

STATE OF MINNESOTA

SEVENTY-SECOND SESSION - 1982

NINETY-FIRST DAY

SAINT PAUL, MINNESOTA, FRIDAY, MARCH 19, 1982

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

Prayer was offered by Reverend Einar J. Oberg, Executive Secretary of Lutheran Orient Mission, Minneapolis, Minnesota.

The roll was called and the following members were present:

Aasness	Esau	Kalis	Nysether	Sherwood
Ainley	Evans	Kelly	O'Connor	Sieben, M.
Anderson, B.	Ewald	Knickerbocker	Ogren	Simoneau
Anderson, G.	Fjoslien	Kostohryz	Olsen	Skoglund
Anderson, I.	Forsythe	Kvam	Onnen	Stadum
Anderson, R.	Greenfield	Laidig	Osthoff	Staten
Battaglia	Gruenes	Lehto	Otis	Stowell
Begich	Gustafson	Lemen	Peterson, B.	Stumpf
Berkelman	Halberg	Levi	Peterson, D.	Svigum
Blatz	Hanson	Long	Piepho	Swanson
Brandl	Harens	Ludeman	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	Rothenberg	Welker
Dempsey	Jacobs	Munger	Samuelson	Wenzel
Den Ouden	Jennings	Murphy	Sarna	Wieser
Drew	Johnson, C.	Nelsen, B.	Schafer	Wigley
Eken	Johnson, D.	Nelson, K.	Schoenfeld	Wynia
Elioff	Jude	Niehaus	Schreiber	Spkr. Sieben, H.
Ellingson	Kahn	Norton	Shea	
Erickson	Kaley	Novak	Sherman	

A quorum was present.

Brinkman, Frerichs, Luknic, Searles and Zubay were excused.

Rose was excused until 4:00 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Anderson, G., 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.

PETITIONS AND COMMUNICATIONS

The following communication was received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

March 19, 1982

The Honorable Harry Sieben, Jr.
Speaker
Minnesota House of Representatives

Dear Mr. Speaker:

Pursuant to the request of the House, I am herewith returning House File 678.

Sincerely,

ALBERT H. QUIE
Governor

Osthoff moved that the vote on March 13, 1982, whereby H. F. No. 678 was repassed by the House as amended by the Conference Committee be now reconsidered; that H. F. No. 678 be returned to the Senate with the request that the Senate reconsider the vote whereby H. F. No. 678 was repassed as amended by the Conference Committee; and that H. F. No. 678 be returned to the Conference Committee for further consideration. The motion prevailed.

Osthoff moved that the action whereby H. F. No. 678 was given its third reading, as amended by Conference, and the vote whereby the Conference Committee Report on H. F. No. 678 was adopted be reconsidered. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER ON VETO MESSAGES

The Speaker announced to the House that veto messages had been received from Governor Albert H. Quie on H. F. Nos. 1176, 1234 and 1726.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Sieben, M., introduced:

H. F. No. 2297, A bill for an act relating to public welfare; appropriating money for the income maintenance program.

The bill was read for the first time.

MOTIONS AND RESOLUTIONS

Mann moved that House Advisory No. 73 be recalled from the Committee on Commerce and Economic Development and be re-referred to the Committee on Transportation. The motion prevailed.

Fjoslien and Wenzel introduced:

House Resolution No. 36, A house resolution proclaiming the week of March 15 to 20, 1982, to be Alcohol Fuels Week in Minnesota.

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

Fjoslien, Wenzel and Wigley introduced:

House Resolution No. 37, A house resolution proclaiming March 18, 1982, to be "Agriculture Day" in Minnesota.

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.

Dempsey was excused for the remainder of today's session.

MOTION FOR RECONSIDERATION

Stumpf moved that the vote whereby H. F. No. 2190 was not passed, as amended by Conference, on Thursday, March 18, 1982, be now reconsidered. The motion prevailed.

H. F. No. 2190, as amended by Conference, was reported to the House.

CALL OF THE HOUSE

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

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

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.

H. F. No. 2190, A bill for an act relating to education; changing the requirements for membership on the higher education coordinating board; allowing the regional management information centers to be considered governmental units for purposes of the joint powers law; requiring the approval of a plan for spending federal education block grant funds for state administrative purposes; allowing the immigration history research center to use donated services or donated property to meet its matching requirements; broadening the planning process relating to declining enrollments in higher education; repealing mandates; amending Minnesota Statutes 1980, Sections 136A.02, Subdivision 1; 471.59, by adding a subdivision; Laws 1981, Chapter 359, Section 2, Subdivision 8; and Section 9, Subdivision 12; Third Special Session Chapter 2, Article I, Section 6, Subdivision 1; repealing Minnesota Statutes, Sections 120.17, Subdivision 10; and 121.12.

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 57 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Eken	Kelly	Ogren	Simoneau
Anderson, G.	Elioff	Kostohryz	Otis	Skoglund
Anderson, I.	Ellingson	Lehto	Peterson, D.	Staten
Battaglia	Greenfield	Long	Pogemiller	Stumpf
Begich	Gustafson	Mann	Reding	Swanson
Berkelman	Hanson	McEachern	Rice	Tomlinson
Brandl	Harens	Metzen	Rodriguez, C.	Vanasek
Byrne	Hauge	Minne	Rodriguez, F.	Vellenga
Carlson, D.	Hokanson	Munger	Samuelson	Welch
Carlson, L.	Jacobs	Murphy	Sarna	Wenzel
Clark, J.	Johnson, C.	Nelson, K.	Schoenfeld	Wynia
Clark, K.	Jude	Norton	Shea	Spkr. Sieben, H.
Clawson	Kahn	Novak	Sherman	
Dahlvang	Kalis	O'Connor	Sieben, M.	

Those who voted in the negative were:

Aasness	Forsythe	Kvam	Olsen	Stowell
Ainley	Gruenes	Laidig	Onnen	Svigum
Anderson, R.	Haukoos	Lemen	Osthoff	Valan
Blatz	Heap	Levi	Peterson, B.	Valento
Dean	Heinitz	Ludeman	Redalen	Voss
Den Ouden	Himle	Marsh	Rees	Weaver
Drew	Hoberg	McCarron	Reif	Welker
Erickson	Hokr	McDonald	Rothenberg	Wieser
Esau	Jennings	Mehrkins	Schafer	Wigley
Evans	Johnson, D.	Nelsen, B.	Schreiber	
Ewald	Kaley	Niehaus	Sherwood	
Fjoslien	Knickerbocker	Nysether	Stadum	

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 message was received from the Senate:

Mr. Speaker:

I hereby announce the adoption by the Senate of the following Senate Concurrent Resolution, herewith transmitted:

Senate Concurrent Resolution No. 13, A Concurrent Resolution relating to the delivery of bills to the Governor after final adjournment.

PATRICK E. FLAHAVEN, Secretary of the Senate

SUSPENSION OF RULES

Eken moved that the Rules be so far suspended that Senate Concurrent Resolution No. 13 be now considered and be placed upon its adoption. The motion prevailed.

SENATE CONCURRENT RESOLUTION NO. 13

A Senate concurrent resolution relating to the delivery of bills to the governor after final adjournment.

