

STATE OF MINNESOTA

SEVENTY-THIRD SESSION - 1983

SIXTIETH DAY

SAINT PAUL, MINNESOTA, MONDAY, MAY 23, 1983

The House of Representatives convened at 10:00 a.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

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

The roll was called and the following members were present:

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

A quorum was present.

Hoberg was excused.

Otis was excused until 11:00 a.m. Hokr was excused until 11:30 a.m.

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

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 623 and 1137 and S. F. Nos. 709, 950, 320 and 620 have been placed in the members' files.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 10, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House
276 State Office Building
St. Paul, Minnesota 55155

Dear Speaker Sieben:

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

H. F. No. 76, 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; providing for studies; imposing taxes, fees, and penalties; providing for injunctive relief; appropriating money.

Sincerely,

RUDY PERPICH
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 10, 1933

The Honorable Harry A. Sieben, Jr.
Speaker of the House
276 State Office Building
St. Paul, Minnesota 55155

Dear Speaker Sieben:

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

H. F. No. 194, relating to labor; creating an exemption from state minimum wage for certain live-in child care county employees.

H. F. No. 230, relating to insurance; prohibiting sex discrimination under Minnesota comprehensive health insurance plan.

H. F. No. 513, relating to elections; changing certain registration procedures; requiring availability of certain public facilities as polling places; changing requirements that voting machines remain locked after elections.

H. F. No. 581, relating to counties; providing for the formal extinction of certain abandoned interests in county highways.

H. F. No. 673, relating to elections; changing eligibility requirements and compensation for election judges; permitting time off from work for election judges.

H. F. No. 730, 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.

H. F. No. 760, relating to retirement; making various administrative and clarifying amendments to laws governing the Minnesota state retirement system and other retirement plans administered by the system.

H. F. No. 787, relating to metropolitan government; regulating the organization, duties, and powers of the metropolitan mosquito control district and commission.

H. F. No. 954, relating to the Minneapolis park and recreation board; providing for the appointment of various employees.

H. F. No. 1062, relating to port authorities; providing for the term of service of certain members of port authorities.

Sincerely,

RUDY PERPICH
Governor

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

May 10, 1983

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

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1983 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Date Approved 1983</i>	<i>Date Filed 1983</i>
	76	121	May 10	May 10
	194	122	May 10	May 10
	230	123	May 10	May 10
	513	124	May 10	May 10
	581	125	May 10	May 10
	673	126	May 10	May 10
	730	127	May 10	May 10
	760	128	May 10	May 10
	787	129	May 10	May 10
	954	130	May 10	May 10

60th Day]

MONDAY, MAY 23, 1983

5405

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1983	Date Filed 1983
	1062	131	May 10	May 10

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 12, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House
276 State Office Building
St. Paul, Minnesota 55155

Dear Speaker Sieben:

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

H. F. No. 190, relating to courts; providing for the appointment of a court commissioner to solemnize marriages in Brown, Dodge, Fillmore and Olmsted counties.

H. F. No. 482, relating to open meetings; requiring availability of certain materials; prescribing penalties.

H. F. No. 529, 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.

H. F. No. 592, relating to utilities; providing a penalty for failure to relinquish a coin-operated telephone for an emergency and other telephone-related situations.

H. F. No. 598, relating to public welfare; clarifying responsibility for payment for temporary confinement in state hospitals.

H. F. No. 684, relating to administrative procedures; exempting certain rules from the requirement of approval by the revisor of statutes and related procedures.

H. F. No. 830, relating to manufactured homes; clarifying the prohibition of net listing agreements; adding an appeals provision; correcting cross-references.

Sincerely,

RUDY PERPICH
Governor

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

May 12, 1983

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

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1983 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Date Approved 1983</i>	<i>Date Filed 1983</i>
664		132	May 12	May 12
987		133	May 12	May 12
1067		134	May 12	May 12
1104		135	May 12	May 12
	190	136	May 12	May 12
	482	137	May 12	May 12
	684	138	May 12	May 12
	529	139	May 12	May 12
	592	140	May 12	May 12
	598	141	May 12	May 12

60th Day]

MONDAY, MAY 23, 1983

5407

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1983	Date Filed 1983
	830	142	May 12	May 12

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
ST. PAUL 55155

May 13, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House
276 State Office Building
St. Paul, Minnesota 55155

Dear Speaker Sieben:

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

H. F. No. 725, relating to transportation; classifying right-of-way appraisals as confidential data; regulating the conveying and leasing of certain rights-of-way; providing that the consideration to be paid upon reconveyance be equal to the estimated current market value of the property reconveyed; authorizing the acquisition of fee title under certain conditions; authorizing the lease of certain easements and providing for the distribution of rents; providing for the alteration of public drainage systems affecting trunk highways; authorizing fees for and the services of a licensed real estate broker for disposing of right-of-way; authorizing the commissioner to convey land to a utility under certain circumstances.

Sincerely,

RUDY PERPICH
Governor

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

May 13, 1983

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

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1983 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Date Approved 1983</i>	<i>Date Filed 1983</i>
	725	143	May 13	May 13

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 17, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House
276 State Office Building
St. Paul, Minnesota 55155

Dear Speaker Sieben:

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

H. F. No. 360, relating to education; transferring authority for appointing the commissioner of education from the state board of education to the governor.

Sincerely,

RUDY PERPICH
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 17, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House
276 State Office Building
St. Paul, Minnesota 55155

Dear Speaker Sieben:

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

H. F. No. 171, relating to public cemeteries; providing for simplified reinvestment in the cemetery association of certain unused cemetery land.

H. F. No. 490, relating to public welfare; setting standards for determining the county of financial responsibility for purposes of medical assistance, community social services, and supplemental aid.

H. F. No. 530, relating to crimes; providing that prosecution or acquittal of a crime in another jurisdiction is not a bar to prosecution in this state when the act or omission constitutes a crime in the other jurisdiction and this state.

H. F. No. 588, relating to the North Suburban Hospital District; providing for adjustment of terms of office; changing filing dates for candidates for the hospital board.

H. F. No. 608, relating to insurance; accident and health; exempting administrators of self insured health plans established by collective bargaining agreement from certain regulatory provisions.

H. F. No. 694, relating to Ramsey County; providing for the membership, terms, and procedures of the medical center commission.

H. F. No. 758, relating to mining; extending the time period within which certain idle open pit mines must be fenced.

H. F. No. 958, relating to long term care; requiring the commissioners of health and public welfare to prepare a report to the legislature.

Sincerely,

RUDY PERPICH
Governor

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

May 17, 1983

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

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1983 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Date Approved 1983</i>	<i>Date Filed 1983</i>
44		144	May 17	May 17
568		145	May 17	May 17
705		146	May 17	May 17
843		147	May 17	May 17
900		148	May 17	May 17
	171	149	May 17	May 17
	360	150	May 17	May 17
	490	151	May 17	May 17
	530	152	May 17	May 17
	588	153	May 17	May 17
	608	154	May 17	May 17
	694	155	May 17	May 17
	758	156	May 17	May 17
	958	157	May 17	May 17

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

60th Day]

MONDAY, MAY 23, 1983

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STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 18, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House
276 State Office Building
St. Paul, Minnesota 55155

Dear Speaker Sieben:

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

H. F. No. 91, relating to public utilities; providing for rights of stockholders and directors of cooperative electric associations; proposing new law coded in Minnesota Statutes, chapter 216B.

H. F. No. 159, relating to education; requiring school boards to adopt and review discipline policies including rules of conduct for pupils, and grounds and procedures for removal of pupils from class.

H. F. No. 519, relating to public welfare; abolishing funding priorities for a certain grant program related to facilities for adult mentally ill persons.

H. F. No. 584, relating to commerce; regulating the consignment of works of art; specifying the rights and duties of consignors and consignees; defining terms; proposing new law coded as Minnesota Statutes, chapter 324.

H. F. No. 605, relating to education; requiring the higher education coordinating board to report its recommendations concerning credit transferability and institutional and program requirements; requiring reports to the legislature; providing that students shall be entitled to complete programs according to requirements as of the time the student began the program.

H. F. No. 987, relating to public utilities; providing for additional investment authority of bond proceeds.

Sincerely,

RUDY PERPICH
Governor

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

May 18, 1983

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

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1983 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Date Approved 1983</i>	<i>Date Filed 1983</i>
689		158	May 18	May 18
756		159	May 18	May 18
824		160	May 18	May 18
927		161	May 18	May 18
	91	162	May 18	May 18
	159	163	May 18	May 18
	519	164	May 18	May 18
	584	165	May 18	May 18
	605	166	May 18	May 18
	987	167	May 18	May 18

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 19, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House
276 State Office Building
St. Paul, Minnesota 55155

Dear Speaker Sieben:

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

H. F. No. 31, relating to veterans affairs; prohibiting searches at the Minnesota veterans home except under criminal warrant.

H. F. No. 74, relating to notaries public; increasing the fees they may charge.

H. F. No. 140, relating to public utilities; requiring public utilities to consider customer schedule needs when reading non-accessible meters.

H. F. No. 166, relating to local government; providing for prosecution of certain gross misdemeanors; authorizing agreements between cities and counties for the prosecution of certain offenses by county attorneys; authorizing counties pursuant to agreement with cities to engage attorneys for prosecution of misdemeanors, petty misdemeanors, and violations of municipal ordinances, charters, and regulations; establishing a formula for disposition of fine proceeds; authorizing cities to pay certain witness expenses.

H. F. No. 167, relating to liquor; authorizing the city of Dilworth to issue one on-sale license to an Eagles Club.

H. F. No. 189, relating to energy; requiring certain conservation investments by regulated utilities.

H. F. No. 223, relating to taxation; authorizing the assessment of personal liability of corporate or partnership officers or employees; deleting obsolete references; clarifying that administrative subpoenas are enforced in the judicial district where the party served is located; providing that tax liens include certain costs; providing for the filing of liens and the transcription of liens to other counties; eliminating the requirement of notification to commissioner of foreclosure in certain instances; providing for the assessment of taxes; providing time limitations

for court proceedings to collect certain taxes; providing for a suspension of certain time limitations in bankruptcy cases; clarifying the classification of tax claims in estates; providing a bond requirement to secure withholding taxes; providing for payment of withholding taxes by contractors and certain sub-contractors prior to final contract settlement.

H. F. No. 259, relating to watercraft safety; requirement for rear view mirrors while towing skiers.

H. F. No. 270, relating to agriculture; providing that certain agricultural operations are not private or public nuisances.

H. F. No. 318, relating to local government; regulating kinds of and charges for water and sewer facilities and services.

H. F. No. 403, relating to taxation; providing a special levy for operating costs of a county jail.

H. F. No. 441, relating to the housing finance agency; increasing the maximum rehabilitation loan amount; combining certain bonding categories; clarifying other agency duties and powers; modifying certain duties and powers of issuers of local housing revenue bonds.

H. F. No. 462, relating to St. Louis County; limiting compensation of elected county officers; providing that the county board set the fees for tax search certificates; providing for reimbursement of certain expenses of county commissioners; allowing the county board to designate a clerk other than the auditor.

H. F. No. 463, relating to municipal planning and zoning; requiring the filing of copies of certain documents.

H. F. No. 491, relating to administrative rulemaking; providing for consideration of and participation by small business.

H. F. No. 540, relating to crimes; creating the crimes of unlawfully obtaining services from a provider of regular route transit and unlawfully interfering with a transit operator while the operator is performing his or her duties; prohibiting disruptive behavior on a transit vehicle; providing penalties.

H. F. No. 749, relating to the city of Fergus Falls; authorizing the city to issue general obligations to finance a solid waste disposal facility.

H. F. No. 794, relating to the legislature; enacting the present legislative apportionment into statutory form with minor alterations.

H. F. No. 849, relating to state lands; authorizing the sale of a certain lakeshore lot in Douglas County.

H. F. No. 859, relating to the military; redefining categories of service; restricting state liability for workers' compensation claims, tort claims, and special compensation payments; clarifying applicability of state's uniform code of military justice; reenacting the authority of the adjutant general to repair regimental battle flags.

H. F. No. 1006, relating to intoxicating liquor; authorizing a city to authorize an on-sale licensee to dispense liquor at events held in facilities of the metropolitan sports facilities commission.

H. F. No. 1092, relating to motor vehicles; allowing the holder of personalized license plates to retain the same number after the personalized plates have been damaged, lost, or stolen.

H. F. No. 1101, 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.

H. F. No. 1147, relating to local government; permitting the cities of Richfield and Bloomington to implement an energy conservation program; authorizing the financing of a residential energy conservation program; requiring a report to the legislature.

Sincerely,

RUDY PERPICH
Governor

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

May 19, 1983

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

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1983 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Date Approved 1983</i>	<i>Date Filed 1983</i>
281		168	May 19	May 19
752		169	May 19	May 19
812		170	May 19	May 19
948		171	May 19	May 19
1105		172	May 19	May 19
1165		173	May 19	May 19
	31	174	May 19	May 19
	74	175	May 19	May 19
	140	176	May 19	May 19
	166	177	May 19	May 19
	167	178	May 19	May 19
	189	179	May 19	May 19
	223	180	May 19	May 19
	259	181	May 19	May 19
	270	182	May 19	May 19
	318	183	May 19	May 19
	403	184	May 19	May 19
	441	185	May 19	May 19
	462	186	May 19	May 19
	463	187	May 19	May 19
	491	188	May 19	May 19
	540	189	May 19	May 19
	749	190	May 19	May 19

60th Day]

MONDAY, MAY 23, 1983

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<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Date Approved 1983</i>	<i>Date Filed 1983</i>
	794	191	May 19	May 19
	849	192	May 19	May 19
	859	193	May 19	May 19
	1006	194	May 19	May 19
	1092	195	May 19	May 19
	1101	196	May 19	May 19
	1147	197	May 19	May 19
883		198	May 19	May 19

Sincerely,

JOAN ANDERSON GROWE
Secretary of StateSTATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 20, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House
276 State Office Building
St. Paul, Minnesota 55155

Dear Speaker Sieben:

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

H. F. No. 114, relating to crimes; prohibiting promotion of minors to engage in sexual performance; defining terms; prohibiting dissemination and possession of works depicting minors in sexual performance; providing penalties.

