issuance and where the plaintiff resides; amending Minnesota Statutes 1980, Section 487.30, by adding a subdivision; 488A.12, Subdivision 3; and 488A.29, Subdivision 3.

The Senate has appointed as such committee Messrs. Fredrickson, Merriam and Peterson, R. W.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 1220, A bill for an act relating to unemployment compensation; clarifying that quitting work due to sexual harassment does not result in benefit disqualification; amending Minnesota Statutes 1980, Section 268.09, Subdivision 1.

The Senate has appointed as such committee Messrs. Peterson, C. C.; Nelson; Pehler; Chmielewski and Taylor.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 1239.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONFERENCE COMMITTEE REPORT ON S. F. NO. 1239

A bill for an act relating to the operation of state government; authorizing the state board of investment to employ investment management firms to invest certain funds on its behalf; appropriating money; amending Minnesota Statutes 1980, Section 11A.04.

March 12, 1982

The Honorable Jack Davies  
President of the Senate



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

We, the undersigned conferees for S. F. No. 1239, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate accede to the House amendment and that S. F. No. 1239 be further amended as follows:

In the title:

Page 1, line 5, after "behalf;" insert "permitting the board to invest in certain housing finance agency loans;"

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

Senate Conferees: DONALD M. MOE, ALLAN H. SPEAR and EARL W. RENNEKE.

House Conferees: LEO J. REDING, JOHN R. KALEY and JAMES I. RICE.

Reding moved that the report of the Conference Committee on S. F. No. 1239 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1239, A bill for an act relating to the operation of state government; authorizing the state board of investment to employ investment management firms to invest certain funds on its behalf; appropriating money; amending Minnesota Statutes 1980, Section 11A.04.

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

The question was taken on the repassage of the bill and the roll was called. There were 114 yeas and 9 nays as follows:

Those who voted in the affirmative were:

Aasness	Carlson, L.	Forsythe	Hokanson	Laidig
Ainley	Clark, J.	Greenfield	Hokr	Lehto
Anderson, B.	Clark, K.	Gruenes	Jacobs	Lemen
Anderson, G.	Clawson	Gustafson	Jennings	Levi
Anderson, I.	Dahlvang	Halberg	Johnson, D.	Long
Battaglia	Dempsey	Hanson	Jude	Ludeman
Begich	Drew	Harens	Kahn	Luknic
Berkelman	Eken	Hauge	Kaley	Mann
Blatz	Elioff	Haukoos	Kalis	Marsh
Brandl	Ellingson	Heap	Kelly	McDonald
Brinkman	Erickson	Heinitz	Knickerbocker	McEachern
Byrne	Evans	Himle	Kostohryz	Mehrkens
Carlson, D.	Fjoslien	Hoberg	Kvam	Metzen

Minne	Otis	Rodriguez, F.	Skoglund	Vellenga
Murphy	Peterson, B.	Rose	Stadum	Voss
Nelsen, B.	Peterson, D.	Rothenberg	Staten	Weaver
Nelson, K.	Piepho	Sarna	Stowell	Welch
Norton	Pogemiller	Schoenfeld	Stumpf	Wenzel
Novak	Redalen	Schreiber	Sviggum	Wieser
O'Connor	Reding	Shea	Swanson	Wigley
Ogren	Rees	Sherman	Tomlinson	Wynia
Olsen	Rice	Sieben, M.	Valan	Spkr. Sieben, H.
Osthoff	Rodriguez, C.	Simoneau	Vanasek	

Those who voted in the negative were:

Den Ouden	McCarron	Nysether	Schafer	Welker
Esau	Niehaus	Onnen	Valento	

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

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 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, 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Anderson, G., moved that the House concur in the Senate amendments to H. F. No. 2033 and that the bill be repassed as amended by the Senate. The motion prevailed.

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.

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

The question was taken on the repassage of the bill and the roll was called. There were 114 yeas and 11 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Aasness	Hanson	Lemen	Voss	Welker
Ainley	Heinitz	McDonald		
Esau	Kahn	Valento		

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

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1542, A bill for an act relating to metropolitan government; regulating the organization, duties and powers of the metropolitan mosquito control district and commission; increasing size of commission membership; increasing certain commission expenditure amounts; authorizing taxes; amending Minnesota Statutes 1980, Sections 473.701, Subdivisions 1, 2 and 3; 473.702; 473.703, Subdivision 1; 473.704, Subdivision 17; 473.705; and 473.711, Subdivision 2; repealing Minnesota Statutes 1980, Sections 473.701, Subdivisions 5 and 6; 473.713; and 473.717.

PATRICK E. FLAHAVEN, Secretary of the Senate

## CONCURRENCE AND REPASSAGE

Skoglund moved that the House concur in the Senate amendments to H. F. No. 1542 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1542, A bill for an act relating to metropolitan government; regulating the organization, duties and powers of the metropolitan mosquito control district and commission; increasing size of commission membership; increasing certain commission expenditure amounts; authorizing taxes; amending Minnesota Statutes 1980, Sections 473.701, Subdivisions 1, 2 and 3; 473.702; 473.703, Subdivision 1; 473.704, Subdivision 17; 473.705; and 473.711, Subdivision 2; repealing Minnesota Statutes 1980, Sections 473.701, Subdivisions 5 and 6; 473.713; and 473.717.

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

The question was taken on the repassage of the bill and the roll was called. There were 92 yeas and 34 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Evans	Kalis	Novak	Schreiber
Anderson, G.	Ewald	Kelly	O'Connor	Shea
Anderson, I.	Forsythe	Knickerbocker	Ogren	Sieben, M.
Battaglia	Greenfield	Kostohryz	Olsen	Simoneau
Begich	Gruenes	Laidig	Onnen	Skoglund
Berkelman	Halberg	Lehto	Osthoff	Staten
Blatz	Hanson	Levi	Otis	Stumpf
Brandl	Harens	Long	Peterson, B.	Swanson
Brinkman	Heap	Luknic	Peterson, D.	Tomlinson
Byrne	Heinitz	Mann	Pogemiller	Vellenga
Carlson, L.	Himle	Marsh	Reding	Voss
Clark, J.	Hoberg	McCarron	Rice	Weaver
Clark, K.	Hokanson	McEachern	Rodriguez, C.	Welch
Clawson	Hokr	Metzen	Rodriguez, F.	Wenzel
Dahlvang	Jacobs	Minne	Rose	Wynia
Dean	Johnson, D.	Munger	Rothenberg	Spkr. Sieben, H.
Eken	Jude	Murphy	Samuelson	
Elioff	Kahn	Nelson, K.	Sarna	
Ellingson	Kaley	Norton	Schoenfeld	

Those who voted in the negative were:

Aasness	Esau	McDonald	Rees	Valan
Ainley	Fjoslien	Mehrrens	Schafer	Valento
Carlson, D.	Haukoos	Nelsen, B.	Sherman	Vanasek
Dempsey	Jennings	Niehaus	Sherwood	Welker
Den Ouden	Kvam	Nysether	Stadum	Wieser
Drew	Lemen	Piepho	Stowell	Wigley
Erickson	Ludeman	Redalen	Sviggum	

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

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 522, A bill for an act relating to family; clarifying circumstances in which parent with custody of child may move to another state; amending Minnesota Statutes 1980, Section 518.175, Subdivision 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Dempsey moved that the House concur in the Senate amendments to H. F. No. 522 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 522, A bill for an act relating to family; clarifying circumstances in which parent with custody of child may move to another state; amending Minnesota Statutes 1980, Section 518.175, Subdivision 3.

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

The question was taken on the repassage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1734, A bill for an act relating to courts; authorizing the continuance of the office of court referee in the second and fourth judicial districts; amending Minnesota Statutes 1981 Supplement, Section 484.70, Subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Olsen moved that the House concur in the Senate amendments to H. F. No. 1734 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1734, A bill for an act relating to courts; authorizing the continuance of the office of court referee in the second and fourth judicial districts; amending Minnesota Statutes 1981 Supplement, Section 484.70, Subdivision 1.

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

The question was taken on the repassage of the bill and the roll was called. There were 125 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Aasness	Dempsey	Haukoos	Levi	Nysether
Ainley	Den Ouden	Heap	Long	O'Connor
Anderson, B.	Drew	Heinitz	Ludeman	Ogren
Anderson, G.	Eken	Himle	Luknic	Olsen
Anderson, I.	Elioff	Hoberg	Mann	Onnen
Battaglia	Ellingson	Hokanson	Marsh	Osthoff
Begich	Erickson	Hokr	McCarron	Otis
Berkelman	Esau	Jacobs	McDonald	Peterson, B.
Blatz	Evans	Jennings	McEachern	Peterson, D.
Brandl	Ewald	Johnson, D.	Mehrkins	Piepho
Brinkman	Fjoslien	Jude	Metzen	Pogemiller
Byrne	Forsythe	Kaley	Minne	Redalen
Carlson, D.	Greenfield	Kelly	Munger	Reding
Carlson, L.	Gruenes	Knickerbocker	Murphy	Rees
Clark, J.	Gustafson	Kostohryz	Nelsen, B.	Rice
Clark, K.	Halberg	Kvam	Nelson, K.	Rodriguez, C.
Clawson	Hanson	Laidig	Niehaus	Rodriguez, F.
Dahlvang	Harens	Lehto	Norton	Rose
Dean	Hauge	Lemen	Novak	Rothenberg

Samuelson	Sherman	Staten	Valan	Welker
Sarna	Sherwood	Stowell	Valento	Wenzel
Schafer	Sieben, M.	Stumpf	Vanasek	Wieser
Schoenfeld	Simoneau	Sviggum	Vellenga	Wigley
Schreiber	Skoglund	Swanson	Weaver	Wynia
Shea	Stadum	Tomlinson	Welch	Spkr. Sieben, H.

Those who voted in the negative were:

Voss

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

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 303.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONFERENCE COMMITTEE REPORT ON S. F. NO. 303

A bill for an act proposing an amendment to the Minnesota Constitution, Article X, by adding a section to authorize at the track parimutuel betting on races if authorized by law; proposing an amendment to the Minnesota Constitution by repealing Article XIII, Section 5, the prohibition against lotteries.

March 13, 1982

The Honorable Jack Davies  
President of the Senate

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

We, the undersigned conferees for S. F. No. 303, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 303 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [PROPOSED AMENDMENT.]

*An amendment to the Minnesota Constitution, Article X, adding a section, is proposed to the people. If the amendment is adopted, the section will read:*

*Sec. 8. The legislature may authorize on-track parimutuel betting on horse racing in a manner prescribed by law.*

**Sec. 2. [SUBMISSION TO VOTERS.]**

*The amendment proposed in section 1 shall be submitted to the people at the 1982 general election. The question submitted shall be:*

*"Shall the Minnesota Constitution be amended to permit the legislature to authorize on-track parimutuel betting on horse racing in a manner prescribed by law?"*

Yes .....

No ....."

**Delete the title and insert:**

**"A bill for an act proposing an amendment to the Minnesota Constitution, Article X, by adding a section to permit the legislature to authorize on-track parimutuel betting on horse racing."**

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

**Senate Conferees: CLARENCE M. PURFEERST, TOM A. NELSON, RONALD R. DICKLICH, CONRAD M. VEGA and JIM RAMSTAD.**

**House Conferees: LEO J. REDING, RICHARD J. KOSTOHRYZ, CHARLES C. HALBERG, KENNETH J. McDONALD and C. THOMAS OSTHOFF.**

Reding moved that the report of the Conference Committee on S. F. No. 303 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

**CALL OF THE HOUSE**

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

Aasness	Berkelman	Carlson, L.	Drew	Ewald
Ainley	Blatz	Clark, J.	Eken	Fjoslien
Anderson, G.	Brandl	Dahlvang	Elioff	Forsythe
Anderson, I.	Brinkman	Dean	Ellingson	Greenfield
Battaglia	Byrne	Dempsey	Erickson	Gruenes
Beigich	Carlson, D.	Den Ouden	Esau	Gustafson



Halberg	Laidig	Norton	Rodriguez, F.	Swanson
Hanson	Lehto	Nysether	Rose	Tomlinson
Hauge	Lemen	O'Connor	Rothenberg	Valan
Haukoos	Ludeman	Ogren	Sarna	Valento
Heap	Luknic	Olsen	Schafer	Vanasek
Himle	Mann	Onnen	Schoenfeld	Vellenga
Hoberg	Marsh	Osthoff	Schreiber	Voss
Hokanson	McDonald	Otis	Shea	Weaver
Hokr	McEachern	Peterson, B.	Sherman	Welker
Jacobs	Mehrkens	Peterson, D.	Sherwood	Wenzel
Jude	Metzen	Piepho	Sieben, M.	Wieser
Kahn	Minne	Pogemiller	Simoneau	Wynia
Kalis	Munger	Redalen	Skoglund	Spkr. Sieben, H.
Kelly	Murphy	Reding	Stadum	
Knickerbocker	Nelsen, B.	Rees	Staten	
Kostohryz	Nelson, K.	Rice	Stumpf	
Kvam	Niehaus	Rodriguez, C.	Sviggun	

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.

S. F. No. 303, A bill for an act proposing an amendment to the Minnesota Constitution, Article X, by adding a section to authorize at the track parimutuel betting on races if authorized by law; proposing an amendment to the Minnesota Constitution by repealing Article XIII, Section 5, the prohibition against lotteries.

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

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

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 77 yeas and 49 nays as follows:

Those who voted in the affirmative were:

Ainley	Eken	Kalis	Murphy	Schreiber
Anderson, B.	Elioff	Kelly	Novak	Sieben, M.
Anderson, G.	Evans	Kostohryz	O'Connor	Simoneau
Anderson, I.	Halberg	Lehto	Ogren	Stumpf
Begich	Harens	Levi	Olsen	Sviggun
Berkelman	Hauge	Long	Osthoff	Tomlinson
Blatz	Heap	Ludeman	Peterson, D.	Valan
Brinkman	Heinitz	Luknic	Piepho	Valento
Byrne	Himle	Mann	Pogemiller	Vanasek
Carlson, L.	Hoberg	Marsh	Redalen	Welker
Clark, J.	Hokanson	McCarron	Reding	Wenzel
Clawson	Hokr	McDonald	Rees	Wieser
Dahlvang	Jacobs	McEachern	Rodriguez, F.	Spkr. Sieben, H.
Dean	Jennings	Mehrkens	Rose	
Dempsey	Jude	Metzen	Samuelson	
Drew	Kahn	Minne	Sarna	

Those who voted in the negative were:

Aasness	Fjoslien	Kvam	Otis	Skoglund
Battaglia	Forsythe	Laidig	Peterson, B.	Stadum
Brandl	Greenfield	Lemen	Rice	Stowell
Carlson, D.	Gruenes	Munger	Rodriguez, C.	Swanson
Clark, K.	Gustafson	Nelsen, B.	Rothenberg	Vellenga
Den Ouden	Hanson	Nelson, K.	Schafer	Voss
Ellingson	Haukoos	Niehaus	Schoenfeld	Weaver
Erickson	Johnson, D.	Norton	Shea	Welch
Esau	Kaley	Nysether	Sherman	Wynia
Ewald	Knickerbocker	Onnen	Sherwood	

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

#### CALL OF THE HOUSE LIFTED

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

#### SPECIAL ORDERS

S. F. No. 2126 was reported to the House.

There being no objection, S. F. No. 2126 was continued on Special Orders.

S. F. No. 1957 was reported to the House.

McDonald moved to amend S. F. No. 1957, as follows:

Page 1, after line 17, delete lines 18 to 25 and insert the following:

"Whereas it is the Constitutional responsibility of the Federal government of these United States to provide for our defense and to secure the peace; and,

Whereas the peace of the world under present conditions is best secured by the military power of the United States to deter war;"

Page 2, delete lines 1 to 3

A roll call was requested and properly seconded.

Peterson, B., moved to postpone S. F. No. 1957 indefinitely. The motion did not prevail.

The question recurred on the McDonald amendment and the roll was called. There were 47 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Aasness	Heap	Lemen	Rees	Valan
Ainley	Heinitz	Levi	Rose	Valento
Begich	Himle	Ludeman	Rothenberg	Weaver
Den Ouden	Hoberg	Marsh	Schafer	Welker
Erickson	Hokr	McDonald	Schoenfeld	Wenzel
Esau	Jennings	Nelsen, B.	Sherman	Wieser
Evans	Kaley	Niehaus	Sherwood	Wigley
Fjoslien	Knickerbocker	Onnen	Stadum	
Gruenes	Kvam	Peterson, B.	Stowell	
Haukoos	Laidig	Piepho	Sviggun	

Those who voted in the negative were:

Anderson, B.	Elioff	Kelly	O'Connor	Skoglund
Anderson, G.	Ellingson	Kostohryz	Ogren	Staten
Anderson, I.	Ewald	Lehto	Osthoff	Stumpf
Battaglia	Forsythe	Long	Otis	Swanson
Berkelman	Greenfield	Luknic	Peterson, D.	Tomlinson
Brandl	Gustafson	Mann	Pogemiller	Vanasek
Brinkman	Hanson	McCarron	Reding	Vellenga
Byrne	Harens	McEachern	Rice	Voss
Carlson, L.	Hauge	Metzen	Rodriguez, C.	Welch
Clark, J.	Hokanson	Minne	Rodriguez, F.	Wynia
Clark, K.	Jacobs	Munger	Samuelson	Spkr. Sieben, H.
Clawson	Johnson, D.	Murphy	Sarna	
Dahlvang	Jude	Nelson, K.	Shea	
Dean	Kahn	Norton	Sieben, M.	
Eken	Kalis	Novak	Simoneau	

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

Lemen offered an amendment to S. F. No. 1957.

#### POINT OF ORDER

Vanasek raised a point of order pursuant to section 401 of "Mason's Manual of Legislative Procedure" that the amendment was out of order. The Speaker ruled the point of order well taken and the amendment out of order.

Stowell moved to amend S. F. No. 1957 as follows:

Page 1, line 6, insert:

*"Whereas* the Minnesota Legislature is alarmed by recent Soviet aggression in Afghanistan; and

*Whereas* the legislature deplores the Soviet Union intervention in the domestic affairs of Poland; and

*Whereas* the Castro regime in Cuba is presently supplying men and material for the purposes of violent overthrow of several legitimate governments in Central America and;

*Whereas* these communist adventures jeopardize world peace and order and;

*Whereas* the possibility of thermal nuclear war is heightened and;"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 45 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Aasness	Forsythe	Kvam	Onnen	Stowell
Carlson, D.	Gruenes	Laidig	Redalen	Sviggunn
Dean	Haukoos	Lemen	Rees	Valan
Dempsey	Heap	Ludeman	Reif	Valento
Drew	Heinitz	Marsh	Rose	Weaver
Erickson	Hoberg	McDonald	Rothenberg	Welker
Esau	Johnson, D.	Nelsen, B.	Schafer	Wenzel
Evans	Kaley	Niehaus	Sherman	Wieser
Fjoslien	Knickerbocker	Olsen	Sherwood	Wigley

Those who voted in the negative were:

Anderson, G.	Eken	Kalis	Novak	Shea
Anderson, I.	Elioff	Kelly	O'Connor	Sieben, M.
Battaglia	Ellingson	Kostohryz	Ogren	Simoneau
Begich	Ewald	Lehto	Osthoff	Skoglund
Berkelman	Greenfield	Long	Otis	Staten
Blatz	Gustafson	Mann	Peterson, D.	Stumpf
Brandl	Hanson	McCarron	Pogemiller	Swanson
Brinkman	Harens	McEachern	Reding	Vanasek
Byrne	Hauge	Metzen	Rice	Vellenga
Carlson, L.	Himle	Minne	Rodriguez, C.	Voss
Clark, J.	Hokanson	Munger	Rodriguez, F.	Welch
Clark, K.	Jacobs	Murphy	Samuelson	Wynia
Clawson	Jude	Nelson, K.	Sarna	Spkr. Sieben, H.
Dahlvang	Kahn	Norton	Schoenfeld	

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

Nelsen, B., moved to amend S. F. No. 1957, as follows:

Page 2, line 15, delete "and to"

Page 2, line 16, after "Congress" delete the period and insert "*, the premier of the Soviet Union, and to the Politburo of the Soviet Union.*"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 60 yeas and 62 nays as follows:

Those who voted in the affirmative were:

Aasness	Ewald	Johnson, D.	Niehaus	Sherman
Ainley	Fjoslien	Kaley	Olsen	Sherwood
Anderson, B.	Forsythe	Knickerbocker	Onnen	Stadum
Anderson, I.	Gruenes	Kvam	Peterson, B.	Stowell
Blatz	Halberg	Laidig	Piepho	Sviggum
Carlson, D.	Haukoos	Lemen	Redalen	Valan
Dean	Heap	Levi	Rees	Valento
Dempsey	Heinitz	Ludeman	Reif	Weaver
Den Ouden	Himle	Luknic	Rose	Welker
Drew	Hoberg	Marsh	Rothenberg	Wenzel
Erickson	Hokr	Mehrkens	Schafer	Wieser
Evans	Jennings	Nelsen, E.	Schreiber	Wigley

Those who voted in the negative were:

Anderson, G.	Esau	Lehto	Otis	Staten
Battaglia	Greenfield	Long	Peterson, D.	Stumpf
Berkelman	Gustafson	Mann	Pogemiller	Swanson
Brandl	Hanson	McCarron	Reding	Tomlinson
Brinkman	Harens	McDonald	Rice	Vanasek
Byrne	Hauge	Minne	Rodriguez, C.	Vellenga
Carlson, L.	Hokanson	Munger	Rodriguez, F.	Voss
Clark, J.	Jacobs	Murphy	Samuelson	Welch
Clark, K.	Jude	Nelson, K.	Schoenfeld	Wynia
Clawson	Kahn	Norton	Shea	Spkr. Sieben, H.
Eken	Kalis	Novak	Sieben, M.	
Elioff	Kelly	O'Connor	Simoneau	
Ellingson	Kostohryz	Ogren	Skoglund	

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

S. F. No. 1957, A resolution memorializing the President and Congress of the United States in support of a mutual freeze with the Soviet Union on the testing, production, and deployment of nuclear weapons and delivery systems.

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

The question was taken on the passage of the bill and the roll was called. There were 88 yeas and 17 nays as follows:

Those who voted in the affirmative were:

Ainley	Clark, K.	Hanson	Lehto	Novak
Anderson, B.	Clawson	Harens	Long	O'Connor
Anderson, G.	Dahlvang	Hauge	Luknic	Ogren
Anderson, I.	Drew	Himle	Mann	Olsen
Battaglia	Eken	Jacobs	Marsh	Osthoff
Begich	Elioff	Johnson, D.	McCarron	Otis
Berkelman	Ellingson	Jude	Mehrkens	Peterson, B.
Blatz	Evans	Kahn	Metzen	Peterson, D.
Brandl	Ewald	Kalis	Minne	Piepho
Brinkman	Forsythe	Kelly	Munger	Pogemiller
Byrne	Greenfield	Knickerbocker	Murphy	Reding
Carlson, L.	Gruenes	Kostohryz	Nelson, K.	Reif
Clark, J.	Gustafson	Laidig	Norton	Rice

Rodriguez, C.	Schoenfeld	Skoglund	Tomlinson	Wenzel
Rodriguez, F.	Shea	Staten	Vanasek	Wynia
Rose	Sherman	Stumpf	Vellenga	Spkr. Sieben, H.
Samuelson	Sieben, M.	Sviggum	Voss	
Sarna	Simoneau	Swanson	Weich	

Those who voted in the negative were:

Aasness	Esau	Kaley	Nelsen, B.	Stowell
Dean	Heap	Kvam	Niehaus	
Dempsey	Heinitz	Lemen	Redalen	
Erickson	Hokr	McDonald	Rees	

The bill was passed and its title agreed to.

S. F. No. 2127, 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 third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 120 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

The following conference committee report was received:

## CONFERENCE COMMITTEE REPORT ON H. F. NO. 356

A bill for an act relating to crimes; specifying offenses relating to computers; providing penalties; proposing new law coded in Minnesota Statutes 1980, Chapter 609.

March 13, 1982

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

The Honorable Jack Davies  
President of the Senate

We, the undersigned conferees for H. F. No. 356, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 356 be further amended by deleting everything after the enacting clause and inserting:

"Section 1. [609.522] [COMPUTER CRIME; DEFINITIONS.]

*Subdivision 1. [APPLICABILITY.] For purposes of sections 1 to 3 the terms defined in this section have the meanings given them.*

*Subd. 2. [ACCESS.] "Access" means to instruct, communicate with, store data in, or retrieve data from a computer, computer system, or computer network.*

*Subd. 3. [COMPUTER.] "Computer" means an electronic device which performs logical, arithmetic and memory functions by the manipulations of signals, including but not limited to electronic or magnetic impulses.*

*Subd. 4. [COMPUTER SYSTEM.] "Computer system" means related, connected or unconnected, computers and peripheral equipment.*

*Subd. 5. [COMPUTER NETWORK.] "Computer network" means the interconnection of a communication system with a computer through a remote terminal, or with two or more interconnected computers or computer systems.*

*Subd. 6. [PROPERTY.] "Property" includes, but is not limited to, electronically processed or produced data and information contained in a computer or computer software in either machine or human readable form.*

*Subd. 7. [SERVICES.] "Services" includes but is not limited to, computer time, data processing, and storage functions.*

*Subd. 8. [COMPUTER PROGRAM.] "Computer program" means an instruction or statement or a series of instructions or statements, in a form acceptable to a computer, which directs the functioning of a computer system in a manner designed to provide appropriate products from the computer.*

*Subd. 9. [COMPUTER SOFTWARE.] "Computer software" means a computer program or procedures, or associated documentation concerned with the operation of a computer.*

*Subd. 10. [LOSS.] "Loss" means the greatest of the following:*

*(a) the retail market value of the property or services involved;*

*(b) the reasonable repair or replacement cost, whichever is less; or*

*(c) the reasonable value of the damage created by the unavailability or lack of utility of the property or services involved until repair or replacement can be effected.*

## **Sec. 2. [609.523] [COMPUTER DAMAGE.]**

*Subdivision 1. [ACTS.] Whoever does any of the following is guilty of computer damage and may be sentenced as provided in subdivision 2:*

*(a) Intentionally and without authorization damages or destroys any computer, computer system, computer network, computer software, or any other property specifically defined in section 1, subdivision 6; or*

*(b) Intentionally and without authorization and with intent to injure or defraud alters any computer, computer system, computer network, computer software, or any other property specifically defined in section 1, subdivision 6.*

*Subd. 2. [PENALTY.] Whoever commits computer damage may be sentenced as follows:*

*(a) To imprisonment for not more than ten years or to payment of a fine of not more than \$50,000, or both, if the damage, destruction or alteration results in a loss in excess of \$2,500, to the owner, his agent, or lessee;*

*(b) To imprisonment for not more than five years or to payment of a fine of not more than \$5,000, or both, if the damage,*



*destruction or alteration results in a loss of more than \$500, but not more than \$2,500 to the owner, his agent or lessee; or*

*(c) In all other cases to imprisonment for not more than 90 days or to payment of a fine of not more than \$500, or both.*

### Sec. 3. [609.524] [COMPUTER THEFT.]

*Subdivision 1. [ACTS.] Whoever does any of the following is guilty of computer theft and may be sentenced as provided in subdivision 2:*

*(a) Intentionally and without authorization or claim of right accesses or causes to be accessed any computer, computer system, computer network or any part thereof for the purpose of obtaining services or property; or*

*(b) Intentionally and without claim of right, and with intent to permanently deprive the owner of possession, takes, transfers, conceals or retains possession of any computer, computer system, or any computer software or data contained in a computer, computer system, or computer network.*

*Subd. 2. [PENALTY.] Anyone who commits computer theft may be sentenced as follows:*

*(a) To imprisonment for not more than ten years or to payment of a fine of not more than \$50,000, or both, if the loss to the owner, his agent, or lessee is in excess of \$2,500; or*

*(b) To imprisonment for not more than five years or to payment of a fine of not more than \$5,000, or both, if the loss to the owner, his agent, or lessee is more than \$500 but not more than \$2,500; or*

*(c) In all other cases to imprisonment for not more than 90 days or to payment of a fine of not more than \$500, or both.*

### Sec. 4. [EFFECTIVE DATE.]

*This act is effective August 1, 1982 and applies to all crimes committed on or after that date."*

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

House Conferees: PHYLLIS L. KAHN, ROBERT E. VANASEK and GARY W. LAIDIG.

Senate Conferees: WILLIAM P. LUTHER, JACK DAVIES and JIM RAMSTAD.

Kahn moved that the report of the Conference Committee on H. F. No. 356 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 356, A bill for an act relating to crimes; specifying offenses relating to computers; providing penalties; proposing new law coded in Minnesota Statutes 1980, Chapter 609.

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

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

Those who voted in the affirmative were:

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

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

There being no objection the order of business reverted to Messages from the Senate.

## MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 818.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 818

A bill for an act relating to game and fish; increasing the amount set aside from any increased deer license fees for deer habitat improvement; restricting the taking of bear to adult bear; amending Minnesota Statutes 1980, Sections 97.49, Subdivision 1a; and 100.27, Subdivision 2.

