

STATE OF MINNESOTA

SEVENTY-THIRD SESSION - 1983

FORTY-FIRST DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, APRIL 27, 1983

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 Tyrone L. Burkette, Dayton Ave. Presbyterian Church, St. Paul, Minnesota.

The roll was called and the following members were present:

Anderson, B.	Fjoslien	Kvam	Piepho	Solberg
Anderson, G.	Forsythe	Larsen	Piper	Sparby
Anderson, R.	Frerichs	Levi	Price	Stadum
Battaglia	Graba	Long	Quinn	Staten
Beard	Greenfield	Ludeman	Quist	Sviggum
Begich	Gruenes	Mann	Redalen	Swanson
Bennett	Gustafson	Marsh	Reif	Thiede
Bergstrom	Gutknecht	McDonald	Rice	Tomlinson
Bishop	Halberg	McEachern	Riveness	Tunheim
Brandl	Haukoos	McKasy	Rodosovich	Uphus
Brinkman	Heap	Metzen	Rodriguez, C.	Valan
Burger	Heinitz	Minne	Rodriguez, F.	Valento
Carlson, D.	Himle	Munger	Rose	Vanasek
Carlson, L.	Hoffman	Murphy	St. Onge	Vellenga
Clark, J.	Hokr	Nelson, D.	Sarna	Voss
Clark, K.	Jacobs	Nelson, K.	Schafer	Waltman
Clawson	Jennings	Neuenschwander	Scheid	Welch
Cohen	Jensen	Norton	Schoenfeld	Welker
Coleman	Johnson	O'Connor	Schreiber	Welle
Dempsey	Kahn	Ogren	Seaberg	Wenzel
DenOuden	Kalis	Olsen	Segal	Wigley
Dimler	Kelly	Omann	Shaver	Wynia
Eken	Kniickerbocker	Onnen	Shea	Zaffke
Elioff	Knuth	Osthoff	Sherman	Speaker Sieben
Erickson	Kostohryz	Otis	Simoneau	
Findlay	Krueger	Peterson	Skoglund	

A quorum was present.

Hoberg and Pauly were excused.

Berkelman was excused until 2:20 p.m. Ellingson was excused until 2:45 p.m. Evans was excused until 3:00 p.m. Blatz was excused until 4:00 p.m.

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

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 681, 926, 1136, 111, 245, 748, 847, 873, 1101, 1074, 1106, 642, 1040, 1049, 1065, 1100, 270, 380, 594 and 92 and S. F. Nos. 1195, 170, 634, 679, 887, 889, 1067, 611, 87, 455, 591, 844 and 280 have been placed in the members' files.

S. F. No. 1067 and H. F. No. 1136, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Marsh moved that the rules be so far suspended that S. F. No. 1067 be substituted for H. F. No. 1136 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Vanasek from the Committee on Judiciary to which was referred:

H. F. No. 109, A bill for an act relating to human rights; prohibiting unfair discriminatory practices on the basis of affectional or sexual orientation; amending Minnesota Statutes 1982, sections 363.01, subdivision 24, and by adding a subdivision; 363.02, subdivision 2; 363.03, subdivisions 1, 2, 3, 4, 5, 7, and 8; 363.05, subdivision 1; 363.11; 363.115; and 363.12, subdivision 1.

Reported the same back with the following amendments:

Page 2, after line 1, insert:

"Sec. 3. Minnesota Statutes 1982, section 363.02, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYMENT.] The provisions of section 363.03, subdivision 1, shall not apply to:

- (1) The employment of any individual
 - (a) by his parent, grandparent, spouse, child, or grandchild,
- or

(b) in the domestic service of any person;

(2) A religious or fraternal corporation, association, or society, with respect to qualifications based on religion or *affectional or sexual orientation*, when religion or *affectional or sexual orientation* shall be a bona fide occupational qualification for employment;

(3) The employment of one person in place of another, standing by itself, shall not be evidence of an unfair discriminatory practice;

(4) An age restriction applied uniformly and without exception to all individuals established by a bona fide apprenticeship program established pursuant to chapter 178, which limits participation to persons who enter the program prior to some specified age and the trade involved in the program predominantly involves heavy physical labor or work on high structures. Neither shall the operation of a bona fide seniority system which mandates differences in such things as wages, hiring priorities, lay-off priorities, vacation credit, and job assignments based on seniority, be a violation of the age discrimination provisions of section 363.03, subdivision 1, so long as the operation of such system is not a subterfuge to evade the provisions of chapter 363;

(5) With respect to age discrimination, a practice whereby a labor organization or employer offers or supplies varying insurance benefits or other fringe benefits to members or employees of differing ages, so long as the cost to the labor organization or employer for such benefits is reasonably equivalent for all members or employees;

(6) A restriction imposed by state statute, home rule charter, ordinance, or civil service rule, and applied uniformly and without exception to all individuals, which establishes a maximum age for entry into employment as a peace officer or firefighter.

(7) Nothing in this chapter concerning age discrimination shall be construed to validate or permit age requirements which have a disproportionate impact on persons of any class otherwise protected by section 363.03, subdivision 1 or 5.

It is not an unfair employment practice for an employer, employment agency or labor organization:

(i) to require a person to undergo physical examination for purpose of determining the person's capability to perform available employment; or

(ii) to conduct an investigation as to the person's medical history for the purpose of determining the person's capability to perform available employment; or

(iii) to limit receipt of benefits payable under a fringe benefit plan for disabilities to that period of time which a licensed physician reasonably determines a person is unable to work; or

(iv) to provide special safety considerations for pregnant women involved in tasks which are potentially hazardous to the health of the unborn child, as determined by medical criteria."

Page 4, after line 20, insert:

"Sec. 5. Minnesota Statutes 1982, section 363.02, is amended by adding a subdivision to read:

Subd. 8. [PUBLIC HEALTH.] The provisions of section 363.03 do not apply to policies or actions based on a bona fide public health consideration."

Renumber the remaining sections

Amend the title as follows:

Page 1, line 6, delete the second "subdivision" and insert "subdivisions 1 and"

Page 1, line 6, after "2" insert ", and by adding a subdivision"

With the recommendation that when so amended the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 153, A bill for an act relating to economic development; providing for job training and related services; appropriating money; proposing new law coded in Minnesota Statutes, chapter 268.

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

The report was adopted.

Rice from the Committee on Appropriations to which was referred:

H. F. No. 422, A bill for an act relating to state government; establishing a compensation council to assist in establishing the salary of executive branch agency heads, legislators and constitutional officers; establishing a judicial compensation council; regulating judicial branch salaries; amending Minnesota Statutes 1982, sections 3.099, subdivision 2; 15A.081, subdivision 6; 15A.083, subdivisions 1, 2, 4, 5, and 7; 43A.18, subdivision 5; and 484.68, subdivision 6; proposing new law coded in Minnesota Statutes, chapter 15A.

Reported the same back with the following amendments:

Page 2, line 20, delete "*one justice of the*"

Page 2, delete lines 21 and 22

Page 2, line 23, delete "*who is not a judge,*" and insert "*and five members*"

Page 2, line 27, after the period insert "*No more than two of the members appointed by the chief justice shall be attorneys or judges.*"

Page 2, line 30, after "*and*" delete "*the*" and after "*nonjudge*" insert "*members*"

Page 3, line 26, delete "\$75,000" and insert "\$65,000"

Page 3, line 28, delete "\$70,000" and insert "\$62,000"

Page 3, line 30, delete "\$67,500" and insert "\$59,000"

Page 3, line 35, delete "\$62,500" and insert "\$54,000"

Page 4, line 13, delete "\$62,500" and insert "\$54,000"

Page 4, after line 16, insert:

"Sec. 7. Minnesota Statutes 1982, section 15A.083, is amended by adding a subdivision to read:

Subd. 2a. [SALARY ADJUSTMENTS.] The applicable salary amounts provided in section 5 or 6 or in the salary portion of any judicial compensation plan adopted pursuant to section 4 shall be the amount received by a judge at the time of initial appointment or election. Beginning three years after initial appointment or election, a judge's salary shall be five percent greater than the amount received at the time of initial appointment or election. Beginning five years after initial appointment or election a judge's salary shall be an amount seven percent greater than the amount received at the time of initial appoint-

ment or election. Beginning ten years after initial appointment or election a judge's salary shall be an amount ten percent greater than the amount received at the time of initial appointment or election."

Page 5, line 21, after "COURT" insert "AND CHIEF HEARING EXAMINER"

Page 5, line 22, before "shall" insert "and the chief hearing examiner of the office of administrative hearings"

Page 5, line 28, after "the" insert "base"

Page 5, line 30, after "the" insert "base"

Page 6, line 33, delete "the following" and insert "all"

Page 6, line 33, after "agencies" insert ", except the chief hearing examiner, including"

Page 6, line 34, delete "administrative hearings;"

Page 8, after line 23, insert a new section to read:

"Sec. 15. [APPROPRIATION.]

Subdivision 1. The sums contained in this section are appropriated from the general fund to be available for the fiscal year ending June 30 of the years indicated.

Subd. 2. There is appropriated to the commissioner of finance for the purpose of paying the compensation increases as authorized by this act.

1984	1985
\$2,333,040	\$2,444,030

Subd. 3. There is appropriated to the legislative coordinating commission for the per diem and expenses of the council established in section 3 of this act.

1984	1985
\$6,300	\$3,200

Subd. 4. There is appropriated to the commissioner of employee relations for the per diem and expenses of the council established in section 11 of this act.

1984

1985

\$2,700

\$2,600"

Page 8, line 27, delete "11" and insert "12"

Page 8, line 28, delete "8, 9, and 13" and insert "7, 9, 10, 14, and 15"

Page 8, line 28, after the second "and" delete "7" and insert "8"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after the semicolon insert "appropriating money;"

Page 1, line 9, delete "and" and after "7" insert ", and by adding a subdivision"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 449, A bill for an act relating to elections; proposing an amendment to the Minnesota Constitution, article VII, section 9, to limit campaign expenditures by candidates for the United States senate and house of representatives; providing implementing legislation; redefining certain terms in relation to congressional candidates; limiting the applicability of certain provisions of law to state constitutional and state legislative candidates; providing for filing of campaign reports by certain congressional candidates; limiting campaign expenditures by congressional candidates who choose to receive a public subsidy; providing a penalty for exceeding campaign expenditure limits by congressional candidates; changing the designated amount of certain income tax payments; providing for the allocation of party accounts and the general account to certain state and congressional candidates; providing estimates of minimum amounts of public subsidy to be received by certain congressional candidates; requiring signed agreements by certain congressional candidates who choose to receive a public subsidy; specifying when congressional candidates who accept a public subsidy must return all or part thereof; providing for the return of money from the state elections campaign fund to the general fund; making certain technical amendments; imposing penalties; amending Minnesota Statutes 1982, sections 10A.01; 10A.25;

10A.255; 10A.27; 10A.275; 10A.28; 10A.30; 10A.31; 10A.33; 10A.335; and 290.06, subdivision 11; proposing new law coded in Minnesota Statutes, chapter 10A; repealing Minnesota Statutes 1982, section 10A.32.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 10A.01, is amended to read:

10A.01 [DEFINITIONS.]

Subdivision 1. For the purposes of sections 10A.01 to 10A.34, the terms defined in this section have the meanings given them unless the context clearly indicates otherwise.

Subd. 2. [ADMINISTRATIVE ACTION.] "Administrative action" means an action by any official, board, commission or agency of the executive branch to adopt, amend, or repeal a rule pursuant to chapter 14. "Administrative action" does not include the application or administration of an adopted rule, except in cases of rate setting, power plant and powerline siting and granting of certificates of need under chapter 116J.

Subd. 3. [ASSOCIATION.] "Association" means a business, corporation, firm, partnership, committee, labor organization, club, or any other group of two or more persons, which includes more than *members* of an immediate family, acting in concert.

Subd. 4. [BUSINESS WITH WHICH HE IS ASSOCIATED.] "Business with which he is associated" means any association in connection with which the individual is compensated in excess of \$50 except for actual and reasonable expenses in any month as a director, officer, owner, member, partner, employer or employee, or is a holder of securities worth \$2,500 or more at fair market value.

Subd. 5. [CANDIDATE.] "Candidate" means an individual who seeks nomination or election to any statewide or legislative office for which reporting is not required under federal laws. The term candidate shall also include an individual who seeks nomination or election to supreme court, district court, county court, probate court, or county municipal court judgeships of the state. An individual shall be deemed to seek nomination or election if he has taken the action necessary under the law of the state of Minnesota to qualify himself for nomination or election, has received contributions or made expenditures in excess of \$100, or has given his implicit or explicit consent for any other person to receive contributions or make expenditures in excess of \$100, for the purpose of bringing about his nomina-

tion or election. A candidate remains a candidate until his principal campaign committee is dissolved as provided in section 10A.24.

Subd. 5a. [CONGRESSIONAL CANDIDATE.] "Congressional candidate" means an individual who seeks nomination or election to the United States senate or house of representatives and who is a "candidate" as that term is defined under United States Code, title 2, section 431, paragraph (2), as amended through December 31, 1982.

Subd. 6. [BOARD.] "Board" means the state ethical practices board.

Subd. 7. [CONTRIBUTION.] "Contribution" means:

(a) With respect to a candidate, a transfer of funds or a donation in kind (.)

(CONTRIBUTION) and includes any loan or advance of credit to a political committee, political fund, or principal campaign committee, which loan or advance of credit is ((A)) (1) forgiven, or ((B)) (2) paid by (AN ENTITY) an individual or any association other than the political committee, political fund, or principal campaign committee to which the loan or advance of credit is made. If an advance of credit or a loan is forgiven or paid as provided in this (SUBDIVISION) paragraph, it is a contribution in the year in which the loan or advance of credit is made. A contribution made for the purpose of defeating a candidate is considered made for the purpose of influencing the nomination or election of that candidate or any opponent of that candidate. A contribution does not include services provided without compensation by an individual volunteering his time on behalf of a candidate, ballot question, political committee or political fund, or the publishing or broadcasting of news items or editorial comments by the news media; and

(b) With respect to a congressional candidate, a "contribution" as that term is defined under United States Code, title 2, section 431, paragraph (8), as amended through December 31, 1982.

Subd. 7a. [TRANSFER OF FUNDS; TRANSFER.] "Transfer of funds" or "transfer" means 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.

Subd. 7b. [DONATION IN KIND.] "Donation in kind" means anything of value other than money or negotiable instruments given by an individual or association to a political com-

mittee, 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.

Subd. 8 [DEPOSITORY.] "Depository" means any bank, savings and loan association or credit union, organized under federal or state law and transacting business within Minnesota.

Subd. 9. [ELECTION.] "Election" means a primary, special primary, general or special election.

Subd. 10. [CAMPAIGN EXPENDITURE; EXPENDITURE.] "Campaign expenditure" or "expenditure" means:

(a) *With respect to a candidate, a purchase or payment of money or anything of value, or an advance of credit, made or incurred for the purpose of influencing the nomination or election of a candidate or for the purpose of promoting or defeating a ballot question. An expenditure is considered to be made in the year in which the goods or services for which it was made are used or consumed. An expenditure made for the purpose of defeating a candidate is considered made for the purpose of influencing the nomination or election of that candidate or any opponent of that candidate. Except as provided in clause ((A),) (1) of this paragraph, an expenditure includes the dollar value of a donation in kind. An expenditure does not include:*

((A)) (1) Noncampaign disbursements as defined in subdivision 10c;

((B)) (2) Transfers as defined in subdivision 7a;

((C)) (3) Services provided without compensation by an individual volunteering his time on behalf of a candidate, ballot question, political committee, or political fund; or

((D)) (4) The publishing or broadcasting of news items or editorial comments by the news media; and

(b) *With respect to a congressional candidate, an "expenditure" as that term is defined under United States Code, title 2, section 431, paragraph (9), as amended through December 31, 1982.*

Subd. 10a. [APPROVED EXPENDITURE.] "Approved expenditure" means an expenditure made on behalf of a candidate by an entity other than the principal campaign committee of that candidate, which expenditure is made with the authorization or expressed or implied consent of, or in cooperation or in concert with, or at the request or suggestion of that candidate,

his principal campaign committee or his agent. An approved expenditure is a contribution to that candidate.

Subd. 10b. [INDEPENDENT EXPENDITURE.] "Independent expenditure" means:

(a) *With respect to a candidate*, an expenditure expressly advocating the election or defeat of a clearly identified candidate, which expenditure is made without the express or implied consent, authorization, or cooperation of any candidate, his principal campaign committee or his agent and is not made in concert with or at the request or suggestion of any candidate, his principal campaign committee or his agent. An independent expenditure is not a contribution *to that candidate; and*

(b) *With respect to a congressional candidate*, an "independent expenditure" as that term is defined under *United States Code, title 2, paragraph (17)*, as amended through December 31, 1982.

Subd. 10c. [NONCAMPAIGN DISBURSEMENT.] "Non-campaign disbursement" means a purchase or payment of money or anything of value made, or an advance of credit incurred, by a political committee, political fund, or principal campaign committee for any purpose other than to influence the nomination or election of a candidate or to promote or defeat a ballot question.

Noncampaign disbursement includes:

- (a) Payment for accounting and legal services;
- (b) Return of a contribution to the source;
- (c) Repayment of a loan made to the political committee, political fund, or principal campaign committee by that committee or fund;
- (d) Return of moneys from the state elections campaign fund;
- (e) Payment for food and beverages consumed at a fund-raising event;
- (f) Services for a constituent by a member of the legislature or a constitutional officer in the executive branch, performed from the beginning of the term of office to 60 days after adjournment sine die of the legislature in the election year for the office held; and
- (g) A donation in kind given to the political committee, political fund, or principal campaign committee for purposes listed in clauses (e) and (f). The board shall determine whether

an activity involves a noncampaign disbursement within the meaning of this subdivision.

Subd. 11. [LOBBYIST.] "Lobbyist" means any individual:

(a) Engaged for pay or other consideration, or authorized by another individual or association to spend money, who spends more than five hours in any month or more than \$250, not including his own travel expenses and membership dues, in any year, for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials; or

(b) Who spends more than \$250, not including his own traveling expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials.

"Lobbyist" does not include any:

(a) Public official or employee of the state or any of its political subdivisions or public bodies acting in his official capacity;

(b) Party or his representative appearing in a proceeding before a state board, commission or agency of the executive branch unless the board, commission or agency is taking administrative action;

(c) Individual while engaged in selling goods or services to be paid for by public funds;

(d) News media or their employees or agents while engaged in the publishing or broadcasting of news items, editorial comments or paid advertisements which directly or indirectly urge official action;

(e) Paid expert witness whose testimony is requested by the body before which he is appearing, but only to the extent of preparing or delivering testimony;

(f) Stockholder of a family farm corporation as defined in section 500.24, subdivision 1, who does not spend over \$250, excluding his own travel expenses, in any year in communicating with public officials; or

(g) Party or his representative appearing to present a claim to the legislature and communicating to legislators only by the filing of a claim form and supporting documents and by appearing at public hearings on the claim.

Subd. 12. [MAJOR POLITICAL PARTY.] "Major political party" means a major political party as defined in section 200.02, subdivision 7.

Subd. 13. [MINOR POLITICAL PARTY.] "Minor political party" means any party other than a major political party:

(a) Under whose name in the last applicable general election a candidate filed for a *state* legislative office and received not less than 10 percent of the vote for that office, or filed for statewide office *other than for the office of United States senator*; or

(b) *Under whose name in the last applicable general election a congressional candidate filed for the office of representative in congress and received not less than ten percent of the vote for that office, or filed for the office of United States senator; or*

((B)) (c) Which files a petition with the secretary of state containing the names of 2,000 individuals registered to vote in Minnesota and declaring that the signers desire that the party be eligible to receive money from the state elections campaign fund in the same manner as a major political party.

For the purposes of this chapter, all individuals who are eligible to vote in areas where there is no permanent system of registration shall be considered registered voters.

Subd. 15. [POLITICAL COMMITTEE.] "Political committee" means:

(a) *With respect to a candidate, any association as defined in subdivision 3 whose major purpose is to influence the nomination or election of a candidate or to promote or defeat a ballot question; and*

(b) *With respect to a congressional candidate, a "political committee" as that term is defined under United States Code, title 2, section 431, paragraph (4), as amended through December 31, 1982.*

"Political committee" includes a major political party (AS DEFINED IN SUBDIVISION 12), a minor political party (AS DEFINED IN SUBDIVISION 13), (AND ANY) a principal campaign committee (FORMED PURSUANT TO SECTION 10A.19) of a candidate or congressional candidate, and any authorized committee of a congressional candidate.

Subd. 15a. [PRINCIPAL CAMPAIGN COMMITTEE.] "Principal campaign committee" means:

(a) *With respect to a candidate, a political committee designated and caused to be formed by that candidate under section 10A.19; and*

(b) *With respect to a congressional candidate, a political committee designated and authorized by that congressional candidate under United States Code, title 2, section 432, subsection (e)(1), as amended through December 31, 1982.*

Subd. 15b. [AUTHORIZED COMMITTEE.] "Authorized committee" means the principal campaign committee or any other political committee designated and authorized by a congressional candidate under United States Code, title 2, section 432, subsection (e)(1), as amended through December 31, 1982, to receive contributions or make expenditures on behalf of that congressional candidate.

Subd. 16. [POLITICAL FUND.] "Political fund" means any accumulation of dues or voluntary contributions by an association other than a political committee, which accumulation is collected or expended for the purpose of influencing the nomination or election of a candidate or for the purpose of promoting or defeating a ballot question.

Subd. 17. [POLITICAL PARTY.] "Political party" means either a major political party or a minor political party.

Subd. 18. [PUBLIC OFFICIAL.] "Public official" means any:

- (a) Member of the legislature;
- (b) Constitutional officer in the executive branch and his chief administrative deputy;
- (c) Member, chief administrative officer or deputy chief administrative officer of a state board or commission which has at least one of the following powers: (i) the power to adopt, amend or repeal rules, or (ii) the power to adjudicate contested cases or appeals;
- (d) Commissioner, deputy commissioner or assistant commissioner of any state department as designated pursuant to section 15.01;
- (e) Individual employed in the executive branch who is authorized to adopt, amend or repeal rules or adjudicate contested cases;
- (f) Executive director of the state board of investment;

- (g) Executive director of the Indian affairs intertribal board;
- (h) Commissioner of the iron range resources and rehabilitation board;
- (i) Director of mediation services;
- (j) Deputy of any official listed in clauses (e) to (i);
- (k) Judge of the workers' compensation court of appeals;
- (l) Hearing examiner or compensation judge in the state office of administrative hearings or hearing examiner in the department of economic security;
- (m) Solicitor general or deputy, assistant or special assistant attorney general;
- (n) Individual employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house, revisor of statutes, or researcher or attorney in the office of senate research, senate counsel, or house research; or
- (o) Member or chief administrative officer of the metropolitan council, metropolitan transit commission, metropolitan waste control commission, metropolitan parks and open spaces commission, metropolitan airports commission or metropolitan sports facilities commission.

Subd. 19. [OFFICE HOLDER.] "Office holder" means an individual who holds any statewide or legislative office, except a federal office for which candidates are required to report under federal laws, state supreme court justice or district court judge.

Subd. 20. [ADVANCE OF CREDIT.] "Advance of credit" means any money owed for goods provided or services rendered. An advance of credit is an expenditure or a noncampaign disbursement in the year in which the goods or services are used or consumed. Advance of credit does not mean loan as defined in subdivision 21.

Subd. 21. [LOAN.] "Loan" means an advance of money or anything of value made to a political committee, political fund, or principal campaign committee.

Subd. 22. [FINANCIAL INSTITUTION.] "Financial institution" means a lending institution chartered by an agency of the federal government or regulated by the commissioner of banks.

Subd. 23. [BALLOT QUESTION.] "Ballot question" means a question or proposition which is placed on the ballot and which may be voted on by all voters of the state. "Promoting or defeating a ballot question" includes activities related to qualifying the question for placement on the ballot.

Sec. 2. [10A.105] [LIMITATION ON APPLICABILITY.]

The provisions of sections 10A.11 to 10A.24 relating to the organization, registration, and administration of and reporting and disclosure by political committees; including principal campaign committees, and political funds are not applicable to congressional candidates and authorized committees of congressional candidates. The organization, registration, and administration of and reporting and disclosure by authorized committees of congressional candidates is governed by the relevant provisions of United States Code, title 2, chapter 14, as amended through December 31, 1982.

Sec. 3. [10A.245] [CAMPAIGN REPORTS; CONGRESSIONAL CANDIDATES.]

A congressional candidate who agrees to be bound by the expenditure limits set forth under section 10A.25, as adjusted by section 10A.255, as a condition of receiving a public subsidy for his campaign shall file with the board copies of all reports that he or his principal campaign committee treasurer acting for him is required to file under United States Code, title 2, chapter 14, as amended through December 31, 1982. The reports shall be filed with the board at the times required under United States Code, title 2, section 434, as amended through December 31, 1982.

Sec. 4. Minnesota Statutes 1982, section 10A.25, is amended to read:

10A.25 [LIMITS ON CAMPAIGN EXPENDITURES.]

Subdivision 1. [GOVERNOR AND LIEUTENANT GOVERNOR CONSIDERED AS SINGLE CANDIDACY.] For the purposes of sections 10A.11 to 10A.34 a candidate for governor and a candidate for lieutenant governor, running together, shall be deemed to be a single candidate. Except as provided in subdivision 3, all expenditures made by and all approved expenditures made on behalf of the candidate for lieutenant governor shall be considered to be expenditures by and approved expenditures on behalf of the candidate for governor.

Subd. 2. [CANDIDATES.] In a year in which an election is held for an office sought by a candidate, no expenditures shall be made by the principal campaign committee of that candidate, nor any approved expenditures made on behalf of that candidate which expenditures and approved expenditures result in an aggregate amount in excess of the following:

(a) For governor and lieutenant governor, running together, (12 1/2 CENTS PER CAPITA OR \$600,000, WHICHEVER IS GREATER) \$1,270,000;

(b) For attorney general, (2 1/2 CENTS PER CAPITA OR \$100,000, WHICHEVER IS GREATER) \$211,800;

(c) For secretary of state, state treasurer and state auditor, separately, (1 1/4 CENTS PER CAPITA OR \$50,000, WHICHEVER IS GREATER) \$105,900;

(d) For state senator, (20 CENTS PER CAPITA OR \$15,000, WHICHEVER IS GREATER) \$31,770;

(e) For state representative, (20 CENTS PER CAPITA OR \$7,500 WHICHEVER IS GREATER) \$15,885.

Subd. 2a. [CONGRESSIONAL CANDIDATES.] In a year in which an election is held for an office sought by a congressional candidate, no expenditures shall be made by the authorized committees of that congressional candidate which result in an aggregate amount in excess of the following:

(a) For United States senator, \$1,500,000;

(b) For representative in congress, \$250,000.

Subd. 3. [LIEUTENANT GOVERNOR ENDORSEMENT.] Notwithstanding subdivision 2, clause (a), a candidate for endorsement for the office of lieutenant governor at the convention of a political party may make expenditures and approved expenditures of \$30,000 or five percent of the amount in subdivision 2, clause (a), whichever is greater, to seek endorsement. This amount shall be in addition to the amount which may be expended pursuant to subdivision 2, clause (a).

Subd. 4. [EXCEPTION.] The limits prescribed in section 10A.25 shall not apply to any expenditure or approved expenditure made or advance of credit incurred before February 28, 1978 unless the goods or services for which they were made or incurred are consumed or used after February 28, 1978.

Subd. 5. [CANDIDATES IN CONTESTED PRIMARY RACES.] Notwithstanding the limits imposed by subdivision 2, the winning candidate in a contested race in a primary who receives less than twice as many votes as any one of his opponents in that primary may make aggregate expenditures and approved expenditures equal to 120 percent of the applicable amount as set forth in subdivision 2.

Subd. 5a. [CONGRESSIONAL CANDIDATES IN CONTESTED PRIMARY RACES.] *Notwithstanding the limits im-*

posed by subdivision 2a, the winning congressional candidate in a contested race in a primary who receives less than twice as many votes as any one of his opponents in that primary may make aggregate expenditures equal to 120 percent of the applicable amount set forth in subdivision 2a.

Subd. 6. [POST-ELECTION YEAR EXPENDITURES BY OR ON BEHALF OF CANDIDATES.] In any year following an election year for the office held or sought, the aggregate amount of expenditures by and approved expenditures on behalf of a candidate for or holder of that office shall not exceed 20 percent of the expenditure limit set forth in subdivision 2, as adjusted by section 10A.255.

Subd. 6a. [POST-ELECTION YEAR EXPENDITURES BY CONGRESSIONAL CANDIDATES.] In any year following an election year for the office held or sought, the aggregate amount of expenditures on behalf of a congressional candidate for or holder of that office shall not exceed 20 percent of the expenditure limit set forth in subdivision 2a, as adjusted by section 10A.255.

(SUBD. 7. [POPULATION ESTIMATES.] ON OR BEFORE DECEMBER 1 OF EACH YEAR, THE STATE DEMOGRAPHER SHALL CERTIFY TO THE BOARD THE ESTIMATED POPULATION OF THE STATE OF MINNESOTA FOR THE NEXT CALENDAR YEAR. ON OR BEFORE DECEMBER 31 OF EACH YEAR THE BOARD SHALL DETERMINE AND PUBLISH IN THE STATE REGISTER THE EXPENDITURE LIMITS FOR EACH OFFICE FOR THE NEXT CALENDAR YEAR AS PRESCRIBED BY SUBDIVISION 2, USING THE FOLLOWING ESTIMATED POPULATION FIGURES:)

((A) FOR THE OFFICES OF GOVERNOR AND LIEUTENANT GOVERNOR, ATTORNEY GENERAL, SECRETARY OF STATE, STATE TREASURER AND STATE AUDITOR, THE TOTAL ESTIMATED POPULATION OF THE STATE;)

((B) FOR THE OFFICE OF STATE SENATOR, 1/67 OF THE TOTAL ESTIMATED POPULATION OF THE STATE;)

((C) FOR THE OFFICE OF STATE REPRESENTATIVE, 1/134 OF THE TOTAL ESTIMATED POPULATION OF THE STATE;)

(THE LIMITS PRESCRIBED BY SUBDIVISION 2 AND 2A SHALL BE ROUNDED OFF TO THE NEAREST \$100.)

Subd. 10. [APPLICABILITY OF EXPENDITURE LIMITS]. The expenditure limits imposed by this section apply

only to candidates *and congressional candidates* who agree to be bound by the limits as a condition of receiving a public subsidy for their campaigns in the form of:

(a) An allocation of money from the state elections campaign fund; or

(b) Credits against the tax due of individuals who contribute to that candidate *or congressional candidate*.

Subd. 11. [NO LIMITS ON INDEPENDENT EXPENDITURES.] Nothing in this section shall be construed as limiting independent expenditures on behalf of a candidate or congressional candidate.

Sec. 5. Minnesota Statutes 1982, section 10A.255, is amended to read:

10A.255 [ADJUSTMENT BY CONSUMER PRICE INDEX.]

Subdivision 1. [PROCEDURE FOR ADJUSTMENT.] The dollar amounts provided in section 10A.25, (SUBDIVISION) *subdivisions 2 and 2a*, shall be adjusted for general election year 1984 and subsequent general election years as provided in this section. By June 1 of the general election year, the executive director of the board shall determine the percentage increase in the consumer price index from April of the last general election year to April of the year in which the determination is made. The dollar amounts used for the preceding general election year shall be multiplied by that percentage. The product of the calculation shall be added to each dollar amount to produce the dollar limitations to be in effect for the next general election. The product shall be rounded up to the next highest whole dollar. The index used shall be the revised consumer price index for all urban consumers for the St. Paul-Minneapolis metropolitan area prepared by the United States department of labor with 1967 as a base year.

Subd. 2. [EXCEPTION.] The dollar amounts provided in section 10A.25, subdivision (2) *2a*, shall be adjusted for (1982) 1984 in the manner provided in subdivision 1, except that the (PERCENTAGE INCREASE IN THE CONSUMER PRICE INDEX SHALL BE DETERMINED FROM APRIL OF 1974 TO APRIL OF 1982 AND THE ADJUSTMENT SHALL BE CALCULATED BY THE EXECUTIVE DIRECTOR BY JUNE 1, 1982) *dollar amounts used for the preceding general election year for the offices of United States senator and representative in congress shall be \$1,500,000 and \$250,000 respectively.*

Subd. 3. [PUBLICATION OF EXPENDITURE LIMIT.] *On or before June 15 of each year, the board shall publish in the*

state register the expenditure limits for each office for that calendar year, as provided in section 10A.25.

Sec. 6. Minnesota Statutes 1982, section 10A.27, is amended to read:

10A.27 [(ADDITIONAL LIMITATIONS) LIMITS ON CAMPAIGN CONTRIBUTIONS AND LOANS.]

Subdivision 1. [CONTRIBUTIONS TO A CANDIDATE.] Except as provided in subdivisions 2 and 6, no candidate shall permit his principal campaign committee to accept contributions from any individual, political committee, or political fund in excess of the following:

(a) To candidates for governor and lieutenant governor running together, \$60,000 in an election year for the office sought and \$12,000 in other years;

(b) To a candidate for attorney general, \$10,000 in an election year for the office sought and \$2,000 in other years;

(c) To a candidate for the office of secretary of state, state treasurer or state auditor, \$5,000 in an election year for the office sought and \$1,000 in other years;

(d) To a candidate for state senator, \$1,500 in an election year for the office sought and \$300 in other years; and

(e) To a candidate for state representative, \$750 in an election year for the office sought and \$150 in the other year.

Subd. 2. [CONTRIBUTIONS TO CANDIDATES BY POLITICAL PARTIES.] No candidate shall permit his principal campaign committee to accept contributions from any political party in excess of five times the amount that may be contributed to that candidate by a political committee as set forth in subdivision 1.

Subd. 4. [POLITICAL PARTY DEFINED.] For the purposes of this section, a political party means the aggregate of the party organization within each house of the legislature, the state party organization, and the party organization within congressional districts; counties, legislative districts, municipalities, and precincts.

(SUBD. 5. [INDEPENDENT EXPENDITURES.] NOTHING IN THIS SECTION SHALL BE CONSTRUED AS LIMITING INDEPENDENT EXPENDITURES ON BEHALF OF A CANDIDATE.)

Subd. 6. [CONTRIBUTIONS BY A CANDIDATE.] Nothing in this section shall be construed as limiting the amount which may be contributed by a candidate for the purpose of influencing his own nomination or election.

Subd. 7. [EXCEPTION.] Contributions and approved expenditures made prior to February 28, 1978 which are in excess of the limits imposed by this section shall not be in violation of this section but shall be disclosed as required by this chapter.

Subd. 8. [LOANS TO A CANDIDATE.] No candidate shall permit his principal campaign committee to accept a loan from other than a financial institution for an amount in excess of the contribution limits imposed by this section. No candidate shall permit his principal campaign committee to accept any loan from a financial institution for which that financial institution may hold any endorser of that loan liable to pay any amount in excess of the amount that the endorser may contribute to that candidate.

Subd. 9. [CONTRIBUTION AND LOAN LIMITATIONS APPLICABLE TO A CONGRESSIONAL CANDIDATE.] Contributions by and to a congressional candidate and loans to a congressional candidate are governed by the relevant provisions of United States Code, title 2, chapter 14, as amended through December 31, 1982.

Sec. 7. Minnesota Statutes 1982, section 10A.275, is amended to read:

10A.275 [MULTI-CANDIDATE POLITICAL PARTY EXPENDITURES.]

Subdivision 1. [APPLICABILITY TO CANDIDATES.] Notwithstanding any other provisions of (LAWS 1978, CHAPTER 463) this chapter, the following expenditures by a state political party or a substate unit of a state political party as described in section 10A.27, subdivision 4, shall not be considered contributions to or expenditures on behalf of any candidate for the purposes of section 10A.25 or 10A.27, and shall not be allocated to any candidates pursuant to section 10A.22, subdivision 5:

(a) Expenditures on behalf of candidates of that party generally without referring to any of them specifically in any advertisement published, posted or broadcast;

(b) Expenditures for the preparation, display, mailing or other distribution of an official party sample ballot listing the names of three or more individuals whose names are to appear on the ballot;

(c) Expenditures for any telephone conversation including the names of three or more individuals whose names are to appear on the ballot; or

(d) Expenditures for any political party fundraising effort on behalf of three or more candidates.

Subd 2. [APPLICABILITY TO CONGRESSIONAL CANDIDATES.] Expenditures of the type listed in clauses (a) to (d) in subdivision 1 are governed by the relevant provisions of United States Code, title 2, section 431, paragraph (9), as amended through December 31, 1982.

Sec. 8. Minnesota Statutes 1982, section 10A.28, is amended to read:

10A.28 [PENALTY FOR EXCEEDING EXPENDITURE AND CONTRIBUTION LIMITS.]

Subdivision 1. [CANDIDATES EXCEEDING EXPENDITURE LIMITS.] A candidate subject to the expenditure limits (OF) set forth in section 10A.25 who permits his principal campaign committee to make expenditures or permits approved expenditures to be made on his behalf in excess of the limits imposed by section 10A.25, as adjusted by section 10A.255, (SHALL BE) is subject to a civil fine up to four times the amount which the expenditures exceeded the limit.

Subd. 1a. [CONGRESSIONAL CANDIDATES EXCEEDING EXPENDITURE LIMITS.] A congressional candidate subject to the expenditure limits set forth in section 10A.25 who permits his authorized committees to make aggregate expenditures to be made on his behalf in excess of the limits exposed by section 10A.25, as adjusted by section 10A.255, is subject to a civil fine up to four times the amount which the expenditures exceed the limit.

Subd. 2. [CONTRIBUTION LIMITS EXCEEDED WITH RESPECT TO CANDIDATES.] A candidate who permits his principal campaign committee to accept contributions in excess of the limits imposed by section 10A.27 (SHALL BE) is subject to a civil fine of up to four times the amount by which the contribution exceeded the limits.

Subd. 2a. [CONTRIBUTION LIMITS EXCEEDED WITH RESPECT TO CONGRESSIONAL CANDIDATES.] A congressional candidate who permits his authorized committees to accept contributions in excess of the limits imposed under United States Code, title 2, chapter 14, as amended through December 31, 1982, is subject to the penalties imposed by United States Code, title 2, section 437g, as amended through December 31, 1982.

Subd. 3. [CONCILIATION AGREEMENTS.] If the board finds that there is reason to believe that excess expenditures have been made or excess contributions accepted contrary to the provisions of subdivision 1, *1a*, or 2 the board shall make every effort for a period of not less than 14 days after its finding to correct the matter by informal methods of conference and conciliation and to enter a conciliation agreement with the person involved. A conciliation agreement made pursuant to this subdivision shall be a matter of public record. Unless violated, a conciliation agreement shall be a bar to any civil proceeding under subdivision 4.