Whereas, the Minnesota Constitution, Article IV, Section 23, authorizes the presentation to the Governor after sine die adjournment of bills that passed in the last three days of the session; *Now, Therefore*,

Be it Resolved by the Senate of the State of Minnesota, the House of Representatives concurring, that upon adjournment sine die of the 72nd regular session of the Legislature, bills shall be presented to the Governor as follows:

(a) The Speaker of the House of Representatives, the Chief Clerk of the House of Representatives, the President of the Senate, and the Secretary of the Senate shall certify and sign each bill in the same manner and upon the same certification as each bill is signed for presentation to the Governor prior to adjournment sine die, and each of those officers shall continue in his designated capacity during the three days following the date of final adjournment.

(b) The Chief Clerk of the House of Representatives and the Secretary of the Senate, in accordance with the rules of the respective bodies and under the supervision and direction of the standing Committee on Rules and Legislative Administration and the standing Committee on Rules and Administration, shall carefully enroll each bill and present them to the Governor in the same manner as each bill is enrolled and presented to the Governor prior to the adjournment of the Legislature sine die.

(c) The Revisor of Statutes shall continue to assist in all of the functions relating to enrollment of bills of the House of Representatives and of the Senate under the supervision of the Chief Clerk of the House of Representatives and the Secretary of the Senate in the same manner that his assistance was rendered prior to the adjournment of the Legislature sine die.

Be it Further Resolved that the Secretary of the Senate is directed to deliver copies of this resolution to the Governor and the Secretary of State.

Eken moved that Senate Concurrent Resolution No. 13, be now adopted.

The motion prevailed and Senate Concurrent Resolution No. 13 was adopted.

Stadum was excused while in conference committee.

The Speaker called Wynia to the Chair.

There being no objection the order of business reverted to Petitions and Communications.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

March 18, 1982

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

Dear Mr. Speaker:

Returned to you herewith please find H. F. No. 1726. I strongly believe that the Commissioner of Education should remain as a member of the State University Board, and am therefore vetoing this piece of legislation.

The Commissioner, as the spokesman for elementary and secondary education in Minnesota, provides direct communication on behalf of that segment of our educational system to the Board during its deliberations and decision-making processes. The input which the Commissioner is able to provide by his presence on the State University Board can be important in developing educational policy for the State.

I recognize that the number of elementary and secondary teachers which is currently being trained at our State universities is declining. However, I also believe that there will be a time in the future when the need for teachers in our schools will increase.

I have no objection to the provisions contained in Section 3 of the bill. However, I feel so strongly that the Commissioner of Education should remain on the State University Board that I feel compelled to veto this legislation.

Sincerely,

ALBERT H. QUITE
Governor

Elioff moved that H. F. No. 1726 be now reconsidered and repassed, the objections of the Governor notwithstanding, pursuant to Article IV, Section 23, of the Constitution of the State of Minnesota.

There being no objection rule 2.1 regarding use of the electric voting system was suspended.

The question was taken on the motion to reconsider and repass H. F. No. 1726, the objections of the Governor notwithstanding, pursuant to Article IV, Section 23, of the Constitution of the State of Minnesota, and the roll was called.

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

There were 106 yeas and 10 nays as follows:

Those who voted in the affirmative were:

Aasness	Ellingson	Kaley	Nelson, K.	Sieben, M.
Ainley	Evans	Kalis	Norton	Simoneau
Anderson, B.	Ewald	Kelly	Novak	Skoglund
Anderson, G.	Fjoslien	Knickerbocker	O'Connor	Staten
Anderson, I.	Forsythe	Kostohryz	Ogren	Stowell
Anderson, R.	Greenfield	Laidig	Olsen	Stumpf
Battaglia	Gruenes	Lehto	Osthoff	Sviggum
Begich	Gustafson	Lemen	Otis	Swanson
Berkelman	Halberg	Levi	Peterson, B.	Tomlinson
Blatz	Hanson	Long	Peterson, D.	Valan
Brandl	Hauge	Ludeman	Piepho	Vanasek
Byrne	Heap	Mann	Pogemiller	Vellenga
Carlson, D.	Heinitz	Marsh	Reding	Voss
Carlson, L.	Himle	McCarron	Rees	Weaver
Clark, J.	Hoberg	McDonald	Reif	Welch
Clark, K.	Hokr	McEachern	Rice	Wenzel
Clawson	Jacobs	Mehrkens	Rodriguez, C.	Wynia
Dahlvang	Jennings	Metzen	Rodriguez, F.	Spkr. Sieben, H.
Dean	Johnson, C.	Minne	Rothenberg	
Drew	Johnson, D.	Munger	Samuelson	
Eken	Jude	Murphy	Sarna	
Elioff	Kahn	Nelsen, B.	Schreiber	

Those who voted in the negative were:

Den Ouden	Esau	Niehaus	Redalen	Valento
Erickson	Haukoos	Onnen	Sherwood	Welker

Having received the required two-thirds vote, the bill was repassed.

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

March 18, 1982

The Honorable Harry Sieben
Speaker
Minnesota House of Representatives

Dear Mr. Speaker:

Attached, herewith, please find H. F. No. 1234, which I am returning to you, unsigned.

It appears that the intent of the proposal is to make it possible for the State of Minnesota to grant certain paid medical insurance benefits to its retired employees. However, the bill does not specify a program or procedure on how this is to be accomplished.

Sincerely,

ALBERT H. QUIE
Governor

Tomlinson moved that H. F. No. 1234 be now reconsidered and repassed, the objections of the Governor notwithstanding, pursuant to Article IV, Section 23, of the Constitution of the State of Minnesota.

There being no objection rule 2.1 regarding use of the electric voting system was suspended.

The question was taken on the motion to reconsider and repass H. F. No. 1234, the objections of the Governor notwithstanding, pursuant to Article IV, Section 23, of the Constitution of the State of Minnesota, and the roll was called.

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

There were 102 yeas and 23 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Den Ouden	Heap	Lehto	Ogren
Anderson, G.	Drew	Himle	Lemen	Olsen
Anderson, I.	Eken	Hoberg	Long	Onnen
Anderson, R.	Elioff	Hokanson	Mann	Osthoff
Battaglia	Ellingson	Hokr	Marsh	Otis
Begich	Evans	Jacobs	McCarron	Peterson, B.
Berkelman	Ewald	Johnson, C.	McEachern	Peterson, D.
Blatz	Fjoslien	Johnson, D.	Mehrrens	Piepho
Brandl	Forsythe	Jude	Metzen	Pogemiller
Byrne	Greenfield	Kahn	Minne	Reding
Carlson, L.	Gruenes	Kaley	Munger	Rees
Clark, J.	Gustafson	Kalis	Murphy	Reif
Clark, K.	Halberg	Kelly	Nelson, K.	Rice
Clawson	Hanson	Knickerbocker	Norton	Rodriguez, C.
Dahlvang	Harens	Kostohryz	Novak	Rodriguez, F.
Dean	Hauge	Laidig	O'Connor	Rothenberg

Samuelson	Sieben, M.	Sviggum	Vellenga	Wynia
Sarna	Simoneau	Swanson	Voss	Spkr. Sieben, H.
Schoenfeld	Skoglund	Tomlinson	Weaver	
Shea	Staten	Valan	Welch	
Sherman	Stumpf	Vanasek	Wenzel	

Those who voted in the negative were:

Aasness	Haukoos	Ludeman	Redalen	Valento
Ainley	Heinitz	McDonald	Schafer	Welker
Carlson, D.	Jennings	Nelsen, B.	Schreiber	Wigley
Erickson	Kvam	Niehaus	Sherwood	
Esau	Levi	Nysether	Stowell	

Having received the required two-thirds vote, the bill was repassed.

The Speaker resumed the Chair.