March 10, 1982

The Honorable Jack Davies  
President of the Senate

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

We, the undersigned conferees for S. F. No. 818, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 818 be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 84.111, is amended by adding a subdivision to read:

*Subd. 5. Notwithstanding the provisions of subdivisions 1 to 3, any person holding fee title to all property surrounding a body of public waters may use mechanical harvesting devices to harvest wild rice in those waters. This subdivision does not apply to:*

*(a) Any body of public waters greater than 125 acres in size;*

*(b) Any body of public waters to which the public has access directly or through a channel or watercourse;*

*(c) Any body of public waters within the original boundaries of any Indian reservation; or*

*(d) Harvesting of wild rice for use or sale by any person other than the owner of the surrounding property.*

Sec. 2. 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, when he determines that the game supply or area open to hunting is too small for unrestricted hunting, and he may establish by order any practicable method, including a drawing, for impartially determining the persons who may hunt in such areas.

Sec. 3. Minnesota Statutes 1980, Section 97.4841, Subdivision 2, is amended to read:

Subd. 2. [STAMP REQUIRED.] *Except for residents under the age of 18 and over the age of 65 years*, no person (OVER THE AGE OF 18 AND UNDER THE AGE OF 65 YEARS) who is otherwise required to possess a Minnesota small game license shall hunt or take migratory waterfowl within this state without first purchasing a stamp and having the stamp in (HIS) possession while hunting or taking migratory waterfowl. Each stamp shall be validated by the signature of the licensee written across its face. The commissioner shall determine the form of the stamp and shall furnish and distribute stamps to county auditors for sale by them and their authorized subagents as prescribed by order of the commissioner. The commissioner shall encourage the purchase of stamps by nonhunters who are interested in the preservation and development of habitat for migratory waterfowl. People who are hunting on their own property shall not be required to possess a Minnesota waterfowl stamp.

Sec. 4. 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. 5. Minnesota Statutes 1980, Section 98.45, Subdivision 1, is amended to read:

Subdivision 1. Except as specifically permitted in chapters 97 to 102, no person may take, buy, sell, transport, or possess any protected wild animals of this state or any aquatic plants

without first procuring a license therefor as provided in section 98.46 or in section 98.48. Every license is issued for a year beginning on the first day of March and is void after the last day of the open season or the lawful time within that year during which the acts authorized may be performed. Except as provided in this section, no license to take deer with firearm or with bow and arrow may be issued after the day prior to the first day of the regular rifle season, and all license agents shall return all stubs and unsold license blanks to the county auditor on the first business day following the first day of such season. *A license to take deer with bow and arrow issued after the opening of the bow and arrow deer season shall not be valid until the fifth day after it is issued.* A resident who is discharged from the military or naval forces of the United States, or any active reserve or component thereof, during the regular season for taking deer by firearm or within ten days before its commencement, may be issued, at any time during the firearm deer season and upon a showing of his official discharge paper, a license to take deer with firearm. Only one license of each kind, except as authorized by order of the commissioner adopted pursuant to section 97.53 and except the non-resident short term angling license, may be issued to a person in any licensing year. No license may be transferred except as expressly authorized.

Sec. 6. Minnesota Statutes 1980, Section 98.47, Subdivision 7, is amended to read:

Subd. 7. No license *to buy or sell fish or to take fish commercially* in international waters extending from Pigeon Point West to the North Dakota boundary line shall be issued to any person or member of (HIS) *the person's* household, or employee, engaged in the business of conducting a summer resort.

Sec. 7. Minnesota Statutes 1980, Section 98.52, Subdivision 1, is amended to read:

Subdivision 1. Except as otherwise provided herein, the license of any person who is convicted of violating any provisions of chapters 97 to 102, or any order or regulation duly prescribed by the commissioner under authority thereof, relating to the license or to the wild animals covered thereby, shall immediately become null and void, and no big game license of any kind shall be issued to such person for three years after the date of:

(1) A conviction for a violation relating to big game which is classified as a gross misdemeanor, or for doing any act without a big game license for which chapters 97 to 102 require a big game license, or;

(2) A second conviction within a three year period for any other violation of chapters 97 to 102 relating to big game; or

(3) *A conviction for taking any big game animal out of season.*

No license of the kind related to the conviction shall be issued to (SUCH) a person for one year after the date of conviction if the license is other than a big game license. Every person convicted of doing anything without a license for which chapters 97 to 102 require a license, shall forfeit (HIS) *their* right to secure (SUCH A) *that* license for a period of one year from a conviction other than a conviction related to big game.

Sec. 8. Minnesota Statutes 1980, Section 99.27, Subdivision 1, is amended to read:

Subdivision 1. Breeding and propagating fur-bearing animals, game birds, *bear* or deer, shall be authorized under license only upon privately owned or leased lands and waters. "Private waters," as used herein, includes all bodies of waters or streams, whether meandered or not, of a shallow, swampy, marshy, or boggy nature, not navigable in fact, and of no substantial beneficial use to the general public. The owner or lessee, applying for the license, shall have first enclosed the area, in the manner approved by the commissioner, sufficiently to confine the respective birds or animals to be raised thereon. Licenses shall be granted only in cases where the commissioner finds the application is made in good faith with intention to actually carry on the business described in the application and where the facilities, in his judgment, are adequate therefor.

Sec. 9. Minnesota Statutes 1980, Section 100.27, Subdivision 1, is amended to read:

Subdivision 1. Except as otherwise specifically provided, there shall be no open season on elk, caribou, antelope, marten, *cougar*, or wolverine.

Sec. 10. Minnesota Statutes 1980, Section 100.29, Subdivision 3, is amended to read:

Subd. 3. (IT SHALL BE UNLAWFUL TO HAVE IN POSSESSION OUT OF DOORS, EXCEPT UPON TARGET RANGES OPERATED UNDER A PERMIT FROM THE COMMISSIONER, UNLESS UNLOADED AND CONTAINED IN A GUN CASE, OR UNLOADED AND BROKEN DOWN:)

((1) ANY RIFLE OR HANDGUN, EXCEPT A 22 CALIBER RIM-FIRE RIFLE OR HANDGUN CARRIED FOR THE SOLE PURPOSE OF TAKING SMALL GAME WHEN LAWFUL AND USING 22 CALIBER SHORT, LONG, OR LONG RIFLE BULLETS, OR ANY SHOTGUN WITH SLUGS, IN ANY TERRITORY WHEREIN THERE IS AN OPEN SEASON FOR TAKING DEER WITH FIREARMS, FOR A

PERIOD OF TEN DAYS PRECEDING AND FIVE DAYS SUCCEEDING SUCH SEASON;)

((2) ANY RIFLE, EXCEPT THOSE DESCRIBED IN THIS CLAUSE, IN A TERRITORY OPEN FOR THE TAKING OF DEER WITH SHOTGUNS AND SLUGS BUT NOT WITH RIFLES, DURING SUCH SEASON; (A) SMOOTH-BORE MUZZLE LOADING MUSKETS OF NOT LESS THAN 45 CALIBER AND RIFLE MUZZLE LOADING MUSKETS OF NOT LESS THAN 40 CALIBER THAT ARE INCAPABLE OF BEING LOADED AT THE BREECH, MAY BE POSSESSED AND USED FOR THE HUNTING OF DEER DURING SUCH OPEN SEASON AND (B) 22 CALIBER RIM-FIRE RIFLES OR HANDGUNS CARRIED FOR THE SOLE PURPOSE OF TAKING SMALL GAME WHEN LAWFUL AND USING 22 CALIBER SHORT, LONG, OR LONG RIFLE BULLETS, MAY BE POSSESSED AND USED DURING SUCH OPEN DEER SEASON;)

((3) ANY SLUGS FOR USE IN A SHOTGUN IN ANY TERRITORY OPEN FOR THE TAKING OF DEER WITH FIREARMS DURING THE OPEN SEASON, EXCEPT FOR SLUGS CARRIED FOR THE SOLE PURPOSE OF TAKING DEER OR BEAR.) *Within any area where deer may be taken by firearms, it shall be unlawful during the period beginning the tenth day before the open firearms season and ending the second day after the close of the season, inclusive, to have any firearm or ammunition in possession out of doors other than:*

(1) *Shotguns using shot;*

(2) *Handguns and rifles using .22 caliber short, long and long rifle cartridges; and*

(3) *Firearms described in subdivision 9, as legal for taking big game subject to weapon zone restrictions as prescribed by the commissioner, provided the bearer has a big game license on his person and is afield during the time and within the area the big game license is valid.*

*Except for pistols and revolvers carried in compliance with sections 624.714 to 624.715 and firearms in possession upon target ranges operated under a permit from the commissioner, all firearms carried out of doors other than in conformity with this subdivision must be unloaded and contained in a case or unloaded and contained in the trunk of a car with the trunk door closed.*

Sec. 11. Minnesota Statutes 1980, Section 100.29, Subdivision 9, is amended to read:

Subd. 9. (EXCEPT AS PROVIDED IN SUBDIVISION 3, AND IN THIS SUBDIVISION, IT SHALL BE UNLAWFUL

TO TAKE DEER, MOOSE, OR ANY OTHER WILD ANIMAL DURING DEER OR MOOSE SEASON IN OPEN DEER OR MOOSE HUNTING TERRITORY WITH A RIFLE OR FIREARM WHICH DISCHARGES A PROJECTILE, THE DIAMETER OF WHICH IS LESS THAN TWENTY-THREE HUNDREDTHS OF AN INCH, OR TO USE ANY CARTRIDGE LESS THAN 1-3/4 INCHES IN LENGTH, AND NOT CONTAINING A SOFT POINT OR EXPANDING BULLET, THE MEASUREMENT TO INCLUDE THE CARTRIDGE OR SHELL AND THE BULLET SEATED IN THE USUAL MANNER, PROVIDED CARTRIDGES OF 35 CALIBER OR LARGER MAY BE USED, REGARDLESS OF LENGTH, OR TO USE SHELLS CONTAINING BUCKSHOT, OR FINE SHOT EXCEPT FOR GAME BIRDS, AND EXCEPT THAT SMOOTH-BORE MUZZLE LOADING MUSKETS OF NOT LESS THAN 45 CALIBER AND RIFLED MUZZLE LOADING MUSKETS OF NOT LESS THAN 40 CALIBER THAT ARE INCAPABLE OF BEING LOADED AT THE BREECH MAY BE USED, AND PROVIDED FURTHER THAT HANDGUNS OF THE .357, .41, AND .44 MAGNUM CALIBER, USING AMMUNITION WITH A CASE LENGTH OF NOT LESS THAN 1.285 INCHES, AND OTHER CALIBERS OF SIMILAR PERFORMANCE AS DETERMINED BY THE COMMISSIONER, MAY BE USED TO TAKE DEER, MOOSE, BEAR, OR ANY WILD ANIMAL.) *A firearm or ammunition may be used to take big game if it meets the following requirements:*

(1) *Handguns, rifles, shotguns and all projectiles used therein shall be at least 23/100ths of an inch in caliber;*

(2) *All firearms shall be loaded only with ammunition containing single projectiles;*

(3) *All projectiles shall be of a soft point or an expanding bullet type;*

(4) *All ammunition shall have a case length of at least 1.285 inches; and*

(5) *Muzzleloaders must be incapable of being loaded at the breech. Smooth-bore muzzleloaders shall be at least .45 caliber and rifled muzzleloaders shall be at least .40 caliber.*

*It is unlawful to take big game with a .30 caliber M-1 carbine cartridge or with any other firearm or ammunition which does not meet the requirements provided in clauses (1) to (5).*

Sec. 12. 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.

Sec. 13. Minnesota Statutes 1981 Supplement, Section 98.46, Subdivision 14, is amended to read:

Subd. 14. Fees for the following licenses, to be issued to non-residents, shall be:

(1) To take small game and unprotected quadrupeds with firearms and bow and arrows, \$35;

(2) To take deer and unprotected quadrupeds with firearms (AND BOW AND ARROWS), \$75;

(3) To take deer and unprotected quadrupeds with a bow and arrows only, (\$35) \$75;

(4) To take bear, \$100;

(5) To take turkeys, \$30, in addition to a small game license;

(6) To hunt raccoon, *bobcat*, *fox*, *coyote*, or *Canada lynx*, with or without dogs, \$100, in addition to nonresident small game license.

Sec. 14. Minnesota Statutes 1980, Section 98.46, Subdivision 21, is amended to read:

Subd. 21. The commissioner may by order require every licensee to tag *any fur bearing animal* at the place where (TRAPPED, BEAVER, FISHER OR OTTER) *taken*. The tag (WILL) *shall* be of a type prescribed by the commissioner and bearing (THE LICENSE NUMBER OF THE OWNER AND)

the year of its issue. Tags (WILL) *shall* be issued (WITH THE LICENSE) *upon request of the licensee in a manner prescribed by the commissioner at no additional cost.* (DURING THE CALENDAR YEARS 1977 AND 1978 THE COMMISSIONER SHALL REQUIRE THE TAGGING OF FISHER IN THE MANNER DESIGNATED IN THIS SUBDIVISION.)

Sec. 15. Minnesota Statutes 1980, Section 98.46, Subdivision 26, is amended to read:

Subd. 26. No nonresident shall possess or transport a raccoon, *bobcat, Canada lynx, or fox* taken in this state unless a tag of a type prescribed by the commissioner is affixed to the carcass. The number of tags which the commissioner shall prescribe by order will be issued with every nonresident license to take raccoon, *bobcat, Canada lynx, or fox* provided no such license or tags shall be issued after the fifth day from the commencement of the season for that licensing year.

Sec. 16. Minnesota Statutes 1981 Supplement, Section 97.4842, Subdivision 1, is amended to read:

Subdivision 1. [STAMP REQUIRED.] No person over the age of 18 and under the age of 65 years who is otherwise required to possess a Minnesota fishing license shall (TAKE TROUT BY ANGLING) *angle in any stream designated by the commissioner as a trout stream (WITHIN THIS STATE) without first purchasing a stamp and having the stamp in his possession while angling for trout in any designated trout stream.* Each stamp shall be validated by the signature of the licensee written across its face. The commissioner shall determine the form of the stamp and shall furnish and distribute stamps to county auditors for sale by them and their authorized sub-agents as prescribed by order of the commissioner. The commissioner shall encourage the purchase of stamps by any persons who are interested in the improvement of trout streams.

Sec. 17. Minnesota Statutes 1981 Supplement, Section 98.50, Subdivision 5, is amended to read:

Subd. 5. Any resident desiring to sell the licenses referred to in subdivision 1 may either purchase for cash or obtain on consignment license blanks from a county auditor in groups of not less than five non-resident, and ten resident license blanks. In addition to the basic license fee, he shall collect a fee for issuing each license in the amount of \$1 for the license to take deer and for the sportsman license authorized in section 98.46, subdivision 2a, and 75 cents for all other licenses. The state migratory waterfowl stamp required by section 97.4841, *the trout stamp required by section 97.4842, and any other similar state stamp required by statute, each shall be considered to be a "license" within the meaning of this subdivision except when such stamp and a small game or other appropriate license are issued in the same transaction in which case the stamp shall*

be considered a part of the (SMALL GAME) *appropriate* license and only one issuing fee shall be collected. In selling such licenses, he shall be deemed an agent of the county auditor and the commissioner, and he shall observe all rules and regulations promulgated by the commissioner for the accounting for and handling of such licenses.

The county auditor shall promptly deposit all moneys received from the sale of licenses with the county treasurer, and shall promptly transmit such reports as may be required by the commissioner, together with his warrant on the county treasurer for 100 percent of the surcharge imposed by section 97.482 plus 96 percent of the price to the licensee, exclusively of said surcharge and the issuing fee, for each license sold or consigned by him and subsequently sold to a licensee during the accounting period. The county auditor shall retain as his commission four percent of all license fees, excluding issuing fees for licenses consigned to subagents. In addition, for licenses sold for cash directly to the licensee, the auditor shall collect the same issuing fee as a subagent. Unsold license blanks in the hands of any agent shall be redeemed by the commissioner if presented for redemption within the time prescribed by the commissioner therefor. Any license blanks not presented for redemption within the period prescribed shall be conclusively presumed to have been sold, and the agent possessing the same or to whom they are charged shall be accountable therefor. The commissioner shall collect the same issuing fee as a subagent for licenses sold directly through a license distribution center operated by the department of natural resources. The issuing fees so collected by the commissioner shall be credited to the game and fish fund.

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

Subd. 7. Except as otherwise specifically permitted, it shall be unlawful to buy or sell any fish taken from the waters of this state, except rough fish and minnows, fish raised in a private hatchery when tagged or labeled as prescribed by the commissioner, fish taken under licensed commercial fishing operations, or lawfully taken and subject to sale from other states or countries; provided, black bass, rock bass, muskellunge, and sunfish may not be bought or sold in this state *except when bought or sold by a private hatchery in accordance with procedures and restrictions prescribed by order of the commissioner for the purpose of stocking waters for recreational fishing.*

Sec. 19. Minnesota Statutes 1980, Section 100.29, Subdivision 5, is amended to read:

Subd. 5. Except as permitted by section 98.48, subdivision 10, it (SHALL BE) is unlawful to take any wild animal by (MEANS OF) discharging any firearm or bow and arrow (THEREAT) from a motor vehicle or airplane or snowmobile

(, OR TO TRANSPORT ANY FIREARM). Except for a pistol or revolver carried in compliance with sections 624.714 and 624.715, it is unlawful to transport any firearm, including a muzzle loading firearm, in a motor vehicle or airplane or snowmobile, unless (1) the (SAME) firearm is unloaded in both barrels and magazine and (COMPLETELY) contained in a gun case expressly made for that purpose which is fully enclosed by being zipped, snapped, buckled, tied, or otherwise fastened, with no portion of the firearm exposed, or (UNLESS) (2) the firearm is unloaded and (CONTAINED) in the trunk of (THE) a car with the trunk door closed. It is also unlawful to transport (THE FOLLOWING) a bow and arrow in a motor vehicle, airplane, or snowmobile (: (1) A BOW AND ARROW) unless (1) unstrung (OR), (2) completely contained in a case, or (UNLESS) (3) contained in the trunk of the car with the trunk door closed (; (2) A MUZZLE LOADING FIREARM UNLESS FULLY UNLOADED AND COMPLETELY CONTAINED IN A GUN CASE EXPRESSLY MADE FOR THAT PURPOSE WHICH IS FULLY ENCLOSED BY BEING ZIPPED, SNAPPED, BUCKLED, TIED, OR OTHERWISE FASTENED, WITH NO PORTION OF THE FIREARM EXPOSED, AND IN THE CLOSED TRUNK OF A CAR OR REARMOST LOCATION OF A VEHICLE). A muzzle loading firearm with a flintlock ignition is fully unloaded if it has no priming powder in any pan and a muzzle loading firearm with percussion ignition is fully unloaded if it has no percussion cap on any nipple. Subject to the requirements of subdivision 17, migratory waterfowl may be taken from a floating craft including those propelled by motor, sail and wind, or both, if the motor is shut off and the sails are furled, the progress of the craft caused by such propulsion has ceased, and the craft is drifting, beached, moored, resting at anchor, or is being propelled by paddle, oars, or pole.

Sec. 20. Minnesota Statutes 1980, Section 101.42, is amended by adding a subdivision to read:

*Subd. 1a. No muskellunge less than 36 inches in length may be taken in any waters north of trunk highway No. 210.*

Sec. 21. [REPEALER.]

*Minnesota Statutes 1980, Sections 98.46, Subdivision 20 and 101.42, Subdivision 10, are repealed.*

Sec. 22. [EFFECTIVE DATE.]

*Sections 1, 3, 5, 7, 9, 10, 11, 12, and 17 are effective August 1, 1982. Sections 2, 8, 16, 18, 19, 20, and 21 are effective the day after final enactment. Sections 4, 6, 13, 14, and 15 are effective for licensing years beginning March 1, 1983."*

Delete the title and insert:

"A bill for an act relating to game and fish; altering requirements for taking and possession; increasing the deer license habitat amount; prescribing requirements for carrying and use of firearms and ammunition; prescribing penalties; restricting the season on cougar; restricting the taking of bear; removing a license fee for beaver; establishing nonresident fees for bobcat, fox, coyote and Canada lynx, allowing tagging for fur bearing animals; clarifying the trout stamp requirement; permitting certain fish to be bought or sold by private hatcheries; clarifying the transportation of firearms; clarifying the use of mechanical harvesting devices for wild rice; restricting the taking of certain muskellunge in certain areas of the state; amending Minnesota Statutes 1980, Sections 84.111, by adding a subdivision; 97.48, Subdivision 24; 97.4841, Subdivision 2; 97.49, Subdivision 1a; 98.45, Subdivision 1; 98.46, Subdivisions 21 and 26; 98.47, Subdivision 7; 98.52, Subdivision 1; 99.27, Subdivision 1; 100.27, Subdivision 1; 100.29, Subdivisions 3, 5 and 9; 101.42, Subdivision 7 and by adding a subdivision; Minnesota Statutes 1981 Supplement, Sections 97.4842, Subdivision 1; 98.46, Subdivisions 4 and 14; and 98.50, Subdivision 5; repealing Minnesota Statutes 1980, Sections 98.46, Subdivision 20; and 101.42, Subdivision 10."

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

Senate Conferees: COLLIN C. PETERSON, BOB LESSARD and STEVE ENGLER.

House Conferees: LEO J. REDING, DAVID P. BATTAGLIA and JOHN DREW.

Reding moved that the report of the Conference Committee on S. F. No. 818 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 818, A bill for an act relating to game and fish; increasing the amount set aside from any increased deer license fees for deer habitat improvement; restricting the taking of bear to adult bear: amending Minnesota Statutes 1980, Sections 97.49, Subdivision 1a; and 100.27, Subdivision 2.

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

The question was taken on the repassage of the bill and the roll was called. There were 112 yeas and 10 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Begich	Brinkman	Clark, J.	Dean
Anderson, G.	Berkelman	Byrne	Clark, K.	Dempsey
Anderson, I.	Blatz	Carlson, D.	Clawson	Den Ouden
Battaglia	Brandl	Carlson, L.	Dahlvang	Drew

Eken	Jennings	Minne	Rees	Stowell
Elioff	Johnson, D.	Munger	Reif	Stumpf
Ellingson	Jude	Murphy	Rice	Swiggum
Evans	Kahn	Nelsen, B.	Rodriguez, C.	Swanson
Ewald	Kaley	Nelson, K.	Rodriguez, F.	Tomlinson
Fjoslien	Kalis	Norton	Rose	Valan
Forsythe	Knickerbocker	Novak	Rothenberg	Valento
Gruenes	Kostohryz	O'Connor	Samuelson	Vanasek
Gustafson	Laidig	Ogren	Sarna	Vellenga
Hanson	Lehto	Olsen	Schoenfeld	Voss
Hauge	Levi	Onnen	Schreiber	Weaver
Haukoos	Long	Osthoff	Shea	Welch
Heap	Luknie	Otis	Sherman	Wenzel
Heinitz	Mann	Peterson, B.	Sherwood	Wieser
Himle	Marsh	Peterson, D.	Sieben, M.	Wigley
Hoberg	McDonald	Piepho	Simoneau	Wynia
Hokanson	McEachern	Pogemiller	Skoglund	
Hokr	Mehrkens	Redalen	Stadum	
Jacobs	Metzen	Reding	Staten	

Those who voted in the negative were:

Aasness	Erickson	Kvam	McCarron	Schafer
Ainley	Esau	Ludeman	Niehaus	Welker

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

#### REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Eken from the Committee on Rules and Legislative Administration to which was referred:

House Resolution No. 32, A resolution urging the President and Congress of the United States to resist attempts by the World Bank to assist on the construction of a taconite facility in Brazil.

Reported the same back with the recommendation that the resolution be adopted.

The report was adopted.

#### HOUSE RESOLUTION NO. 32

A house resolution urging the President and Congress of the United States to resist attempts by the World Bank to assist on the construction of a taconite facility in Brazil.

*Whereas*, the taconite industry is the primary economic activity on the Iron Range Region employing the majority of workers from northeastern Minnesota; and,

*Whereas*, the present conditions of this mining industry is depressed causing thirty percent unemployment in northeast Minnesota; and,

*Whereas*, it has traditionally been the policy of the World Bank to deny loan requests which would potentially generate competition destructive to industries in the United States; and,

*Whereas*, application has been made to the World Bank for a loan for the construction of an iron ore production facility utilizing Brazilian ore; and,

*Whereas*, the Minnesota House of Representatives believes that development of the taconite facility utilizing Brazilian ore would be extremely damaging to the economic security of the taconite industry in the State of Minnesota as well as iron ore producers elsewhere in the United States; *Now, Therefore*,

*Be It Resolved* by the Minnesota House of Representatives that it recommends that the President and Congress of the United States take action to resist the loan application of Brazil to the World Bank for financing for the construction of iron ore producing facilities utilizing Brazilian ore.

*Be It Further Resolved* that the Chief Clerk of the House of Representatives is directed to prepare an enrolled copy of this resolution, to be authenticated by his signature and that of the Speaker, and that it be presented to the President of the United States and Minnesota's Senators and Representatives in Congress.

Begich moved that House Resolution No. 32 be now adopted. The motion prevailed and House Resolution No. 32 was adopted.

### MESSAGES FROM THE SENATE, Continued

**Mr. Speaker:**

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 2000, A bill for an act relating to health and welfare; strengthening qualifications for persons controlling, administering, or managing nursing homes; requiring review of reimbursement for substandard care; requiring license revocation in certain situations; clarifying certain provisions of the general assistance program; revising a penalty; amending Minnesota Statutes 1980, Sections 144A.01, Subdivision 7; 144A.04, Subdivisions 4 and 6; 144A.08, Subdivision 3; 144A.10, Subdivision 4; 144A.-

11, Subdivision 2, and by adding a subdivision; and Minnesota Statutes 1981 Supplement, Section 256D.05, Subdivision 1.

The Senate has appointed as such committee Messrs. Sikorski, Knoll and Knutson.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 879, A bill for an act relating to juveniles; removing certain children from definition of "delinquent child"; defining "runaway," "habitual truant," "juvenile petty offender," "juvenile alcohol or controlled substance offender"; simplifying certain pleading and notice procedures; providing hearing rights and dispositional alternatives; amending Minnesota Statutes 1980, Sections 260.015, Subdivision 5, and by adding subdivisions; 260.111, Subdivision 1; 260.121, Subdivisions 1 and 2; 260.155, Subdivision 1; and 260.173, Subdivision 3; proposing new law coded in Minnesota Statutes, Chapter 260.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Levi moved that the House concur in the Senate amendments to H. F. No. 879 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 879, A bill for an act relating to juveniles; removing certain children from definition of "delinquent child"; defining "runaway," "habitual truant," "juvenile petty offender," "juvenile alcohol or controlled substance offender"; simplifying certain pleading and notice procedures; providing hearing rights and dispositional alternatives; amending Minnesota Statutes 1980, Sections 260.015, Subdivision 5, and by adding subdivisions; 260.111, Subdivision 1; 260.121, Subdivisions 1 and 2; 260.155, Subdivision 1; and 260.173, Subdivision 3; Minnesota Statutes 1981 Supplement, Section 260.125, Subdivision 3; proposing new law coded in Minnesota Statutes, Chapter 260.

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

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



Those who voted in the affirmative were:

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

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

Mr. Speaker:

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

S. F. No. 1962, 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.

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

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

PATRICK E. FLAHAVER, Secretary of the Senate

Anderson, G., moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee ap-

pointed by the Senate on the disagreeing votes of the two House on S. F. No. 1962. The motion prevailed.

#### ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1962:

Anderson, G.; Kalis and Johnson, D.