Subd. 4. [CIVIL ACTION.] If the board is unable after a reasonable time to correct by informal methods any matter which constitutes probable cause to believe that excess expenditures have been made or excess contributions accepted contrary to subdivision 1, *1a*, or 2, the board shall make a public finding of probable cause in the matter. After making a public finding, the board shall bring an action, or transmit the finding to a county attorney who shall bring an action (, IN THE DISTRICT COURT OF RAMSEY COUNTY OR, IN THE CASE OF A LEGISLATIVE CANDIDATE, THE DISTRICT COURT OF A COUNTY WITHIN THE LEGISLATIVE DISTRICT,) to impose a civil fine as prescribed by the board pursuant to subdivision 1, *1a*, or 2. *An action filed against a congressional candidate for United States senator or against a candidate for state constitutional office shall be brought in the district court of Ramsey County. An action filed against a candidate for state legislative office shall be brought in the district court of a county within the candidate's legislative district. An action filed against a congressional candidate for representative in congress shall be brought in the district court of a county within the congressional candidate's congressional district. All moneys recovered pursuant to this section shall be deposited in the general fund of the state.*

Sec. 9. Minnesota Statutes 1982, section 10A.30, is amended to read:

10A.30 [STATE ELECTIONS CAMPAIGN FUND.]

Subdivision 1. [STATE ELECTIONS CAMPAIGN FUND ESTABLISHED.] There is hereby established an account within the special revenue fund of the state to be known as the "state elections campaign fund".

Subd. 2. [SEPARATE ACCOUNTS.] Within the state elections campaign fund account there shall be maintained a separate *political party* account for the candidates *and congressional candidates* of each political party and a general account.

Sec. 10. Minnesota Statutes 1982, section 10A.31, is amended to read:

10A.31 [DESIGNATION OF INCOME TAX PAYMENTS;
ALLOCATION AND DISTRIBUTION OF FUNDS.]

Subdivision 1. [AMOUNTS DESIGNATED.] Every individual resident of Minnesota who files a tax return or a renter and homeowner property tax refund return with the commissioner of revenue may designate that (\$2) \$4 (SHALL) be paid from the general fund of the state into the state elections campaign fund. If a husband and wife file a joint return, each spouse may designate that (\$2) \$4 (SHALL) be paid. An individual who is 18 years of age or older, who is a resident of Minnesota, and who is a dependent of another individual who files a tax return or a renter and homeowner property tax refund return, may designate that (\$2) \$4 (SHALL) be paid from the general fund of the state into the state elections campaign fund. No individual (SHALL BE) is allowed to designate (\$2) that \$4 be paid more than once in any year.

Subd. 2. [ACCOUNT DESIGNATION AND SEGREGATION.] The taxpayer may designate that the (\$1) \$4 be paid into the party account of a political party or into the general account. *If the taxpayer does so, the \$4 shall be segregated within that account for allocation and distribution as follows:*

(1) \$2 for allocation to candidate offices according to the allocations set forth in subdivision 5, paragraph (a), and for distribution to candidates according to the formula, if applicable, set forth in subdivision 5a and as provided under subdivision 6; and

(2) \$2 for allocation to congressional candidate offices according to the allocations set forth in subdivision 5, paragraph (b), and for distribution to congressional candidates according to the formula, if applicable, developed under subdivision 5b and as provided under subdivision 6.

Subd. 3. [CONTENTS OF TAX FORMS.] The commissioner of (THE DEPARTMENT OF) revenue shall provide on the first page of the income tax form and the renter and homeowner property tax refund return a space for the filing individual, and any adult dependent of that individual, to indicate whether or not he wishes to allocate (\$2) \$4 (((\$4) \$8 if filing a joint return) from the general fund of the state to finance the election campaigns of (STATE) candidates and congressional candidates. The form shall also contain language prepared by the commissioner which permits the individual to direct the state to allocate the (\$2) \$4 (or (\$4) \$8 if filing a joint return) to: (i) one of the major political parties; (ii) any minor political party as defined in section 10A.01, subdivision 13, which qualifies under the provisions of subdivision 3a; or (iii) all qualifying candidates as provided by subdivision 7. The dependent on the tax return or the renter and homeowner property tax refund return shall sign a statement which authorizes the designation of

(§2) §4. The renter and homeowner property tax refund return shall include instructions that the individual filing the return may designate (§2) §4 on the return only if he has not designated (§2) §4 on the income tax return.

Subd. 3a. [QUALIFICATION OF MINOR POLITICAL PARTY.] A minor political party as defined in section 10A.01, subdivision 13, qualifies for inclusion on the income tax form as provided in subdivision 3, provided that if a petition is filed, it is filed by June 1 of the taxable year.

Subd. 4. [ANNUAL APPROPRIATION.] The amounts designated by individuals for the state elections campaign fund are appropriated from the general fund and shall be credited to the appropriate account in the state elections campaign fund and annually appropriated for *allocation and* distribution as set forth in subdivisions 5, 5a, 6 and 7.

Subd. 5. [ALLOCATION OF ACCOUNTS.] (a) *Candidates.* In each calendar year the (MONEYS) *money* in each party account and the general account *which has been segregated under subdivision 2 for allocation to candidate offices* 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 DISTRIBUTION 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.)

(b) Congressional candidates. In each calendar year the money in each party account and the general account which has been segregated under subdivision 2 for allocation to congressional candidate offices shall be allocated as follows:

- (1) 33-1/3 percent for the office of United States senator;*
- (2) 66-2/3 percent for the offices of representative in congress.*

Subd. 5a. [FORMULA FOR DISTRIBUTION TO LEGISLATIVE CANDIDATES.] (a) To assure that moneys will be returned to the counties from which they were collected, and to assure that the distribution of those moneys rationally relates to the support for particular parties or for particular candi-

dates 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:

(1) 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

(2) 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

(3) 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.

(b) With respect to the formula set forth in paragraph (a), the terms "last general election" and "his district" have the following meanings:

(1) 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.

(2) 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.

(3) 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 not-

withstanding that the area was in a different district in the last general election.

(c) 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 (1) and (2) of paragraph (a). The average vote shall be added to the sums in clauses (1) and (2) of paragraph (a) before the calculation is made for all districts in the county.

Subd. 5b. [FORMULA FOR DISTRIBUTION TO CONGRESSIONAL CANDIDATES.] The commissioner of revenue shall develop a formula for distribution of money to congressional candidates from the state elections campaign fund to assure that money will be returned to the counties from which it was collected, and to assure that the distribution of money rationally relates to the support for particular parties or for particular congressional candidates within congressional districts. Money distributed to congressional candidates from the state elections campaign fund shall be distributed according to the formula developed.

Subd. 5c. [UNDISTRIBUTED MONEYS.] Money in a party account not distributed in any election year to candidates for state senator and representative and congressional candidates for the office of representative in congress shall be returned to the general fund of the state. Money in a party account not distributed in any election year to candidates for other offices or congressional candidates for the office of United States senator shall be retained in the party account but shall be reallocated in the following year to all of the candidate offices and congressional candidate offices as provided under subdivision 5. Money in the general account refused in any election year by a candidate or congressional candidate shall be distributed in that year as provided in subdivision 7 to all other qualifying candidates and congressional candidates in proportion to their shares as determined from the allocations and formulas set forth in subdivisions 5, 5a, and 5b.

Subd. 6. [DISTRIBUTION OF FUNDS AFTER PRIMARY ELECTION.] Within two weeks after certification by the state canvassing board of the results of the primary, the state treasurer shall distribute the available funds in each party account, as certified by the commissioner of revenue on September 15, to the candidates and congressional candidates of that party who have signed (THE) an agreement, as provided in section (10A.-32. SUBDIVISION 3) 12, and whose names are to appear on the ballot in the general election, according to the allocations and

formulas set forth in (SUBDIVISION) subdivisions 5, 5a, and 5b.

Subd. 7. [DISTRIBUTION OF FUNDS AFTER GENERAL ELECTION.] Within two weeks after certification by the state canvassing board of the results of the general election, the state treasurer shall distribute the available funds in the general account, as certified by the commissioner of revenue on November 15 and according to allocations and formulas set forth in (SUBDIVISION) subdivisions 5, 5a, and 5b, in equal amounts to all candidates for each (STATEWIDE) state constitutional office and to all congressional candidates for the office of United States senator who received at least five percent of the votes cast in the general election for that office, and to all candidates for state legislative office and for the office of representative in congress who received at least ten percent of the votes cast in the general election for the specific office for which they were candidates or congressional candidates. The board shall not use the information contained in the report of the principal campaign committee of any candidate due ten days before the general election for the purpose of reducing the amount due that candidate from the general account.

Subd. 8. [CERTIFICATION OF AMOUNTS AFTER PRIMARY.] Within one week after certification by the state canvassing board of the results of the primary, the board shall certify to the state treasurer the name of each candidate and congressional candidate who has signed (THE) an agreement, as provided in section (10A.32, SUBDIVISION 3) 12, and the amount he is to receive from the available funds in his party account.

Subd. 9. [CERTIFICATION OF AMOUNTS AFTER GENERAL ELECTION.] Within one week after certification by the state canvassing board of the results of the general election, the board shall certify to the state treasurer the name of each candidate and congressional candidate who is qualified to receive funds from the general account, together with the amount he is to receive from the available funds in the general account.

Subd. 10. [CERTIFICATION OF AMOUNTS ACCUMULATED SINCE PREVIOUS CERTIFICATION.] In the event that on the date of either certification by the commissioner of revenue as provided in subdivisions 6 and 7, less than 98 percent of the tax returns have been processed, the commissioner of revenue shall certify to the board on December 7 the amount accumulated in each account since the previous certification. Within one week thereafter, the board shall certify to the state treasurer the amount to be distributed to each candidate and congressional candidate according to the allocations (AS PROVIDED) and formulas set forth in (SUBDIVISION) subdivisions 5, 5a, and 5b. As soon as practicable thereafter, the state treasurer shall distribute the amounts to the candidates and con-

gressional candidates. Any moneys accumulated after the final certification shall be maintained in the respective accounts for distribution in the next general election year.

Subd. 11. [WRITE-IN CANDIDATES.] For the purposes of this section, a write-in candidate or congressional candidate is not a candidate or congressional candidate unless he complies with the provisions of section (10A.32, SUBDIVISION 3) 12.

Sec. 11. [10A.321] [ESTIMATES OF MINIMUM AMOUNTS TO BE RECEIVED.]

Subdivision 1. [CALCULATION AND CERTIFICATION OF ESTIMATES.] The commissioner of revenue shall calculate and certify to the board before the first day of July in an election year his estimate of (1) the total amount in the general account of the state elections campaign fund, and (2) the amount of money each candidate and congressional candidate who qualifies, as provided in section 10A.31, subdivisions 6 and 7, may receive from his party account in the state elections campaign fund. This estimate shall be based upon the allocations and formulas set forth in section 10A.31, subdivisions 5, 5a, and 5b, any necessary vote totals provided by the secretary of state for the purpose of applying the formulas set forth in section 10A.31, subdivisions 5 and 5b, and the amount of moneys expected to be available after 100 percent of the tax returns have been processed.

Subd. 2. [PUBLICATION, CERTIFICATION, AND NOTIFICATION PROCEDURES.] Prior to the first day of filing for office, the board shall publish and forward to all filing officers the estimates calculated and certified under subdivision 1. Within seven days after the last day for filing for office, the secretary of state shall certify to the board the name, address, office sought, and party affiliation of each candidate and congressional candidate who has filed with that office his affidavit of candidacy or petition to appear on the ballot. The auditor of each county shall certify to the board the same information for each candidate and congressional candidate who has filed with that county his affidavit of candidacy or petition to appear on the ballot. Within seven days thereafter, the board shall estimate the minimum amount to be received by each candidate and congressional candidate who qualifies, as provided in section 10A.31, subdivisions 6 and 7, and notify on or before August 15 all candidates and congressional candidates of the applicable amount. The board shall include with the notice a form for the agreement provided in section 12.

Sec. 12. [10A.322.] [SIGNED AGREEMENT AS CONDITION OF RECEIVING PUBLIC SUBSIDY IN FORM OF ALLOCATION FROM CAMPAIGN FUND.]

Subdivision 1. [SIGNED AGREEMENT BY CANDIDATE.] As a condition of receiving money from the state elections campaign fund, a candidate shall sign a written agreement with the board in which he agrees to the following:

(a) The aggregate of (i) expenditures made by the principal campaign committee of the candidate and (ii) approved expenditures made on behalf of the candidate may not exceed the expenditure limits set forth under section 10A.25, as adjusted by section 10A.255; and

(b) The aggregate of (i) contributions accepted by the principal campaign committee of the candidate and (ii) approved expenditures made on behalf of the candidate for the period beginning with January 1 of the election year or with the registration of the candidate's principal campaign committee, whichever occurs later, and ending December 31 of the election year may not exceed the difference between the expenditure limits for the office held or sought, as provided under section 10A.25 and as adjusted by section 10A.255, and the amount which the candidate receives from the state elections campaign fund.

Subd. 2. [SIGNED AGREEMENT BY CONGRESSIONAL CANDIDATES.] As a condition of receiving money from the state elections campaign fund, a congressional candidate shall sign a written agreement with the board in which he agrees to the following:

(a) The aggregate of expenditures made by the authorized committees of the congressional candidate may not exceed the expenditure limits set forth under section 10A.25, as adjusted by section 10A.255; and

(b) The aggregate of contributions accepted by the authorized committees of the congressional candidate for the period beginning with January 1 of the election year or with the registration of the congressional candidate's principal campaign committee and any other authorized committees, whichever occurs later, and ending December 31 of the election year may not exceed the difference between the expenditure limits for the office held or sought, as provided under section 10A.25 and as adjusted by section 10A.255, and the amount which the congressional candidate receives from the state elections campaign fund.

Subd. 3. [SUBMISSION OF AGREEMENT.] Prior to the first day of filing for office, the board shall forward agreement forms to all filing officers. The candidate or congressional candidate may sign an agreement and submit it to the filing officer on the day he files his affidavit of candidacy or petition to appear on the ballot. If he does so, the filing officer shall without delay forward signed agreements to the board. Alternatively, the candidate or congressional candidate may submit the agree-

ment directly to the board no later than September 1. An agreement may not be rescinded after September 1.

Subd. 4. [HOW LONG AGREEMENT IS EFFECTIVE.] (a) The agreement, insofar as it relates to the expenditure limits set forth in section 10A.25, as adjusted by section 10A.255, remains effective until the dissolution of the principal campaign committee of the candidate or the opening of filing for the next succeeding election to the office held or sought at the time of agreement, whichever occurs first.

(b) The agreement, insofar as it relates to the expenditure limits set forth in section 10A.25, as adjusted by section 10A.255, remains effective until the termination of the authorized committees of the congressional candidate, as provided under United States Code, title 2, section 433 (d), as amended through December 31, 1982, or the opening of filing for the next succeeding election to the office held or sought at the time of agreement, whichever occurs first.

Subd. 5. [AGREEMENT NOT VIOLATED.] For the purposes of this section only, the total amount to be distributed to each candidate and congressional candidate is calculated to be his share for the office held or sought of the total amount estimated to be in his party account and the general account of the state elections campaign, as estimated under section 11, divided by the number of candidates or congressional candidates whose names are to appear on the general election ballot for that office. If for any reason the amount actually received by the candidate or congressional candidate is greater than his share of the estimate, and his contributions thereby exceed the difference, the agreement shall not be considered violated.

Sec. 13. [10A.323] [RETURN OF PUBLIC SUBSIDY.]

Subdivision 1. [WHEN RETURN REQUIRED; CANDIDATES.] (a) A candidate shall return all or a portion of the public subsidy received from the state elections campaign fund under the following circumstances:

(1) To the extent that the amount of public subsidy received by the candidate exceeds the expenditure limits for the office held or sought, as provided under section 10A.25 and as adjusted by section 10A.255, the treasurer of the candidate's principal campaign committee shall return the excess to the board;

(2) To the extent that the amount of public subsidy received exceeds the aggregate of (i) actual expenditures made by the principal campaign committee of the candidate and (ii) approved expenditures made on behalf of the candidate, the treasurer of the candidate's principal campaign committee shall return an amount equal to the difference to the board; and

(3) To the extent that the aggregate of (i) contributions accepted by the principal campaign committee of the candidate and (ii) approved expenditures made on behalf of the candidate exceeds the difference between the expenditure limits for the office held or sought, as provided under section 10A.25 and as adjusted by section 10A.255, and the amount which the candidate receives from the state elections campaign fund, the treasurer of the candidate's principal campaign committee shall return an amount equal to the difference to the board.

(b) For purposes of calculating the amount of public subsidy required to be returned to the board, if any, under paragraph (a), clause (3), the following shall apply:

(1) The amount of money in the account of the principal campaign committee of a candidate on January 1 of the election year for the office held or sought shall be considered contributions accepted by that candidate in that year; and

(2) The aggregate of (i) contributions accepted by the principal campaign committee of the candidate and (ii) approved expenditures made on behalf of the candidate shall be reduced by the amount, if any, of noncampaign disbursements and contributions and expenditures to promote or defeat a ballot question made by the candidate in an election year.

Subd. 2. [WHEN RETURN REQUIRED; CONGRESSIONAL CANDIDATES.]

(a) A congressional candidate shall return all or a portion of the public subsidy received from the state elections campaign fund under the following circumstances:

(1) To the extent that the amount of public subsidy received by the congressional candidate exceeds the expenditure limits for the office held or sought, as provided under section 10A.25 and as adjusted by section 10A.255, the treasurer of the congressional candidate's principal campaign committee shall return the excess to the board;

(2) To the extent that the amount of public subsidy received exceeds the aggregate of actual expenditures made by the authorized committees of the congressional candidate, the treasurer of the congressional candidate's principal campaign committee shall return an amount equal to the difference to the board; and

(3) To the extent that the aggregate of contributions accepted by the authorized committees of the congressional candidate exceeds the difference between the expenditure limits for the office held or sought, as provided under section 10A.25 and as adjusted by section 10A.255, and the amount which the congressional candidate receives from the state elections campaign

fund, the treasurer of the congressional candidate's principal campaign committee shall return an amount equal to the difference to the board.

(b) For the purpose of calculating the amount of public subsidy required to be returned to the board, if any, under paragraph (a), clause (3), the amount of money in the accounts of the authorized committees of a congressional candidate on January 1 of the election year for the office held or sought shall be considered contributions accepted by that congressional candidate in that year.

Subd. 3. [HOW RETURN DETERMINED.] Whether or not a candidate or congressional candidate is required to return all or a portion of the public subsidy received from the state elections campaign fund, as provided under subdivisions 1 and 2, shall be determined from the report required to be filed with the board by that candidate or congressional candidate on or before January 31 of the year following an election. Any amount required to be returned shall be submitted in the form of a check or money order and shall accompany the report filed with the board. The board shall forward the check or money order to the state treasurer for deposit into the general fund. In no case shall the amount returned exceed the amount of public subsidy received by the candidate or congressional candidate from the state elections campaign fund.

Sec. 14. [10A.324] [POLITICAL PARTY NOT HAVING CERTAIN CANDIDATES OR CONGRESSIONAL CANDIDATES.]

If a political party for whose candidates or congressional candidates funds have been accumulated in the state elections campaign fund does not have a candidate at a general election for the office of state senator or state representative or a congressional candidate for the office of representative in congress, the party account money allocated for that office shall be returned to the general fund of the state. If that party does not have a candidate at a general election for any state constitutional office or a congressional candidate for the office of United States senator, the party account money allocated for that office shall be transferred to the general account of the state elections campaign fund for reallocation to all of the candidate offices and congressional candidate offices as provided in section 10A.31, subdivision 5, and for distribution in that election year to candidates and congressional candidates as provided in section 10A.31, subdivision 7.

Sec. 15. Minnesota Statutes 1982, section 10A.33, is amended to read:

10A.33 [APPLICATION.]

The provisions of sections 10A.30 to 10A.32 and sections 11 to 14 shall apply only in general elections and primaries preceding general elections and shall not apply to special elections or special primaries.

Sec. 16. Minnesota Statutes 1982, section 10A.335, is amended to read:

10A.335 [LEGISLATIVE MONITORING OF TAX CHECK-OFF.]

For the purpose of determining whether the distribution (FORMULA) *formulas* provided in section 10A.31, (SUBDIVISION 5) *subdivisions 5a and 5b*, (a) (ASSURES) *assure* that (MONEYS) *money* will be returned to the counties from which they were collected, and (b) (CONTINUES) *continue* to have a rational relation to the support for particular parties or particular candidates within legislative districts or congressional candidates within congressional districts, it is the intention of this section that future legislatures monitor, using statistical data provided by the department of revenue, income tax returns and renter and homeowner property tax refund returns on which (\$1) \$4, or in the case of a joint return, (\$2) \$8, is designated for a political party.

Sec. 17. [10A.338] [SIGNED AGREEMENT AS CONDITION OF RECEIVING PUBLIC SUBSIDY IN FORM OF TAX CREDITS.]

Subdivision 1. [SIGNED AGREEMENT BY CANDIDATE.] As a condition of receiving a public subsidy for his election campaign in the form of tax credits against the tax due from individuals who contribute to his principal campaign committee, a candidate shall sign a written agreement with the board that his expenditures and approved expenditures shall not exceed the expenditure limits set forth in section 10A.25, as adjusted by section 10A.255.

Subd. 2. [SIGNED AGREEMENT BY CONGRESSIONAL CANDIDATE.] As a condition of receiving a public subsidy for his election campaign in the form of tax credits against the tax due from individuals who contribute to any of his authorized committees, a congressional candidate must sign a written agreement with the board that his expenditures will not exceed the expenditure limits set forth in section 10A.25, as adjusted by section 10A.255.

Subd. 3. [SUBMISSION OF AGREEMENT.] (a) A candidate may submit his signed agreement to the board at any time beginning with or following the registration of his principal campaign committee.

(b) A congressional candidate may submit his signed agreement to the board at any time beginning with or following the registration of any of his authorized committees.

Subd. 4. [HOW LONG AGREEMENT IS EFFECTIVE.]

(a) A candidate's agreement remains effective until the dissolution of the principal campaign committee of the candidate or the opening of filing for the next succeeding election for the office held or sought at the time of agreement, whichever occurs first. An agreement signed under this subdivision may not be rescinded.

(b) A congressional candidate's agreement remains effective until the termination of the authorized committees of the congressional candidate, as provided under United States Code, title 2, section 433(d), as amended through December 31, 1982, or the opening of filing for the next succeeding election to the office held or sought at the time of the agreement, whichever occurs first. An agreement signed under this subdivision may not be rescinded.

Subd. 5. [TAX CREDIT NOT ALLOWED.] The commissioner of revenue shall not allow any individual or married couple filing jointly to take a credit against any tax due, as provided under section 290.06, subdivision 11, for any contribution to a candidate for legislative or state constitutional office or congressional candidate for representative in congress or United States senator who has not signed the agreement provided in this subdivision.

Subd. 6. [CAMPAIGN EXPENDITURES NOT LIMITED; CONSTRUCTION.] Nothing in this subdivision shall be construed to limit the campaign expenditure of any candidate or congressional candidate who does not sign an agreement under this subdivision but accepts a contribution for which the contributor claims a credit against tax due.

Subd. 7. [DUTIES OF BOARD.] The board shall forward a copy of any agreement signed under this subdivision to the commissioner of revenue. The board shall make available to any candidate or congressional candidate signing an agreement a supply of official tax credit receipt forms which state in bold face type that (a) a contributor who is given a receipt form is eligible to receive a credit against his tax due in an amount equal to 50 percent of his contribution but not more than \$50 for an individual, or not more than \$100 for a married couple filing jointly, and (b) the candidate or congressional candidate to whom he has contributed has voluntarily agreed to abide by campaign expenditure limits.

Subd. 8. [PENALTY.] If a candidate or congressional candidate does not sign an agreement under this subdivision he may

not issue an official tax credit receipt form, or any facsimile thereof, to any of his contributors. Any candidate or congressional candidate who does not voluntarily agree to abide by the expenditure limits imposed in section 10A.25, as adjusted by section 10A.255, and who willfully issues official tax credit receipt forms, or any facsimile thereof, to any contributor is guilty of a misdemeanor.

Sec. 18. Minnesota Statutes 1982, section 290.06, subdivision 11, is amended to read:

Subd. 11. [CONTRIBUTIONS TO POLITICAL PARTIES AND CANDIDATES.] In lieu of the deduction provided by section 290.21, subdivision 3, clause (e), a taxpayer may take a credit against the tax due under this chapter of 50 percent of his contributions to candidates for elective state, *local*, or federal public office and to any political party. The maximum credit for an individual shall not exceed \$50 and, for a married couple filing jointly or filing a combined return, shall not exceed \$100. No credit shall be allowed under this subdivision for a contribution to any candidate, other than a candidate for elective judicial office (OR FEDERAL OFFICE) or *local officer*, who has not signed an agreement to limit his campaign expenditures as provided in section (10A.32, SUBDIVISION 3B) 17. For purposes of this subdivision, a political party means a major political party as defined in section 200.02, subdivision 7.

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

Sec. 19. [REPEALER.]

Minnesota Statutes 1982, section 10A.32 is repealed.

Sec. 20. [EFFECTIVE DATE.]

Sections 1 to 19 are effective on the day following final enactment."

Delete the title and insert:

"A bill for an act relating to elections; limiting campaign expenditures by congressional candidates who choose to receive a public subsidy for their campaigns; redefining certain terms in relation to congressional candidates; limiting the applicability of certain provisions of law to state constitutional and state legislative candidates; providing for filing of campaign reports by certain congressional candidates; proposing expenditure limits for congressional candidates who choose to receive a public subsidy; providing a penalty for exceeding campaign expenditure limits by congressional candidates; changing the designated amount of certain income tax payments; providing for the alloca-

tion of party accounts and the general account to certain state and congressional candidates; providing estimates of minimum amounts of public subsidy to be received by certain congressional candidates; requiring signed agreements by congressional candidates who choose to receive a public subsidy; specifying when congressional candidates who accept a public subsidy must return all or part thereof; providing for the return of money from the state elections campaign fund to the general fund; making certain technical amendments; imposing penalties; amending Minnesota Statutes 1982, sections 10A.01; 10A.25; 10A.255; 10A.27; 10A.275; 10A.28; 10A.30; 10A.31; 10A.33; 10A.335; and 290.06, subdivision 11; proposing new law coded in Minnesota Statutes, chapter 10A; repealing Minnesota Statutes 1982, section 10A.32."

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

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 674, 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; providing license and renewal fees for agents; increasing fees for insurance companies; regulating self-insurance plans and pools; amending Minnesota Statutes 1982, sections 60A.02, subdivision 7; 60A.03, subdivisions 5 and 6; 60A.17, subdivisions 1 and 6c, and by adding a subdivision; 60A.14, subdivision 1; 60A.198, subdivision 3; 60A.23, subdivision 8; 471.982, subdivision 2; and proposing new law coded in Minnesota Statutes, chapter 60A.

Reported the same back with the following amendments:

Page 6, lines 29 to 31, delete the new language

Pages 7 to 10, delete section 7

Page 10, line 19, delete the colon

Page 10, line 20, delete "(a)"

Page 10, line 21, delete the semicolon and insert a new period

Page 10, delete lines 22 to 30

Page 10, line 32, delete "COMMITTEE" and insert "TASK FORCE"

Page 10, line 32, delete "*There is established*" and insert "*The commissioner of insurance may appoint*"

Page 10, line 33, delete "*committee*" and insert "*task force*"

Page 11, line 2, delete "3" and insert "6"

Page 11, line 13, delete "*committee*" and insert "*task force*"

Page 11, line 17, delete "*committee*" and insert "*task force*"

Page 11, line 18, delete "*committee*" and insert "*task force*"

Page 11, line 22, delete "*Of the*"

Page 11, delete lines 23 to 31

Page 11, line 32, delete "COMMITTEE" and insert "TASK FORCE"

Page 11, line 34, delete "*advisory committee*" and insert "*commissioner*"; delete "*committee*" and insert "*commissioner*"

Page 12, line 1, before "*The*" insert "*If*"; delete "*committee*" and insert "*task force is created, it*"

Page 12, line 7, delete "*committee*" and insert "*task force*"

Page 12, line 9, before "*The*" insert "*If*"; delete "*committee*" and insert "*task force is created, it*"

Page 14, line 29, delete "*issued,*" and delete the second comma

Page 20, delete lines 14 to 18 and insert:

"Sections 1; 2; 7, subdivisions 1 to 7 and 12; 8; 9; and 10; are effective the day following final enactment. Sections 3, 4, and 6, are effective July 1, 1983. Section 7, subdivisions 8 and 9, are effective January 1, 1985. Sections 5 and 7, subdivisions 10 and 11, are effective January 1, 1986."

Renumber the sections in order

Amend the title as follows:

Page 1, line 4, delete "establishing" and insert "authorizing"

Page 1, line 5, delete "committee" and insert "task force".

Page 1, line 13, delete the second "subdivisions" and insert "subdivision" and delete "and 6C,"

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

The report was adopted.

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

H. F. No. 762, A bill for an act relating to welfare; changing laws relating to child support enforcement; providing for determination of paternity; providing for determination and modification of child support; amending Minnesota Statutes 1982, sections 256.74, by adding a subdivision; 256.87; 257.55, subdivision 1; 257.58; 257.59, subdivision 1; 257.60; 257.64, subdivision 1; 257.66, subdivisions 3 and 4; 257.69, subdivision 2; 518.10; 518.17, by adding a subdivision; 518.551, subdivisions 1, 5, and 6, and by adding subdivisions; 518.611; 518.64, subdivisions 2 and 5, and by adding a subdivision; 518.645; 518B.01, subdivisions 2 and 6; 518C.17, subdivision 1; 518C.33, subdivision 1; and 548.09; proposing new law coded in Minnesota Statutes, chapters 257, 518, and 543; repealing Minnesota Statutes 1982, sections 256.87, subdivision 2; 256.872; 256.873; 256.876; and 518.551, subdivisions 2, 3, and 4.

Reported the same back with the following amendments:

Page 7, line 28, strike ", and if requested by a"

Page 7, line 29, strike "party, shall"

Page 8, line 2, after the semicolon insert "or"

Page 13, line 28, delete "*alimony*" and insert "*maintenance*"

Page 13, line 35, delete "*from*" and insert "*below*"

Page 13, line 36, after "*that*" insert "*so*"

Page 13, line 36, after the period insert "*It may also increase the amount of child support by more than the guidelines without making express findings by agreement of the parties or by making further findings.*"

Page 18, delete section 21

Page 25, line 17, delete "23" and insert "22"

Renumber the remaining sections

Amend the title as follows:

Page 1, line 12, delete “, and by adding a”

Page 1, line 13, delete “subdivision”

With the recommendation that when so amended the bill pass.

The report was adopted.

Vanasek from the Committee on Judiciary to which was referred:

H. F. No. 790, A bill for an act relating to property exempt from attachment, garnishment, or levy of execution; requiring notice to judgment debtors prior to delivery of funds owed to the judgment debtor by any third party to satisfy a creditor's claim; providing for an exemption notice within certain time limits; providing penalties for failure to send the exemption notice; clarification of certain exempt funds; providing for an increase in the amount of household goods exempt; amending Minnesota Statutes 1982, sections 550.041; 550.14; 550.141, by adding a subdivision; 550.37, subdivisions 4, 13, 14, 19, 20, and 24; 571.41, subdivision 5, and by adding subdivisions; and 571.67.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 550.041, is amended to read:

550.041 [SUMMARY EXECUTION OF (SMALL) JUDGMENT DEBTS.]

Subdivision 1. [COVERAGE.] When a judgment creditor proposes to make execution on a judgment debt (OF NOT MORE THAN \$2,500) from money owed to the judgment debtor by a third party, the execution may be made by the attorney for the judgment creditor or sheriff, *or their agents*, through a registered or certified letter *or by personal service* to the third party containing a copy of the execution. Upon receipt, the third party shall remit as much of the amount due under section 550.04, *but not more than \$5,000*, as his own debt equals to the sheriff or attorney who shall proceed in all other respects like the sheriff making a similar execution. *No more than \$5,000 may be recovered in an execution pursuant to this section.*

Subd. 2. [EXEMPTION NOTICE.] If this section is used to enforce a judgment against a debtor who is a natural person by executing on funds of the judgment debtor held on deposit at any financial institution, the judgment creditor shall serve two copies of an exemption notice with the copy of the execution. The notice shall be substantially in the form set out in section 16. Failure of the judgment creditor to send the exemption notice renders the execution void, and the financial institution shall take no action. However, if this subdivision is being used to execute on funds which have previously been garnished in compliance with section 571.41, the judgment creditor is not required to serve an additional exemption notice. In that event, the execution shall only be effective as to the funds which were subject to the prior garnishment.

Subd. 3. [DUTY OF FINANCIAL INSTITUTION; EXEMPTION; OBJECTION.] Upon receipt of the execution and exemption notices, the financial institution shall attach and bind as much of the amount due under section 550.04 as his own debt equals. Within two business days after receipt of the judgment creditor's letter, the financial institution shall serve upon the judgment debtor two copies of the exemption notice. The exemption notice shall be served by first class mail to the last known address of the judgment debtor. If no claim of exemption is received by the financial institution prior to the expiration of 14 days after the exemption notices are mailed to the judgment debtor, the financial institution shall remit as much of the amount due under section 550.04 as its own debt equals to the sheriff or attorney who shall proceed in all other respects like the sheriff making a similar execution. If the judgment debtor elects to claim an exemption, he shall complete the exemption notice, affix his signature under penalty of perjury, and deliver one copy to the financial institution and one copy to the judgment creditor within 14 days of the date postmarked on the correspondence mailed to the judgment debtor containing the exemption notices. Failure of the judgment debtor to serve the executed exemption notice does not constitute a waiver of any right he may have to an exemption. Upon timely receipt of a claim of exemption, the financial institution shall remit as much of the amount due under section 550.04 as his own debt equals to the sheriff or attorney from funds not claimed to be exempt by the judgment debtor. All money claimed to be exempt shall be released to the judgment debtor upon the expiration of seven days after the date postmarked on the correspondence containing the executed exemption notice mailed to the judgment creditor or the date of personal delivery of the executed exemption notice to the judgment creditor, unless within that time a timely objection to the exemption is interposed by the judgment creditor. Objection is made by mailing or delivering one copy of a written objection to the claim of exemption to the financial institution and one copy of the objection to the judgment debtor. Upon timely receipt of a written objection from the judgment creditor, the financial institution shall retain the funds claimed to be exempt. Unless the third party receives a notice of motion and motion from the

judgment debtor asserting exemption rights within ten days after receipt of the objection, the financial institution shall remit as much of the amount due under section 550.04 as his own debt equals to the sheriff or attorney representing the judgment creditor. Either the judgment creditor or the judgment debtor may bring a motion to determine the validity of an exemption claim by following the procedure set out in section 17. If a notice of motion and motion to determine the validity of a claim of exemption is received by the financial institution within the period provided, it shall retain the funds claimed to be exempt until otherwise ordered by a court. However, at any time during the procedure specified in this subdivision, the judgment debtor or the judgment creditor may, by a writing dated subsequent to the service of the execution, direct the financial institution to release the funds in question to the other party. Upon receipt of a release, the financial institution shall release the funds as directed.

Subd. 4. [SUBSEQUENT PROCEEDINGS; BAD FAITH CLAIMS.] If in subsequent proceedings brought by the judgment debtor or the judgment creditor, the claim of exemption is not upheld, and the court finds that it was asserted in bad faith, the judgment creditor shall be awarded actual damages, costs, and reasonable attorney fees resulting from the additional proceedings, and an amount not to exceed \$100. If the claim of exemption is upheld, and the court finds that the judgment creditor disregarded the claim of exemption in bad faith, the judgment debtor shall be awarded costs, reasonable attorney fees, actual damages, and an amount not to exceed \$100. The underlying judgment shall be modified to reflect assessment of damages, costs, and attorney fees. However, if the party in whose favor a penalty assessment is made is not actually indebted to his attorney for fees, the attorney's fee award shall be made directly to the attorney and an appropriate judgment in favor of the attorney shall be entered. Upon motion of any party in interest, on notice, the court shall determine the validity of any claim of exemption and may make any order necessary to protect the rights of those interested. No financial institution shall be liable for damages for complying with this section. Both copies of an exemption claim or an objection to an exemption claim shall be mailed or delivered on the same date. The financial institution may rely on the date of mailing or delivery of a notice to it in computing any time periods in this section.

Subd. 5. [COSTS; SATISFACTION.] The attorney shall be allowed no costs from any party other than the judgment creditor for execution in accordance with this section. The attorney making (SUCH) the execution shall endorse (THEREON) on it partial satisfaction by amount or the total satisfaction and return the original execution to the clerk of that court for filing without charge.

Sec. 2. Minnesota Statutes 1982, section 550.14, is amended to read:

550.14 [LEVY ON OTHER PERSONAL PROPERTY.]

Subdivision 1. [PROPERTY COVERED.] Other personal property shall be levied on by leaving a certified copy of the execution, and a notice specifying the property levied on, with the person holding (THE SAME) it; or, if a debt, with the debtor; or, if stock or an interest in stock of a corporation, with the president, secretary, treasurer, cashier, or managing agent (THEREOF) of it.

Subd. 2. [EXEMPTION NOTICE.] If this section is used to enforce a judgment against a judgment debtor who is a natural person by executing on funds of the judgment debtor held on deposit at any financial institution, the judgment creditor shall cause to be served with the execution two copies of an exemption notice. The notice shall be substantially in the form set out in section 16. If the judgment creditor fails to supply the exemption notice to the sheriff, the sheriff shall take no action. Failure of the sheriff to serve the exemption notice shall render the execution void, and the financial institution shall take no action. However, if this subdivision is being used to execute on funds which have previously been garnished in compliance with section 571.41, the judgment creditor shall not be required to serve an additional exemption notice. In that event, the execution shall only be effective as to the funds which were subject to the prior garnishment.

Subd. 3. [DUTY OF FINANCIAL INSTITUTION; EXEMPTION; OBJECTION.] Upon receipt of the execution and exemption notices, the financial institution shall attach and bind as much of the amount due under section 550.04 as his own debt equals. Within two business days after receipt of the judgment creditor's execution of the execution and exemption notices, the financial institution shall serve upon the judgment debtor two copies of the exemption notice. The exemption notice shall be served by first class mail to the last known address of the judgment debtor. If no claim of exemption is received by the financial institution within 14 days after the exemption notices are mailed to the judgment debtor, the financial institution shall remit as much of the amount due under section 550.04 as its own debt equals to the sheriff. If the judgment debtor elects to claim an exemption, he shall complete the exemption notice, affix his signature under penalty of perjury, and deliver one copy to the financial institution and one copy to the judgment creditor within 14 days of the date postmarked on the correspondence mailed to the judgment debtor containing the exemption notices. Failure of the judgment debtor to serve the executed exemption notice does not constitute a waiver of any right he may have to an exemption. Upon timely receipt of a claim of exemption, the financial institution shall remit as much of the amount due under section 550.04 as his own debt equals to the sheriff from funds not claimed to be exempt by the judgment debtor. All money claimed to be exempt shall be released to the judgment debtor

upon the expiration of seven days after the date postmarked on the correspondence containing the executed exemption notice mailed to the judgment creditor, or the date of personal delivery of the executed exemption notice to the judgment creditor, unless within that time a written objection to the claim of exemption is interposed by the judgment creditor. Objection is made by mailing or delivering one copy of the objection to the financial institution and one copy to the judgment debtor. Upon timely receipt of a written objection from the judgment creditor, the financial institution shall retain the funds claimed to be exempt. Unless the financial institution receives a notice of motion and motion from the judgment debtor asserting an exemption within ten days after receipt of the objection, the financial institution shall remit as much of the amount due under section 550.04 as its own debt equals to the sheriff. Either the judgment creditor or the judgment debtor may bring a motion to determine the validity of an exemption claim by following the procedure set out in section 17. If a notice of motion and motion to determine the validity of a claim of exemption is received by the financial institution within the period provided, the financial institution shall retain the funds claimed to be exempt until otherwise ordered by the court. However, at any time during the procedure specified in this subdivision, the judgment debtor or the judgment creditor may, by a writing dated subsequent to the service of the execution, direct the financial institution to release the funds in question to the other party. Upon receipt of a release, the financial institution shall release the funds as directed.