H. F. No. 290, relating to health maintenance organizations; authorizing a local governmental unit to operate as a health maintenance organization; requiring the establishment of an advisory body to the organization; requiring a report to the legislature.

H. F. No. 294, relating to manufactured homes; granting the right to make in park sales of homes more than 15 years old; requiring sellers to disclose manufactured home safety features.

H. F. No. 381, relating to taxation; adopting certain federal provisions relating to income taxes; updating certain references to the Internal Revenue Code; adopting certain federal provisions relating to the determination of interest rates on taxes; imposing penalties.

H. F. No. 419, relating to insurance; fire; hail; requiring the insured, in case of loss, to show the damaged property and related records to the company and consent to be examined under oath; providing for the exchange of information on losses or potential losses between companies and authorized persons; providing for the appraisal of losses; specifying the procedure to be used in selecting appraisers.

H. F. No. 599, relating to labor; regulating fair labor standards record keeping; changing the civil and criminal penalties on employers for violations of the record keeping and posting requirements of the fair labor standards act.

H. F. No. 745, relating to the administrative procedure act; requiring certain notices to be sent to the legislative commission to review administrative rules; clarifying the duties of the revisor of statutes with respect to approving the form of administrative rules; increasing the time period for adopting a rule when reviews by other agencies are necessary; establishing a deadline for agency action with respect to rules adopted without public hearing; clarifying other provisions of the act.

H. F. No. 1108, relating to drainage; permitting a county board to cancel ditch assessments related to vacated town roads; proposing new law coded in Minnesota Statutes, chapter 106.

H. F. No. 1111, relating to local government; regulating town levies in Crow Wing County; repealing Laws 1941, chapter 451.

H. F. No. 1171, relating to taxation; clarifying the income tax treatment of certain debt obligations of state and local governments.

Sincerely,

RUDY PERPICH
Governor

60th Day]

MONDAY, MAY 23, 1983

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STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 23, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House
276 State Office Building
St. Paul, Minnesota 55155

Dear Speaker Sieben:

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

H. F. No. 77, relating to horse racing; creating a Minnesota racing commission and providing for its membership, powers, and duties; authorizing the licensing of persons to operate race-tracks, conduct horse racing, engage in certain occupations, and conduct pari-mutuel betting on horse racing; prescribing taxes and license fees; establishing a Minnesota breeders fund; defining sports bookmaking and making it a felony; clarifying what is not a lottery; providing for the forfeiture of certain gambling devices, prizes, and proceeds; providing penalties; appropriating money.

Sincerely,

RUDY PERPICH
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 23, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House
276 State Office Building
St. Paul, Minnesota 55155

Dear Speaker Sieben:

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

H. F. No. 102, relating to agricultural and residential real estate; requiring 60 days notice of default on a real estate mortgage, notice of termination of a real estate commencement of a sale and foreclosure proceeding; foreclosure sale or contract termination under certain circumstances; limiting the right to maintain actions for deficiency judgments.

Sincerely,

RUDY PERPICH
Governor

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

May 23, 1983

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

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1983 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Date Approved 1983</i>	<i>Date Filed 1983</i>
695		199	May 22	May 23
598		200	May 20	May 23
601		201	May 20	May 23
755		202	May 20	May 23
1168		203	May 20	May 23
	114	204	May 20	May 23
	290	205	May 20	May 23
	294	206	May 20	May 23
	381	207	May 20	May 23

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Date Approved 1983</i>	<i>Date Filed 1983</i>
	419	208	May 20	May 23
	599	209	May 20	May 23
	745	210	May 20	May 23
	1108	211	May 20	May 23
	1111	212	May 20	May 23
	1171	213	May 20	May 23
	77	214	May 23	May 23
	102	215	May 23	May 23

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Coleman introduced:

H. F. No. 1339, A bill for an act relating to labor; providing for comprehensive reform of all aspects of workers' compensation; providing for a competitive state insurance fund; appropriating money; amending Minnesota Statutes 1982, sections 43A.23, by adding a subdivision; 79.071, subdivisions 1 and 1a; 79.211, subdivision 1; 79.251; 79.34, subdivisions 1, 2, and by adding a subdivision; 79.35; 79.37; 79.51, subdivision 3; 79.52, by adding a subdivision; 147.02, by adding a subdivision; 175.006, subdivision 1; 175.007, subdivision 1; 175.08; 175.10; 175.101, subdivisions 1 and 2; 176.011, subdivision 9, and by adding subdivisions; 176.012; 176.021, subdivision 3; 176.041, subdivision 1; 176.061; 176.081, subdivisions 1, 2, 5, 6, 7, and by adding a subdivision; 176.101, subdivisions 1, 2, 6, and by adding subdivisions; 176.102, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and by adding subdivisions; 176.105, by adding a subdivision; 176.111, subdivisions 6, 7, 8, and 18, and by adding a subdivision; 176.121; 176.131, subdivisions 1, 1a, 2, 3, 4, 5, 6, 7, and 8; 176.132, subdivision 1, and by adding a subdivision; 176.134, subdivision 4; 176.135, subdivisions 1 and 3; 176.136; 176.155, subdivisions 3 and 5; 176.179; 176.181, by adding a subdivision; 176.182; 176.183, subdivisions 1, 1a, and by adding subdivisions; 176.185, subdivision 1, and by adding a subdivision; 176.191, by adding subdivisions; 176.195, subdivision 2, and by adding subdivi-

visions; 176.221; 176.225, subdivisions 1, 2, and 3; 176.231, subdivisions 3, 4, 5, 9, and 10; 176.241, subdivisions 2 and 4; 176.281; 176.285; 176.321, subdivision 1; 176.331; 176.341; 176.361; 176.371; 176.421, subdivisions 3, 4, 6, and 7; 176.442; 176.461; 176.521, subdivisions 2, 2a, and 3; 176.561; 176.571, subdivision 6; 176.645, subdivision 1; 176.66, by adding subdivisions; 268.08, subdivision 3; and 471.982, subdivision 2, and by adding a subdivision; Laws 1981, chapter 346, sections 145 and 146; proposing new law coded in Minnesota Statutes, chapters 79; 148; and 176; proposing new law coded as Minnesota Statutes, chapter 176A; repealing Minnesota Statutes 1982, sections 79.51, subdivision 2; 79.63; 175.07; 175.101, subdivision 3; 175.36; 176.101, subdivision 3; 176.102, subdivision 12; 176.131, subdivisions 9, 10, 11, and 12; 176.152; and 176.262.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Krueger, Heap, Knickerbocker, Eken and Beard introduced:

H. F. No. 1340, A bill for an act relating to retirement; providing for an increase in the amount of employer contributions to the teachers retirement association and to the teachers retirement fund associations in cities of the first class; amending Minnesota Statutes 1982, sections 354.42, subdivision 5; and 354A.12, subdivision 2.

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

Coleman, Kostohryz, Valan, Swanson and Wynia introduced:

H. F. No. 1341, A bill for an act relating to gambling; providing for the establishment of treatment programs for compulsive gambling in certain circumstances; appropriating money; proposing new law coded as Minnesota Statutes, chapter 240.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Evans and Metzen introduced:

H. F. No. 1342, A bill for an act relating to hazardous waste; establishing a hazardous substances compensation fund; appropriating money; amending Laws 1983, chapter 121, sections 2, subdivision 7; 6, subdivision 1; 19; 20; 30; 32, subdivisions 1, 3, 4, and 5, and by adding a subdivision; proposing new law coded as Minnesota Statutes, chapter 115B.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Elloff; Sarna; Rodriguez, F.; Battaglia and Wigley introduced:

H. F. No. 1343, A bill for an act relating to retirement; authorizing increases in benefits payable by the Buhl police relief association; amending Laws 1981, chapter 68, section 43.

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

Bergstrom and Heap introduced:

H. F. No. 1344, A bill for an act relating to vocational-technical education; making the state board of vocational-technical education when established the sole state agency for receipt and disbursement of federal and state vocational funds.

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

O'Connor, Jensen and Mann introduced:

H. F. No. 1345, A bill for an act relating to motor vehicles; providing for collection of a surcharge on leases for traffic fine reimbursement; proposing new law coded in Minnesota Statutes, chapter 168.

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

Simoneau; Clark, J.; Norton and Clark, K., introduced:

H. F. No. 1346, A bill for an act relating to health; establishing a state health insurance fund; limiting consumer liability for health care expenses; proposing new law coded in Minnesota Statutes, chapter 72D.

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

Segal; Clark, J.; Skoglund; Coleman and Knuth introduced:

H. F. No. 1347, A bill for an act relating to peace officers; requiring prompt investigation of reports of missing children; proposing new law coded in Minnesota Statutes, chapter 626.

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

McEachern, Blatz, Onnen and Brinkman introduced:

H. F. No. 1348, A bill for an act relating to public assistance; authorizing the commissioner of public welfare to pay rewards for information in certain cases of crimes involving public assistance; requiring restitution for certain crimes involving public assistance; providing a penalty; appropriating money; amending Minnesota Statutes 1982, section 256.01, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 256; proposing new law coded as Minnesota Statutes, chapter 611B.

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

Clark, J., introduced:

H. F. No. 1349, A bill for an act relating to public welfare; establishing a mental illness program division in the department of public welfare; specifying duties of the division; defining terms; authorizing rules; specifying admission standards for state hospitals; amending Minnesota Statutes 1982, section 253.015; proposing new law coded as Minnesota Statutes, chapter 246A.

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

Nelson, D., introduced:

H. F. No. 1350, A bill for an act relating to the city of Anoka; fire department relief association benefits and firemen's service pension; repealing Laws 1971, chapter 184, as amended.

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

Nelson, K.; Gustafson; Carlson, D.; Rodriguez, C., and Jennings introduced:

H. F. No. 1351, A resolution memorializing the United States Congress to oppose the passage of a federal tuition tax credit bill.

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

Berkelman, Skoglund, Shaver, Norton and Sherman introduced:

H. F. No. 1352, A bill for an act relating to financial institutions; allowing banks and trust companies to establish trust service offices at the location of other banks; proposing new law coded in Minnesota Statutes, chapter 48.

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

Clark, J.; Minne; Vellenga; Reif and Forsythe introduced:

H. F. No. 1353, A bill for an act relating to insurance; mandating coverage of premenstrual syndrome in health policies and plans; requiring medical assistance coverage for progesterone used in the treatment of premenstrual syndrome; amending Minnesota Statutes 1982, section 256B.02, subdivision 8; proposing new law coded in Minnesota Statutes, chapter 62A.

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

Norton, Shaver and Berkelman introduced:

H. F. No. 1354, A bill for an act relating to financial institutions; permitting certain bank mergers; proposing new law coded in Minnesota Statutes, chapter 47.

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

Wenzel, Uphus, Krueger, Graba and Redalen introduced:

H. F. No. 1355, A bill for an act relating to dairy farming; providing a tax credit to assist certain milk producers in meeting USDA milk quality standards; amending Minnesota Statutes 1982, section 290.06, by adding a subdivision.

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

Jacobs and O'Connor introduced:

H. F. No. 1356, A bill for an act relating to taxation; providing a credit against the income tax for contributions to candidates for local elective office and removing restriction concerning campaign expenditure limitation agreements; amending Minnesota Statutes 1982, section 290.06, subdivision 11; repealing Minnesota Statutes 1982, section 10A.32, subdivision 3b.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Jacobs introduced:

H. F. No. 1357, A bill for an act proposing an amendment to the Minnesota Constitution, article X, adding a section; permitting state tax laws to adopt future federal tax law amendments by reference.

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

Solberg, Begich and Ogren introduced:

H. F. No. 1358, A bill for an act relating to public utilities; establishing local prepay, coin-operated telephone systems; amending Minnesota Statutes 1982, sections 237.01, by adding a subdivision; and 237.075, by adding a subdivision.

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

Sviggum introduced:

H. F. No. 1359, A bill for an act relating to state lands; authorizing conveyance of easements to individuals or corporations for specified purposes; amending Minnesota Statutes 1982, section 84.63.

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

Ogren and Gustafson introduced:

H. F. No. 1360, A bill for an act relating to commerce; prohibiting the imposition of gasoline credit card charges on the seller; proposing new law coded in Minnesota Statutes, chapter 80C.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Nelson, D., and Long introduced:

H. F. No. 1361, A bill for an act relating to solid waste; imposing a tax on operators of solid waste disposal facilities; establishing funds for abatement, cleanup, closure, and postclosure care of solid waste disposal facilities; providing duties and authority to the pollution control agency; requiring adoption of rules for closure, postclosure care, and financial responsibility for landfill operators; providing penalties; appropriating money; proposing new law coded in Minnesota Statutes, chapter 116.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Coleman and Voss introduced:

H. F. No. 1362, A bill for an act relating to human rights; requiring city, town, and county governments to adopt affirmative action programs concerning certain minority groups; establishing an affirmative action advisory committee; proposing new law coded as Minnesota Statutes, chapter 363A.

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

Vanasek and Begich introduced:

H. F. No. 1363, A bill for an act relating to crimes; providing that a municipality or county shall not ban the ownership of guns; proposing new law coded in Minnesota Statutes, chapter 624.

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

Waltman, Krueger and Johnson introduced:

H. F. No. 1364, A bill for an act relating to the dairy industry; amending the prohibition on sale of selected dairy products below cost; providing for injunctive relief and civil penalties; providing evidentiary presumptions; amending Minnesota Statutes 1982, section 32A.04, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 32A.