#### MESSAGES FROM THE SENATE, Continued

**Mr. Speaker:**

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 1872, A bill for an act relating to the financing of government in this state; providing for the collection of taxes; providing for distribution of campaign funds after reapportionment; providing a formula for determining limitations on interest rates on municipal bonds; changing a public sale requirement; providing for withholding of income tax refunds from child support debtors; making technical corrections and administrative changes to the income tax and property tax refund; requiring registration of rental housing in the city of Minneapolis and denying certain income tax deductions for owners who fail to comply; extending the effective date of residential energy credits; requiring notification to school districts of certain property tax assessment challenge proceedings; authorizing school districts to participate at certain hearings; allowing disclosure of private data to permit vendor processing of income and sales tax returns; altering the date warrants are issued to the sheriff for collection of certain mobile home property taxes; requiring county auditors to combine certain legal descriptions for property tax purposes; providing for sales of unstamped cigarettes to members of Indian tribes; providing for the rounding off of market value amounts; permitting leases and installment purchases of equipment by local governments and providing for their tax and fiscal treatment; adopting certain federal provisions for purposes of the research and experimental expenditures credit; clarifying the neighborhood real estate trust provisions; changing certain procedures and interest rates applicable to delinquent property taxes and tax-forfeited land sales; restricting eligibility for the property tax refund; imposing certain requirements and restrictions on the use of tax increment financing; allowing issuance of bonds to promote tourism projects in the metropolitan area; allowing an exemption of property taxes on certain property located in municipal development districts providing for the valuation of certain agricultural property; allowing the town of Rice Lake to levy in excess of its levy limitation for taxes payable in 1982; permitting the towns of Erin, Forest, Webster, and Wheatland in Rice County to impose a special levy for fire protection

purposes; allowing a levy limit increase for Clearwater County; authorizing the issuance of bonds for certain facilities for the city of Bloomington and Lake County; authorizing the sale of bonds to finance the purchase of certain equipment in the city of Duluth; reducing the rate of interest on estate tax installment payments; changing the effective date of certain estate tax provisions to conform with federal law; providing that land-owners in unorganized townships receive a property tax credit for certain transmission lines; clarifying the taxation of gravel and the distribution of revenue; validating certain tax collections by Clay County; providing for the lease of hydropower sites by the state or local governmental units; imposing a hotel and motel tax in the city of St. Paul; authorizing the city of St. Paul to issue bonds for certain purposes; establishing a port authority for the city of South St. Paul; authorizing a waiver of certain security deposits in Olmsted County; exempting certain towns from general levy limits; delaying the coefficient of dispersion penalty; clarifying the taxation of meals and food products for sales tax purposes; providing that certain leasing of manufactured homes is not a sale for purposes of the sales tax; eliminating tax recapture or payment acceleration of deferred special assessments upon certain sales of qualifying agricultural property; providing for the rate and disposition of certain taconite credits; providing for school bonds and related taxation in certain school districts; providing for homestead for certain leasehold cooperatives; revising the metropolitan agricultural preserves act; providing for reassessment of homestead property damage by a disaster; providing an action to enjoin certain tax return preparers from engaging in certain conduct or from preparing returns; imposing penalties on a preparer for wilfully understating an income tax liability or wilfully overstating a property tax refund claim; clarifying the taxation of income of athletes and entertainers; altering certain unitary tax provisions; adopting certain federal income tax amendments; providing for the distribution of production tax proceeds; requiring a study of financial problems of border communities; providing 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; 270.75, by adding a subdivision; 272.02, Subdivision 1; 273.111, Subdivisions 9, 11, and by adding a subdivision; 273.121; 273.13, Subdivisions 7c and 17d; 273.133, by adding a subdivision; 273.42, as amended; 273.425; 273.73, Subdivisions 10 and 13; 273.74, Subdivisions 1, 3, and 4; 273.75, Subdivisions 2, 3, 4, 5, and 6, and by adding a subdivision; 273.76, Subdivisions 1 and 4; 273.77; 274.19, Subdivision 3; 278.01; 278.05, Subdivision 2 and 4; 278.08; 279.37, Subdivisions 1 and 2; 282.01, Subdivision 4, and by adding a subdivision; 282.014; 282.04, by adding a subdivision; 282.08; 282.09, Subdivision 1; 282.261; 290.01, by adding a subdivision; 290.012, Subdivision 2; 290.02; 290.03; 290.032, Subdivision 5; 290.06, Subdivisions 9 and 9a, and by adding a subdivision; 290.067, Subdivision 1; 290.079, Subdivision 1; 290.09, Sub-

divisions 16 and 17; 290.095, Subdivisions 3 and 4; 290.13, Subdivision 1; 290.133, Subdivision 1; 290.16, Subdivisions 15, as amended, and 16, as amended; 290.19, Subdivision 1; 290.281, Subdivision 1; 290.31, Subdivisions 5 and 19; 290.34, Subdivision 2, as amended; 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; 291.015, as amended; 291.03, Subdivision 3, as amended; 291.051, as amended; 291.09, Subdivision 1a, as amended; 291.15; 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; 474.02, Subdivision 1b; 474.06; 475.55; 475.60, Subdivision 2; 508.25; 559.21, by adding a subdivision; 580.15; Minnesota Statutes 1981 Supplement, Sections 10A.31, Subdivision 5; 270.063; 270.66; 270.75, as amended, by adding a subdivision; 272.46; 273.11, Subdivisions 1 and 7; 273.13, Subdivision 9; 273.74, Subdivision 2; 275.50, Subdivision 2; 279.03; 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 1, 2, 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, as amended; 290.18, Subdivisions 1 and 2; 290.21, Subdivisions 3, and 4, as amended; 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, 12, 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; 298.28, Subdivision 1; 298.75; 474.03; 477A.04, Subdivision 2; Laws 1981, Third Special Session Chapter 2, Articles III, Section 6, Subdivisions 1 and 3, Section 22, and VI, Section 8; proposing new law coded in Minnesota Statutes, Chapters 270; 273; 290; 290A; 295; 297; 473H; repealing Minnesota Statutes 1980, Sections 210A.22; 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; 290.973; 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; and 290.971, Subdivision 7; 298.76."

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Eken moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

The following conference committee report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 788

A bill for an act relating to courts; conciliation courts; authorizing actions to recover amounts lost due to worthless checks in the county of issuance and where the plaintiff resides; amending Minnesota Statutes 1980, Section 487.30, by adding a subdivision; 488A.12, Subdivision 3; and 488A.29, Subdivision 3.

March 13, 1982

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

The Honorable Jack Davies  
President of the Senate

We, the undersigned conferees for H. F. No. 788, report that we have agreed upon the items in dispute and recommend as follows:

That the House accede to the Senate amendments except the Merriam amendment and that the Senate recede from the Merriam amendment.

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

House Conferees: BRUCE ANDERSON, TAD JUDE and TERRY M. DEMPSEY.

Senate Conferees: DENNIS FREDERICKSON, GENE MERRIAM and RANDOLPH W. PETERSON.

Anderson, B., moved that the report of the Conference Committee on H. F. No. 788 be adopted and that the bill be repassed, as amended by the Conference Committee. The motion prevailed.

H. F. No. 788, A bill for an act relating to courts; conciliation courts; authorizing actions to recover amounts lost due to worthless checks in the county of issuance and where the plaintiff resides; amending Minnesota Statutes 1980, Section 487.30, by adding a subdivision; 488A.12, Subdivision 3; and 488A.29, Subdivision 3.

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

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

Those who voted in the affirmative were:

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

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

Kelly moved to recall H. F. No. 546 from the Senate for further consideration.

McCarron moved to lay the Kelly motion on the table.

## POINT OF ORDER

Rees raised a point of order pursuant to section 331 of "Mason's Manual of Legislative Procedure" that the McCarron motion was not in order.

The Speaker ruled the point of order well taken and the McCarron motion out of order.

The question recurred on the Kelly motion.

A roll call was requested and properly seconded.

## POINT OF ORDER

McCarron raised a point of order pursuant to rule 1.3 that the Kelly motion was not in order. The Speaker ruled the point of order well taken and the Kelly motion out of order.

## MESSAGES FROM THE SENATE, Continued

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 356, A bill for an act relating to crimes; specifying offenses relating to computers; providing penalties; proposing new law coded in Minnesota Statutes 1980, Chapter 609.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

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 Stat-

utes 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.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 1611, A bill for an act relating to garnishment; authorizing an employer to recover expenses incurred for administering garnishment of an employee's wages; amending Minnesota Statutes 1980, Section 571.57.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 1902, A bill for an act relating to Ramsey County; permitting the county to establish a small business set-aside program.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 2065, A bill for an act relating to public welfare; providing for regulation of aversive or deprivation procedures



for behavior modification of mentally retarded individuals; proposing new law coded in Minnesota Statutes, Chapter 245.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 2271, A resolution memorializing the President of the United States and the Administrator of the Federal Aviation Administration against any attempt to prohibit local governments from restricting aircraft noise.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 1758.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONFERENCE COMMITTEE REPORT ON S. F. NO. 1758

A bill for an act relating to crimes; prohibiting conspiracies to violate controlled substances laws; clarifying the crime of escape from jail; prescribing penalties; amending Minnesota Statutes 1980, Section 609.485, Subdivision 3; proposing new law coded in Minnesota Statutes 1980, Chapter 152.

March 13, 1982

The Honorable Jack Davies  
President of the Senate

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

We, the undersigned conferees for S. F. No. 1758, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 1758 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 152.01, is amended by adding a subdivision to read:

*Subd. 18. [DRUG PARAPHERNALIA.] "Drug paraphernalia" means all equipment, products, and materials of any kind which are knowingly or intentionally used primarily in (1) manufacturing a controlled substance, (2) injecting, ingesting, inhaling, or otherwise introducing into the human body a controlled substance, (3) testing the strength, effectiveness, or purity of a controlled substance, or (4) enhancing the effect of a controlled substance.*

**Sec. 2. [152.092] [POSSESSION OF DRUG PARAPHERNALIA PROHIBITED.]**

*It is unlawful for any person knowingly or intentionally to use or to possess drug paraphernalia. Any violation of this section is a petty misdemeanor.*

**Sec. 3. [152.093] [MANUFACTURE OR DELIVERY OF DRUG PARAPHERNALIA PROHIBITED.]**

*It is unlawful for any person knowingly or intentionally to deliver drug paraphernalia or knowingly or intentionally to possess or manufacture drug paraphernalia for delivery. Any violation of this section is a misdemeanor.*

**Sec. 4. [152.094] [DELIVERY OF DRUG PARAPHERNALIA TO A MINOR PROHIBITED.]**

*Any person 18 years of age or older who violates section 3 by knowingly or intentionally delivering drug paraphernalia to a person under 18 years of age who is at least three years his junior is guilty of a gross misdemeanor.*

**Sec. 5. [152.095] [ADVERTISEMENT OF DRUG PARAPHERNALIA PROHIBITED.]**

*It is unlawful for any person knowingly or intentionally to place in any newspaper, magazine, handbill, or other publication any advertisement or promotion for the sale of drug paraphernalia. A violation of this section is a misdemeanor.*

**Sec. 6. [152.096] [CONSPIRACIES PROHIBITED.]**

*Subdivision 1. [PROHIBITED ACTS; PENALTIES.] Any person who conspires to commit any act prohibited by section 152.09, except possession or distribution for no remuneration of a small amount of marijuana as defined in section 152.01, subdivision 16, is guilty of a felony and upon conviction may be imprisoned, fined, or both, up to the maximum amount authorized by law for the act the person conspired to commit.*

*Subd. 2. [CONVICTION OF CO-CONSPIRATOR NOT REQUIRED.] A person liable under this section may be charged with and convicted of conspiracy although the person or persons with whom he conspired have not been convicted or have been convicted of some other crime based on the same act.*

**Sec. 7. Minnesota Statutes 1980, Section 152.19, Subdivision 1, is amended to read:**

**Subdivision 1. The following are subject to forfeiture:**

**(1) All controlled substances which have been manufactured, distributed, dispensed or acquired in violation of this chapter;**

**(2) All raw materials, moneys, products and equipment of any kind which are used, or intended for use, in manufacturing, compounding, processing, delivering, importing, or exporting any controlled substance in violation of this chapter;**

**(3) All property which is used, or intended for use, as a primary container for property described in clauses (1) or (2);**

**(4) All drug paraphernalia as defined by section 1;**

**(5) All conveyances, including aircraft, vehicles or vessels, which are used, or intended for use, to transport, or in any manner to facilitate the transportation, for the purpose of sale or receipt of property described in clauses (1) or (2) having a retail value of \$100 or more, but:**

**(a) No conveyance used by any person as a common carrier in the transaction of business as a common carrier is subject to forfeiture under this section unless the owner or other person in charge of the conveyance is a consenting party or privy to a violation of this chapter.**

**(b) No conveyance is subject to forfeiture under this section unless the owner thereof is privy to a violation of this chapter, or that the use of the conveyance in such violation otherwise occurred with his knowledge or consent.**

**(c) A forfeiture of a conveyance encumbered by a bona fide security interest is subject to the interest of the secured party**

unless he had knowledge of or consented to the act or omission upon which the forfeiture is based.

(d) All books, records, and research products and materials, including formulas, microfilm, tapes, and data which are used, or intended for use, in violation of this chapter.

Sec. 8. Minnesota Statutes 1980, Section 152.19, Subdivision 3, is amended to read:

Subd. 3. In the event of a conviction for a gross misdemeanor or a misdemeanor, any conveyance seized pursuant to subdivision 1, clause ((4)) (5) of this section or any moneys seized pursuant to subdivision 1, clause (2) of this section, shall be returned to the person legally entitled thereto.

Sec. 9. Minnesota Statutes 1980, Section 152.19, Subdivision 5, is amended to read:

Subd. 5. Property shall be forfeited after a conviction deemed to be a felony according to the following procedure:

(1) A separate complaint shall be filed against the property describing it, charging its use in the specified violation, and specifying the time and place of its unlawful use.

(2) If the person arrested is acquitted, the court shall dismiss the complaint against any property seized pursuant to the preceding subdivisions and order the property returned to the persons legally entitled to it.

(3) If after conviction the court finds that the property, or any part thereof, was used in any violation as specified in the complaint, it shall order that the property unlawfully used be sold, destroyed, or disposed of by the appropriate state agency in the following manner:

(a) *The appropriate agency may retain the property for official use but shall not use any motor vehicle required to be registered pursuant to chapter 168A until title is properly transferred pursuant to chapter 168A;*

(b) Sell that which is not required to be destroyed by law and which is not harmful to the public;

((B)) (c) Require the commissioner of administration to take custody of the property and remove it for disposition in accordance with law; or

((C)) (d) Forward it to the federal (BUREAU OF NARCOTICS AND DANGEROUS DRUGS) drug enforcement administration.

*Any property retained pursuant to clause (3)(a) of this subdivision shall be used only in the performance of official duties of the appropriate agency, and shall not be used for any other purpose. All proceeds from property retained under clause (3)(a) of this subdivision which is later sold shall be disbursed as provided in clause (4) of this subdivision.*

(4) Proceeds from the sale of forfeited property, after payment of seizure, storage, and sale expenses and satisfaction of valid liens against the property, shall be forwarded to the state drug abuse authority for distribution of half of the net proceeds among licensed hospitals and licensed drug treatment facilities of this state for the care and treatment of patients with drug related physical and psychological disorders, and licensed drug analysis centers. The remaining half of net proceeds shall be returned to the appropriate state agency.

Sec. 10. Minnesota Statutes 1980, Section 609.485, Subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS.] This section does not apply to a person who is free on bail or who is on parole or probation, or subject to a stayed sentence or stayed execution of sentence, unless he (1) has been taken into actual custody upon revocation of the parole, probation, or stay of the sentence or execution of sentence, or (2) is in custody in a county jail or workhouse as a condition of a stayed sentence.

#### Sec. 11. [LOCAL REGULATIONS.]

*Sections 1 to 5, 7, and 8 do not pre-empt enforcement or preclude adoption of municipal or county ordinances prohibiting or otherwise regulating the manufacture, delivery, possession or advertisement of drug paraphernalia."*

Delete the title and insert:

"A bill for an act relating to crimes; prohibiting conspiracies to violate controlled substances laws; allowing use of forfeited property; prohibiting the manufacture, delivery, possession, or advertising of drug paraphernalia; providing for civil forfeiture of drug paraphernalia; clarifying the crime of escape from jail; prescribing penalties; amending Minnesota Statutes 1980, Sections 152.01, by adding a subdivision; 152.19, Subdivisions 1, 3, and 5; and 609.485, Subdivision 3; proposing new law coded in Chapter 152."

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

Senate Conferees: MARV HANSON, GENE MERRIAM, HOWARD A. KNUTSON and RANDOLPH W. PETERSON.

House Conferees: RANDY C. KELLY, DAVID P. BATTAGLIA, TAD JUDE, WILLIAM SCHREIBER and CHARLES C. HALBERG.

Kelly moved that the report of the Conference Committee on S. F. No. 1758 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1758, A bill for an act relating to crimes; prohibiting conspiracies to violate controlled substances laws; clarifying the crime of escape from jail; prescribing penalties; amending Minnesota Statutes 1980, Section 609.485, Subdivision 3; proposing new law coded in Minnesota Statutes 1980, Chapter 152.

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

The question was taken on the repassage of the bill and the roll was called. There were 117 yeas and 5 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Byrne	Clark, K.	Greenfield	Kahn	Staten
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The bill was repassed, as amended by Conference, and its title agreed to.

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 358.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 358

A bill for an act relating to intoxicating liquor; requiring proof of financial responsibility; amending Minnesota Statutes 1980, Sections 340.11, by adding a subdivision; 340.12; and 340.-358, by adding a subdivision.

March 13, 1982

The Honorable Jack Davies  
President of the Senate

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

We, the undersigned conferees for S. F. No. 358, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and S. F. No. 358 be amended as follows:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1980, Section 340.035, Subdivision 1, is amended to read:

Subdivision 1. It (SHALL BE) *is* unlawful for any:

(1) Licensee or his employee to (SELL OR SERVE NON-INTOXICATING MALT LIQUOR TO ANY PERSON UNDER THE AGE OF 19 YEARS OR TO) permit any person under the age of 19 years to consume non-intoxicating malt liquor on the licensed premises *except as provided in paragraph (5) of this subdivision*;

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

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

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

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

(6) Person under the age of 19 years to (HAVE IN HIS POSSESSION) *possess* any non-intoxicating malt liquor, with intent to consume (SAME) *it* at a place other than the household of his parent or guardian. (POSSESSION OF SUCH NON-INTOXICATING MALT LIQUOR AT A PLACE OTHER THAN THE HOUSEHOLD OF HIS PARENT OR GUARDIAN SHALL BE PRIMA FACIE EVIDENCE OF INTENT TO CONSUME THE SAME AT A PLACE OTHER THAN THE HOUSEHOLD OF HIS PARENT OR GUARDIAN.)"

Page 1, line 11, after "*liquor*" insert "*or non-intoxicating malt liquor*"

Page 1, line 12, delete "*January*" and insert "*March*"

Page 1, line 12, delete "*1982*" and insert "*1983*"

Page 1, line 15, after "*license*" insert "*, provided this subdivision does not apply to non-intoxicating malt liquor licensees with sales of less than \$10,000 of non-intoxicating malt liquor per year, nor to holders of on-sale wine licenses under section 340.11, subdivision 20, with sales of less than \$10,000 of wine per year*"

Page 1, line 20, delete "*said*" and insert "*the*"

Page 2, line 1, delete "*said*" and insert "*the*"

Page 2, line 7, delete "*such as*" and insert "*which*"

Page 2, line 10, delete "*Nothing in*"

Page 2, line 10, delete "*shall prohibit*" and insert "*does not prohibit*"

Page 2, line 14, after "*liquor*" insert "*or non-intoxicating malt liquor*"

Page 2, line 15, delete "*establish a program to*"

Page 2, line 16, delete "*assist*" and insert "*advise*"

Page 2, line 17, delete "*in obtaining*" and insert "*of those persons offering*"

Page 2, line 18, delete everything after the period



Page 2, delete line 19, and insert "*The commissioner of insurance may, if necessary, establish an assigned risk pool by rule adopted under the administrative procedure act, sections 15.041 to 15.052.*"

Page 2, line 24, strike "to be"

Page 2, line 28, strike both commas

Page 2, lines 29 and 36, strike "such" and insert "*the*"

Page 2, lines 29 and 36, strike the first comma

Page 2, lines 29 and 36, strike ", in lieu thereof,"

Page 2, line 33, strike the comma

Page 3, lines 5, 17, and 29, strike both commas

Page 3, lines 7, 14, 21 and 31, strike "such" and insert "*the*"

Page 3, line 7, strike the first comma

Page 3, line 7, strike ", in lieu thereof,"

Page 3, line 13, strike "to be"

Page 3, line 14, strike the comma

Page 3, line 14, strike "as"

Page 3, line 15, strike "shall require" and insert "*requires*"

Page 3, line 18, strike "in lieu thereof,"

Page 3, line 19, strike the comma

Page 3, lines 20 and 30, strike "shall determine, which" and insert "*determines. The*"

Page 3, line 27, strike the first comma

Page 3, line 27, strike ", in lieu"

Page 3, line 28, strike "thereof," and strike the second comma

Page 4, line 7, delete "1" and insert "2"

Page 4, line 7, strike "no cancellation"

Page 4, line 8, strike "of the same" and insert "*it may not be cancelled*"

Page 4, line 8, strike ", can be made"

Page 4, line 10, strike "the same" and insert "*it*"

Page 4, line 17, strike "No payment of any claim by"

Page 4, strike lines 18 and 19

Page 4, line 20, strike "brought against the insured or company thereafter."

Page 4, line 28, strike the comma and insert ". *Bonds*"

Page 4, line 30, strike "All such" and insert "*The*"

Page 4, line 33, strike "such" and insert "*the*"

Page 5, line 1, strike the first comma

Page 5, line 2, after "distribution" insert a comma

Page 5, lines 4, 7, 14, 15, 30, and 32, strike "such" and insert "*the*"

Page 5, lines 26 and 29, strike "such"

Page 5, line 31, strike "said" and insert "*the*"

Page 6, line 2, delete "*January*" and insert "*March*"

Page 6, line 2, delete "1982" and insert "1983"

Page 6, line 4, delete "1" and insert "2"

Page 6, after line 4, insert:

"Sec. 5. Minnesota Statutes 1980, Section 340.73, Subdivision 1, is amended to read:

Subdivision 1. It (SHALL BE) *is* unlawful for any person, except a licensed pharmacist to sell, give, barter, furnish, deliver, or dispose of, in any manner, either directly or indirectly, any (SPIRITUOUS, VINOUS, MALT, OR FERMENTED) *intoxicating liquors or non-intoxicating malt liquors* in any quantity, for any purpose, (WHATEVER,) to any person under the age of 19 years, or to any *obviously* intoxicated person (, OR TO ANY PUBLIC PROSTITUTE).

Sec. 6. Minnesota Statutes 1980, Section 340.73, Subdivision 3, is amended to read:

Subd. 3. Whoever (SHALL) in any way (PROCURE) *procures intoxicating liquor or non-intoxicating malt liquor* for the use of any person named in this section shall be deemed to have sold it to (SUCH) *that* person. Any person violating any of the provisions of this section is guilty of a gross misdemeanor.

Sec. 7. Minnesota Statutes 1980, Section 340.95, is amended to read:

**340.95 [INJURIES CAUSED BY INTOXICATION, CIVIL ACTIONS.]**

Every husband, wife, child, parent, guardian, employer, or other person who is injured in person or property, or means of support, *or incurs other pecuniary loss* by any intoxicated person, or by the intoxication of any person, has a right of action, in his own name, against any person who, by illegally selling or bartering intoxicating liquors *or non-intoxicating malt liquors*, caused the intoxication of (SUCH) *that* person, for all damages (,) sustained (; AND). All damages recovered by a minor under this section shall be paid either to (SUCH) *the* minor or to his parent, guardian, or next friend, as the court directs (; AND). All suits for damages under this section shall be by civil action in any court of this state having jurisdiction (THEREOF). Actions for damages based upon liability imposed by this section shall be governed by section 604.01. The provisions of section 604.01, as applied under this section, (HOWEVER SHALL) *do not* (BE APPLICABLE) *apply* to actions *for injury to person, property, or loss of means of support* brought by a husband, wife, child, parent, guardian or other dependent of an intoxicated person. (NO RECOVERY SHALL BE HAD IN ANY ACTION OR ACTIONS PURSUANT TO THIS SECTION IN EXCESS OF \$250,000 FOR ALL DAMAGES TO ONE PERSON AND \$500,000 FOR ALL DAMAGES TO TWO OR MORE PERSONS ARISING OUT OF A SINGLE INSTANCE OF THE ILLEGAL SALE OR BARTER OF INTOXICATING LIQUOR.)

Sec. 8. Minnesota Statutes 1980, Section 340.951, is amended to read:

**340.951 [NOTICE OF INJURY.]**

Every person who claims damages, *and every person or his insurer who claims contribution or indemnity*, from any municipality owning and operating a municipal liquor store or from the licensee of any licensed liquor establishment for or on account of any injury within the scope of section 340.95, shall give a written notice to the governing body of the municipality or the licensee of the liquor establishment, as the case may be, stating:

(1) The time and date when, and person to whom (SUCH) *the liquor was sold (,) or bartered (, OR GIVEN);*

(2) The name and address of the person or persons who were injured or whose property was damaged;

(3) The approximate time and date and the place where any injury to person or property occurred. *Every municipality or licensee who claims contribution or indemnification from any other licensee or municipality shall give a written notice in the form and manner specified in this section to the other municipality or licensee.*

No error or omission in the notice shall void the effect of the notice, if otherwise valid, unless (SUCH) *the error or omission is of a substantially material nature.*

*In the case of claims for contribution or indemnity this notice shall be served within 120 days after the injury occurs, or within 60 days after receiving written notice of a claim for contribution or indemnity, whichever is applicable, and no action for contribution or indemnity therefor shall be maintained unless (SUCH) the notice has been given (, AND UNLESS IT IS COMMENCED WITHIN ONE YEAR AFTER SUCH INJURY. THE TIME FOR GIVING THE NOTICE SHALL NOT INCLUDE ANY PERIOD OF TIME NEXT SUCCEEDING THE OCCURRENCE OF THE INJURY DURING WHICH THE PERSON INJURED IS INCAPACITATED FROM GIVING SUCH NOTICE BY REASON OF THE INJURY SUSTAINED). In the case of a claim for damages the notice shall be served by the claimant's attorney within 120 days of the date of entering an attorney-client relationship with the person in regard to the claim, and no action for damages shall be maintained unless the notice has been given.*

Actual notice of sufficient facts to reasonably put the governing body of the municipality or the licensee of the liquor establishment, as the case may be, or its insurer, on notice of a possible claim, shall be construed to comply with the notice requirements herein.

*No action shall be maintained for injury under section 340.95 unless commenced within two years after the injury."*

Page 6, delete line 6 and insert:

*"Sections 2 to 4 are effective March 1, 1983. Sections 1, 5, 6, 7 and 8 are effective the day following final enactment and apply to all causes of action arising on and after that day, except that any changes in notice requirements in section 8 are not effective until 30 days following final enactment."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "making certain sales of non-intoxicating malt liquor illegal; providing civil liability for illegal sales of intoxicating liquor and non-intoxicating malt liquor;"

Page 1, line 4, after "Sections" insert "340.035, Subdivision 1;"

Page 1, line 5, after "subdivision" insert "; 340.73, Subdivisions 1 and 3; 340.95; and 340.951"

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

Senate Conferees: ROBERT J. TENNESSEN, OTTO T. BANG, JR., JACK DAVIES, GERRY SIKORSKI and DUANE D. BENSON.

House Conferees: TODD H. OTIS, ANN WYNIA, TAD JUDE and CHARLES C. HALBERG.

Otis moved that the report of the Conference Committee on S. F. No. 358 be adopted and that the bill be repassed as amended by the Conference Committee.

McCarron moved that the House refuse to adopt the report of the Conference Committee on S. F. No. 358, that the Conference Committee be discharged, and that the Speaker appoint a new Conference Committee of 5 members.

A roll call was requested and properly seconded.

The question was taken on the McCarron motion and the roll was called. There were 39 yeas and 82 nays as follows:

Those who voted in the affirmative were:

Ainley	Heap	Luknic	Piepho	Valan
Anderson, G.	Hoberg	Mann	Reding	Vanasek
Brinkman	Jacobs	McCarron	Samuelson	Voss
Dahlvang	Jennings	Niehaus	Sarna	Welch
Eken	Kalis	O'Connor	Schafer	Welker
Fjoslien	Knickerbocker	Olsen	Schreiber	Wieser
Harens	Kostohryz	Osthoff	Sherman	Wigley
Haukoos	Ludeman	Peterson, B.	Sviggun	

Those who voted in the negative were:

Aasness	Berkelman	Carlson, L.	Dean	Ellingson
Anderson, B.	Blatz	Clark, J.	Dempsey	Erickson
Battaglia	Brandl	Clark, K.	Den Ouden	Esau
Begich	Carlson, D.	Clawson	Elioff	Evans

Ewald	Kahn	Minne	Redalen	Stowell
Forsythe	Kelly	Munger	Rees	Stumpf
Greenfield	Kvam	Murphy	Reif	Swanson
Gruenes	Laidig	Neisen, B.	Rice	Tomlinson
Gustafson	Lehto	Nelson, K.	Rodriguez, F.	Valento
Halberg	Lemen	Norton	Rose	Vellenga
Hauge	Levi	Novak	Rothenberg	Weaver
Heinitz	Long	Nysether	Schoenfeld	Wenzel
Himle	Marsh	Ogren	Sieben, M.	Wynia
Hokanson	McDonald	Onnen	Simoneau	Spkr. Sieben, H.
Hokr	McEachern	Otis	Skoglund	
Johnson, D.	Mehrkins	Peterson, D.	Stadum	
Jude	Metzen	Pogemiller	Staten	

The motion did not prevail.

The question recurred on the Otis motion. The motion prevailed.

S. F. No. 358, A bill for an act relating to intoxicating liquor; requiring proof of financial responsibility; amending Minnesota Statutes 1980, Sections 340.11, by adding a subdivision; 340.12; and 340.353, by adding a subdivision.

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

The question was taken on the repassage of the bill and the roll was called. There were 82 yeas and 42 nays as follows:

Those who voted in the affirmative were:

Battaglia	Ewald	Kvam	Osthoff	Simoneau
Begich	Forsythe	Laidig	Otis	Skoglund
Berkelman	Greenfield	Lehto	Peterson, B.	Stadum
Blatz	Gruenes	Lemen	Peterson, D.	Staten
Brandl	Gustafson	Levi	Piepho	Stowell
Byrne	Halberg	Long	Pogemiller	Swanson
Carlson, D.	Hanson	Mann	Redalen	Tomlinson
Carlson, L.	Hauge	Marsh	Rees	Valento
Clark, J.	Heap	McDonald	Reif	Vanasek
Clark, K.	Heinitz	Minne	Rice	Vellenga
Clawson	Himle	Munger	Rodriguez, C.	Weaver
Dean	Hokanson	Murphy	Rodriguez, F.	Wenzel
Dempsey	Hokr	Nelson, K.	Rose	Wynia
Den Ouden	Johnson, D.	Norton	Rothenberg	Spkr. Sieben, H.
Elioff	Jude	Novak	Sherman	
Ellingson	Kahn	Nysether	Sherwood	
Evans	Kelly	Ogren	Sieben, M.	