Subd. 4. [SUBSEQUENT PROCEEDINGS.] If in subsequent proceedings brought by the judgment debtor or the judgment creditor, the claim of exemption is not upheld, and the court finds that it was asserted in bad faith, the judgment creditor shall be awarded actual damages, costs, and reasonable attorney fees resulting from the additional proceedings and an amount not to exceed \$100. If the claim of exemption is upheld, and the court finds that the judgment creditor disregarded the claim of exemption in bad faith, the judgment debtor shall be awarded costs, reasonable attorney fees, actual damages, and an amount not to exceed \$100. The underlying judgment shall be modified to reflect assessment of damages, costs, and attorney fees. However, if the party in whose favor a penalty assessment is made is not actually indebted to his attorney for fees, the attorney's fee award shall be made directly to the attorney and an appropriate judgment in favor of the attorney shall be entered. Upon motion of any party in interest, on notice, the court shall determine the validity of any claim of exemption and may make any order necessary to protect the rights of those interested. No financial institution shall be liable for damages for complying with this section. Both copies of an exemption claim or an objection to an exemption claim shall be mailed or delivered on the same date. The financial institution may rely on the date of mailing or delivery of a notice to it in computing any time periods in this section.

Sec. 3. Minnesota Statutes 1982, section 550.141, is amended by adding a subdivision to read:

Subd. 3. [SERVICE OF EXECUTION.] If the execution has not been served within one year after service of the notice, the judgment creditor shall serve another notice upon the judgment debtor prior to serving the execution on his employer. If more than one year has passed since the most recent execution, the judgment creditor shall serve another notice upon the judgment debtor no less than ten days prior to service of a subsequent execution on his employer.

Sec. 4. Minnesota Statutes 1982, section 550.37, subdivision 4, is amended to read:

Subd. 4. [PERSONAL GOODS.] (a) All wearing apparel, one watch, utensils, and foodstuffs of the debtor and his family; and (b) household furniture, household appliances, phonographs, radio and television receivers of the debtor and his family, not exceeding (\$3,000) \$4,500 in value. The exemption provided by this subdivision may not be waived except with regard to purchase money security interests. Except for a pawnbroker's possessory lien, a nonpurchase money security interest in the property exempt under this subdivision is void.

(PROVIDED HOWEVER,) If a debtor has property of the type which would qualify for the exemption under clause (b) of this subdivision, of a value in excess of (\$3,000) \$4,500 an itemized list of the exempt property, together with the value of each item listed, shall be attached to the security agreement at the time a security interest is taken, and a creditor may take a nonpurchase money security interest in the excess over (\$3,000) \$4,500 by requiring the debtor to select his exemption in writing at the time the loan is made.

Sec. 5. Minnesota Statutes 1982, section 550.37, is amended by adding a subdivision to read:

Subd. 4a. [ADJUSTMENT OF DOLLAR AMOUNTS.] (a) The dollar amounts in subdivision 4 shall change periodically as provided in this subdivision to the extent of changes in the implicit price deflator for the gross national product, 1972 = 100, compiled by the United States department of commerce, and hereafter referred to as the index. The index for December, 1982, is the reference base index.

(b) The designated dollar amounts shall change on July 1 of each even-numbered year if the percentage of change, calculated to the nearest whole percentage point, between the index for December of the preceding year and the reference base index is ten percent or more. The portion of the percentage change in the index in excess of a multiple of ten percent shall be disre-

garded and the dollar amounts shall change only in multiples of ten percent of the amounts stated in subdivision 4.

(c) If the index is revised, the percentage of change pursuant to this section shall be calculated on the basis of the revised index. If a revision of the index changes the reference base index, a revised reference base index shall be determined by multiplying the reference base index then applicable by the rebasing factor furnished by the department of commerce. If the index is superseded, the index referred to in this section is the one represented by the department of commerce as reflecting most accurately changes in the purchasing power of the dollar for consumers.

(d) The commissioner of banks shall announce and publish:

(1) on or before April 30 of each year in which dollar amounts are to change, the changes in dollar amounts required by paragraph (b); and

(2) promptly after the changes occur, changes in the index required by paragraph (c) including, if applicable, the numerical equivalent of the reference base index under a revised reference base index and the designation or title of any index superseding the index.

(e) A person does not violate this chapter with respect to a transaction otherwise complying with this chapter if he relies on dollar amounts either determined according to paragraph (b) or appearing in the last publication of the commissioner announcing the then current dollar amounts.

Sec. 6. Minnesota Statutes 1982, section 550.37, subdivision 13, is amended to read:

Subd. 13. [WAGES.] All wages not subject to garnishment by the provisions of section 571.55. A subsequent attachment, garnishment or levy of execution shall impound only that pay period's non-exempt disposable earnings not subject to a prior attachment, garnishment or levy of execution, but in no instance shall more than an individual's total non-exempt disposable earnings in that pay period be subject to attachment, garnishment or levy of execution. Garnishments shall impound the non-exempt disposable earnings in the order of their service upon the employer. The disposable earnings exempt from garnishment are exempt as a matter of right, whether claimed or not by the person to whom due. (SUCH) *The exemptions may not be waived. (SUCH) The exempt disposable earnings are payable by the employer when due. (SUCH) The exempt disposable earnings shall also be exempt for 20 days after deposit in any financial institution, whether in a single or joint account. This 20 day exemption (SHALL) also (APPLY) applies to any contractual set-off or security interest asserted by a financial insti-*

tution in which (SAID) *the* earnings are deposited by the individual. In tracing (SAID) *the* funds, the first-in first-out method of accounting shall be used. The burden of establishing that funds are exempt rests upon the debtor. As used in this section, the term "financial institution" (SHALL INCLUDE) *includes* credit unions. Nothing in this paragraph shall (BE CONSTRUED TO) void or supersede any valid assignment of wages or transfer of funds held on account made prior to the attachment, garnishment, or levy of execution.

Sec. 7. Minnesota Statutes 1982, section 550.37, subdivision 14, is amended to read:

Subd. 14. [PUBLIC ASSISTANCE.] All relief based on need, and the wages or salary of a person who is a recipient of relief based on need, shall be exempt from all claims of creditors including any contractual set-off or security interest asserted by a financial institution. For the purposes of this chapter, relief based on need (SHALL INCLUDE) *includes* AFDC, *general assistance medical care*, supplemental security income, medical assistance, Minnesota supplemental assistance, and general assistance. The salary or wages of any debtor who is or has been a recipient of relief based on need, or an inmate of a correctional institution shall, upon his return to private employment after having been a recipient of relief based on need, or an inmate of a correctional institution, be exempt from attachment, garnishment, or levy of execution for a period of six months after his return to employment and after all public assistance has been terminated. (HE MAY TAKE ADVANTAGE OF SUCH SIX MONTHS SALARY OR WAGE EXEMPTION PROVISIONS ONLY ONCE IN EVERY THREE YEARS.) The exemption provisions contained in this subdivision (SHALL) also apply for 60 days after deposit in any financial institution, *whether in a single or joint account*. In tracing (SAID) *the* funds, the first-in first-out method of accounting shall be used. The burden of establishing that funds are exempt rests upon the debtor. Agencies distributing relief and the correctional institutions shall, at the request of creditors, inform them whether or not any debtor has been a recipient of relief based on need, or an inmate of a correctional institution, within (SUCH PERIOD OF) *the preceding* six months.

Sec. 8. Minnesota Statutes 1982, section 550.37, subdivision 19, is amended to read:

Subd. 19. [WAIVER.] The exemption of the property listed in subdivisions 2, 3, and 5 to (11, AND) 12a may not be waived except by a statement in substantially the following form, in bold face type of a minimum size of 12 points, signed and dated by the debtor at the time of the execution of the contract surrendering the exemption, immediately adjacent to the listing of the property: "I understand that some or all of the above property is normally protected by law from the claims of

creditors, and I voluntarily give up my right to that protection for the above listed property with respect to claims arising out of this contract.”

Sec. 9. Minnesota Statutes 1982, section 550.37, subdivision 20, is amended to read:

Subd. 20. [TRACEABLE FUNDS.] The exemption of funds from creditors' claims, provided by subdivisions 9, 10, 11, (AND) 15, and 24, shall not be affected by the subsequent deposit of (SAID) *the* funds in a bank or any other financial institution, whether in a single or joint account, (SO LONG AS SAID) *if the* funds (CAN BE) *are* traceable to their exempt source. In tracing (SAID) *the* funds, the first-in first-out method of accounting shall be used. The burden of establishing that funds are exempt rests upon the debtor. No bank or other financial institution shall be liable for damages for complying with process duly issued out of any court for the collection of a debt even if the funds affected by (SAID) *the* process are subsequently determined to have been exempt.

Sec. 10. Minnesota Statutes 1982, section 550.37, subdivision 24, is amended to read:

Subd. 24. [EMPLOYEE BENEFITS.] The debtor's right to receive a payment, *or payments received by the debtor*, under a stock bonus, pension, profit sharing, annuity, or similar plan or contract on account of illness, disability, death, age, or length of service, to the extent reasonably necessary for the support of the debtor and any dependent of the debtor.

Sec. 11. Minnesota Statutes 1982, section 571.41, subdivision 5, is amended to read:

Subd. 5. [PRIOR NOTICE REQUIRED.] If the garnishee summons is to be used to garnish the earnings of an individual to enforce a judgment, or to garnish earnings prior to entry of judgment pursuant to subdivision 2, clause (a), prior to the first garnishment on any debt, the creditor shall serve upon the debtor, no less than ten days prior to the service of the garnishee summons, a notice that (SUCH) a summons may be issued. *If the garnishee summons has not been served within one year after service of the notice, the judgment creditor shall serve another notice upon the judgment debtor prior to serving the garnishee summons on his employer. If more than one year has passed since service of the judgment creditor's most recent garnishee summons, the judgment creditor shall no less than ten days prior to service of a subsequent garnishee summons serve notice that another garnishee summons may be served.* (SAID) The notice shall (1) be substantially in the form set out in this chapter (. SAID NOTICE SHALL); (2) be served personally, in the manner of a summons and complaint, or by first class mail to the last known address of the debtor (. SAID NOTICE SHALL); (3)

inform the debtor that a garnishee summons may be served on the debtor's employer in ten days, and that the debtor may, within that time, cause to be served on the creditor a signed statement under penalties of perjury asserting an entitlement to an exemption from garnishment (. SAID NOTICE SHALL FURTHER); (4) inform the debtor of the wage garnishment exemptions contained in section 550.37, subdivision 14 (. SAID NOTICE SHALL FURTHER); and (5) advise the debtor of the relief set forth in this chapter to which he may be entitled if a creditor in bad faith disregards a valid claim and the fee, costs, and penalty which may be assessed against a debtor who in bad faith falsely claims an exemption or in bad faith takes action to frustrate the garnishment process. If no statement of exemption is received by the creditor within ten days from the service of the notice, he may proceed with the garnishment. Failure of the debtor to serve (SUCH) a statement (SHALL) *does* not constitute a waiver of any right he may have to an exemption. If (SAID) *the* statement of exemption is received by the creditor, he may still cause a garnishee summons to be issued (; HOWEVER,). If the debtor subsequently asserts his claim of exemption successfully to the court having jurisdiction over the action, and the court finds that the creditor disregarded the claim of exemption in bad faith, the debtor shall be entitled to costs, reasonable attorney fees, actual damages, and an amount not to exceed \$100. If in subsequent proceedings which may be brought by the debtor or creditor, the claim is not upheld, and the court finds that it was asserted in bad faith, or if the court finds that the debtor has in bad faith taken action to frustrate the garnishment process, the debtor shall be assessed costs and reasonable attorney fees resulting from (SAID) *the* additional proceedings, and an amount not to exceed \$100.

Sec. 12. Minnesota Statutes 1982, section 571.41, is amended by adding a subdivision to read:

Subd. 5a. [EXEMPTION NOTICE.] If the garnishee summons is used to garnish funds of a judgment debtor who is a natural person and if the funds to be garnished are held on deposit at any financial institution, the judgment creditor shall serve with the garnishee summons two copies of an exemption notice. The notice shall be substantially in the form set out in section 16. Failure of the judgment creditor to send the exemption notice shall render the garnishment void, and the financial institution shall take no action.

Sec. 13. Minnesota Statutes 1982, section 571.41, is amended by adding a subdivision to read:

Subd. 5b. [DUTY OF FINANCIAL INSTITUTION; EXEMPTION; OBJECTION.] Upon receipt of the garnishee summons and exemption notices, the financial institution shall attach and bind as much of the amount due under section 571.471 as the financial institution has on deposit owing to the judgment

debtor. Within two business days after receipt of the garnishee summons and exemption notices, the financial institution shall serve upon the judgment debtor two copies of the exemption notice. The financial institution shall serve the notice by first class mail to the last known address of the judgment debtor. If no claim of exemption is received by the financial institution within 14 days after the exemption notices are mailed to the judgment debtor, the funds shall remain subject to the garnishment summons. If the judgment debtor elects to claim an exemption, he shall complete the exemption notice, affix his signature under penalty of perjury, and deliver one copy to the financial institution and one copy to the judgment creditor within 14 days of the date postmarked on the correspondence mailed to the judgment debtor containing the exemption notices. Failure of the judgment debtor to serve the executed exemption notice does not constitute a waiver of any right he may have to an exemption. Upon timely receipt of a claim of exemption, funds not claimed to be exempt by the judgment debtor shall remain subject to the garnishment summons. All money claimed to be exempt shall be released to the judgment debtor upon the expiration of seven days after the date postmarked on the correspondence containing the executed exemption notice mailed to the judgment creditor, or the date of personal delivery of the executed exemption notice to the judgment creditor, unless within that time the judgment creditor interposes an objection to the exemption. Objection shall be interposed by mailing or delivering one copy of the written objection to the financial institution and one copy of the written objection to the judgment creditor. Upon receipt of a written objection from the judgment creditor within the specified seven-day period, the financial institution shall retain the funds claimed to be exempt. Unless the financial institution receives a notice of motion and motion from the judgment debtor asserting exemption rights within ten days after receipt of the written exemption, the funds shall remain subject to the garnishment summons as if no claim of exemption has been made. Either the judgment creditor or the judgment debtor may bring a motion to determine the validity of an exemption claim by following the procedure set out in section 17. If a notice of motion and motion to determine the validity of a claim of exemption is received by the financial institution within the period provided, the financial institution shall retain the funds claimed to be exempt until otherwise ordered by the court, or until the garnishment lapses pursuant to section 571.69. However, at any time during the procedure specified in this subdivision, the judgment debtor or the judgment creditor may, by a writing dated subsequent to the service of the execution, direct the financial institution to release the funds in question to the other party. Upon receipt of a release, the financial institution shall release the funds as directed.

Sec. 14. Minnesota Statutes 1982, section 571.41, is amended by adding a subdivision to read:

Subd. 5c. [SUBSEQUENT PROCEEDINGS; BAD FAITH CLAIMS.] If in subsequent proceedings brought by the judgment debtor or the judgment creditor, the claim of exemption is not upheld, and the court finds that it was asserted in bad faith, the judgment creditor shall be awarded actual damages, costs, and reasonable attorney fees resulting from the additional proceedings and an amount not to exceed \$100. If the claim of exemption is upheld, and the court finds that the judgment creditor disregarded the claim of exemption in bad faith, the judgment debtor shall be awarded costs, reasonable attorney fees, actual damages, and an amount not to exceed \$100. The underlying judgment shall be modified to reflect assessment of damages, costs, and attorney fees. However, if the party in whose favor a penalty assessment is made is not actually indebted to his attorney for fees, the attorney's fee award shall be made directly to the attorney and an appropriate judgment in favor of the attorney shall be entered. Upon motion of any party in interest, on notice, the court shall determine the validity of any claim of exemption and may make any order necessary to protect the rights of those interested. No garnishee shall be liable for damages for complying with this section. Both copies of an exemption claim or an objection to an exemption claim shall be mailed or delivered on the same date. The financial institution may rely on the date of mailing or delivery of a notice to it in computing any time periods in this section.

Sec. 15. Minnesota Statutes 1982, section 571.41, subdivision 6, is amended to read:

Subd. 6. [FORM OF NOTICE.] The ten day notice informing a judgment debtor that a garnishee summons may be used to garnish the wages of an individual to enforce a judgment, shall be substantially in the following form:

STATE OF MINNESOTA — ss.

County of _____ Court

..... (Judgment Creditor)

..... (Judgment Debtor)

Garnishment Exemption Notice

The State of Minnesota

To the above named Judgment Debtor:

Please take notice that a Garnishment Summons may be served upon your employer, without any further court proceedings or notice to you, ten days or more from the date hereof. Your wages (MAY BE EXEMPTED) are completely exempt from garnishment if you are now a recipient of relief based on need, if you have

been a recipient of (SUCH) relief within the last six months, or if you have been an inmate of a correctional institution in the last six months. Relief based on need includes, *only* AFDC, *general assistance medical care*, supplemental security income, medical assistance, Minnesota supplemental assistance, and general assistance. (IT DOES NOT INCLUDE SOCIAL SECURITY, UNEMPLOYMENT COMPENSATION, FOOD STAMPS, OR WORKERS' COMPENSATION.)

If you wish to claim (SUCH) an exemption, you should fill out the appropriate form below, sign it, and send it to the judgment creditor's attorney and the garnishee.

You may wish to contact the attorney for the Judgment Creditor in order to arrange for a settlement of the debt.

PENALTIES

1. Be advised that even if you claim an exemption, a Garnishment Summons may still be served on your employer. If your wages are garnished after you claim an exemption, you may petition the court for a determination of your exemption. If the court finds that the creditor disregarded your claim of exemption in bad faith, you will be entitled to costs, reasonable attorney fees, actual damages, and an amount not to exceed \$100.

2. HOWEVER, BE WARNED if you claim an exemption, the creditor can also petition the court for a determination of your exemption, and if the court finds that you claimed an exemption in bad faith, you will be assessed costs and reasonable attorney's fees plus an amount not to exceed \$100.

3. If after receipt of this notice, you in bad faith take action to frustrate the garnishment, thus requiring the creditor to petition the court to resolve the problem, you will be liable to the creditor for costs and reasonable attorney fees plus an amount not to exceed \$100.

Dated: (Attorney for) Judgment Creditor

Address

Telephone

I hereby claim under penalty of perjury that my wages are exempt from garnishment because:

(1) I am presently a recipient of relief based on need. (Specify the program, case number, and the county from which relief is being received. (THERE IS NO LIMIT TO THE NUMBER OF TIMES THIS EXEMPTION MAY BE CLAIMED.))

.....
Program	Case Number (if known)	County

(2) I am not now receiving relief based on need, but I have received relief based on need within the last six months. (Specify the program, case number, and the county from which relief has been received.) (I AM AWARE THAT I AM NOT PERMITTED BY LAW TO USE THIS EXEMPTION FOR MORE THAN ONE SIX MONTH PERIOD EVERY THREE YEARS, AND THAT I MAY BE PENALIZED IF I VIOLATE THIS LAW.)

.....
Program	Case Number (if known)	County

(3) I have been an inmate of a correctional institution within the last six months (, AND I HAVE NOT CLAIMED THIS EXEMPTION WITHIN THE LAST THREE YEARS). (Specify the correctional institution and location.)

.....
Correctional Institution	Location

I hereby authorize any agency that has distributed relief to me or any correctional institution (WHEREIN) *in which* I was an inmate to disclose to the above-named creditor or his attorney whether or not I was a recipient of relief based on need or an inmate of a correctional institution within the last six months.

Judgment Debtor

Address

Sec. 16. Minnesota Statutes 1982, section 571.41, is amended by adding a subdivision to read:

Subd. 6a. [FORM OF EXEMPTION NOTICE.] The notice informing a judgment debtor that a writ of attachment, garnishee summons, or levy of execution has been used to attach and bind funds of the judgment debtor to satisfy a claim shall be substantially in the following form:

EXEMPTION NOTICE

STATE OF MINNESOTA
 COUNTY OF

..... Court

..... (Judgment Creditor)

..... (Judgment Debtor)

To (Judgment Debtor):

A writ of attachment, garnishee summons, or levy of execution (strike inapplicable language) has been served on (Bank or other Financial Institution) where you have an account.

Your account balance is \$

The amount being held is \$

However, the funds in your account will normally be exempt from creditors claims if they are in one of the following categories:

(1) Relief based on need. This includes AFDC, Medical Assistance, Supplemental Security Income (SSI), Minnesota Supplemental Assistance, General Assistance, and General Assistance Medical Care.

(2) Social Security benefits (Old Age, Survivors, or Disability Insurance).

(3) Unemployment compensation, workers' compensation, or veteran's benefits.

(4) An accident, disability, or retirement pension or annuity.

(5) Life insurance proceeds or the earnings of your minor child.

(6) Money from a claim for damage or destruction of exempt property (such as household goods, farm tools, business equipment, a mobile home, or a car).

The following funds are also exempt:

(7) All wages of a person in category 1.

(8) All wages of a person who has received relief based on need, or who has been an inmate of a correctional institution, within the last six months.

(9) Seventy-five percent of every wage earner's after tax earnings.

(10) All of a wage earner's after tax earnings below 40 times the federal minimum wage (this equals \$134 for a 40-hour week).

TIME LIMIT ON EXEMPTIONS AFTER DEPOSIT IN BANK:

Categories 9 and 10: 20 days.

Categories 7 and 8: 60 days.

All others: no time limit, as long as funds are traceable to the exempt source. (In tracing funds, the First In, First Out method is used. This means money deposited first is spent first.) The money being sought by the creditor is being held in your account to give you a chance to claim an exemption.

TO CLAIM AN EXEMPTION:

Fill out, sign, and mail or deliver one copy of this exemption claim form to the institution which sent you this notice, and one copy to the judgment creditor. Both copies must be mailed or delivered on the same day.

If they don't get the exemption claim back from you within 14 days of the date they mailed or gave it to you, they will be free to turn the money over to the sheriff or the creditor. If you are going to claim an exemption, do so as soon as possible, because your money may be frozen until it is decided.

IF YOU CLAIM AN EXEMPTION:

(1) Nonexempt money can be turned over to the creditor or sheriff;

(2) The financial institution will keep holding the money claimed to be exempt; and

(3) Seven days after receiving your exemption claim, the financial institution will release the money to you unless before then it receives an objection to your exemption claim.

IF THE CREDITOR OBJECTS TO YOUR EXEMPTION CLAIM:

*(1) The institution will hold the money until a court decides if your exemption claim is valid, **BUT ONLY IF** the institution gets a copy of your court motion papers asserting the exemption **WITHIN 10 DAYS** after the objection is mailed or given to you. You may wish to consult an attorney at once if the creditor objects to your exemption claim.*

MOTION TO DETERMINE EXEMPTION:

At any time after your funds have been frozen, you may ask for a court decision on the validity of your exemption claim by filing a request for hearing which may be obtained at the office of the clerk of the above court.

PENALTIES:

If you claim an exemption in bad faith, or if the creditor wrongly objects to an exemption in bad faith, the court may order the person who acted in bad faith to pay costs, actual damages, attorney fees, and an additional amount of up to \$100.

Date

(Attorney for) Judgment Creditor

Address

EXEMPTION:

(a) Amount of exemption claim.

/ / I claim ALL the funds being held are exempt.

/ / I claim SOME of the funds being held are exempt. The exempt amount is \$

(b) Basis for Exemption.

Of the ten categories listed above, I am in category number (If more than one category applies, you may fill in as many as apply.) The source of the exempt funds is the following:

.....
.....

(If the source is a type of relief based on need, list the case number and county:

case number: ;

county:)

Dated:

Judgment Debtor

Address

Sec. 17. Minnesota Statutes 1982, section 571.41, is amended by adding a subdivision to read:

Subd. 6b. [FORM OF MOTION.] (1) A motion to determine the validity of an exemption claim may be brought by either the judgment creditor or the judgment debtor by filing with the clerk of court out of which the attachment, garnish-

ment, or execution issued a Request for Hearing which shall be in substantially the following form:

STATE OF MINNESOTA COURT
COUNTY OF

REQUEST FOR HEARING ON
EXEMPTION CLAIM

Plaintiff(s),

V.

Defendant(s).

I hereby request a hearing to resolve the exemption claim which has been made in this case regarding funds in the account of (Debtor) at the (Financial Institution). I believe the property being held is (not) exempt because.

DATED:

Judgment (Debtor, Creditor)

Address

Hearing date:

Time:

Place:

[Note to both parties: Bring with you to the hearing all documents and materials relevant to the exemption claim. Failure to do so could delay the court's decision.]

(2) The court shall provide Request for Hearing forms and clerical assistance to help with the writing and filing of a Request for Hearing by any person not represented by counsel. The clerk may charge a fee of \$1 for the filing of a Request for Hearing.

(3) Upon the filing of a Request for Hearing, the clerk shall schedule the matter for a hearing no later than five business days from the date of filing. The clerk shall forthwith send a completed copy of the request, including the hearing date, time, and place to the adverse party and to the financial institution by first class mail.

Sec. 18. Minnesota Statutes 1982, section 571.42, is amended to read:

571.42 [EFFECT OF SERVICE OF SUMMONS.]

Subdivision 1. [ATTACH FOR JUDGMENT.] Except as provided in section 571.43 and 571.50, service of the garnishee summons upon the garnishee shall attach and bind, to respond to final judgment in the action, all personal property of the judgment debtor in his possession or under his control and all indebtedness owing by him to the judgment debtor at the time of (SUCH) service and all non-exempt disposable earnings earned or to be earned within that (ONE) pay period *and within 30 days thereafter.*

Subd. 2. [PROPERTY ATTACHED.] Subject to the provisions of sections 550.37 and 571.55 all moneys, all non-exempt disposable earnings earned or to be earned within that (ONE) pay period *and within 30 days thereafter* and other personal property including (SUCH) property of any kind due from or in the hands of an executor, administrator, receiver or trustee and all written evidences of indebtedness whether negotiable or not or under or overdue may be attached by garnishment, and money or any other thing due or belonging to the judgment debtor may be attached by this process before it has become payable if its payment or delivery does not depend upon any contingency, but the garnishee shall not be compelled to pay or deliver (THE SAME) *it* before the time appointed by the contract.

Sec. 19. Minnesota Statutes 1982, section 571.67, is amended to read:

571.67 [PENALTY IN CERTAIN GARNISHMENT PROCEEDINGS.]

A party who serves or causes to be served a garnishment summons prior to judgment in the main action, except where garnishment prior to entry of judgment is permitted, is liable to the debtor named in the garnishment proceedings in the amount of \$100 plus reasonable attorneys fees and costs. *Action by a judgment creditor in violation of sections 550.041, 550.14, 550.141, or 571.41, causing any third party or garnishee in possession of funds owing to the judgment debtor to hold or deliver the funds to satisfy a garnishment, attachment, or levy of execution shall render the garnishment, attachment, or levy of execution void and the judgment creditor liable to the judgment debtor named in the garnishment, attachment, or execution in the amount of \$100, actual damages, and reasonable attorney fees and costs."*

Amend the title as follows:

Page 1, line 13, after "24" insert ", and by adding a subdivision"

Page 1, line 13, delete "subdivision" and insert "subdivisions"

Page 1, line 13, after "5," insert "6,"

Page 1, line 14, after the semicolon insert "571.42;"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 929, A bill for an act relating to animals; providing for the welfare of certain pets and companion animals; imposing penalties; proposing new law coded in Minnesota Statutes, chapter 346.

Reported the same back with the following amendments:

Page 1, lines 9 and 12, delete "9" and insert "10"

Page 1, line 12, after "[SCOPE.]" insert "*Sections 1 to 10 shall only apply to veterinarians, animal boarding facilities, and commercial animal facilities, excepting section 4, subdivision 9.*"

Page 1, after line 22, insert:

"Subd. 5. [NEGLECT.] "Neglect" means failure to provide the minimum care required for the health and well-being of a pet or companion animal."

Renumber the subdivisions in sequence

Page 3, line 12, delete "manmade"

Page 3, line 14, delete "Natural or manmade"

Page 3, line 16, delete "Manmade"

Page 3, line 18, delete "Manmade"

Page 4, line 16, delete everything after the period

Page 4, delete line 17

Page 9, after line 19, insert:

"Sec. 9. [346.43] [FARM ANIMALS EXCLUDED.]

Sections 1 to 10 do not apply to the care or treatment of an agricultural or farm animal which is used for food or other products."

Page 9, line 20, delete "[346.43]" and insert "[346.44]"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "penalties" and insert "a penalty"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1013, A bill for an act relating to public welfare; providing for relative resource contribution for medical assistance; amending Minnesota Statutes 1982, section 256B.14, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 256B.14, subdivision 2, is amended to read:

Subd. 2. [ACTIONS TO OBTAIN PAYMENT.] The state agency shall promulgate rules to determine the ability of responsible relatives to contribute partial or complete repayment of medical assistance furnished to recipients for whom they are responsible. *In determining the resource contribution of a spouse at the time of the first medical assistance application, all medical assistance exclusions shall be allowed, and a resource limit of \$10,000 for nonexcluded resources shall be implemented. Above these limits, a contribution of one-third of the excess resources shall be required.* These rules shall not require repayment when payment would cause undue hardship to the responsible relative or his or her immediate family. The county agency shall give the responsible relative notice of the amount of the repayment. If the state agency or county agency finds that notice of the payment obligation was given to the responsible relative, but that the relative failed or refused to pay, a cause of action exists against the responsible relative for that portion of medical assistance granted after notice was given to the responsible relative, which the relative was determined to be able to pay.

The action may be brought by the state agency or the county agency in the county where assistance was granted, for the assistance, together with the costs of disbursements incurred due to the action.

In addition to granting the county or state agency a money judgment, the court may, upon a motion or order to show cause, order continuing contributions by a responsible relative found able to repay the county or state agency. The order shall be effective only for the period of time during which the recipient receives medical assistance from the county or state agency.

Sec. 2. Minnesota Statutes 1982, section 256B.14, is amended by adding a subdivision to read:

Subd. 3. [SPOUSAL CONTRIBUTION.] In determining the resource contribution for a noninstitutionalized spouse at the time of an initial application by an institutionalized spouse, all medical assistance exclusions should be allowed to the applicant and the noninstitutionalized spouse may retain up to \$10,000 in nonexcluded resources. The noninstitutionalized spouse must contribute one-third of the new nonexcluded resources over \$10,000.

Sec. 3. Minnesota Statutes 1982, section 256B.17, is amended by adding a subdivision to read:

Subd. 5. [EXCEPTION FOR ASSET TRANSFERS.] Notwithstanding subdivision 4, an institutionalized spouse who applies for medical assistance and who owns, together with his or her spouse, less than \$20,000 in liquid assets, may transfer up to \$10,000 to his or her spouse without loss of eligibility.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 and 2 are effective July 1, 1983, for new applications for medical assistance taken on or after that date."

Amend the title as follows:

Page 1, line 4, delete "section" and insert "sections"

Page 1, line 5, after "2" insert ", and by adding a subdivision; and 256B.17, by adding a subdivision"

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

The report was adopted.

Rice from the Committee on Appropriations to which was referred:

H. F. No. 1033, A bill for an act relating to insurance; authorizing the establishment of joint self-insurance employee health plans; providing administrative, trust, bonding, investment and reporting requirements; establishing a revenue fee; appropriating money; proposing new law coded as Minnesota Statutes, chapter 62H.

Reported the same back with the following amendments:

Page 3, delete lines 28 to 30 and insert:

“Sec. 8. [62H.08] [EXEMPT PLANS.]

Any homogenous joint employer plan providing group health benefits which was in existence prior to March 1, 1983, and which is (a) associated with, organized by, or sponsored by an association which is exempt from the corporate income tax pursuant to section 501(c)(6) of the Internal Revenue Code of 1954, as amended through December 31, 1982, and (b) controlled by a board of trustees, a majority of whom are members of the association, is exempt from sections 1 to 8.”

Amend the title as follows:

Page 1, line 6, delete “appropriating money;”

With the recommendation that when so amended the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1190, A bill for an act relating to unemployment compensation; providing for conformity with federal law; updating the law to reflect current practice; making technical changes; removing obsolete language; regulating administrative practices; providing for the effect of back pay awards; regulating benefit amounts, contributions, and benefit eligibility; amending Minnesota Statutes 1982, sections 268.04, subdivisions 12, 17, 25, 26, 29, and by adding a subdivision; 268.05, subdivision 5; 268.06, subdivisions 1, 2, 3a, 5, 20, 28, and 29; 268.07, subdivision 2; 268.071, subdivision 3; 268.08, subdivision 3, and by adding a subdivision; 268.09, subdivisions 1 and 2; 268.10, subdivisions 2, 3, 4, 5, 6, 7, and 9; 268.11, subdivisions 2 and 3; 268.12, subdivisions 8 and 9; 268.16, subdivision 2; 268.161, subdivisions 1, 4, 5, 7, and 8; 268.18, subdivisions 1 and 2; repealing Minnesota Statutes 1982, section 268.06, subdivision 32.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 268.04, subdivision 2, is amended to read:

Subd. 2. "Base period" means the period of fifty-two calendar weeks immediately preceding the first day of an individual's benefit year. (PROVIDED,) However, (THAT) if a claimant received weekly worker's compensation for temporary total disability under the provisions of chapter 176 or under a similar law of the United States for more than seven weeks within the the base period, (AS HERETOFORE DEFINED, HIS) or if a claimant, *whose own serious illness caused a loss of credit weeks within the base period, received compensation due to the illness from some other source or under a law of this state other than chapter 176 or under a similar law of the United States for more than seven weeks within the base period, the claimant's* base period shall be lengthened by the same number of (SUCH) weeks, but not to exceed 52 weeks, for which (HE) *the claimant* received (SUCH) *the* payments (; PROVIDED FURTHER, THAT). No extended base period shall include wage credits upon which benefits were established and paid with respect to a prior valid claim.

Sec. 2. Minnesota Statutes 1982, section 268.04, subdivision 12, is amended to read:

Subd. 12. "Employment" means: (1) Subject to the other provisions of this subdivision "employment" means service performed prior to January 1, 1945, which was employment as defined in this section prior to such date, and any service performed after December 31, 1944, including service in interstate commerce, by an individual who is a servant under the law of master and servant or who performs services for any employing unit, unless such services are performed by an independent contractor.

The term "employment" shall include: Any service performed, including service in interstate commerce, by;

(a) any officer of any corporation; or

(b) any individual other than an individual who is an employee under clause (1) who performs services for remuneration for any person as an agent-driver or commission-driver engaged in distributing meat products, vegetable products, fruit products, bakery products, beverages (other than milk), or laundry or dry-cleaning services, for his principal, or as a traveling or city salesman, other than as an agent-driver or commission-driver, engaged upon a fulltime basis in the solicitation on behalf of,

and the transmission to, his principal (except for sideline sales activities on behalf of some other person) of orders from wholesalers, retailers, contractors, or operators of hotels, restaurants, or other similar establishments for merchandise for resale or supplies for use in their business operations;

Provided, that for purposes of clause (1) (b), the term "employment" shall include services described above only if the contract of service contemplates that substantially all of the services are to be performed personally by such individual, the individual does not have a substantial investment in facilities used in connection with the performance of the services (other than in facilities for transportation), and the services are not in the nature of a single transaction that is not part of a continuing relationship with the person for whom the services are performed.

(2) The term "employment" shall include an individual's entire service, performed within or both within and without this state if (a) the service is localized in this state; or (b) the service is not localized in any state but some of the service is performed in this state and (1) the base of operations, or, if there is no base of operations, then the place from which such service is directed or controlled, is in this state; (2) the base of operations or place from which such service is directed or controlled is not in any state in which some part of the service is performed, but the individual's residence is in this state.

(3) Service shall be deemed to be localized within a state if (a) the service is performed entirely within such state; or (b) the service is performed both within and without such state, but the service performed without such state is incidental to the individual's service within the state, for example, is temporary or transitory in nature or consists of isolated transactions.

(4) The term "employment" shall include an individual's service wherever performed within the United States or Canada, if

(a) Such service is not covered under the unemployment compensation law of any other state or Canada, and

(b) The place from which the service is directed or controlled is in this state.

(5) (a) Service covered by an election pursuant to section 268.11, subdivision 3; and

(b) Service covered by an arrangement pursuant to section 268.13 between the commissioner and the agency charged with the administration of any other state or federal employment security law, pursuant to which all service performed by an

individual for an employing unit is deemed to be performed entirely within this state, shall be deemed to be employment if the commissioner has approved an election of the employing unit for which such service is performed, pursuant to which the entire service of such individual during the period covered by such election is deemed to be employment.

(6) Notwithstanding any inconsistent provisions of sections 268.03 to 268.24, the term "employment" shall include any services which are performed by an individual with respect to which an employing unit is liable for any federal tax against which credit may be taken for contributions required to be paid into a state unemployment compensation fund or which as a condition for full tax credit against the tax imposed by the federal unemployment tax act is required to be covered under this law.

(7) Service performed by an individual in the employ of the state of Minnesota or any instrumentality which is wholly owned by the state of Minnesota or in the employ of this state and one or more other states or an instrumentality of this state and one or more of its political subdivisions or an instrumentality of this state and another state or an instrumentality of this state and one or more political subdivisions of another state if such service is excluded from "employment" as defined by section 3306(c)(7) of the federal unemployment tax act and is not excluded from "employment" under clause (10) of this subdivision.

(8) Service performed by an individual in the employ of any political subdivision of the state of Minnesota or instrumentality thereof or an instrumentality of two or more political subdivisions of this state or any instrumentality of a political subdivision of this state and another state or political subdivisions of another state if such service is excluded from "employment" as defined by section 3306(c)(7) of the federal unemployment tax act and is not excluded from "employment" under clause (10) of this subdivision.

(a) The provisions of section 268.08, subdivision 6, shall apply to service covered by this section.

(b) The amounts required to be paid in lieu of contributions by any political subdivision shall be billed and payment made as provided in section 268.06, subdivision 28, clause (2), with respect to similar payments by nonprofit organizations.