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

HOUSE ADVISORIES

The following House Advisories were introduced:

Long introduced:

H. A. No. 32, A proposal to study the elimination of mandated junior high school home economics and industrial arts courses and classifying them as optional.

The advisory was referred to the Committee on Education.

Clark, K.; Norton; Zaffke; St. Onge and Tunheim introduced:

H. A. No. 33, A proposal to study the special health problem of chemical dependency among American Indians.

The advisory was referred to the Committee on Health and Welfare.

Erickson, Uphus, Mann, Graba and Schreiber introduced:

H. A. No. 34, A proposal to determine how to best protect township and county roads from overweight vehicle damage.

The advisory was referred to the Committee on Transportation.

Onnen introduced:

H. A. No. 35, A proposal to study the objectives and results of the Turn In Poachers (TIP) Program administered by the Department of Natural Resources.

The advisory was referred to the Committee on Environment and Natural Resources.

Segal; Munger; Nelson, D., and Long introduced:

H. A. No. 36, A proposal to study governmental responsibilities for managing solid waste in the metropolitan area.

The advisory was referred to the Committee on Environment and Natural Resources.

Solberg; Nelson, K.; Levi and Heap introduced:

H. A. No. 37, A proposal to evaluate school aid formulas and school district revenue needs and fund balances.

The advisory was referred to the Committee on Education.

Clark, J.; Swanson; Forsythe; Haukoos and Nelson, K., introduced:

H. A. No. 38, A proposal for a study on the imposition of the life safety code and the uniform building code in day care homes.

The advisory was referred to the Committee on Health and Welfare.

Rodriguez, F.; Sarna; Metzen; Clawson and Wigley introduced:

H. A. No. 39, A proposal to study potential means of improving financial status of teachers retirement fund.

The advisory was referred to the Committee on Governmental Operations.

Ogren and Munger introduced:

H. A. No. 40, A proposal to study the analysis of N.P.K. and heavy metal content in W.L.S.S.D. sludge.

The advisory was referred to the Committee on Environment and Natural Resources.

Anderson, G.; Neuenschwander; Dimler; Schreiber and O'Connor introduced:

H. A. No. 41, A proposal to study the conduct of the duties of deputy registrars of motor vehicles.

The advisory was referred to the Committee on Local and Urban Affairs.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

S. F. No. 455.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee.

Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 455

A bill for an act relating to nonprofit corporations; providing for approval of certain actions by boards of directors without formal board meetings; amending Minnesota Statutes 1982, section 317.20, subdivision 12.

May 20, 1983

The Honorable Jerome M. Hughes
President of the Senate

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

We, the undersigned conferees for S. F. No. 455, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate concur in the amendment of the House of Representatives and that S. F. No. 455 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 317.02, is amended by adding a subdivision to read:

Subd. 12. [WRITTEN ACTION.] "Written action" means a written document signed by all of the persons required to take the action described. The term also means the counterparts of a written document signed by any of the persons taking the action described. Each counterpart constitutes the action of the persons signing it, and all the counterparts, taken together, constitute one written action by all of the persons signing them upon receipt by the secretary.

Sec. 2. Minnesota Statutes 1982, section 317.16, subdivision 2, is amended to read:

Subd. 2. [AUTHORITY.] Without limiting or enlarging the provisions of subdivision 1, and unless the articles prescribe otherwise, a corporation has authority to:

(1) continue as a corporation for the time limited in its articles of incorporation, or, if the time is not limited, perpetually;

- (2) sue and be sued;
- (3) have, and alter at pleasure, a corporate seal, affixing of which shall not affect the validity or enforceability of any instrument;
- (4) take and hold an interest in real or personal property;
- (5) lease, encumber, convey or dispose of real and personal property subject to the provisions of section 317.26, subdivision 3;
- (6) enter into obligations or contracts and do any act incidental to the transaction of its business or expedient to the purposes stated in its articles of incorporation;
- (7) acquire, hold, mortgage, pledge, or dispose of shares, bonds, securities, and other evidences of indebtedness of any domestic or foreign corporation, either profit or nonprofit and either public or private, and, if it is owner thereof, to exercise all the rights, powers, and privileges of ownership, including the right to vote;
- (8) conduct its affairs within and without this state;
- (9) *conduct all or part of its business under one or more assumed names as provided in sections 333.001 to 333.06;*
- (10) make, amend, and repeal bylaws, not inconsistent with its articles or with law, for the administration and regulation of its affairs;
- ((10)) (11) merge and consolidate with other nonprofit corporations, domestic or foreign, organized for related purposes;
- ((11)) (12) make donations to other nonprofit corporations, domestic or foreign, organized for related purposes, and to needy persons;
- ((12)) (13) be a member of another nonprofit corporation, whether foreign or domestic;
- ((13)) (14) dissolve and wind up; and
- ((14)) (15) subject to the provisions of section 317.165, indemnify certain persons against certain expenses and liabilities as provided in section 300.083. In applying section 300.083 for this purpose, the term "members" shall be substituted for the term "shareholders".

Sec. 3. Minnesota Statutes 1982, section 317.20, subdivision 12, is amended to read:

Subd. 12. [BOARD ACTION WITHOUT A MEETING.] (ANY ACTION THAT COULD BE TAKEN AT A MEETING OF THE BOARD OF DIRECTORS MAY BE TAKEN WITHOUT A MEETING WHEN AUTHORIZED IN WRITING SIGNED BY ALL OF THE DIRECTORS.) (a) *An action required or permitted to be taken at a board meeting may be taken by written action signed by all of the directors. If the articles so provide, any action, other than an action requiring shareholder or membership approval, may be taken by written action signed by the number of directors that would be required to take the same action at a meeting of the board at which all directors were present; provided that all directors must be notified of the text of the written action prior to the signing by any of the directors.*

(b) *The written action is effective when signed by the required number of directors, unless a different effective time is provided in the written action.*

(c) *When written action is permitted to be taken by less than all directors, all directors shall be notified immediately of its effective date. Failure to provide the notice does not invalidate the written action. A director who does not sign or consent to the written action has no liability for the action or actions taken thereby."*

Delete the title and insert:

"A bill for an act relating to nonprofit corporations; defining "written action"; authorizing the use of assumed names; providing for approval of certain actions by boards of directors without formal board meetings; amending Minnesota Statutes 1982, sections 317.02, by adding a subdivision; 317.16, subdivision 2; and 317.20, subdivision 20."

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

Senate Conferees: ERIC D. PETTY, RANDOLPH W. PETERSON and HOWARD A. KNUTSON.

House Conferees: PHILLIP J. RIVENESS, ANN WYNIA and DANIEL J. KNUTH.

Riveness moved that the report of the Conference Committee on S. F. No. 455 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 455, A bill for an act relating to nonprofit corporations; providing for approval of certain actions by boards of directors without formal board meetings; amending Minnesota Statutes 1982, section 317.20, subdivision 12.

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

The question was taken on the repassage of the bill and the roll was called. There were 105 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Anderson, G.	Erickson	Kostohryz	Omann	Segal
Battaglia	Evans	Krueger	Onnen	Shaver
Beard	Findlay	Larsen	Osthoff	Shea
Begich	Fjoslien	Levi	Pauly	Sherman
Bennett	Forsythe	Long	Peterson	Simoneau
Bergstrom	Greenfield	Mann	Piepho	Skoglund
Berkelman	Gruenes	Marsh	Piper	Solberg
Elatz	Gustafson	McDonald	Price	Stadum
Brandl	Gutknecht	McEachern	Quist	Staten
Brinkman	Halberg	McKasy	Redalen	Sviggum
Burger	Haukoos	Metzen	Reif	Tomlinson
Carlson, D.	Heinitz	Minne	Rice	Tunheim
Carlson, L.	Himle	Munger	Riveness	Uphus
Clark, J.	Hoffman	Murphy	Rodosovich	Valan
Clark, K.	Jacobs	Nelson, D.	Rodriguez, C.	Valento
Cohen	Jensen	Nelson, K.	Rodriguez, F.	Vellenga
Coleman	Johnson	Neuenschwander	Rose	Waltman
DenOuden	Kahn	Norton	St. Onge	Welle
Dimler	Kalis	O'Connor	Sarna	Wenzel
Eken	Kelly	Ogren	Schoenfeld	Wynia
Elioff	Knickerbocker	Olsen	Seaberg	Speaker Sieben

Those who voted in the negative were:

Jennings

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

The following conference committee report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 380

A bill for an act relating to negligence; regulating the liability of good samaritans; amending Minnesota Statutes 1982, section 604.05.

May 21, 1983

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

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 380, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and H. F. No. 380 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 604.05, is amended to read:

604.05 [GOOD SAMARITAN LAW.]

Subdivision 1. [DUTY TO ASSIST.] Any person at the scene of an emergency who knows that another person is exposed to or has suffered grave physical harm shall, to the extent that he can do so without danger or peril to himself or others, give reasonable assistance to the exposed person. Reasonable assistance may include obtaining or attempting to obtain aid from law enforcement or medical personnel. Any person who violates this section is guilty of a petty misdemeanor.

Subd. 2. [GENERAL IMMUNITY FROM LIABILITY.] (A) Any person, including a public or private nonprofit volunteer firefighter, volunteer police officer, volunteer ambulance attendant, and volunteer first provider of emergency medical services, who (IN GOOD FAITH AND IN THE EXERCISE OF REASONABLE CARE) without compensation or the expectation of compensation renders emergency care at the scene of an emergency or during transit to a location where professional medical care can be rendered, is not liable for any civil damages as a result of acts or omissions by that person in rendering the emergency care unless that person acts in a willful and wanton or reckless manner in providing the care. Any person rendering emergency care during the course of regular employment, and receiving compensation or expecting to receive compensation for rendering such care, shall be excluded from the protection of this section.

For the purposes of this section, the scene of an emergency shall be those areas not within the confines of a hospital or other institution which has hospital facilities, or an office of a person licensed to practice one or more of the healing arts pursuant to chapters 147, 148, 150A, or 153.

For the purposes of this section, compensation does not include nominal payments, reimbursement for expenses, or pension benefits.

Sec. 2. [EFFECTIVE DATE.]

Section 1, subdivision 1, is effective August 1, 1983. Section 1, subdivision 2, is effective the day following final enactment for causes of action arising on and after that date."

Delete the title and insert:

"A bill for an act relating to negligence; regulating the liability of good samaritans; creating a duty to assist in certain circumstances; making it a petty misdemeanor to refuse to assist; amending Minnesota Statutes 1982, section 604.05."

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

House Conferees: RANDOLPH W. STATEN, PAUL ANDERS OGREN and JOE QUINN.

Senate Conferees: WILLIAM P. LUTHER, GENE MERRIAM and JIM RAMSTAD.

Staten moved that the report of the Conference Committee on H. F. No. 380 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 98 yeas and 13 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Elioff	Long	Piepho	Simoneau
Anderson, G.	Evans	Mann	Piper	Skoglund
Anderson, R.	Fjoslien	Marsh	Price	Solberg
Battaglia	Forsythe	McEachern	Quinn	Sparby
Beard	Greenfield	McKasy	Redalen	Stadum
Begich	Gruenes	Metzen	Reif	Staten
Bennett	Gustafson	Minne	Rice	Sviggum
Bergstrom	Halberg	Munger	Riveness	Tomlinson
Berkelman	Himle	Murphy	Rodosovich	Tunheim
Blatz	Hoffman	Nelson, D.	Rodriguez, C.	Uphus
Brandl	Jacobs	Nelson, K.	Rodriguez, F.	Valan
Brinkman	Jensen	Neuenschwander	Rose	Vanasek
Burger	Johnson	Norton	St. Onge	Waltman
Carlson, L.	Kahn	O'Connor	Sarna	Welch
Clark, J.	Kalis	Ogren	Schoenfeld	Welle
Clark, K.	Kelly	Olsen	Seaberg	Wenzel
Clawson	Knickerbocker	Omann	Segal	Wynia
Cohen	Kostohryz	Osthoff	Shaver	Speaker Sieben
Coleman	Krueger	Pauly	Shea	
Eken	Larsen	Peterson	Sherman	

Those who voted in the negative were:

DenOuden	Ferichs	Hejinitz	Ludeman	Quist
Dinler	Gutknecht	Jennings	McDonald	Valento
Erickson	Haukoos	Levi		

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

REPORTS FROM THE COMMITTEE ON RULES AND
LEGISLATIVE ADMINISTRATION

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

Be It Resolved, that the Chief Clerk of the House be authorized and is hereby directed to correct and approve the Journal of the House for today, Monday, May 23, 1983.

Be It Further Resolved, that the Chief Clerk of the House be authorized to include in the Journal for Monday, May 23, 1983, any proceedings including subsequent proceedings and any legislative interim committees or commissions created or appointments made pursuant thereto by legislative action or by law.

The motion prevailed and the report was adopted.

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

Be It Resolved, by the Committee on Rules and Legislative Administration, that the Chief Clerk, under the direction of the Speaker of the House of Representatives, be instructed that during the period of time between May 23, 1983, and the convening of the House of Representatives in 1984, the House Chamber, House Retiring Room, House Hearing and Conference Rooms, House Offices, and the Chief Clerk's Office, shall be left in their present status and reserved for use by the House of Representatives, Legislative Interim Committees, House Standing Committees and Subcommittees, and to such other use as may be necessary. The House Chamber and House Retiring Room shall be let out for the annual meeting of the Territorial Pioneers; and the House Chamber, House Retiring Room and the unused hearing rooms shall be available annually to the Hi-Y Model Legislature, Girls' State, the Young Leaders Organization, the National Forensic League, and the 4-H Leadership Conference.

Be It Further Resolved, that the Custodian of the State Capitol shall be instructed to keep the corridors and rotunda clear of all furniture and that all legislative furniture remain in the legislative rooms.

The motion prevailed and the report was adopted.