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

March 19, 1982

The Honorable Harry Sieben
Speaker
Minnesota House of Representatives

Dear Mr. Speaker:

I am returning to you unsigned, H. F. No. 1176, the Environmental Response and Liability Act. While I have been a strong supporter of responsible legislation to address the problems which our State faces as result of the proliferation of hazardous waste, I do not believe that H. F. No. 1176 meets society's standards of reasonableness or fundamental fairness in the solutions it imposes on the people, businesses and governments of our State.

My greatest concern about H. F. No. 1176 is the structure of legal standards it establishes for determining liability. The doctrine of strict liability, which imposes legal liability without regard to whether an action was performed negligently or responsibly, is a standard which the State has a right to impose for future actions of hazardous waste generators, transporters and disposers. But to impose this strict liability on persons or corporations which acted reasonably and in accordance with the laws and scientific knowledge which existed many years ago violates both the spirit and the letter of the prohibition in the United States Constitution against a state passing any ex post facto law. I believe that this retroactive application of the doctrine of strict liability must be eliminated and that the actions of persons involved in hazardous waste disposal in the past should be judged against the standards of negligence established in our common law.

Of additional concern to me is the question of whether persons involved in the generation and disposal of hazardous wastes would have the opportunity to adequately insure against the tremendous potential liabilities imposed by H. F. No. 1176. I have consulted with representatives of the insurance industry, as well as the commissioner of insurance. Based on these discussions, I have concluded that the unique standards of liabilities imposed by the bill, together with the uncertainty of the extent of potential damages, will result in unreasonably high insurance costs. In addition, the stability of the insurance marketplace over time causes some concern for the future costs we may be imposing on the State's businesses. Further, since the new standards of liability are effective on July 1, 1982, the opportunity for businesses to intelligently define their insurance needs and secure the most cost effective coverage will be very limited. This additional significant cost of doing business in Minnesota, coupled with our high workers' compensation and corporate and personal income tax rates, would jeopardize the future health of our State's economy.

If H. F. No. 1176 were allowed to become law in its present form, I believe that it would further damage Minnesota's already troubled economy and would provide yet another disincentive for businesses to remain and grow in Minnesota, creating the vital jobs to which our citizens are entitled. This bill puts Minnesota at an even greater disadvantage than they already face from competitors in surrounding states.

There is a clear and demonstrable need for legislation which provides adequate funding to clean up hazardous waste sites in Minnesota when the persons responsible are either unavailable, unwilling or financially unable to do so. Further, there is no question that hazardous waste generators, transporters and disposers must be held responsible for damage they cause by lack of care or negligence.

Legislation is required to meet four needs: 1) State matching funds of at least 10 percent must be raised in order for Minnesota to receive federal cleanup money; 2) authority must be provided to the Pollution Control Agency (PCA) so that it can clean up hazardous waste situations before litigation is completed; 3) there must be fairness, equity and justice in liability standards for disposal practices that previously were considered legal and responsible; and 4) there must be fair, equitable and just liability standards established so that the Waste Management Board (WMB) can complete its siting responsibilities. Such standards must clearly establish the fact that all citizens of Minnesota will be adequately protected.

If the Legislature is willing, I believe that the defects in this legislation can be remedied. The Legislature can act quickly to address my concerns about the retroactive application of this

law and about establishing more reasonable limitations on future liability during the present legislative session. If the Legislature is unable or unwilling to immediately revise the offensive provisions of this bill, the State will benefit from the results of the Federal Superfund Study Panel which is presently studying the liability provisions of such statutes and is expected to issue its report later this year. Problems of hazardous waste disposal in Minnesota must be addressed, and I will work with the Legislature to develop a fair, balanced and reasonable law to provide the necessary hazardous waste protection for every Minnesotan.

Sincerely,

ALBERT H. QUIE
Governor

Long moved that H. F. No. 1176 be now reconsidered and repassed, the objections of the Governor notwithstanding, pursuant to Article IV, Section 23, of the Constitution of the State of Minnesota.

There being no objection rule 2.1 regarding use of the electric voting system was suspended.

The question was taken on the motion to reconsider and repass H. F. No. 1176, the objections of the Governor notwithstanding, pursuant to Article IV, Section 23, of the Constitution of the State of Minnesota, and the roll was called. There were 82 yeas and 45 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Elioff	Kostohryz	Onnen	Simoneau
Anderson, G.	Ellingson	Laidig	Osthoff	Skoglund
Anderson, I.	Ewald	Lehto	Otis	Staten
Anderson, R.	Greenfield	Long	Peterson, D.	Stumpf
Battaglia	Gruenes	Mann	Piepho	Swanson
Begich	Gustafson	McCarron	Pogemiller	Tomlinson
Berkelman	Hanson	McEachern	Reding	Vanasek
Brandl	Harens	Metzen	Rice	Vellenga
Byrne	Hauge	Minne	Rodriguez, C.	Voss
Carlson, L.	Hokanson	Munger	Rodriguez, F.	Weaver
Clark, J.	Jacobs	Murphy	Rose	Welch
Clark, K.	Johnson, C.	Nelson, K.	Rothenberg	Wenzel
Clawson	Johnson, D.	Norton	Samuelson	Wynia
Dahlvang	Jude	Novak	Sarna	Spkr. Sieben, H.
Dean	Kahn	O'Connor	Schoenfeld	
Drew	Kelly	Ogren	Shea	
Eken	Knickerbocker	Olsen	Sieben, M.	

Those who voted in the negative were:

Aasness	Forsythe	Kaley	Nelsen, B.	Sherman
Ainley	Halberg	Kalis	Niehaus	Sherwood
Blatz	Haukoos	Kvam	Nysether	Stadum
Carlson, D.	Heap	Lemen	Peterson, B.	Stowell
Den Ouden	Heinitz	Levi	Redalen	Sviggum
Erickson	Himle	Ludeman	Rees	Valan
Esau	Hoberg	Marsh	Reif	Valento
Evans	Hokr	McDonald	Schafer	Welker
Fjoslien	Jennings	Mehrkens	Schreiber	Wigley

Not having received the required two-thirds vote, the bill was not repassed.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate does not accede to the request of the House to reconsider the vote whereby H. F. No. 678 was repassed as amended by the Conference Committee:

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.

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. 2190, A bill for an act relating to the financing of government in this state; reducing appropriations for the biennium ending June 30, 1983, with certain conditions; imposing various cost-saving measures; authorizing collection of debts related to trunk highways; clarifying certain provisions for determination of cost of care at state hospitals; directing the commissioner of public welfare to promulgate rules; altering the method of charging for outpatient care; reducing employer and employee contributions to the Minnesota state retirement system; authorizing a certified state development company; making certain changes in the small business finance agency to provide for small business loans; giving claims against estates of deceased patients preferred status; allowing certain claims against estates for medical assistance in some instances; altering the

date on which certain property tax refunds are paid; making technical corrections; imposing a tax on on-sales of liquor; delaying the 60 percent exclusion on capital gains for individuals; reducing certain payments to governmental subdivisions; altering the payment date of certain aids to school districts; imposing the sales tax on sales of candy and soft drinks, cable television services, and certain property transported outside Minnesota; appropriating money; amending Minnesota Statutes 1980, Sections 161.20, by adding a subdivision; 246.50, Subdivisions 5 and 6; 246.51; 246.53; 352.04, Subdivisions 2, as amended; and 3, as amended; 352.92, Subdivisions 1, as amended; and 2, as amended; 362.51, Subdivision 1; 362.53, Subdivision 13; 487.-39, Subdivision 1; 524.3-805; Minnesota Statutes 1981 Supplement, Sections 246.511; 275.50, Subdivision 2, as amended; 290A.07, Subdivisions 2a, and 3; 297A.01, Subdivision 3, as amended; 297A.25, Subdivision 1, as amended; 362.52, Subdivision 2; 510.05; 525.145; Laws 1981, Third Special Session Chapter 2, Article III, Section 22; House File No. 1872, Article I, Section 73; proposing new law coded in Minnesota Statutes, Chapters 273; 340; and 362; repealing Minnesota Statutes 1981 Supplement, Sections 290A.07, Subdivision 2; Laws 1981, First Special Session, Chapter 1, Article III, Section 3, Subdivision 6, as amended.