(9) Service performed by an individual in the employ of a religious, charitable, educational or other organization but only if the following conditions are met:

(a) the service is excluded from "employment" as defined in the federal unemployment tax act solely by reason of section 3306(c) (8) of that act; and

(b) the organization had one or more individuals in employment for some portion of a day in each of 20 different weeks, whether or not such weeks were consecutive, within either the current or preceding calendar year, regardless of whether they were employed at the same moment of time.

(10) For the purposes of clauses (7), (8), and (9), the term "employment" does not apply to service performed

(a) in the employ of a church or convention or association of churches, or an organization which is operated (EXCLUSIVELY) *primarily* for religious purposes and which is operated, supervised, controlled, or principally supported by a church or convention or association of churches; or

(b) by a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by such order; or

(c) in a facility conducted for the purpose of carrying out a program of rehabilitation for individuals whose earning capacity is impaired by age or physical or mental deficiency or injury or providing remunerative work for individuals who because of their impaired physical or mental capacity cannot be readily absorbed in the competitive labor market by an individual receiving such rehabilitation or remunerative work; or

(d) as part of an unemployment work relief or work training program assisted or financed in whole or in part by any federal agency or an agency of a state or political subdivision thereof, by an individual receiving such work relief or work training (, EXCEPTING PUBLIC SERVICE EMPLOYMENT AND ON THE JOB TRAINING PARTICIPANTS UNDER THE FEDERAL COMPREHENSIVE EMPLOYMENT AND TRAINING ACT, AS AMENDED, IF THE PARTICIPANTS ARE PERFORMING SERVICES WHICH ARE THE SAME OR SIMILAR TO THOSE PERFORMED BY OTHER EMPLOYEES OF THE EMPLOYER). *This exclusion shall not apply to programs that provide for and require unemployment insurance coverage for the participants; or*

(e) by an inmate of a custodial or penal institution; or

(f) in the employ of governmental entities referred to in clauses (7) and (8) of this subdivision if such service is performed by an individual in the exercise of duties

- (i) as an elected official,
- (ii) as a member of a legislative body, or a member of the judiciary,
- (iii) as a member of the Minnesota national guard or air national guard,
- (iv) as an employee serving only on a temporary basis in case of fire, storm, snow, earthquake, flood or similar emergency,
- (v) (a) in a position with the state of Minnesota which is a major nontenured policy making or advisory position in the unclassified service, or
- (b) a policy making position with the state of Minnesota or a political subdivision the performance of the duties of which ordinarily does not require more than eight hours per week; or
- (c) in a position with a political subdivision which is a major nontenured policy making or advisory position.

(11) The term "employment" shall include the service of an individual who is a citizen of the United States, performed outside the United States, except in Canada, in the employ of an American employer (other than service which is deemed "employment" under the provisions of clauses (2), (3), or (4) or the parallel provisions of another state's law) if:

(a) The employer's principal place of business in the United States is located in this state; or

(b) The employer has no place of business in the United States, but the employer is an individual who is a resident of this state, or the employer is a corporation which is organized under the laws of this state, or the employer is a partnership or a trust and the number of partners or trustees who are residents of this state is greater than the number who are residents of any one other state; or

(c) None of the criteria of (a) and (b) of this clause is met but the employer has elected coverage in this state, or the employer having failed to elect coverage in any state, the individual has filed a claim for benefits, based on such service, under the law of this state.

(d) An "American employer," for the purposes of this subdivision, means a person who is an individual who is a resident of the United States, or a partnership if two-thirds or more of the partners are residents of the United States, or a trust, if all of the trustees are residents of the United States, or a

corporation organized under the laws of the United States or of any state;

(e) As used in this subdivision, the term "United States" includes the states, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands.

(12) Notwithstanding clause ((1)) (2), all service performed by an officer or member of the crew of an American vessel on or in connection with such vessel, if the operating office, from which the operations of such vessel operating on navigable waters within, or within and without, the United States are ordinarily and regularly supervised, managed, directed and controlled is within this state.

(13) Service performed by an individual in agricultural labor as defined in clause (15) (a) of this subdivision when:

(a) Such service is performed for a person who:

(i) during any calendar quarter in either the current or the preceding calendar year paid wages of \$20,000 or more to individuals employed in agricultural labor, or

(ii) for some portion of a day in each of 20 different calendar weeks, whether or not such weeks were consecutive, in either the current or preceding calendar year employed in agricultural labor four or more individuals regardless of whether they were employed at the same time.

(b) For the purpose of this clause (13) any individual who is a member of a crew furnished by a crew leader to perform service in agricultural labor for any other person shall be treated as an employee of the crew leader:

(i) if the crew leader holds a valid certificate of registration under the farm labor contractor registration act of 1963, as amended; or substantially all of the members of his crew operate or maintain tractors, mechanized harvesting or crop dusting equipment, or any other mechanized equipment, which is provided by the crew leader; and

(ii) if the individual is not an employee of another person as determined by clause (1) of this subdivision.

(c) For the purpose of this clause (13) in the case of any individual who is furnished by a crew leader to perform service in agricultural labor for any other person and who is not treated as an employee of the crew leader under subclause (13) (b):

(i) such other person and not the crew leader shall be treated as the employer of such individual; and

(ii) such other person shall be treated as having paid wages to such individual in an amount equal to the amount of wages paid to such individual by the crew leader (either on his own behalf or on behalf of such other person) for the service in agricultural labor performed for such other person.

(d) For the purposes of this clause (13) the term "crew leader" means an individual who:

(i) furnishes individuals to perform service in agricultural labor for any other person,

(ii) pays (either on his own behalf or on behalf of such other person) the individuals so furnished by him for the service in agricultural labor performed by them, and

(iii) has not entered into a written agreement with such other person under which such furnished individual is designated as an employee of such other person.

(e) For the purposes of this clause (13) services performed by an officer or shareholder of a family farm corporation shall be excluded from agricultural labor and employment unless said corporation is an employer as defined in section 3306(a)(2) of the Federal Unemployment Tax Act.

(f) For the purposes of this clause (13), services performed by an individual 16 years of age or under shall be excluded from agricultural labor and employment unless the employer is an employer as defined in section 3306(a)(2) of the Federal Unemployment Tax Act.

(14) The term "employment" shall include domestic service in a private home, local college club, or local chapter of a college fraternity or sorority performed for a person who paid wages of \$1,000 or more in the current calendar year or the preceding calendar year to individuals employed in domestic service in any calendar quarter.

"Domestic service" includes all service for an individual in the operation and maintenance of a private household, for a local college club, or local chapter of a college fraternity or sorority as distinguished from service as an employee in the pursuit of an employer's trade, occupation, profession, enterprise or vocation.

(15) The term "employment" shall not include:

(a) Agricultural labor. Service performed by an individual in agricultural labor, except as provided in clause (13) of this subdivision. The term "agricultural labor" includes all services performed:

(1) On a farm, in the employ of any person or family farm corporation, 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, fur-bearing animals and wildlife;

(2) In the employ of the owner or tenant or other operator of a farm, in connection with the operation, management, conservation, improvement, or maintenance of such farm and its tools and equipment, or in salvaging timber or clearing land of brush and other debris left by a tornadic-like storm, if the major part of such service is performed on a farm;

(3) In connection with the production or harvesting of any commodity defined as an agricultural commodity in section 15(g) of the agricultural marketing act, as amended (46 Stat. 1550, sec. 3; 12 U.S.C. 1141j) or in connection with the ginning of cotton, or in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways, not owned or operated for profit, used exclusively for supplying and storing water for farming purposes;

(4) In the employ of the operator of a farm in handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering to storage or to market or to a carrier for transportation to market, in its unmanufactured state, any agricultural or horticultural commodity; but only if such operator produced more than one-half of the commodity with respect to which such service is performed, or in the employ of a group of operators of farms (or a cooperative organization of which such operators are members) in the performance of service described herein, but only if such operators produced more than one-half of the commodity with respect to which such service is performed; however, the provisions of this paragraph shall not be deemed to be applicable with respect to service performed in connection with commercial canning or commercial freezing or in connection with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption; or

(5) On a farm operated for profit if such service is not in the course of the employer's trade or business.

As used herein, the term "farm" includes stock, dairy, poultry, fruit, fur-bearing animal, and truck farms, plantations, ranches, nurseries, ranges, greenhouses or other similar structures used primarily for the raising of agricultural or horticultural commodities, and orchards.

(b) Casual labor not in the course of the employing unit's trade or business;

(c) Service performed on the navigable waters of the United States as to which this state is prohibited by the constitution and laws of the United States of America from requiring contributions of employers with respect to wages as provided in sections 268.03 to 268.24;

(d) Service performed by an individual in the employ of his son, daughter, or spouse, and service performed by a child under the age of 18 in the employ of his father or mother;

(e) Service performed in the employ of the United States government, or any instrumentality of the United States exempt under the constitution of the United States from the contributions imposed by sections 268.03 to 268.24, except that with respect to such service and to the extent that the congress of the United States shall permit states to require any instrumentalities of the United States to make payments into an unemployment compensation fund under a state unemployment compensation act; then, to the extent permitted by congress, and from and after the date as of which such permission becomes effective, all of the provisions of these sections shall be applicable to such instrumentalities and to services performed for such instrumentalities in the same manner, to the same extent, and on the same terms as to all other employers, employing units, individuals, and services; provided, that if this state shall not be certified for any year by the United States department of labor under section 3304(c) of the federal internal revenue code, the payments required of such instrumentalities with respect to such year shall be refunded by the commissioner from the fund in the same manner and within the same period as is provided in section 268.16, subdivision 6, with respect to contributions erroneously collected;

(f) Service with respect to which unemployment compensation is payable under an unemployment compensation system established by an act of congress;

(g) (1) Service performed in any calendar quarter in the employ of any organization exempt from income tax under section 501(a) (other than an organization described in section 401(a)) or section 521 of the federal internal revenue code, if the remuneration for such service is less than \$50; or

(2) Service performed in the employ of a school, college, or university, if such service is performed by a student who is enrolled and is regularly attending classes at such school, college, or university; or

(3) Service performed by an individual (UNDER THE AGE OF 22) who is enrolled at a nonprofit or public educational institution which normally maintains a regular faculty and curriculum and normally has a regularly organized body of students

in attendance at the place where its educational activities are carried on as a student in a fulltime program, taken for credit at such institution, which combines academic instruction with work experience, if such service is an integral part of such program, and such institution has so certified to the employer, except that this paragraph shall not apply to service performed in a program established for or on behalf of an employer or group of employers;

(h) Service performed in the employ of a foreign government (including service as a consular or other officer or employee or a nondiplomatic representative);

(i) Service performed in the employ of an instrumentality wholly owned by a foreign government, if

(1) The service is of a character similar to that performed in foreign countries by employees of the United States government or of an instrumentality thereof; and

(2) The commissioner finds that the United States secretary of state has certified to the United States secretary of the treasury that the foreign government, with respect to whose instrumentality exemption is claimed, grants an equivalent exemption with respect to similar service performed in the foreign country by employees of the United States government and of instrumentalities thereof.

(j) Service covered by an arrangement between the commissioner and the agency charged with the administration of any other state or federal employment security law pursuant to which all services performed by an individual for an employing unit during the period covered by such employing unit's duly approved election, are deemed to be performed entirely within such agency's state;

(k) Service performed in the employ of a hospital, if such service is performed by a patient of the hospital, as defined in clause (17);

(l) Service performed as a student nurse in the employ of a hospital or a nurses' training school by an individual who is enrolled and is regularly attending classes in a nurses' training school chartered and approved pursuant to state law; and service performed as an intern in the employ of a hospital by an individual who has completed a four years' course in a medical school chartered and approved pursuant to state law;

(m) Service performed by an individual for a person as an insurance agent or as an insurance solicitor, if all such service performed by such individual for such person is performed for remuneration solely by way of commission (the word "insur-

ance" as used in this subdivision shall include an annuity and an optional annuity);

(n) Service performed by an individual under the age of 18 in the delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution;

(o) Service performed by an individual for a person as a real estate salesman, if all such service performed by such individual for such person is performed for remuneration solely by way of commission;

(p) If the service performed during one-half or more of any pay period by an individual for the person employing him constitutes employment, all the service of such individual for such period shall be deemed to be employment; but if the service performed during more than one-half of any such pay period by an individual for the person employing him does not constitute employment, then none of the service of such individual for such period shall be deemed to be employment. As used in this subdivision, the term "pay period" means a period (of not more than 31 consecutive days) for which a payment or remuneration is ordinarily made to the individual by the person employing him.

(q) Services performed for a state, other than the state of Minnesota, or an instrumentality wholly owned by such other state or political subdivision of such other state;

(r) *Services performed as a direct seller as defined in United States Code, title 26, section 3508.*

(16) "Institution of higher education," for the purposes of this chapter, means an educational institution which:

(a) Admits as regular students only individuals having a certificate of graduation from a high school, or the recognized equivalent of such a certificate;

(b) Is legally authorized in this state to provide a program of education beyond high school;

(c) Provides an educational program for which it awards a bachelor's or higher degree, or provides a program which is acceptable for credit toward such a degree, a program of post-graduate or post-doctoral studies, or a program of training to prepare students for gainful employment in a recognized occupation; and

(d) Is a public or other nonprofit institution.

(e) Notwithstanding any of the foregoing provisions of this clause, all colleges and universities in this state are institutions of higher education for purposes of this section.

(17) "Hospital" means an institution which has been licensed, certified or approved by the department of health as a hospital.

Sec. 3. Minnesota Statutes 1982, section 268.04, subdivision 17, is amended to read:

Subd. 17. "Insured work" means employment for employers as defined in this section, except that for the purposes of interstate reciprocal benefit payment arrangements and the clearing of disqualifications under this law, the term "insured work" shall mean employment in insured work under this law or a similar law of any other state. *Periods for which an individual receives back pay are periods of insured work for benefit purposes, except for the clearing of disqualifications under this chapter.*

Sec. 4. Minnesota Statutes 1982, section 268.04, subdivision 25, is amended to read:

Subd. 25. [WAGES.] "Wages" means all remuneration for services, including commissions and bonuses, *back pay as of the date of payment*, and tips and gratuities paid to an employee by a customer of an employer and accounted for by the employee to the employer, and the cash value of all remuneration in any medium other than cash, except that such term shall not include:

(a) For the purpose of determining contributions payable under section 268.06, subdivision 2, that part of the remuneration which exceeds (\$8,000 DURING THE CALENDAR YEARS 1979, 1980 AND 1981 AND), for (ALL) *each (SUBSEQUENT) calendar (YEARS) year, the greater of \$7,000 or that part of the remuneration which exceeds 60 percent of the average annual wage rounded to the nearest \$100 computed in accordance with the provisions of clause (f), paid to an individual by an employer with respect to covered employment in this state, or with respect to employment under the unemployment compensation law of any other state during any calendar year paid to such individual by such covered employer or his predecessor during such calendar year; provided, that if the term "wages" as contained in the federal unemployment tax act is amended to include remuneration in excess of the amount required to be paid hereunder to an individual by an employer under the federal act for any calendar year, wages for the purposes of sections 268.03 to 268.24 shall include remuneration paid in a calendar year up to an amount equal to the dollar limitation specified in the federal unemployment tax act. For the purposes of this clause, the term "employment" shall include service constituting employment under any employment security law of another state or of the federal government;*

(b) The amount of any payment made to, or on behalf of, an employee under a plan or system established by an employer which makes provision for his employees generally or for a class or classes of his employees (including any amount paid by an employer for insurance or annuities, or into a fund, to provide for any such payment), on account of (1) retirement or (2) sickness or accident disability or (3) medical and hospitalization expenses in connection with sickness or accident disability, or (4) death, provided the employee has not the option to receive, instead of provision for such death benefit, any part of such payment, or if such death benefit is insured, any part of the premium (or contributions to premiums) paid by his employer and has not the right, under the provisions of the plan or system or policy of insurance providing for such death benefit, to assign such benefit, or to receive a cash consideration in lieu of such benefit either upon his withdrawal from the plan or system providing for such benefit or upon termination of such plan or system or policy of insurance or of his employment with such employer;

(c) The payment by an employer (without deduction from the remuneration of the employee) (1) of the tax imposed upon an employee under section 3101 of the federal internal revenue code, or (2) of any payment required from an employee under a state unemployment compensation law, with respect to remuneration paid to an employee for domestic service in a private home of the employer or for agricultural labor;

(d) Any payments made to a former employee during the period of active military service in the armed forces of the United States by such employer, whether legally required or not;

(e) Any payment made to, or on behalf of, an employee or his beneficiary (1) from or to a trust described in section 401(a) of the federal internal revenue code which is exempt from tax under section 501(a) of such code at the time of such payment unless such payment is made to an employee of the trust as remuneration for services rendered as an employee and not as a beneficiary of the trust, or (2) under or to an annuity plan which, at the time of such payment is a plan described in section 403(a) of the federal internal revenue code, or (c) under or to a bond purchase plan which, at the time of such payment, is a qualified bond purchase plan described in section 405(a) of the federal internal revenue code;

(f) On or before July 1 of each year the commissioner shall determine the average annual wage paid by employers subject to sections 268.03 to 268.24 in the following manner:

(1) The sum of the total monthly employment reported for the previous calendar year shall be divided by 12 to determine the average monthly employment;

(2) The sum of the total wages reported for the previous calendar year shall be divided by the average monthly employment to determine the average annual wage.

The average annual wage determined shall be effective for the calendar year next succeeding the determination.

Sec. 5. Minnesota Statutes 1982, section 268.04, subdivision 26, is amended to read:

Subd. 26. "Wage credits" means the amount of wages *actually or constructively* paid (AND), wages (DUE AND PAYABLE BUT NOT) *overdue and delayed beyond the usual time of payment and back pay* paid by or from an employer to an employee for insured work and tips and gratuities paid to an employee by a customer of an employer and accounted for by the employee to the employer except that wages earned in part-time employment by a student as an integral part of an occupational course of study, under a plan for vocational education accepted by the Minnesota department of education, shall not result in wage credits available for benefit purposes.

Sec. 6. Minnesota Statutes 1982, section 268.04, subdivision 29, is amended to read:

Subd. 29. "Credit week" is any week for which (THE) wages (WHICH HAVE BEEN) *or back pay, actually or constructively* paid (AND), wages (WHICH ARE DUE AND PAYABLE BUT NOT PAID) *overdue and delayed beyond the usual time of payment, and back pay* by or from one or more employers to an employee for insured work equal or exceed 30 percent of the average weekly wage computed to the nearest whole dollar. On or before June 30 of each year the commissioner shall determine the average weekly wage paid by employers subject to sections 268.03 to 268.24 in the following manner:

(a) The sum of the total monthly employment reported for the previous calendar year shall be divided by 12 to determine the average monthly employment;

(b) The sum of the total wages reported for the previous calendar year shall be divided by the average monthly employment to determine the average annual wage; and

(c) The average annual wage shall be divided by 52 to determine the average weekly wage.

The average weekly wage as so determined computed to the nearest whole dollar shall apply to claims for benefits which establish a benefit year which begins subsequent to December 31 of the year of the computation.

Sec. 7. Minnesota Statutes 1982, section 268.04, is amended by adding a subdivision to read:

Subd. 33. [BACK PAY.] "Back pay" means a retroactive payment of money by an employer to an employee or former employee for lost wages because of the employer's noncompliance with a state or federal law or a collective bargaining agreement as determined in an arbitration award, administrative or judicial decision, or negotiated settlement. The period to which the payment shall be applied shall commence immediately following the last day of work or as specified in the arbitration award, administrative or judicial decision, or negotiated settlement.

Sec. 8. Minnesota Statutes 1982, section 268.05, subdivision 5, is amended to read:

Subd. 5. [PAYMENT OF EXPENSES OF ADMINISTRATION.] (1) Money credited to the account of this state in the unemployment trust fund by the secretary of the treasury of the United States of America pursuant to section 903 of the Social Security Act, as amended, may be requisitioned and used for the payment of expenses incurred for the administration of Laws 1957, Chapter 883 pursuant to a specific appropriation by the legislature, provided that the expenses are incurred and the money is requisitioned after the enactment of an appropriation law which:

(a) Specifies the purposes for which such money is appropriated and the amounts appropriated therefor.

(b) Limits the period within which such money may be obligated to a period ending not more than two years after the date of the enactment of the appropriation law, and

(c) Limits the amount which may be obligated during any twelve-month period beginning on July 1 and ending on the next June 30 to an amount which does not exceed the amount by which (i) the aggregate of the amounts credited to the account of this state pursuant to section 903 of the Social Security Act, as amended, during the same twelve-month period and the (24) 34 preceding twelve-month periods, exceeds (ii) the aggregate of the amounts used pursuant to this subdivision and charged against the amounts credited to the account of this state during any of such (25) 35 twelve-month periods. For the purposes of this subdivision, amounts used during any such twelve-month period shall be charged against equivalent amounts which were first credited and which are not already so charged; except that no amount obligated for administration during any such twelve-month period may be charged against any amount credited during such a twelve-month period earlier than the 24th preceding such period.

(2) Money credited to the account of this state pursuant to section 903 of the Social Security Act, as amended, may not be withdrawn or used except for the payment of benefits and for the payment of expenses for the administration of Laws 1957, Chapter 883 and of public employment offices pursuant to this subdivision. *Any moneys used for the payment of benefits may be restored for appropriation and use for administrative expenses upon request of the governor, under section 903(c) of the Social Security Act.*

(3) Money requisitioned for the payment of expenses of administration pursuant to this subdivision shall be deposited in the employment services administration fund, but, until expended, shall remain a part of the unemployment fund. The commissioner shall maintain a separate record of the deposit, obligation, expenditure, and return of funds so deposited. If any money so deposited is, for any reason, not to be expended for the purpose for which it was appropriated, or, if it remains unexpended at the end of the period specified by the law appropriating such money, it shall be withdrawn and returned to the secretary of the treasury of the United States for credit to this state's account in the unemployment trust fund.

Sec. 9. Minnesota Statutes 1982, section 268.06, subdivision 1, is amended to read:

Subdivision 1. [PAYMENTS.] (1) Contributions shall accrue and become payable by each employer for each calendar year in which he is subject to sections 268.03 to 268.24 with respect to wages (as defined in section 268.04, subdivision 25) for employment (, EXCEPT THAT CONTRIBUTIONS SHALL NOT BE PAYABLE AFTER DECEMBER 31, 1974 UPON PUBLIC SERVICE WAGES. "PUBLIC SERVICE WAGES" ARE REMUNERATION FOR SERVICES PERFORMED IN A PUBLIC SERVICE JOB TO THE EXTENT THAT SUCH REMUNERATION IS PAID WITH FUNDS PROVIDED UNDER THE COMPREHENSIVE EMPLOYMENT AND TRAINING ACT OF 1973 AND TO THE EXTENT THAT THE UNEMPLOYMENT COMPENSATION FUND IS REIMBURSED FOR BENEFITS BASED UPON SAID PUBLIC SERVICE WAGES PURSUANT TO SECTION 221 OF UNITED STATES PUBLIC LAW 94-444). Such contributions shall become due and be paid by each employer to the department of economic security for the fund in accordance with such regulations as the commissioner may prescribe, and shall not be deducted, in whole or in part, from the wages of individuals in such employer's employ. No rule of the commissioner shall be put in force which will permit the payment of such contributions at a time or under conditions which will not allow the employer to take credit for such contribution against the tax imposed by section 3301 of the Internal Revenue Code.

(2) In the payment of any contribution, a fractional part of a cent shall be disregarded unless it amounts to one-half cent or more in which case it shall be increased to one cent.

(3) When the contribution rate applied to an employer's taxable payroll for any given calendar quarter results in a computed contribution of less than \$1, the contribution shall be disregarded.

Sec. 10. Minnesota Statutes 1982, section 268.06, subdivision 2, is amended to read:

Subd. 2. [RATES.] Each employer (WHO IS NOT ELIGIBLE FOR AN EXPERIENCE RATIO OR WHO HAS AN EXPERIENCE RATIO OF ONE-TENTH OF ONE PERCENT OR MORE AS COMPUTED IN SUBDIVISION 6) shall pay contributions equal to two and seven-tenths percent for each calendar year prior to 1985 and 5-4/10 percent for 1985 and each subsequent calendar year of wages paid and wages overdue and delayed beyond the usual time of payment from him with respect to employment occurring during each calendar year, except as may be otherwise prescribed in subdivisions 3a and 4. Each employer who has an experience ratio of less than one-tenth of one percent shall pay contributions on only the first \$8,000 in wages paid and wages overdue and delayed beyond the usual time of payment to each employee with respect to employment occurring during each calendar year.

Sec. 11. Minnesota Statutes 1982, section 268.06, subdivision 3a, is amended to read:

Subd. 3a. [RATE FOR NEW EMPLOYERS.] Notwithstanding the provisions of subdivision 2, each employer, who becomes subject to this law, shall pay contributions at a rate:

(a) Not exceeding two and seven-tenths percent, that is the higher of (1) one percent and (2) the state's three-year benefit cost rate for the 36 consecutive month period immediately preceding July 1 of each year for each employer who becomes subject to this law prior to January 1, 1984. For purposes of this clause, the state's three-year benefit cost rate shall be computed annually and shall be derived by dividing the total dollar amount of benefits paid to claimants under this law during the 36 consecutive calendar months immediately preceding July 1 of each year by the total dollar amount of wages subject to contributions under this law during the same period. The rate so determined shall be applicable for the calendar year next succeeding each computation date.

(b) Not exceeding 2-7/10 percent, that is the higher of (1) one percent and (2) the state's four-year benefit cost rate for the 48 consecutive month period immediately preceding July 1 of each year for each employer, except employers in the construc-

tion industry, as determined by the commissioner, (PRINCIPALLY EMPLOYING LABORERS AND CONSTRUCTION TRADESMEN,) who becomes subject to this law subsequent to December 31, 1983 and prior to January 1, 1985. For purposes of this clause, the state's four-year benefit cost rate shall be computed and derived by dividing the total dollar amount of benefits paid to claimants under this law during the 48 consecutive calendar months immediately preceding July 1, 1983 by the total dollar amount of wages subject to contributions under this law during the same period. The rate so determined shall be applicable for the calendar year 1984.

Each construction employer described above who becomes subject to chapter 268 shall pay contributions at a rate, not exceeding 7.5 percent, that is the higher of (1) one percent, or (2) the state's four-year benefit cost rate for construction employers for the 48 consecutive month period immediately preceding July 1, 1983. For purposes of this clause, the state's four-year benefit cost rate shall be computed and derived by dividing the total dollar amount of benefits paid to claimants of construction employers, as determined by the commissioner, during the 48 consecutive calendar months immediately preceding July 1, 1983 by the total dollar amount of wages of construction employers subject to contributions during the same period. The rate so determined shall be applicable for the calendar year 1984.

(c) Not exceeding $(2-7/10)$ $5-4/10$ percent, that is the higher of (1) one percent and (2) the state's five-year benefit cost rate for the 60 consecutive month period immediately preceding July 1, 1984 and each year thereafter for each employer, except employers in the construction industry, as determined by the commissioner (, PRINCIPALLY EMPLOYING LABORERS AND CONSTRUCTION TRADESMEN,) who becomes subject to this law on January 1, 1985 and thereafter. For purposes of this clause, the state's five-year benefit cost rate shall be computed annually and shall be derived by dividing the total dollar amount of benefits paid to claimants under this law during the 60 consecutive calendar months immediately preceding July 1, 1984 and each year thereafter by the total dollar amount of wages subject to contributions under this law during the same period. The rate so determined shall be applicable for the calendar year next succeeding each computation date.

Each construction employer described above who becomes subject to this chapter shall pay contributions at a rate, not exceeding 7.5 percent, that is the higher of (1) one percent, or (2) the state's five-year benefit cost rate for construction employers for the 60 consecutive month period immediately preceding July 1, 1984 and each year thereafter. For purposes of this clause, the state's five-year benefit cost rate shall be computed annually and shall be derived by dividing the total dollar amount of benefits paid to claimants of construction employers, as determined by the commissioner, during the 60 consecutive calendar months immediately preceding July 1, 1984 and each year thereafter by

the total dollar amount of wages of construction employers subject to contributions during the same period. The rate so determined shall be applicable for the calendar year next succeeding each computation date.

Sec. 12. Minnesota Statutes 1982, section 268.06, subdivision 5, is amended to read:

Subd. 5. [BENEFITS CHARGED AS AND WHEN PAID.] Benefits paid to an individual pursuant to a valid claim shall be charged against the account of his employer as and when paid, except that benefits paid to an individual who earned base period wages for part time employment shall not be charged to an employer that is liable for payments in lieu of contributions or to the experience rating account of an employer if the employer: (1) provided weekly base period part time employment; (2) continues to provide weekly employment equal to at least 90 percent of the part time employment provided in the base period; and (3) is an interested party because of the individual's loss of other employment. The amount of benefits so chargeable against each base period employer's account shall bear the same ratio to the total benefits paid to an individual as the base period wage credits of the individual earned from such employer bear to the total amount of base period wage credits of the individual earned from all his base period employers.

In making computations under this provision, the amount of wage credits if not a multiple of \$1, shall be computed to the nearest multiple of \$1.

(AN EMPLOYER'S ACCOUNT SHALL NOT BE CHARGED WITH RESPECT TO BENEFITS PAID TO ANY INDIVIDUAL WHOSE BASE PERIOD WAGE CREDITS INCLUDE WAGES FOR PREVIOUSLY UNCOVERED SERVICES AS DEFINED IN SECTION 268.07, SUBDIVISION 4 TO THE EXTENT THAT THE UNEMPLOYMENT COMPENSATION FUND IS REIMBURSED FOR SUCH BENEFITS PURSUANT TO SECTION 121 OF UNITED STATES PUBLIC LAW 94-566.)

Benefits shall not be charged to an employer that is liable for payments in lieu of contributions or to the experience rating account of an employer for unemployment that is directly caused by a major natural disaster declared by the president pursuant to section 102 (2) of the Disaster Relief Act of 1974 (42 U.S.C. 5122 (2)), if the unemployed individual would have been eligible for disaster unemployment assistance with respect to that unemployment but for the individual's receipt of unemployment insurance benefits.

Sec. 13. Minnesota Statutes 1982, section 268.06, subdivision 20, is amended to read:

Subd. 20. [PROTEST, REVIEW, REDETERMINATION, APPEAL.] A review of the charges made to an employer's account as set forth in the notice of charges referred to in subdivision 18 and a review of an employer's contribution rate as set forth in the notice of his rate for any calendar year as provided in subdivision 19, may be had by such employer if he files with the commissioner a written protest setting forth his reasons therefor within 30 days from the date of the mailing of the notice of charges or contribution rate to him, which date shall appear on such notice. Upon receipt of such protest the commissioner shall refer the matter to an official designated by him to review the charges appearing on such notice appealed from or the computations of the protesting employer's rate, as the case may be, to determine whether or not there has been any clerical error or error in computation in either case, and he shall either affirm or make a redetermination rectifying said charges or rate as the case may be, and a notice of such affirmation or redetermination shall immediately be mailed to said employer. If the employer is not satisfied with such affirmation or redetermination, he may appeal therefrom by filing a notice thereof with the department within ten days after the date of mailing appearing upon said redetermination. Upon the receipt of such appeal the commissioner shall refer the matter to a referee for a hearing and after opportunity for a fair hearing, the referee shall affirm, modify or set aside the original determination with its affirmation or the redetermination, as appears just and proper. The commissioner may at any time upon his own motion correct any clerical error of the department resulting in charges against an employer's account or any error in the computation of an employer's contribution rate. The referee may order the consolidation of two or more appeals whenever, in his judgment, such consolidation will not be prejudicial to any interested party. At any such hearing a written report of any employee of the department which has been authenticated shall be admissible in evidence. Appeals from the decision of the referee shall be (MADE IN THE SAME MANNER) as (APPEALS FROM THE DECISION OF AN APPEAL TRIBUNAL) *provided by section 268.10, subdivision 5.* (DECISIONS OF THE COMMISSIONER MADE UPON APPEAL FROM A DECISION OF THE REFEREE SHALL BE REVIEWED BY THE SUPREME COURT UPON CERTIORARI IN ACCORDANCE WITH THE PROCEDURE OUTLINED THEREFOR WITH RESPECT TO BENEFIT DECISIONS.)

Sec. 14. Minnesota Statutes 1982, section 268.06, subdivision 28, is amended to read:

Subd. 28. [PAYMENT TO FUND BY NONPROFIT CORPORATION AND ALLOCATION OF BENEFIT COSTS BY BASE PERIOD REIMBURSERS.] (1) Benefits paid to employees of nonprofit organizations shall be financed in accordance with the provisions of this subdivision. For the purpose of this subdivision, a nonprofit organization is an organization

(or group of organizations) described in section 501(c) (3) of the United States internal revenue code which is exempt from income tax under section 501(a) of such code. Any nonprofit organization which, pursuant to section 268.04, subdivision 10, clause (9) is, or becomes, subject to this law on or after January 1, 1972, shall pay contributions under the provisions of section 268.06, subdivision 1, unless it elects, in accordance with this paragraph, to pay to the commissioner for the unemployment fund an amount equal to the amount of regular benefits and the state share of the extended benefits charged, that is attributable to service in the employ of such nonprofit organization, to individuals for weeks of unemployment which begin during the effective period of such election.

(a) (ANY NONPROFIT ORGANIZATION WHICH IS, OR BECOMES, SUBJECT TO THIS LAW ON JANUARY 1, 1972, MAY ELECT TO BECOME LIABLE FOR PAYMENTS IN LIEU OF CONTRIBUTIONS FOR A PERIOD OF NOT LESS THAN TWO CALENDAR YEARS BEGINNING WITH JANUARY 1, 1972; PROVIDED IT FILES WITH THE COMMISSIONER A WRITTEN NOTICE OF ITS ELECTION WITHIN THE 30 DAY PERIOD IMMEDIATELY FOLLOWING SUCH DATE.)

((B)) Any nonprofit organization which becomes subject to this law after January 1, 1972, may elect to become liable for payments in lieu of contributions for a period of not less than two calendar years beginning with the date on which such subjectivity begins by filing a written notice of its election with the commissioner not later than 30 days immediately following the date of the determination of such subjectivity.

((C)) (b) any nonprofit organization which makes an election in accordance with clause (a) or clause (b) will continue to be liable for payments in lieu of contributions until it files with the commissioner a written notice terminating its election not later than 30 days prior to the beginning of the calendar year for which such termination shall first be effective.

((D)) (c) Any nonprofit organization which has been paying contributions under this law for a period subsequent to January 1, 1972, may change to a reimbursable basis by filing with the commissioner not later than 30 days prior to the beginning of any calendar year a written notice of election to become liable for payments in lieu of contributions. Such election shall not be terminable by the organization for that and the next year.

((E)) (d) The commissioner may for good cause extend the period within which a notice of election, or a notice of termination, must be filed and may permit an election to be retroactive but not any earlier than with respect to benefits paid after December 31, 1971.

(F) (e) The commissioner, in accordance with such regulations as he may prescribe, shall notify each nonprofit organization of any determination which he may make of its status as an employer and of the effective date of any election which it makes and of any termination of such election. Such determinations shall be final unless reviewed in accordance with the provisions of section 268.12, subdivision 13.

(2) Payments in lieu of contributions shall be made at the end of each calendar quarter, or at the end of any other period as determined by the commissioner and become due on the last day of the month next following the month in which the notice of benefits charged is mailed to the employer. The commissioner shall bill each nonprofit organization (or group of such organizations) which has elected to make payments in lieu of contributions for an amount equal to the full amount of regular benefits plus one-half of the amount of extended benefits charged during such quarter or other prescribed period that is attributable to service in the employ of such organization.

(3) Past due payments of amounts in lieu of contributions shall be subject to the same interest charges and collection procedures that apply to past due contributions under sections 268.16 and 268.161.

(4) If any nonprofit organization is delinquent in making payments in lieu of contributions as required under this subdivision, the commissioner may terminate such organization's election to make payments in lieu of contributions as of the beginning of the next taxable year, and such termination shall be effective for that and the following taxable year.

Sec. 15. Minnesota Statutes 1982, section 268.06, subdivision 29, is amended to read:

Subd. 29. [GROUP ACCOUNTS.] Two or more employers that have become liable for payments in lieu of contributions may file a joint application to the commissioner for the establishment of a group account for the purpose of sharing the cost of benefits paid that are attributable to service in the employ of such employers. Each such application shall identify and authorize a group representative to act as the group's agent for the purposes of this subdivision. Upon his approval of the application, the commissioner shall establish a group account for such employers effective as of the beginning of the calendar year in which the application is received by the commissioner and shall notify the group's representative of the effective date of the account. Such account shall remain in effect for not less than two years and thereafter until terminated at the discretion of the commissioner or upon application by the group at least 30 days prior to the end of such two year period or 30 days prior to January 1 of any calendar year subsequent to such two cal-

endar years. (UPON ESTABLISHMENT OF THE ACCOUNT,) Each member of the group shall be *jointly and severally* liable for payments in lieu of contributions (IN THE AMOUNT THAT BEARS THE SAME RATIO TO THE TOTAL BENEFITS PAID THAT ARE ATTRIBUTABLE TO SERVICE PERFORMED IN THE EMPLOY OF ALL MEMBERS OF THE GROUP AS THE TOTAL WAGE CREDITS FOR SERVICE IN EMPLOYMENT BY SUCH MEMBER BEAR TO THE TOTAL DURING THE BASE PERIOD FOR SERVICE PERFORMED IN THE EMPLOY OF ALL MEMBERS OF THE GROUP) *for all benefits paid based upon wage credits earned with a group member during the period the group account was in effect.* The commissioner shall prescribe such regulations as he deems necessary with respect to applications for establishment, maintenance and termination of group accounts that are authorized by this subdivision, for addition of new members to, and withdrawal of active members from, such account, and for the determination of the amounts that are payable under this subdivision by members of the group and the time and manner of such payments.

Sec. 16. [268.061] [SURCHARGE; EMERGENCY INTEREST REPAYMENT FUND.]

Subdivision 1. [AMOUNT.] Each employer, except those making payments in lieu of contributions pursuant to section 268.06, subdivisions 25, 26, 27, and 28, shall pay an annual surcharge of 10 percent of contributions paid or due and payable for the calendar year of 1982 and for each calendar year thereafter. The commissioner shall notify employers of the contributions upon which the surcharge is based and the amount of surcharge payable no later than August 1, 1983, and August 1 for each taxable year thereafter. The surcharge for taxable year 1982 shall be paid no later than August 31, 1983, and by the 31st day of August each taxable year thereafter. Payments due under this subdivision are subject to the collection provisions of sections 268.16 and 268.161. The surcharges paid under this subdivision are not contributions for the purposes of section 268.06, subdivision 6. The commissioner may temporarily reduce the amount of surcharge imposed by this section when there are sufficient funds raised by the surcharge to make the interest payment required on federal funds advanced to the state under section 1202 of the Social Security Act.