Those who voted in the negative were:

Aasness	Fjoslien	Kostohryz	Olsen	Sviggunn
Ainley	Harens	Ludeman	Onnen	Voss
Anderson, B.	Haukoos	McCarron	Reding	Welch
Anderson, G.	Hoberg	McEachern	Samuelson	Welker
Brinkman	Jacobs	Mehrkins	Sarna	Wieser
Dahlvang	Jennings	Metzen	Schafer	Wigley
Eken	Kaley	Nelsen, B.	Schoenfeld	
Erickson	Kalis	Niehaus	Schreiber	
Esau	Knickerbocker	O'Connor	Stumpf	

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

The following conference committee reports were received:

## CONFERENCE COMMITTEE REPORT ON H. F. NO. 2000

A bill for an act relating to health and welfare; strengthening qualifications for persons controlling, administering, or managing nursing homes; requiring review of reimbursement for substandard care; requiring license revocation in certain situations; clarifying certain provisions of the general assistance program; revising a penalty; amending Minnesota Statutes 1980, Sections 144A.01, Subdivision 7; 144A.04, Subdivisions 4 and 6; 144A.08, Subdivision 3; 144A.10, Subdivision 4; 144A.11, Subdivision 2, and by adding a subdivision; and Minnesota Statutes 1981 Supplement, Section 256D.05, Subdivision 1.

March 13, 1982

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

The Honorable Jack Davies  
President of the Senate

We, the undersigned conferees for H. F. No. 2000, report that we have agreed upon the items in dispute and recommend as follows:

The Senate recede from its amendments and that H. F. No. 2000 be further amended as follows:

Pages 4 to 6, delete sections 8 and 9 and insert:

"Sec. 8. Minnesota Statutes 1981 Supplement, Section 256D.-05, Subdivision 1, is amended to read:

Subdivision 1. [STANDARDS.] Each person or family whose income and resources are less than the standard of assistance established by the commissioner (, AND WHO IS NOT ELIGIBLE FOR THE FEDERALLY AIDED ASSISTANCE PROGRAMS OF EMERGENCY ASSISTANCE OR AID TO FAMILIES WITH DEPENDENT CHILDREN, OR ANY SUCCESSOR TO THOSE PROGRAMS,) shall be eligible for and entitled to general assistance (IF THE PERSON OR FAMILY IS:)

((A) A PERSON SUFFERING FROM AN ILLNESS, INJURY, OR INCAPACITY WHICH IS BOTH MEDICALLY CERTIFIED AND PREVENTS THE INDIVIDUAL FROM ENGAGING IN SUITABLE EMPLOYMENT, IF A PLAN FOR REHABILITATION APPROVED BY THE LOCAL AGENCY THROUGH ITS DIRECTOR OR DESIGNATED REPRESENTATIVE IS BEING FOLLOWED WHEN THE SITUATION IS CERTIFIED AS TEMPORARY;)

((B) A PERSON WHOSE PRESENCE IN THE HOME ON A SUBSTANTIALLY CONTINUOUS BASIS IS REQUIRED BECAUSE OF THE CERTIFIED ILLNESS OR INCAPACITY OF ANOTHER MEMBER OF THE HOUSEHOLD;)

((C) A PERSON WHO HAS BEEN PLACED IN A LICENSED OR CERTIFIED FACILITY FOR PURPOSES OF PHYSICAL OR MENTAL HEALTH OR REHABILITATION, IF THE PLACEMENT IS BASED ON ILLNESS OR INCAPACITY, AND IS PURSUANT TO A PLAN DEVELOPED OR APPROVED BY THE LOCAL AGENCY THROUGH ITS DIRECTOR OR DESIGNATED REPRESENTATIVE;)

((D) A PERSON WHO RESIDES IN A SHELTER FACILITY DESCRIBED IN SUBDIVISION 3;)

((E) A PERSON WHO IS OR MAY BE ELIGIBLE FOR DISPLACED HOMEMAKER SERVICES, PROGRAMS, OR ASSISTANCE UNDER SECTION 4.40. IN DETERMINING ELIGIBILITY OF THE PERSON FOR GENERAL ASSISTANCE, INCOME RECEIVED AS A STIPEND SHALL BE DISREGARDED AS PROVIDED IN SECTION 4.40;)

((F) A PERSON WHO IS UNABLE TO SECURE SUITABLE EMPLOYMENT DUE TO INABILITY TO COMMUNICATE IN THE ENGLISH LANGUAGE, AND WHO, IF ASSIGNED TO A LANGUAGE SKILLS PROGRAM BY THE LOCAL AGENCY, IS PARTICIPATING IN THAT PROGRAM;)

((G) A PERSON NOT DESCRIBED IN CLAUSE (A) OR (C) WHO IS DIAGNOSED BY A LICENSED PHYSICIAN OR LICENSED CONSULTING PSYCHOLOGIST AS MENTALLY ILL; OR)

((H) A PERSON WHO IS UNABLE TO SECURE SUITABLE EMPLOYMENT DUE TO A LACK OF MARKETABLE SKILLS AS DETERMINED BY THE LOCAL AGENCY, AND WHO, IF ASSIGNED TO A VOCATIONAL COUNSELING, VOCATIONAL REHABILITATION, OR WORK TRAINING PROGRAM BY THE LOCAL AGENCY, IS PARTICIPATING IN THAT PROGRAM. ELIGIBILITY FOR GENERAL ASSISTANCE UNDER CLAUSE (H) OF THIS SUBDIVISION IS LIMITED TO FIVE WEEKS PER CALENDAR YEAR); *provided that no individual shall be eligible for general assistance if the individual is eligible for any of the following federally aided assistance programs: emergency assistance, aid to families with dependent children, or any successor to the above.*

Sec. 9. Minnesota Statutes 1980, Section 256D.05, is amended by adding a subdivision to read:



**Subd. 1a. [TEMPORARY STANDARDS.]** *Notwithstanding the provisions of subdivision 1, from the day following final enactment of this act until June 30, 1983, each person or family whose income and resources are less than the standard of assistance established by the commissioner, and who is not eligible for the federally aided assistance programs of emergency assistance or aid to families with dependent children, or any successor to those programs, shall be eligible for and entitled to general assistance if the person or family is:*

*(a) A person who is suffering from a permanent or temporary illness, injury, or incapacity which is both medically certified and prevents the person from engaging in suitable employment, and who, if the medical certification establishes that the illness, injury, or incapacity is temporary and recommends a reasonable plan for rehabilitation, is following the plan;*

*(b) A person whose presence in the home on a substantially continuous basis is required because of the certified illness or incapacity of another member of the household;*

*(c) A person who has been placed in a licensed or certified facility for purposes of physical or mental health or rehabilitation, if the placement is based on illness or incapacity, and is pursuant to a plan developed or approved by the local agency through its director or designated representative;*

*(d) A person who resides in a shelter facility described in subdivision 3;*

*(e) A person who is or may be eligible for displaced homemaker services, programs, or assistance under section 4.40. In determining eligibility of the person for general assistance, income received as a stipend shall be disregarded as provided in section 4.40;*

*(f) A person who is unable to secure suitable employment due to inability to communicate in the English language, and who, if assigned to a language skills program by the local agency, is participating in that program;*

*(g) A person not described in clause (a) or (c) who is diagnosed by a licensed physician or licensed consulting psychologist as mentally ill or mentally retarded;*

*(h) A person who is unable to secure suitable employment due to a lack of marketable skills and who, if assigned to a vocational counseling, vocational rehabilitation, or work training program by the local agency, is participating in that program. Eligibility for general assistance under clause (h) of this subdivision is limited to five weeks per calendar year;*

(i) A person who has an application pending for the program of supplemental security income for the aged, blind and disabled or has been terminated from that program and has an appeal from that termination pending, and who has executed an interim assistance authorization agreement pursuant to the provisions of section 256D.06, Subdivision 5; or

(j) A person who is unable to secure suitable employment because his advanced age significantly affects his ability to engage in substantial work. This clause is effective January 1, 1983.

*This subdivision is repealed July 1, 1983.*

#### Sec. 10. [APPROPRIATIONS.]

*\$12,000 is reappropriated from Laws 1981, Chapter 360, Article I, Section 2, to the commissioner of public welfare for the purposes of the statewide hearing impaired program.*

#### Sec. 11. [REVENUE; APPROPRIATION.]

*Subdivision 1. [APPROPRIATION.] There is appropriated from the general fund to the department of revenue, for the fiscal year indicated, to implement the administrative and auditing responsibilities of a unitary large scale audit unit.*

*Fiscal Year 1982*

*-0-*

*Fiscal Year 1983*

*\$900,000*

*The approved complement of the department is increased by three positions in fiscal year 1982 and 23 additional positions in fiscal year 1983.*

*Subd. 2. [COMPUTER DESIGN.] In the development of the computer system for corporate taxation, the department of revenue shall include a method for identifying funds collected as a result of direct department auditing efforts.*

*Subd. 3. [AUDIT REQUESTED.] The legislative auditor, as approved by the legislative audit commission, shall conduct audits of the fair share and unitary tax collection programs of the department of revenue.*

*Subd. 4. [REPORT TO THE LEGISLATURE.] The commissioner of revenue shall report to the chairmen of the house appropriations, house tax, senate finance, and senate tax committees by March 1, 1983. The report shall contain the tax collections realized through the unitary large scale audit program; an estimate of potential tax collections; and recommendations about the level of staffing necessary to maximize collections."*

Page 6, line 22, after "9" insert "and 11"

Page 6, line 23, after the period insert "*Section 10 is effective July 1, 1982.*"

Renumber the section in sequence

Amend the title as follows:

Page 1, line 2, delete "health and welfare" and insert "state government"

Page 1, line 8, after the semicolon, insert "enhancing the state's ability to fund health and welfare programs by strengthening tax collection efforts; supplementing appropriations for the department of revenue; reappropriating money;"

Page 1, line 13, before the period insert ", and by adding a subdivision"

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

House Conferees: LEE GREENFIELD, DON SAMUELSON and MARY M. FORSYTHE.

Senate Conferees: GERRY SIKORSKI, FRANKLIN J. KNOLL and HOWARD A. KNUTSON.

Greenfield moved that the report of the Conference Committee on H. F. No. 2000 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2000, A bill for an act relating to health and welfare; strengthening qualifications for persons controlling, administering, or managing nursing homes; requiring review of reimbursement for substandard care; requiring license revocation in certain situations; clarifying certain provisions of the general assistance program; revising a penalty; amending Minnesota Statutes 1980, Sections 144A.01, Subdivision 7; 144A.04, Subdivisions 4 and 6; 144A.08, Subdivision 3; 144A.10, Subdivision 4; 144A.11, Subdivision 2, and by adding a subdivision; and Minnesota Statutes 1981 Supplement, Section 256D.05, Subdivision 1.

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

The question was taken on the repassage of the bill and the roll was called. There were 90 yeas and 37 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ewald	Kahn	Norton	Schoenfeld
Anderson, G.	Forsythe	Kalis	Novak	Shea
Anderson, I.	Greenfield	Kelly	O'Connor	Sherman
Battaglia	Gruenes	Kostohryz	Ogren	Sieben, M.
Begich	Gustafson	Laidig	Olsen	Simoneau
Berkelman	Halberg	Lehto	Osthoff	Skoglund
Brandl	Hanson	Long	Otis	Staten
Brinkman	Harens	Luknic	Peterson, D.	Stumpf
Byrne	Hauge	Mann	Pogemiller	Sviggum
Carlson, L.	Heap	Marsh	Redalen	Swanson
Clark, J.	Heinitz	McCarron	Reding	Tomlinson
Clark, K.	Himle	McEachern	Rees	Vanasek
Clawson	Hoberg	Metzen	Reif	Vellenga
Dahlvang	Hokanson	Minne	Rice	Voss
Dean	Hokr	Munger	Rodriguez, C.	Welch
Eken	Jacobs	Murphy	Rodriguez, F.	Wenzel
Elioff	Johnson, D.	Nelsen, B.	Rothenberg	Wynia
Ellingson	Jude	Nelson, K.	Sarna	Spkr. Sieben, H.

Those who voted in the negative were:

Aasness	Esau	Levi	Piepho	Valento
Ainley	Evans	Ludeman	Rose	Weaver
Blatz	Fjoslien	McDonald	Schafer	Welker
Carlson, D.	Haukoos	Mehrkens	Schreiber	Wieser
Dempsey	Jennings	Niehaus	Sherwood	Wigley
Den Ouden	Knickerbocker	Nysether	Stadum	
Drew	Kvam	Onnen	Stowell	
Erickson	Lemen	Peterson, B.	Valan	

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

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 678

A bill for an act relating to elections; changing certain election procedures, requirements and time limits; amending Minnesota Statutes 1980, Sections 201.071, Subdivision 1; 202A.26, Subdivision 1; 203A.22, Subdivision 4; 203A.31, Subdivisions 1 and 3; 203A.32; 204A.04, Subdivision 1; 204A.13, Subdivision 1; 204A.17, Subdivision 1; 204A.53, Subdivision 2; 204A.54, Subdivision 1; 205.03, Subdivisions 1 and 3; 207.03, Subdivision 1; 207.04, Subdivision 1; and 207.20, Subdivision 1; repealing Minnesota Statutes 1980, Sections 201.091, Subdivision 5; and 202A.54.

March 13, 1982

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

The Honorable Jack Davies  
President of the Senate

We, the undersigned conferees for H. F. No. 678, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and H. F. No. 678 be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 10A.01, Subdivision 7b, is amended to read:

Subd. 7b. "Donation in kind" means anything of value other than money or negotiable instruments given by an individual or association to a political committee, political fund, or principal campaign committee for the purpose of influencing the nomination or election of a candidate or for the purpose of promoting or defeating a ballot question. Donation in kind includes an approved expenditure. *Donation in kind does not include the publishing or broadcasting, at any time, of any information, news item or editorial comment by the news media. Any rules or regulations to the contrary have no force or effect and are repealed.*

Sec. 2. Minnesota Statutes 1980, Section 10A.02, Subdivision 13, is amended to read:

Subd. 13. The provisions of chapter 15 apply to the board (.) *except that* the board may *not* promulgate rules (TO CARRY OUT THE PURPOSES OF SECTIONS 10A.01 TO 10A.34).

Sec. 3. Minnesota Statutes 1981 Supplement, Section 201.071, Subdivision 1, is amended to read:

Subdivision 1. [FORM.] Registration cards shall be of suitable size and weight for mailing, and shall contain the following information in substantially the following form:

### VOTER REGISTRATION CARD

(Please print or type)

Date: .....

1. Name: .....  
Last First Middle Initial

2. Address: .....  
Street or Route No.

City (or Township) County Zip

3. Telephone Number:

4. Date of birth ((OPTIONAL)) : Month: ... Day: ... Year: ...  
(year optional)

5. Last registration if any .....  
Street or Route Number

.....  
City (or Township) Zip

6. I certify that I will be at least 18 years old on election day and that the above facts are correct. I understand that giving false information to procure a registration is a felony punishable by not more than five years imprisonment and a fine of not more than \$5,000, or both.

.....  
Signature of Voter

Sec. 4. Minnesota Statutes 1981 Supplement, Section 203B.02, Subdivision 1, is amended to read:

Subdivision 1. [UNABLE TO GO TO POLLING PLACE.] Any eligible voter who (IS) *reasonably anticipates he will be* unable to go to the polling place on election day in the precinct where the individual maintains residence because of absence from the precinct, illness, physical disability, religious discipline, observance of a religious holiday or service as an election judge in another precinct may vote by absentee ballot as provided in sections 203B.04 to 203B.15.

Sec. 5. Minnesota Statutes 1981 Supplement, Section 203B.04, Subdivision 1, is amended to read:

Subdivision 1. [APPLICATION PROCEDURES.] Except as otherwise allowed by subdivision 2, an application for absentee ballots for any election may be submitted at any time not (MORE THAN 45 DAYS NOR) less than one day before the day of that election. An application submitted pursuant to this subdivision shall be in writing and shall be submitted to:

(a) The county auditor of the county where the applicant maintains residence; or

(b) The municipal clerk of the municipality where the applicant maintains residence.

An application shall be accepted if it is signed and dated by the applicant, contains the applicant's residence and mailing addresses and states that the applicant is eligible to vote by absentee ballot for one of the reasons specified in section 203B.02.

Sec. 6. Minnesota Statutes 1981 Supplement, Section 204B.12, Subdivision 1, is amended to read:

Subdivision 1. [BEFORE PRIMARY.] A candidate may withdraw his name from the primary ballot by filing an affidavit of withdrawal with the same official who received the affidavit of candidacy. The affidavit shall request that official to withdraw the candidate's name from the ballot and shall be filed no later than (SIX) *three* days after the last day for filing for the office.

Sec. 7. Minnesota Statutes 1981 Supplement, Section 204B.19, Subdivision 1, is amended to read:

Subdivision 1. [INDIVIDUALS QUALIFIED TO BE ELECTION JUDGES.] Any individual who is eligible to vote in an election precinct is qualified to be appointed as an election judge for that precinct subject to the provisions of this section. (IF AN INSUFFICIENT NUMBER OF ELIGIBLE VOTERS MAINTAINING RESIDENCE IN ANY PRECINCT ARE WILLING AND QUALIFIED TO BE APPOINTED ELECTION JUDGES FOR THAT PRECINCT, THE APPOINTING AUTHORITY MAY APPOINT AS AN ELECTION JUDGE FOR THAT PRECINCT ANY QUALIFIED INDIVIDUAL WHO IS ELIGIBLE TO VOTE IN THE TERRITORY UNDER THE JURISDICTION OF THE AUTHORITY WHICH ESTABLISHED THE PRECINCT.) *If the files of the appointing authority do not contain sufficient voters within a precinct who are qualified and willing to serve as election judges, election judges may be appointed who reside in another precinct in the same municipality. If there are not sufficient voters within the municipality who are qualified and willing to serve as election judges, election judges may be appointed who reside in the county where the precinct is located.*

Subd. 2. [INDIVIDUALS NOT QUALIFIED TO BE ELECTION JUDGES.] No individual shall be appointed as an election judge for any precinct if that individual:

(a) Is unable to read, write or speak the English language;

(b) Is the spouse, parent, child or sibling of any election judge serving in the same precinct or of any candidate at that election or of any member of the governing body of the municipality or county which established the precinct; or

(c) Is a candidate at that election (; OR)

((D) IS RECEIVING COMPENSATION AS AN EMPLOYEE OR OFFICER OF THE UNITED STATES, THE STATE OR ANY MUNICIPALITY OR COUNTY IN THE STATE).

(SUBD. 3. [EXCEPTIONS.] NOTWITHSTANDING SUBDIVISION 2, CLAUSE (D), THE FOLLOWING INDIVIDUALS MAY SERVE AS ELECTION JUDGES IN MUNICIPALITIES WITH ONLY ONE ELECTION PRECINCT:)

((A) ANY TOWN CLERK, TOWN TREASURER OR MEMBER OF A TOWN BOARD; AND)

((B) ANY CITY CLERK OR MEMBER OF THE CITY COUNCIL OF ANY STATUTORY CITY.)

Subd. (4) 3. [ADDITIONAL QUALIFICATIONS PERMITTED; EXAMINATION.] The appointing authority may establish additional qualifications which are not inconsistent with the provisions of this section and which relate to the ability of an individual to perform the duties of an election judge. The appointing authority may examine any individual who seeks appointment as an election judge to determine whether the individual meets any qualification established under this section.

Subd. (5) 4. [PARTY BALANCE REQUIREMENT.] No more than half of the election judges in a precinct may be members of the same major political party unless the election board consists of an odd number of election judges, in which case the number of election judges who are members of the same major political party may be one more than half the number of election judges in that precinct.

Subd. 5. [TIME OFF FROM WORK TO SERVE AS ELECTION JUDGE.] *Every individual who is selected to serve as an election judge pursuant to section 204B.21, subdivision 2 is entitled, after giving his employer at least ten days' written notice, to absent himself from his place of work for the purpose of serving as an election judge. No employer shall penalize an employee for such absence other than a deduction in salary for the time he absented himself from his place of employment.*

Sec. 8. Minnesota Statutes 1981 Supplement, Section 204B.21, Subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENT LISTS; DUTIES OF POLITICAL PARTIES AND COUNTY AUDITOR.] (AT LEAST 65 DAYS BEFORE ANY) *On July 1 in a year in which there is an election for a partisan political office, the county or legislative district chairmen of each major political party, whichever is designated by the state party, shall prepare a list of eligible voters to act as election judges in each election precinct in the county or legislative district. The chairmen shall furnish the lists to the county auditor of the county in which the precinct is located.*

(AT LEAST 55 DAYS BEFORE THE DATE OF THE ELECTION,) *By July 15 the county auditor shall furnish to the*



appointing authorities a list of the appropriate names for each election precinct in the jurisdiction of the appointing authority. Separate lists shall be submitted by the county auditor for each major political party.

Sec. 9. Minnesota Statutes 1981 Supplement, Section 204B.-27, Subdivision 1, is amended to read :

Subdivision 1. [BLANK FORMS.] At least (15) 25 days before every state election the secretary of state shall transmit to each county auditor a sufficient number of blank county abstract forms, affidavits of challenged voters, and any other blank forms that the secretary of state deems necessary for the conduct of the election.

Sec. 10. Minnesota Statutes 1981 Supplement, Section 204B.-31, is amended to read :

[204B.31] [COMPENSATION FOR ELECTION SERVICES.]

The compensation for services performed under the Minnesota election law shall be as follows :

(a) To presidential electors from funds appropriated to the secretary of state for this purpose, \$35 for each day of attendance at the capitol and mileage for travel to and from the capitol in the amount allowed for state employees in accordance with rules adopted pursuant to Minnesota Statutes, Section (471.665) 43A.18, Subdivision (1) 2 ;

(b) To individuals, other than county, city, or town employees during their normal work day, who are appointed by the county auditor to carry ballots to or from the county auditor's office, a sum not less than the prevailing Minnesota minimum wage for each hour spent in carrying ballots and mileage in (THE) *an* amount (ALLOWED FOR STATE EMPLOYEES IN ACCORDANCE WITH RULES ADOPTED) *set by the county board* pursuant to Minnesota Statutes, Section 471.665, Subdivision 1 ;

(c) To members of county canvassing boards, a sum not less than the prevailing Minnesota minimum wage for each hour necessarily spent and an amount for each mile of necessary travel (EQUAL TO THE AMOUNT ALLOWED FOR STATE EMPLOYEES) *set by the county board* pursuant to Minnesota Statutes, Section 471.665, Subdivision 1 ;

(d) To election judges serving in any city, an amount fixed by the governing body of the city, to election judges serving in unorganized territory, an amount fixed by the county board, and to election judges serving in towns, an amount fixed by

the town board. Election judges (IN TOWNS AND UNORGANIZED TERRITORY) shall receive at least the prevailing Minnesota minimum wage for each hour spent carrying out their duties at the polling places *and in attending training sessions required by section 204B.25, subdivision 1.* An election judge who travels to pick up election supplies or to deliver election returns to the county auditor shall receive, in addition to other compensation authorized by this section, a sum not less than the prevailing Minnesota minimum wage for each hour spent performing these duties, plus mileage in (THE SAME) *an amount (AS ALLOWED FOR STATE EMPLOYEES PURSUANT TO SECTION 471.665, SUBDIVISION 1) to be set by the governing body or town board that sets the compensation of the election judge; and*

(e) To sergeants at arms, an amount for each hour of service performed at the direction of the election judges, fixed in the same manner as compensation for election judges.

Sec. 11. Minnesota Statutes 1981 Supplement, Section 204B.-34, Subdivision 1, is amended to read:

Subdivision 1. [STATE ELECTIONS.] At least 15 days before any state primary or state general election the municipal clerk shall post in his office a notice stating the officers to be nominated or elected, the location of each polling place in the municipality, and the hours for voting. *An optional provision of the notice may include municipal officers to be nominated or elected.* The county auditor shall post a similar notice in his office including information concerning any polling places in unorganized territory in the county. The governing body of a municipality or county may publish this notice in addition to posting it. Failure to give the notice required in this section shall not invalidate a state primary or state general election.

Sec. 12. Minnesota Statutes 1981 Supplement, Section 204B.-35, Subdivision 4, is amended to read:

Subd. 4. [ABSENTEE BALLOTS; PREPARATION; DELIVERY.] Ballots necessary to fill applications of absentee voters shall be prepared and delivered at least (15) 20 days before the election to the officials who administer the provisions of chapter 203B.

Sec. 13. Minnesota Statutes 1981 Supplement, Section 204C.-32, Subdivision 2, is amended to read:

Subd. 2. [STATE CANVASS.] The state canvassing board shall meet at the secretary of state's office on the second Tuesday after the state primary to canvass the certified copies of the county canvassing board reports received from the county auditors. (UPON COMPLETION OF THE CANVASS) *Two days*

*after the canvassing board declares the results, the secretary of state shall (PROMPTLY) certify the names of the nominees to the county auditors and shall mail to each nominee a notice of nomination.*

Sec. 14. Minnesota Statutes 1981 Supplement, Section 204C.-33, Subdivision 2, is amended to read:

Subd. 2. [COUNTY CANVASSING BOARD REPORTS; PUBLIC AVAILABILITY.] (UPON PAYMENT OF A \$1 FEE,) The county auditor of each county shall provide a certified copy of the county canvassing board report to anyone who requests it *upon payment of costs of reproduction actually incurred by the auditor's office. The auditor shall not take into account the general office expenses or other expenses.*

Sec. 15. Minnesota Statutes 1981 Supplement, Section 204D.-06, is amended to read:

204D.06 [CERTIFICATION OF NAMES BY SECRETARY OF STATE.]

At least (32) ~~42~~ days before a state primary, the secretary of state shall certify to the county auditors the names of all candidates who have properly filed affidavits of candidacy with the secretary of state and who will be voted for in their respective counties at that primary.

Sec. 16. Minnesota Statutes 1981 Supplement, Section 204D.-11, Subdivision 1, is amended to read:

Subdivision 1. [WHITE BALLOT; RULES; REIMBURSEMENT.] The names of the candidates for all partisan offices voted on at the state general election (AND CANDIDATES FOR THE OFFICE OF JUSTICE AND CHIEF JUSTICE OF THE SUPREME COURT) shall be placed on a single ballot printed on white paper which shall be known as the "white ballot". This ballot shall be prepared by the county auditor subject to the rules of the secretary of state. The state shall reimburse the counties for the cost of preparing the white ballot and the envelopes required for the returns of that ballot. The secretary of state shall adopt rules for preparation and time of delivery of the white ballot and for reimbursement of the counties' costs.

Sec. 17. Minnesota Statutes 1981 Supplement, Section 204D.-11, Subdivision 5, is amended to read:

Subd. 5. [BALLOT HEADINGS.] The white, pink and special federal white ballot shall be headed with the words "State General Election Ballot". The canary ballot shall be headed with the words "(COUNTY AND JUDICIAL DISTRICT GENERAL ELECTION BALLOT) *Ballot of Nonpartisan Candidates*".

Sec. 18. Minnesota Statutes 1981 Supplement, Section 204D.-14, is amended to read:

**204D.14 [WHITE AND CANARY BALLOTS; NONPARTISAN OFFICES.]**

Subdivision 1. [ROTATION OF NAMES.] The names of candidates for nonpartisan offices on the (WHITE AND) canary (BALLOTS) ballot shall be rotated in the manner provided for rotation of names on state partisan primary ballots by section 204D.08, subdivision 3.

Subd. 2. [UNCONTESTED OFFICES.] Nonpartisan offices for which there is only one candidate shall appear after all contested offices on the (APPROPRIATE WHITE OR) canary ballot.

Sec. 19. Minnesota Statutes 1981 Supplement, Section 204D.-15, Subdivision 2, is amended to read:

Subd. 2. [DISTRIBUTION.] The pink ballot shall be provided in groups of 50. At least (15) 25 days before the state general election the secretary of state shall forward to the county auditor of each county sufficient ballots to enable the county auditor to comply with the absentee voting provisions of section 204B.28, subdivision 2. The county auditor shall give a receipt to the secretary of state stating the number of pink ballots and the date when they were received.

Sec. 20. Minnesota Statutes 1980, Section 205.02, is amended to read:

**205.02 [(APPLICATION) STATUTES APPLICABLE.]**

Subdivision 1. [MINNESOTA ELECTION LAW.] Except as provided in (SECTIONS 205.01 to 205.17 ALL OF) *this chapter* the provisions of the Minnesota election law (ARE APPLICABLE) *apply* to municipal elections, so far as practicable.

Subd. 2. [CITY ELECTIONS.] *In all statutory and home rule charter cities, the primary, general and special elections held for choosing city officials and deciding public questions relating to the city shall be held as provided in this chapter, except that sections 205.02; section 2, subdivisions 2 to 7; 205.07 to 205.13 and sections 8 and 9 do not apply to a city whose charter provides the manner of holding its primary, general or special elections.*

Sec. 21. Minnesota Statutes 1981 Supplement, Section 205.03, Subdivision 1, is amended to read:

Subdivision 1. [CITIES.] In all statutory and home rule charter city elections the governing body of the city, by resolution adopted prior to the giving of notice of the election, may

designate the time, in no event less than three hours, during which the polling places will remain open for voting at the next succeeding and all subsequent city elections, until the resolution is revoked. *Cities referred to in this subdivision shall make certification of election hours to the county auditor upon adoption of the resolution giving notice of election.*

Sec. 22. Minnesota Statutes 1981 Supplement, Section 205.03, Subdivision 3, is amended to read:

Subd. 3. [OTHER TOWNS.] In any election of town officers in a town other than a town described in subdivision 2, the town board, by resolution adopted prior to the giving of notice of the election, may designate the time, in no event less than three hours, during which the polling places will remain open for voting at the next succeeding and all subsequent town elections. The resolution shall remain in force until revoked by the town board. *Towns referred to in this subdivision shall make certification of the election hours to the county auditor in January of each year.*

Sec. 23. [205.065] [PRIMARY ELECTIONS.]