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 repassage by the Senate of the following House File, notwithstanding the veto by the Governor:

H. F. No. 1234, A bill for an act relating to employees and officials of the state; clarifying certain hospital and medical benefits for retired or disabled state officials and employees; amending Minnesota Statutes 1980, Section 471.61, Subdivision 2a.

The enrolled copy of House File No. 1234, with all of the signatures of the officers of the Senate and the House together with the Governor's objections, is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the repassage by the Senate of the following House File, notwithstanding the veto by the Governor:

H. F. No. 1726, A bill for an act relating to education; removing the commissioner of education from the state university board and as secretary of the board; allowing teachers at a com-

munity college or state university to accrue seniority during a leave of absence; amending Minnesota Statutes 1980, Sections 136.12, Subdivision 1; 136.13; and 136.88, Subdivision 5.

The enrolled copy of House File No. 1726, with all of the signatures of the officers of the Senate and the House together with the Governor's objections, 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 Senate File, herewith transmitted:

S. F. No. 2169.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2169, A bill for an act relating to legislative enactments; correcting erroneous, ambiguous, omitted and obsolete references and text; correcting miscellaneous oversights, inconsistencies, ambiguities, unintended results and errors of a non-controversial nature in the 1982 regular session and the third special session of 1981; redefining drug paraphernalia to exclude items used in conjunction with permitted uses under the controlled substance law; amending Minnesota Statutes 1980, Sections 62C.142, Subdivision 3; 62D.101, Subdivision 3; 123.933, Subdivision 3; 152.01, Subdivision 18, as amended; 244.09, Subdivision 2, as amended; 327.14, Subdivision 8; 340.951, as amended; 475.61, Subdivision 3, as amended; Minnesota Statutes 1981 Supplement, Sections 56.12; 124.2125, Subdivision 1, as amended; 124.73, Subdivision 1; 273.13, Subdivision 9, as amended; 475.55, Subdivision 2, as amended; Laws 1981, Third Special Session Chapter 2, Article IV, Section 1, as amended; Laws enacted at the 1982 regular session styled as S. F. Nos. 1451, Section 20, Subdivision 1; 1538, Section 13; 1818, by adding a section; H. F. No. 1025; proposing new law coded in Minnesota Statutes, Chapter 327; repealing laws enacted at the 1982 regular session styled as H. F. Nos. 552 and 1663, Section 1.

The bill was read the first time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Jude moved that the rule therein be suspended and an urgency be declared so that S. F. No. 2169 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Jude moved that the rules of the House be so far suspended that S. F. No. 2169 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 2169 was read for the second time.

S. F. No. 2169, A bill for an act relating to legislative enactments; correcting erroneous, ambiguous, omitted and obsolete references and text; correcting miscellaneous oversights, inconsistencies, ambiguities, unintended results and errors of a non-controversial nature in the 1982 regular session and the third special session of 1981; redefining drug paraphernalia to exclude items used in conjunction with permitted uses under the controlled substance law; amending Minnesota Statutes 1980, Sections 62C.142, Subdivision 3; 62D.101, Subdivision 3; 123.933, Subdivision 3; 152.01, Subdivision 18, as amended; 244.09, Subdivision 2, as amended; 327.14, Subdivision 8; 340.951, as amended; 475.61, Subdivision 3, as amended; Minnesota Statutes 1981 Supplement, Sections 56.12; 124.2125, Subdivision 1, as amended; 124.73, Subdivision 1; 273.13, Subdivision 9, as amended; 475.55, Subdivision 2, as amended; Laws 1981, Third Special Session Chapter 2, Article IV, Section 1, as amended; Laws enacted at the 1982 regular session styled as S. F. Nos. 1451, Section 20, Subdivision 1; 1538, Section 13; 1818, by adding a section; H. F. No. 1025; proposing new law coded in Minnesota Statutes, Chapter 327; repealing laws enacted at the 1982 regular session styled as H. F. Nos. 552 and 1663, Section 1.

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

The question was taken on the passage of the bill and the roll was called.

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

There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

The bill was passed and its title agreed to.

MOTIONS AND RESOLUTIONS

Elioff moved that the rules be so far suspended that House Resolution No. 33 be recalled from the Committee on Rules and Legislative Administration and be placed upon its adoption. The motion prevailed.

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.

Whereas, the Federal Energy Regulatory Commission is empowered by federal law to establish, review, and enforce rates for the transportation of natural gas; and,

Whereas, the transportation rates are ultimately reflected in the price of natural gas to the ultimate consumer; and,

Whereas, the cost of natural gas to consumers is of crucial importance to Minnesota since the state is completely dependent on energy transported from outside the state; and,

Whereas, the commission holds public hearings before considering rate increases; and,

Whereas, in order for Minnesotans to effectively present their views at any hearings, it is necessary that public hearings be held in Minnesota; *Now, Therefore*,

Be It Resolved by the House of Representatives of the State of Minnesota that the Federal Energy Regulatory Commission is urged to hold public hearings in Minnesota whenever the establishment, review, or enforcement of rates and charges for the transportation and sale of natural gas by a producer or gatherer doing business in Minnesota or by a natural gas pipe-

line or natural gas company doing business in Minnesota is to be considered.

Be It Further Resolved that the Chief Clerk of the House of Representatives is directed to enroll this resolution, to be authenticated by his signature and that of the Speaker, and present it to the Chairman of the Federal Energy Regulatory Commission.

Elioff moved that House Resolution No. 33 be now adopted. The motion prevailed and House Resolution No. 33 was adopted.

POINT OF ORDER

Schreiber raised a point of order regarding the entry of veto messages from the Governor in the Journal pursuant to the Minnesota Constitution, Article IV, Section 23. The Speaker ruled the point of order well taken and veto messages to be entered in the Journal.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Vanasek for the Committee on Rules and Legislative Administration, offered the following report and moved its adoption:

Be It Resolved, that a Committee of five members be appointed by the Speaker to advise the Senate that the House of Representatives is about to adjourn sine die and to ascertain if there is any business pending.

The motion prevailed and the report was adopted.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to the Committee to notify the Senate that the House is about to adjourn sine die:

Vanasek; Laidig; Novak; Carlson, D., and Munger.

Halberg, Hoberg and Valan were excused for the remainder of today's session.

The following conference committee report was received:

CONFERENCE COMMITTEE REPORT ON 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.

March 19, 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. 1220, 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. 1220 be further amended as follows:

Amend the amendment placed on H. F. No. 1220 by the Committee on Rules and Administration, adopted by the Senate March 12, 1982, as follows:

Page 1, after line 8, insert:

"Section 1. [176A.01] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] For the purpose of sections 1 to 14 the terms defined in this section have the meanings given them.