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

Be It Resolved, that the House of Representatives retain parking lots B, D & E for the period from May 23, 1983 to the con-

vening of the House of Representatives in 1984 for use of members and employees of the House of Representatives;

Be It Further Resolved, that the Sergeant at Arms be directed to manage and direct operation of said lots during the period of adjournment of the House of Representatives.

The motion prevailed and the report was adopted.

SPECIAL ORDERS

S. F. No. 1151 was reported to the House.

There being no objection S. F. No. 1151 was temporarily laid over on Special Orders.

H. F. No. 995 was reported to the House.

There being no objection H. F. No. 995 was temporarily laid over on Special Orders.

H. F. No. 100 was reported to the House.

Swanson moved that H. F. No. 100 be re-referred to the Committee on Appropriations. The motion prevailed.

H. F. No. 995 temporarily laid over earlier today was again reported to the House.

Elioff moved to amend H. F. No. 995, as follows:

Page 1, after line 16, insert:

"Sec. 2. [ST. LOUIS COUNTY OFF-SALE LICENSE.]

Notwithstanding any law to the contrary, the county board of St. Louis County may issue an off-sale liquor license to an establishment located within Angora Township, with the approval of the commissioner of public safety. The fee for the license shall be fixed by the county board in an amount not to exceed \$500. A license issued pursuant to this section shall otherwise be governed by Minnesota Statutes, chapter 340."

Page 1, line 18, delete "This act" and insert "Section 1"

Page 1, line 20, after the period, insert "Section 2 is effective upon approval by the St. Louis County board and compliance with Minnesota Statutes, section 645.021."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, before the period, insert “; authorizing St. Louis County to issue an off-sale license in Angora Township”

The motion prevailed and the amendment was adopted.

O'Connor moved to amend H. F. No. 995, as amended, as follows:

Page 1, after line 16, insert a new section to read:

“Sec. 3. [ST. PAUL; PARK CLUB HOUSES; LIQUOR.]

Notwithstanding any contrary provision of law, charter or ordinance, the city of St. Paul may by ordinance authorize any holder of an “on-sale” liquor license issued by the city to dispense intoxicating liquor at any event of definite duration on either of the public premises known as the Highland Park and the Phalen Park club houses. The event may not be profit making except as a fund raising event for a nonprofit organization or a political committee as defined in Minnesota Statutes, section 210A.01, subdivision 8. The licensee must be engaged to dispense liquor at the event by a person or organization permitted to use the premises and may dispense liquor only to persons attending the event. A licensee's authority shall expire upon termination of the event. The authority to dispense liquor shall be granted in accordance with the statutes applicable to the issuance of “on-sale” liquor licenses in cities of the first class consistent with this act. The dispensing of liquor shall be subject to all laws and ordinances governing the dispensing of intoxicating liquor that are consistent with this act. All dispensing of liquor shall be in accordance with the conditions prescribed by the city. The conditions may limit the dispensing of liquor to designated areas of the facility. The city may fix and assess a fee to be paid to the city by an “on-sale” licensee for each event for which the licensee is engaged to dispense liquor. The authority granted by this subdivision shall not count as an additional “on-sale” intoxicating liquor license for purposes of determining the number of liquor licenses permitted to be issued under the provisions of Minnesota Statutes, section 340.11.”

Page 1, line 20, after the period insert:

“Section 3 of this act is effective the day after compliance by the governing body of the city of St. Paul with Minnesota Statutes, section 645.021, subdivision 3.”

Amend the title as follows:

Page 1, line 5, before the period, insert “; authorizing the city of St. Paul to permit the sale of liquor at certain park club houses”

The motion prevailed and the amendment was adopted.

H. F. No. 995, A bill for an act relating to intoxicating liquor; authorizing Clearwater County to issue an off-sale license in Itasca Township; authorizing St. Louis County to issue an off-sale license in Angora Township; authorizing the city of St. Paul to permit the sale of liquor at certain park club houses.

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 88 yeas and 28 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dimler	Krueger	Omann	Shaver
Anderson, G.	Eken	Larsen	Osthoff	Sherman
Anderson, R.	Elioff	Long	Peterson	Simoneau
Battaglia	Ellingson	Ludeman	Piepho	Solberg
Beard	Findlay	Mann	Piper	Sparby
Begich	Graba	Marsh	Price	Staten
Bennett	Greenfield	McDonald	Quinn	Sviggum
Bergstrom	Gruenes	McEachern	Riveness	Swanson
Berkelman	Gustafson	Metzen	Rodosovich	Tomlinson
Brandl	Himle	Minne	Rodriguez, C.	Vellenga
Brinkman	Hoffman	Munger	Rodriguez, F.	Voss
Burger	Jacobs	Murphy	Rose	Welch
Carlson, D.	Jensen	Nelson, D.	St. Onge	Welle
Carlson, L.	Kahn	Nelson, K.	Sarna	Wenzel
Clark, J.	Kalis	Neuenschwander	Scheid	Wynia
Clark, K.	Kelly	Norton	Schoenfeld	Speaker Sieben
Clawson	Knickerbocker	O'Connor	Schreiber	
Dempsey	Kostohryz	Ogren	Segal	

Those who voted in the negative were:

Cohen	Gutknecht	Levi	Schafer	Valento
DenOuden	Halberg	McKasy	Seaberg	Waltman
Erickson	Haukoos	Olsen	Skoglund	Welker
Fjoslien	Heinitz	Onnen	Stadum	Wigley
Forsythe	Jennings	Quist	Thiede	
Frerichs	Kvam	Reif	Uphus	

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

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 253, A bill for an act relating to the operation of state government; clarifying certain provisions regarding the term of the legislative auditor; providing for the review of audit contracts; amending Minnesota Statutes 1982, sections 3.97, subdivision 4; 3.972; and 462A.22, subdivision 10.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Norton moved that the House concur in the Senate amendments to H. F. No. 253 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 253, A bill for an act relating to the operation of state government; clarifying certain provisions regarding the term and duties of the legislative auditor; amending Minnesota Statutes 1982, sections 3.97, subdivision 4; 3.972; and 462A.22, subdivision 10.

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

The question was taken on the repassage of the bill and the roll was called. There were 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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. 722, A bill for an act relating to cable communications; authorizing cable communications companies to use public roads for certain purposes; defining terms; requiring access by cable communications companies; providing residences with freedom of choice of cable communications services; imposing conditions of access; limiting certain actions of property owners; allowing appeal; specifying the measure of damages under a subsequent condemnation; specifying certain prohibitions; authorizing cable communications companies to use existing utility easements; amending Minnesota Statutes 1982, sections 222.37, subdivision 1; and 238.02, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 238.

PATRICK E. FLAHAVEN, Secretary of the Senate

Jacobs moved that the House refuse to concur in the Senate amendments to H. F. No. 722, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 722:

Jacobs, Minne and Wigley.

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. 210, A bill for an act relating to historical societies; fixing the maximum city or town tax for a county historical society; amending Minnesota Statutes 1982, section 138.053.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Carlson, D., moved that the House concur in the Senate amendments to H. F. No. 210 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 210, A bill for an act relating to historical societies; fixing the maximum city or town expenditure for a county historical society; amending Minnesota Statutes 1982, section 138.053.

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

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

Those who voted in the affirmative were:

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

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. 449, 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 the transfer of debts and funds of a principal campaign committee under certain circumstances; limiting certain lobbyist contributions; 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 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 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.24; 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Carlson, L., moved that the House concur in the Senate amendments to H. F. No. 449 and that the bill be repassed as amended by the Senate.

Osthoff moved that the House refuse to concur in the Senate amendments to H. F. No. 449, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses.

A roll call was requested and properly seconded.

The question was taken on the Osthoff motion and the roll was called. There were 107 yeas and 10 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Carlson, D.	Evans	Heinitz	Kostohryz
Anderson, R.	Cohen	Findlay	Himle	Krueger
Battaglia	Coleman	Fjoslien	Hoffman	Kvam
Beard	Dempsey	Forsythe	Jacobs	Larsen
Bennett	DenOuden	Graba	Jennings	Levi
Bergstrom	Dimler	Gruenes	Jensen	Long
Berkelman	Eken	Gutknecht	Johnson	Ludeman
Blatz	Elioff	Halberg	Kelly	Mann
Brinkman	Ellingson	Haukoos	Knickerbocker	Marsh
Burger	Erickson	Heap	Knuth	McDonald

McEachern	Pauly	Rose	Solberg	Vellenga
McKasy	Piepho	St. Onge	Sparby	Waltman
Metzen	Piper	Sarna	Stadum	Welch
Minne	Price	Schafer	Sviggum	Welker
Murphy	Quinn	Scheid	Swanson	Welle
Nelson, D.	Quist	Schreiber	Thiede	Wenzel
O'Connor	Redalen	Seaberg	Tomlinson	Wigley
Ogren	Reif	Segal	Tunheim	Wynia
Olsen	Riveness	Shaver	Uphus	Zaffke
Omann	Rodosovich	Shea	Valan	
Onnen	Rodriguez, C.	Sherman	Valento	
Osthoff	Rodriguez, F.	Simoneau	Vanasek	

Those who voted in the negative were:

Begich	Carlson, L.	Gustafson	Munger	Voss
Brandt	Greenfield	Kalis	Skoglund	Speaker Sieben

The motion prevailed.

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

REPORTS OF STANDING COMMITTEES

Eken from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 1081, A resolution memorializing the President and Congress of the United States to provide service-connected disability compensation for former members of the military forces who were exposed in Vietnam to toxic herbicides, chemicals, medications, and other environmental hazards and conditions.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Eken from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 1269, A resolution memorializing the governments of the United States and the Republic of China that the State of Minnesota adopts the Province of Taiwan as a sister state.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Eken from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 727, A resolution memorializing the President and Congress of the United States to provide medical care for former members of the military forces who were exposed to atomic radiation in the course of their duties.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Eken from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 805, A resolution memorializing the Commission on Wartime Relocation and Internment of Civilians to recommend to the United States Congress to provide adequate compensation to internees.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Eken from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 1211, A resolution memorializing the United States Congress to support Beam-Weapon Missile Defense Development.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 1081 was read for the second time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Quinn moved that the rule therein be suspended and an urgency be declared so that H. F. No. 1081 be given its third reading and be placed upon its final passage. The motion prevailed.

Quinn moved that the rules of the House be so far suspended that H. F. No. 1081 be given its third reading and be placed upon its final passage. The motion prevailed.

H. F. No. 1081, A resolution memorializing the President and Congress of the United States to provide service-connected disability compensation for former members of the military forces who were exposed in Vietnam to toxic herbicides, chemicals, medications, and other environmental hazards and conditions.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

SECOND READING OF HOUSE BILLS, Continued

H. F. No. 1269 was read for the second time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Bergstrom moved that the rule therein be suspended and an urgency be declared so that H. F. No. 1269 be given its third reading and be placed upon its final passage. The motion prevailed.

Bergstrom moved that the rules of the House be so far suspended that H. F. No. 1269 be given its third reading and be placed upon its final passage. The motion prevailed.

H. F. No. 1269, A resolution memorializing the governments of the United States and the Republic of China that the State of Minnesota adopts the Province of Taiwan as a sister state.

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 111 yeas and 2 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Ellingson Shaver

The bill was passed and its title agreed to.

SPECIAL ORDERS, Continued

S. F. No. 1151 temporarily laid over earlier today was again reported to the House.

Onnen moved to amend S. F. No. 1151, as follows:

Page 2, line 23, delete "*whether or not*" and insert "*where*"

Page 6, line 16, delete "*whether or not*" and insert "*where*"

Page 11, line 35, delete "*whether or not*" and insert "*where*"

The motion prevailed and the amendment was adopted.

S. F. No. 1151, A bill for an act relating to taxation; imposing or altering certain income tax, withholding tax, sales, and excise tax penalties; extending the time limitations within which cer-

tain indictments may be filed; providing for apportionment of property taxes payable with respect to certain claims for property tax refunds; requiring a study; amending Minnesota Statutes 1982, sections 290.53, subdivision 4, and by adding a subdivision; 290.92, subdivision 15; 290A.03, subdivisions 8 and 13; 290A.05; 290A.11, subdivision 2; 297A.08; 297A.39, subdivision 4, and by adding a subdivision; and 297B.10.

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

The question was taken on the passage of the bill and the roll was called. There were 103 yeas and 23 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dimler	Knuth	Onnen	Shaver
Anderson, G.	Eken	Kostohryz	Osthoff	Simoneau
Anderson, R.	Elioff	Krueger	Otis	Skoglund
Battaglia	Ellingson	Larson	Peterson	Solberg
Beard	Forsythe	Long	Piper	Sparby
Begich	Graba	Mann	Price	Staten
Bennett	Greenfield	Marsh	Quinn	Swanson
Bergstrom	Gruenes	McEachern	Quist	Tomlinson
Berkelman	Gustafson	McKasy	Reif	Tunheim
Bishop	Halberg	Metzen	Rice	Uphus
Blatz	Haukoos	Minne	Riveness	Valento
Brandl	Heap	Munger	Rodosovich	Vanasek
Brinkman	Heinitz	Murphy	Rodriguez, C.	Voss
Burger	Hoffman	Nelson, D.	Rodriguez, F.	Welch
Carlson, L.	Jacobs	Nelson, K.	St. Onge	Welle
Clark, J.	Jensen	Neuenschwander	Sarna	Wenzel
Clark, K.	Johnson	Norton	Scheid	Wigley
Clawson	Kahn	O'Connor	Schoenfeld	Wynia
Cohen	Kalis	Ogren	Schreiber	Speaker Sieben
Coleman	Kelly	Olsen	Seaberg	
Dempsey	Knickerbocker	Omann	Segal	

Those who voted in the negative were:

Carlson, D.	Fjoslien	McDonald	Sherman	Waltman
DenOuden	Frerichs	Pauly	Stadum	Welker
Erickson	Gutknecht	Piepho	Swiggum	Zaffke
Evans	Levi	Redalen	Thiede	
Findlay	Ludeman	Schafer	Valan	

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

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

MOTIONS AND RESOLUTIONS

Kelly moved that the name of Segal be added as an author on H. F. No. 1333. The motion prevailed.