Subdivision 1. [CITIES OF FIRST CLASS.] *A municipal primary for the purpose of nominating elective officers may be held in any city of the first class on the second or third Tuesday in March of any year in which a municipal general election is to be held for the purpose of electing officers.*

*If the majority of the governing body of a city of the first class adopted a resolution after June 24, 1957 establishing the second or third Tuesday in March for holding its municipal primary in any year in which its municipal general election is held, and if the city clerk or other officer of the city charged with keeping the minutes and records of the governing body filed a certified copy of the resolution with the secretary of state and another certified copy of the resolution with the county recorder of the county in which the city is located, the time established by the resolution for holding the municipal primary is fixed, and the governing body of the city may not change the time unless the authority to make the change is conferred on the governing body by the legislature, or by an amendment to the charter of the city duly ratified and accepted by the eligible voters of the city, in accordance with the constitution of the state of Minnesota, Article IV, Section 36, and other applicable law.*

Subd. 2. [RESOLUTION OR ORDINANCE.] *The governing body of a city of the second, third, or fourth class or a town containing a statutory city may, by ordinance or resolution adopted at least six weeks before the next municipal general election, elect to choose nominees for municipal offices by a primary as provided in subdivisions 2 to 7. The resolution or ordinance, when adopted, is effective for all ensuing municipal elections*

*until it is revoked. Subdivisions 2 to 7 do not apply to a city the charter of which specifically prohibits or provides for a municipal primary.*

*Subd. 3. [DATE.] The municipal primary shall be held two weeks before the municipal general election or at another time designated by the governing body in the ordinance or resolution adopting the primary system. The clerk shall give notice of the primary in the manner provided in section 205.16.*

*Subd. 4. [CANDIDATES, FILING.] The clerk shall place upon the primary ballot without partisan designation the names of individuals whose candidacies have been filed and for whom the proper filing fee has been paid. When not more than twice the number of individuals to be elected to a municipal office file for nomination for the office, their names shall not be placed upon the primary ballot and shall be placed on the municipal general election ballot as the nominees for that office.*

*Subd. 5. [RESULTS.] The municipal primary shall be conducted and the returns made in the manner provided for the state primary so far as practicable. Within two days after the primary, the governing body of the municipality shall canvass the returns, and the two candidates for each office who receive the highest number of votes, or a number of candidates equal to twice the number of individuals to be elected to the office, who receive the highest number of votes, shall be the nominees for the office named. Their names shall be certified to the municipal clerk who shall place them on the municipal general election ballot without partisan designation and without payment of an additional fee.*

*Subd. 6. [RECOUNT.] A losing candidate at the municipal primary may request a recount of the votes for that nomination subject to the requirements of section 204C.36.*

*Subd. 7. [VACANCY IN NOMINATION.] When a vacancy occurs in a nomination made at a municipal primary, the vacancy shall be filled in the manner provided in section 204B.13.*

**Sec. 24. Minnesota Statutes 1980, Section 205.07, Subdivision 1, is amended to read:**

**205.07 [CITY GENERAL ELECTION.]**

**Subdivision 1. [DATE.]** The (REGULAR CITY) municipal general election in each statutory city shall be held (BI-ENNIAL) on the first Tuesday after the first Monday in November in every even-numbered year; except that the governing body of (ANY) a statutory city may, by ordinance passed at a regular meeting held before September 1 of any year, elect

to hold the election on the first Tuesday after the first Monday in November in each odd-numbered year. (ANY) A city which (IS) *was* a village on January 1, 1974 and (HAS) before that date provided for a system of biennial elections in the odd-numbered year shall continue to hold its elections in that year until changed in accordance with this section. When a city changes its elections from one year to another, and does not provide (OTHERWISE) *for the expiration of terms* by ordinance, the term of (ANY) *an* incumbent expiring at a time when no (CITY) *municipal* election is held in the months immediately prior (THERETO) *to expiration* is extended until the date for taking office following the next scheduled (CITY) *municipal* election. If (SUCH) *the* change results in having three councilmen to be elected at a succeeding election, the two (PERSONS) *individuals* receiving the highest vote shall serve for terms of four years and the (PERSON) *individual* receiving the third highest number of votes shall serve for a term of two years. To (THE EXTENT NECESSARY TO) provide (FOR) an orderly transition to the odd or even year election plan, the council may adopt supplementary ordinances regulating initial elections (,) *and* officers to be chosen at (SUCH) *the* elections (,) and shortening or lengthening the terms of incumbents and those (SO) *elected at the initial election* so as to conform as soon as possible to the regular schedule provided in section 412.02, subdivision 1. Whenever the time (FOR HOLDING) of the (CITY) *municipal* election is changed, the city clerk immediately shall notify in writing the county auditor and secretary of state of the change of date (; AND). Thereafter the (REGULAR CITY) *municipal general* election shall be held on the first Tuesday after the first Monday in November in each odd-numbered or even-numbered year until the ordinance is revoked and (SIMILAR) *notification of the change* is made.

Sec. 25. Minnesota Statutes 1981 Supplement, Section 205.-10, is amended to read:

205.10 [(SPECIAL) CITY SPECIAL ELECTIONS.]

Subdivision 1. [QUESTIONS.] Special elections may be held in (ANY) *a* statutory or home rule charter city on (ANY) *a* question on which the voters are authorized by law or charter to pass judgment. A special election may be ordered by the city council on its own motion or, on a question that has not been submitted to the voters in an election within *the previous* six months (PREVIOUSLY), upon a petition signed by a number of voters equal to 20 percent of the votes cast at the last (REGULAR CITY) *municipal general* election. (NO) *A* question (SO SUBMITTED SHALL BE DEEMED) *is* carried (WITHOUT SUCH A) *only with the majority in its favor* (AS MAY BE) required by law or charter (IN THE PARTICULAR INSTANCE). The election officials for (ANY) *a* special election shall be the same as for the (LAST PRECEDING REGULAR CITY) *most recent municipal general* election unless changed

according to law. Otherwise special elections shall be conducted and the returns made in the manner provided for the (REGULAR) municipal *general* election. (THIS SECTION IS NOT APPLICABLE TO ANY CITY THE CHARTER OF WHICH SPECIFICALLY PROHIBITS OR REGULATES THE HOLDING OF SPECIAL ELECTIONS.)

Subd. 2. [VACANCIES IN CITY OFFICES.] Special elections shall be held in statutory cities in conjunction with (REGULAR CITY) *municipal general* elections to fill vacancies in elective city offices as provided in section 412.02, subdivision 2a.

Sec. 26. Minnesota Statutes 1980, Section 205.13, as amended by Laws 1981, Chapter 29, Article VII, Section 10, is amended to read:

205.13 [(MUNICIPAL ELECTIONS,) CANDIDATES, FILING.]

Subdivision 1. [AFFIDAVIT OF CANDIDACY.] Not more than six nor less than four weeks before the municipal primary, or before the municipal general election if there is no municipal primary, (ANY) *an individual who is* eligible and (DESIRING) *desires* to have his name placed on the official ballot as a candidate for an office to be voted for at the election shall file his affidavit of candidacy with the municipal clerk. The affidavit shall be *in* substantially the same form as (REQUIRED OF CANDIDATES FOR STATE OFFICES) *that in section 204B.06, subdivision 1. The municipal clerk shall also accept an* application (ALSO MAY BE) signed by not less than five voters and filed on behalf of (ANY) *an* eligible voter in the municipality whom they desire to be a candidate, if service of a copy of the application (IS) *has been* made on the candidate and proof of service is endorsed on the application (BEFORE FILING) *being filed*. Upon (PAYMENT) *receipt* of the proper filing fee (TO THE CLERK), the clerk shall place the name of the candidate on the official ballot without partisan designation.

Subd. 2. [NOTICE OF FILING DATES.] At least two weeks before the first day to file affidavits of candidacy, the municipal clerk shall publish a notice stating the first and last dates on which affidavits of candidacy may be filed in (HIS) *the clerk's* office and the closing time for filing on the last day for filing (, AND HE). *The clerk* shall post a similar notice at least ten days before the first day to file affidavits of candidacy.

Subd. 3. [FILING FEES.] *Unless the charter of a city provides the amount of the fee for filing an application or affidavit of candidacy for city office, the filing fee for a municipal office is as follows:*



- (a) *In first class cities, \$20;*
- (b) *In second and third class cities, \$5; and*
- (c) *In fourth class cities and towns, \$2.*

*Subd. 4. [PETITION IN PLACE OF FEES.] A candidate for municipal office may file a petition in place of the filing fees specified in subdivision 3. The petition shall meet the requirements of section 204B.11, subdivision 2.*

*Subd. 5. [NOMINATING PETITION; CITIES OF THE FIRST CLASS.] A nominating petition filed on behalf of a candidate for municipal office in a city of the first class shall be signed by eligible voters who reside in the election district from which the candidate is to be elected. The number of signers shall be at least 500, or two percent of the total number of individuals who voted in the municipality, ward, or other election district at the last preceding municipal general election, whichever is greater.*

*Subd. 6. [WITHDRAWAL.] A candidate for a municipal elective office may withdraw from the election by filing an affidavit of withdrawal with the municipal clerk by 12 o'clock noon of the day after the last day for filing affidavits of candidacy. Thereafter, no candidate may file an affidavit of withdrawal.*

**Sec. 27.** Minnesota Statutes 1980, Section 205.16, is amended to read:

**205.16 [(MUNICIPAL ELECTIONS,) NOTICE.]**

**Subdivision 1. [PUBLICATION AND POSTING.]** In every statutory city and (EVERY) home rule charter city, the charter of which does not provide the manner (IN WHICH) of giving notice of (AN) a municipal election (IS GIVEN FOR EVERY ELECTION HELD WITHIN THE CITY FOR MUNICIPAL PURPOSES), the city clerk shall, except as (HEREINAFTER) otherwise provided in this section, (CAUSE) give two weeks' published notice, and may also (CAUSE) give ten days' posted notice, of the election, stating the time (AND PLACE THEREOF) of the election, the location of each polling place, the offices to be filled, and all propositions or questions to be voted upon at the election. In (ANY) a city of the fourth class (,) the council may dispense with publication of the notice of the (REGULAR CITY) municipal general election, in which case (,) ten days' posted notice shall be given. The city clerk shall also post a copy of the notice in (HIS) the clerk's office for public inspection.

Subd. 2. [SAMPLE BALLOT, PUBLICATION.] In all statutory and home rule charter cities, for every *municipal* election (HELD WITHIN THE CITY FOR MUNICIPAL PURPOSES), the city clerk shall, at least one week before the election, publish a sample ballot in the official newspaper of the city, except that the council of (ANY) *a fourth class city may dispense with publication.*

Subd. 3. [SAMPLE BALLOT, POSTING.] For every *municipal* election (HELD WITHIN ANY MUNICIPALITY FOR MUNICIPAL PURPOSES,) the municipal clerk shall (,) at least four days before the election (,) post a sample ballot in (HIS) *the clerk's* office for public inspection, and (A) *post a sample ballot (SHALL ALSO BE POSTED) in each polling place on election day.*

Sec. 28. Minnesota Statutes 1980, Section 205.17, as amended by Laws 1981, Chapter 29, Article VII, Section 13, and Chapter 172, Section 2, is amended to read:

205.17 [(CITY OR TOWN ELECTION,) BALLOTS (, FORM).]

Subdivision 1. [SECOND, THIRD AND FOURTH CLASS CITIES; TOWNS.] In all statutory and home rule charter cities of the second, third and fourth class, and in all towns, for the (REGULAR) *municipal general* election, the municipal clerk shall (PREPARE AND CAUSE TO BE) *have* printed on light green paper the official ballot (UPON WHICH) *containing* the names of all candidates for municipal offices (SHALL BE PRINTED). The ballot shall be printed in blocks of 50 (INsofar AS PRACTICABLE), shall be headed "City or Town Election Ballot," (AND) shall state the name of the city or town (,) *and* the date of the election, and (OTHERWISE) shall conform *in other respects* to the white ballot used at the general election. The names shall be arranged on city ballots in the manner provided for the state elections. On town ballots names of the candidates for each office shall be arranged alphabetically according to the (SURNAME OF EACH CANDIDATE) *candidates' surnames.*

Subd. 2. [FIRST CLASS CITIES.] In all cities of the first class, for the (REGULAR) *municipal general* election, the city clerk shall (PREPARE AND CAUSE TO BE) *have* printed in blocks of 50 a partisan ballot upon which the names of all candidates for the office of mayor and for the city council are printed, and a nonpartisan ballot upon which the names of all candidates for all other city offices are printed. The partisan ballot shall be printed on light orange paper and shall be headed "(PARTISAN) City (ELECTION) *Partisan General* Ballot". The nonpartisan ballot shall be printed on light green paper and shall be headed "(NONPARTISAN) City (ELECTION) *Nonpartisan General* Ballot". Both ballots shall state the name of the city (,)

and the date of the (ELECTIONS) *election* and (OTHERWISE) conform in all other respects to the white ballot used at the state general election. The names of the candidates on the nonpartisan ballot shall be rotated in the manner prescribed for the rotation of names on nonpartisan ballots in state general elections.

On the partisan ballot the (NAME) *names* of the candidates for mayor shall be placed first. The order of the names of the candidates shall be in the manner prescribed for state general elections in section 204D.13.

Subd. 3. [PRIMARY (ELECTION) BALLOTS.] The municipal primary (ELECTION) ballot (OF) *in cities of the second, third and fourth class and towns and the nonpartisan primary ballot in cities of the first class* shall conform as far as practicable with the (REGULAR) municipal *general* election ballot except that it shall be printed on white paper (, AND). No blank spaces (MAY NOT) *shall* be provided for writing in the names of candidates.

(SUBD. 4. THE CITY OF THE FIRST CLASS NON-PARTISAN PRIMARY ELECTION BALLOT SHALL CONFORM AS FAR AS PRACTICABLE WITH THE REGULAR MUNICIPAL ELECTION BALLOT EXCEPT THAT IT SHALL BE PRINTED ON WHITE PAPER. THE CITY OF THE FIRST CLASS) *The partisan primary (ELECTION) ballot in cities of the first class* shall conform as far as practicable with the state (CONSOLIDATED) *partisan* primary (ELECTION) ballot.

Subd. (5) 4. [BLUE BALLOTS; QUESTIONS.] All questions relating to the adoption of a city charter or *charter* amendments (THERE TO,) or (ANY) a proposition for the issuance of bonds, and all other questions (AND PROPOSITIONS) relating to city affairs submitted at (ANY) *an* election to the (ELECTORS) *voters* of the municipality, shall be printed on one separate blue (COLORED) ballot and shall be prepared, printed and distributed under the direction of the city clerk at the same time and in the same manner as other (CITY) *municipal* ballots. The ballots, when voted, shall be deposited in a separate *blue* ballot box (, PAINTED BLUE, TO BE PROCURED) *provided* by the local authorities for each voting precinct. The ballots shall be canvassed, counted, and returned in the same manner as other (CITY) *municipal* ballots (, AND THE TALLY BOOKS AND). *The* returns shall provide appropriate blank spaces for the counting, canvassing and returning of the results of the questions submitted on the blue ballot.

Subd. (6) 5. [STATUTORY CITIES; VACANCIES.] In statutory cities, the names of candidates to fill vacancies at (ANY) a special election held as provided in section 412.02, subdivision 2a, shall be placed on the (CITY) *municipal* primary and (REGULAR) *general* election ballots. The names of candi-

dates to fill a vacancy in the office of councilman in a statutory city shall be listed under the separate heading "Special election for councilman to fill vacancy in term expiring . . . . .", with the date of expiration of the term and any other information (AS MAY BE) necessary to distinguish the office. Under the heading for the office of mayor in a special election shall be the words "To fill vacancy in term expiring . . . . .".

Sec. 29. [205.175] [VOTING HOURS.]

*Subdivision 1. [CITIES.] In all statutory and home rule charter city elections the governing body of the city, by resolution adopted prior to giving notice of the election, may designate the time, in no event less than three hours, during which the polling places will remain open for voting at the next succeeding and all subsequent municipal elections, until the resolution is revoked.*

*Subd. 2. [METROPOLITAN AREA TOWNS.] At any election of town officers, in a town which is located within 60 miles of a city of the first class having a population of at least 250,000, the town board, by resolution adopted prior to giving notice of the election, may designate the time during which the polling places will remain open for voting at the next succeeding and all subsequent town elections, provided that the polling places shall open no later than 10:00 a.m. and shall close no earlier than 8:00 p.m. The resolution shall remain in force until it is revoked by the town board.*

*Subd. 3. [OTHER TOWNS.] In any election of town officers in a town other than a town described in subdivision 2, the town board, by resolution adopted prior to giving notice of the election, may designate the time, in no event less than three hours, during which the polling places will remain open for voting at the next succeeding and all subsequent town elections. The resolution shall remain in force until it is revoked by the town board.*

Sec. 30. [205.185] [PROCEDURE.]

*Subdivision 1. [MATERIALS, BALLOTS.] The municipal clerk shall prepare and have printed the necessary election materials, including ballots, for a municipal election.*

*Subd. 2. [ELECTION, CONDUCT.] A municipal election shall be by secret ballot and shall be held and the returns made in the manner provided for the state general election, so far as practicable.*

*Subd. 3. [CANVASS OF RETURNS, CERTIFICATE OF ELECTION, BALLOTS, DISPOSITION.] Within two days after an election, the governing body shall canvass the returns and declare the results of the election. After the time for con-*

*testing elections has passed, the municipal clerk shall issue a certificate of election to each successful candidate. In case of a contest, the certificate shall not be issued until the outcome of the contest has been determined by the proper court. In case of a tie vote, the governing body shall determine the results by lot. The clerk shall certify the results of the election to the county auditor, and the clerk shall be the final custodian of the ballots and the returns of the election.*

*Subd. 4. [RECOUNT.] A losing candidate at a municipal election may request a recount of the votes for that office subject to the requirements of section 204C.36.*

Sec. 31. Minnesota Statutes 1980, Section 205.20, as amended by Laws 1981, Chapter 29, Article VII, Sections 14 and 15, is amended to read:

205.20 [UNIFORM MUNICIPAL ELECTION DAY.]

Subdivision 1. ([DEFINITION.] FOR THE PURPOSES OF THIS SECTION, THE TERM MUNICIPALITY MEANS A HOME RULE CHARTER CITY.)

(SUBD. 2.) [(UNIFORM MUNICIPAL ELECTION DAY ESTABLISHED) ESTABLISHMENT.] There is hereby established a uniform municipal election day for home rule charter cities. The uniform municipal election day shall be the first Tuesday after the first Monday in November in odd-numbered years. (MUNICIPAL) Officials elected on that date shall take office on the first business day of January next succeeding their election for (SUCH) the term (AS) which is provided by law (OR AS IS HEREINAFTER PROVIDED). The governing body of a (MUNICIPALITY) home rule charter city may designate a date for the municipal primary which is not less than 14 days before the uniform municipal election day.

Subd. (3) 2. [ADOPTION BY CITY.] Notwithstanding any provision of law or municipal charter to the contrary, and subject to the provisions of this section, the governing body of a (MUNICIPALITY) home rule charter city may adopt by ordinance (ADOPT) the uniform municipal election day as its municipal election day.

Subd. (4) 3. [MODIFICATION OF TERMS OF OFFICE.] If the uniform municipal election day is adopted, the terms of all incumbents who at the time of adoption of the ordinance (HOLDING) hold offices filled by municipal election and whose terms end at a different date are (HEREBY) extended to the first business day in January of the even numbered year first following the date the term would otherwise expire, unless this extension would be longer than 13 months. If the extension would be longer than 13 months, the terms of (SUCH) those incum-

bents are (HEREBY) shortened so as to end on the first business day in January of the even numbered year first preceding the date the term would otherwise expire.

Notwithstanding any provision of law or municipal charter to the contrary, the governing body of a (MUNICIPALITY) *home rule charter city* adopting the uniform municipal election day shall designate in the adopting ordinance (DESIGNATE) a new term for each office to be filled where the term for (SUCH) the office at the time of the ordinance is an odd number of years. (SUCH) The new terms shall be for an even number of years and for no more than one year longer than the term in effect at the time of the adoption of the ordinance. At the time of any election, the governing body may also provide that one or more members of (ANY) a multi-member body shall be elected for a shorter term than is otherwise provided, if and in the manner necessary to achieve staggered terms on (SUCH) the multi-member (BODIES) body so that, to the extent (MATHEMATICALLY) possible, (THE SAME) an equal number of members is (THEREAFTER) chosen at each election, exclusive of those chosen to fill vacancies for unexpired terms.

Subd. (5) 4. [EFFECT OF ORDINANCE; REFERENDUM.] An ordinance adopting the uniform municipal election day (SHALL NOT BECOME) is effective (UNTIL) 90 days after passage and publication or at (SUCH) a later date (AS IS) fixed in the ordinance. Within 60 days after passage and publication of (SUCH AN) the ordinance, a petition requesting a referendum on the ordinance may be filed with the (MUNICIPAL) city clerk. The petition shall be signed by eligible voters equal in number to five percent of the total number of votes cast in the (MUNICIPALITY) city at the last state general election. If the (MUNICIPALITY) city has a system of permanent registration of voters, only registered voters are eligible to sign the petition. If the requisite petition is filed within the prescribed period, the ordinance shall not become effective until it is approved by (A MAJORITY OF) at least 55 percent of the voters voting on the question at a general or special election held at least 60 days after submission of the petition. If the petition is filed, the governing body may reconsider its action in adopting the ordinance.

Sec. 32. Minnesota Statutes 1980, Section 205.84, is amended to read:

#### 205.84 [WARDS IN CERTAIN CITIES.]

Subdivision 1. [GENERAL PROVISIONS.] In (ANY) a statutory city electing councilmen by wards, wards shall be as equal in population as practicable and each ward shall be composed of compact, contiguous territory. Each councilman shall be a resident of the ward for which he is elected, but a change in

ward boundaries does not disqualify a councilman from serving for the remainder of his term.

Subd. 2. [REDEFINING WARD BOUNDARIES.] The council may by ordinance redefine ward boundaries after (ANY REGULAR) a municipal general election. *The council shall hold a public hearing on the proposed ordinance before its adoption. One week's published notice of the hearing shall be given.* Within six months after the official certification of each federal decennial or special census, the council shall either confirm the existing ward boundaries as conforming to the standards of subdivision 1 or redefine ward boundaries to conform to those standards. If the council fails to take either action within the time required, no further compensation shall be paid to the mayor or councilmen until the wards of the city are either reconfirmed or redefined as required by this section. An ordinance establishing new ward boundaries shall apply to the first election held at least six months after adoption of the ordinance. (NO REDIVISION OF THE CITY INTO WARDS SHALL BE MADE UNTIL THE COUNCIL HAS HELD A PUBLIC HEARING ON THE PROPOSED ORDINANCE AFTER ONE WEEK'S PUBLISHED NOTICE.)"

Sec. 33. [REPEALER.]

*Minnesota Statutes 1980, Sections 205.04; 205.11, Subdivisions 1, 2, 3, 4, and 5; 205.14, Subdivisions 1, 2, and 3; 205.19; 205.21; and Minnesota Statutes 1981 Supplement, Sections 201.091, Subdivision 6; 204B.12, Subdivision 2; 205.03; 205.10; 205.11, Subdivision 4a; 205.121; 205.14, Subdivision 4; and 205.15 are repealed.*

Sec. 34. [EFFECTIVE DATE.]

*Sections 1 to 19, 21, 22, and 33 are effective the day following final enactment."*

Amend the title as follows:

Page 1, line 3, delete "amending"

Page 1, delete lines 4 to 13 and insert "exempting certain transactions from the definition of donation in kind; removing the rulemaking authority of the ethical practices board; changing eligibility requirements and compensation for election judges; authorizing time off from work for election judges; recodifying municipal elections law; amending Minnesota Statutes 1980, Sections 10A.01, Subdivision 7b; 10A.02, Subdivision 13; 205.02; 205.07, Subdivision 1; 205.13, as amended; 205.16; 205.17, as amended; 205.20, as amended; 205.84; and Minnesota Statutes 1981 Supplement, Sections 201.071, Subdivision 1; 203B.02, Subdivision 1; 203B.04, Subdivision 1; 204B.12, Subdivision 1; 204B.19, Subdivision 1; 204B.21, Subdivision

1; 204B.27, Subdivision 1; 204B.31; 204B.34, Subdivision 1; 204B.35, Subdivision 4; 204C.32, Subdivision 2; 204C.33, Subdivision 2; 204D.06; 204D.11, Subdivisions 1 and 5; 204D.14; 204D.15, Subdivision 2; 205.03, Subdivisions 1 and 3; 205.10; proposing new law coded in Minnesota Statutes 1980, Chapter 205; and repealing Minnesota Statutes 1980, Sections 205.04; 205.11, Subdivisions 1, 2, 3, 4, and 5; 205.14, Subdivisions 1, 2, and 3; 205.19; 205.21; and Minnesota Statutes 1981 Supplement, Sections 201.091, Subdivision 6; 204B.12, Subdivision 2; 205.03; 205.10; 205.11, Subdivision 4a; 205.121; 205.14, Subdivision 4; and 205.15."

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

House Conferees: C. THOMAS OSTHOFF, LONA A. MINNE and DONNA PETERSON.

Senate Conferees: ROBERT J. SCHMITZ, PETER P. STUMPF and GEORGE S. PILLSBURY.

Osthoff moved that the report of the Conference Committee on H. F. No. 678 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 678, A bill for an act relating to elections; changing certain election procedures, requirements and time limits; amending Minnesota Statutes 1980, Sections 201.071, Subdivision 1; 202A.26, Subdivision 1; 203A.22, Subdivision 4; 203A.31, Subdivisions 1 and 3; 203A.32; 204A.04, Subdivision 1; 204A.13, Subdivision 1; 204A.17, Subdivision 1; 204A.53, Subdivision 2; 204A.54, Subdivision 1; 205.03, Subdivisions 1 and 3; 207.03, Subdivision 1; 207.04, Subdivision 1; and 207.20, Subdivision 1; repealing Minnesota Statutes 1980, Sections 201.091, Subdivision 5; and 202A.54.

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

The question was taken on the repassage of the bill and the roll was called. There were 101 yeas and 16 nays as follows:

Those who voted in the affirmative were:

Ainley	Clark, J.	Gruenes	Johnson, D.	Mann
Anderson, B.	Clawson	Gustafson	Jude	Marsh
Anderson, G.	Dahlvang	Halberg	Kahn	McCarron
Battaglia	Dean	Hanson	Kalis	McEachern
Begich	Eken	Harens	Kelly	Mehrken
Berkelman	Elioff	Hauge	Knickerbocker	Metzen
Blatz	Ellingson	Heap	Kostohryz	Minne
Brandl	Evans	Heinitz	Laidig	Munger
Brinkman	Ewald	Himle	Lehto	Murphy
Byrne	Fjoslien	Hoberg	Levi	Nelsen, B.
Carlson, D.	Forsythe	Hokanson	Long	Nelson, K.
Carlson, L.	Greenfield	Jacobs	Luknic	Norton



Novak	Pogemiller	Schoenfeld	Svigum	Wenzel
O'Connor	Redalen	Schreiber	Swanson	Wieser
Ogren	Reding	Shea	Tomlinson	Wigley
Olsen	Reif	Sieben, M.	Valan	Wynia
Onnen	Rice	Simoneau	Vanasek	Spkr. Sieben, H.
Osthoff	Rodriguez, F.	Skoglund	Vellenga	
Otis	Rose	Stadum	Voss	
Peterson, D.	Rothenberg	Staten	Weaver	
Piepho	Samuelson	Stumpf	Welch	

Those who voted in the negative were:

Dempsey	Esau	Kvam	Peterson, B.	Schafer
Den Ouden	Haukoos	Ludeman	Rees	Welker
Drew	Jennings	McDonald		
Erickson	Kaley	Niehaus		

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

### MESSAGES FROM THE SENATE, Continued

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 536.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

### CONFERENCE COMMITTEE REPORT ON 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.

March 13, 1982

The Honorable Jack Davies  
President of the Senate

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

We, the undersigned conferees for S. F. No. 536, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate accede to the House amendments and that S. F. No. 536, as it appears in the House unofficial engrossment (UESF0536), be further amended as follows:

Page 4, lines 15 to 17, reinstate the stricken language

Page 4, line 16, after "facilities" insert "*in the town of Moose Lake*"

Page 6, after line 3, insert:

"Sec. 8. [LAKE WILSON LEVY LIMIT.]

*Subdivision 1. The city of Lake Wilson may in the fiscal year ending June 30, 1983, exceed the levy limits provided by Minnesota Statutes, Chapter 275, by a maximum of \$15,000.*

*Subd. 2. This section is effective the day after compliance with Minnesota Statutes, Section 645.021, Subdivision 3, by the governing body of the city of Lake Wilson.*

Sec. 9. [CARVER COUNTY; ELECTRONIC FUNDS TRANSFERS.]