Subd. 2. [BOARD.] "Board" means the board of directors of the Minnesota workers' compensation insurance corporation.

Subd. 3. [CORPORATION.] "Corporation" means the Minnesota workers' compensation insurance corporation.

Subd. 4. [FUND.] "Fund" means the workers' compensation insurance fund established pursuant to section 11.

Subd. 5. [MANAGER.] "Manager" means the chief executive officer of the Minnesota workers' compensation insurance corporation.

**Sec. 2. [176A.02] [CREATION OF CORPORATION;
BOARD OF DIRECTORS.]**

Subdivision 1. [CREATION.] The Minnesota workers' compensation insurance corporation is created as a nonprofit, public corporation.

Subd. 2. [BOARD OF DIRECTORS.] The corporation shall be administered and controlled by a board of directors consisting of six members appointed by the governor with the advice and consent of the senate. Each board member shall serve

for a term of six years and shall hold office until a successor is appointed and qualifies.

The first members appointed shall serve terms which shall expire as follows: two on January 7, 1985; two on January 5, 1987; and two on January 3, 1989.

The board shall annually elect a chairman from among its members and may elect other officers as it deems necessary.

Compensation of board members, removal of members and filling of vacancies shall be as provided for state boards in section 15.0575.

Neither the board, any of its members, nor any officer or employee of the fund shall be held liable in a personal capacity for any act performed or obligation incurred in connection with the administration, management or operation of the corporation.

Sec. 3. [176A.03] [GENERAL POWERS.]

For the purpose of carrying out the specific powers granted to the board pursuant to sections 1 to 14 the board may exercise the following powers:

- (a) It may sue and be sued;*
- (b) It may have a seal and alter it at will;*
- (c) It may adopt, amend and repeal bylaws, rules and procedures relating to its operation;*
- (d) It may enter into contracts;*
- (e) It may in its own name rent, lease, buy or sell property or construct or repair buildings necessary to provide space for its operations; and*
- (f) It may hire employees and set their compensation.*

Sec. 4. [176A.04] [MEMBER OF RATING AND REINSURANCE ASSOCIATIONS.]

Effective January 1, 1985, the board shall be a member of a data service organization and the workers' compensation reinsurance association.

Sec. 5. [176.A.05] [TREATMENT AS STATE AGENCY.]

Subdivision 1. [EXEMPTIONS.] The corporation and the board are exempt from the following provisions applicable to other state agencies and boards:

(a) Rulemaking and contested case procedures pursuant to sections 15.041 to 15.051;

(b) Civil service and public employee bargaining provisions of chapters 43A and 179; and

(c) All provisions of chapters 16 and 16A.

Subd. 2. [ECONOMIC INTEREST DISCLOSURE.] Members of the board and the manager shall file statements of economic interest with the ethical practices board as provided in section 10A.09.

Sec. 6. [176A.06] [MANAGER.]

Subdivision 1. [APPOINTMENT.] The board shall appoint a manager who shall be responsible for the day-to-day operation of the corporation. The manager shall have proven successful experience as an executive at the general management level. The compensation of the manager shall be set by the board. The manager may be removed at the pleasure of the board.

Subd. 2. [BOND.] The manager shall be bonded in an amount and with sureties as approved by the board. The manager shall file the bond with the secretary of state. The premium for the bond shall be paid out of the fund.

Subd. 3. [POWERS.] The board may delegate any of its general or specific powers to the manager subject to the direction and approval of the board.

Sec. 7. [176A.07] [ADMINISTRATION OF STATE CLAIMS.]

Subdivision 1. [PAYMENT BY BOARD.] Beginning July 1, 1983, the board shall administer all claims for compensation of state employees under chapter 176, including claims in which the loss was incurred or reported before July 1, 1983. The provisions of chapter 176 apply to claims administered under this subdivision. For the purpose of chapter 176 the board shall be treated as the insurer of state employees and the state agency or department employing a claimant shall be considered the employer. Compensation due on state claims administered pursuant to this subdivision shall be paid from the state compensation revolving account upon warrants prepared by the board and submitted to the state treasurer.

Subd. 2. [REIMBURSEMENT BY AGENCIES.] The agencies and departments of the state shall reimburse the board for

all claims paid to their employees pursuant to subdivision 1. At the end of each calendar quarter, the board shall notify each agency and department of the total amount due under this subdivision. The agency or department shall pay the amount due within 14 days of receipt of this notice. All amounts paid to the board shall be deposited in the state compensation revolving account.

Sec. 8. [176A.08] [INSURANCE OF STATE LIABILITY.]

Subdivision 1. [POWERS AND DUTIES.] Beginning January 1, 1985, the board shall insure the liability of the state to pay workers' compensation claims under chapter 176 for all losses incurred on and after January 1, 1985. The board may exercise all powers necessary and convenient to carry out the duties of an insurer under chapter 176 with respect to state claims. Not later than July 1, 1984, the board shall adopt bylaws and procedures for its operation including the form of policies of insurance which will be issued to state agencies and departments.

Subd. 2. [PREMIUMS; DETERMINATION AND PAYMENT.] Not later than July 1 of each year, beginning on July 1, 1984, the board shall determine an annual insurance premium for all state departments and agencies which is adequate to insure the workers' compensation losses incurred by the agencies and departments during the next fiscal year. The premium shall be calculated in accordance with workers' compensation insurance rates allowed under chapter 79 or rates otherwise established according to law. The premium shall be sufficient to pay the operating expenses of the board during the fiscal year and to establish adequate reserves for the full payment of losses incurred during the fiscal year as payment becomes due in the future. The premiums shall include an experience rating or retrospective rating plan which is approved by the workers' compensation rating association for use by its members and which is approved by the board and the commissioner of administration.

The premium for each department or agency shall be separately calculated if the premium is credible. In order to provide for continuous accountability of claims experience for each agency and department, the board shall, for those agencies and departments without a separately calculated premium, devise a method for allocating the cost of the annual premium among those agencies and departments. Each state agency and department shall pay its annual premium or allocation of premium in advance to the board within 14 days after the beginning of the fiscal year to which the premium applies. Premiums paid pursuant to this subdivision shall be deposited in a separate state claims account in the workers' compensation insurance fund.

Subd. 3. [PAYMENT OF INSURED CLAIMS.] All claims insured under this section which the board determines to be due under chapter 176 or which it agrees or is ordered to pay pursuant to any proceeding under that chapter shall be paid from the separate state claims account in the workers' compensation insurance fund and may not be paid from any other assets of the fund.

Subd. 4. [PAYMENT OF OUTSTANDING STATE CLAIMS.] The board shall continue payment of state workers' compensation losses incurred before January 1, 1985, pursuant to the provisions of section 7.

Subd. 5. [LIABILITY OF STATE.] In the event that funds are insufficient to pay any workers' compensation claim which is due to a state employee as provided in sections 7 and 8 the board shall prepare a warrant for the amount due and present it to the commissioner of finance who shall pay the amount from any unencumbered balance in the general fund.

Sec. 9. [176A.09] [STUDY OF STATE CLAIMS EXPERIENCE.]

The board shall analyze the workers' compensation claims experience of state agencies and departments during the five calendar years ending December 31, 1983 in order to determine actuarially sound premiums for insurance policies issued to state agencies and departments pursuant to section 8, subdivisions 1 to 3.

The board shall also determine the total estimated incurred workers' compensation losses of the state that are outstanding as of January 1, 1985, and shall formulate a plan for the full funding of reserves necessary to pay those losses. Not later than November 1, 1984, the board shall submit this plan to the legislature for its consideration.