McEachern moved that H. F. No. 538 be returned to its author. The motion prevailed.

Onnen moved that the name of McEachern be added as an author on House Advisory No. 35. The motion prevailed.

Solberg moved that the name of Neuenschwander be added as an author on H. F. No. 1358. The motion prevailed.

Ogren moved that the name of Neuenschwander be added as an author on H. F. No. 1360. The motion prevailed.

Solberg moved that the name of Price be added as an author on House Advisory No. 37. The motion prevailed.

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

RECESS

RECONVENED

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

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Eken, from the Committee on Rules and Legislative Administration, pursuant to Rule 1.9, designated the following bills as Special Orders to be added to Special Orders pending for today, May 23, 1983:

S. F. Nos. 767, 784, 466 and 862; and H. F. No. 439.

SPECIAL ORDERS, Continued

S. F. No. 767 was reported to the House.

Simoneau moved to amend S. F. No. 767, as follows:

Page 3, after line 2, insert:

"Sec. 2.

Any employee of the senate, the house of representatives, or of a joint legislative agency or commission who transferred from the department of revenue prior to the effective date of this section who was covered by the Minnesota state retirement system regular plan during the period of employment with the department of revenue and who upon transfer participates in the unclassified plan shall have his employee and applicable employer contributions for the period of employment with the department of revenue transferred to the supplemental fund in accordance with section 352D.02, subdivision 4 and section 352D.03."

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

Page 3, line 4, delete "*Section 1 is*" and insert "*Sections 1 and 2 are*"

The motion prevailed and the amendment was adopted.

Simoneau moved that S. F. No. 767, as amended, be temporarily laid over on Special Orders. The motion prevailed.

S. F. No. 784 was reported to the House.

There being no objection S. F. No. 784 was temporarily laid over on Special Orders.

S. F. No. 466 was reported to the House.

There being no objection S. F. No. 466 was temporarily laid over on Special Orders.

S. F. No. 862 was reported to the House.

Begich moved to amend S. F. No. 862, as follows:

Page 1, line 27, delete "*or, in the case of employees*"

Page 2, delete line 1

Page 2, line 2, delete the new language before the semicolon

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 69 yeas and 43 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Coleman	Krueger	Osthoff	Simoneau
Anderson, R.	Eken	Larsen	Otis	Skoglund
Battaglia	Elioff	Long	Peterson	Solberg
Beard	Ellingson	Mann	Piper	Sparby
Begich	Greenfield	McEachern	Price	Swanson
Bergstrom	Gustafson	Metzen	Quinn	Tomlinson
Berkelman	Hoffman	Minne	Rice	Vanasek
Brandl	Jacobs	Murphy	Riveness	Vellenga
Brinkman	Jensen	Nelson, D.	Rodosovich	Voss
Carlson, L.	Kahn	Nelson, K.	Rodriguez, F.	Welle
Clark, J.	Kalis	Neuenschwander	St. Onge	Wenzel
Clark, K.	Kelly	Norton	Sarna	Wynia
Clawson	Knuth	O'Connor	Scheid	Speaker Sieben
Cohen	Kostohryz	Ogren	Segal	

Those who voted in the negative were:

Bishop	Dempsey	Dimler	Evans	Forsythe
Burger	DenOuden	Erickson	Fjoslien	Frerichs

Gruenes	Johnson	Omann	Schoenfeld	Thiede
Gutknecht	Kvam	Onnen	Schreiber	Uphus
Halberg	Levi	Pauly	Seaberg	Valan
Heap	Ludeman	Piepho	Shaver	Waltman
Heinitz	Marsh	Quist	Shea	Welker
Himle	McDonald	Redalen	Stadum	
Jennings	Munger	Schafer	Svigum	

The motion prevailed and the amendment was adopted.

Gruenes moved to amend S. F. No. 862, as amended, as follows:

Page 2, line 5, delete "*are under the age of*"

Page 2, line 6, delete "*22,*" and "*full-time*"

A roll call was requested and properly seconded.

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

Those who voted in the affirmative were:

Anderson, R.	Fjoslien	Knickerbocker	Piepho	Sherman
Bennett	Forsythe	Krueger	Quist	Stadum
Blatz	Frerichs	Kvam	Redalen	Svigum
Brinkman	Gruenes	Levi	Reif	Thiede
Burger	Gutknecht	Ludeman	Rodriguez, C.	Uphus
Carlson, D.	Halberg	Marsh	Rose	Valan
Dempsey	Haukoos	McDonald	Schafer	Valento
DenOuden	Heap	McEachern	Schoenfeld	Vellenga
Dimler	Heinitz	McKasy	Schreiber	Waltman
Eken	Himle	Olsen	Seaberg	Welker
Erickson	Hokr	Omann	Segal	Wigley
Evans	Jennings	Onnen	Shaver	Zaffke
Findlay	Johnson	Pauly	Shea	

Those who voted in the negative were:

Anderson, B.	Coleman	Long	Piper	Sparby
Anderson, G.	Elioff	Mann	Price	Staten
Battaglia	Ellingson	Metzen	Quinn	Swanson
Beard	Graba	Minne	Rice	Tomlinson
Begich	Greenfield	Munger	Riveness	Tunheim
Bergstrom	Gustafson	Murphy	Rodosovich	Vanasek
Berkelman	Hoffman	Nelson, D.	Rodriguez, F.	Voss
Brandl	Jacobs	Neuenschwander	St. Onge	Welch
Carlson, L.	Jensen	Norton	Sarna	Welle
Clark, J.	Kelly	O'Connor	Scheid	Wenzel
Clark, K.	Knuth	Osthoff	Simoneau	Wynia
Clawson	Kostohryz	Otis	Skoglund	Speaker Sieben
Cohen	Larsen	Peterson	Solberg	

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

Welker moved to amend S. F. No. 862, as amended, as follows:

Page 3, delete lines 29 to 35

The motion prevailed and the amendment was adopted.

Rose moved that S. F. No. 862, as amended, be re-referred to the Committee on Labor-Management Relations.

A roll call was requested and properly seconded.

The question was taken on the Rose motion and the roll was called. There were 53 yeas and 79 nays as follows:

Those who voted in the affirmative were:

Bishop	Frerichs	Knickerbocker	Piepho	Swiggum
Blatz	Gruenes	Kvam	Quist	Thiede
Burger	Gutknecht	Levi	Redalen	Uphus
Dempsey	Halberg	Ludeman	Reif	Valan
DenOuden	Haukoos	Marsh	Rose	Valento
Dimler	Heap	McDonald	Schafer	Waltman
Erickson	Heinitz	McKasy	Schreiber	Welker
Evans	Himle	Olsen	Seaberg	Wigley
Findlay	Hokr	Omann	Shaver	Zaffke
Fjoslien	Jennings	Onnen	Shea	
Forsythe	Johnson	Pauly	Stadum	

Those who voted in the negative were:

Anderson, B.	Cohen	Krueger	Otis	Simoneau
Anderson, G.	Coleman	Larsen	Peterson	Skoglund
Anderson, R.	Eken	Long	Piper	Solberg
Battaglia	Elioff	Mann	Price	Sparby
Beard	Ellingson	McEachern	Quinn	Staten
Begich	Graba	Metzen	Rice	Swanson
Bennett	Greenfield	Minne	Riveness	Tomlinson
Bergstrom	Gustafson	Munger	Rodosovich	Vanasek
Berkelman	Hoffman	Murphy	Rodriguez, C.	Vellenga
Brandl	Jacobs	Nelson, D.	Rodriguez, F.	Voss
Brinkman	Jensen	Nelson, K.	St. Onge	Welch
Carlson, D.	Kahn	Neuenschwander	Sarna	Welle
Carlson, L.	Kalis	Norton	Scheid	Wenzel
Clark, J.	Kelly	O'Connor	Schoenfeld	Wynia
Clark, K.	Knuth	Ogren	Segal	Speaker Sieben
Clawson	Kostohryz	Osthoff	Sherman	

The motion did not prevail.

S. F. No. 862, A bill for an act relating to public employment; providing rights for certain part-time employees; amending the definition of supervisory employee; providing that the public employer's duty to bargain supersedes all municipal charters, ordinances or resolutions; amending Minnesota Statutes 1982, sections 179.63, subdivisions 7 and 9; 179.66, subdivision 2; and 179.71, subdivision 8.

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

The question was taken on the passage of the bill and the roll was called. There were 73 yeas and 55 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Eken	Long	Price	Staten
Anderson, R.	Elioff	McEachern	Quinn	Sviggum
Battaglia	Ellingson	Metzen	Rice	Swanson
Beard	Graba	Minne	Riveness	Tomlinson
Begich	Greenfield	Munger	Rodosovich	Vanasek
Bergstrom	Gustafson	Murphy	Rodriguez, C.	Vellenga
Berkelman	Hoffman	Nelson, K.	Rodriguez, F.	Voss
Brandl	Jacobs	Neuenschwander	St. Onge	Welch
Carlson, D.	Jensen	Norton	Sarna	Welle
Carlson, L.	Kahn	O'Connor	Scheid	Wenzel
Clark, J.	Kelly	Ogren	Segal	Wynia
Clark, K.	Knuth	Osthoff	Simoneau	Zaffke
Clawson	Kostohryz	Otis	Skoglund	Speaker Sieben
Cohen	Krueger	Peterson	Solberg	
Coleman	Larsen	Piper	Sparby	

Those who voted in the negative were:

Anderson, B.	Findlay	Hokr	Onnen	Shaver
Bennett	Fjoslien	Jennings	Pauly	Shea
Bishop	Forsythe	Johnson	Piepho	Sherman
Blatz	Frerichs	Knickerbocker	Quist	Stadum
Brinkman	Gruenes	Kvam	Redalen	Thiede
Burger	Gutknecht	Levi	Reif	Uphus
Dempsey	Halberg	Ludeman	Rose	Valan
DenOuden	Haukoos	Mann	Schafer	Valento
Dimler	Heap	Marsh	Schoenfeld	Waltman
Erickson	Heinitz	McDonald	Schreiber	Welker
Evans	Himle	Omann	Seaberg	Wigley

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

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

RECESS

RECONVENED

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

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Eken from the Committee on Rules and Legislative Administration to which was referred:

House Concurrent Resolution No. 6, A house concurrent resolution relating to adjournment of the Senate and House of Representatives until 1984.

Reported the same back with the following amendments:

Page 1, line 8, insert "March 6"

Page 1, line 10, insert "March 6"

With the recommendation that when so amended the resolution be adopted.

The report was adopted.

HOUSE CONCURRENT RESOLUTION NO. 6

A house concurrent resolution relating to adjournment of the Senate and House of Representatives until 1984.

Be it resolved by the House of Representatives, the Senate concurring:

(1) Upon their adjournments on May 23, 1983, the House of Representatives may set its next day of meeting for March 6, 1984, at 12:00 noon and the Senate may set its next day of meeting for March 6, 1984, at 12:00 noon.

(2) By the adoption of this resolution, each house consents to adjournment of the other house for more than three days.

Eken moved that House Concurrent Resolution No. 6 be now adopted. The motion prevailed and House Concurrent Resolution No. 6 was adopted.

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 452, A resolution memorializing the Postmaster General; urging the issuance of a postal stamp to commemorate the centennial of the first shipment of iron ore from Minnesota.

H. F. No. 564, A bill for an act relating to the state board of investment; modifying the procedures for purchase and sale of securities; clarifying the membership of the investment advisory council; abolishing certain restrictions on stock investments; modifying procedures for the mortality adjustments for the post-retirement investment fund; authorizing additional investment alternatives; amending Minnesota Statutes 1982, sections 11A.07, subdivision 4; 11A.08, subdivision 1, as amended; 11A.17, subdivision 4; 11A.18, subdivisions 5, 9, and 11; 11A.24, subdivisions 1, 5, and 6.

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. 380, A bill for an act relating to negligence; regulating the liability of good samaritans; creating a duty to assist in certain circumstances; making it a petty misdemeanor to refuse to assist; amending Minnesota Statutes 1982, section 604.05.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 722, A bill for an act relating to cable communications; authorizing cable communications companies to use public roads for certain purposes; defining terms; requiring access by cable communications companies; providing residences with freedom of choice of cable communications services; imposing conditions of access; limiting certain actions of property owners; allowing appeal; specifying the measure of damages under a subsequent condemnation; specifying certain prohibitions; authorizing cable communications companies to use existing utility easements; amending Minnesota Statutes 1982, sections 222.37, subdivision 1; and 238.02, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 238.

The Senate has appointed as such committee Messrs. Frank, Laidig and Ms. Peterson, D. C.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 851, A bill for an act relating to agriculture; making certain changes in the family farm security loan program; amending Minnesota Statutes 1982, sections 15.38, by adding a subdivision; 16.02, subdivision 14; 41.52, by adding a subdivision; 41.53, subdivision 2; 41.54, subdivision 2; 41.55; 41.56, subdivisions 4, 5, and by adding subdivisions; 41.57, subdivision 2; 41.58, subdivision 1; 41.59, subdivisions 1, 2, and 3; 41.61, subdivision 1; and 48.19, by adding a subdivision.

The Senate has appointed as such committee Messrs. Bertram, Davis and Berg.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. No. 1097.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee.

Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 1097

A bill for an act relating to agriculture; making certain changes in the grain buyers act; changing the place of filing of farm product liens; imposing a penalty; amending Minnesota Statutes 1982, sections 223.16, subdivisions 1, 7, 8, 11, and by

adding subdivisions; 223.17; 223.18; 223.19; and 336.9-401; Laws 1982, chapter 635, section 9; proposing new law coded in Minnesota Statutes, chapter 223.