*Subdivision 1. Carver County may make electronic funds transfers in the same way as a school district in accordance with the conditions of Minnesota Statutes, Section 471.38, Subdivision 3. The county board may discharge the duties of the school board under that subdivision.*

*Subd. 2. This section is effective the day after compliance with Minnesota Statutes, Section 645.021, Subdivision 3, by the governing body of Carver County.*

Sec. 10. [CITY OF FINLAYSON; INTERPRETATION OF FIRE CODE PROVISION.]

*Other law to the contrary notwithstanding, the city of Finlayson may make reasonable interpretations regarding the application of any rule or amendment to the uniform fire code which affects the location of dwelling units or sleeping facilities near service stations.*

Sec. 11. Minnesota Statutes 1980, Section 238.02, Subdivision 3, is amended to read:

Subd. 3. "Cable communications system" (SHALL MEAN ANY) means a system which operates for hire the service of receiving and amplifying programs broadcast by one or more television or radio stations and (ANY) other programs originated by a cable communications company or by another party, and distributing (SUCH) the programs by wire, cable, microwave or other means, whether (SUCH) the means are owned or leased,

to persons who subscribe to (SUCH) the service. (SUCH) The definition does not include:

(a) (ANY) a system which serves fewer than 50 subscribers or a 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 per cent or more of the political subdivisions served by the system vote, by resolution in favor of the return;

(b) (ANY) a master antenna television system;

(c) (ANY) a specialized closed-circuit system which does not use the public rights-of-way for the construction of its physical plant; and

(d) (ANY) a translator system which receives and rebroadcasts over-the-air signals.

Sec. 12. Minnesota Statutes 1980, Section 238.03, is amended to read:

#### 238.03 [APPLICATION.]

(THE PROVISIONS OF) Sections 238.01 to 238.17 (SHALL) apply to every cable communications system and every cable communications company as defined in section 238.02, operating within the state, including a cable communications company which constructs, operates and maintains a cable communications system in whole or in part through the facilities of a person franchised to offer common or contract carrier services. Persons possessing (FRANCHISES) franchises for any of the purposes (CONTEMPLATED BY THE PROVISIONS) of sections 238.01 to 238.17 (SHALL BE DEEMED TO BE) are subject to (THE PROVISIONS OF) sections 238.01 to 238.17 although no property (MAY HAVE) has been acquired, business transacted or franchises exercised.

Sec. 13. Minnesota Statutes 1980, Section 238.05, is amended by adding a subdivision to read:

Subd. 18. The board shall adopt rules to ensure that all cable communications systems as defined in section 238.02, subdivision 3, and all systems which would meet that definition but for the number of subscribers served, provide adequate access for educational and governmental programming. In adopting the rules, the board shall give consideration to both the needs of the community and the capability of the system.

Sec. 14. Minnesota Statutes 1980, Section 238.06, Subdivision 6, is amended to read:

Subd. 6. The board may require from (ANY) a cable communications system granted a certificate of confirmation information and supporting documentation in the form (AND AT THE TIMES) the board (MAY DEEM) *deems appropriate on an annual basis, or on sale, transfer or other major activity within a cable communications company. The board shall not release economic data of the cable communications company, including operating revenues and profitability, to the general public or to other cable communication companies except in furtherance of specific duties or obligations of the board.*

Sec. 15. Minnesota Statutes 1980, Section 238.09, Subdivision 6, is amended to read:

Subd. 6. Except as provided in subdivision 3, (EVERY) a cable communications company shall (BE REQUIRED TO) secure a certificate of confirmation from the board before becoming operational. Except as provided in subdivisions 3, 4, 5, and 9, (SUCH) *the certificate may be granted after full board proceedings and shall be for (A PERIOD OF TEN YEARS) the same number of years as the initial franchise period. A renewal certificate of confirmation may be issued prior to the expiration of (ANY) an existing certificate.*

Sec. 16. Minnesota Statutes 1980, Section 238.09, Subdivision 7, is amended to read:

Subd. 7. (ANY) *A renewal of a certificate of confirmation shall be for (A PERIOD OF TEN YEARS) the same number of years as the renewal franchise period. A renewal certificate of confirmation may be issued prior to the expiration of (ANY) an existing certificate.*

Sec. 17. Minnesota Statutes 1980, Section 238.11, Subdivision 2, is amended to read:

Subd. 2. No cable communications company may prohibit or limit (ANY) a program or class or type of program presented over a leased channel or (ANY) a channel made available for public access, governmental or educational purposes. *The cable communications company is not liable for programming content.*

Sec. 18. Minnesota Statutes 1980, Section 238.12, Subdivision 1, is amended to read:

Subdivision 1. (EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION,) The rates charged by a cable communications company (SHALL BE THOSE SPECIFIED IN THE

FRANCHISE, WHICH MAY ESTABLISH, OR PROVIDE FOR THE ESTABLISHMENT OF REASONABLE CLASSIFICATIONS OF SERVICE AND CATEGORIES OF SUBSCRIBERS, OR SPECIFY DIFFERENT RATES FOR DIFFERING SERVICES OR FOR SUBSCRIBERS IN DIFFERENT CATEGORIES) *may be established in the franchise by the municipality.*

Sec. 19. Minnesota Statutes 1980, Section 238.12, Subdivision 2, is amended to read:

Subd. 2. (SUCH RATES MAY NOT BE CHANGED EXCEPT AS PROVIDED FOR IN THE APPROVED FRANCHISE) *Procedures for rate changes may be established in the approved franchise by the municipality.*

Sec. 20. [HUMAN RIGHTS; APPROPRIATIONS.]

*The commissioner of human rights shall coordinate the provision of human rights services in the city of Duluth with other state agencies. The commissioner shall provide the services, including at least one employee at the Duluth location, in a cost-effective manner during the biennium ending June 30, 1983.*

*For purposes of this section, there is appropriated from the general fund to the commissioner of human rights the sum of \$20,000 to be made available until June 30, 1983.*

Sec. 21. [REPEALER.]

*Minnesota Statutes 1980, Section 35.695, is repealed."*

Page 6, line 4, delete "8" and insert "22"

Page 6, line 7, delete "9" and insert "23"

Page 6, line 8, delete "8" and insert "22"

Page 6, line 13, after the period insert "*Sections 11 to 19 are effective the day following final enactment.*"

Delete the title and insert:

"A bill for an act relating to government operations; providing for powers of the Western Lake Superior Sanitary District; providing for the board membership and powers of the Moose Lake and Windemere area sanitary sewer district; authorizing the city of Sandstone to exchange certain lands with the federal government; authorizing the city of Lake Wilson to exceed certain levy limits; authorizing Carver County to make electronic funds transfers; authorizing the city of Finlayson to interpret certain fire code provisions; changing certain definitions and

procedures relating to cable communications system franchises and operations; requiring the commissioner of human rights to provide coordination services; eliminating certain animal licensing and registration requirements; appropriating money; amending Minnesota Statutes 1980, Sections 238.02, Subdivision 3; 238.03; 238.05, by adding a subdivision; 238.06, Subdivision 6; 238.09, Subdivisions 6 and 7; 238.11, Subdivision 2; and 238.12, Subdivisions 1 and 2; Laws 1971, Chapter 478, Section 2, Subdivision 17; Section 8, as amended; Section 9, Subdivision 1; and Section 9a, Subdivision 1, as amended; Laws 1974, Chapter 400, Section 3, Subdivision 12, as amended; and Section 4, Subdivision 2, as amended; repealing Minnesota Statutes 1980, Section 35.695; and Laws 1974, Chapter 400, Section 8, Subdivision 5, as amended."

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

Senate Conferees: FLORIAN CHMIELEWSKI, A. O. H. SETZEPANDT and NANCY BRATAAS.

House Conferees: DOUGLAS W. CARLSON and JOHN A. AINLEY.

Carlson, D., moved that the report of the Conference Committee on S. F. No. 536 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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.

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

The question was taken on the repassage of the bill and the roll was called. There were 69 yeas and 51 nays as follows:

Those who voted in the affirmative were:

Ainley	Erickson	Johnson, D.	Murphy	Schafer
Anderson, B.	Evans	Kalis	Niehaus	Schoenfeld
Anderson, I.	Ewald	Kelly	O'Connor	Schreiber
Battaglia	Fjoslien	Knickerbocker	Ogren	Stadum
Begich	Greenfield	Kostohryz	Olsen	Staten
Berkelman	Gustafson	Kvam	Onnen	Stowell
Blatz	Halberg	Laidig	Otis	Swanson
Brinkman	Hanson	Lehto	Peterson, B.	Valan
Carlson, D.	Hauge	Levi	Redalen	Voss
Carlson, L.	Heap	Mann	Reding	Weaver
Dahlvang	Heinitz	Marsh	Rees	Welch
Dempsey	Himle	McDonald	Rodriguez, F.	Wenzel
Eken	Hoberg	Mehrkens	Rothenberg	Spkr. Sieben, H.
Elioff	Jacobs	Munger	Sarna	

Those who voted in the negative were:

Aasness	Esau	Ludeman	Pogemiller	Valento
Anderson, G.	Forsythe	Luknic	Rose	Vanasek
Brandl	Harens	McCarron	Samuelson	Vellenga
Byrne	Haukoos	McEachern	Shea	Welker
Clark, J.	Hokr	Metzen	Sherman	Wieser
Clark, K.	Jennings	Nelsen, B.	Sherwood	Wigley
Clawson	Jude	Norton	Sieben, M.	Wynia
Dean	Kahn	Nysether	Simoneau	
Den Ouden	Kaley	Osthoft	Skoglund	
Drew	Lemen	Peterson, D.	Sviggum	
Ellingson	Long	Piepho	Tomlinson	

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

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 1621.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONFERENCE COMMITTEE REPORT ON S. F. NO. 1621

A bill for an act relating to state government; removing the geographic limitation on state and public employees' eligibility for the state employee transportation program; amending Minnesota Statutes 1981 Supplement, Section 16.756, Subdivision 1a.

March 12, 1982

The Honorable Jack Davies  
President of the Senate

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

We, the undersigned conferees for S. F. No. 1621, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 1621 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1981 Supplement, Section 16.756, Subdivision 1a, is amended to read:

Subd. 1a. State and other public employees and their spouses (WHO LIVE OR WORK OUTSIDE THE METROPOLITAN AREA) and other people who work in buildings owned or leased by the state shall also be eligible for the employee transportation program established through this section; provided, however, that the driver and substitute driver of every van pool are state employees; and provided, further, that state employees constitute a majority of the members of every van pool. Available space in van pools must, whenever possible, be filled by state employees.

Sec. 2. Minnesota Statutes 1980, Section 394.22, Subdivision 12, is amended to read:

Subd. 12. "Official map" means a map adopted in accordance with section 394.361 which may show existing county roads and county state aid highways, proposed future county roads and highways (AND), the area needed for widening existing county roads and highways, and existing and future state trunk highway rights of way. An official map may also show the location of existing public land and facilities and other land needed for future public purposes, including public facilities such as parks, playgrounds, schools, and other public buildings, civic centers, and travel service facilities. When requested in accordance with section 394.32, subdivision 3, an official map may include existing and planned public land uses within incorporated areas.

Sec. 3. Minnesota Statutes 1980, Section 462.352, Subdivision 10, is amended to read:

Subd. 10. "Official map" means a map adopted in accordance with section 462.359 (SHOWING) which may show existing (STREETS,) and proposed future streets (AND), roads, and highways of the municipality and county, the area needed for widening of existing streets, roads, and highways of the municipality and county, and existing and future county state aid highways and state trunk highway rights of way. An official map may also show the location of existing and future public land and facilities within the municipality. In counties in the metropolitan area as defined in section (473.122) 473.121, official maps may for a period of up to five years designate the boundaries of areas reserved for purposes of soil conservation, water supply conservation, flood control and surface water drainage and removal including appropriate regulations protecting such areas against encroachment by buildings, other physical structures or facilities.

Sec. 4. Minnesota Statutes 1980, Section 473.167, is amended to read:

473.167 [(APPROVAL OF) HIGHWAY PROJECTS.]

Subdivision 1. [CONTROLLED ACCESS HIGHWAYS; COUNCIL APPROVAL.] Before acquiring land for or con-



structing a controlled access highway in the area, hereinafter a project, the state transportation department or local government unit proposing such acquisition or construction shall submit to the council a statement describing the proposed project. The statement shall be in the form and detail required by the council. Immediately upon receipt of the statement, the council shall transmit a copy to the metropolitan transit commission, which shall review and evaluate the project in relationship to the development program and report its recommendations and comments to the council. The council shall also review the statement to ascertain its consistency with its policy plan and the development guide. No such project may be undertaken unless the council determines that it is consistent with the policy plan and development program. This approval shall be in addition to the requirements of any other statute, ordinance or regulation.

*Subd. 2. [LOANS FOR ACQUISITION.] The council may make loans to counties, towns, and statutory and home rule charter cities within the metropolitan area for the purchase of property within the right-of-way of a state trunk highway shown on an official map adopted pursuant to section 394.361 or 462.359 or for the purchase of property within the proposed right-of-way of a principal or intermediate arterial highway designated by the council as a part of the metropolitan highway system plan and approved by the council pursuant to subdivision 1. The loans shall be made by the council, from the fund established pursuant to this subdivision, for purchases approved by the council. The loans shall bear no interest. The council shall make loans only to avert the imminent conversion or the granting of approvals which would allow the conversion of property to uses which would jeopardize its availability for highway construction. The council shall not make loans for the purchase of property at a price which exceeds the fair market value of the property or which includes the costs of relocating or moving persons or property. A private property owner may elect to receive the purchase price either in a lump sum or in not more than four annual installments without interest on the deferred installments. If the purchase agreement provides for installment payments, the council shall make the loan in installments corresponding to those in the purchase agreement. The recipient of an acquisition loan shall convey the property for the construction of the highway at the same price which the recipient paid for the property. Upon notification by the council that the plan to construct the highway has been abandoned or the anticipated location of the highway changed, the recipient shall sell the property at market value in accordance with the procedures required for the disposition of the property. All rents and other money received because of the recipient's ownership of the property and all proceeds from the conveyance or sale of the property shall be paid to the council. The proceeds of the tax authorized by subdivision 3, all money paid to the council by recipients of loans, and all interest on the proceeds and payments shall be maintained as a separate fund. For adminis-*

*tration of the loan program the council may expend from the fund each year an amount no greater than three percent of the amount that a metropolitan area tax levy of five one-hundredths of a mill would raise in that year.*

*Subd. 3. [TAX.] The council may levy a tax on all taxable property in the metropolitan area, as defined in section 473.121, to provide funds for loans made pursuant to subdivision 2. The tax shall be certified by the council, levied, and collected in the manner provided by section 473.08. The tax shall be in addition to that authorized by section 473.249 and any other law and shall not affect the amount or rate of taxes which may be levied by the council or any metropolitan agency or local governmental unit. The amount of the levy shall be as determined and certified by the council, except as otherwise provided in this subdivision. The tax shall not be levied at a rate higher than five one-hundredths of one mill. The tax shall not be levied at a rate higher than that determined by the council to be sufficient, considering the other anticipated revenues of and disbursements from the loan fund, to produce a balance in the loan fund at the end of the next calendar year equal to twice the amount that a tax levy of five one-hundredths of a mill would raise in that year.*

#### Sec. 5. [APPROPRIATION; AMTRAK.]

*\$200,000 is appropriated from the general fund to the commissioner of transportation to assist the Amtrak North Star Line. This appropriation is available until June 30, 1983. Receipts from gifts, grants, and other contributions from public and private sources for the North Star Line are also appropriated to the commissioner of transportation for that purpose for the period ending June 30, 1983.*

#### Sec. 6. [EFFECTIVE DATE.]

*Sections 1 and 5 are effective the day after final enactment. Section 4 is effective in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."*

Delete the title and insert:

*"A bill for an act relating to transportation; changing eligibility for a state transportation program; providing for transportation information on official maps; providing conditions for purchase of land for transportation facilities; appropriating money for the Amtrak North Star Line; amending Minnesota Statutes 1980, Sections 394.22, Subdivision 12; 462.352, Subdivision 10; and 473.167; and Minnesota Statutes 1981 Supplement, Section 16.756, Subdivision 1a."*

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

Senate Conferees: GENE MERRIAM, CHARLES R. DAVIS and STEVE ENGLER.

House Conferees: GORDON O. VOSS, PAUL MCCARRON and WILLIAM SCHREIBER.

Voss moved that the report of the Conference Committee on S. F. No. 1621 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1621, A bill for an act relating to state government; removing the geographic limitation on state and public employees' eligibility for the state employee transportation program; amending Minnesota Statutes 1981 Supplement, Section 16.756, Subdivision 1a.

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

The question was taken on the repassage of the bill and the roll was called. There were 68 yeas and 54 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Drew	Kalis	Novak	Sherman
Anderson, I.	Eken	Kelly	O'Connor	Sieben, M.
Battaglia	Elioff	Kostohryz	Ogren	Simoneau
Begich	Ellingson	Laidig	Osthoff	Skoglund
Berkelman	Evans	Lehto	Otis	Staten
Brandl	Forsythe	Long	Peterson, D.	Stumpf
Byrne	Greenfield	Mann	Pogemiller	Vellenga
Carlson, D.	Gustafson	Marsh	Reding	Voss
Carlson, L.	Hanson	McDonald	Rice	Welch
Clark, J.	Harens	Mehrkens	Rodriguez, C.	Wenzel
Clark, K.	Hauge	Munger	Rodriguez, F.	Wynia
Clawson	Hokanson	Murphy	Sarna	Spkr. Sieben, H.
Dahivang	Jude	Nelson, K.	Schoenfeld	
Dean	Kahn	Norton	Schreiber	

Those who voted in the negative were:

Aasness	Haukoos	Lemen	Onnen	Stowell
Ainley	Heap	Levi	Peterson, B.	Sviggum
Blatz	Heinitz	Ludeman	Piepho	Swanson
Dempsey	Himle	Luknic	Redalen	Tomlinson
Den Ouden	Hoberg	McCarron	Reif	Valan
Erickson	Hokr	McEachern	Rose	Valento
Esau	Jennings	Metzen	Rothenberg	Weaver
Ewald	Johnson, D.	Minne	Samuelson	Welker
Fjoslien	Kaley	Niehaus	Schafer	Wieser
Gruenes	Knickerbocker	Nysether	Sherwood	Wigley
Halberg	Kvam	Olsen	Stadum	

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

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 1706.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 1706

A bill for an act relating to insurance; authorizing separate accounts for certain pension plans; amending Minnesota Statutes 1981 Supplement, Section 61A.282, Subdivision 2; proposing new law coded in Minnesota Statutes, Chapter 61A.

March 13, 1982

The Honorable Jack Davies  
President of the Senate

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

We, the undersigned conferees for S. F. No. 1706, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate accede to the House amendments and that S. F. No. 1706 be further amended as follows:

Page 5, line 18 of the Wynia amendment, delete "5" and insert "11"

Page 5, line 20 of the Wynia amendment, after "*enactment.*" insert "*Sections 5 to 10 are effective March 1, 1983.*"

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

Senate Conferees: ERIC D. PETTY, DON FRANK and DENNIS FREDERICKSON.

House Conferees: ANN WYNIA, LEE GREENFIELD and DAVID B. GRUENES.

Wynia moved that the report of the Conference Committee on S. F. No. 1706 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1706, A bill for an act relating to insurance; authorizing separate accounts for certain pension plans; amending Minnesota Statutes 1981 Supplement, Section 61A.282, Subdivision 2; proposing new law coded in Minnesota Statutes, Chapter 61A.

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

The question was taken on the repassage of the bill and the roll was called. There were 124 yeas and 2 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Rice                      Welker

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

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 1907.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

## CONFERENCE COMMITTEE REPORT ON S. F. NO. 1907

A bill for an act relating to real property; requiring certification by the municipality prior to transfer by the county auditor of certain unplatted properties; proposing new law coded in Minnesota Statutes, Chapter 272.

March 13, 1982

The Honorable Jack Davies  
President of the Senate

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

We, the undersigned conferees for S. F. No. 1907, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and S. F. No. 1907 be further amended as follows:

Page 2, line 21, after "*municipalities*" insert "*located within the metropolitan area, as defined in section 473.121, subdivision 2,*"

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

Senate Conferees: GENE MERRIAM, WILLIAM P. LUTHER and R. W. PETERSON.

House Conferees: JOEL JACOBS, JAMES P. METZEN and ELTON R. REDALEN.

Jacobs moved that the report of the Conference Committee on S. F. No. 1907 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1907, A bill for an act relating to real property; requiring certification by the municipality prior to transfer by the county auditor of certain unplatted properties; proposing new law coded in Minnesota Statutes, Chapter 272.

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

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

Those who voted in the affirmative were:

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

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

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 1962.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONFERENCE COMMITTEE REPORT ON S. F. NO. 1962

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.

March 13, 1982

The Honorable Jack Davies  
President of the Senate

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

We, the undersigned conferees for S. F. No. 1962, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 1962 be further amended as follows:

Page 12, after line 18, insert:

*"Subd. 3. [INSPECTION, SAMPLING.] The commissioner or his authorized agent shall sample, inspect, and grade grains received or distributed from grain warehouses at such time and place and to such an extent as he may deem necessary to determine whether sampling, inspection, and grading conducted by the warehouse operator conforms with the standards set by the board of grain standards. The commissioner may obtain any additional information he deems necessary and is authorized to enter upon any public or private premises during regular business hours in order to carry out the provisions of this subdivision."*

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

Senate Conferees: DENNIS FREDERICKSON, A. O. H. SETZEPFANDT and EARL W. RENNEKE.

House Conferees: GLEN H. ANDERSON, HENRY J. KALIS and DEAN E. JOHNSON.

Anderson, G., moved that the report of the Conference Committee on S. F. No. 1962 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1962, 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.

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



The question was taken on the repassage of the bill and the roll was called. There were 101 yeas and 26 nays as follows:

Those who voted in the affirmative were:

Ainley	Elioff	Knickerbocker	Olsen	Sieben, M.
Anderson, B.	Ellingson	Kostohryz	Onnen	Simoneau
Anderson, G.	Evans	Kvam	Osthoff	Skoglund
Anderson, I.	Ewald	Laidig	Otis	Stadum
Battaglia	Forsythe	Lehto	Peterson, D.	Staten
Begich	Greenfield	Levi	Pogemiller	Stowell
Berkelman	Gustafson	Long	Redalen	Stumpf
Blatz	Hauge	Ludeman	Reding	Sviggum
Brandl	Haukoos	Mann	Rees	Swanson
Brinkman	Heap	Marsh	Reif	Tomlinson
Byrne	Himle	McEachern	Rice	Valan
Carlson, D.	Hoberg	Mehrkens	Rodriguez, C.	Vanasek
Carlson, L.	Hokanson	Metzen	Rodriguez, F.	Vellenga
Clark, J.	Hokr	Minne	Rose	Weaver
Clark, K.	Jacobs	Munger	Rothenberg	Welch
Clawson	Jennings	Murphy	Samuelson	Wenzel
Dahlvang	Johnson, D.	Nelsen, B.	Sarna	Spkr. Sieben, H.
Dean	Jude	Nelson, K.	Schoenfeld	
Dempsey	Kaley	Nysether	Schreiber	
Den Ouden	Kalis	O'Connor	Shea	
Eken	Kelly	Ogren	Sherman	

Those who voted in the negative were:

Aasness	Halberg	McCarron	Piepho	Wigley
Drew	Hanson	McDonald	Schafer	Wynia
Erickson	Heinitz	Niehaus	Sherwood	
Esau	Kahn	Norton	Voss	
Fjoslien	Lemen	Novak	Welker	
Gruenes	Luknic	Peterson, B.	Wieser	

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

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 2000.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONFERENCE COMMITTEE REPORT ON S. F. NO. 2000

A bill for an act relating to the city of Brooklyn Center; authorizing the Brooklyn Center housing and redevelopment authority to carry out a housing interest buy-down program.

March 13, 1982

The Honorable Jack Davies  
President of the Senate

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

We, the undersigned conferees for S. F. No. 2000, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 2000 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [CITY OF BROOKLYN CENTER; HOUSING INTEREST ASSISTANCE PROGRAM; FINDINGS AND PURPOSE.]

*The legislature of the state of Minnesota finds that preservation of the quality of life in a metropolitan city is dependent upon the maintenance, provision, and preservation of an adequate housing stock; that accomplishing this is a public purpose; that there are housing units in the city of Brooklyn Center that do not meet the applicable housing codes, some of which need to be destroyed, and some of which can be rehabilitated; that there are vacant lots upon which new housing units can be constructed; that a need exists to construct new housing on vacant lots and to replace housing which is destroyed; that a need exists for mortgage credit to be made available at reasonable interest rates for new construction; that many owners, would-be purchasers or providers of housing units are unable to afford mortgage credit at market rates of interest; and that subsidizing interest rates can be an effective means of achieving the above-stated purposes.*

Sec. 2. [AUTHORIZATION FOR HOUSING INTEREST BUY-DOWN PROGRAM.]

*Subdivision 1. The Brooklyn Center housing and redevelopment authority may develop and administer an interest buy-down program to assist with the financing of housing, located anywhere within the boundaries of the city of Brooklyn Center, for occupancy primarily by persons of low or moderate income to achieve the purposes set forth in section 1. In developing the program the authority shall consider:*

(a) *the availability and affordability of other governmental programs;*

(b) *the availability and affordability of private market financing;*

(c) *the need for more affordable mortgage credit to encourage the construction and enable the purchase of housing units within the city of Brooklyn Center.*

*Subd. 2. In establishing and operating a housing interest buy-down program the authority may use or pledge to use any revenue of the authority to:*

(a) *pay any of the interest due on loans made pursuant to Minnesota Statutes, Chapter 462C, to purchasers of housing units;*

(b) *pay any of the interest due on bonds issued pursuant to Minnesota Statutes, Chapter 462C, the proceeds of which are used primarily to provide loans to the purchasers of housing units; and*

(c) *pay any of the interest due on loans made by any person to the purchasers of housing units in the city of Brooklyn Center, but the purchaser must intend to occupy the housing unit as a principal place of residence at the time the loan is made.*

*Subd. 3. The authority shall promulgate regulations for the housing interest buy-down program.*

### Sec. 3. [LIMITATIONS.]

*Housing interest buy-down shall not be provided when the authority determines that financing for the purchase of a housing unit is otherwise available from private lenders upon terms and conditions which are affordable by the applicant, as provided by the authority in its regulations.*

*At least 80 percent of the aggregate dollar amount of funds appropriated by an authority within any calendar year to provide interest reduction assistance for financing of construction, rehabilitation or purchase of single family housing, as that term is defined in section 462C.02, subdivision 4, when the financing is provided pursuant to chapter 462C, shall be appropriated for housing units which are to be sold or occupied by families or individuals with an adjusted gross income which is equal to or less than 110 percent of median family income. At least 80 percent of the aggregate dollar amount of funds appropriated by an authority within any calendar year to provide interest reduction assistance for financing of construction, rehabilitation or purchase of single family housing as that term is defined in section 462C.02, when the financing is not provided pursuant to chapter 462C, shall be appropriated for housing units which are to be sold or occupied by families or individuals with an adjusted gross income which is equal to or less than 110 percent of median family income. For the purposes of this subdivision, "median family income" means the median family income established by the*

*United States department of housing and urban development for the non-metropolitan county or the standard metropolitan statistical area, as the case may be. The adjusted gross income may be adjusted by the authority for family size.*

**Sec. 4. [APPLICATION OF OTHER LAW.]**

*The city of Brooklyn Center may establish an interest buy-down program either under the provisions of sections 1 to 3 or the provisions of Minnesota Statutes, Chapter 462.*

**Sec. 5.** Minnesota Statutes 1980, Section 273.75, Subdivision 4, is amended to read:

**Subd. 4. [LIMITATION ON USE OF TAX INCREMENT.]** All revenues derived from tax increment shall be used in accordance with the tax increment financing plan. The revenues shall be used solely for the following purposes: (a) to pay the principal of and interest on bonds issued to finance a project; (b) by a rural development financing authority for the purposes stated in section 362A.01, subdivision 2, by a port authority or municipality exercising the powers of a port authority to finance or otherwise pay the cost of redevelopment pursuant to chapter 458, by a housing and redevelopment authority to finance or otherwise pay public redevelopment costs pursuant to chapter 462, by a municipality to finance or otherwise pay the capital and administration costs of a development district pursuant to chapter 472A, by a municipality or redevelopment agency to finance or otherwise pay premiums for insurance or other security guaranteeing the payment (OF NET RENTALS) when due (UNDER THE PROJECT LEASE) of principal of and interest on the bonds pursuant to chapters 462C, 474, or both chapters, or to accumulate and maintain a reserve securing the payment when due of the principal of and interest on the bonds pursuant to (CHAPTER) chapters 462C, 474, or both chapters, which revenues in the reserve shall not exceed, subsequent to the fifth anniversary of the date of issue of the first bond issue secured by the reserve, an amount equal to 20 percent of the aggregate principal amount of the outstanding and nondefeased bonds secured by the reserve. These revenues shall not be used to circumvent existing levy limit law.