This section is repealed January 1, 1985.

Sec. 10. [176A.10] [AUTHORITY TO INSURE OTHER EMPLOYERS.]

Subdivision 1. [POWERS.] Beginning January 1, 1985, the board may insure any public or private employer against liability for workers' compensation claims of their employees under chapter 176. The board may exercise all powers necessary and convenient to conduct a workers' compensation insurance operation. The board shall adopt bylaws and operating procedures for the conduct of its insurance operation.

Subd. 2. [SUBJECT TO LICENSING AND REGULATION.] The board shall not begin operations as an insurer under this section until it has met the requirements of chapter

60A for licensing of a stock company writing workers' compensation insurance. Sections 1 to 14 shall be considered the certificate of incorporation of the board. Except as provided in section 12, subdivision 1, the insurance operations of the board are subject to all of the provisions of chapters 60A and 60B. The commissioner of insurance has the same powers with respect to the board as he has with respect to a private workers' compensation insurer under chapters 60A and 60B. The board shall be considered an insurer for the purposes of chapters 79 and 176. With respect to the operation and procedures relating to state claims pursuant to sections 7 and 8, the regulatory provisions of chapters 60A and 60B, and sections 79.28 to 79.32 shall not apply.

Subd. 3. [PREMIUMS.] The board shall charge the lowest insurance premiums possible, including any dividend plans, which are consistent with the maintenance of adequate reserves, the solvency of the fund and the ability of the fund to meet the anticipated demand from employers for insurance coverage.

Subd. 4. [STATE LIABILITY.] The insurance operation of the board shall be supported entirely out of the assets of the fund. Except as otherwise provided for state claims pursuant to section 8, subdivision 5, the state is not liable for any obligations of the board.

Sec. 11. [176A.11] [WORKERS' COMPENSATION INSURANCE FUND.]

Subdivision 1. [CONTENTS OF FUND; EXPENDITURES.] The workers' compensation insurance fund consists of all insurance premiums paid to the board, all money, securities and property owned by the board and all interest and investment income earned on money, securities and property owned by the board. All claims paid pursuant to policies of insurance written by the board shall be paid from the fund. All expenses of administration related to the insurance operations of the board, including taxes and fees payable by the board and the expense of audits, surveys and reports required by law, shall be paid from the fund. Except as provided in this subdivision, no other expenditures shall be made from the fund.

Subd. 2. [CUSTODIAN.] The board shall be the custodian of the fund. No assets belonging to the fund shall be required to be deposited in any fund in the state treasury.

Subd. 3. [INVESTMENT.] The board may invest and reinvest the assets of the fund which are in excess of current operating requirements in the same manner and to the same extent as provided in chapter 60A for a stock company writing workers' compensation insurance.

Subd. 4. [DEPOSITS.] Any money in the fund which is in excess of current operating requirements and not otherwise in-

vested, may be deposited by the board from time to time in financial institutions authorized by law to accept deposit of public money.

Sec. 12. [176A.12] [FEES AND TAXES.]

Subdivision 1. [FEE IN LIEU OF PREMIUM TAX.] The board shall pay a fee in the amount that would have been due if the board were subject to the tax imposed in section 60A.15. The fee shall be paid in the same manner as the tax imposed in section 60A.15 is paid by a domestic stock insurance company.

Subd. 2. [PROPERTY TAX.] The board shall not rent, lease or otherwise locate in any property which is not subject to local property taxation. Any real property owned by the board is subject to local property taxation.

Subd. 3. [TAX EXEMPTION.] Except as provided in subdivision 2, the board and the corporation are exempt from all state and local taxes.

Subd. 4. [FEDERAL TAXES.] The board shall take all steps necessary and proper to qualify the corporation for exemption from federal taxation.

Sec. 13. [176A.13] [REPAYMENT TO GENERAL FUND.]

The board shall repay, over a period of five years beginning January 1, 1986, to the general fund in equal installments, any amount appropriated to it. The first payment shall be due on January 1, 1987. The amount to be repaid shall include interest at the average rate as is earned by the state board of investment for all investments.

Sec. 14. [176A.14] [AUDIT, SURVEY AND REPORTS.]

Subdivision 1. [AUDIT AND SURVEY.] The financial affairs of the corporation shall be audited annually by an independent auditor selected by the commissioner of insurance. An actuarial survey shall be conducted annually on the insurance operations of the corporation by an independent actuary selected by the commissioner of insurance.

Subd. 2. [REPORTS.] The board shall prepare and submit an annual report to the governor and the legislature not later than November 15 of each year, beginning November 15, 1983, concerning the financial status of the corporation, progress in implementing the legal powers and duties of the board and recommendations for legislative action.

Sec. 15. Minnesota Statutes 1980, Section 176.591, Subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] To facilitate the discharge by the state of its obligations under this chapter, there is established a revolving fund to be known as the state compensation revolving fund.

This fund is comprised of the unexpended balance in the fund on (JULY 1, 1935) *July 1, 1984*, and the sums which the (SEVERAL) departments of the state pay to the fund.

Sec. 16. Minnesota Statutes 1980, Section 176.591, Subdivision 3, is amended to read:

Subd. 3. [COMPENSATION PAYMENTS UPON WARRANTS.] The state treasurer shall make compensation payments from the fund only as authorized by this chapter upon warrants of the (COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY) *workers' compensation insurance board*.

Sec. 17. [IMPLEMENTATION.]

The first members of the board of directors of the workers' compensation insurance corporation shall be appointed not later than February 1, 1983. The board shall act promptly to select a manager, hire necessary employees and acquire necessary facilities and supplies to begin operation as required by section 7 on July 1, 1983. The board shall begin the study required under section 9 not later than July 1, 1983.

Sec. 18. Minnesota Statutes 1981 Supplement, Section 15.052, Subdivision 5, as amended by Laws 1981, Third Special Session Chapter 2, Article I, Section 10, is amended to read:

Subd. 5. [COURT REPORTERS; AUDIO RECORDINGS.] The office of administrative hearings may maintain a court reporter system and in addition to or in lieu thereof may contract with nongovernmental sources for court reporter services. The court reporters may additionally be utilized as the chief hearing examiner directs. Unless the chief hearing examiner determines that the use of a court reporter is more appropriate, an audio magnetic recording device shall be used to keep a record at any hearing which takes place under this chapter. In cases arising under chapter 176, the chief hearing examiner shall use audio magnetic recording devices to keep the record of hearings except when there are more than two primary parties in a case and the chief hearing examiner determines that the use of a court reporter is more appropriate. If the chief hearing examiner determines that the use of a court reporter is more appropriate, the cost of the court reporter shall be paid by the state. If the chief hearing examiner determines that the use of an audio magnetic recording device is more appropriate in a hearing under chapter 176, any party to that hearing may pro-

vide a court reporter at the party's expense. Court reporters provided by a party shall be selected from court reporters employed by the office of administrative hearings or, if not available, from the chief hearing examiner's list of non-governmental sources.

The fee charged by a non-governmental court reporter to a party shall not exceed the fee which would be charged to the state pursuant to the court reporter's contract with the state. Fees charged for the services of a court reporter employed by the office of administrative hearings shall be determined by the chief hearing examiner with the approval of the commissioner of finance.

Court reporters serving in the court reporter system of the office of administrative hearings shall be in the classified service. Notwithstanding the provisions of section 15.17, subdivision 4, copies of transcriptions of hearings conducted pursuant to this section may be obtained only through the office of administrative hearings."