Subd. 2. [EMERGENCY INTEREST REPAYMENT FUND, CREATION.] A special fund to be known as the emergency interest repayment fund is created in the state treasury. The special fund is separate and distinct from any fund or account created for any other purposes of sections 268.03 to 268.24. All collections from the surcharge shall be deposited in the special fund. The special fund shall be used only to pay interest accruing on funds advanced from the federal government pursuant to section 1202 of the Social Security Act. All moneys in this fund

shall be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as are provided by law for the other special funds in the state treasury, except that all interest resulting from the investment or deposit of these funds shall accrue to the emergency fund for the purposes of the fund.

Subd. 3. [REPORT TO LEGISLATURE.] On January 1, 1984, and on each January 1 thereafter the commissioner shall report to the legislature on the status of the outstanding funds advanced pursuant to section 1202 of the Social Security Act, including the interest charged on those funds. When all advanced funds and the interest charged on those funds have been repaid to the federal government, the commissioner shall recommend appropriate action by the legislature relating to the termination of the emergency interest repayment fund and the disposition of any money still in the fund.

Sec. 17. Minnesota Statutes 1982, section 268.07, subdivision 2, is amended to read:

Subd. 2. [WEEKLY BENEFIT AMOUNT AND DURATION.] If the commissioner finds that an individual has earned 15. or more, credit weeks within the base period of employment in insured work with one or more employers, benefits shall be payable to such individual during his benefit year as follows:

(1) Weekly benefit amount shall be equal to 60 percent of the first \$85, 40 percent of the next \$85 and 50 percent of the remainder of the average weekly wage of such individual (.). *The amount so computed (TO THE NEAREST) if not a whole dollar shall be rounded down to the next lower dollar amount.* The maximum weekly benefit amount of claims for benefits which establish a benefit year subsequent to July 1, 1979 shall be $66 \frac{2}{3}$ percent of the average weekly wage, except as provided in clause (d).

On or before June 30 of each year the commissioner shall determine the average weekly wage paid by employers subject to sections 268.03 to 268.24 in the following manner:

(a) The sum of the total monthly employment reported for the previous calendar year shall be divided by 12 to determine the average monthly employment.

(b) The sum of the total wages reported for the previous calendar year shall be divided by the average monthly employment to determine the average annual wage.

(c) The average annual wage shall be divided by 52 to determine the average weekly wage.

The maximum weekly benefit amount as so determined computed to the nearest whole dollar shall apply to claims for benefits which establish a benefit year which begins subsequent to June 30 of each year.

(d) The maximum weekly benefit amount for claims for benefits which establish a benefit year subsequent to June 30, 1982, and prior to July 1, 1983, shall be \$184.

The maximum weekly benefit amount for claims for benefits which establish a benefit year subsequent to June 30, 1983, and prior to July 1, 1984, shall be \$191.

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.

(2) An individual's maximum amount of regular benefits payable in a benefit year shall not exceed the lesser of (a) 26 times his weekly benefit amount or (b) 70 percent of the number of credit weeks earned by such an individual computed to the nearest whole week times his weekly benefit amount.

(3) Each eligible individual who is unemployed in any week shall be paid with respect to such week a benefit in an amount equal to his weekly benefit amount less that part of his earnings, including holiday pay, payable to him with respect to such week which is in excess of \$25 or \$200 for earnings from service in the national guard or a United States military reserve unit. *Jury duty pay is not considered as earnings and shall not be deducted from benefits paid.* Such benefit, if not a (MULTIPLE OF \$1,) whole dollar amount shall be (COMPUTED) rounded down to the next (HIGHER MULTIPLE OF \$1) lower dollar amount.

(4) The provisions of this subdivision shall apply to claims for benefits which establish a benefit year subsequent to June 30, (1982) 1983.

Sec. 18. Minnesota Statutes 1982, section 268.07, subdivision 3, is amended to read:

Subd. 3. [WHEN WAGE CREDITS ARE NOT AVAILABLE.] (1) No individual may receive benefits in a benefit year unless, subsequent to the beginning of the next preceding benefit year during which (HE RECEIVED) benefits were received, (HE) the individual performed service in insured work as defined in section 268.04, subdivision 17, and earned remuneration for (SUCH) the service in an amount equal to not less than the minimum wage credits required to qualify for benefits.

(2) No employer who provided 90 percent or more of the wage credits in a claimant's base period shall be charged for

benefits based upon earnings of (SUCH) *the* claimant during a subsequent base period unless (HE) *the employer* has employed (SUCH) *the* claimant in any part of (SUCH) *the* subsequent base period.

(3) Wages paid by an employing unit may not be used for benefit purposes by any individual who (a) individually or jointly with a spouse, parent or child owns or controls directly or indirectly 25 percent or more interest in the employing unit; or (b) is the spouse, parent or minor child of any individual who owns or controls directly or indirectly 25 percent or more interest in the employing unit; and (c) is not permanently separated from employment.

This clause (SHALL BE) *is* effective when the individual has been paid four times the individual's weekly benefit amount in the current benefit year.

((4) WAGES PAID BY AN EMPLOYING UNIT MAY NOT BE USED FOR BENEFIT PURPOSES DURING A BENEFIT YEAR COMMENCING AFTER OCTOBER 1, 1982, IF THE TOTAL AMOUNT OF WAGE CREDITS IN THE BASE PERIOD EQUAL OR EXCEED THREE TIMES THE AVERAGE ANNUAL WAGE, AS DETERMINED IN SUBDIVISION 2, IN THE SECOND YEAR PRECEDING THE CALENDAR YEAR IN WHICH THE INDIVIDUAL'S VALID CLAIM WAS ESTABLISHED.)

((5)) (4) Wages paid in seasonal employment, as defined in subdivision 2a, are not available for benefit purposes during weeks in which there is no seasonal employment available with the employer.

Sec. 19. Minnesota Statutes 1982, section 268.071, subdivision 3, is amended to read:

Subd. 3. [ELIGIBILITY REQUIREMENTS FOR EXTENDED BENEFITS.] An individual shall be eligible to receive extended benefits with respect to any week of unemployment in his eligibility period only if the commissioner finds that with respect to such week:

(1) He is an "exhaustee" as defined in subdivision 1, clause (9);

(2) He has satisfied the requirements of this law for the receipt of regular benefits that are applicable to individuals claiming extended benefits, including not being subject to a disqualification for the receipt of benefits, *except that an individual disqualified for benefits pursuant to section 268.09, subdivision 1, clause (6) is not eligible for extended benefits unless the individual has, subsequent to the disciplinary suspension, earned*

at least four times his or her weekly extended benefit amount; and

(3) He has, during his base period earned wage credits available for benefit purposes of not less than 40 times his weekly benefit amount as determined pursuant to section 268.07, subdivision 2.

Sec. 20. Minnesota Statutes 1982, section 268.08, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY CONDITIONS.] An individual shall be eligible to receive benefits with respect to any week of unemployment only if the commissioner finds that *the individual*:

(1) (HE) has registered for work at and thereafter has continued to report to an employment office, or agent of (SUCH) *the office*, in accordance with (SUCH REGULATIONS AS) *rules* the commissioner may (PRESCRIBE) *adopt*; except that the commissioner may by (REGULATION) *rule* waive or alter either or both of the requirements of this clause as to types of cases or situations with respect to which (HE) *the commissioner* finds that compliance with (SUCH) *the* requirements would be oppressive or would be inconsistent with the purposes of sections 268.03 to 268.24;

(2) (HE) has made a claim for benefits in accordance with (SUCH REGULATIONS) *rules* as the commissioner may (PRESCRIBE) *adopt*; and

(3) (HE) was able to work and was available for work, and was actively seeking work (, PROVIDED THAT). *The individual's* weekly benefit amount shall be reduced one-fifth for each day (SUCH) *the individual* is unable to work or *is* unavailable for work (; PROVIDED FURTHER THAT). Benefits shall not be denied by application of this clause to an individual who is in training with the approval of the commissioner or in training approved pursuant to section 236 of the Trade Act of 1974, as amended;

An individual (SHALL BE) *is* deemed unavailable for work with respect to any week which occurs in a period when (HE) *the individual* is a full-time student in attendance at, or on vacation from an established school, college or university unless a majority of the credit weeks earned in (HIS) *the* base period were for services performed during weeks in which (HE) *the student* was attending school as a full-time student.

An individual serving as a juror shall be considered as available for work and actively seeking work on each day the individual is on jury duty.

(4) (HE) has been unemployed for a waiting period of one week during which (HE) *the individual* is otherwise eligible for benefits under sections 268.03 to 268.24 (, PROVIDED,). However, payment for the waiting week shall be made to (SUCH) *the individual* after (HE) *the individual* has qualified for and been paid benefits for four weeks of unemployment in a benefit year which period of unemployment is terminated because of (SUCH) *the individual's* return to employment. No individual (SHALL BE) is required to serve a waiting period of more than one week within the one year period subsequent to filing a valid claim and commencing with the week within which (SUCH) *the valid claim* was filed.

Sec. 21. Minnesota Statutes 1982, section 268.08, subdivision 3, is amended to read:

Subd. 3. [NOT ELIGIBLE.] An individual shall not be eligible to receive benefits for any week with respect to which he is receiving, has received, or has filed a claim for remuneration in an amount equal to or in excess of his weekly benefit amount in the form of

(1) termination, severance, or dismissal payment or wages in lieu of notice whether legally required or not; provided that if a termination, severance, or dismissal payment is made in a lump sum, the employer may allocate such lump sum payment over a period equal to the lump sum divided by the employee's regular pay while employed by such employer; provided any such payment shall be applied for a period immediately following the last day of work but not to exceed 28 calendar days; or

(2) vacation allowance paid directly by the employer for a period of requested vacation, including vacation periods assigned by the employer under the provisions of a collective bargaining agreement, or uniform vacation shutdown; or

(3) compensation for loss of wages under the workers' compensation law of this state or any other state or under a similar law of the United States, or under other insurance or fund established and paid for by the employer; or

(4) 50 percent of the pension payments from any fund, annuity or insurance maintained or contributed to by a base period employer including the armed forces of the United States if the employee contributed to the fund, annuity or insurance and all of the pension payments if the employee did not contribute to the fund, annuity or insurance; or

(5) 50 percent of a primary insurance benefit under Title II of the social security act as amended, or similar old age benefits under any act of congress or this state or any other state.

Provided, that if such remuneration is less than the benefits which would otherwise be due under sections 268.03 to 268.24, he shall be entitled to receive for such week, if otherwise eligible, benefits reduced by the amount of such remuneration; provided, further, that if the appropriate agency of such other state or the federal government finally determines that he is not entitled to such benefits, this provision shall not apply. *If the computation of reduced benefits, required by this subdivision, is not a whole dollar amount, it shall be rounded down to the next lower dollar amount.*

Sec. 22. Minnesota Statutes 1982, section 268.08, is amended by adding a subdivision to read:

Subd. 3a. [RECEIPT OF BACK PAY.] Back pay received by an individual with respect to any weeks of unemployment occurring in the 104 weeks immediately preceding the payment of the back pay shall be deducted from benefits paid for those weeks.

The amount deducted shall not reduce the benefits for which the individual is otherwise eligible for that week below zero. If the amount of benefits after the deduction of back pay is not a whole dollar amount, it shall be rounded to the next lower dollar.

If a deduction from back pay is paid to the fund for benefits deductible under this subdivision, the payment: (a) shall be applied to benefit overpayments resulting from the payment of the back pay; (b) credited to the individual's maximum amount of benefits payable in a benefit year which includes the weeks of unemployment for which back pay was deducted; and (c) benefit charges for those weeks shall be removed from the employer's account as of the calendar quarter in which the fund receives payment.

Payments to the fund under this subdivision are made by the employer on behalf of the individual and are not voluntary contributions under section 268.06, subdivision 24.

Sec. 23. Minnesota Statutes 1982, section 268.08, subdivision 6, is amended to read:

Subd. 6. [SERVICES PERFORMED FOR STATE, MUNICIPALITIES OR CHARITABLE CORPORATION.] (EFFECTIVE JANUARY 1, 1978) Benefits based on service in employment defined in section 268.04, subdivision 12, clauses (7), (8) and (9), (SHALL BE) are payable in the same amount, on the same terms and subject to the same conditions as benefits payable on the basis of other service subject to this chapter; except that

(a) (WITH RESPECT TO WEEKS OF UNEMPLOYMENT AFTER DECEMBER 31, 1977,) Benefits based upon service

performed in an instructional, research, or principal administrative capacity for an institution of higher education or a public school, or a nonpublic school or the Minnesota school for the deaf or Minnesota braille and sight saving school, or in a public or nonpublic school for an educational cooperative service unit established under section 123.58, or any other educational service agency as defined in section 3304 (a) (6) (A) (IV) of the federal unemployment tax act, shall not be paid for any week of unemployment commencing during the period between two successive academic years or terms, or during a similar period between two regular but not successive terms, or during a period of paid sabbatical leave provided for in the individual's contract, to any individual if the individual performs the services in the first of the academic years or terms and if there is a contract or a reasonable assurance that the individual will perform services in any such capacity for any institution of higher education, public school, nonpublic school, state deaf and sight saving schools, an educational cooperative service unit, or other educational service agency, (OR DEVELOPMENTAL ACHIEVEMENT CENTER) in the second of the academic years or terms, and.

(b) With respect to service performed (AFTER DECEMBER 31, 1977) in any capacity (,) other than those capacities described in clause (a) of this subdivision, for *an institution of higher education, or a public school or nonpublic school, or the Minnesota school for the deaf or Minnesota braille and sight saving school, or in a public or nonpublic school or for an educational cooperative service unit established under section 123.58, or any other educational service agency as defined in section 3304 (a) (6) (A) (IV) of the federal unemployment tax act,* benefits shall not be paid on the basis of these services to any individual for any week which commences during a period between two successive academic years or terms if the individual performs the services in the first of the academic years or terms and there is a reasonable assurance that the individual will perform the services in the second of the academic years or terms (,). *If benefits are denied to any individual under this clause and the individual was not offered an opportunity to perform the services in the second of the academic years or term, the individual shall be entitled to a retroactive payment of benefits for each week in which the individual filed a timely claim for benefits, but the claim was denied solely because of this clause; and*

(c) With respect to (ANY) services described in (CLAUSE) clauses (a) or (b), benefits payable on the basis of the services shall not be paid to any individual for any week which commences during an established and customary vacation period or holiday recess if the individual performs the services in the period immediately before the vacation period or holiday recess, and there is a reasonable assurance that the individual will per-

form the services in the period immediately following the vacation period or holiday recess.

Sec. 24. Minnesota Statutes 1982, section 268.08, is amended by adding a subdivision to read:

Subd. 9. [SERVICES FOR CERTAIN CONTRACTORS.] Benefits based upon services performed for an employer are subject to subdivision 6, clauses (b) and (c) if:

(a) the employment was provided pursuant to a contract between the employer and a public or private school;

(b) the contract was for services which the public or private school could have had performed by its employees;

(c) the employment was not as defined in section 268.04, subdivision 12, clauses (7), (8), and (9); and

(d) the individual is notified in writing of the provisions of this subdivision while employed in 1983 or prior to or at the time of commencing the employment.

Sec. 25. Minnesota Statutes 1982, section 268.09, subdivision 1, is amended to read:

Subdivision 1. [DISQUALIFYING CONDITIONS.] An individual separated from employment under clauses (1), (2) (AND), or (3) shall be disqualified for waiting week credit and benefits. *For separations under clauses (1) and (2), the disqualification shall continue until 4 calendar weeks have elapsed following his separation and (HE) the individual has earned four times his weekly benefit amount in insured work.*

(1) [VOLUNTARY LEAVE.] The individual voluntarily and without good cause attributable to the employer discontinued his employment with such employer. For the purpose of this clause, a separation from employment by reason of its temporary nature or for inability to pass a test or for inability to meet performance standards necessary for continuation of employment or based solely on a provision in a collective bargaining agreement by which an individual has vested discretionary authority in another to act in behalf of the individual shall not be deemed voluntary.

A separation shall be for good cause attributable to the employer if it occurs as a consequence of sexual harassment. Sexual harassment means unwelcome sexual advances, requests for sexual favors, sexually motivated physical contact or other conduct or communication of a sexual nature when: (1) the employee's submission to such conduct or communication is made a term or condition of the employment, (2) the employee's sub-

mission to or rejection of such conduct or communication is the basis for decisions affecting employment, or (3) such conduct or communication has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment and the employer knows or should know of the existence of the harassment and fails to take timely and appropriate action.

(2) [DISCHARGE FOR MISCONDUCT.] The individual was discharged for misconduct, not amounting to gross misconduct connected with his work or for misconduct which interferes with and adversely affects his employment.

An individual shall not be disqualified under clauses (1) and (2) of this subdivision under any of the following conditions:

(a) The individual voluntarily discontinued his employment to accept work offering substantially better conditions of work or substantially higher wages or both;

(b) The individual is separated from employment due to his own serious illness provided that such individual has made reasonable efforts to retain his employment;

An individual who is separated from his employment due to his illness of chemical dependency which has been professionally diagnosed or for which he has voluntarily submitted to treatment and who fails to make consistent efforts to maintain the treatment he knows or has been professionally advised is necessary to control that illness has not made reasonable efforts to retain his employment.

(c) The individual accepts work from a base period employer which involves a change in his location of work so that said work would not have been deemed to be suitable work under the provisions of subdivision 2 and within a period of 13 weeks from the commencement of said work voluntarily discontinues his employment due to reasons which would have caused the work to be unsuitable under the provision of said subdivision 2;

(d) The individual left employment because he had reached mandatory retirement age and was 65 years of age or older;

(e) The individual is terminated by his employer because he gave notice of intention to terminate employment within 30 days. This exception shall be effective only through the calendar week which includes the date of intended termination, provided that this exception shall not result in the payment of benefits for any week for which he receives his normal wage or salary which is equal to or greater than his weekly benefit amount;

(f) The individual is separated from employment due to the completion of an apprenticeship program, or segment thereof, approved pursuant to chapter 178;

(g) The individual voluntarily leaves part-time employment with a base period employer while continuing full-time employment if the individual attempted to return to part-time employment after being separated from the full-time employment, and if substantially the same part-time employment with the base period employer was not available for the individual.

(3) [DISCHARGE FOR GROSS MISCONDUCT.] The individual was discharged for gross misconduct connected with his work or gross misconduct which interferes with and adversely affects his employment (AND PROVIDED FURTHER THAT). *For a separation under this clause, the commissioner (IS EMPOWERED TO) shall impose a total disqualification for the benefit year and (TO) cancel (PART OR) all of the wage credits from the last employer from whom he was discharged for gross misconduct connected with his work.*

For the purpose of this clause "gross misconduct" (SHALL BE) *is defined as misconduct involving assault and battery or the malicious destruction of property (OR THE THEFT OF MONEY OR PROPERTY OF A VALUE OF \$100 OR MORE) or arson or sabotage or embezzlement or any other act, including theft, the commission of which amounts to a felony or gross misdemeanor. For an employee of a health care facility, gross misconduct also includes misconduct involving an act of patient or resident abuse as defined in section 626.557, subdivision 2, clause (d).*

If an individual is convicted of a felony or gross misdemeanor for the same act or acts of misconduct for which the individual was discharged, the misconduct is conclusively presumed to be gross misconduct if it was connected with his work.

(4) [LIMITED OR NO CHARGE OF BENEFITS.] Benefits paid subsequent to an individual's separation under any of the foregoing clauses, excepting clauses (2) (c) and (2) (e), shall not be used as a factor in determining the future contribution rate of the employer from whose employment such individual separated.

Benefits paid subsequent to an individual's failure, without good cause, to accept an offer of suitable re-employment shall not be used as a factor in determining the future contribution rate of the employer whose offer of re-employment he failed to accept or whose offer of re-employment was refused solely due to the distance of the available work from his residence, the individual's own serious illness or his other employment at the time of the offer.

(5) An individual who was employed by an employer shall not be disqualified for benefits under this subdivision for any acts or omissions occurring after his separation from employment with the employer.

(6) [DISCIPLINARY SUSPENSIONS.] An individual shall be disqualified for waiting week credit and benefits for the duration of any disciplinary suspension of 30 days or less resulting from his own misconduct. Disciplinary suspensions of more than 30 days shall constitute a discharge from employment.

Sec. 26. Minnesota Statutes 1982, section 268.09, subdivision 2, is amended to read:

Subd. 2. [FAILURE TO APPLY FOR OR ACCEPT SUITABLE WORK OR RE-EMPLOYMENT.] An individual shall be disqualified for waiting week credit and benefits during the week of occurrence and until four calendar weeks have elapsed following his refusal or failure and he has earned four times his weekly benefit amount in insured work if the commissioner finds that he has failed, without good cause, either to apply for available, suitable work of which he was advised by the employment office, or the commissioner or to accept suitable work when offered him, or to return to his customary self-employment (if any) when so directed by the commissioner, or to accept (SUITABLE) *a base period employer's offer of re-employment (OFFERED BY A BASE PERIOD EMPLOYER) offering substantially the same or better hourly wages and conditions of work as were previously provided by that employer in his base period.*

(a) In determining whether or not any work is suitable for an individual, the commissioner shall consider the degree of risk involved to his health, safety, and morals, his physical fitness and prior training, his experience, his length of unemployment and prospects of securing local work in his customary occupation, and the distance of the available work from his residence.

(b) Notwithstanding any other provisions of sections 268.03 to 268.24, no work shall be deemed suitable, and benefits shall not be denied thereunder to any otherwise eligible individual for refusing to accept new work under any of the following conditions:

(1) if the position offered is vacant due directly to a strike, lockout, or other labor dispute;

(2) if the wages, hours, or other conditions of the work offered are substantially less favorable to the individual than those prevailing for similar work in the locality;

(3) if as a condition of being employed the individual would be required to join a union or to resign from or refrain from joining any bona fide labor organization;

(4) if the individual is in training with the approval of the commissioner.

Sec. 27. Minnesota Statutes 1982, section 268.10, subdivision 2, is amended to read:

Subd. 2. [EXAMINATION OF CLAIMS; DETERMINATION; APPEAL.] (1) An official, designated by the commissioner, shall promptly examine each claim for benefits filed to establish a benefit year pursuant to this section, and, on the basis of the facts found, shall determine whether or not such claims are valid, and if valid, the weekly benefit amount payable, the maximum benefit amount payable during the benefit year, and the date the benefit year terminates, and this determination shall be known as the determination of validity. Notice of the determination of validity or any redetermination as provided for in clause (4) shall be promptly given the claimant and all other interested parties. If within the time limits for filing a protest an (INTERESTED PARTY) employer notifies the department that an individual's weekly benefit amount as determined under section 268.07 exceeds the individual's weekly wages (WHILE EMPLOYED BY THE INTERESTED PARTY, THE) earned with the employer, the individual's weekly benefit amount shall be the lesser of (THE AMOUNT DERIVED BY DIVIDING THE TOTAL BASE PERIOD WAGES EARNED IN ALL CREDIT WEEKS BY THE NUMBER OF BASE PERIOD CREDIT WEEKS COMPUTED TO THE NEAREST WHOLE DOLLAR OR THE AMOUNT AS COMPUTED UNDER SECTION 268.07) (1) the weekly benefit amount as determined under section 268.07; or (2) the weekly benefit amount which is 50 percent of the quotient derived by dividing the total wage credits earned in the individual's base period credit weeks from all employers in insured work by the number of base period credit weeks. If within the time specified for the filing of wage and separation information as provided in subdivision 1, clause (2), the employer makes an allegation of disqualification or raises an issue of the chargeability to his account of benefits that may be paid on such claim, if the claim is valid, the issue thereby raised shall be promptly determined by said official and a notification of the determination delivered or mailed to the claimant and the employer. If an initial determination or an appeal tribunal decision or the commissioner's decision awards benefits, the benefits shall be paid promptly regardless of the pendency of any appeal period or any appeal or other proceeding which may thereafter be taken. Except as provided in clause (6), if an appeal tribunal decision modifies or reverses an initial determination awarding benefits, or if a commissioner's decision modifies or reverses an appeal decision awarding benefits, any benefits paid under the award of such initial determination or appeal tribunal decision shall be deemed erroneous payments.

(2) At any time within (15) 24 months from the date of the filing of a *valid* claim for benefits by an individual, an official of the department or any interested party or parties raises an issue of claimant's eligibility for benefits for any week or weeks in accordance with the requirements of the provisions of sections 268.03 to 268.24 or any official of the department or any interested party or parties or benefit year employer raises an issue of disqualification in accordance with the regulations of the commissioner, a determination shall be made thereon and a written notice thereof shall be given to the claimant and such other interested party or parties or benefit year employer. *A determination issued under this clause which denies benefits for weeks for which the claimant has previously been paid benefits is an overpayment of those benefits subject to section 268.18.*

(3) A determination issued pursuant to clauses (1) and (2) shall be final unless an appeal therefrom is filed by a claimant or employer within 15 days after the mailing of the notice of the determination to his last known address or personal delivery of the notice. Every notice of determination shall contain a prominent statement indicating in clear language the method of appealing the determination, the time within which such an appeal must be made, and the consequences of not appealing the determination. A timely appeal from a determination of validity in which the issue is whether an employing unit is an employer within the meaning of this chapter or whether services performed for an employer constitute employment within the meaning of this chapter shall be subject to the provisions of section 268.12, subdivision 13.

(4) At any time within (15) 24 months from the date of the filing of a *valid* claim for benefits by an individual, the commissioner on his own motion may reconsider a determination of validity made thereon and make a redetermination thereof if he finds that an error in computation or identity or the crediting of wage credits has occurred in connection therewith or if the determination was made as a result of a nondisclosure or misrepresentation of a material fact. *A determination or redetermination issued under this clause which denies benefits for weeks for which the claimant has previously been paid benefits is an overpayment of those benefits subject to section 268.18.*

(5) However, the commissioner may in his discretion refer any disputed claims directly to (THE APPEAL TRIBUNAL) a referee for hearing and determination in accordance with the procedure outlined in subdivision 3 and the effect and status of such determination in such a case shall be the same as though the matter had been determined upon an appeal to the tribunal from an initial determination.

(6) If (AN APPEAL TRIBUNAL) a referee's decision affirms an initial determination awarding benefits or the commissioner affirms an appeal tribunal decision awarding benefits,

the decision, if finally reversed, shall not result in a disqualification and benefits paid shall neither be deemed overpaid nor shall they be considered in determining any individual employer's future contribution rate under section 268.06.

Sec. 28. Minnesota Statutes 1982, section 268.10, subdivision 3, is amended to read:

Subd. 3. [APPEAL; HEARING.] Unless (SUCH) *an* appeal is withdrawn, the date for hearing before (AN APPEAL TRIBUNAL) *a referee* shall be set and notice of (SUCH) *the* hearing shall be mailed to the last known address of all interested parties at least ten days prior to the date set for (SUCH) *the* hearing. (SUCH) *The hearing may be conducted by means of a conference telephone call except that the appellant may request that the hearing be conducted in person. The* hearing shall be a trial de novo, and, upon the evidence presented, the (APPEAL TRIBUNAL) *referee* shall affirm, modify, or set aside the initial determination. (THE COMMISSIONER MAY, BY REGULATION, PROVIDE FOR THE TAKING OF EVIDENCE OR FOR THE ADMISSION OF SWORN STATEMENTS IN CASE ANY INTERESTED PARTY IS UNABLE TO BE PRESENT AT THE HEARING) *Where the same or substantially similar evidence is relevant and material to the issues in appeals by more than one individual or in appeals by one individual with respect to two or more weeks of unemployment, the appeals may be consolidated into one hearing. The referee shall exclude from any consolidated hearing the appeal of any individual who may be prejudiced because of the consolidation. A referee shall not hear any appeal in which the referee has a direct interest. The parties shall be (DULY) notified of (SUCH TRIBUNAL'S) the referee's decision (, TOGETHER WITH ITS) and the reason (THEREFOR,) for it. (WHICH SHALL BE) The referee's decision is deemed to be the final decision unless a further appeal is initiated pursuant to subdivision 5.*

Sec. 29. Minnesota Statutes 1982, section 268.10, subdivision 4, is amended to read:

Subd. 4. [(APPEAL TRIBUNALS ESTABLISHED) *REF-ERREES.*] In order to assure the prompt disposition of all claims for benefits, the commissioner shall (ESTABLISH) *appoint* one or more impartial (APPEAL TRIBUNALS CONSISTING OF A SALARIED EXAMINER WHO SHALL SERVE AS CHAIRMAN, AND TWO ADDITIONAL MEMBERS, ONE OF WHOM SHALL BE A REPRESENTATIVE OF EMPLOYERS AND THE OTHER OF WHOM SHALL BE A REPRESENTATIVE OF EMPLOYEES; EACH OF THE LATTER TWO MEMBERS SHALL SERVE AT THE PLEASURE OF THE COMMISSIONER AND BE PAID A FEE OF NOT MORE THAN \$35 PER DAY OF ACTIVE SERVICE ON SUCH TRIBUNAL PLUS NECESSARY EXPENSE) *referees*. The commissioner shall by (REGULATION PRESCRIBE

THE) *rule adopt a procedure* by which (SUCH APPEAL TRIBUNALS SHALL) *referees* hear and decide disputed claims, subject to appeal to the commissioner. No person shall participate on behalf of the commissioner in any case in which (HE) *that person* is an interested party. The commissioner may designate alternates to serve in the absence or disqualification of (ANY MEMBER OF ANY APPEAL TRIBUNAL) *a referee*. (THE CHAIRMAN SHALL ACT ALONE IN THE ABSENCE OR DISQUALIFICATION OF ANY OTHER MEMBER AND HIS ALTERNATES. IN NO CASE SHALL A HEARING BEFORE AN APPEAL TRIBUNAL PROCEED UNLESS THE CHAIRMAN OF SUCH TRIBUNAL IS PRESENT.) There shall be no charges, fees, transcript costs, or other cost imposed upon the employee in prosecuting (HIS) *an appeal*. All decisions of (SUCH TRIBUNAL, COMPLETE AS TO THE NAMES OF MEMBERS OF SUCH TRIBUNAL,) *referees* shall be made available to the public in accordance with (SUCH REGULATIONS AS) *rules* the commissioner may prescribe, except that names of interested parties may be deleted.

Sec. 30. Minnesota Statutes 1982, section 268.10, subdivision 5, is amended to read:

Subd. 5. [REVIEW BY COMMISSIONER.] Within 30 days after mailing *or personal delivery* of the notice of (AN APPEAL TRIBUNAL) *a referee's* decision to the claimant or employer at (HIS) *the* last known address (OR PERSONAL DELIVERY THEREOF, ANY SUCH), a party may appeal from (SUCH) *the* decision and obtain a review (THEREOF) *of it* by the commissioner or (HIS DULY) *an* authorized representative (, AND). The commissioner within the same period of time may on (HIS) *the commissioner's* own motion order a review of (ANY SUCH) *a* decision. Upon review, the commissioner or (HIS DULY) authorized representative may affirm, modify, or set aside any finding of fact or decision, or both, of the (APPEAL TRIBUNAL) *referee* on the basis of the evidence previously submitted in (SUCH) *the* case, or remand (SUCH) *the* matter back to the (APPEAL TRIBUNAL) *referee* for the taking of additional evidence and new findings and decision based on all of the evidence before (IT) *the referee*. Notice of all hearings on review shall be given to all interested parties in the same manner as provided for by subdivision 3. The commissioner or (HIS) *authorized* representative may remove to himself *or herself* or transfer to another (APPEAL TRIBUNAL) *referee* the proceedings on any claim pending before (AN APPEAL TRIBUNAL) *a referee*. Any proceedings (SO) removed to the commissioner or (HIS) *authorized* representative shall be heard upon notice in accordance with the requirements of subdivision 3. The department of economic security shall mail to all interested parties a notice of the filing of and a copy of the findings and decision of the commissioner or his representative.

Sec. 31. Minnesota Statutes 1982, section 268.10, subdivision 6, is amended to read:

Subd. 6. [COMMISSIONER.] The manner in which disputed claims (SHALL BE) *are* presented, the reports (THEREON) required from the claimant and from employers, and the conduct of hearings and appeals shall be in accordance with the (REGULATIONS PRESCRIBED) *rules adopted* by the commissioner for determining the rights of the parties, whether or not (SUCH) *the* regulations conform to common law or statutory rules of evidence and other technical rules of procedure. A full and complete record shall be kept of all proceedings in connection with a disputed claim. All testimony at any hearing shall be (REDUCED TO WRITING) *recorded*, but need not be transcribed unless the disputed claim is further appealed.

Sec. 32. Minnesota Statutes 1982, section 268.10, subdivision 7, is amended to read:

Subd. 7. [SUBPOENAED.] Witnesses, *other than an interested party or officers and employees of an interested party*, subpoenaed pursuant to this section shall be allowed fees (AT A RATE FIXED BY THE COMMISSIONER) *the same as witness fees in a civil action in district court*. (SUCH) *These* fees shall be deemed a part of the expense of administering sections 268.03 to 268.24.

Sec. 33. Minnesota Statutes 1982, section 268.10, subdivision 9, is amended to read:

Subd. 9. [REPRESENTATION BY ATTORNEY.] In any proceeding under these sections before (AN APPEAL TRIBUNAL) *a referee* or the commissioner, a party may be represented by an agent or attorney, but no individual claiming benefits shall be charged fees of any kind in (ANY) *a* proceeding (THEREUNDER BY THE APPEAL TRIBUNAL) *before a referee*, the commissioner, (OR HIS) *commissioner's* representatives, or by any court or any officers thereof. Any individual claiming benefits in any proceedings before the commissioner or his representatives or a court may be represented by counsel or other duly authorized agent, except that said agent in any court proceedings under these sections, must be an attorney at law; but no (SUCH) counsel shall either charge or receive for (SUCH) *the* services more than an amount approved by the commissioner and no fees shall be collected from an individual claiming benefits by any agent unless he is an attorney at law.

Sec. 34. Minnesota Statutes 1982, section 268.11, subdivision 2, is amended to read:

Subd. 2. [APPLICATION FOR TERMINATION OF COVERAGE.] Except as otherwise provided in subdivision 3, any employing unit shall cease to be an employer subject to sections 268.03 to 268.24 as of the last day of the calendar quarter in which the employing unit files with the commissioner a written application for termination of coverage, if the commissioner

finds the employment in the preceding calendar year and during the current calendar year, up to the last day of the calendar quarter in which the application was received, was not sufficient to make the employing unit liable under the provisions of section 268.04, subdivision 10. For the purpose of this subdivision the two or more employing units mentioned in section 268.04, subdivision 10, clause (2), (3), ((4), OR) (5), or (6), shall be treated as a single employing unit.

The commissioner shall waive the requirement for an application for termination of coverage whenever it shall appear that the employer was unable to comply with such requirement for the reason that, at the time when he had qualified for release from liability under the provisions of this chapter, he was in good faith not aware of the fact that he was an employer subject to the provisions of this chapter.

The commissioner at the commissioner's discretion may on his or her own motion terminate the coverage of any employer who no longer meets the definition of employer under section 268.04, subdivision 10.

Sec. 35. Minnesota Statutes 1982, section 268.11, subdivision 3, is amended to read:

Subd. 3. [ELECTION AGREEMENTS; TERMINATION POWERS OF COMMISSIONER.] (1) An employing unit, not otherwise subject to sections 268.03 to 268.24 as an employer, which files with the commissioner its written election to become an employer subject thereto for not less than two calendar years, shall, with the written approval of such election by the commissioner, become an employer subject hereto to the same extent as all other employers, as of the date stated in such approval and cease to be subject hereto as of the first day of January of any calendar year subsequent to such two calendar years, only, if at least 30 days prior to such first day of January, it has filed with the commissioner a written notice to that effect;

(2) Any employing unit for which services that do not constitute employment are performed, may file with the commissioner a written election that all such service performed by individuals in its employ in one or more distinct establishments or places of business shall be deemed to constitute employment for all the purposes of sections 268.03 to 268.24 for not less than two calendar years. Upon the written approval of such election by the commissioner, such services shall be deemed to constitute employment subject to these sections from and after the date stated in such approval. Such services shall cease to be deemed employment subject hereto as of the first day of January of any calendar year subsequent to such two calendar years only if at least 30 days prior to such first day of January such employing unit has filed with the commissioner a written notice to that effect.

(3) The commissioner (IN HIS DISCRETION MAY ON HIS OWN MOTION) *must* terminate any election agreement under this subdivision upon 30 days notice to the employer, (AND HE MAY ALSO IN HIS DISCRETION AND ON HIS OWN MOTION TERMINATE THE COVERAGE OF ANY EMPLOYER WHO HAS HAD LESS THAN 20 WEEKS OF EMPLOYMENT IN A CALENDAR YEAR) *if the employer fails to pay all contributions due under section 268.06, subdivision 1, or reimburse the unemployment fund in accordance with section 268.06, subdivisions 25, 26, 27, and 28.*

Sec. 36. Minnesota Statutes 1982, section 268.12, subdivision 8, is amended to read:

Subd. 8. [RECORDS; REPORTS.] (1) Each employing unit shall keep true and accurate work records for such periods of time and containing such information as the commissioner may prescribe. Such records shall be open to inspection, audit, and verification, and be subject to being copied by any authorized representative of the commissioner at any reasonable time and as often as may be necessary. The commissioner, appeal referee, (CHAIRMAN OF AN APPEAL TRIBUNAL,) or any other duly authorized representative of the commissioner, may require from any employing unit any sworn or unsworn reports, with respect to persons employed by it, which the commissioner, appeal referee, (CHAIRMAN OF AN APPEAL TRIBUNAL,) or any other duly authorized representative of the commissioner deems necessary for the effective administration of sections 268.03 to 268.24, provided that quarterly contribution and wage report forms shall (BE MADE TO CORRESPOND WHEREVER POSSIBLE WITH THE REPORTS REQUIRED FROM EMPLOYERS UNDER THE FEDERAL INSURANCE CONTRIBUTIONS ACT, SO THAT SUCH STATE FORMS MAY BE PREPARED AS DUPLICATES OF SUCH FEDERAL FORMS, EXCEPT THAT NO EMPLOYER SHALL BE PERMITTED TO SUBMIT A DUPLICATE REPORT WHICH IS NOT THOROUGHLY LEGIBLE) *include the employee's name, social security number, and total wages paid to the employee.*

(2) The commissioner may cause to be made such summaries, compilations, photographs, duplications, or reproductions of any records, reports, or transcripts thereof as he may deem advisable for the effective and economical preservation of the information contained therein, and such summaries, compilations, photographs, duplications or reproductions, duly authenticated, shall be admissible in any proceeding under sections 268.03 to 268.24, if the original record or records would have been admissible therein. Notwithstanding any restrictions contained in section 16.02, except restrictions as to quantity, the commissioner is hereby authorized to duplicate, on equipment furnished by the federal government or purchased with funds furnished for that purpose by the federal government, records, reports, summaries, compilations, instructions, determinations, or any other written

matter pertaining to the administration of the Minnesota Employment Services Law.