**Sec. 6.** Minnesota Statutes 1980, Section 462.445 is amended by adding a subdivision to read:

**Subd. 11a. [INTEREST REDUCTION PROGRAM, LIMITATIONS.]** *An authority may provide interest reduction assistance for a rental housing development which is located in a targeted area as defined in section 462C.02 without regard to the limitations imposed upon assisted housing units by subdivision 11.*

**Sec. 7. [BROOKLYN CENTER HOME ENERGY CONSERVATION PROGRAM.]**

*Subdivision 1. The city of Brooklyn Center may establish a home energy conservation improvement program to provide means for the city to aid all residents of the city to maintain their home energy requirements by reducing overall energy demand, thus tending to assure the continuance of essential public, industrial, and commercial activities. The expenditures of public funds authorized by this section are determined to be necessary governmental actions, particularly under present conditions of uncertain and limited energy supplies, increasing costs for gas and oil, and difficulty and delay in the increase of energy supplies from all sources due to environmental concerns.*

*Provisions for the operation and financing of the program shall be made by and pursuant to resolutions adopted by the city council. The powers granted by this section are supplemental, and the procedures authorized for exercising them are alternative to those provided in other law.*

*Subd. 2. "Residential energy conservation improvement" means the following devices, methods, and materials, if recommended by an approved energy audit and having a maximum cost of \$3,000, which increase the efficiency of residential use of energy:*

- (1) Insulation and ventilation;*
- (2) Storm or thermal doors or windows;*
- (3) Caulking and weatherstripping;*
- (4) Furnace efficiency modifications and replacements;*
- (5) Thermostat or lighting controls; and*
- (6) Systems to turn off or vary the delivery of energy.*

*The term "residential energy conservation improvement" does not include any device or method which creates, converts, or actively uses energy from renewable sources such as solar, wind, or biomass.*

*Subd. 3. To provide for home energy conservation improvements, when requested by the owner of a one to four unit residential building, the city may develop a program which allows:*

*(a) The city to negotiate and contract with contractors to perform work or furnish materials or both, for one or more projects, in accordance with schedules coordinated and approved by the city;*

*(b) The homeowner, subject to the approval of the city, to negotiate and contract with contractors to perform work or*

*furnish materials or both, for one or more projects, in accordance with schedules coordinated and approved by the city; or*

*(c) The city to contract with a homeowner for labor or materials or both, provided that in such cases the city may inspect the work performed and shall not pay the homeowner for his labor.*

*Subd. 4. [PAYMENTS.] (a) The city may contract with each homeowner for payment of the cost in cash upon completion of the project, with payment secured by deposit in advance of an amount equal to at least 90 percent of the contract price, or by a written commitment by a bank or other approved financial institution to loan the full amount of the contract price to the homeowner. The homeowner, the financial institution and the city, may agree to any convenient method of repayment.*

*(b) The city may accept payment by a promissory note in a principal amount equal to the contract price, repayable in equal periodic installments, including both principal and interest on the declining principal balance. Provisions may be agreed upon to permit or restrict repayment.*

*(c) The city may specially assess the benefited property in the manner provided in Minnesota Statutes, Chapter 429.*

*Debts for improvements are a first and prior lien on the property improved as provided in Minnesota Statutes, Section 514.67. If not paid when due they shall be entered upon the tax rolls and collected with and as a part of the taxes on the property, with the same interest and penalties.*

*Subd. 5. In addition to revenue obtained pursuant to any other law, the city may sell revenue bonds on or obligations pursuant to Minnesota Statutes, Chapter 462C to finance the home energy conservation improvement program authorized by this section.*

*Subd. 6. This section is effective upon approval by the governing body of the city of Brooklyn Center and upon compliance with Minnesota Statutes, Section 645.021, Subdivision 3.*

*Sec. 8. Laws 1965, Chapter 855, Section 4, Subdivision 1, as amended by Laws 1980, Chapter 573, Section 4, is amended to read:*

#### **Sec. 4. [DUTIES OF THE PERSONNEL BOARD.]**

**Subdivision 1. [BOARD PROCEEDINGS.]** When any member of the board is not present at the time a matter is submitted to the board such matter shall be deemed submitted to each member of the board with like effect as though each

member of the board had been present at the time of submission of such matter. Whenever during the consideration of a matter which is before the board, there is a change in the personnel of the board, the matter shall be deemed submitted to the new member, or members, as though said new member, or members, had been a member of the board at the time of the submission of the matter.

No meetings of the board shall be held unless at least (THREE) *four* members are present. A majority vote of all members shall constitute the decision of the board. The board shall keep records and minutes of its business and official actions which shall be open to public inspection subject to such reasonable rules as to time and place of inspection as the board may establish.

Sec. 9. Laws 1965, Chapter 855, Section 7, Subdivision 3, as amended by Laws 1980, Chapter 573, Section 7, is amended to read:

Subd. 3. [UNCLASSIFIED SERVICE, COMPENSATION.] The director shall establish a compensation plan in accordance with section 6, clause (e) for those employees in the unclassified service identified in subdivision 2, clauses (c), (d), (f), (h), (i), (j), (k), (l), (m), (n), (o), (r) and (s).

Sec. 10. Laws 1965, Chapter 855, Section 7, Subdivision 4, as amended by Laws 1980, Chapter 573, Section 7, is amended to read:

Subd. 4. [UNCLASSIFIED SERVICE, TENURE, BENEFITS.] The positions in the unclassified service enumerated in subdivision 2, clauses (c), (d), (h), (i), (j), (k), (l), (m), (n), (o), (q), (r) and (s) shall not have permanent tenure but shall have all other benefits provided for in this act. The term of office of any position established by another statute shall be as provided in it.

Sec. 11. Laws 1979, Chapter 55, Section 1, is amended to read:

#### Section 1. [COUNTY BOARD; SELF INSURANCE.]

Notwithstanding any contrary provision of other law, the board of commissioners of Hennepin county may insure the county against any claim of liability or loss using funds of the county, without procuring insurance from any private insurance company when the county board considers it to be in the best interests of the county. This provision shall not be construed as an increase of the liability limitations or as a waiver of defenses allowable in any action pursuant to Minnesota Statutes, Chapter 466. The board may transfer amounts of money from funds of the county to the funds the county may establish for the

above purposes in accord with generally accepted accounting principles. The term "liability" shall extend to all liability or loss that may be covered by any form of insurance, including but not limited to malpractice, general liability, or workers' compensation. (THIS ACT SHALL NOT AUTHORIZE SELF INSURANCE AGAINST RISKS AS DEFINED IN MINNESOTA STATUTES, SECTION 60A.06, SUBDIVISION 1, CLAUSES (4) AND (5)(A).) *Minnesota Statutes, Section 471.617 applies to Hennepin County.*

Sec. 12. Laws 1979, Chapter 198, Article II, Section 7, Subdivision 1, is amended to read:

Sec. 7. [CERTIFICATES OF INDEBTEDNESS.]

Subdivision 1. [TAX ANTICIPATION CERTIFICATES.] At any time after the first day of the year following the making of an annual tax levy, the county board may, by resolution and without public referendum, issue certificates of indebtedness in anticipation of the collection of taxes levied for any fund and not yet collected. The total of all certificates issued against any fund for any year with interest thereon until maturity, together with all orders outstanding against the fund, shall not exceed the total current taxes for the fund uncollected at the time of issuance plus the cash currently in the fund. If certificates are issued against the anticipated tax levy for any fund, any unpaid orders outstanding against the fund shall be redeemed from the proceeds of the certificates. All tax anticipation certificates shall be negotiable and shall be payable to the order of the payee and shall have a definite due date but may be payable on or before that date. No certificate shall be issued to become due and payable later than the first day of April of the year following the year of issuance. Certificates shall be sold for not less than par and accrued interest and shall bear interest at a rate (NOT TO EXCEED SEVEN PERCENT PER ANNUM) *that conforms to Minnesota Statutes, Section 475.55*, payable at maturity or at such earlier times as the board may determine. Each certificate shall state upon its face the fund for which the proceeds of the certificate shall be used, the total amount of the certificates so issued against the fund and the total amount embraced in the tax levy for that fund. They shall otherwise be issued on terms and conditions as the board may determine. The proceeds of the taxes assessed on account of the fund against which tax anticipation certificates are issued and the full faith and credit of the county shall be irrevocably pledged for the redemption of the certificate in the order of issuance against the fund.

Sec. 13. Laws 1979, Chapter 198, Article II, Section 7, Subdivision 2, is amended to read:

Subd. 2. [EQUIPMENT ACQUISITION; CAPITAL NOTES.] The board may, by resolution and without public



referendum, issue (CERTIFICATES OF INDEBTEDNESS) capital notes within existing debt limits for the purpose of purchasing ambulance and other medical equipment, road construction or maintenance equipment, public safety equipment and other capital equipment having an expected useful life at least equal to the term of the (CERTIFICATES) notes issued. The (CERTIFICATES) notes shall be payable in not more than five years and shall be issued on terms and in a manner as the board determines. The total principal amount of the (CERTIFICATES OF INDEBTEDNESS) notes issued for any fiscal year shall not exceed one percent of the total annual budget for that year and shall be issued solely for the purchases authorized in this subdivision. A tax levy shall be made for the payment of the principal and interest on such (CERTIFICATES) notes as in the case of bonds.

#### Sec. 14. [COMMISSIONERS COMPENSATION.]

*No per diem payment shall be allowed county board members for service on the county board or any other county body. County board members shall pay for parking in county owned parking facilities where payment is required. County board members may be allowed mileage for use of their personal automobile at a rate per mile.*

*The Hennepin county board may set the salary of board members by resolution limited to that subject. Adjustments in commissioners' salaries shall be adopted by the county board by resolution prior to a general election to take effect January 1 of the succeeding year.*

#### Sec. 15. [REGIONAL RECREATIONAL OPEN SPACE.]

*The housing outparcel on Nicollet Island referred to by Laws 1981, Chapter 304, Section 2, is more particularly described as follows:*

*A parcel bounded on the north by Hennepin Avenue, on the south by Merriam Street, on the west by Wilder Street, and on the east by East Island Avenue, as said streets are presently located;*

*Together with a parcel bounded on the north by the Burlington Northern Railroad right-of-way, on the south by Hennepin Avenue, on the east by East Island Avenue, and on the west by West Island Avenue;*

*Together with a parcel bounded on the north by Maple Place, on the south by the Burlington Northern Railroad right-of-way, on the east by Nicollet Street, and on the west by West Island Avenue;*

*Together with lots 7, 8, and 9, and the west 60 feet of lot 10, block 1, Nicollet Island;*

*Together with lots 6 and 7, and lots 10 to 16, inclusive, block 3, Nicollet Island.*

**Sec. 16. [EFFECTIVE DATE.]**

*Sections 1 to 4 are effective the day after compliance by the governing body of the city of Brooklyn Center with Minnesota Statutes, Section 645.021, Subdivision 3. Sections 5 and 6 are effective the day following final enactment. Sections 8 to 14 are effective the day after compliance with Minnesota Statutes, Section 645.021, Subdivision 3, by the Hennepin County board. Section 15 is effective in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington the day after final enactment."*

Delete the title and insert:

"A bill for an act relating to local government; authorizing the Brooklyn Center housing and redevelopment authority to carry out a housing interest buy-down program; providing security for housing and redevelopment bonds; permitting housing and redevelopment authorities to provide interest rate reduction assistance; allowing the city of Brooklyn Center certain housing related powers; regulating the debt, personnel, insurance and compensation powers of Hennepin county; describing land to be acquired for open space purposes; amending Minnesota Statutes 1980, Sections 462.445, by adding a subdivision; 273.75, Subdivision 4; Laws 1965, Chapter 855, Section 4, Subdivision 1, as amended, and Section 7, Subdivisions 3, as amended, and 4, as amended; Laws 1979, Chapter 55, Section 1; and Laws 1979, Chapter 198, Article II, Section 7, Subdivisions 1 and 2."

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

Senate Conferees: WILLIAM P. LUTHER, RANDOLPH W. PETERSON, and STEVE ENGLER.

House Conferees: ROBERT L. ELLINGSON, JOEL JACOBS and WILLIAM SCHREIBER.

Ellingson moved that the report of the Conference Committee on S. F. No. 2000 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 2000, A bill for an act relating to the city of Brooklyn Center; authorizing the Brooklyn Center housing and redevelopment authority to carry out a housing interest buy-down program.

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

The question was taken on the repassage of the bill and the roll was called. There were 102 yeas and 18 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Evans	Knickerbocker	Olsen	Skoglund
Anderson, G.	Ewald	Kostohryz	Onnen	Stadum
Anderson, I.	Fjoslien	Laidig	Otis	Staten
Battaglia	Greenfield	Lehto	Peterson, B.	Stowell
Begich	Gruenes	Lemen	Peterson, D.	Stumpf
Berkelman	Gustafson	Levi	Piepho	Swanson
Blatz	Halberg	Long	Pogemiller	Tomlinson
Brandl	Hanson	Luknic	Redalen	Valan
Brinkman	Hauge	Mann	Reding	Valento
Byrne	Heap	Marsh	Rees	Vanasek
Carlson, D.	Heinitz	McEachern	Reif	Vellenga
Carlson, L.	Himle	Mehrkins	Rodriguez, C.	Voss
Clark, J.	Hoberg	Metzen	Rodriguez, F.	Welch
Clark, K.	Hokanson	Minne	Rothenberg	Wenzel
Clawson	Jacobs	Munger	Samuelson	Wieser
Dahlvang	Johnson, D.	Murphy	Sarna	Wigley
Dean	Jude	Nelson, K.	Schoenfeld	Wynia
Drew	Kahn	Norton	Schreiber	Spkr. Sieben, H.
Eken	Kaley	Novak	Sherman	
Elioff	Kalis	O'Connor	Sieben, M.	
Ellingson	Kelly	Ogren	Simoneau	

Those who voted in the negative were:

Aasness	Erickson	Kvam	Nelsen, B.	Sviggunn
Ainley	Esau	Ludeman	Niehaus	Welker
Dempsey	Haukoos	McCarron	Schafer	
Den Ouden	Jennings	McDonald	Sherwood	

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

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1025, A bill for an act relating to safety; imposing an additional fee for two-wheeled vehicle endorsements for motorcycle safety programs; providing for the disposition of the proceeds of the additional fee; prescribing duties of commissioner of public safety; establishing an account; appropriating money; amending Minnesota Statutes 1981 Supplement, Section 171.06, by adding a subdivision; proposing new law coded in Minnesota Statutes, Chapter 126.

PATRICK E. FLAHAVEN, Secretary of the Senate

## CONCURRENCE AND REPASSAGE

Marsh moved that the House concur in the Senate amendments to H. F. No. 1025 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1025, A bill for an act relating to safety; imposing an additional fee for two-wheeled vehicle endorsements for motorcycle safety programs; providing for the disposition of the proceeds of the additional fee; exempting from the motor vehicle excise tax certain purchasers of motorized bicycles for resale; prescribing duties of the commissioners of public safety and education; establishing a fund; appropriating money; amending Minnesota Statutes 1980, Sections 171.06, by adding a subdivision; 297B.035, by adding a subdivision; proposing new law coded in Minnesota Statutes, Chapter 126.

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

The question was taken on the repassage of the bill and the roll was called. There were 115 yeas and 13 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Ainley	Esau	McCarron	Schafer	Welker
Anderson, G.	Kahn	McDonald	Shea	
Erickson	Ludeman	Nelsen, B.	Skoglund	

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

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 1964.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 1964

A bill for an act relating to state government; ratifying state employee and University of Minnesota labor agreements and compensation plans; amending Minnesota Statutes 1980, Section 299D.03, Subdivision 2; repealing Minnesota Statutes 1980, Sections 299C.041; and 299D.03, Subdivision 3.

March 14, 1982

The Honorable Jack Davies  
President of the Senate

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

We, the undersigned conferees for S. F. No. 1964, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 1964 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [486.055] [COURT REPORTER TRANSCRIPT FEE CHARGES; REPORTING REQUIREMENTS.]

*Subdivision 1. [REPORTING REQUIREMENTS.] Each court reporter who charges a fee for the preparation of transcripts shall by April 15 of each year file with the district administrator of his judicial district and the county commissioners of the district an accounting of gross receipts and net income from these receipts for the prior calendar year. The accounting report shall specify the amount received in payment for the sale of transcripts.*

Sec. 2. Minnesota Statutes 1980, Section 179.66, Subdivision 7, is amended to read:

Subd. 7. The employer shall not meet and negotiate or meet and confer with any employee or group of employees who are at the time designated as a member or part of an appropriate employee unit except through the exclusive representative if one is certified for that unit or as provided for in section 179.69, subdivision 1, *provided that this subdivision shall not be deemed to prevent the communication to the employer, other than through the exclusive representative, of advice or recommendations by professional employees, when such communication is a part of the employee's work assignment.*

Sec. 3. Minnesota Statutes 1980, Section 179.72, Subdivision 7, is amended to read:

Subd. 7. The arbitration panel or arbitrator selected by the parties shall resolve the issues in dispute between the parties as submitted by the board, and the panel's decision and order shall be final and binding upon the parties. *The panel shall be restricted, if the parties agree in writing to so limit the panel's jurisdiction, except as provided by subdivision 7b to selecting between the final offers on each impasse item submitted by the parties to the panel, or the final offer of one or the other party in its entirety.* Provided, however, that no decision of the panel which violates any provision of the laws of Minnesota or rules or regulations promulgated thereunder or municipal charters or ordinances or resolutions enacted pursuant thereto, or which causes a penalty to be incurred thereunder, shall have any force or effect. In considering a dispute and issuing its order the panel shall give due consideration to the statutory rights and obligations of public employers to efficiently manage and conduct its operations within the legal limitations surrounding the financing of such operations. The panel's orders shall be issued by a majority vote of its members considering a given dispute. The panel shall have no jurisdiction over nor authority to entertain any matter or issue not within the definition stated in section 179.63, subdivision 18; provided, however, items not within terms and conditions of employment may be included in an arbitration decision if such items are contained in the employer's final position. Any issue or order or part thereof issued by the panel determining any matter not included under section 179.63, subdivision 18 or the employer's final position shall be void and of no effect. The panel shall render its decision within ten days from the date that all arbitration proceedings have been concluded, but in any event must issue its order by the last date the employer is required by statute, charter, ordinance or resolution to submit its tax levy or budget or certify its taxes voted to the appropriate public officer, agency, public body or office, or by November 1, whichever date is earlier. The panel's order shall be for such period as the panel shall direct, except that orders determining con-

tracts for teacher units shall be effective to the end of the contract period as determined by section 179.70, subdivision 1.

Sec. 4. Minnesota Statutes 1980, Section 179.72, Subdivision 7b is amended to read:

Subd. 7b. Notwithstanding the provisions of subdivision 7, for (ESSENTIAL EMPLOYEES,) supervisory employees, confidential employees, and principals and assistant principals who are not employees of the executive branch of the state of Minnesota, the panel shall be restricted to selecting between the final offers on each impasse item submitted by the parties to the panel.

Sec. 5. Minnesota Statutes 1980, Section 299D.03, Subdivision 2, is amended to read:

Subd. 2. [SALARIES.] (1) Each employee other than the chief supervisor, lieutenant colonel, majors, captains, corporals and sergeants hereinafter designated shall be known as patrol troopers.

(2) There may be appointed one lieutenant colonel; and such majors, captains, corporals, sergeants and troopers as the commissioner deems necessary to carry out the duties and functions of the highway patrol. Persons in above named positions shall be appointed by law and have such duties as the commissioner may direct and, except for troopers, shall be selected from the patrol troopers, corporals, sergeants, captains, and majors who shall have had at least five years' experience as either patrol troopers, corporals, sergeants, or supervisors.

(3) (COMMENCING JULY 4, 1979, THE SALARIES FOR ALL MEMBERS OF THE HIGHWAY PATROL, EXCEPT FOR THE CHIEF SUPERVISOR AND THE LIEUTENANT COLONEL SHALL BE AS SHOWN IN THE FOLLOWING TABLE:

TOTAL YEARS OF SERVICE				
BASE SALARY	6 MONTHS	1 YEAR	2 YEARS	3 YEARS
TROOPER				
\$1186	1229	1327	1377	1439
	4 THRU 6 YEARS	7 THRU 11 YEARS	12 THRU 20 YEARS	AFTER 20 YEARS
TROOPER	\$1511	1566	1625	1687

## TROOPER I

5 THRU 11 YEARS	12 THRU 20 YEARS	AFTER 20 YEARS
\$1566	1625	1687

## CORPORAL

10 THRU 20 YEARS	AFTER 20 YEARS
\$1650	1712

## STAFF SERGEANT

## YEARS

7	8	9	10	11	12 THRU 20	AFTER 20
\$1656	1687	1719	1753	1786	1817	1880

## TIME IN RANK

## CAPTAIN

BASE SALARY	1 YEAR	2 YEARS	AFTER 12 YEARS TOTAL SERVICE	AFTER 20 YEARS TOTAL SERVICE
\$1959	2020	2083	2143	2202

## MAJOR

2239	2301	2363	2425)
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(COMMENCING JULY 2, 1980, THE SALARIES FOR ALL MEMBERS OF THE HIGHWAY PATROL, EXCEPT FOR THE CHIEF SUPERVISOR AND THE LIEUTENANT COLONEL SHALL BE AS SHOWN IN THE FOLLOWING TABLE:

## TOTAL YEARS OF SERVICE

## TROOPER

BASE SALARY	6 MONTHS	1 YEAR	2 YEARS	3 YEARS
\$1257	1303	1407	1460	1525

## TROOPER

4 THRU 6 YEARS	7 THRU 11 YEARS	12 THRU 20 YEARS	AFTER 20 YEARS
\$1602	1660	1723	1788



## TROOPER I

5 THRU 11  
YEARS12 THRU 20  
YEARSAFTER 20  
YEARS

\$1660

1723

1788

## CORPORAL

10 THRU 20  
YEARSAFTER 20  
YEARS

\$1749

1815

## STAFF SERGEANT

YEARS

7

8

9

10

11

12 THRU 20

AFTER 20

\$1755

1788

1822

1858

1893

1926

1993

## TIME IN RANK

## CAPTAIN

BASE  
SALARY1  
YEAR2  
YEARSAFTER 12  
YEARS TOTAL  
SERVICEAFTER 20  
YEARS TOTAL  
SERVICE

\$2077

2141

2208

2272

2334

## MAJOR

\$2373

2439

2505

2571)

(EMPLOYEES DESIGNATED AS STATION SERGEANTS SHALL RECEIVE AN ADDITIONAL THREE PERCENT ABOVE THE CURRENT RATE ROUNDED TO THE NEAREST DOLLAR FOR THE DURATION OF THE APPOINTMENT. EMPLOYEES PERMANENTLY ASSIGNED EXCLUSIVELY TO TWIN CITY METROPOLITAN FREEWAY DUTY SHALL BE DESIGNATED FREEWAY TROOPERS AND SHALL BE COMPENSATED \$25 PER MONTH ABOVE THE CURRENT SALARY WHEN SO ASSIGNED. SALARY INCREASES IN ACCORDANCE WITH THE ABOVE SCHEDULE SHALL BECOME EFFECTIVE FOR THE PAYROLL PERIOD NEAREST THE EMPLOYEE'S ANNIVERSARY DATE OF EMPLOYMENT.)

((4) UPON PROMOTION, THE PERSON WILL BE PAID AT THE BASE SALARY RATE OF PAY IN EFFECT FOR THAT RANK, AND SHALL SUBSEQUENTLY BE ELIGIBLE FOR THE TIME IN RANK INCREASES CALCULATED FROM THE EFFECTIVE DATE OF PROMOTION.)

((5) ANY TIME IN RANK INCREASES IN SALARY PROVIDED FOR IN THE TABLES IN CLAUSE (3), SHALL BE EFFECTIVE FOR THE PAYROLL PERIOD NEAREST THE EMPLOYEE'S ANNIVERSARY DATE OF EMPLOYMENT.)

The salary rates for all highway patrol troopers, corporals and sergeants (AS CITED IN CLAUSE (3)) shall be deemed to include reimbursement for shift differential, meal and business expenses incurred by highway patrol troopers, corporals and sergeants in the performance of their assigned duties in their patrol areas; business expenses include, but are not limited to: uniform costs, home garaging of squad cars and maintenance of home office.

Sec. 6. Laws 1979, Chapter 332, Article I, Section 116, as amended by Laws 1980, Chapter 617, Section 44, is amended to read:

Sec. 116. [EFFECTIVE DATE.]

The effective dates for Article I are as follows: sections 2, 4, 8, 40, 45, 46, 47, 58, 61, 65, 82-91, and 113 are effective upon final enactment. Section 64, is effective June 30, 1980. Sections 3, 5, 6 and 7 are effective July 1, 1981. The remaining provisions of Article I are effective July 1, 1979. The provisions of section 47 shall apply to all disciplinary actions taken on or after the effective date of section 47. The provisions of section 63 shall expire on July 1, 1981, but shall apply to all arbitration proceedings which are to determine contractual provisions for the 1981-1983 biennium. The provisions of section 64 shall expire on July 1, (1981) 1983, but shall apply to all arbitration proceedings which are to determine contractual provisions for the next contract period. The provisions of sections 93 to 111 and 113 shall expire on July 1, 1981. The provisions of section 137.02, subdivision 4, shall not apply to sections 93 to 111.

Sec. 7. [RATIFICATION; STATE OF MINNESOTA.]

*Subdivision 1. The labor agreement between the state of Minnesota and the bureau of criminal apprehension agents' association, Minnesota conservation officers' association and Minnesota state patrol officers' association, approved by the legislative commission on employee relations on August 18, 1981, is hereby ratified.*

*Subd. 2. The labor agreement between the state of Minnesota and the American federation of state, county and municipal employees, council 6, approved by the legislative commission on employee relations on August 19, 1981, is hereby ratified.*

*Subd. 3. The labor agreement between the state of Minnesota and the Minnesota nurses association, approved by the legislative commission on employee relations on November 19, 1981, is hereby ratified.*

*Subd. 4. The labor agreement between the state of Minnesota and the interfaculty organization, Minnesota education association, approved by the legislative commission on employee relations on November 19, 1981, is hereby ratified.*

*Subd. 5. The labor agreement between the state of Minnesota and the Minnesota community college faculty association, Minnesota education association, approved by the legislative commission on employee relations on November 19, 1981, is hereby ratified.*

*Subd. 6. The labor agreement between the state of Minnesota and the Minnesota state university association of administrative and service faculty, international brotherhood of teamsters, local 320, approved by the legislative commission on employee relations on November 19, 1981, is hereby ratified.*

*Subd. 7. The arbitration award and the resulting labor agreement between the state of Minnesota and the Minnesota government engineers' council, approved by the legislative commission on employee relations on March 1, 1982, are hereby ratified.*

*Subd. 8. The labor agreement between the state of Minnesota and the association of health treatment professionals, approved by the legislative commission on employee relations on November 19, 1981, is hereby ratified.*

*Subd. 9. The labor agreement between the state of Minnesota and the Minnesota association of professional employees, approved by the legislative commission on employee relations on November 19, 1981, is hereby ratified.*

*Subd. 10. The labor agreement between the state of Minnesota and the state residential schools education association, approved by the legislative commission on employee relations on January 26, 1982, is hereby ratified.*

*Subd. 11. The labor agreement between the state of Minnesota and the middle management association, approved by the legislative commission on employee relations on November 19, 1981, is hereby ratified.*

*Subd. 12. The commissioner of employee relations' plan for certain unrepresented state employees, approved by the legislative commission on employee relations on November 19, 1981, is hereby ratified.*

Sec. 8. [RATIFICATION; UNIVERSITY OF MINNESOTA.]

*Subdivision 1. The salary supplements provided in the labor agreement between the regents of the University of Minnesota and the international brotherhood of teamsters, local 320, approved by the legislative commission on employee relations on September 3, 1981, are hereby ratified.*

*Subd. 2. The salary supplements provided in the labor agreement between the regents of the University of Minnesota and the international brotherhood of teamsters, local 320, approved by the legislative commission on employee relations on November 19, 1981, are hereby ratified.*

*Subd. 3. The salary supplements provided in the labor agreement between the regents of the University of Minnesota and the American federation of state, county and municipal employees, council 6, and local 1164, American federation of labor-congress of industrial organizations, approved by the legislative commission on employee relations on September 29, 1981, are hereby ratified.*

*Subd. 4. The salary supplements provided in the University of Minnesota regents' compensation plan for unrepresented nursing professional, noninstructional (nonacademic appointment) professional and supervisory employees, approved by the legislative commission on employee relations on January 12, 1982, are hereby ratified.*

*Subd. 5. The salary supplements provided in the University of Minnesota regents' compensation plan for unrepresented clerical and office, technical, managerial and confidential employees, approved by the legislative commission on employee relations on November 19, 1981, are hereby ratified.*

*Subd. 6. The salary supplements provided in the University of Minnesota regents' compensation plan for unrepresented twin cities and outstate instructional, graduate assistant and noninstructional (academic appointment) professional employees, approved by the legislative commission on employee relations on January 12, 1982, are hereby ratified.*

Sec. 9. [INTERIM APPROVAL.]