May 22, 1983

The Honorable Jerome M. Hughes
President of the Senate

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

We, the undersigned conferees for S. F. No. 1097, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 1097 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 223.16, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] For the purpose of sections 223.15 to 223.19 and sections 13 to 15, the terms defined in this section have the meanings given them.

Sec. 2. Minnesota Statutes 1982, section 223.16, is amended by adding a subdivision to read:

Subd. 2a. [CASH SALE.] "Cash sale" means:

(a) a sale for which payment is tendered to the seller not later than the close of business on the next business day after the sale, either in cash or by check, or by mailing or wiring funds to the seller's account in the amount of at least 80 percent of the value of the grain at delivery; or

(b) a sale of a shipment of grain which is part of a multiple shipment sale, for which a scale ticket clearly marked "CASH" has been received by the seller before completion of the entire sale, and for which payment is tendered in cash or by check not later than ten days after the sale of that shipment, except that when the entire sale is completed, payment is tendered in cash or by check not later than the close of business on the next business day, or within 48 hours, whichever is later.

Sec. 3. Minnesota Statutes 1982, section 223.16, subdivision 4, is amended to read:

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

Sec. 4. Minnesota Statutes 1982, section 223.16, subdivision 7, is amended to read:

Subd. 7. [(ITINERANT) INDEPENDENT GRAIN BUYER.] "(ITINERANT) *Independent grain buyer*" means a person (WHO TRAVELS FROM PLACE TO PLACE TO PURCHASE GRAIN FOR RESALE USING A TRUCK, SEMI-TRAILER OR TRAILER OWNED OR OPERATED BY THAT PERSON) *without a private or public grain warehouse license who is licensed to engage in the business of purchasing grain for resale.*

Sec. 5. Minnesota Statutes 1982, section 223.16, subdivision 11, is amended to read:

Subd. 11. [PRODUCER.] "Producer" means a person who (OWNS OR MANAGES A GRAIN PRODUCING OR GROWING OPERATION AND HOLDS OR SHARES THE RESPONSIBILITY FOR MARKETING THE GRAIN PRODUCED) *grows grain on land that he owns or leases.*

Sec. 6. Minnesota Statutes 1982, section 223.16, is amended by adding a subdivision to read:

Subd. 12a. [SCALE TICKET.] "*Scale ticket*" means a memorandum issued by a grain elevator or warehouse operator to a depositor at the time grain is delivered, showing the weight and kind of grain.

Sec. 7. Minnesota Statutes 1982, section 223.16, is amended by adding a subdivision to read:

Subd. 16. [VOLUNTARY EXTENSION OF CREDIT CONTRACT.] "*Voluntary extension of credit contract*" means a contract for the purchase of a specific amount of grain from a producer in which the title to the grain passes to the grain buyer upon delivery, but the price is to be determined or payment for the grain is to be made at a date later than the date of delivery of the grain to the grain buyer. Voluntary extension of credit contracts include deferred or delayed payment contracts, unpriced sales, no price established contracts, average pricing contracts, and all other contractual arrangements with the exception of cash sales and grain storage agreements evidenced by a grain warehouse receipt.

Sec. 8. Minnesota Statutes 1982, section 223.17, is amended to read:

223.17 [LICENSES; BONDING; CLAIMS; DISBURSEMENTS.]

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

- (a) private grain warehouse operator's license;
- (b) public grain warehouse operator's license; and
- (c) (NONWAREHOUSE GRAIN BUYER'S LICENSE; AND)
- ((D) ITINERANT) *independent* grain buyer's license.

(PUBLIC GRAIN WAREHOUSE OPERATORS' LICENSES COVER BOTH GRAIN BUYING AND GRAIN STORAGE.) The applicant for a grain buyer's license shall identify all grain buying locations owned or controlled by the grain buyer and all vehicles owned or controlled by the grain buyer used to transport purchased grain. *Every applicant for a grain buyer's license shall have a permanent established place of business at each licensed location. An "established place of business" means a permanent enclosed building, including a house or a farm, either owned by the applicant or leased by the applicant for a period of at least one year, and where the books, records, and files necessary to conduct the business are kept and maintained. The commissioner may maintain information on grain buyers by categories including, but not limited to, the categories provided in clauses (a) to (c) and grain buyers that are licensed to purchase grain using trucks but that do not have a public or private warehouse license.*

Subd. 2. [LICENSE RENEWAL.] A license must be renewed annually. *Beginning July 1, 1984, the commissioner may stagger the renewal dates of licenses issued under this chapter, subject to the policy expressed in section 116J.69, subdivision 2, paragraph (d).* If a person receives more than one license from the commissioner, the licenses shall be issued at the same time, but only after all conditions for each license are met. Multiple licenses should be combined into one license if possible.

Subd. 3. [GRAIN BUYERS AND STORAGE FUND; FEES.] The commissioner shall set the fees for inspections (AND LICENSES) under sections 223.15 to 223.19 and sections 13 to 15 at levels necessary to pay the expenses of administering and enforcing sections 223.15 to 223.19 and sections 13 to

15. These fees may be adjusted pursuant to the provisions of section 16A.128.

The fee for any license issued or renewed prior to June 30, 1984, is \$100. The fee for any license issued or renewed after June 30, 1984, shall be set according to the following schedule:

(a) \$100 plus \$50 for each additional location for grain buyers whose gross annual purchases are less than \$1,500,000;

(b) \$200 plus \$50 for each additional location for grain buyers whose gross annual purchases are at least \$1,500,000, but not more than \$3,000,000; and

(c) \$300 plus \$50 for each additional location for grain buyers whose gross annual purchases are more than \$3,000,000.

There is created in the state treasury the grain buyers and storage fund. Money collected pursuant to sections 223.15 to 223.19 shall be paid into the state treasury and credited to the grain buyers and storage fund and is appropriated to the commissioner for the administration and enforcement of sections 223.15 to 223.19 and sections 13 to 15.

Subd. 4. [BOND.] Before a grain buyer's license is issued, the applicant for (A GRAIN BUYERS) the license (SHALL) must file with the commissioner a bond in a penal sum prescribed by the commissioner but not (MORE) less than the following amounts:

(a) (\$10,000 FOR EACH PRIVATE OR PUBLIC GRAIN WAREHOUSE UP TO A MAXIMUM OF FIVE GRAIN WAREHOUSES;)

((B) \$10,000 FOR EACH SEMITRAILER USED BY AN ITINERANT GRAIN BUYER UP TO A MAXIMUM OF FIVE SEMITRAILERS;)

((C) \$5,000 FOR EACH TRUCK USED BY AN ITINERANT GRAIN BUYER UP TO A MAXIMUM OF FIVE TRUCKS;)

((D) \$5,000 FOR EACH TRAILER USED BY AN ITINERANT GRAIN BUYER UP TO A MAXIMUM OF FIVE TRAILERS; AND)

((E) \$50,000 FOR EACH NONWAREHOUSE GRAIN BUYER) \$10,000 for grain buyers whose gross annual purchases are \$100,000 or less;

(b) \$20,000 for grain buyers whose gross annual purchases are more than \$100,000 but not more than \$750,000;

(c) \$30,000 for grain buyers whose gross annual purchases are more than \$750,000 but not more than \$1,500,000;

(d) \$40,000 for grain buyers whose gross annual purchases are more than \$1,500,000 but not more than \$3,000,000; and

(e) \$50,000 for grain buyers whose gross annual purchases exceed \$3,000,000. A grain buyer who has filed a bond with the commissioner prior to July 1, 1983 is not required to increase the amount of the bond to comply with this section until July 1, 1984. The commissioner may postpone an increase in the amount of the bond until July 1, 1985, if a licensee demonstrates that the increase will impose undue financial hardship on the licensee, and that producers will not be harmed as a result of the postponement. The commissioner may impose other restrictions on a licensee whose bond increase has been postponed. The amount of the bond shall be based on the most recent financial statement of the grain buyer filed under subdivision 6.

A first-time applicant for a grain buyer's license after July 1, 1983 shall file a \$20,000 bond with the commissioner. This bond shall remain in effect for the first year of his license. Thereafter, the licensee shall comply with the applicable bonding requirements contained in clauses (a) to (e) of this section.

In lieu of the bond required by this subdivision the applicant may deposit with the state treasurer cash, a certified check, a cashier's check, a postal, bank, or express money order, assignable bonds or notes of the United States, or an assignment of a bank savings account or investment certificate or an irrevocable bank letter of credit as defined in section 336.5-103, in the same amount as would be required for a bond.

Subd. 5. [(VOLUNTARY EXTENSION OF CREDIT) CASH SALES; MANNER OF PAYMENT.] (UPON DEMAND BY A SELLER OF GRAIN, A GRAIN BUYER SHALL PAY 90 PERCENT OF THE ESTIMATED OR ACTUAL VALUE OF GRAIN PURCHASED AT THE TIME THE PHYSICAL POSSESSION OF THE GRAIN IS CONVEYED FROM THE SELLER TO THE GRAIN BUYER.) For a cash sale of a shipment of grain which is part of a multiple shipment sale, the grain buyer shall tender payment to the seller in cash or by check not later than ten days after the sale of that shipment, except that when the entire sale is completed, payment shall be tendered not later than the close of business on the next day, or within 48 hours, whichever is later. For other cash sales the grain buyer, before the close of business on the next business day after the sale, shall tender payment to the seller in cash or by check, or shall wire or mail funds to the seller's account in the amount of at least 80 percent of the value of the grain at the time of delivery. The grain buyer shall complete final settlement as rapidly as possible through ordinary diligence. Any transaction (WHEREIN THIS DEMAND IS NOT EXERCISED)

which is not a cash sale in compliance with the provisions of this subdivision constitutes a voluntary extension of credit (AND) which is not afforded protection under the grain buyer's bond, and which must comply with sections 9 and 10.

Subd. 5a. [GRAIN PURCHASES FROM UNLICENSED PRODUCERS.] No grain buyer may refuse to purchase grain from a producer solely because the producer is not bonded or is not licensed by the commissioner; provided, that any producer who buys grain from other producers shall be licensed and bonded as required by this chapter.

Subd. 6. [(CONFIDENTIAL STATEMENTS REQUIRED) FINANCIAL STATEMENTS.] For the purpose of fixing or changing the amount of a required bond or for any other proper reason, the commissioner shall require an annual financial (STATEMENTS) statement from a licensee which has been prepared in accordance with generally accepted accounting principles and which meets the following requirements:

(a) The financial statement shall include, but not be limited to the following: (1) a balance sheet; (2) a statement of income (profit and loss); (3) a statement of retained earnings; (4) a statement of changes in financial position; and (5) a statement of the dollar amount of grain purchased in the previous fiscal year of the grain buyer.

(b) The financial statement shall be accompanied by a compilation report of the financial statement which is prepared by a grain commission firm or a management firm approved by the commissioner or by an independent public accountant, in accordance with standards established by the American Institute of Certified Public Accountants.

(c) The financial statement shall be accompanied by a certification by the chief executive officer or his designee of the licensee, under penalty of perjury, that the financial statement accurately reflects the financial condition of the licensee for the period specified in the statement.

Only one financial statement must be filed for a chain of warehouses owned or operated as a single business entity, unless otherwise required by the commissioner. Any grain buyer having a net worth in excess of \$500,000,000 need not file the financial statement required by this subdivision but must provide the commissioner with a certified net worth statement. All financial statements filed with the commissioner are private or nonpublic data as provided in section 13.02.

Subd. 6a. [SUSPENSION, REVOCATION, OR REFUSAL TO ISSUE LICENSE.] (a) If (THE) a license applicant or a licensee fails to furnish financial statements (OR TO FUR-

NISH ANY NEW BOND REQUIRED,) the commissioner may (IMMEDIATELY) *refuse to issue or renew the license or may suspend the license (AND THE LICENSEE SHALL SURRENDER THE LICENSE TO THE COMMISSIONER. WITHIN 15 DAYS THE).*

(b) *The commissioner may refuse to issue or renew a license or may suspend a license if he determines, based upon the financial statement filed under this section or other financial information obtained by him, that the applicant or licensee is not financially able to properly perform the services and operate the business for which the license is issued.*

(c) *When a license is suspended the licensee shall surrender the license to the commissioner. An applicant or licensee may request an administrative hearing subject to chapter 14 within 15 days after the commissioner suspends a license or refuses to issue or renew a license under clause (b) to determine whether the license should be issued, renewed, or revoked. If no request is made within 15 days after suspension, the commissioner shall revoke the license. (ALL FINANCIAL STATEMENTS SUBMITTED TO THE COMMISSIONER ARE CONFIDENTIAL.)*

Subd. 7. [PRODUCER BOND AND CONTRACT CLAIMS.] *A producer claiming to be damaged by a breach of (THE CONDITIONS OF A BOND OF) a contract for the purchase of grain by a licensed grain buyer may file a written claim with the commissioner. The claim must state the facts constituting the claim. The claim must be filed with the commissioner within 180 days of the breach of the (CONDITIONS OF THE BOND) contract. If (THE COMMISSIONER BELIEVES THAT) a claim is valid, the commissioner may immediately suspend the license, in which case the licensee shall surrender the license to the commissioner. Within 15 days the licensee may request an administrative hearing subject to chapter 14 to determine whether the license should be revoked. If no request is made within 15 days, the commissioner shall revoke the license.*

Subd. 8. [BOND DISBURSEMENT.] (a) *The bond required under subdivision 4 shall provide for payment of loss caused by the grain buyer's failure to pay, upon the owner's demand, the purchase price of grain sold to the grain buyer in the manner provided by subdivision 5, including loss caused by failure to pay within the time required. The bond shall be conditioned upon the grain buyer being duly licensed as provided herein. (THE BOND SHALL NOT COVER ANY TRANSACTION WHICH CONSTITUTES A VOLUNTARY EXTENSION OF CREDIT.)*

(b) (UPON NOTIFICATION OF DEFAULT,) *The commissioner shall promptly determine the validity of all claims filed with him and notify (ALL PARTIES HAVING FILED CLAIMS) the claimants of the determination. An aggrieved*

party may appeal the commissioner's determination by requesting, within 15 days, that the commissioner initiate a contested case proceeding. In the absence of such a request, or following the issuance of a final order in a contested case, the surety company shall issue payment *promptly* to those claimants entitled to payment. (WHEN THE COMMISSIONER DETERMINES IT NECESSARY,) The commissioner may apply to the district court for an order appointing a trustee or receiver to manage and supervise the operations of the grain buyer in default. The commissioner may participate in any resulting court proceeding as an interested party.