(3) Notwithstanding any inconsistent provisions elsewhere, the commissioner may provide for the destruction or disposition of any records, reports, transcripts, or reproductions thereof, or other papers in his custody, which are more than two years old, the preservation of which is no longer necessary for the establishment of contribution liability or benefit rights or for any purpose necessary to the proper administration of sections 268.03 to 268.24, including any required audit thereof, provided, that the commissioner may provide for the destruction or disposition of any record, report, or transcript, or other paper in his custody which has been photographed, duplicated, or reproduced in the manner provided in clause (2).

(4) Notwithstanding the provisions of the Minnesota State Archives Act the commissioner shall with the approval of the legislative auditor destroy all benefit checks and benefit check authorization cards that are more than two years old and no person shall make any demand, bring any suit or other proceeding to recover from the state of Minnesota any sum alleged to be due him on any claim for benefits after the expiration of two years from the date of filing such claim.

Sec. 37. Minnesota Statutes 1982, section 268.12, subdivision 9, is amended to read:

Subd. 9. [TESTIMONIAL POWERS.] (1) In the discharge of the duties imposed by sections 268.03 to 268.24, the commissioner, (THE CHAIRMAN OF THE APPEAL TRIBUNAL,) appeal referee, or any duly authorized representative of the commissioner, shall have power to administer oaths and affirmations, take depositions, certify to official acts, and issue subpoenas to compel the attendance of witnesses and the production of books, papers, correspondence, memoranda, and other records deemed necessary as evidence in connection with a disputed claim or the administration of these sections;

(2) Witnesses, *other than interested parties or officers and employees of an employing unit which is an interested party*, subpoenaed pursuant to this subdivision or sections 268.03 to 268.24, shall be allowed fees (AT A FIXED RATE PRESCRIBED BY REGULATION BY THE COMMISSIONER) *the same as witness fees in civil actions in district court*, which fees need not be paid in advance of the time of giving of testimony, and such fees of witnesses so subpoenaed shall be deemed part of the expense of administering these sections;

(3) In case of contumacy by, or refusal to obey, a subpoena issued to any person, any court of this state within the jurisdiction of which the inquiry is carried on or within the jurisdiction of which such person guilty of contumacy or refusal to obey

is found or resides or transacts business, upon application by the commissioner, (CHAIRMAN OF AN APPEAL TRIBUNAL,) or referee, or any duly authorized representative of the commissioner, shall have jurisdiction to issue to such person an order requiring such person to appear before the commissioner, the chairman of an appeal tribunal, referee, or any duly authorized representative of the commissioner, there to produce evidence if so ordered or there to give testimony relative to the matter under investigation or in question; and any failure to obey such order of the court may be punished by the court as a contempt thereof.

Sec. 38. Minnesota Statutes 1982, section 268.16, subdivision 2, is amended to read:

Subd. 2. [REPORTS; DELINQUENCIES; PENALTIES.]
(1) Any employer who knowingly fails to make and submit to the department of economic security any report of wages paid by or due from him for insured work in the manner and at the time such report is required by regulations prescribed by the commissioner shall pay to the department of economic security for the contingent account a penalty in the amount of one and one-half percent of contributions accrued during the period for which such report is required, for each month from and after such date until such report is properly made and submitted to the department of economic security. In no case shall the amount of the penalty imposed hereby be less than \$5 per month. The maximum penalty imposed hereby shall be \$25 or the amount determined at the rate of one and one-half percent per month, whichever is greater. Any employing unit which fails to make and submit to the commissioner any report, other than one of wages paid or payable for insured work, as and when required by the regulations of the commissioner, shall be subject to a penalty in the sum of \$10 payable to the department of economic security for the contingent account. All such penalties shall be in addition to interest and any other penalties provided for by sections 268.03 to 268.24 and shall be collected (BY CIVIL ACTION AS HEREINAFTER PROVIDED) *as provided by section 268.161.*

(2) If any employing unit required by sections 268.03 to 268.24 to make and submit contribution reports shall fail to do so within the time prescribed by these sections or by regulations under the authority thereof, or shall make, wilfully or otherwise, an incorrect, false or fraudulent contribution report, he shall, on the written demand of the commissioner, make such contribution report, or corrected report, within ten days after the mailing of such written demand and at the same time pay the whole contribution, or additional contribution, due on the basis thereof. If such employer shall fail within that time to make such report, or corrected report, the commissioner shall make for him a report, or corrected report, from his own knowledge and from such information as he can obtain through testimony,

or otherwise, and assess a contribution on the basis thereof, which contribution, plus penalties and interest which thereafter accrued (less any payments theretofore made) shall be paid within ten days after the commissioner has mailed to such employer a written notice of the amount thereof and demand for its payment. Any such contribution report or assessment made by the commissioner on account of the failure of the employer to make a report or corrected report 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. Whenever such delinquent employer shall file a report or corrected report, the commissioner may, if he finds it substantially correct, substitute it for the commissioner's report. (IF AN EMPLOYER HAS FAILED TO SUBMIT ANY REPORT OF WAGES PAID, OR HAS FILED AN INCORRECT REPORT, AND THE COMMISSIONER FINDS THAT SUCH NONCOMPLIANCE WITH THE TERMS OF SECTIONS 268.03 TO 268.24 WAS NOT WILFUL AND THAT SUCH EMPLOYER WAS FREE FROM FRAUDULENT INTENT, THE COMMISSIONER SHALL LIMIT THE CHARGE AGAINST SUCH EMPLOYER TO THE PERIOD OF THE YEAR IN WHICH SUCH CONDITION HAS BEEN FOUND TO EXIST AND FOR THE PRECEDING CALENDAR YEAR.)

Sec. 39. Minnesota Statutes 1982, section 268.161, subdivision 1, is amended to read:

Subdivision 1. [LIEN.] Any contributions or reimbursements due under sections 268.03 to 268.24 and interest and penalties imposed with respect thereto, shall become a lien upon all the property, (BOTH REAL AND PERSONAL, OF THE PERSON LIABLE THEREFOR,) within this state, *both real and personal, of the person liable therefor*, 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.

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 the 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 the 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.

The lien imposed by this section shall be enforceable by levy as authorized in subdivision 8 or by judgment lien foreclosure as authorized in chapter 550.

Sec. 40. Minnesota Statutes 1982, section 268.161, subdivision 4, is amended to read:

Subd. 4. [COLLECTION BY CIVIL ACTION.] (1) In addition to all other collection methods authorized, if, after due notice, any employer defaults in any payment of contributions or interest due thereon or penalties for failure to file returns and other reports as required by sections 268.03 to 268.24 or by any rule of the commissioner, the amount due (SHALL) *may* be collected by civil action in the name of the state of Minnesota, and any money recovered shall be credited to the funds provided for under those sections. Any employer adjudged in default shall pay the costs of the action. Civil actions brought under this section to collect contributions, interest due thereon, or penalties from an employer shall be heard by the court at the earliest possible date. No action for the collection of contributions or interest thereon shall be commenced more than (FOUR) *six* years after the contributions have been reported by the employer or determined by the commissioner to be due and payable. In any action, judgment shall be entered against any defendant in default for the relief demanded in the complaint without proof, together with costs and disbursements, upon the filing of an affidavit of default.

(2) Any employing unit which is not a resident of this state and which exercises the privilege of having one or more individuals perform service for it within this state, and any resident employing unit which exercises that privilege and thereafter removes from this state, shall be deemed thereby to appoint the secretary of state as its agent and attorney for the acceptance of process in any civil action under this subdivision. In instituting an action against any employing unit, the commissioner shall cause process or notice to be filed with the secretary of state, together with a payment of a fee of \$15 and that service shall be sufficient service upon the employing unit, and shall be of the same force and validity as if served upon it personally within this state. The commissioner shall forthwith send notice of the service of process or notice, together with a copy thereof, by certified mail, return receipt requested, to the employing unit at its last known address. The return receipt, the commissioner's affidavit of compliance with the provisions of this section, and a copy of the notice of service shall be appended to the original of the process filed in the court in which the civil action is pending.

Sec. 41. Minnesota Statutes 1982, section 268.161, subdivision 5, is amended to read:

Subd. 5. [RIGHT OF SETOFF.] Upon certification by the commissioner to the commissioner of finance *or to any state agency which disburses its own funds*, that an employer has an uncontested delinquent contribution or reimbursement liability owed to the department, and that the state has purchased personal services, supplies, contract services, or property from said employer, the commissioner of finance *or the state agency* shall apply to the delinquent contribution or reimbursement liability funds sufficient to satisfy the unpaid liability from funds appropriated for payment of said obligation of the state or any of its agencies that are due and owing the employer. The credit shall not be made against any funds exempt under section 550.37 or those funds owed (THE) *an individual employer who receives assistance under chapter 256 (OR 256B)*.

All funds, whether general or dedicated, shall be subject to setoff in the manner provided in this subdivision. Transfer of funds in payment of the obligations of the state or any of its agencies to an employer and any actions for the funds shall be had against the commissioner on the issue of the contribution or reimbursement liability. Nothing in this section shall be construed to limit the previously existing right of the state or any of its agencies to setoff.

Sec. 42. Minnesota Statutes 1982, section 268.161, subdivision 7, is amended to read:

Subd. 7. [CONFESSION OF JUDGMENT.] (a) Any contribution report or form that is required to be filed with the commissioner concerning contributions or reimbursements due, shall contain a written declaration that it is made under the penalties of section 268.18, subdivision 3 for wilfully making a false report and shall contain a confession of judgment for the amount of the contribution or reimbursement shown due thereon to the extent not timely paid together with any interest and penalty due under this chapter.

(b) The commissioner may, within (FOUR) *six* years after a report or form is filed, notwithstanding section 541.09, enter judgment on any confession of judgment contained in the contribution report or form after 20 days notice served upon the employer by mail at the address shown in the employer's 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 contribution report or form containing the confession of judgment along with a statement of the commissioner or his agent that the contribution or reimbursement has not been paid.

Sec. 43. Minnesota Statutes 1982, section 268.161, subdivision 8, is amended to read:

Subd. 8. [LEVY.] (a) If any contribution or reimbursement payable to the department is not paid when due, the amount may be collected by the commissioner, his duly authorized representative, or by the sheriff of any county to whom the commissioner has issued his warrant, who may levy upon all property and rights of property of the person liable for the contribution or reimbursement, (except that which is exempt from execution pursuant to section 550.37), or property on which there is a lien provided by subdivision 1 of this section. The terms "contribution or reimbursement" shall include any penalty, interest, and costs. The term "levy" includes the power of distraint and seizure by any means. Before a levy is made or warrant issued, notice and demand for payment of the amount due shall be given to the person liable for the contribution or reimbursement at least ten days prior to the levy or issuing of a warrant.

(b) Upon the commissioner issuing a warrant, the sheriff shall proceed within 60 days 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 the contribution, reimbursement, interest, and penalties, together with his costs. The sales shall, as to their manner, be governed by the law applicable to sales of like property on execution issued against property upon a judgment of a court of record. The proceeds of the sales, less the sheriff's costs, shall be turned over to the commissioner, who shall retain a part thereof as is required to satisfy the contribution, reimbursement, interest, penalties, and costs, and pay over any balance to the employer.

(c) If the commissioner has reason to believe that collection of the contribution or reimbursement is in jeopardy, notice and demand for immediate payment of the amount may be made by the commissioner. If the contribution or reimbursement is not paid, the commissioner may proceed to collect by levy or issue his warrant without regard to the ten day period provided herein.

(d) In making the execution of the levy and in collecting the contribution or reimbursement 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 provided in 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 contributions or reimbursements may be made whether or not the commissioner has commenced a legal action for collection of the amount.

(e) Where a jeopardy assessment or any other assessment has been made by the commissioner, the property seized for collec-

tion of the contribution or reimbursement shall not be sold until any determination of liability, rate or benefit charges has become final. No sale shall be made unless the contribution or reimbursement remain unpaid for a period of more than 30 days after the determination becomes final. Seized property may be sold at any time if:

(1) the employer consents in writing to the sale; or

(2) the commissioner determines that the property is perishable or may become greatly reduced in price or value by keeping, or that the property cannot be kept without great expense.

(f) Where a levy has been made to collect contributions or reimbursements pursuant to this subdivision 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, the property shall not be sold until the probate proceedings are completed or until the court so orders.

(g) The property seized shall be returned by the commissioner if the owner gives a surety bond equal to the appraised value of his interest in the property, as determined by the commissioner, or deposits with the commissioner security in a form and amount as he deems necessary to insure payment of the liability, but not more than twice the liability:

(h) Notwithstanding any other law to the contrary, if a levy or sale pursuant to this section would irreparably injure rights in property which the court determines to be superior to rights of the state in the property, the district court may grant an injunction to prohibit the enforcement of the levy or to prohibit the sale.

(i) Any person who fails or refuses to surrender without reasonable cause any property or rights to property subject to levy upon demand by the commissioner shall be personally liable to the department in an amount equal to the value of the property or rights not so surrendered, but not exceeding the amount of contribution or reimbursement for the collection of which the levy has been made. Any amount recovered under this subdivision shall be credited against the contribution or reimbursement liability for the collection of which the levy was made. The term "person" includes an officer or employee of a corporation or a member or employee of a partnership who, as an officer, employee, or member is under a duty to surrender the property or rights to property or to discharge the obligation.

(j) Any action taken by the commissioner pursuant to this subdivision shall not constitute an election by the department to pursue a remedy to the exclusion of any other remedy.

(k) After the commissioner has seized the property of any person, that person may, upon giving 48 hours notice to the commissioner and to the court, bring a claim for equitable relief before the district court for the release of the property to the employer upon terms and conditions as the court may deem equitable.

(l) 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 this subdivision shall be discharged from any obligation or liability to the person liable for the payment of the delinquent contribution or reimbursement with respect to the property or rights to property so surrendered or paid.

(m) Notwithstanding any other provisions of law to the contrary, the notice of any levy authorized by this section may be served by certified or registered mail or by delivery by an employee or agent of the department of economic security.

(n) 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. If the commissioner determines that property has been wrongfully levied upon, it shall be lawful for the commissioner to return:

(1) the specific property levied upon, at any time; or

(2) 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 levy.

(o) A levy by the commissioner made pursuant to the provisions of this section upon an employer'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 employer 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. 44. Minnesota Statutes 1982, section 268.18, subdivision 1, is amended to read:

Subdivision 1. [ERRONEOUS PAYMENTS.] Any claimant for benefits who, by reason of his own mistake or through the error of any individual engaged in the administration of sections 268.03 to 268.24 or because of a determination or redetermination issued pursuant to section 268.10, subdivision 2, has received any sum as benefits to which he was not entitled under these sections, shall promptly return such benefits in cash to the nearest office of the Minnesota department of economic security. If such claimant fails to return such benefits, the department of economic security shall, as soon as it discovers such erroneous payment, determine the amount thereof and notify said individual to return the same. Unless the claimant files a written appeal with the department of economic security within 15 days after the mailing of the notice of determination to his last known address or personal delivery of the notice, the determination shall become final. If the claimant files an appeal with the department in writing within the time aforesaid the matter shall be set for hearing before (AN APPEAL TRIBUNAL) a referee of the department and heard as other benefit matters are heard in accordance with section 268.10 with the same rights of review as outlined for benefit cases in that section. The commissioner of the department of economic security is hereby authorized to deduct from any future benefits payable to the claimant under these sections in either the current or any subsequent benefit year an amount equivalent to the overpayment determined or the overpayment may be collected without interest by civil action in the name of the commissioner. If a claimant has been overpaid benefits under the law of another state and that state certifies to the department the facts involved and that the individual is liable under its law to repay the benefits and requests the department to recover the overpayment, the commissioner is authorized to deduct from future benefits payable to the claimant in either the current or any subsequent benefit year an amount equivalent to the amount of overpayment determined by that state. *Benefits paid for weeks more than three years prior to the discovery of error are not erroneous payments.*

Sec. 45. Minnesota Statutes 1982, section 268.18, subdivision 2, is amended to read:

Subd. 2. [FRAUD.] Any claimant who files a claim for or receives benefits by knowingly and wilfully misrepresenting or misstating any material fact or by knowingly and wilfully failing to disclose any material fact which would make him ineligible for benefits under sections 268.03 to 268.24 is guilty of fraud. After the discovery of facts by the commissioner indicating fraud in claiming or obtaining benefits under sections 268.03 to 268.24, he is hereby authorized to make a determination that the claimant was ineligible for each week with reference to which benefits were claimed or obtained by fraud for the amount as was in excess of what the claimant would have been entitled to had he not made the fraudulent statements or failed to disclose any material facts. The commissioner also may disqualify an

individual from benefits for one to 52 weeks in which the claimant is otherwise eligible for benefits following the week in which the fraud was determined. A disqualification imposed for fraud shall not be removed by subsequent insured work or the expiration of a benefit year but shall not apply to any week more than 104 weeks after the week in which the fraud was determined. (SAID) *The* claimant shall (WITHIN 20 DAYS FROM THE DATE OF MAILING THE NOTICE OF SAID DETERMINATION TO HIM) *promptly* repay in cash to the department of economic security any benefits (SO) fraudulently obtained. Unless the claimant files a written appeal with the department of economic security within 15 days after the mailing of the notice of determination to his last known address or personal delivery of the notice. The determination shall become final. If the claimant (SHALL APPEAL) *appeals* from (SUCH) *the* determination within the time above specified (SAID) *the* matter shall be referred to (AN APPEAL TRIBUNAL) *a referee* for a hearing as in other benefit cases and thereafter the procedure for review shall be the same as set forth in section 268.10. The commissioner is hereby authorized to deduct from future benefits payable to the claimant in either the current or any subsequent benefit year an amount equivalent to the amount of overpayment determined or the overpayment may be collected without interest by civil action in the name of the commissioner. If a claimant has been overpaid benefits under the law of another state and that state certifies to the department the facts involved and that the individual is liable to repay the benefits and requests the department to recover the overpayment, the commissioner is authorized to deduct from future benefits payable to the claimant in either the current or any subsequent benefit year an amount equivalent to the amount of overpayment determined by that state. *A determination of fraud may be made at any time.*

Sec. 46. [PERSONNEL NAME CHANGE.]

Those individuals serving as salaried examiners of an appeal tribunal shall be referees as of the effective date of section 29 without change in the terms and conditions of their employment. They have the same authority to decide matters pending before them as did an appeal tribunal chairman.

Sec. 47. [REPEALER.]

Minnesota Statutes 1982, section 268.06, subdivision 32 is repealed.

Sec. 48. [EFFECTIVE DATE.]

Section 19 is effective retroactively to July 4, 1982. Section 18 is effective retroactively to October 1, 1982. Any wage credits disallowed for benefit purposes due to the operation of the stricken clause (4) shall be reinstated and eligibility for regular

benefits shall be extended from October 1, 1982, until the claimant is reemployed or the final approval of this act whichever is earlier. Section 2 is effective retroactively to January 1, 1983. Sections 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 20, 21, 22, 23, 24, 25, 26, 27, 31, 34, 35, 38, 39, 40, 41, 42, 43, and 47 are effective the day following final enactment. Sections 1, 13, 28, 29, 30, 32, 33, 36, 37, 44, 45, and 46 are effective August 1, 1983."

Delete the title and insert:

"A bill for an act relating to unemployment compensation; providing for conformity with federal law; imposing an annual surcharge on employers' calendar year contributions for the purpose of repayment of interest charged on federal loans; creating the emergency interest repayment fund; adding a category to the extension of base period in the definition of base period; updating the law to reflect current practice; making technical changes; removing obsolete language; regulating administrative practices; providing for the effect of back pay awards; regulating benefit amounts, contributions, and benefit eligibility; amending Minnesota Statutes 1982, sections 268.04, subdivisions 2, 12, 17, 25, 26, 29, and by adding a subdivision; 268.05, subdivision 5; 268.06, subdivisions 1, 2, 3a, 5, 20, 28, and 29; 268.07, subdivisions 2 and 3; 268.071, subdivision 3; 268.08, subdivisions 1, 3, 6, and by adding subdivisions; 268.09, subdivisions 1 and 2; 268.10, subdivisions 2, 3, 4, 5, 6, 7, and 9; 268.11, subdivisions 2 and 3; 268.12, subdivisions 8 and 9; 268.16, subdivision 2; 268.161, subdivisions 1, 4, 5, 7, and 8; 268.18, subdivisions 1 and 2; proposing new law coded in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1982, section 268.06, subdivision 32."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1208, A bill for an act relating to commerce; mechanics' liens; providing notice requirements for certain contractors; increasing the time periods relating to an owner's obligation to pay a contractor and the duration of the lien; amending Minnesota Statutes 1982, sections 514.011, subdivisions 1 and 2; 514.07; and 514.08, subdivision 1.

Reported the same back with the following amendments:

Page 1, line 23, strike "the contract for"

Page 2, line 7, strike "so" and insert "as"

Page 2, line 9, strike "thereof" and insert "*of them*"

Page 2, line 11, strike "90" and insert "120"

Page 2, line 19, strike "himself"

Page 2, line 31, after "514.01" insert a comma

Page 3, lines 23 and 33 strike "so" and insert "*as*"

Page 3, line 25, strike "thereof" and insert "*of them*"

Page 4, line 1, strike "; and" and insert a period

Page 4, line 3, strike "thereof" and insert "*of them*"

Page 4, line 6, strike "shall furnish" and insert "*furnishes*"

Page 4, line 13, strike "thereof" and insert "*of it*" and strike the semicolon

Page 4, line 14, strike "and" and insert a period

Page 4, line 16, strike "so"

Page 4, line 18, strike "otherwise" and insert "*other*" and strike "thereunder"

Page 4, line 21, after "1." insert "[NOTICE REQUIRED.]"

Page 4, line 25, strike "therefor, be" and insert "*is*"

Page 4, line 27, strike "be" and insert "*is*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1236, A bill for an act relating to local government; permitting certain land transfers by the metropolitan sports facilities commission; amending Minnesota Statutes 1982, section 458.195, subdivision 5; and 473.556, subdivision 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [BLOOMINGTON PORT AUTHORITY ACQUISITION AUTHORITY.]

The port authority of the city of Bloomington may lease or purchase and accept conveyances of real property from all other public agencies, commissions, or other units of government, including the metropolitan sports facilities commission, if the real property can be properly utilized by the port authority to carry out the purposes of Laws 1957, chapter 812. The port authority may, with the approval of the city council, issue bonds as provided in section 458.193 for the purpose of paying the cost of purchasing the real property.

Sec. 2. Minnesota Statutes 1982, section 473.556, subdivision 6, is amended to read:

Subd. 6. [DISPOSITION OF PROPERTY.] (a) The commission may sell or otherwise dispose of any real or personal property acquired by it which is no longer required for accomplishment of its purposes. The property shall be sold in the manner provided by section 458.196, insofar as practical and consistent with sections 473.551 to 473.595.

(b) Real property at the metropolitan sports area (not including the indoor public assembly facility and adjacent parking facilities) which is no longer needed for sports facilities shall be sold or leased for commercial or industrial development in accordance with the procedures in section 458.196 within two years to a private, for-profit entity, and thereafter the property shall be subject to all applicable taxes and assessments and all government laws, regulations and ordinances bearing on use and development as if the property were privately owned.

(c) Any real property right, title, or interest within the provisions of paragraph (b) owned by the commission may be sold or leased in whole or in part to the port authority of the city of Bloomington.

(d) Real property disposed of under this subdivision shall be subject to leases, agreements, or other written interests in force on June 1, 1983.

(e) The proceeds from the sale of any real property at the metropolitan sports area shall be paid to the council and used for debt service or retirement.

Sec. 3. [EFFECTIVE DATE.]

(a) Section 1 of this act is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by both the governing body of the city of Bloomington and the port authority of the city of Bloomington.

(b) *Section 2 is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington.*"

Delete the title and insert:

"A bill for an act relating to local government; permitting certain land transfers by the metropolitan sports facilities commission; permitting certain land acquisitions by the Bloomington port authority; amending Minnesota Statutes 1982, section 473.556, subdivision 6."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Local and Urban Affairs to which was referred:

S. F. No. 92, A bill for an act relating to towns, cities, and counties; requiring other government units to give notice to towns, cities, and counties of actions that affect land use or taxation; proposing new law coded in Minnesota Statutes, chapter 471.

Reported the same back with the following amendments:

Page 1, line 11, delete "*excluding the metropolitan*"

Page 1, line 12, delete "*area as defined in section 473.121, subdivision 2,*"

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

The report was adopted.

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

S. F. No. 159, A bill for an act relating to occupations and professions; regulating chiropractic practice; providing rulemaking authority for the board of chiropractic examiners; creating a legislative study commission; amending Minnesota Statutes 1982, sections 148.01; 148.06; and 148.08, and by adding a subdivision.

Reported the same back with the following amendments:

Page 2, after line 10, insert:

"Sec. 2. Minnesota Statutes 1982, section 148.03, is amended to read:

148.03 [APPOINTMENT.]

The governor shall appoint a board of chiropractic examiners consisting of two public members as defined by section 214.02 and five resident chiropractors who shall have practiced chiropractic in this state for at least three years immediately prior to the time of appointment, all of whom shall be graduates of a course of chiropractic, but no more than two of whom shall be graduates of the same school or college of chiropractic *and no more than four of whom are members of the same national professional chiropractic association. No member shall serve more than two consecutive terms on the board. All members shall certify, at the time of their appointment, that they practice within the scope of chiropractic practice as defined in sections 148.01 to 148.10.* Membership terms, compensation of members, removal of members, the filling of membership vacancies, and fiscal year and reporting requirements shall be as provided in sections 214.07 to 214.09. The provision of staff, administrative services and office space; the review and processing of complaints; the setting of board fees; and other provisions relating to board operations shall be as provided in chapter 214 and Laws 1976, Chapter 222, Sections 2 to 7. The board shall have the authority to prescribe rules relative to the examination of applicants for license to practice chiropractic and for the annual renewal of licenses. Vacancies caused by death or otherwise shall be filled by the governor within 60 days. No member of the board shall be financially interested in any chiropractic school or college or be in any way affiliated with the practice of other methods of healing as are now regulated by law in this state."

Page 3, after line 24, insert:

"Sec. 4. Minnesota Statutes 1982, section 148.07, subdivision 2, is amended to read:

Subd. 2. [EXPENSES.] The expenses of administering sections 148.01 to 148.101 shall be paid from the appropriation made to the state board of chiropractic examiners. *Expenditures and revenues must be managed in accordance with the statewide accounting principles and requirements of the commissioner of finance.*"

Page 3, after line 33, insert:

"Sec. 6. Minnesota Statutes 1982, section 148.10, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS.] The state board of chiropractic examiners may refuse to grant, or may revoke, suspend,

condition, limit, restrict or qualify a license to practice chiropractic, or may cause the name of a person licensed to be removed from the records in the office of the clerk of the district court for:

(1) the publishing or distributing, or causing to be published or distributed, in newspapers, magazines, directories, pamphlets, posters, cards, or in any other manner by advertisement, wherein the term "cure" or "guarantee to cure" or similar terms are used; which is hereby declared to be fraudulent and misleading to the general public;

(2) the employment of fraud or deception in applying for a license or in passing the examination provided for in section 148.06;

(3) the practice of chiropractic under a false or assumed name or the impersonation of another practitioner of like or different name;

(4) the conviction of a crime involving moral turpitude;

(5) habitual intemperance in the use of alcohol or drugs;

(6) failure to pay the annual renewal license fee;

(7) Advanced physical or mental disability;

(8) The revocation or suspension of a license to practice chiropractic; or other disciplinary action against the licensee; or the denial of an application for a license by the proper licensing authority of another state, territory or country;

(9) The violation of, or failure to comply with, the provisions of sections 148.01 to 148.101, the rules of the state board of chiropractic examiners, or a lawful order of the board; (OR)

(10) Unprofessional conduct; or

(11) *Being unable to practice chiropractic with reasonable skill and safety to patients by reason of illness, professional incompetence, senility, drunkenness, use of drugs, narcotics, chemicals or any other type of material or as a result of any mental or physical condition. If the board has probable cause to believe that a person comes within this clause, it shall direct the person to submit to a mental or physical examination. For the purpose of this clause, every person licensed under this chapter shall be deemed to have given his consent to submit to a mental or physical examination when directed in writing by the board and further to have waived all objections to the admissibility of the examining physicians' testimony or examination reports on the ground that the same constitute a privileged com-*

munication. Failure of a person to submit to such examination when directed shall constitute an admission of the allegations against him, unless the failure was due to circumstances beyond his control, in which case a default and final order may be entered without the taking of testimony or presentation of evidence. A person affected under this clause shall at reasonable intervals be afforded an opportunity to demonstrate that he can resume the competent practice of chiropractic with reasonable skill and safety to patients.

In any proceeding under this clause, neither the record of proceedings nor the orders entered by the board shall be used against a person in any other proceeding.

For the purposes of clause (4), conviction shall be deemed to include a criminal proceeding in which a finding or verdict of guilt is made or returned but the adjudication of guilt is either withheld or not entered.

For the purposes of clauses (4) and (5), a copy of the judgment or proceeding under seal of the clerk of the court or of the administrative agency which entered the same shall be admissible into evidence without further authentication and shall constitute prima facie evidence of its contents.

For the purposes of clause (10), unprofessional conduct means any unethical, deceptive or deleterious conduct or practice harmful to the public, any departure from or the failure to conform to the minimal standards of acceptable chiropractic practice, or a willful or careless disregard for the health, welfare or safety of patients, in any of which cases proof of actual injury need not be established. Unprofessional conduct shall include, but not be limited to, the following acts of a chiropractor:

(a) Gross ignorance of, or incompetence in, the practice of chiropractic;

(b) Making suggestive, lewd, lascivious or improper advances to a patient;

(c) Performing unnecessary services;

(d) Charging a patient an unconscionable fee or charging for services not rendered;

(e) Directly or indirectly engaging in threatening, dishonest, or misleading fee collection techniques;

(f) Perpetrating fraud upon patients, third party payers, or others, relating to the practice of chiropractic; and

(g) Any other act that the board by rule may define.

Sec. 7. Minnesota Statutes 1982, section 148.10, subdivision 3, is amended to read:

Subd. 3. [REPRIMAND; PENALTIES; PROBATION.] In addition to the other powers granted to the board under this chapter, the board may, in connection with any person whom the board, after a hearing, adjudges unqualified or whom the board, after a hearing, finds to have performed one or more of the acts described in subdivision 1:

(a) Publicly reprimand or censure the person; (AND)

(b) Place the person on probation for the period and upon the terms and conditions that the board may prescribe; and

(c) *Require payment of all costs of proceedings resulting in the disciplinary action.*

Sec. 8. Minnesota Statutes 1982, section 148.10, is amended by adding a subdivision to read:

Subd. 4. [TEMPORARY SUSPENSION.] In addition to any other remedy provided by law, the board may, without a hearing, temporarily suspend a license for not more than 60 days if the board finds that a person has violated a statute or rule which the board is empowered to enforce and continued practice by the person would create an imminent risk of harm to others. The suspension shall take effect upon written notice to the person, specifying the statute or rule violated. At the time it issues the suspension notice, the board shall schedule a disciplinary hearing to be held pursuant to the administrative procedure act. The person shall be provided with at least 20 days notice of any hearing held pursuant to this subdivision."

Page 4, line 10, delete "4" and insert "9"

Renumber the sections

Amend the title as follows:

Page 1, line 6, after "148.01;" insert "148.03;"

Page 1, line 6, delete "and" and insert "148.07, subdivision 2;"

Page 1, line 6, after "148.08," insert "by adding a subdivision; and 148.10, subdivisions 1 and 3,"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

S. F. No. 246, A bill for an act relating to elections; reducing the filing fee for candidates for soil and water conservation supervisor; amending Minnesota Statutes 1982, section 204B.11, subdivision 1.

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

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

S. F. No. 323, A bill for an act relating to retirement; extending the reporting date required in connection with state aid distribution; amending Minnesota Statutes 1982, sections 69.011, subdivision 2; and 69.051, subdivisions 1 and 3.

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

The report was adopted.

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

S. F. No. 541, A bill for an act relating to counties; authorizing a jobs program.

Reported the same back with the following amendments:

Page 1, line 20, delete "100" and insert "25"

Page 1, line 20, delete "*current lower*" and insert "*statewide median household income as determined by the 1980 federal census*"

Page 1, delete line 21

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

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Energy to which was referred:

S. F. No. 554, A bill for an act relating to housing and redevelopment; providing for the appointment of commissioners of multi-county authorities; amending Minnesota Statutes 1982, section 462.428, subdivision 2.

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

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

S. F. No. 627, A bill for an act relating to the Minnesota humane society; providing for appointment of the executive director by the governor; amending Minnesota Statutes 1982, section 343.01, subdivision 3.

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

The report was adopted.

Mann from the Committee on Transportation to which was referred:

S. F. No. 673, A bill for an act relating to motor vehicles; providing for handicapped persons to obtain special plates for recreational vehicles; amending Minnesota Statutes 1982, section 168.021, subdivision 1.

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

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

S. F. No. 679, A bill for an act relating to redevelopment; authorizing the commissioner of iron range resources and rehabilitation to exercise certain powers and to issue bonds to finance certain projects and programs in tax relief areas; appropriating money; amending Minnesota Statutes 1982, section 298.292; proposing new law coded in Minnesota Statutes, chapter 298.

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

The report was adopted.

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

S. F. No. 723, A bill for an act relating to public welfare; providing guidelines for considering race and ethnic origin in foster care and adoption placement; requiring recruitment, periodic review, reporting, and recordkeeping; providing for a voluntary task force; amending Minnesota Statutes 1982, sections 257.01; 257.071, subdivision 2, and by adding subdivisions; 259.27, subdivisions 1 and 2; 259.28; 260.181, subdivision 3; 260.191, subdivision 1; 260.192; and 260.242, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapters 257 and 259.

Reported the same back with the following amendments:

Page 3, line 32, after the period insert "*For purposes of inter-country adoptions, due consideration is deemed to have occurred if the appropriate authority in the child's country of birth has approved the placement of the child.*"

Page 6, line 18, after the period insert "*For purposes of inter-country adoptions, due consideration is deemed to have occurred if the appropriate authority in the child's country of birth has approved the placement of the child.*"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

S. F. No. 784, A bill for an act relating to public welfare; setting eligibility criteria for community social services; requiring information from users to be included in the planning process; prescribing duties of the commissioner; amending Minnesota Statutes 1982, sections 256E.03, subdivision 2; 256E.05, subdivision 3; and 256E.09, subdivisions 2 and 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 256E.03, subdivision 2, is amended to read:

Subd. 2. "Community social services" means services provided or arranged for by county boards to fulfill the responsibilities prescribed in section 256E.08, subdivision 1 to the following groups of persons:

(a) Families with children under age 18, who are experiencing child dependency, neglect or abuse, (AND ALSO) pregnant adolescents, and adolescent parents under the age of 18, and their children, and persons who are under the guardianship of the commissioner of welfare as dependent and neglected wards;

(b) (PERSONS WHO ARE UNDER THE GUARDIANSHIP OF THE COMMISSIONER OF PUBLIC WELFARE AS DEPENDENT AND NEGLECTED WARDS) *Persons who are at or below the 60th percentile of the state median income, including recipients of public assistance;*

(c) Adults who are in need of protection and vulnerable as defined in section 626.557;

(d) Persons age 60 and over who are experiencing difficulty living independently and are unable to provide for their own needs;

(e) Emotionally disturbed children and adolescents, chronically and acutely mentally ill persons who are unable to provide for their own needs or to independently engage in ordinary community activities;

(f) Mentally retarded persons as defined in section 252A.02, subdivision 2 who are unable to provide for their own needs or to independently engage in ordinary community activities;

(g) Drug dependent and intoxicated persons as defined in section 254A.02, subdivisions 5 and 7, and persons at risk of harm to self or others due to the ingestion of alcohol or other drugs; and

(h) Other groups of persons who, in the judgment of the county board, are in need of social services.

Community social services do not include public assistance programs known as aid to families with dependent children, Minnesota supplemental aid, medical assistance, general assistance, general assistance medical care, or community health services authorized by sections 145.911 to 145.922.

Sec. 2. Minnesota Statutes 1982, section 256E.05, subdivision 3, is amended to read:

Subd. 3. [ADDITIONAL DUTIES.] The commissioner shall also:

(a) Provide necessary forms and instructions to the counties for plan format and information;

(b) Identify and then amend or repeal the portions of all applicable department rules which mandate counties to provide specific community social services or programs, unless state or federal law requires the commissioner to mandate a service or program. The commissioner shall be exempt from the rulemaking provisions of chapter 14 in amending or repealing rules pursuant to this clause. However, when the commissioner proposes to amend or repeal any rule under the authority granted by this clause, notice shall be provided by publication in the state register. When the commissioner proposes to amend a rule, the notice shall include that portion of the existing rule necessary to provide adequate notice of the nature of the proposed change. When the commissioner proposes to repeal an entire rule, he need only publish that fact, giving the exact citation to the rule to be repealed. In all cases, the notice shall contain a statement indicating that interested persons may submit comment on the proposed repeal or amendment for a period of 30 days after publication of the notice. The commissioner shall take no final action until after the close of the comment period. The commissioner's actions shall not be effective until five days after the commissioner publishes notice of adoption in the state register. If the final action is the same as the action originally proposed, publication may be made by notice in the state register that the amendment and repeals have been adopted as proposed, and by citing the prior publication. If the final action differs from the action as previously proposed in the state register, the text which differs from the original proposal shall be included in the notice of adoption together with a citation to the prior state register publication. The commissioner shall provide to all county boards separate notice of all final actions which become effective under this clause, advising the boards with respect to services or programs which have now become optional, to be provided at county discretion;

(c) Provide to the chairman of each county board, in addition to notice required pursuant to sections 14.05 to 14.36, timely advance notice and a written summary of the fiscal impact of any proposed new rule or changes in existing rule which will have the effect of increasing county costs for community social services;

(d) Provide training and other support services to county boards to assist in needs assessment, planning, implementing, and monitoring social services programs in the counties;

(e) (DESIGN AND IMPLEMENT A METHOD OF MONITORING AND EVALUATING THE SOCIAL SERVICES DELIVERED WITHIN THE STATE, AND ASSURE COMPLIANCE WITH APPLICABLE STANDARDS, GUIDELINES, AND THE COUNTY AND STATE SOCIAL SERVICES PLANS) *Develop standards for the planning, monitoring, and evaluation of the social services provided by county boards, and design and implement a method for monitoring and evaluating*

social services to assure compliance with applicable standards and guidelines, as well as with the county and state social service plans;

(f) Annually publish a report on community social services which shall reflect the contents of the individual county reports. The report shall be submitted to the governor and the legislature with an evaluation of community social services and recommendations for changes needed to fully implement state social service policies; (AND)

(g) Request waivers from federal programs as necessary to implement sections 256E.01 to 256E.12; and

(h) *Cooperate with county boards to develop approaches to planning and service delivery which will minimize local administrative expenses.*

Sec. 3. Minnesota Statutes 1982, section 256E.06, subdivision 2, is amended to read:

Subd. 2. [MINIMUM FUNDING LEVEL; STATE AIDS.] No county shall receive less in state aids for community social services under subdivision 1 in calendar years (1982) 1984 and (1983) thereafter than 106 percent of the state money it received in the immediately preceding calendar year pursuant to section 256E.06. For purposes of (1983) 1984, the state money the county received in (1982) 1983 shall be the community social service grant plus the state money it received for state fiscal year (1982) 1983 as authorized by (THE HEALTH, WELFARE, AND CORRECTIONS APPROPRIATIONS ACT FOR THE BIENNIUM ENDING JUNE 30, 1983) *Laws 1981, chapter 360, section 2*, for the following activities: (COST OF CARE FOR MENTALLY RETARDED, EPILEPTIC OR EMOTIONALLY HANDICAPPED CHILDREN PURSUANT TO SECTION 252.27, SUBDIVISION 1; COMMUNITY MENTAL HEALTH PILOT PROGRAM PURSUANT TO SECTION 245.72 AND COMMUNITY-BASED RESIDENTIAL PROGRAMS FOR MENTALLY ILL PERSONS) *the program of grants for the cost of children under state guardianship pursuant to section 260.38; grants for chronically mentally ill persons pursuant to section 256E.12; and community services for the mentally retarded, as authorized in the official worksheets of the senate and house conferees to Laws 1981, chapter 360, section 2, except that amount of money for those mentally retarded persons who are eligible for the medical assistance program, pursuant to chapter 256B.*

The term state funds does not include any federal money received by the state or counties for financing these services.