*After adjournment of the 1982 session of the legislature, the legislative commission on employee relations may give interim approval to a negotiated agreement, arbitration award, salary supplement, or compensation plan submitted to it in accordance with other law. The legislative commission on employee relations shall submit the agreement, award, salary supplement, or plan to the entire legislature for ratification in the same manner and*

*with the same effect as provided in section 179.74, subdivision 5.*

**Sec. 10. [SALARY OF EXECUTIVE SECRETARY; HIGHER EDUCATION COORDINATING BOARD.]**

*Notwithstanding any other law to the contrary, the higher education coordinating board may establish the salary of its executive director.*

**Sec. 11. [COURT REPORTERS.]**

*The departmental and classification seniority of an individual who was employed as a court reporter in state service prior to his appointment as a court reporter in the office of administrative hearings pursuant to Laws 1975, Chapter 380, Section 16, shall carry forward and be credited to his employment with the office of administrative hearings.*

**Sec. 12. [REVIEW OF EXECUTIVE POSITIONS.]**

*The legislative commission on employee relations is directed to review the executive positions contained in section 15A.081, those that have been removed through legislative action, and those that have never been included. This review shall consider managerial and programmatic responsibilities and authority, the skill and effort required by each position, and compensation accorded. The commission may utilize the findings of the 1980 governor's task force on executive and judicial compensation. The commission shall report back to the legislature by February 15, 1983, its recommendations relative to appropriate inclusion in section 15A.081 and equitable compensation for comparable executive positions.*

**Sec. 13. [REPEALER.]**

*Minnesota Statutes 1980, Sections 299C.041 and 299D.03, Subdivision 3, are repealed.*

**Sec. 14. [REPEALER.]**

*Minnesota Statutes 1980, Section 179.72, Subdivision 7a is repealed.*

**Sec. 15. [EFFECTIVE DATE.]**

*Section 14 is effective July 1, 1982. The remaining sections are effective the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to state government; ratifying state employee and University of Minnesota labor agreements and compensation plans; clarifying meet and confer status for professional employees; extending final offer arbitration to certain public employee impasses under PELRA; removing it for others except on a voluntary basis; amending Minnesota Statutes 1980, Sections 179.66, Subdivision 7; 179.72, Subdivisions 7 and 7b; 299D.03, Subdivision 2; Laws 1979, Chapter 332, Article I, Section 116, as amended; proposing new law coded in Minnesota Statutes, Chapter 486; repealing Minnesota Statutes 1980, Sections 179.72, Subdivision 7a; 299C.041; and 299D.03, Subdivision 3."

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

Senate Conferees: FRANKLIN J. KNOLL, ALLAN H. SPEAR, GEORGE S. PILLSBURY, DONALD M. MOE and TOM A. NELSON.

House Conferees: WAYNE A. SIMONEAU, MICHAEL R. SIEBEN, CHARLES C. HALBERG and FRED C. NORTON.

Simoneau moved that the report of the Conference Committee on S. F. No. 1964 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1964, A bill for an act relating to state government; ratifying state employee and University of Minnesota labor agreements and compensation plans; amending Minnesota Statutes 1980, Section 299D.03, Subdivision 2; repealing Minnesota Statutes 1980, Sections 299C.041; and 299D.03, Subdivision 3.

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

The question was taken on the repassage of the bill and the roll was called. There were 75 yeas and 53 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Eken	Kelly	Ogren	Sieben, M.
Anderson, G.	Elioff	Kostohryz	Olsen	Simoneau
Anderson, I.	Ellingson	Laidig	Osthoff	Skoglund
Battaglia	Evans	Lehto	Otis	Staten
Begich	Fjoslien	Long	Peterson, D.	Stumpf
Berkelman	Greenfield	Luknic	Pogemiller	Sviggum
Blatz	Gruenes	Marsh	Reding	Swanson
Brandl	Gustafson	McCarron	Rice	Tomlinson
Byrne	Halberg	Metzen	Rodriguez, C.	Vanasek
Carlson, D.	Harens	Minne	Rodriguez, F.	Vellenga
Carlson, L.	Hokanson	Murphy	Rose	Voss
Clark, J.	Jacobs	Nelson, K.	Samuelson	Welch
Clark, K.	Johnson, D.	Norton	Sarna	Wenzel
Clawson	Kahn	Novak	Schoenfeld	Wynia
Dahlvang	Kalis	O'Connor	Shea	Spkr. Sieben, H.

Those who voted in the negative were:

Aasness	Hanson	Knickerbocker	Nysether	Sherwood
Ainley	Hauge	Kvam	Onnen	Stadum
Brinkman	Haukoos	Lemen	Peterson, B.	Stowell
Dean	Heap	Levi	Piepho	Valan
Dempsey	Heinitz	Ludeman	Redalen	Valento
Den Ouden	Himle	Mann	Rees	Weaver
Drew	Hoberg	McDonald	Reif	Welker
Erickson	Hokr	McEachern	Rothenberg	Wieser
Esau	Jennings	Mehrkens	Schafer	Wigley
Ewald	Jude	Nelsen, B.	Schreiber	
Forsythe	Kaley	Niehaus	Sherman	

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

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 1948.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONFERENCE COMMITTEE REPORT ON S. F. NO. 1948

A bill for an act relating to the Hennepin County park reserve district and the city of Anoka; authorizing the district to participate in hydroelectric power generation with other local government units under certain conditions.

March 13, 1982

The Honorable Jack Davies  
President of the Senate

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

We, the undersigned conferees for S. F. No. 1948, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 1948 be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [HENNEPIN PARKS; DAMS.]

*Subdivision 1. Subject to the provisions of this act the Hennepin county park reserve district may develop and maintain a hydroelectric generation and transmission facility and use or distribute the power generated by the facility in connection with any dam owned by the district. In all cases, the foregoing authority shall be exercised only with another local government unit.*

*Subd. 2. Notwithstanding subdivision 1, in connection with the park property known as the Coon Rapids dam regional park and the Coon Rapids dam which is a part of it, the district may exercise the authority granted in section 1, subdivision 1, but it may do so only jointly with the city of Anoka pursuant to Minnesota Statutes, Section 471.59, pursuant to an agreement by the parties under section 471.59 adopted prior to June 7, 1982.*

*Subd. 3. The agreement shall be limited to the principles stated in this section and in sections 2 and 3 and its effectiveness shall be contingent upon an affirmative determination in the proceedings described in section 2. The agreement shall provide that it shall be amended from time to time in order to interpret and apply these principles, by consent of the parties, or if agreement is not reached, pursuant to section 3, subdivision 4.*

## Sec. 2. [FEDERAL ORDER.]

*Anoka and the district shall jointly apply to the Federal Energy Regulatory Commission for a declaratory order stating that the parties may amend their competing applications as now on file for a hydroelectric preliminary permit so that: (a) the applications may be deemed as a single, joint application for the permit pursuant to the terms of this act; (b) the single, joint application shall retain the same effective filing date as the application of the first of the parties to have filed; (c) the single, joint application and operation of the project pursuant to the terms of section 3 shall be deemed the application of a municipality as provided in section 3(7) of the Federal Power Act and be entitled to the preference provided for in that act; and (d) if Anoka does not exercise its option under section 3, subdivision 3 the permit shall be deemed exclusively the permit of the district and such local government unit as may join with the district.*

## Sec. 3. [AGREEMENT WITH ANOKA.]

*Subdivision 1. The agreement of Anoka and the district under Minnesota Statutes, Section 471.59, shall include the principles set forth in this section and be incorporated in full in the application of the parties to the Federal Energy Regulatory Commission made pursuant to section 2.*

*Subd. 2. The parties shall both seek the fulfillment of the following coequal goals: (a) the development of the hydroelec-*



*tric facilities to maximize the use of the public waters in the production of energy; and (b) the preservation and protection of the park as a major regional open space recreational area maximizing the integrity of and the existing public recreational uses of the park, and, to the extent feasible, limiting the exclusive dedication of any park property and facilities to electric generation and distribution purposes.*

*Subd. 3. The district shall jointly with Anoka contract in a timely manner for a feasibility study on the hydropower potential of the dam. Following completion of the feasibility study, the district shall grant to Anoka the first option for rights in and to the property of the park as may be required to allow Anoka to develop the generating, transmission and distribution facilities of the hydroelectric project, to finance its development, to operate and maintain the facilities and utilize or distribute the energy produced by the facilities, all for a term not to exceed 50 years and subject to renewal provisions as the parties may agree. In consideration of the foregoing, Anoka shall pay to the district an annual fee which shall provide to the district reasonable compensation for the fair value of the rights in and to the property which are contributed by the district for hydroelectric generating or distributing facilities for the full term of the agreement. If Anoka does not declare its intention to exercise its option within 90 days of the completion of the feasibility study, the district may grant such rights to any other local government unit.*

*Subd. 4. If the parties are unable to agree upon the interpretation or application of the foregoing or any terms of the agreement, they shall submit to arbitration as provided by law and the rules of the American Arbitration Association, except that the arbitrator or arbitration panel shall be composed of the persons appointed in the manner provided by this subdivision and shall handle any and all matters relating to the agreement in a timely and on-going basis. If the parties agree, one person may serve as the arbitrator. If not, a panel of three arbitrators shall be utilized. Anoka shall appoint a person experienced in public utility management or the development of hydroelectric generating projects, or both. The district shall appoint a person experienced in public park management, and those persons shall appoint the third member of the panel.*

#### **Sec. 4. [EFFECTIVE DATE.]**

*The provisions of this act shall be effective the day after compliance with Minnesota Statutes, Section 645.021, Subdivision 3, by the governing body of the Hennepin county park reserve district and the council of the city of Anoka. If compliance with section 645.021, subdivision 3, has not occurred before May 7, 1982, this act is void."*

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

Senate Conferees: WILLIAM P. LUTHER, GENE MERRIAM and RANDOLPH W. PETERSON.

House Conferees: ROBERT L. ELLINGSON, TAD JUDE and JOHN E. BRANDL.

Ellingson moved that the report of the Conference Committee on S. F. No. 1948 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1948, A bill for an act relating to the Hennepin County park reserve district and the city of Anoka; authorizing the district to participate in hydroelectric power generation with other local government units under certain conditions.

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

The question was taken on the repassage of the bill and the roll was called. There were 104 yeas and 13 nays as follows:

Those who voted in the affirmative were:

Aasness	Erickson	Kalis	O'Connor	Sherwood
Anderson, B.	Evans	Kelly	Ogren	Sieben, M.
Anderson, G.	Ewald	Knickerbocker	Olsen	Simoneau
Anderson, I.	Fjoslien	Kostohryz	Onnen	Skoglund
Battaglia	Forsythe	Kvam	Otis	Stadum
Begich	Greenfield	Laidig	Peterson, B.	Staten
Berkelman	Gruenes	Lehto	Peterson, D.	Stowell
Blatz	Gustafson	Lemen	Piepho	Stumpf
Brandl	Halberg	Levi	Pogemiller	Sviggum
Brinkman	Hanson	Long	Redalen	Swanson
Byrne	Harens	Luknic	Reding	Tomlinson
Carlson, D.	Hauge	Mann	Rees	Valento
Carlson, L.	Haukoos	Marsh	Rice	Vanasek
Clark, J.	Heap	Minne	Rodriguez, C.	Vellenga
Clawson	Heinitz	Munger	Rodriguez, F.	Voss
Dahlvang	Himle	Murphy	Rothenberg	Weaver
Dean	Hoberg	Nelsen, B.	Samuelson	Welch
Drew	Hokanson	Nelson, K.	Sarna	Wenzel
Eken	Jacobs	Niehaus	Schoenfeld	Wieser
Elioff	Johnson, D.	Norton	Schreiber	Wynia
Ellingson	Jude	Novak	Sherman	

Those who voted in the negative were:

Ainley	Esau	Ludeman	Reif	Wigley
Dempsey	Kahn	McDonald	Schafer	
Den Ouden	Kaley	Nysether	Welker	

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

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 1760, A bill for an act relating to crimes; expanding criminal responsibility of certain recipients of stolen property; modifying penalties for receiving stolen property; expanding definition of "burglary"; providing for interception of certain wire or oral communications; amending Minnesota Statutes 1980, Sections 609.53, Subdivisions 1 and 3; and 609.58, Subdivision 2; 626A.05, Subdivision 2; Minnesota Statutes 1981 Supplement, Section 609.53, Subdivisions 1a and 4; repealing Minnesota Statutes 1980, Section 609.53, Subdivision 2; and Minnesota Statutes 1981 Supplement, Section 609.53, Subdivision 2a.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 1817, A bill for an act relating to transportation; redefining "resort" for purposes of advertising device authorization; adding a new route to the trunk highway system in substitution of an existing route; discontinuing and removing a route from the trunk highway system; providing for the disposal of surplus property; limiting the liability of the department of transportation for the cost of fighting certain fires; making certain accident reports available to governmental agencies for specified purposes and authorizing a fee for copies of these accident reports; governing the movement of certain vehicles on certain highways; establishing a height limitation for certain vehicles and providing for an annual permit fee for certain buses; expanding the definition of advertising devices; exempting the state transportation plan from the administrative procedure act; expanding the definition of exempt carrier; requiring driver qualifications and safety requirements for certain motor carriers; regulating building movers and requiring fees; allowing expenditures from the state airports fund for educational programs to promote interest and safety in aeronautics; permitting additional uses of certain moneys appropriated for construction and reconstruction of bridges; limiting the authority of the commissioner of transportation to establish new divisions in the department of transportation; allowing the use of certain combinations of vehicles; allowing certain axle weight combinations; establishing allowable axle weight combinations; establishing allowable axle

weights on restricted routes; modifying the distribution of receipts collected as fines; providing for seasonal load restrictions; requiring certain exterior markings on vehicles carrying liquified petroleum gas fuel in concealed tanks and prohibiting the dispensing of those fuels in unmarked vehicles; amending Minnesota Statutes 1980, Sections 160.283, Subdivision 3; 161.115; 161.41; 169.09, Subdivision 13; 169.80, Subdivision 1; 169.81, Subdivision 1; 173.02, Subdivision 2; 174.03, Subdivisions 1 and 2; 360.015, Subdivision 2; 360.017, Subdivision 1; Minnesota Statutes, 1981 Supplement, Sections 161.465; 169.81, Subdivision 3; 169.825, Subdivisions 8, 10, and by adding a subdivision; 169.86, Subdivision 5; 169.87, Subdivision 2; 221.011, Subdivision 22; 221.81; 299D.03, Subdivision 5; Laws 1979, Chapter 280, Section 2, Subdivision 2; proposing new law coded in Minnesota Statutes, Chapters 169 and 221; repealing Minnesota Statutes, 1981 Supplement, Sections 169.861 and 169.825, Subdivision 12."

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 1885, A bill for an act relating to public welfare; providing for approval of mental health clinics and centers pending promulgation of permanent rules.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 534, A bill for an act relating to the collection and dissemination of data; administration of the state archives and state and local government records; classifying data; providing a penalty; amending Minnesota Statutes 1980, Sections 15.17; 138.161; 138.17, Subdivisions 1, 6, 7, and by adding subdivisions; 138.19; 138.20; 138.21; proposing new law coded in Minnesota Statutes, Chapter 138; repealing Minnesota Statutes 1980, Sections 16.66 and 138.18.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 492, A bill for an act relating to crimes; adding a peace officer and a parole or probation officer to the sentencing guidelines commission; correcting a statutory reference; authorizing counties to expend money for the purpose of investigating criminal activity relating to selling or receiving stolen property; amending Minnesota Statutes 1980, Section 244.09, Subdivisions 1 and 2; proposing new law coded in Minnesota Statutes, Chapter 375.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 1799, A bill for an act relating to health; allowing certain nursing homes and hospitals to share an administrator; providing for evaluation of certain changes in certificate of need review; requiring certain price information to be reported and disseminated; requiring monitoring; amending the threshold of review; providing for additional waivers; requiring reports; amending Minnesota Statutes 1980, Sections 144A.04, Subdivision 5; 145.833, Subdivision 5; 145.835, Subdivisions 3 and 4; Minnesota Statutes 1981 Supplement, Sections 250.05, Subdivision 4; 447.45, Subdivision 1; and 474.03; proposing new law coded in Minnesota Statutes, Chapter 144; repealing Minnesota Statutes 1980, Sections 145.832 to 145.845, as amended; and Minnesota Statutes 1981 Supplement, Sections 62D.22, Subdivision 6; 145.834; and 145.845.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 1663, A bill for an act relating to law libraries; recodifying the laws governing county law libraries; amending Minnesota Statutes 1980, Sections 134.34, by adding a subdivision; 140.34; 140.35; 140.36; 140.37; 140.38; 140.39; 140.40; 140.44; 140.45; 140.46; and 480.09, Subdivision 5; proposing new law coded in Minnesota Statutes 1980, Chapter 140; repealing Minnesota Statutes 1980, Sections 140.01 to 140.20; 140.212 to 140.33; 140.41 to 140.435; Minnesota Statutes 1981 Supplement, Section 140.21."

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 1573, A bill for an act relating to crimes; prohibiting the manufacture, sale, transfer and delivery of simulated controlled substances; prohibiting their manufacture, sale, transfer and delivery; providing penalties; amending Minnesota Statutes 1980, Sections 152.09, Subdivision 1; 152.15, by adding a subdivision; proposing new law coded in Minnesota Statutes, Chapter 152.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 1712, 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 certain federal funds to counties and defining duties of counties in the use of the funds; amending the community social services act; removing certain requirements related to biennial plans and the sliding fee

for child care; providing for identification of certain rules; exempting the commissioner from certain rulemaking procedures; providing for notice and comment procedures with respect to proposals to amend or repeal certain rules; providing for parental responsibility for the cost of care of mentally retarded, epileptic, or emotionally handicapped children based on ability to pay; providing for allocation of funds to counties; amending Minnesota Statutes 1980, Sections 245.70; 245.71; 254A.16, by adding subdivisions; 256E.09, Subdivision 4; Minnesota Statutes 1981 Supplement, Sections 245.84, Subdivision 2; 252.27, Subdivision 2; 254A.03, Subdivision 1; 256E.03, Subdivision 2; 256E.05, Subdivision 3; and 256E.07, Subdivision 3; proposing new law coded in Minnesota Statutes, Chapter 245; repealing Minnesota Statutes 1981 Supplement, Section 256E.07, Subdivision 2.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

**PATRICK E. FLAHAVEN, Secretary of the Senate**

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 552, A bill for an act relating to commerce; prohibiting fraud in the use of recreational camping areas; providing a penalty; amending Minnesota Statutes 1980, Sections 327.07; and 327.14, Subdivision 8.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

**PATRICK E. FLAHAVEN, Secretary of the Senate**

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 1484, A bill for an act relating to highway traffic regulations; providing for administrative driving privilege revocations for failure to submit to chemical testing or exceeding prescribed alcohol concentration; authorizing revocations prior to judicial review; revising the procedure for hearings and appeals on administrative revocations; authorizing introduction into evidence certain peace officer records and reports; amending Minnesota Statutes 1980, Section 169.123, Subdivisions 5, 5a, 6, 7, and by adding subdivisions; and 171.19.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 438, A bill for an act relating to retirement; clarifying the retirement service credit for certain participants in the Minnesota demonstration job-sharing program; Minnesota state retirement system; imposing liability for certain omitted employee contributions on the employing unit; elective state officers retirement plan; providing benefit adjustments for retired constitutional officers and surviving spouses; public employees retirement association; increasing the family maximum on survivors benefits; teachers retirement association; authorizing the reimbursement of certain employing unit expenses with respect to board members; providing for the crediting of service credit for employees on a four day work week; modifying survivor benefits; exempting certain money and credits of teachers retirement funds; limiting the amount of public employee retirement annuities; limiting the powers of city officials regarding the administration of relief associations; supreme court justices retirement plan; providing a deferred retirement annuity; modifying a vesting requirement; permitting the repayment of a refund by a member of the Virginia firefighters relief association; validating the purchase of prior service credit for a certain county commissioner; permitting payment of omitted contributions; granting a proportionate annuity for certain persons; 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, clarifying various provisions of retirement law; amending Minnesota Statutes 1980, Sections 352.04, Subdivision 8; 354.06, Subdivision 4; 354A.094, Subdivision 4; 354A.11; 354A.35, by adding a subdivision; 356.41; 423A.01, Subdivision 2; 490.025, Subdivisions 2 and 3; Minnesota Statutes 1981 Supplement, Sections 43A.34, Subdivision 4; 43A.465; 69.77, Subdivision 2; 353.31, Subdivision 1; 354.091; 354.46, Subdivisions 1 and 2; 354.47, Subdivision 1; 354.48, Subdivision 10; 354.66, Subdivision 4; 354A.12, Subdivision 1; 356.371, Subdivisions 1 and 2; 422A.06, Subdivisions 1, 3, 4 and 5; Laws 1981, Chapter 156, Section 7; proposing new law coded in Minnesota Statutes, Chapters 352C; 356; and 423A; repealing Minnesota Statutes 1980, Sections 356.60, Subdivisions 2 and 3; and 423.815; Minnesota Statutes 1981 Supplement, Sections 354.48, Subdivision 4a; 356.60, Subdivision 1; Laws 1978, Chapters 690, Section 2; and 720, Section 13; Laws 1981, Chapter 68, Section 1; 160, Section 10; and 224, Sections 73, 92 and 118."



The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 1499, A bill for an act relating to the commitment of persons who are mentally ill, mentally ill and dangerous, mentally retarded, or chemically dependent; providing for informal admissions by consent, involuntary emergency admissions and for involuntary commitment by civil judicial procedures; providing for rights of persons admitted under voluntary, emergency or involuntary judicial procedures; requiring pre-petition screening; providing for commitment hearings and procedures in conformance with due process; requiring a hearing and review before final determination of commitment; providing for commitment for determinate periods; providing for provisionsal discharge and partial hospitalization; requiring special review boards for mentally ill and dangerous and psychopathic personalities; establishing review boards for civilly committed persons; providing penalties; proposing new law coded in Minnesota Statutes, Chapter 253A; repealing Minnesota Statutes 1980, Sections 253A.01 to 253A.23.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 1550, A bill for an act relating to the city of Big Falls; authorizing the establishment of detached banking facilities.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 1699, A bill for an act relating to education; requiring all public elementary and secondary schools to provide instruction in chemical dependency prevention; amending Minnesota Statutes 1980, Section 126.03; and proposing new law coded in Chapter 126.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 788, A bill for an act relating to courts; conciliation courts; authorizing actions to recover amounts lost due to worthless checks in the county of issuance and where the plaintiff resides; revising various time limits; amending Minnesota Statutes 1980, Section 487.30, by adding a subdivision; 488A.12, Subdivision 3; 488A.14, Subdivision 4; 488A.16, Subdivisions 2, 5, and 6; 488A.17, Subdivisions 2 and 3; 488A.29, Subdivision 3; 488A.31, Subdivision 4; 488A.33, Subdivision 2; 488A.34, Subdivision 12; and Minnesota Statutes 1981 Supplement, Section 488A.34, Subdivision 2.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 2000, A bill for an act relating to health and welfare; strengthening qualifications for persons controlling, administering, or managing nursing homes; requiring review of reimbursement for substandard care; requiring license revocation in certain situations; clarifying certain provisions of the general assistance program; revising a penalty; amending Minnesota Statutes 1980, Sections 144A.01, Subdivision 7; 144A.04, Subdivisions 4 and 6; 144A.08, Subdivision 3; 144A.10, Subdivision 4; 144A.11, Subdivision 2, and by adding a subdivision; and Minnesota Statutes 1981 Supplement, Section 256D.05, Subdivision 1.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 2058, A bill for an act relating to public welfare; providing for classification access, and destruction of certain child abuse report records; clarifying the classification of reports regarding vulnerable adults; prescribing penalties; amending Minnesota Statutes 1980, Sections 626.556, Subdivisions 3, 7, and by adding a subdivision; 626.557, Subdivision 19, by adding a subdivision; and Minnesota Statutes 1981 Supplement, Section 626.556, Subdivision 11.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 678, A bill for an act relating to elections; changing certain election procedures, requirements and time limits; exempting certain transactions from the definition of donation in kind; removing the rulemaking authority of the ethical practices board; changing eligibility requirements and compensation for election judges; authorizing time off from work for election judges; recodifying municipal elections law; amending Minnesota Statutes 1980, Sections 10A.01, Subdivision 7b; 10A.02, Subdivision 13; 205.02; 205.07, Subdivision 1; 205.13, as amended; 205.16; 205.17, as amended; 205.20, as amended; 205.84; and Minnesota Statutes 1981 Supplement, Sections 201.071, Subdivision 1; 203B.02, Subdivision 1; 203B.04, Subdivision 1; 204B.12, Subdivision 1; 204B.19, Subdivision 1; 204B.21, Subdivision 1; 204B.27, Subdivision 1; 204B.31; 204B.34, Subdivision 1; 204B.35, Subdivision 4; 204C.32, Subdivision 2; 204C.33, Subdivision 2; 204D.06; 204D.11, Subdivisions 1 and 5; 204D.14; 204D.15, Subdivision 2; 205.03, Subdivisions 1 and 3; 205.10; proposing new law coded in Minnesota Statutes 1980, Chapter 205; and repealing Minnesota Statutes 1980, Sections 205.04; 205.11, Subdivisions 1, 2, 3, 4, and 5; 205.14, Subdivisions 1, 2, and 3; 205.19; 205.21; and Minnesota Statutes 1981

Supplement, Sections 201.091, Subdivision 6; 204B.12, Subdivision 2; 205.03; 205.10; 205.11, Subdivision 4a; 205.121; 205.14, Subdivision 4; and 205.15.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 1975, A bill for an act relating to local government; permitting towns to issue off-sale liquor licenses; amending Minnesota Statutes 1980, Section 340.11, by adding a subdivision.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 2080, A bill for an act relating to economic development; providing for a Minnesota conference on job formation; appropriating money.

H. F. No. 930, A bill for an act relating to the collection and dissemination of data; classifying data as private, confidential, nonpublic, and protected nonpublic; amending Minnesota Statutes 1980, Sections 15.162, Subdivision 4; 15.1621, Subdivision 1; 15.1642, Subdivision 5; 15.165, Subdivision 2; 15.1678; 15.1679; 15.1691, Subdivision 6; 15.1692, Subdivision 2; 169.09, Subdivision 13; 268.12, Subdivision 12; Minnesota Statutes 1981 Supplement, Sections 15.1682; 15.1699; 15.775, Subdivision 2; 15.781, Subdivisions 1, 2, and 4; and 15.784, Subdivision 2; proposing new law coded in Chapter 15.

H. F. No. 1532, A bill for an act relating to tort actions; prohibiting the causes of action for wrongful life and wrongful birth; prohibiting a defense, an award of damages, or a penalty based on the failure or refusal to prevent a live birth; proposing new law coded in Minnesota Statutes, Chapter 145.

H. F. No. 1834, A bill for an act relating to claims against the state; providing for payment of various claims; providing for cancelation of old claims; appropriating money.

H. F. No. 2005, A bill for an act relating to employment; providing for equitable compensation relationships among certain government employees; amending Minnesota Statutes 1981 Supplement, Sections 43A.01, by adding a subdivision; 43A.02, by adding subdivisions; 43A.05, by adding a subdivision; and 43A.18, Subdivision 8.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

House Concurrent Resolution No. 8, A Concurrent Resolution relating to adjournment of the Senate and House of Representatives for more than three days.

PATRICK E. FLAHAVEN, Secretary of the Senate

## MOTIONS AND RESOLUTIONS

Hauge moved that the rules of the House be so far suspended that H. F. No. 1898 be recalled from the Committee on Labor-Management Relations, be given its second and third readings and be placed upon its final passage.

A roll call was requested and properly seconded.

The question was taken on the Hauge motion and the roll was called. There were 59 yeas and 52 nays as follows:

Those who voted in the affirmative were:

Aasness	Evans	Johnson, D.	Niehaus	Schreiber
Ainley	Ewald	Kaley	Nysether	Shea
Anderson, B.	Fjoslien	Kalis	Olsen	Sherman
Anderson, G.	Forsythe	Kvam	Onnen	Sherwood
Blatz	Gruenes	Laidig	Peterson, B.	Stadum
Brinkman	Halberg	Lemen	Piepho	Stowell
Dean	Hauge	Levi	Rees	Stumpf
Dempsey	Haukoos	Ludeman	Reif	Sviggum
Den Ouden	Heap	Luknic	Rodriguez, C.	Valan
Drew	Heinitz	Marsh	Rothenberg	Weaver
Erickson	Himle	McDonald	Schafer	Welker
Esau	Hoberg	Mehrkens	Schoenfeld	

Those who voted in the negative were:

Anderson, I.	Battaglia	Begich	Brandl	Byrne
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Carlson, L.	Harens	Minne	Reding	Tomlinson
Clark, J.	Hokanson	Murphy	Rice	Vellenga
Clark, K.	Jacobs	Norton	Rodriguez, F.	Voss
Dahlvang	Jude	Novak	Samuelson	Welch
Eken	Kahn	O'Connor	Sarna	Wenzel
Elioff	Kelly	Ogren	Sieben, M.	Wynia
Ellingson	Lehto	Osthoff	Simoneau	Spkr. Sieben, H.
Greenfield	Mann	Otis	Skoglund	
Gustafson	McCarron	Peterson, D.	Staten	
Hanson	Metzen	Pogemiller	Swanson	

The motion did not prevail.

Fjoslien moved that the rules of the House be so far suspended that H. F. No. 1728 be recalled from the Committee on Rules and Legislative Administration, be given its second and third readings and be placed upon its final passage. The motion did not prevail.

McDonald moved that the rules of the House be so far suspended that H. F. No. 2135 be given its second and third readings and be placed upon its final passage.

A roll call was requested and properly seconded.

#### ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 11:00 a.m., Thursday, March 18, 1982. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 11:00 a.m., Thursday, March 18, 1982.

EDWARD A. BURDICK, Chief Clerk, House of Representatives