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

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

Subd. 9. [DEFAULTS; VIOLATIONS.] If the commissioner finds, after an investigation is conducted, that a complaint is valid or that a licensee is in violation of the provisions of this chapter, the commissioner may immediately suspend the license, in which case the licensee shall surrender the license to the commissioner. Within 15 days, the licensee may request an administrative hearing subject to chapter 14 to determine whether the license should be revoked. If no request is made within 15 days, the commissioner shall revoke the license.

Sec. 9. [223.175] [WRITTEN VOLUNTARY EXTENSION OF CREDIT CONTRACTS; FORM.]

A written confirmation required under section 10, subdivision 2, and a written voluntary extension of credit contract must include those items prescribed by the commissioner by rule. A contract shall include a statement of the legal and financial responsibilities of grain buyers and sellers established in this chapter. A contract shall also include the following statement in not less than ten point, all capital type, framed in a box with space provided for the seller's signature: "THIS CONTRACT CONSTITUTES A VOLUNTARY EXTENSION OF CREDIT. THIS CONTRACT IS NOT COVERED BY ANY GRAIN BUYER'S BOND." If a written contract is provided at the time the grain is delivered to the grain buyer, the seller shall sign the contract in the space provided beneath the statement.

Sec. 10. [223.177] [PURCHASE BY VOLUNTARY EXTENSION OF CREDIT CONTRACTS.]

Subdivision 1. [INDICATION OF INTENTION.] Every grain buyer who intends to purchase grain by voluntary extension of credit contracts shall indicate his intention to do so annually to the commissioner on a form provided by the commissioner.

Subd. 2. [ORAL CONTRACTS.] Any grain buyer entering into a voluntary extension of credit contract orally or by phone shall give or mail to the seller a written confirmation conforming to the requirements of section 9 before the close of the next business day.

Subd. 3. [CONTRACTS REDUCED TO WRITING.] A voluntary extension of credit contract must be reduced to writing by the grain buyer and mailed or given to the seller before the close of the next business day after the contract is entered into or, in the case of an oral or phone contract, after the written confirmation is received by the seller. Provided, however, that if a scale ticket has been received by the seller prior to the completion of the grain shipment, the contract must be reduced to writing within ten days after the sale, but not later than the close of the next business day after the completion of the entire sale. The form of the contract shall comply with the requirements of section 9.

Subd. 4. [GRAIN, RIGHTS, OR PROCEEDS HELD.] A licensed grain buyer purchasing grain by voluntary extension of credit contracts shall at all times maintain grain, rights in grain, or proceeds from the sale of grain totaling 90 percent of the grain buyer's obligation for grain purchased by voluntary extension of credit contracts. That amount must be evidenced or represented by one or more of the following:

(a) grain owned and actually held by the grain buyer in a grain warehouse owned or controlled by the grain buyer;

(b) rights in grain evidenced or represented by warehouse receipts issued by a state or federally licensed grain warehouse;

(c) cash on hand or cash held on account in federally or state licensed institutions;

(d) short-term investments held in time accounts with federally or state licensed institutions;

(e) balances on grain margin accounts;

(f) voluntary extension of credit contracts for grain shipped to a processor or terminal as purchaser, less any payment or advance that has been received;

(g) *an irrevocable letter of credit, as defined in section 336.5-103; or*

(h) *other evidence of proceeds from the sale of grain acceptable to the commissioner.*

Subd. 5. [VALUE OF GRAIN.] *For the purpose of computing the dollar value of inventories of voluntary extension of credit obligations, the value of grain must be figured at the current market price on the day of delivery.*

Subd. 6. [TRANSFER OF TITLE.] *The title to grain delivered on a voluntary extension of credit contract transfers to the grain buyer upon delivery.*

Subd. 7. [STORAGE CHARGES PROHIBITED.] *No storage charges may be charged with respect to grain purchased on voluntary extension of credit contracts.*

Subd. 8. [RECORDS.] *A grain buyer shall keep sufficiently detailed books and records of voluntary extension of credit contracts and evidences of grain, rights in grain, and the proceeds from the sale of grain so as to clearly show compliance with this section. The commissioner or his authorized agent may inspect these books and records to determine whether grain buyers are complying with the provisions of this chapter, and for this purpose the commissioner may enter upon any public or private premises during regular business hours.*

Sec. 11. Minnesota Statutes 1982, section 223.18, is amended to read:

223.18 [PENALTY.]

A person buying grain without first obtaining a grain buyer's license is guilty of a misdemeanor. Each day of operation without a grain buyer's license constitutes a separate offense. In case of license revocation, no new license shall be granted to the person whose license was revoked nor to anyone either directly or indirectly engaged with him in the licensed business for two years. A grain dealer who withholds records from the commissioner, keeps or files records which he knows to be false, alters records fraudulently, or presents to the commissioner any records which he knows to be false, is guilty of a gross misdemeanor.

Sec. 12. Minnesota Statutes 1982, section 223.19, is amended to read:

223.19 [RULES.]

The commissioner may (PROMULGATE) *make temporary or permanent rules pursuant to chapter 14 to carry out the provisions of sections 223.15 to 223.19, and sections 13 to 15.*

Sec. 13. [223.20] [REGULATION OF GRAIN BUYERS AND GRAIN STORAGE.]

The commissioner may create a separate division within the department of agriculture for the purpose of administering this chapter and chapter 232.

Sec. 14. [223.21] [ATTORNEY GENERAL; ENFORCEMENT.]

The attorney general, upon request of the commissioner, shall assist the commissioner in enforcing this chapter.

Sec. 15. [223.22] [INVESTIGATION; EDUCATION.]

Subdivision 1. [LEGISLATIVE INVESTIGATION.] The legislature recommends that the standing committees of the house and senate with jurisdiction over agriculture investigate methods of protecting producers when marketing grain using voluntary extension of credit contracts, including establishment of a state administered trust fund, private insurance, or reinsurance, and methods which grain buyers can use to protect themselves and grain producers from grain price fluctuations.

Subd. 2. [EDUCATION.] The commissioner shall make every effort to inform grain producers and grain buyers of the protections and exposures which result from application of this chapter.

Sec. 16. Minnesota Statutes 1982, section 232.22, subdivision 4, is amended to read:

Subd. 4. [BONDING.] Before a license is issued, the applicant for a public grain warehouse operator's license shall file with the commissioner a bond in a penal sum prescribed by the commissioner. The penal sum on a condition one bond shall be established by rule by the commissioner pursuant to the requirements of chapter 14 for all grain outstanding on grain warehouse receipts. The penal sum on a condition two bond shall not be less than \$10,000 for each location up to a maximum of five locations. (NO CONDITION TWO BOND SHALL BE REQUIRED UNDER THIS SUBDIVISION AFTER JUNE 30, 1983.)

Sec. 17. Minnesota Statutes 1982, section 232.22, subdivision 7, is amended to read:

Subd. 7. [BOND DISBURSEMENT.] (a) The condition one bond of a public grain warehouse operator must be condi-

tioned that the public grain warehouse operator issuing a grain warehouse receipt is liable to the depositor for the delivery of the kind, grade and net quantity of grain called for by the receipt.

(b) The condition two bond shall provide for payment of loss caused by the grain buyer's failure to pay, upon the owner's demand, the purchase price of grain sold to the grain buyer. The bond shall be conditioned upon the grain buyer being duly licensed as provided herein. The bond shall not cover any transaction which constitutes a voluntary extension of credit. (THIS CLAUSE EXPIRES JULY 1, 1983.)

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

(d) For the purpose of determining the amount of bond disbursement against all valid claims under a condition one bond, all grain owned or stored in the public grain warehouse shall be sold and the combined proceeds deposited in a special fund. Payment shall be made from the special fund satisfying the valid claims of grain warehouse receipt holders.

(e) If a public grain warehouse operator has become liable to more than one depositor or producer by reason of breaches of the conditions of the bond and the amount of the bond is insufficient to pay, beyond the proceeds of the special fund, the entire liability to all valid claimants, the proceeds of the bond and special fund shall be apportioned among the valid claimants on a pro rata basis.

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

Sec. 18. Minnesota Statutes 1982, section 336.9-401, is amended to read:

336.9-401 [PLACE OF FILING; ERRONEOUS FILING; REMOVAL OF COLLATERAL.]

(1) The proper place to file in order to perfect a security interest is as follows:

(a) When the collateral is (EQUIPMENT USED IN FARMING OPERATIONS, OR FARM PRODUCTS, OR ACCOUNTS OR GENERAL INTANGIBLES ARISING FROM OR RELATING TO THE SALE OF FARM PRODUCTS BY A FARMER, OR) consumer goods, or motor vehicles which are not inventory, then in the office of the county recorder in the county of the debtor's residence if the debtor is an individual who is a resident of this state but if the debtor is an individual who is not a resident of this state or is a corporation, partnership or other organization then in the office of the secretary of state (AND IN ADDITION WHEN THE COLLATERAL IS CROPS GROWING OR TO BE GROWN IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY WHERE THE LAND IS LOCATED);

(b) *When the collateral is equipment to be used in farming operations, or farm products, or accounts or general intangibles arising from or relating to the sale of farm products by a farmer, or crops growing or to be grown, then in the office of the county recorder in the county of the debtor's residence if the debtor is an individual or organization with residence in this state, but if the debtor is not a resident of this state, then in the office of the secretary of state;*

(c) When the collateral is timber to be cut or is minerals or the like (including oil and gas) or accounts subject to subsection (5) of section 336.9-103, or when the financing statement is filed as a fixture filing (section 336.9-313) and the collateral is goods which are or are to become fixtures, then in the office where a mortgage on the real estate would be filed or recorded;

((C)) (d) In all other cases, in the office of the secretary of state.

(2) A filing which is made in good faith in an improper place or not in all of the places required by this section is nevertheless effective with regard to any collateral as to which the filing complied with the requirements of this article and is also effective with regard to collateral covered by the financing statement against any person who has knowledge of the contents of such financing statement.

(3) A filing which is made in the proper place in this state continues effective even though the debtor's residence in this state or the use of the collateral, whichever controlled the original filing, is thereafter changed.

(4) The rules stated in section 336.9-103 determine whether filing is necessary in this state.

(5) Notwithstanding the preceding subsections, the proper place to file in order to perfect a security interest in collateral,

including fixtures, of a transmitting utility is the office of the secretary of state. Such a filing shall not be deemed a separate filing from the filings required by other laws, if applicable, set forth in subsection (3) of section 336.9-302. This filing constitutes a fixture filing (section 336.9-313) as to the collateral described therein which is or is to become fixtures.

(6) For the purposes of this section, the residence of an organization is its place of business if it has one or its chief executive office if it has more than one place of business.

(7) "Motor vehicle" means any device propelled or drawn by any power other than muscular power in, upon, or by which any person or property is or may be transported or drawn upon a highway, excepting building and road construction equipment.

Sec. 19. Laws 1982, chapter 635, section 9, is amended to read:

Sec. 9. [REPEALER.]

Minnesota Statutes 1980, sections 223.04; 223.07; 223.08; 223.09; 223.10; 223.11; 232.01; 232.02, subdivisions 4, 5, 6, 7, 8 and 9; 232.03; 232.04; and 232.06, subdivision 5; Minnesota Statutes 1981 Supplement, sections 223.01; 223.02; 223.03; 223.05; and 232.02, subdivisions 1, 2 and 3, are repealed. (SECTIONS 1 TO 6 ARE REPEALED JULY 1, 1983. ANY CLAIMS UNDER SECTIONS 1 TO 6 WHICH ARE NOT SETTLED BEFORE JULY 1, 1983, MAY BE SETTLED UNDER THE PROVISIONS OF SECTION 4, SUBDIVISIONS 7 AND 8, AS THEY EXISTED PRIOR TO JULY 1, 1983.)

Sec. 20. [STATUTES REMAIN IN EFFECT.]

Notwithstanding Minnesota Statutes, section 645.36, Minnesota Statutes, sections 223.15 to 223.19, and section 232.22, subdivision 7, clause (b), remain in effect without interruption.

Sec. 21. [APPROPRIATION.]

The sum of \$95,000 is appropriated from the general fund for the biennium ending June 30, 1985, to the commissioner of agriculture for the purposes of administering and enforcing this chapter. The personnel complement of the department of agriculture is increased by two.

Sec. 22. [REPEALER.]

Minnesota Statutes 1982, section 223.16, subdivision 8, is repealed.

Sec. 23. [EFFECTIVE DATE.]

Sections 1 to 23 are effective July 1, 1983."

Delete the title and insert:

"A bill for an act relating to agriculture; making certain changes in the grain buyers act; providing additional protection to grain producers selling on cash sales and voluntary extensions of credit; setting license fees and bonding requirements; requiring filing of financial statements; retaining certain bonding requirements for public grain warehouses; changing the place of filing of farm product liens; imposing a penalty; appropriating money; amending Minnesota Statutes 1982, sections 223.16, subdivisions 1, 4, 7, 11, and by adding subdivisions; 223.17; 223.18; 223.19; 232.22, subdivisions 4 and 7; and 336.9-401; Laws 1982, chapter 635, section 9; proposing new law coded in Minnesota Statutes, chapter 223; repealing Minnesota Statutes 1982, section 223.16, subdivision 8."