No county shall receive more than 130 percent of the amount received in the immediately preceding year as specified in this

subdivision. If the amount allocated to any county pursuant to subdivision 1 is greater than this amount, the excess shall be reallocated to all counties in direct proportion to their initial allocations.

If the amount allocated to any county pursuant to subdivision 1 and the preceding paragraph is less than the minimum funding level of that county, its allocation shall be raised to its minimum share through an equal percentage reduction applied to all other county allocations.

Sec. 4. Minnesota Statutes 1982, section 256E.08, subdivision 9, is amended to read:

Subd. 9. [REDUCTION IN SERVICES PROHIBITED.] In calendar year 1983 the county board shall not reduce the funding provided in calendar year 1982 for the following service: cost of care for mentally retarded, epileptic or emotionally handicapped children. *In calendar years 1984 and 1985 the county board shall not reduce the funding provided in calendar year 1983 for the following services: experimental programs to assist chronically mentally ill persons to remain in their own communities; and community services for the mentally retarded as authorized in the official worksheets of the senate and house conferees to Laws 1981, chapter 360, section 2, except that amount of money for those mentally retarded persons who are eligible for the medical assistance programs, pursuant to chapter 256B.*

Sec. 5. Minnesota Statutes 1982, section 256E.09, subdivision 2, is amended to read:

Subd. 2. [CITIZEN PARTICIPATION.] The county board shall provide opportunities for participation by citizens in the county (**INCLUDING REPRESENTATIVES OF USERS OF SERVICES**.) in the development of the biennial plan and in the allocation of money for community social services. At least 60 days prior to publication of the proposed plan the county board shall publish the methods proposed to achieve citizen participation in the planning process. *The county board shall document the inclusion of information in the biennial plan from users of services in each of the groups identified in Minnesota Statutes 1982, section 256E.03, subdivision 2, and representatives of the users of services, as well as providers of services. The county board shall hold at least one public hearing as part of the biennial planning process.*

Sec. 6. Minnesota Statutes 1982, section 256E.09, subdivision 3, is amended to read:

Subd. 3. [PLAN CONTENT.] The biennial community social services plan published by the county shall include:

(a) A statement of the goals of community social service programs in the county;

(b) Methods used pursuant to subdivision 2 to encourage participation of citizens and providers in the development of the plan and the allocation of money;

(c) Methods used to identify persons in need of service and the social problems to be addressed by the community social service programs, including efforts the county proposes to make in providing for early intervention, prevention and education aimed at minimizing or eliminating the need for services for groups of persons identified in section 256E.03, subdivision 2;

(d) A statement describing how the county will fulfill its responsibilities identified in section 256E.08, subdivision 1 to the groups of persons described in section 256E.03, subdivision 2, and a description of each community social service proposed and identification of the agency or person proposed to provide the service. The plan shall specify how the county proposes to make the following services available for persons identified by the county as in need of services: daytime developmental achievement services, subacute detoxification services, residential services and nonresidential social support services as appropriate for the groups identified in section 256E.03, subdivision 2;

(e) The amount of money proposed to be allocated to each service;

(f) An inventory of public and private resources including associations of volunteers which are available to the county for social services;

(g) Evidence that serious consideration was given to the purchase of services from private and public agencies, *and the criteria used to determine whether services would be purchased*; and

(h) Methods whereby community social service programs will be monitored and evaluated by the county.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective January 1, 1984."

Delete the title and insert:

"A bill for an act relating to public welfare; setting eligibility criteria for community social services; requiring information from users to be included in the planning process; prescribing duties of the commissioner; incorporating certain programs for the mentally ill and mentally retarded; amending Minnesota

Statutes 1982, sections 256E.06, subdivisions 2 and 3; and 256E.08, subdivision 9."

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

The report was adopted.

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

S. F. No. 808, A bill for an act relating to the state seal; providing a description of the official state seal; amending Minnesota Statutes 1982, section 1.143; proposing new law coded in Minnesota Statutes, chapter 1; repealing Minnesota Statutes 1982, sections 1.144 and 358.02.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [1.135] [STATE SEAL]

Subdivision 1. [PURPOSE.] This section prescribes the design and states the historical symbolism of the Great Seal of the State of Minnesota.

Subd. 2. [OFFICIAL SEAL] The seal described in subdivision 3 is the "Great Seal of the State of Minnesota." When the seal, the impression of the seal, the scene within the seal, or its likeness is reproduced at state expense, it must conform to subdivision 3 and section 4.04. A seal, impression, scene, or likeness which does not conform to these provisions is not official.

Subd. 3. [DESIGN.] The design of the seal is as described in this subdivision.

(a) The seal is composed of two concentric borders. The outside forms the border of the seal and the inside forms the border for the illustrations within the seal. The area between the two borders contains lettering.

(b) The seal is two inches in diameter. The outside border has a radius of one inch and resembles the serrated edge of a coin. The width of the border is 1/16 of an inch.

(c) The inside border has a radius of three-fourths of an inch and is composed of a series of closely spaced dots measuring 1/32 of an inch in diameter.

(d) *Within the area between the borders "The Great Seal of the State of Minnesota." is printed in capital letters. Under that is the date "1858," with two dagger symbols separating the date and the letters. The lettering is 14 point century bold.*

(e) *In the area within the inside border is the portrayal of an 1858 Minnesota scene made up of various illustrations that serve to depict a settler plowing the ground near the falls of St. Anthony while he watches an Indian on horseback riding in the distance.*

(f) *For the purposes of description, when the area within the inside border is divided into quadrants, the following illustrations should be clearly visible in the area described.*

(1) *In the upper parts of quadrants one and two, the inscription "L'Etoile du Nord" is found on the likeness of a scroll whose length is equal to twice the length of the inscription, but whose ends are twice folded underneath and serve to enhance the inscription. The lettering is seven point century bold.*

(2) *In quadrant two is found a likeness of a rising sun whose ambient rays form a background for a male Indian in loincloth and plume riding on horseback at a gallop. The Indian is sitting erect and is holding a spear in his left hand at an upward 60-degree angle to himself and is looking toward the settler in quadrant four.*

(3) *In quadrant one, three pine trees form a background for a picturesque resemblance of St. Anthony Falls in 1858.*

(4) *In quadrants three and four, cultivated ground is found across the lower half of the seal, which provides a background for the scenes in quadrants three and four.*

(5) *In quadrant three, a tree stump is found with an ax embedded in the stump and a period muzzle loader resting on it. A powder flask is hanging towards the end of the barrel.*

(6) *In quadrant four, a white barefoot male pioneer wearing clothing and a hat of that period is plowing the earth, using an animal-drawn implement from that period. The animal is not visible. The torso of the man continues into quadrant two, and he has his legs spread apart to simulate movement. He is looking at the Indian.*

Subd. 4. [ADDITIONAL EFFECTS; SIZE.] *Every effort shall be made to reproduce the seal with justification to the 12 o'clock position and with attention to the authenticity of the illustrations used to create the scene within the seal. The description of the scene in this section does not preclude the graphic inclusion of the effects of movement, sunlight, or falling water*

when the seal is reproduced. Nor does this section prohibit the enlargement, proportioned reduction, or embossment of the seal for its use in unofficial acts.

Subd. 5. [HISTORICAL SYMBOLISM OF SEAL.] The sun, visible on the western horizon, signifies summer in the northern hemisphere. The horizon's visibility signifies the flat plains covering much of Minnesota. The Indian on horseback is riding due south and represents the great Indian heritage of Minnesota. The Indian's horse and spear and the Pioneer's ax, rifle, and plow represent tools that were used for hunting and labor. The stump symbolizes the importance of the lumber industry in Minnesota's history. The Mississippi River and St. Anthony Falls are depicted to note the importance of these resources in transportation and industry. The cultivated ground and the plow symbolize the importance of agriculture in Minnesota. Beyond the falls three pine trees represent the state tree and the three great pine regions of Minnesota; the St. Croix, Mississippi, and Lake Superior.

Subd. 6. [STATE'S DUTIES.] State agencies and departments using the seal, its impression, the scene within the seal or its likeness shall make every effort to bring any seal, impression, scene, or likeness currently fixed to a permanent object into accordance with this section and section 4.04. Expendable material to which the seal or any impression, scene, or likeness is currently affixed may be used until the supply is exhausted. All unused dies and engravings of the Great Seal shall be given to the Minnesota historical society, along with all historical information available about the seal, to be retained in the society's permanent collection.

Sec. 2. Minnesota Statutes 1982, section 1.143, is amended to read:

1.143 [STATE TREE, DESIGNATION.]

Subdivision 1. The Red pine (Pinus resinosa), more commonly known as Norway pine, is hereby designated as the official state tree of the State of Minnesota.

Subd. 2. A photograph of the Red pine, to be obtained and approved by the commissioner of natural resources, shall be certified and preserved in the office of the secretary of state.

Sec. 3. [5.071] [SECRETARY OF STATE'S DUTIES.]

The secretary of state shall secure, file, and retain custodial control over a description, photograph, and reproduction proof of the impression of the seal for viewing by the public. The secretary shall also secure and file all historical information pertaining to the reproduction and use of the seal. The department of

administration shall respond to any inquiries about duplication of the seal for state agencies.

Sec. 4. [REPEALER.]

Minnesota Statutes 1982, sections 1.144 and 358.02, are repealed."

Amend the title as follows:

Page 1, line 5, delete "chapter 1" and insert "chapters 1 and 5"

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

The report was adopted.

Mann from the Committee on Transportation to which was referred:

S. F. No. 1104, A bill for an act relating to motor vehicles; clarifying requirements for issuance of a Minnesota identification card; amending Minnesota Statutes 1982, section 171.07, subdivision 3.

Reported the same back with the following amendments:

Page 1, line 15, after the comma insert "*or a person licensed to drive under an instruction permit,*"

Page 1, line 23, before the period insert "*or "permit driver"*"

Page 2, line 2, delete "*the day following final enactment*" and insert "*January 1, 1984*"

Amend the title as follows:

Page 1, line 3, after the semicolon insert "*providing for the issuance of a Minnesota identification card to permit drivers;*"

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 109, 422, 762, 790, 929, 1033, 1190, 1208 and 1236 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1067, 92, 159, 246, 323, 541, 554, 627, 673, 679, 723, 808 and 1104 were read for the second time.

INTRODUCTION AND FIRST READING
OF HOUSE BILLS

The following House Files were introduced:

Nelson, D., introduced:

H. F. No. 1260, A bill for an act relating to real property; providing for the effect of payment of taxes on a claim of title by adverse possession; amending Minnesota Statutes 1982, section 541.02.

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

Bergstrom and Peterson introduced:

H. F. No. 1261, A bill for an act relating to taxation; abolishing the aggregate removal tax; allowing Sherburne County to impose an aggregate removal tax; prescribing penalties; repealing Minnesota Statutes 1982, section 298.75; Laws 1961, chapter 605; Laws 1963, chapter 475; Laws 1965, chapter 163; Laws 1977, chapters 112 and 117; and Laws 1979, chapter 273.

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

Sherman, Dempsey, Vanasek, Hokr and Piper introduced:

H. F. No. 1262, A bill for an act relating to taxation; sales and use tax; providing an exemption for wrapping paper purchased for custom meat processing; amending Minnesota Statutes 1982, section 297A.25, subdivision 1.

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

Battaglia, Begich, Murphy, Elioff and Vellenga introduced:

H. F. No. 1263, A bill for an act relating to transportation; state-aid system; providing for a contested case proceeding for differing determinations of money needs for a county; amending Minnesota Statutes 1982, section 162.07, subdivision 5.

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

HOUSE ADVISORIES

The following House Advisories were introduced:

Johnson, Jensen, DenOuden, Kalis and Graba introduced:

H. A. No. 15, A proposal for an interim study of directional signing on roads and highways.

The advisory was referred to the Committee on Transportation.

Olsen and Vellenga introduced:

H. A. No. 16, A proposal to require a study of manufactured homes and parks.

The advisory was referred to the Committee on Energy.

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 Files, herewith returned:

H. F. No. 656, A bill for an act relating to intoxicating liquor; allowing the city of Marble to permit on-sales of intoxicating liquor on a certain date.

H. F. No. 721, A bill for an act relating to the city of Babbitt; authorizing the establishment of detached banking facilities.

H. F. No. 741, A bill for an act relating to real estate; regulating the duties of a county recorder; amending Minnesota Statutes 1982, sections 386.31; 386.36; 580.24; 580.25; 582.03; 582.04; repealing Minnesota Statutes 1982, section 357.181.

H. F. No. 764, A bill for an act relating to retirement; qualifying park district police for certain pension aids; amending Minnesota Statutes 1982, section 69.011, subdivision 1.

H. F. No. 953, A bill for an act relating to the city of Silver Bay; authorizing the establishment of detached banking facilities.

H. F. No. 959, A bill for an act relating to commerce; authorizing certain retailers of motor vehicle fuel to compute sales by the half-gallon; proposing new law coded in Minnesota Statutes 1982, section 325E.095.

H. F. No. 1122, A bill for an act relating to the town of Flowing; permitting the town to conduct elections and town business in a nearby city.

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. 251, A bill for an act relating to retirement; police and salaried firefighters relief associations; modifying the governance of the trust funds after the local relief association ceases to exist; updating obsolete language; clarifying ambiguous language; amending Minnesota Statutes 1982, section 423A.01, subdivisions 2 and 4.

PATRICK E. FLAHAVEN, Secretary of the Senate

Rodriguez, F., moved that the House refuse to concur in the Senate amendments to H. F. No. 251, 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. 30, A bill for an act relating to veterans affairs; providing residents of the Minnesota veterans home with a right to complain about home accommodations and services; prohibiting retaliatory eviction of residents who exercise their right to complain; proposing new law coded in Minnesota Statutes, chapter 198.

PATRICK E. FLAHAVEN, Secretary of the Senate

Skoglund moved that the House refuse to concur in the Senate amendments to H. F. No. 30, 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. 76, 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, economic loss, and damage to natural resources resulting from releases of hazardous substances; imposing taxes, fees, and penalties; providing for injunctive relief; appropriating money; amending Minnesota Statutes 1982, sections 115A.24, subdivision 1; 466.01, by adding a subdivision; and 466.04, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 116; proposing new law coded as Minnesota Statutes, chapter 115B; repealing Minnesota Statutes 1982, section 115A.24, subdivision 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

Long moved that the House refuse to concur in the Senate amendments to H. F. No. 76, 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. The motion prevailed.

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. 870, A bill for an act relating to state government; authorizing the commissioner of the department of economic security to adopt permanent or temporary rules; proposing new law coded in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1982, section 268.12, subdivision 3.

The Senate has appointed as such committee Messrs. Pogemiller, Merriam and Belanger.

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. 26, A bill for an act relating to commerce; consumer protection; requiring the repair, refund, or replacement of new motor vehicles under certain circumstances; proposing new law coded in Minnesota Statutes, chapter 325F.

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. 708, A bill for an act relating to the court system; removing obsolete references to justice of the peace and magistrate; amending Minnesota Statutes 1982, sections 72A.12, subdivision 5; 72A.30; 88.645; 97.50, subdivisions 1 and 7; 115.32, subdivision 3; 127.09; 127.17, subdivision 4; 144.12, subdivision 1; 168.46; 169.42, subdivision 5; 169.91; 169.95; 169.965, subdivision 3; 169.966, subdivision 3; 169.971, subdivision 4; 171.08; 171.16, subdivision 1; 181.09; 181.17; 219.32; 219.97, subdivision 13; 290.58; 297A.42, subdivision 2; 299F.40, subdivision 5; 340.85, subdivision 2; 340.91; 345.02; 345.03; 345.04; 345.05; 345.06; 345.14; 346.03; 346.04; 346.09, subdivision 1; 347.04; 347.05; 347.06; 357.12; 357.16; 357.22; 357.27; 357.29; 358.15; 359.061; 359.11; 361.27, subdivision 2; 365.52; 366.20; 367.11; 367.25, subdivision 1; 368.01, subdivision 20; 373.09; 375.24; 390.15; 390.20; 390.31, subdivision 2; 390.33, subdivisions 2 and 6; 395.23; 412.02, subdivision 1; 412.021, subdivision 2; 412.023, subdivision 5; 412.111; 412.861, subdivision 3; 473.608, subdivision 17; 485.07; 488A.021, subdivision 4; 488A.09, subdivision 7; 488A.19, subdivision 5; 490.18; 509.04; 514.29; 514.34; 542.05; 549.03; 550.17; 571.50; 571.58; 571.65; 574.20; 574.35; 588.01, subdivision 3; 588.02; 593.21; 609.27, subdivision 1; 609.415, subdivision 1; 609.66, subdivision 1; 611.07, subdivision 1; 611.17; 617.27; 624.62; 625.01; 625.02; 625.03; 625.04; 625.05; 625.06; 625.07; 625.08; 625.09; 625.10; 625.11; 625.12; 625.13; 625.14; 625.15; 625.17; 625.18; 626.04; 626.05, subdivision 1; 626.06; 626.09; 626.11; 626.14; 626.15; 626.17; 626.66; 629.03; 629.13; 629.14; 629.15; 629.16; 629.17; 629.18; 629.23, subdivision 3; 629.31; 629.36; 629.363; 629.364; 629.39; 629.401; 629.403; 629.41; 629.44; 629.45; 629.53; 629.54; 629.55; 629.60; 629.62; 630.17; 630.37; 631.04; 636.08; 641.07; 641.25; and 648.39, subdivision 3; repealing Minnesota Statutes 1982, sections 357.14; 357.15; 367.03, subdivision 4; 367.21; 388.02; 412.02, subdivision 5; 412.171; 487.01, subdivision 8; 488A.283; 488A.284; 492.02, subdivision 2; 542.15; 549.16; 599.21; 599.22; 599.23; 609.46; 629.56; 629.66; and 629.71.

And the Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Messrs. Peterson, R. W.; Merriam and Storm.

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

Clawson 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. 708. The motion prevailed.

Mr. Speaker:

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

S. F. No. 61, A bill for an act relating to crimes; requiring operators of certain vehicles to provide insurance information to peace officers; providing penalties; increasing penalties for failure to stop at the scene of certain accidents; amending Minnesota Statutes 1982, sections 65B.67, by adding a subdivision; and 169.09, subdivisions 1, 3, 6, 7, and 14.

And the Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Messrs. Luther, Pogemiller and Knaak.

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

Brandl 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. 61. The motion prevailed.

Mr. Speaker:

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

S. F. No. 267, A bill for an act relating to taxation; increasing the amount of reduced valuations required to be maintained as public record; allowing the commissioner discretion in apportioning levies; increasing the amount of reduction in valuation requiring an opportunity for hearing; allowing county auditors to combine legal descriptions over section lines; classifying farm rental value data; excluding certain corporations from receiving agricultural property tax valuation; providing for continuation of open space treatment; providing for the assessment of certain class 3 property based upon its use; requiring publication of certain requirements for obtaining a homestead after the assessment date; removing special taxing districts from levy limits; allowing counties to charge for NSF checks; providing for rounding of tax amounts on tax statements; directing the use of the previous years mill rate when distributing delinquent tax proceeds; changing the date

for filing list of delinquent personal property taxes; extending application of the alternate sale procedure; increasing the fee for lost deeds; changing the process for distributing mortgage registration tax proceeds; raising the fee for trip permits; requiring filing of an amended estate tax return in certain situations; clarifying the date interest accrues on estate tax amounts due; providing for department action following the filing of an amended return; requiring state's share of federal credit to not be less than state's share of the estate; providing a definition of surviving spouse for estate tax purposes; requiring filing of final account to commissioner of revenue; changing the requirement for filing a declaration of estimated gross earnings tax; imposing a penalty for failure to pay estimated gross earnings tax; extending the time allowed to claim gasoline or special fuel tax refunds; changing the requirements relating to distribution of free samples of cigarettes; imposing a penalty for failure to pay the tax on wines and spirituous liquors; conforming penalties for nonpayment of tax on beer to penalties imposed on other taxes; delaying implementation of the assessment penalty; requiring payment of current taxes before a plat is recorded; amending Minnesota Statutes 1982, sections 270.10, subdivisions 1 and 3; 270.12, subdivision 3; 270.19; 272.46, subdivision 2; 273.11, subdivision 7; 273.111, subdivision 3; 273.112, subdivision 7, and by adding a subdivision; 273.13, subdivisions 4, and 16; 275.50, subdivision 2; 276.02; 276.04; 276.10; 277.02; 282.01, subdivision 7a; 282.33, subdivision 1; 287.08; 291.005, subdivision 1; 291.03, subdivision 1; 291.07, subdivision 1; 291.09, subdivision 3a; 291.131, subdivision 6; 291.132, subdivision 1; 291.215, subdivision 3; 295.365; 295.366, subdivision 1; 296.17, subdivisions 3 and 17; 297.03, subdivision 10; 340.485, subdivision 1, and by adding subdivisions; 340.492; 477A.04; 505.04; repealing Minnesota Statutes 1982, sections 272.022; 272.023; 272.024; 273.13, subdivision 18; 273.23; 273.24; 273.28; 273.29; 273.30; 273.31; 273.34; 273.44; 273.45; 273.52; 288.01; 288.02; 288.03; 288.04; 288.05; 291.07, subdivision 3; and 473F.04.

And the Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Messrs. Pogemiller, Merriam and Sieloff.

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

Scheid 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. 267. 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. 529, A bill for an act relating to crimes; providing that acquittal or conviction of the crime of kidnapping does not bar conviction for any other crime committed during the time of the victim's confinement; amending Minnesota Statutes 1982, sections 609.035 and 609.25.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Coleman moved that the House concur in the Senate amendments to H. F. No. 529 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 529, A bill for an act relating to crimes; providing that acquittal or conviction of the crime of kidnapping does not bar conviction for any other crime committed during the time of the victim's confinement; amending Minnesota Statutes 1982, section 609.035; proposing new law coded in Minnesota Statutes, chapter 609.

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:

Anderson, B.	Dempsey	Hoffman	Marsh	Peterson
Anderson, G.	DenOuden	Hokr	McDonald	Piepho
Battaglia	Dimler	Jacobs	McEachern	Piper
Beard	Eken	Jennings	McKasy	Price
Begich	Elioff	Jensen	Metzen	Quist
Bennett	Erickson	Johnson	Miune	Redalen
Bergstrom	Findlay	Kahn	Munger	Reif
Berkelman	Fjoslien	Kalis	Murphy	Rice
Bishop	Forsythe	Kelly	Nelson, D.	Riveness
Brandl	Frerichs	Knickerbocker	Nelson, K.	Rodosovich
Brinkman	Graba	Knuth	Neuenschwander	Rodriguez, C.
Burger	Greenfield	Kostohryz	Norton	Rodriguez, F.
Carlson, D.	Cruenes	Krueger	O'Connor	Rose
Carlson, L.	Gustafson	Kvam	Ogren	St. Onge
Clark, J.	Gutknecht	Larsen	Olsen	Sarna
Clark, K.	Halberg	Levi	Omann	Schafer
Clawson	Haukoos	Long	Onnen	Scheid
Cohen	Heinitz	Ludeman	Osthoff	Schoenfeld
Coleman		Mann	Otis	Schreiber

Seaberg	Solberg	Thiede	Vanasek	Wenzel
Segal	Sparby	Tomlinson	Voss	Wigley
Shaver	Stadium	Tunheim	Waltman	Wynia
Shea	Staten	Uphus	Welch	Zaffke
Sherman	Sviggum	Valan	Welker	Speaker Sieben
Skoglund	Swanson	Valento	Welle	

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. 730, A bill for an act relating to drivers licenses; prohibiting the operation of a motor vehicle in this state by either a resident or nonresident whose license has been revoked, suspended, or cancelled until Minnesota driving privileges are reinstated; amending Minnesota Statutes 1982, section 171.20, subdivision 2; repealing Minnesota Statutes 1982, section 171.181, subdivision 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Segal moved that the House concur in the Senate amendments to H. F. No. 730 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 730, A bill for an act relating to drivers licenses; prohibiting the operation of a motor vehicle in this state by either a resident or nonresident whose license has been revoked, suspended, or cancelled until Minnesota driving privileges are reinstated; amending Minnesota Statutes 1982, section 171.20, subdivision 2; repealing Minnesota Statutes 1982, section 171.181, 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 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Bennett	Brinkman	Clark, K.	DenOuden
Anderson, C.	Bergstrom	Burger	Clawson	Dimler
Battaglia	Berkelman	Carlson, D.	Cohen	Eken
Beard	Bishop	Carlson, L.	Coleman	Elioff
Begich	Brandl	Clark, J.	Dempsey	Erickson

Findlay	Kalis	Nelson, D.	Rodriguez, C.	Sviggum
Ejoslien	Kelly	Nelson, K.	Rodriguez, F.	Swanson
Forsythe	Knickerbocker	Neuenschwander	Rose	Thiede
Frerichs	Knuth	Norton	St. Onge	Tomlinson
Graba	Kostohryz	O'Connor	Sarna	Tunheim
Greenfield	Krueger	Ogren	Schafer	Uphus
Gruenes	Kvam	Olsen	Scheid	Valan
Gustafson	Larsen	Omann	Schoenfeld	Valento
Gutknecht	Levi	Onnen	Schreiber	Vanasek
Halberg	Long	Osthoff	Seaberg	Voss
Haukoos	Ludeman	Peterson	Segal	Waltman
Heap	Mann	Piepho	Shaver	Welch
Heinitz	Marsh	Piper	Shea	Welker
Hoffman	McDonald	Price	Sherman	Welle
Hokr	McEachern	Quist	Simoneau	Wenzel
Jacobs	McKasy	Redalen	Skoglund	Wigley
Jennings	Metzen	Reif	Solberg	Wynia
Jensen	Minne	Rice	Sparby	Zaffke
Johnson	Munger	Riveness	Stadum	Speaker Sieben
Kahn	Murphy	Rodosovich	Staten	

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. 581, A bill for an act relating to counties; providing for the formal extinction of certain abandoned interests in county highways; amending Minnesota Statutes 1982, section 163.11, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Minne moved that the House concur in the Senate amendments to H. F. No. 581 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 581, A bill for an act relating to counties; providing for the formal extinction of certain abandoned interests in county highways; amending Minnesota Statutes 1982, section 163.11, 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 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Fjoslien	Larsen	Piper	Stadum
Anderson, G.	Forsythe	Levi	Price	Staten
Battaglia	Frerichs	Long	Quist	Sviggum
Beard	Greenfield	Ludeman	Redalen	Swanson
Begich	Gruenes	Mann	Reif	Thiede
Bennett	Gustafson	Marsh	Rice	Tomlinson
Bergstrom	Gutknecht	McDonald	Riveness	Tunheim
Berkelman	Halberg	McEachern	Rodosovich	Uphus
Bishop	Haukoos	McKasy	Rodriguez, C.	Valan
Brandl	Heap	Metzen	Rodriguez, F.	Valento
Brinkman	Heinitz	Minne	Rose	Vanasek
Burger	Himle	Munger	St. Onge	Vellenga
Carlson, D.	Hoffman	Murphy	Sarna	Voss
Carlson, L.	Hokr	Nelson, D.	Schafer	Waltman
Clark, J.	Jacobs	Nelson, K.	Scheid	Welch
Clark, K.	Jennings	Neuenschwander	Schoenfeld	Welker
Clawson	Jensen	Norton	Schreiber	Welle
Cohen	Johnson	O'Connor	Seaberg	Wenzel
Coleman	Kahn	Ogren	Segal	Wigley
Dempsey	Kalis	Olsen	Shaver	Wynia
DenOuden	Kelly	Omman	Shea	Zaifke
Dimler	Knickerbocker	Onnen	Sherman	Speaker Sieben
Eken	Knuth	Osthoff	Simoneau	
Elioff	Kostohryz	Otis	Skoglund	
Erickson	Krueger	Peterson	Solberg	
Findlay	Kvam	Piepho	Sparby	

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 Senate Files, herewith transmitted:

S. F. Nos. 301, 378, 462, 525, 601, 661 and 756.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. Nos. 799, 856, 954, 987 and 1105.

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. 1012.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker :

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

S. F. Nos. 721, 752 and 823.

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. 964.

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. 545.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 301, A bill for an act relating to the environment; imposing stricter criminal penalties for persons convicted of violating laws or rules relating to hazardous waste; providing that unlawful disposal of hazardous wastes is a felony; amending Minnesota Statutes, section 115.071, subdivision 2, and by adding subdivisions.

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

S. F. No. 378, A bill for an act relating to taxation; extending availability of confession of judgment procedure to certain non-homestead property; amending Minnesota Statutes 1982, section 279.37, subdivisions 1 and 3.

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

S. F. No. 462, A bill for an act relating to liquor; authorizing employment of persons under 18 in establishments licensed to sell wine only; amending Minnesota Statutes 1982, section 340.14, subdivision 2.

The bill was read for the first time.

Himle moved that S. F. No. 462 and H. F. No. 681, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 525, A bill for an act relating to marriage dissolution; providing a summary dissolution procedure; amending Minnesota Statutes 1982, section 518.145; proposing new law coded in Minnesota Statutes, chapter 518.

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

S. F. No. 601, A bill for an act relating to housing; modifying requirements that housing programs for urban Indians in the city of Duluth combine appropriated money with funds from other sources whenever possible; amending Minnesota Statutes 1982, section 462A.07, subdivision 15; and Laws 1978, chapter 670, section 3, subdivision 3.

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

S. F. No. 661, A bill for an act relating to taxation; providing for apportionment of property tax refund claims for unrelated persons occupying a homestead; amending Minnesota Statutes 1982, sections 290A.03, subdivisions 8 and 13; and 290A.05.

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

S. F. No. 756, A bill for an act relating to negligence; removing bars to actions in certain cases; amending Minnesota Statutes 1982, section 604.06.

The bill was read for the first time.

Voss moved that S. F. No. 756 and H. F. No. 873, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 799, A bill for an act relating to financial institutions; electronic financial terminals; regulating the use of terminals by financial institutions located outside the state; amending Minnesota Statutes 1982, section 47.64, subdivision 6.

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

S. F. No. 856, 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; amending Minnesota Statutes 1982, section 272.162, subdivisions 2 and 3.

The bill was read for the first time.

Jacobs moved that S. F. No. 856 and H. F. No. 831, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 954, A bill for an act relating to commerce; mechanics' liens; providing notice requirements for certain contractors; increasing the time periods relating to an owner's obligation to pay a contractor and the duration of the lien; providing penalties for falsely filing liens; amending Minnesota Statutes 1982, sections 514.011, subdivisions 1 and 2; 514.07; 514.08, subdivision 1, and by adding a subdivision; and 514.10.

The bill was read for the first time.

Ellingson moved that S. F. No. 954 and H. F. No. 1208, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 987, A bill for an act relating to natural resources; eliminating obsolete material and updating certain provisions relating to decorative trees; amending Minnesota Statutes 1982, sections 88.641, subdivision 1; 88.642; 88.644; and 88.648; repealing Minnesota Statutes 1982, sections 88.641, subdivision 3; 88.643; 88.646; and 88.649.

The bill was read for the first time.

Graba moved that S. F. No. 987 and H. F. No. 1100, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1105, A bill for an act relating to state lands; providing for the conveyance of certain state land to the city of St. Peter for use as a roadway.

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

S. F. No. 1012, A bill for an act relating to waste management; amending the Waste Management Act of 1980; providing for the evaluation of bedrock disposal of hazardous waste; providing for participation by private developers and operators of waste facilities in the evaluation of hazardous waste disposal sites; creating phases of environmental impact statements; expanding the definition of hazardous waste; extending the deadlines for the adoption of certain hazardous waste rules; extending certain deadlines of the metropolitan council; clarifying the contents of environmental impact statements; providing reports to counties on permit conditions and permit application requirements for county sites; authorizing issuance of bonds by Washington and Ramsey counties for a solid waste facility; amending Minnesota Statutes 1982, sections 115.071, subdivision 3; 115A.03, subdivision 10; 115A.05, subdivisions 2 and 3; 115A.06, subdivision 4; 115A.08, subdivisions 4, 5, and 6; 115A.10; 115A.11, subdivisions 1 and 2; 115A.21; 115A.22, subdivisions 1, 3, 4, 6, and 7; 115A.24, subdivision 1; 115A.25, subdivisions 1, 2, 3, and by adding subdivisions; 115A.26; 115A.27, subdivision 2; 115A.28, subdivisions 1, 2, and 3; 115A.30; 115A.54, subdivision 2; 115A.67; 115A.70, subdivision 3; 116.06, subdivision 13, and by adding a subdivision; 116.07, subdivision 4; 116.41, subdivision 1a; 473.149, subdivisions 2b, 2c, 2d, 2e, and 4; 473.153, subdivisions 2, 5, 6, 6b, and by adding a subdivision; 473.803, subdivisions 1a and 1b; 473.823, subdivision 6; 473.831, subdivision 2; 473.833, subdivisions 2a, 3, 7, and by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 115A; repealing Minnesota Statutes 1982, sections 115A.23; 115A.27, subdivision 1; 116.07, subdivision 4c; and 116.41, subdivision 1.

The bill was read for the first time.

Long moved that S. F. No. 1012 and H. F. No. 1074, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 721, A bill for an act relating to local government; authorizing Carver and Washington counties to finance sewage disposal systems on behalf of cities and towns in the counties by the issuance of county general obligation bonds.

The bill was read for the first time.

McDonald moved that S. F. No. 721 and H. F. No. 777, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 752, A bill for an act relating to crimes; prohibiting assaulting a peace officer; prescribing penalties; amending Minnesota Statutes 1982, section 609.224; proposing new law coded in Minnesota Statutes, chapter 609.

The bill was read for the first time.

Osthoff moved that S. F. No. 752 and H. F. No. 774, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 823, A bill for an act relating to cities; authorizing the issuance of capital notes for certain equipment acquisitions; proposing new law coded in Minnesota Statutes, chapter 410.

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

S. F. No. 964, A bill for an act relating to corporations; providing for the determination of eligibility for the indemnification of certain persons; prohibiting the use of corporate information obtained improperly; authorizing the use of protective orders and other relief to prevent the premature disclosure of certain confidential information or the use of corporate information obtained improperly; permitting the use of corporate names of corporations not filing the active status report; restricting the right of a corporation to deny cumulative voting; protecting preemptive rights of shareholders; clarifying when equitable relief is available to minority stockholders; providing for the retention of cumulative voting and preemptive rights after incorporation; amending Minnesota Statutes 1982, sections 300.083, subdivision 6; 302A.115, by adding a subdivision; 302A.215; 302A.413, by adding a subdivision; 302A.461, subdivisions 4, 6, and by adding a subdivision; 302A.521, subdivision 6; and 302A.751, subdivision 1, and by adding a subdivision.

The bill was read for the first time.

Ellingson moved that S. F. No. 964 and H. F. No. 1021, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 545, A bill for an act relating to welfare; changing laws relating to child support enforcement; providing for determination of paternity; providing for determination and modification of child support; amending Minnesota Statutes 1982, sections 256.74, by adding a subdivision; 256.87; 257.55, subdivision 1; 257.58; 257.59, subdivision 1; 257.60; 257.62, subdivision 1, and by adding subdivisions; 257.64, subdivision 1; 257.66, subdivisions 3 and 4; 257.69, subdivision 2; 518.10; 518.17, by adding a subdivision; 518.551, subdivisions 1, 5, and 6, and by adding subdivisions; 518.611; 518.64, subdivisions 2 and 5, and by adding a subdivision; 518.645; 518B.01, subdivisions 2 and 6; 518C.17, subdivision 1; 518C.33, subdivision 1; and 548.09; proposing new law coded in Minnesota Statutes, chapters 257, 518, and 543; repealing Minnesota Statutes 1982, sections 256.87, subdivision 2; 256.872; 256.873; 256.876; and 518.551, subdivisions 2, 3, and 4.

The bill was read for the first time.

Brandl moved that S. F. No. 545 and H. F. No. 762, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR

S. F. No. 611, A bill for an act relating to occupations and professions; limiting municipal regulation of tow truck operators; limiting removal by tow trucks from private property; proposing new law coded in Minnesota Statutes, chapter 465.

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

The question was taken on the passage of the bill and the roll was called. There were 122 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Anderson, B.	Coleman	Himle	Mann	Otis
Anderson, G.	Dempsey	Hoffman	Marsh	Peterson
Battaglia	Dimler	Hokr	McDonald	Piepho
Beard	Elioff	Jacobs	McEachern	Piper
Begich	Erickson	Jennings	McKasy	Price
Bennett	Findlay	Jensen	Metzen	Quinn
Bergstrom	Fjoslien	Johnson	Minne	Quist
Berkelman	Forsythe	Kalis	Munger	Redalen
Bishop	Frerichs	Kelly	Murphy	Reif
Brandl	Graba	Knickerbocker	Nelson, D.	Rice
Brinkman	Greenfield	Knuth	Nelson, K.	Riveness
Burger	Gruenes	Kostohryz	Neuenschwander	Rodosovich
Carlson, D.	Gustafson	Krueger	Norton	Rodriguez, C.
Carlson, L.	Gutknecht	Kvam	Ogren	Rodriguez, F.
Clark, J.	Halberg	Larsen	Olsen	Rose
Clark, K.	Haukoos	Levi	Ormann	St. Onge
Clawson	Heap	Long	Onnen	Sarna
Cohen	Heinitz	Ludeman	Osthoff	Schafer

Scheid	Sherman	Sviggum	Valento	Wigley
Schoenfeld	Simoneau	Swanson	Vellenga	Wynia
Schreiber	Skoglund	Thiede	Voss	Zaffke
Seaberg	Solberg	Tomlinson	Waltman	Speaker Sieben
Segal	Sparby	Tunheim	Welch	
Shaver	Stadum	Uphus	Welch	
Shea	Staten	Valan	Wenzel	

Those who voted in the negative were:

Welker

The bill was passed and its title agreed to.