Page 2, after line 7, insert:

"Sec. 22. Minnesota Statutes 1980, Section 79.211, Subdivision 1, is amended to read:

Subdivision 1. [CERTAIN WAGES EXCLUDED FOR RATE MAKING.] The rating association or an insurer shall not include wages paid for a vacation, holiday, or sick leave in the determination of a workers' compensation insurance premium except that on and after January 1, 1983, this exclusion shall not be made unless the wages paid for a vacation, holiday, or sick leave are in excess of ten percent of the payroll base of an employer and only to the extent of the amount in excess of ten percent."

Page 15, line 17, before "Compensation" insert "Except as may be otherwise provided in subdivision 3a,"

Page 15, line 19, reinstate the stricken language and after "pending" insert "completion of"

Page 15, line 20, reinstate the stricken "compensation for" and before the stricken comma, insert "rehabilitation" and before "when" insert "or"

Page 15, line 23, after "plan" delete the new language

Page 15, delete lines 24 and 25

Page 15, line 26, delete everything before the period

Page 16, line 17, before the comma, insert "or is in an approved rehabilitation plan pursuant to section 176.102"

Page 16, line 22, after "employee" insert "has completed a rehabilitation plan pursuant to section 176.102 or"

Page 20, line 12, after "If" insert "within 180 days after a determination has been made that an employee is medically recovered"

Page 20, line 13, delete "after the employee has medically recovered"

Page 20, line 19, after "layoff" insert "or the 180 day period has elapsed,"

Page 27, after line 22, insert:

"If an employee suffers permanent functional disability of more than one scheduled body part due to personal injury incurred in a single occurrence or as the result of an occupational disease, the total number of weeks of benefit to which the employee is entitled shall be determined by the following formula so as to ensure that the maximum number of weeks payable for all functional disability combined shall not exceed 500 weeks:

$$A + [1.0 - (A/500)]B$$

where:

A = the number of weeks awardable for the permanent partial disability to the first body part, and

B = the number of weeks otherwise awardable for the second body part.

For permanent partial disabilities to three body parts due to personal injury incurred in a single occurrence or as the result of an occupational disease, the above formula shall be applied, providing that A will equal the result obtained from application of the formula to the first two body parts and B will equal the number of weeks awardable for the third body part. For permanent partial disabilities to four or more body parts incurred as described above, A will equal the result obtained from the prior application of the formula, and B will equal the number of weeks awardable for the fourth body part or more in arithmetic progressions."

Page 27, delete section 24

Page 36, delete lines 20 to 29

Page 36, line 30, delete everything before the period

Page 38, line 32, delete "*July 1, 1983,*" and insert "*April 1, 1984,*"

Page 39, line 2, after "[FINANCING.]" insert "*Commencing July 1, 1983,*"

Page 39, after line 12, insert:

"The commissioner shall administer the fund and make the payments required by subdivision 2, pursuant to the rules adopted in subdivision 4."

Page 39, after line 27, insert:

"The accounting, investigation, and legal costs necessary for the administration of the rehabilitation fund shall be paid from the fund during each biennium commencing July 1, 1983. Staffing and expenditures related to the administration of the rehabilitation fund shall be approved through the regular budget and appropriations process."

Page 42, delete lines 3 to 19

Page 50, line 7, after "*supreme court.*" insert:

"The commissioner shall be the administrator for the special compensation fund and shall determine the liability of the special compensation fund in each claim within the jurisdiction of the workers' compensation division, enter into stipulations of settlement on behalf of the special compensation fund, and make payment as required by this section. The commissioner shall consider the advice and recommendations of the attorney general as the legal advisor for the special compensation fund in the administration of the special compensation fund."

Page 59, line 33, delete "*to the special compensation fund*" and before "*an*" insert "*a penalty in*"

Page 59, line 36, after "*amount*" insert "*shall be divided in half and equal amounts paid in a single installment to the employee and the special compensation fund within 30 days of a determination by the commissioner of a violation of this section. This penalty*"

Page 60, after line 7, insert:

"Subd. 6. [LIMITATIONS.] This section shall not create any liabilities or other requirements for the payment of benefits under chapter 176 than are specifically contained within the section."

Page 62, after line 18, insert:

"Sec. 91. Laws 1981, Third Special Session Chapter 2, Article I, Section 2, Subdivision 1, Paragraph (k), is amended to read:

(k) Administrative Hearings (66,600) (161,000)

The appropriation reductions in this item are made after the appropriation transfers authorized by Laws 1981, Chapter 346, Section 144.

The office of administrative hearings shall station a compensation judge and necessary support staff in an office in Duluth during the biennium ending June 30, 1983.

(THE CHIEF HEARING EXAMINER SHALL DISCONTINUE THE USE OF COURT REPORTERS WHO ARE STATE EMPLOYEES AS SOON AS EXISTING LABOR AGREEMENTS ALLOW. WHILE THERE CONTINUE TO BE COURT REPORTERS EMPLOYED IN THE OFFICE OF HEARING EXAMINERS, THE REPORTERS SHALL BE USED PRIMARILY TO PROVIDE COURT REPORTER SERVICES.)

(AFTER SEPTEMBER 30, 1982, ALL RECEIPTS FROM TRANSCRIPT FEES SHALL BE DEPOSITED IN THE GENERAL FUND.)

When a court reporter position becomes vacant, the position shall not be filled but shall be canceled.

The chief hearing examiner shall report to the chairmen of the house appropriations and senate finance committees by February 15, 1983. The report shall contain both a fiscal breakdown of the court reporter costs that have been financed through transcript fees, court reporter fees, and general fund appropriations and a management recommendation concerning continuation of a court reporter system in the workers compensation division of the office of administrative hearings."

Page 62, line 26, delete "ten" and insert "11.1"

Page 62, line 27, delete "repeal of" and insert "amendment to"

Page 63, line 30, delete "and"

Page 64, line 4, delete the period and insert “; and

(e) Chapter 176 for the purpose of recodifying and re-writing that chapter to assure that it is readable and understandable to a person of average intelligence, experience, and education. The commission shall develop legislation to fulfill the purposes of this clause for presentation to the 1984 legislature.”

Page 64, line 11, delete “December” and insert “October”

Page 65, after line 14, insert:

“Sec. 96. [APPROPRIATION.]

The sum of \$359,000 is appropriated to the legislative advisory commission for the purposes of transferring funds to the department of labor and industry in order to fulfill the duties required of the workers' compensation division by chapter 176 and this act.”

Page 65, line 16, delete everything after “Sections”

Page 65, line 17, after “18;” insert “176.061, Subdivisions 8 and 9;”

Page 65, line 18, after the last semicolon, insert “176.541, Subdivisions 2, 3, 4, 5, 6 and 8; 176.551; 176.561; 176.571; 176.603; 176.611;”

Page 65, line 23, after “section” delete “23” and insert “24”

Page 65, delete lines 26 to 29 and insert:

“Sections 15 and 16 are effective July 1, 1983. Sections 1 to 14, 17, 19 to 29, 31, 32, 35 to 57, 59, 61 to 69, and 71 to 90 are effective January 1, 1983. Sections 18, 30, 33, 34, 58, 60 and 91 to 97 are effective the day after final enactment. Section 70 is effective retroactive to January 1, 1982.”