S. F. No. 653, A bill for an act relating to natural resources; authorizing the marking of canoe and boating routes on the Pine river; amending Minnesota Statutes 1982, section 85.32, subdivision 1.

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

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

Those who voted in the affirmative were:

Anderson, B.	Fjoslien	Kvam	Piper	Sparby
Anderson, G.	Forsythe	Larsen	Price	Stadum
Battaglia	Frerichs	Levi	Quinn	Staten
Beard	Graba	Long	Quist	Sviggum
Begich	Greenfield	Ludeman	Redalen	Swanson
Bennett	Gruenes	Mann	Reif	Thiede
Bergstrom	Gustafson	Marsh	Rice	Tunheim
Berkelman	Gutknecht	McDonald	Riveness	Uphus
Bishop	Halberg	McEachern	Rodosovich	Valan
Brandl	Haukoos	McKasy	Rodriguez, C.	Valento
Brinkman	Heap	Metzen	Rodriguez, F.	Vanasek
Burger	Heinitz	Minne	Rose	Vellenga
Carlson, D.	Himle	Munger	St. Onge	Voss
Carlson, L.	Hoffman	Murphy	Sarna	Waltman
Clark, J.	Hokr	Nelson, D.	Schafer	Welch
Clark, K.	Jacobs	Nelson, K.	Scheid	Welker
Clawson	Jennings	Neuenschwander	Schoenfeld	Welle
Cohen	Jensen	Norton	Schreiber	Wenzel
Coleman	Johnson	Ogren	Seaberg	Wigley
Dempsey	Kahn	Olsen	Segal	Wynia
DenOuden	Kalis	Omann	Shaver	Zaffke
Dimler	Kelly	Onnen	Shea	Speaker Sieben
Eken	Knickerbocker	Osthoff	Sherman	
Elioff	Knuth	Otis	Simoneau	
Erickson	Kostohryz	Peterson	Skoglund	
Findlay	Krueger	Piepho	Solberg	

The bill was passed and its title agreed to.

H. F. No. 1101, A bill for an act relating to natural resources; authorizing the commissioner to sell to or exchange surplus tree planting stock with other states and the federal government

under certain circumstances; amending Minnesota Statutes 1982, section 89.36, by adding a subdivision.

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

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

Those who voted in the affirmative were:

Anderson, B.	Forsythe	Larsen	Price	Stadum
Anderson, G.	Frerichs	Levi	Quinn	Staten
Battaglia	Graba	Long	Quist	Sviggum
Beard	Greenfield	Ludeman	Redalen	Swanson
Begich	Gruenes	Mann	Reif	Thiede
Bennett	Gustafson	Marsh	Rice	Tomlinson
Bergstrom	Gutknecht	McDonald	Riveness	Tunheim
Berkelman	Halberg	McEachern	Rodosovich	Uphus
Bishop	Haukoos	McKasy	Rodriguez, C.	Valan
Brandl	Heap	Metzen	Rodriguez, F.	Valento
Brinkman	Heinitz	Minne	Rose	Vanasek
Burger	Himle	Munger	St. Onge	Vellenga
Carlson, D.	Hoffman	Murphy	Sarna	Voss
Carlson, L.	Hokr	Nelson, K.	Schafer	Waltman
Clark, J.	Jacobs	Neuenschwander	Scheid	Welch
Clawson	Jennings	Norton	Schoenfeld	Wesker
Cohen	Jensen	O'Connor	Schreiber	Welle
Coleman	Johnson	Ogren	Seaberg	Wenzel
Dempsey	Kahn	Olsen	Segal	Wigley
DenOuden	Kalis	Omamn	Shaver	Wynia
Dimler	Kelly	Onnen	Shea	Zaffke
Eken	Knickerbocker	Osthoff	Sherman	Speaker Sieben
Elioff	Knuth	Otis	Simoneau	
Erickson	Kostohryz	Peterson	Skoglund	
Findlay	Krueger	Piepho	Solberg	
Fjoslien	Kvam	Piper	Sparby	

The bill was passed and its title agreed to.

S. F. No. 148, A bill for an act relating to natural resources; authorizing the commissioner of natural resources to extend timber permits; amending Laws 1981, chapter 305, section 11, as amended.

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

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

Those who voted in the affirmative were:

Anderson, B.	Bennett	Brinkman	Clawson	Dimler
Anderson, G.	Bergstrom	Burger	Cohen	Eken
Battaglia	Berkelman	Carlson, D.	Coleman	Elioff
Beard	Bishop	Carlson, L.	Dempsey	Erickson
Begich	Brandl	Clark, J.	DenOuden	Findlay

Fjoslien	Kelly	Norton	Rose	Tomlinson
Forsythe	Knickerbocker	O'Connor	St. Onge	Tunheim
Frerichs	Knuth	Ogren	Sarna	Uphus
Graba	Kostohryz	Olsen	Schafer	Valan
Greenfield	Krueger	Omman	Scheid	Valento
Gruenes	Kvam	Onnen	Schoenfeld	Vanasek
Gustafson	Larsen	Osthoff	Schreiber	Vellenga
Gutknecht	Levi	Otis	Seaberg	Voss
Halberg	Long	Peterson	Segal	Waltman
Haukoos	Ludeman	Piepho	Shaver	Welch
Heap	Mann	Piper	Shea	Welker
Heinitz	Marsh	Price	Sherman	Welle
Himle	McDonald	Quinn	Simoneau	Wenzel
Hoffman	McEachern	Quist	Skoglund	Wigley
Hokr	McKasy	Redalen	Solberg	Wynia
Jacobs	Metzen	Reif	Sparby	Zaffke
Jennings	Minne	Rice	Stadum	Speaker Sieben
Jensen	Munger	Riveness	Staten	
Johnson	Murphy	Rodosovich	Sviggum	
Kahn	Nelson, K.	Rodriguez, C.	Swanson	
Kalis	Neuenschwander	Rodriguez, F.	Thiede	

The bill was passed and its title agreed to.

S. F. No. 464, A bill for an act relating to port authorities; providing for approval of port authority land sales; amending Minnesota Statutes 1982, section 458.17.

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

The question was taken on the passage of the bill and the roll was called. There were 108 yeas and 15 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Fjoslien	Kvam	Piepho	Skoglund
Anderson, G.	Forsythe	Larsen	Piper	Solberg
Battaglia	Graba	Levi	Price	Sparby
Beard	Greenfield	Long	Quinn	Stadum
Begich	Gruenes	Mann	Quist	Staten
Bennett	Gustafson	McEachern	Redalen	Swanson
Bergstrom	Gutknecht	McKasy	Reif	Tomlinson
Berkelman	Halberg	Metzen	Riveness	Tunheim
Bishop	Heap	Minne	Rodosovich	Uphus
Brandl	Heinitz	Munger	Rodriguez, C.	Valan
Brinkman	Himle	Murphy	Rodriguez, F.	Valento
Burger	Hoffman	Nelson, K.	Rose	Vanasek
Carlson, D.	Jacobs	Neuenschwander	St. Onge	Vellenga
Carlson, L.	Jensen	Norton	Sarna	Voss
Clark, J.	Johnson	O'Connor	Scheid	Waltman
Clawson	Kahn	Ogren	Schoenfeld	Welch
Coleman	Kalis	Olsen	Schreiber	Welle
Dempsey	Kelly	Omman	Segal	Wenzel
Dimler	Knickerbocker	Onnen	Shaver	Wigley
Eken	Knuth	Osthoff	Shea	Speaker Sieben
Elioff	Kostohryz	Otis	Sherman	
Findlay	Krueger	Peterson	Simoneau	

Those who voted in the negative were:

Cohen	Frerichs	Ludeman	Schafer	Welker
DenOuden	Haukoos	McDonald	Seaberg	Wynia
Erickson	Jennings	Rice	Thiede	Zaffke

The bill was passed and its title agreed to.

S. F. No. 854, A bill for an act relating to commerce; providing for the filing and recording of mortgages and deeds of trust of pipeline companies; amending Minnesota Statutes 1982, section 300.115.

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

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

Those who voted in the affirmative were:

Anderson, B.	Forsythe	Larsen	Piepho	Skoglund
Anderson, G.	Frerichs	Levi	Piper	Solberg
Battaglia	Graba	Long	Price	Sparby
Beard	Greenfield	Ludeman	Quinn	Stadum
Begich	Gruenes	Mann	Quist	Staten
Bergstrom	Gustafson	Marsh	Redalen	Swiggum
Berkelman	Gutknecht	McDonald	Reif	Swanson
Bishop	Halberg	McEachern	Rice	Thiede
Brandl	Haukoos	McKasy	Riveness	Tomlinson
Brinkman	Heap	Metzen	Rodosovich	Tunheim
Burger	Heinitz	Minne	Rodriguez, C.	Uphus
Carlson, L.	Himle	Munger	Rodriguez, F.	Valan
Clark, J.	Hoffman	Murphy	Rose	Valente
Clark, K.	Hokr	Nelson, D.	St. Onge	Vanasek
Clawson	Jacobs	Nelson, K.	Sarna	Vellenga
Cohen	Jennings	Neuenschwander	Schafer	Voss
Coleman	Jensen	Norton	Scheid	Waltman
Dempsey	Kahn	O'Connor	Schoenfeld	Welch
DenOuden	Kalis	Ogren	Schreiber	Welker
Dimler	Kelly	Olsen	Seaberg	Welle
Eken	Knickerbocker	Omann	Segal	Wenzel
Elioff	Knuth	Onnen	Shaver	Wigley
Erickson	Kostohryz	Osthoff	Shea	Wynia
Findlay	Krueger	Otis	Sherman	Zaffke
Fjoslien	Kvam	Peterson	Simoneau	Speaker Sieben

The bill was passed and its title agreed to.

CALENDAR

H. F. No. 521, A bill for an act relating to financial institutions; providing for the payment of hearing costs on contested applications; including credit union share insurance corporations and industrial loan and thrift guarantee issuers in the group of organizations permitted to receive examination reports; removing the requirement that a financial institution's board of directors hold qualifying shares; clarifying limitations on junior mort-

gage loans by banks; establishing application fees; removing a certain filing requirement; reducing the number of savings association incorporators; clarifying the notice requirements for savings association conversions; clarifying the industrial loan and thirft company lending limit and increasing the capital to deposit limitation; providing first installment requirements for regulated lenders and motor vehicle sales finance companies; providing credit insurance disclosure requirements for regulated lenders; clarifying financial corporation organizational requirements; amending Minnesota Statutes 1982, sections 45.04, subdivision 1; 46.07, subdivision 2; 47.54, subdivision 1; 48.06; 48.19, subdivision 1; 48.68; 49.36, subdivision 1; 49.37; 51A.03, subdivisions 1 and 4; 51A.065, subdivision 4; 51A.13, subdivisions 2 and 2a; 51A.23, subdivisions 6 and 7; 51A.51, subdivisions 2 and 3a; 52.203; 53.01; 53.03, subdivisions 1, 5, and 6; 53.04, subdivision 3a; 53.05; 53.06; 56.001, subdivision 3; 56.131, subdivision 1; 56.155, subdivision 1; 168.72, subdivision 1; 300.025; and 300.20; proposing new law coded in Minnesota Statutes, chapter 47.

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 7 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Findlay	Krueger	Osthoff	Shea
Anderson, G.	Fjoslien	Kvam	Otis	Sherman
Battaglia	Forsythe	Larsen	Peterson	Solberg
Beard	Frerichs	Levi	Piepho	Sparby
Begich	Graba	Long	Piper	Stadum
Bennett	Gruenes	Ludeman	Price	Swiggum
Bergstrom	Gustafson	Mann	Quinn	Swanson
Berkelman	Gutknecht	Marsh	Quist	Thiede
Bishop	Halberg	McDonald	Redalen	Tomlinson
Brandl	Haukoos	McEachern	Reif	Tunheim
Brinkman	Heap	McKasy	Riveness	Uphus
Burger	Heinitz	Metzen	Rodosovich	Valan
Carlson, D.	Himle	Minne	Rodriguez, C.	Valento
Carlson, L.	Hoffman	Munger	Rodriguez, F.	Vanasck
Clark, K.	Hokr	Murphy	Rose	Vellenga
Clawson	Jennings	Nelson, D.	St. Onge	Voss
Cohen	Jensen	Nelson, K.	Sarna	Waltman
Coleman	Johnson	Neuenschwander	Schafer	Welch
Dempsey	Kahu	Norton	Scheid	Welker
DenOuden	Kalis	O'Connor	Schoenfeld	Welle
Dimler	Kelly	Ogren	Schreiber	Wenzel
Eken	Knickerbocker	Olsen	Seaberg	Wigley
Elioff	Kuuth	Omam	Segal	Zaffke
Erickson	Kostohryz	Onnen	Shaver	Speaker Sieben

Those who voted in the negative were:

Clark, J.	Greenfield	Skoglund	Staten	Wynia
Ellingson	Rice			

The bill was passed and its title agreed to.

H. F. No. 270, A bill for an act relating to agriculture; providing that certain agricultural operations are not private or public nuisances; amending Minnesota Statutes 1982, section 561.19, subdivision 2; repealing Minnesota Statutes 1982, section 561.19, subdivision 5.

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 123 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Fjoslien	Krueger	Otis	Sparby
Anderson, G.	Forsythe	Kvam	Peterson	Stadum
Battaglia	Frerichs	Larsen	Piepho	Staten
Beard	Graba	Levi	Piper	Sviggum
Begich	Greenfield	Long	Price	Swanson
Bennett	Gruenes	Ludeman	Quist	Thiede
Bergstrom	Gustafson	Mann	Redalen	Tomlinson
Berkelman	Gutknecht	Marsh	Reif	Tunheim
Bishop	Halberg	McDonald	Rice	Uphus
Brandl	Haukoos	McEachern	Riveness	Valan
Brinkman	Heap	McKasy	Rodosovich	Valento
Burger	Heinitz	Metzen	Rodriguez, C.	Vanasek
Carlson, D.	Himle	Minne	Rodriguez, F.	Vellenga
Carlson, L.	Hoffman	Munger	Rose	Voss
Clawson	Hokr	Murphy	St. Onge	Waltman
Cohen	Jacobs	Nelson, D.	Sarna	Welch
Coleman	Jennings	Nelson, K.	Schafer	Welker
Dempsey	Jensen	Neuenschwander	Schoenfeld	Welle
DenOuden	Johnson	Norton	Schreiber	Wenzel
Dimler	Kahn	O'Connor	Seaberg	Wigley
Eken	Kalis	Ogren	Segal	Wynia
Elioff	Kelly	Olsen	Shaver	Zaffke
Ellingson	Knickerbocker	Omman	Shea	Speaker Sieben
Erickson	Knuth	Onnen	Sherman	
Findlay	Kostohryz	Osthoff	Solberg	

Those who voted in the negative were:

Clark, J. Skoglund

The bill was passed and its title agreed to.

H. F. No. 904, A bill for an act relating to transportation; establishing collective rate-making procedure for motor vehicle carriers; proposing new law coded in Minnesota Statutes, chapter 221.

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 87 yeas and 35 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Graba	Levi	Piper	Solberg
Anderson, G.	Greenfield	Long	Price	Sparby
Battaglia	Gruenes	Mann	Quinn	Staten
Beard	Gustafson	Marsh	Rice	Swanson
Begich	Halberg	Minne	Riveness	Tomlinson
Bennett	Hinle	Munger	Rodosovich	Tunheim
Bergstrom	Hoffman	Murphy	Rodriguez, F.	Valan
Berkelman	Jacobs	Nelson, D.	Rose	Vanasek
Brinkman	Jennings	Nelson, K.	St. Onge	Vellenga
Carlson, L.	Jensen	Neuenschwander	Sarna	Voss
Clark, J.	Kahn	Norton	Scheid	Welch
Clark, K.	Kalis	O'Connor	Schoenfeld	Welle
Clawson	Kelly	Ogren	Schreiber	Wigley
Cohen	Knickerbocker	Olsen	Segal	Wynia
Coleman	Knuth	Osthoff	Shaver	Spacker Sieben
Dempsey	Kostohryz	Otis	Sherman	
Elioff	Krueger	Peterson	Simoneau	
Ellingson	Kvam	Piepho	Skoglund	

Those who voted in the negative were:

Anderson, R.	Erickson	Johnson	Redalen	Thiede
Bishop	Findlay	Ludeman	Reif	Uphus
Brandl	Fjoslien	McDonald	Schafer	Valento
Burger	Frerichs	McKasy	Seaberg	Waltman
Carlson, D.	Gutknecht	Omann	Shea	Welker
DenOuden	Haukoos	Onnen	Stadum	Wenzel
Dimler	Heinitz	Quist	Sviggum	Zaffke

The bill was passed and its title agreed to.

H. F. No. 254 was reported to the House and given its third reading.

There being no objection H. F. No. 254 was continued one day.

S. F. No. 280 was reported to the House and given its third reading.

UNANIMOUS CONSENT

Kelly requested unanimous consent to offer an amendment. The request was granted.

Kelly moved to amend S. F. No. 280, the unofficial engrossment, as follows:

Page 9, line 22, delete "2" and insert "6"

Page 10, line 6, delete "2" and insert "6"

Page 11, line 13, delete "as defined in section 2"

Page 12, line 14, delete "as defined in"

Page 12, line 15, delete "section 2"

Page 13, line 15, delete "as defined in section"

Page 13, line 16, delete "2"

The motion prevailed and the amendment was adopted.

S. F. No. 280, A bill for an act relating to data privacy; establishing standards and procedures for the release of financial information; proposing new law coded as Minnesota Statutes, chapter 13A.

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:

Anderson, B.	Forsythe	Larsen	Piepho	Skoglund
Anderson, G.	Frerichs	Levi	Piper	Solberg
Anderson, R.	Graba	Long	Price	Sparby
Battaglia	Greenfield	Ludeman	Quinn	Stadum
Beard	Gruenes	Mann	Quist	Staten
Begich	Gustafson	Marsh	Redalen	Swiggum
Bennett	Cutknecht	McDonald	Reif	Swanson
Berkelman	Halberg	McEachern	Rice	Thiede
Bishop	Haukoos	McKasy	Riveness	Tomlinson
Brandl	Heinitz	Metzen	Rodosovich	Tunheim
Brinkman	Himle	Minne	Rodriguez, C.	Uphus
Burger	Hoffman	Munger	Rodriguez, F.	Valan
Carlson, L.	Hokr	Murphy	Rose	Valento
Clark, J.	Jacobs	Nelson, D.	St. Onge	Vanasek
Clark, K.	Jennings	Nelson, K.	Sarna	Vellenga
Cohen	Jensen	Neuenschwander	Schafer	Voss
Coleman	Johnson	Norton	Scheid	Waltman
Dempsey	Kahn	O'Connor	Schoenfeld	Welch
DenOuden	Kalis	Ogren	Schreiber	Welker
Dimler	Kelly	Olsen	Seaberg	Welle
Eken	Knickerbocker	Omann	Segal	Wenzel
Ellingson	Knuth	Onnen	Shaver	Wigley
Erickson	Kostohryz	Osthoff	Shea	Wynia
Findlay	Krueger	Otis	Sherman	Zaffke
Fjoslien	Kvam	Peterson	Simoneau	Speaker Sieben

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

H. F. No. 375 was reported to the House and given its third reading.

There being no objection H. F. No. 375 was continued one day.

H. F. No. 380 was reported to the House and given its third reading.

DenOuden moved to return H. F. No. 380 to the top of General Orders.

A roll call was requested and properly seconded.

The question was taken on the motion and the roll was called. There were 35 yeas and 87 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Gruenes	Kvam	Piepho	Swiggum
DenOuden.	Gutknecht	Ludeman	Quist	Thiede
Erickson.	Haukoos	McDonald	Redalen	Uphus
Evans	Heinitz	McKasy	Reif	Waltman
Findlay	Jennings	Olsen	Rose	Welker
Fjoslien	Johnson	Omann	Schafer	Wigley
Frerichs	Knickerbocker	Onnen	Shaver	Zaffke

Those who voted in the negative were:

Anderson, B.	Dimler	Krueger	Piper	Solberg
Anderson, G.	Eken	Larsen	Price	Sparby
Battaglia	Elioff	Levi	Quinn	Staten
Beard	Ellingson	Long	Rice	Swanson
Begich	Forsythe	Mann	Riveness	Tomlinson
Bennett	Graba	McEachern	Rodosovich	Tunheim
Bergstrom	Greenfield	Metzen	Rodriguez, C.	Valan
Bishop	Gustafson	Minne	Rodriguez, F.	Vanasek
Brandl	Heap	Munger	St. Onge	Vollenga
Brinkman	Himle	Murphy	Sarna	Voss
Burger	Hoffman	Nelson, D.	Scheid	Welch
Carlson, L.	Jacobs	Nelson, K.	Schoenfeld	Welle
Clark, J.	Jensen	Neuenschwander	Seaberg	Wenzel
Clark, K.	Kahn	O'Connor	Segal	Wynia
Clawson	Kalis	Ogren	Shea	Speaker Sieben
Cohen	Kelly	Osthoff	Sherman	
Coleman	Knuth	Otis	Simoneau	
Dempsey	Kostohryz	Peterson	Skoglund	

The motion did not prevail.

Onnen requested unanimous consent to offer an amendment. The request was not granted.

H. F. No. 380, A bill for an act relating to negligence; regulating the liability of good samaritans; amending Minnesota Statutes 1982, section 604.05.

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 103 yeas and 18 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Eken	Kostohryz	Otis	Sherman
Anderson, G.	Elioff	Krueger	Peterson	Simoneau
Anderson, R.	Ellingson	Larsen	Piper	Skoglund
Battaglia	Evans	Levi	Price	Solberg
Beard	Ejoslien	Long	Quist	Sparby
Begich	Forsythe	Mann	Redalen	Staten
Bennett	Frerichs	Marsh	Reif	Sviggum
Bergstrom	Graba	McDonald	Rice	Swanson
Berkelman	Greenfield	McEachern	Riveness	Tomlinson
Bishop	Gustafson	Metzen	Rodosovich	Tunheim
Brandl	Heap	Minne	Rodriguez, C.	Valan
Brinkman	Himle	Munger	Rodriguez, F.	Valento
Burger	Hoffman	Murphy	Rose	Vanasek
Carlson, D.	Hokr	Nelson, D.	St. Onge	Vellenga
Carlson, L.	Jacobs	Nelson, K.	Sarna	Waltman
Clark, J.	Jensen	Neuenschwander	Scheid	Welch
Clark, K.	Johnson	Norton	Schoenfeld	Welle
Clawson	Kahn	O'Connor	Seaberg	Wenzel
Cohen	Kalis	Ogren	Segal	Wynia
Coleman	Kelly	Onnen	Shaver	
Dimler	Knuth	Osthoff	Shea	

Those who voted in the negative were:

Dempsey	Gutknecht	Kyam	Schreiber	Wigley
DenOuden	Haukoos	Omamn	Thiede	Zaffke
Erickson	Heinitz	Piepho	Uphus	
Findlay	Knickerbocker	Schafer	Welker	

The bill was passed and its title agreed to.

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

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Tomlinson requested immediate consideration of H. F. No. 1171.

The Speaker called Wynia to the Chair.

H. F. No. 1171 was reported to the House.

Schreiber moved to amend H. F. No. 1171 as follows:

Page 12, after line 18, insert:

“Sec. 14. Minnesota Statutes 1982, section 458.193, subdivision 6, is amended to read:

Subd. 6. Bonds legally issued pursuant to (LAWS 1957, CHAPTER 812) *chapter 458*, shall be deemed authorized as securities within the provisions of Minnesota Statutes, Section 50.14, and shall be proper for the investment therein by any savings bank or trust company, insurance company or sinking

funds held by any public or municipal corporation, and may be pledged by any bank or trust company as security for the deposit of public moneys therein in lieu of surety bonds. (SUCH) *The* bonds shall be deemed and treated as instrumentalities of a public governmental agency (AND, AS SUCH, EXEMPT FROM TAXATION)."

Page 12, after line 25, insert:

"Sec. 16. Minnesota Statutes 1982, section 458A.09, is amended to read:

458A.09 [EXEMPTION FROM TAXATION.]

Notwithstanding any other provision of law to the contrary, the properties, moneys, and other assets of the commission, *and* all revenues or other income of the commission (, AND ALL BONDS, CERTIFICATES OF INDEBTEDNESS, OR OTHER OBLIGATIONS ISSUED BY THE COMMISSION, AND THE INTEREST THEREON,) shall be exempt from all taxation, licenses, fees, or charges of any kind imposed by the state or by any county, municipality, political subdivision, taxing district, or other public agency or body of the state.

Sec. 17. Minnesota Statutes 1982, section 462.651, subdivision 3, is amended to read:

Subd. 3. [OBLIGATIONS AND DIVIDENDS OF REDEVELOPMENT COMPANY EXEMPT FROM TAXATION.] Bonds and mortgages and the income debenture certificates of all redevelopment companies are declared to be instrumentalities of the state, *and* issued for public purposes (, AND SHALL, TOGETHER WITH INTEREST THEREON, BE EXEMPT FROM TAXATION. THE DIVIDENDS ON THE STOCK OF THOSE COMPANIES SHALL BE EXEMPT FROM TAXATION BY THE STATE)."

Page 15, after line 4, insert:

"Sec. 21. Minnesota Statutes 1982, section 473.436, subdivision 3, is amended to read:

Subd. 3. [TAX EXEMPT.] Certificates of indebtedness, bonds, or other obligations of the commission shall be deemed and treated as instrumentalities of a public government agency (AND AS SUCH, TOGETHER WITH INTEREST THEREON, EXEMPT FROM TAXATION)."

Page 16, after line 3, insert:

"Sec. 24. Minnesota Statutes 1982, section 473.666, is amended to read:

473.666 [BONDS, LEGAL INVESTMENTS FOR PUBLIC FUNDS.]

Bonds legally issued pursuant to sections 473.601 to 473.679 or acts amendatory thereof or supplemental thereto, may be purchased by the state board of investment for the permanent school fund, permanent university fund, swamp land fund, internal improvement land funds, or any other trust fund of the state of Minnesota, or for any other fund administered by such board, and shall be deemed authorized securities within the provisions of section 50.14, and shall be proper for the investment of capital, surplus, or deposits of any savings bank or trust company, and for the investment of funds of any insurance company, and for the investment of any sinking funds held by any public or municipal corporation, and may be pledged by any bank or trust company as security for the deposit of public moneys therein in lieu of surety bonds. (SUCH) *The* bonds shall be deemed and treated as instrumentalities of a public government agency (, AND AS SUCH SHALL BE EXEMPT FROM TAXATION)."

Renumber the sections in order

Page 16, line 9, delete "20," and insert "25,"

Further amend the title:

Page 1, line 8, after "447.49;" insert "458.193, subdivision 6;"

Page 1, line 8, after "6;" insert "458A.09; 462.191, subdivision 3;"

Page 1, line 10, after "4;" insert "473.436, subdivision 6;"

Page 1, line 10, delete "and"

Page 1, line 10, after "473.545;" insert "and 473.666;"

The motion prevailed and the amendment was adopted.

McKasy and Schreiber moved to amend H. F. No. 1171, as amended, as follows:

Page 16, line 10, after "for" insert "*income earned after July 1, 1983 in*"

The motion prevailed and the amendment was adopted.

H. F. No. 1171, A bill for an act relating to taxation; clarifying the income tax treatment of certain debt obligations of state and local governments; amending Minnesota Statutes 1982, sections 80A.09, subdivision 1; 115A.69, subdivision 6; 116A.25; 116J.89, subdivision 6; 136.32; 136A.179; 136A.39; 193.146, subdivision 4; 272.02, subdivision 1; 362A.07; 447.35; 447.49; 458.193, subdivision 6; 458A.05, subdivision 6; 458A.09; 462.191, subdivision 3; 462.551; 462A.19, subdivision 1; 472.09, subdivision 4; 473.436, subdivision 6; 473.448; 473.545; and 473.666; repealing Minnesota Statutes 1982, sections 116J.89, subdivision 7; 462A.19, subdivision 2; and 474.12.

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 119 yeas and 9 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Erickson	Knickerbocker	Onnen	Shaver
Anderson, G.	Evans	Knuth	Osthoff	Shea
Anderson, R.	Findlay	Kostohryz	Otis	Sherman
Battaglia	Fjoslien	Krueger	Peterson	Simoneau
Beard	Forsythe	Kvam	Piepho	Solberg
Begich	Frerichs	Larsen	Piper	Sparby
Bennett	Graba	Levi	Price	Staten
Bergstrom	Greenfield	Long	Quian	Sviggum
Berkelman	Gruenes	Ludeman	Quist	Swanson
Bishop	Gustafson	Mann	Redalen	Tomlinson
Brandl	Gutknecht	Marsh	Reif	Tunheim
Brinkman	Haukoos	McEachern	Rice	Uphus
Burger	Heap	McKasy	Riveness	Valan
Carlson, D.	Heinitz	Minne	Rodosovich	Valento
Carlson, L.	Himle	Munger	Rodriguez, C.	Vanasek
Clark, J.	Hoffman	Murphy	Rodriguez, F.	Vellenga
Clark, K.	Hokr	Nelson, D.	Rose	Voss
Clawson	Jacobs	Nelson, K.	St. Onge	Walman
Cohen	Jennings	Neuenschwander	Sarna	Welch
Coleman	Jensen	Norton	Scheid	Welle
Dempsey	Johnson	O'Connor	Schoenfeld	Wenzel
Eken	Kahn	Ogren	Schreiber	Wynia
Elioff	Kalis	Olsen	Seaberg	Speaker Sieben
Ellingson	Kelly	Omam	Segal	

Those who voted in the negative were:

DenOuden	McDonald	Schafer	Welker	Zaffke
Dimler	Metzen	Stadum	Wigley	

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

Staten was excused at 4:00 p.m. Carlson, D., was excused at 4:30 p.m.

GENERAL ORDERS

Pursuant to rules of the House, the House resolved itself into the Committee of the Whole with Wynia in the Chair for the consideration of bills pending on General Orders of the Day. Sieben presided during a portion of the meeting of the Committee of the Whole. After some time spent therein the Committee arose.

REPORT OF THE COMMITTEE OF THE WHOLE

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

H. F. Nos. 507, 519, 582, 657 and 672 which it recommended to pass.

H. F. Nos. 474, 938, 102 and 520 which it recommended progress.

H. F. No. 643 which it recommended progress until Thursday, May 19, 1983.

H. F. No. 537 which it recommended to pass with the following amendment offered by Zaffke:

Delete page 3

Page 4, delete lines 1 through 7

Renumber the remaining section

Amend the title as follows:

Page 1, line 5, delete “; requiring that”

Page 1, delete lines 6 and 7

Page 1, line 8, delete “than two years”

Page 1, line 9, delete “sections” and insert “section”

Page 1, line 9, delete “; and 179.70,”

Page 1, line 10, delete “subdivision 1”

H. F. No. 606 which it recommended to pass with the following amendments:

Offered by Clawson:

Page 13, line 28, before the period insert "*if the commissioner, after review of the tribal court commitment record, is satisfied that the tribal court commitment has provided due process protections similar to those afforded by sections 253B.05 to 253B.10*"

Offered by Dempsey:

Page 1, after line 35, insert:

"Sec. 2. Minnesota Statutes 1982, section 253B.02, subdivision 13, is amended to read:

Subd. 13. [MENTALLY ILL PERSON.] "Mentally ill person" means any person who has *an organic disorder of the brain or a substantial psychiatric disorder of thought, mood, perception, orientation, or memory which grossly impairs judgment, behavior, capacity to recognize reality, or to reason or understand, which (a) is manifested by instances of grossly disturbed behavior or faulty perceptions; and (b) poses a substantial likelihood of physical harm to himself or others as demonstrated by (i) a recent attempt or threat to physically harm himself or others, or (ii) a failure to provide necessary food, clothing, shelter or medical care for himself, as a result of the impairment. This impairment excludes (a) epilepsy, (b) mental retardation, (c) brief periods of intoxication caused by alcohol or drugs, or (d) dependence upon or addiction to any alcohol or drugs.*"

Renumber the sections in sequence

Page 15, line 21, delete "28" and insert "29"

Amend the title as follows:

Page 1, line 18, after "5," insert "13,"

H. F. No. 794 which it recommended to pass with the following amendment offered by Osthoff:

Page 1, line 18, after "blocks" delete "231, 233,"

Page 1, line 22, after "215," insert "and"

Page 1, line 22, after "414" delete ", and 415"

On the motion of Eken the report of the Committee of the Whole was adopted.

ROLL CALLS IN COMMITTEE OF THE WHOLE

Pursuant to rule 1.6, the following roll calls were taken in the Committee of the Whole:

Zaffke moved to amend H. F. No. 537, the first engrossment, as follows:

Delete page 3

Page 4, delete lines 1 through 7

Renumber the remaining section

Amend the title as follows:

Page 1, line 5, delete “; requiring that”

Page 1, delete lines 6 and 7

Page 1, line 8, delete “than two years”

Page 1, line 9, delete “sections” and insert “section”

Page 1, line 9, delete “; and 179.70,”

Page 1, line 10, delete “subdivision 1”

The question was taken on the amendment and the roll was called. There were 99 yeas and 9 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Evans	Knuth	Omann	Sherman
Anderson, G.	Findlay	Kostohryz	Onnen	Solberg
Anderson, R.	Fjoslien	Krueger	Osthoff	Sparby
Battaglia	Frerichs	Kvam	Peterson	Stadum
Berkelman	Graba	Larsen	Piepho	Sviggum
Bishop	Greenfield	Levi	Quist	Swanson
Blatz	Gruenes	Ludeman	Redalen	Thiede
Brinkman	Gustafson	Mann	Reif	Tunheim
Burger	Gutknecht	Marsh	Rice	Uphus
Carlson, D.	Haukoos	McDonald	Rodosovich	Valan
Carlson, L.	Heap	McEachern	Rodriguez, C.	Valento
Clark, J.	Heinitz	McKasy	Rose	Vanasek
Clawson	Himle	Minne	St. Onge	Vellenga
Coleman	Hoffman	Murphy	Sarna	Waikman
Dempsey	Hekr	Nelson, D.	Schafer	Welker
DenOuden	Jennings	Nelson, K.	Schoenfeld	Weazel
Dimler	Johnson	Neuenschwander	Schreiber	Wigley
Eken	Kalis	Norton	Segal	Wynia
Ellingson	Kelly	Ogren	Shaver	Zaffke
Erickson	Knickerbocker	Olsen	Shea	

Those who voted in the negative were:

Beard	Elioff	Piper	Simoneau	Welle
Begich	Jensen	Rodriguez, F.	Voss	

The motion prevailed and the amendment was adopted.

Ludeman moved to amend H. F. No. 537, the first engrossment, as amended, as follows:

Page 2, line 9, strike "30" and insert "90"

The question was taken on the amendment and the roll was called. There were 44 yeas and 73 nays as follows:

Those who voted in the affirmative were:

Bishop	Fjoslien	Jennings	Piepho	Stadum
Blatz	Forsythe	Johnson	Quist	Thiede
Burger	Frerichs	Levi	Redalen	Uphus
Dempsey	Gutknecht	Ludeman	Reif	Valan
DenOuden	Halberg	McDonald	Rose	Valento
Dimler	Haukoos	McKasy	Schafer	Welker
Erickson	Heinitz	Olsen	Schreiber	Wigley
Evans	Himle	Omann	Scaberg	Zaffke
Findlay	Hokr	Onnen	Shaver	

Those who voted in the negative were:

Anderson, G.	Eken	Mann	Peterson	Solberg
Anderson, R.	Elioff	Marsh	Piper	Sparby
Battaglia	Greenfield	McEachern	Price	Staten
Beard	Cruenes	Metzen	Quinn	Swanson
Begich	Gustafson	Minne	Rice	Tomlinson
Bennett	Hoffman	Munger	Riveness	Tunheim
Bergstrom	Jacobs	Murphy	Rodosovich	Vanasek
Berkelman	Jensen	Nelson, D.	Rodriguez, C.	Vellenga
Brandl	Kahn	Nelson, K.	Rodriguez, F.	Voss
Carlson, L.	Kalis	Neuenschwander	St. Onge	Weile
Clark, J.	Kelly	Norton	Sarna	Wenzel
Clark, K.	Knuth	O'Connor	Scheid	Wynia
Clawson	Kostohryz	Ogren	Schoenfeld	Speaker Sieben
Cohen	Krueger	Osthoff	Sherman	
Coleman	Larsen	Otis	Simoneau	

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

The question was taken on the motion to recommend passage of H. F. No. 672 and the roll was called. There were 63 yeas and 51 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Berkelman	Clark, J.	Eken	Greenfield
Battaglia	Brandl	Clark, K.	Ellingson	Gustafson
Beard	Erinkman	Clawson	Evans	Hoffman
Begich	Carlson, L.	Cohen	Graba	Jacobs

Jensen	Metzen	Otis	Segal	Vellenga
Kahn	Minne	Peterson	Simoneau	Voss
Kalis	Munger	Piper	Solberg	Welch
Kelly	Nelson, D.	Rodosovich	Sparby	Welle
Knuth	Nelson, K.	Rodriguez, C.	Staten	Wenzel
Krucger	Neuenschwander	Rodriguez, F.	Swanson	Wynia
Larsen	Norton	Scheid	Tunlison	Speaker Sieben
Long	Ogren	Schoenfeld	Tunheim	
Mann	Osthoff	Schreiber	Vanasek	

Those who voted in the negative were:

Anderson, R.	Fjoslien	Kostohryz	Quist	Uphus
Bennett	Forsythe	Levi	Redalen	Valan
Bishop	Frerichs	Ludeman	Reif	Valento
Blatz	Gruenes	Marsh	Rose	Waltman
Burger	Gutknecht	McDonald	St. Onge	Welker
Dempsey	Haukoos	McKasy	Schafer	Wigley
DenOuden	Heimitz	Murphy	Seaberg	Zaffke
Dimler	Himle	Olsen	Shaver	
Elioff	Jennings	Omann	Stadum	
Erickson	Johnson	Onaen	Sviggum	
Findlay	Knickerbocker	Piepho	Thiede	

The motion prevailed.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 30:

Skoglund, Kostohryz and Burger.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 251:

Rodriguez, F.; Clawson and Wigley.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 61:

Brandl, Vanasek and Bishop.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 267:

Scheid, Osthoff and Schreiber.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 708:

Clawson, Gustafson and McKasy.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 76:

Long; Nelson, D.; Munger; Anderson, R., and Sieben.

MOTIONS AND RESOLUTIONS

Sarna moved that the name of Greenfield be stricken and the name of Staten be added as second author on H. F. No. 661. The motion prevailed.

Uphus, Wenzel, Omann and Brinkman introduced:

House Resolution No. 10, A house resolution congratulating Henry Gruber for winning the national plowing contest and wishing him good luck in the World Ploughing Contest.

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

ADJOURNMENT

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Thursday, April 28, 1983.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