Page 67, line 1, delete “66 2/3” and insert “60”

Page 70, line 24, delete “1983” and insert “1984”

Page 71, line 4, delete “1982” and insert “1983”

Page 71, line 5, delete “1984” and insert “1985”

Page 71, line 9, delete “1982” and insert “1983”

Page 71, line 11, delete “1983” and insert “1984”

Page 71, line 17, delete "1982" and insert "1983"

Page 71, line 21, delete "1982" and insert "1983"

Page 71, line 24, delete "1983" and insert "1984"

Page 71, line 28, delete "1983" and insert "1984"

Page 71, line 31, delete "1984" and insert "1985"

Page 71, line 36, delete "1983" and insert "1984"

Page 72, line 10, delete "1983" and insert "1984"

Page 72, line 15, delete "1983" and insert "1984"

Page 72, line 29, delete "1982" and insert "1983"

Page 73, line 10, delete "1982" and insert "1983"

Page 73, line 10, delete "1983" and insert "1984"

Page 73, line 16, delete "1982" and insert "1983"

Page 73, line 21, delete "1982" and insert "1983"

Page 73, line 23, delete "1982" and insert "1983"

Page 73, line 26, delete "1984" and insert "1985"

Page 74, line 2, delete "1984" and insert "1985"

Page 74, line 15, after "1982;" insert "and"

Page 74, line 15, after the first "two" insert "and one-half"

Page 74, line 15, delete "; two" at end of line

Page 74, delete line 16

Page 74, line 17, delete "points for 1985"

Page 74, line 19, after "1982;" insert "and"

Page 74, line 19, after the first "two" insert "and one-half"

Page 74, line 19, delete "; two and" at end of line

Page 74, delete line 20

Page 74, line 21, delete "for 1985"

Page 74, line 21, after "thereafter" insert "*, provided that the limitation for a small business employer, as defined in section 645.455, shall be one and one-half percentage points for 1983 and each year thereafter*"

Page 75, line 8, after "1982;" insert "and"

Page 75, line 8, after the first "two" insert "and one-half"

Page 75, line 8, delete "; two and" at end of line

Page 75, delete line 9

Page 75, line 10, delete "for 1985"

Page 75, line 12, after "\$a" insert "*, provided that the limitation for a small business employer, as defined in section 645.455, shall be one and one-half percentage points for 1983 and each year thereafter*"

Page 82, after line 2, insert:

"The maximum weekly benefit amount for claims for benefits which establish a benefit year subsequent to June 30, 1984, and prior to July 1, 1985, shall be \$198."

Page 95, line 3, after "school" insert a comma

Page 95, line 4, strike the comma

Page 95, line 25, after "school" insert a comma

Page 95, line 26, strike the comma

Page 128, after line 21, insert:

"Sec. 42. [WAGE REPORTING.]

Beginning on April 1, 1984, each employer subject to chapter 268 shall provide the commissioner with a quarterly report of wages, as defined in section 268.04, subdivision 25, paid to each employee of that employer covered by chapter 268. The commissioner shall provide the legislature with his recommendations for statutory changes to fully implement this section no later than January 1, 1983."

Page 128, line 34, delete "4" and insert "14"

Page 128, line 34, delete "January 1" and insert "July 4, 1982"

Page 128, line 35, delete "1983"

Further amend the amendment as follows :

Page 4, line 16, strike "\$300,000" and insert "\$200,000"

Renumber the sections in sequence

Correct internal cross references

Amend the title accordingly

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

House Conferees: WAYNE A. SIMONEAU, JAMES I. RICE and JOSEPH R. BEGICH.

Senate Conferees: COLLIN C. PETERSON, TOM A. NELSON, JAMES C. PEHLER and FLORIAN CHMIELEWSKI.

Simoneau moved that the report of the Conference Committee on H. F. No. 1220 be adopted and that the bill be repassed as amended by the Conference Committee.

POINT OF ORDER

Jennings raised a point of order relating to subject matter contained in the Conference Committee report on H. F. No. 1220 pursuant to rule 6.11, paragraph 2. The Speaker ruled the point of order not well taken.

Stadum moved that the House refuse to adopt the report of the Conference Committee on H. F. No. 1220, that the House Conference Committee be discharged, that the Speaker appoint a new Conference Committee of 5 members, and that the Senate be informed of the House action by message.

A roll call was requested and properly seconded.

The question was taken on the Stadum motion and the roll was called.

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

There were 53 yeas and 69 nays as follows :

Those who voted in the affirmative were :

Aasness	Anderson, R.	Carlson, D.	Drew	Esau
Ainley	Blatz	Den Ouden	Erickson	Evans

Fjoslien	Johnson, D.	McDonald	Redalen	Stadum
Forsythe	Kaley	Mehrkens	Rees	Stowell
Gruenes	Knickerbocker	Nelsen, B.	Reif	Swiggum
Haukoos	Kvam	Niehaus	Rose	Valento
Heap	Laidig	Nysether	Rothenberg	Weaver
Heinitz	Lemen	Olsen	Schafer	Welker
Himle	Levi	Onnen	Schreiber	Wigley
Hokr	Ludeman	Peterson, B.	Sherman	
Jennings	Marsh	Piepho	Sherwood	

Those who voted in the negative were:

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

The motion did not prevail.

The question recurred on the Simoneau motion. The motion prevailed.

Anderson, R.; Dean and Wieser were excused for the remainder of today's session.

H. F. No. 1220, A bill for an act relating to unemployment compensation; clarifying that quitting work due to sexual harrasment does not result in benefit disqualification; amending Minnesota Statutes 1980, Section 268.09, 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 69 yeas and 53 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Clawson	Jacobs	McEachern	Otis
Anderson, G.	Dahlvang	Johnson, C.	Metzen	Peterson, D.
Anderson, I.	Eken	Jude	Minne	Pogemiller
Battaglia	Elioff	Kahn	Munger	Reding
Begich	Ellingson	Kalis	Murphy	Rice
Berkelman	Greenfield	Kelly	Nelson, K.	Rodriguez, C.
Brandl	Gustafson	Kostohryz	Norton	Rodriguez, F.
Byrne	Hanson	Lehto	Novak	Samuelson
Carlson, L.	Harens	Long	O'Connor	Sarna
Clark, J.	Hauge	Mann	Ogren	Schoenfeld
Clark, K.	Hokanson	McCarron	Osthoff	Shea

Sieben, M.
Simoneau
Skoglund

Staten
Stumpf
Swanson

Tomlinson
Vanasek
Vellenga

Voss
Welch
Wenzel

Wynia
Spkr. Sieben, H.

Those who voted in the negative were:

Aasness
Ainley
Blatz
Carlson, D.
Den Ouden
Drew
Erickson
Esau
Evans
Fjoslien
Forsythe

Gruenes
Halberg
Haukoos
Heap
Heinitz
Himle
Hokr
Jennings
Johnson, D.
Kaley
Knickerbocker

Kvam
Laidig
Lemen
Levi
Ludeman
Marsh
McDonald
Mehrkens
Nelsen, B.
Niehaus
Nysether

Olsen
Onnen
Peterson, B.
Piepho
Redalen
Rees
Reif
Rose
Rothenberg
Schafer
Schreiber

Sherman
Sherwood
Stadum
Stowell
Sviggum
Valento
Weaver
Welker
Wigley

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

ANNOUNCEMENT

Vanasek for the Committee to notify the Senate, announced that the Senate had been notified that the House of Representatives is ready to adjourn sine die.

MOTION TO ADJOURN SINE DIE

Eken moved that the House adjourn sine die. The motion prevailed and the Speaker declared the House adjourned sine die.