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

Senate Conferees: LEROY A. STUMPF, CLARENCE M. PURFEERST and JOHN BERNHAGEN.

House Conferees: TOM J. SHEA, HENRY J. KALIS and CHUCK DIMLER.

Shea moved that the report of the Conference Committee on S. F. No. 1097 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1097, A bill for an act relating to agriculture; making certain changes in the grain buyers act; changing the place of filing of farm product liens; imposing a penalty; amending Minnesota Statutes 1982, sections 223.16, subdivisions 1, 7, 8, 11, and by adding subdivisions; 223.17; 223.18; 223.19; and 336.9-401; Laws 1982, chapter 635, section 9; proposing new law coded in Minnesota Statutes, chapter 223.

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

The question was taken on the repassage of the bill and the roll was called. There were 120 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Bennett	Brinkman	Clawson	Elioff
Anderson, C.	Bergstrom	Burger	Cohen	Evans
Anderson, R.	Berkelman	Carlson, D.	Coleman	Findlay
Battaglia	Bishop	Carlson, L.	DenOuden	Fjoslien
Beard	Blatz	Clark, J.	Dimler	Forsythe
Begich	Brandl	Clark, K.	Eken	Frerichs

Graba	Knickerbocker	Nelson, D.	Rodosovich	Swiggum
Greenfield	Knuth	Nelson, K.	Rodriguez, F.	Swanson
Gruenes	Kostohryz	Neuenschwander	Rose	Thiede
Gustafson	Krueger	Norton	Sarna	Tomlinson
Gutknecht	Kvam	O'Connor	Schafer	Tunheim
Halberg	Larsen	Olsen	Schoenfeld	Uphus
Haukoos	Levi	Omann	Schreiber	Valan
Heap	Long	Onnen	Seaberg	Valento
Heinitz	Ludeman	Osthoff	Segal	Vanasek
Himle	Mann	Pauly	Shaver	Vellenga
Hoffman	Marsh	Peterson	Shea	Waltman
Hokr	McDonald	Piepho	Sherman	Welch
Jacobs	McEachern	Piper	Simoneau	Welker
Jennings	McKasy	Price	Skoglund	Welle
Jensen	Metzen	Quist	Solberg	Wenzel
Johnson	Minne	Redalen	Sparby	Wigley
Kalis	Munger	Rice	Stadum	Zaffke
Kelly	Murphy	Riveness	Staten	Speaker Sieben

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

Mr. Speaker:

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

S. F. No. 889.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee.

Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 889

A bill for an act relating to local government; clarifying powers of municipalities and redevelopment agencies with respect to acquisition, construction, leasing, selling, loan of funds, and issuance of revenue bonds for industrial development projects; amending Minnesota Statutes 1982, sections 474.03 and 474.06.

May 21, 1983

The Honorable Jerome M. Hughes
President of the Senate

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

We, the undersigned conferees for S. F. No. 889, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 889 be amended as follows:

Page 8, line 9, after "law" insert "*and bonds issued to refund bonds previously issued pursuant to this chapter may be issued in amounts as may be determined by the municipality or redevelopment agency notwithstanding the provisions of section 475.67, subdivision 3*"

Page 8, after line 14, insert:

"Sec. 3. Minnesota Statutes 1982, section 475.65, is amended to read:

475.65 [DELIVERY OF BONDS; USE OF PROCEEDS.]

Upon payment to the treasurer of the purchase price by the successful bidder, the obligations shall be delivered, and the treasurer shall account for the receipt and disbursement of the proceeds thereof for the use named in the resolution or other instrument or instruments authorizing such obligations, in a separate fund or account in the official financial records of the municipality. Pending such use the proceeds may be invested and reinvested in accordance with law, and the income and gain therefrom shall be held as part of the proceeds and applied to such use or to the payment of the obligations and interest thereon or otherwise as provided in any city charter or any other law. The purchaser shall not be obligated to see to the application of the purchase price. When the use authorized is the acquisition or betterment of any land, easements, buildings, structures, machinery, or equipment, the proceeds may be used to pay all expenses, incurred and to be incurred, which are reasonably necessary and incidental to such acquisition or betterment, including, but without limitation, the cost of necessary professional planning studies to determine desirable locations, architectural, engineering, legal, financial advisory, and other professional services, printing and publication, and interest to accrue on the obligations prior to the anticipated date of commencement of the collection of taxes or special assessments to be levied or other funds pledged for the payment of the obligations and interest thereon. When the obligations are payable wholly from the income from a utility or other project, for the acquisition or betterment of which the obligations are issued, the proceeds may be used in part to establish a reserve as further security for the payment of such principal and interest when due. If the contemplated use be afterward abandoned, or if any balance of the proceeds of the obligations remains after the use is accomplished, (SUCH) *or if the governing body determines that at least 85 percent of the cost of the use has been paid or finally determined and retains in the fund an amount sufficient to pay the estimated costs of completion, the remainder of the fund may be devoted to any other public use authorized by law, and approved by resolution adopted or vote taken in the manner required to*

authorize bonds for such new use and purpose. Any balance remaining after the improvement has been completed and paid for, unless devoted to a new use as herein authorized, shall become a part of the debt service fund of the municipality."

Renumber the remaining sections

Amend the title as follows:

Page 1, line 7, delete "and" and insert a comma

Page 1, line 7, after "474.06" insert ", and 475.65"

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

Senate Conferees: CARL W. KROENING, MICHAEL O. FREEMAN and RANDY P. KAMRATH.

House Conferees: THOMAS R. BERKELMAN, LEONARD PRICE and WILLIAM SCHREIBER.

Berkelman moved that the report of the Conference Committee on S. F. No. 889 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 889, A bill for an act relating to local government; clarifying powers of municipalities and redevelopment agencies with respect to acquisition, construction, leasing, selling, loan of funds, and issuance of revenue bonds for industrial development projects; amending Minnesota Statutes 1982, sections 474.03 and 474.06.

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

The question was taken on the repassage of the bill and the roll was called. There were 114 yeas and 4 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Carlson, L.	Fjoslien	Jacobs	Marsh
Anderson, G.	Clark, J.	Forsythe	Jennings	McEachern
Battaglia	Clawson	Frerichs	Jensen	McKasy
Beard	Cohen	Graba	Johnson	Metzen
Begich	Coleman	Greenfield	Kalis	Minne
Bennett	Dempsey	Gruenes	Kelly	Munger
Bergstrom	DenOuden	Gustafson	Knickerbocker	Murphy
Berkelman	Dimler	Gutknecht	Knuth	Nelson, D.
Bishop	Eken	Halberg	Kostohryz	Nelson, K.
Blatz	Elioff	Haukoos	Krueger	Neuenschwander
Brandl	Ellingson	Heap	Kvam	Norton
Brinkman	Erickson	Heinitz	Larsen	O'Connor
Burger	Evans	Himle	Long	Olsen
Carlson, D.	Findlay	Hoffman	Mann	Omam

Onnen	Rice	Segal	Swanson	Voss
Osthoff	Rodosovich	Shaver	Thiede	Waltman
Pauly	Rodriguez, F.	Sherman	Tomlinson	Welch
Peterson	Rose	Simoneau	Tunheim	Welle
Piepho	Sarna	Skoglund	Uphus	Wenzel
Piper	Schafer	Solberg	Valan	Wigley
Price	Schoenfeld	Sparby	Valento	Zaffke
Quist	Schreiber	Staten	Vanasek	Speaker Sieben
Redalen	Seaberg	Sviggum	Vellenga	

Those who voted in the negative were:

Hokr	Ludeman	McDonald	Welker
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The bill was repassed, as amended by Conference, and its title agreed to.

SPECIAL ORDERS, Continued

S. F. No. 466 temporarily laid over earlier today was again reported to the House.

S. F. No. 466, A bill for an act relating to game and fish; allowing the commissioner of natural resources to prohibit firing upon, over, or across a public highway for the purpose of taking migratory waterfowl in designated locations; amending Minnesota Statutes 1982, section 100.31.

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 119 yeas and 2 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Knuth

Pauly

The bill was passed and its title agreed to.

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

S. F. No. 201.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee.

Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 201

A bill for an act relating to intoxicating liquor; authorizing off-sale licensees to dispense samples of wine, liqueurs and cordials; amending Minnesota Statutes 1982, section 340.11, subdivision 15.

May 22, 1983

The Honorable Jerome M. Hughes
President of the Senate

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

We, the undersigned conferees for S. F. No. 201, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 201 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 340.034, subdivision 1, is amended to read:

Subdivision 1. No sale of non-intoxicating malt liquor shall be made between the hours of one a.m. and eight a.m. on any weekday Monday through Saturday inclusive. Neither shall any sale of such liquor be made on any Sunday between the hours of one a.m. and twelve (O'CLOCK) noon (, NOR BETWEEN THE HOURS OF ONE A.M. AND EIGHT O'CLOCK P.M. ON THE DAY OF ANY STATEWIDE ELECTION).

Sec. 2. Minnesota Statutes 1982, section 340.11, subdivision 11, is amended to read:

Subd. 11. [ON-SALE LICENSES, INCLUDING HOTELS, CLUBS, RESTAURANTS, AND ON-SALE EXCLUSIVE LIQUOR STORES.] "On-sale" licenses may be issued by municipalities for the sale of intoxicating liquors in hotels, clubs, restaurants and establishments for the sale of "on-sale" liquors exclusively within the number authorized by this section. In addition to the number of licenses authorized by this section, an "on-sale" license may be issued, if approved by the commissioner of public safety, to a bona fide club (WHICH HAS BEEN IN EXISTENCE FOR 15 YEARS OR MORE) or (TO A) congressionally chartered veterans' organization which has been in existence for (FIVE) *at least three* years. The club or veterans' organization must be incorporated in order to be eligible to apply for a license, and the license issued must be for the sale of intoxicating liquors to members and bona fide guests only. The license fee for an "on-sale" license issued by a municipality pursuant to this subdivision shall be in an amount determined by the governing body thereof subject to the following limitation: up to \$300 for a veterans organization or fraternal club with a membership of 200 or less; up to \$500 for a veterans organization or fraternal club with a membership of between 201 and 500; up to \$650 for a veterans organization or fraternal club with a membership of between 501 and 1,000; up to \$800 for a veterans organization or fraternal club with a membership of between 1,001 and 2,000; up to \$1,000 for a veterans organization or fraternal club with a membership between 2,000 and 4,000; up to \$2,000 for a veterans organization or fraternal club with a membership of between 4,001 and 6,000; and up to \$3,000 for a veterans organization or fraternal club with a membership of more than 6,000. For purposes of the maximum license fee which may be imposed by a municipality pursuant to this subdivision, "fraternal club" means a club which serves only members and their guests and which uses any profits derived from these sales principally for sponsoring activities beneficial to the community and not for the benefit of any individual. Except in cities of the first, second, and third class, a license may be issued jointly to congressionally

chartered veterans' organizations that otherwise qualify under this subdivision.

Sec. 3. Minnesota Statutes 1982, section 340.11, subdivision 15, is amended to read:

Subd. 15. [LICENSES NOT REQUIRED.] It is lawful for a brewer to sell intoxicating malt beverages to his employee or to a former employee who is retired because of age or physical disability. Such beverages shall be sold for consumption off the premises only, and the amount sold to any one person in any one week shall not exceed 768 fluid ounces. The requirements of law relating to minimum prices for the sale of intoxicating malt beverages shall not apply to sales made under this subdivision, nor shall any license be required for the making of such sales. It is also lawful for a collector of commemorative bottles, as these terms are defined in section 340.44, to sell commemorative bottles to another collector without obtaining a license. *It is also lawful for an off-sale licensee or municipal liquor store to provide samples of wine, liqueurs, and cordials which the licensee or municipal liquor store currently has in stock and is offering for sale to the general public without obtaining an additional license, provided the wine, liqueur, and cordial samples are dispensed at no charge and consumed on the licensed premises during the permitted hours of off-sale in a quantity less than 50 milliliters of wine per variety per customer and 25 milliliters of liqueur or cordial per variety per customer.*

Sec. 4. Minnesota Statutes 1982, section 340.14, subdivision 1, is amended to read:

Subdivision 1. [HOURS AND DAYS OF SALE.] No sale of intoxicating liquor shall be made after one a.m. on Sunday, nor until eight a.m. on Monday (, NOR BETWEEN THE HOURS OF ONE A.M. AND EIGHT O'CLOCK P.M. ON THE DAY OF ANY STATEWIDE ELECTION). No "on-sale" shall be made between the hours of one a.m. and eight o'clock a.m. on any weekday. *No "on-sale" shall be made after eight o'clock p.m. on December 24.* No "off-sale" shall be made before eight o'clock a.m. or after ten o'clock p.m. of any day. However, in cities of the first class, and in all cities located within a radius of 15 miles of a city of the first class within the same county, "off-sale" may be made only until eight o'clock p.m. of any day except Friday and Saturday, on which days "off-sale" may be made until ten o'clock p.m. No "off-sale" shall be made on New Years Day, January 1; Independence Day, July 4; Thanksgiving Day; or Christmas Day, December 25; but on the evenings preceding such days, if the sale of liquor is not otherwise prohibited on such evenings, "off-sales" may be made until ten o'clock p.m., except that no "off-sale" shall be made on December 24 after eight o'clock p.m. It shall be beyond the power of any municipality of this state to authorize or permit the sale of intoxicating liquors when such sale is prohibited by this section, however,

any municipality may further limit the hours of sale of intoxicating liquors, provided that such further restricted hours for "on-sale" shall apply to both intoxicating liquors and non-intoxicating malt liquors.

Sec. 5. Minnesota Statutes 1982, section 340.15, is amended by adding a subdivision to read:

Subd. 3. This section does not apply to advertising of liquor prices by an off-sale licensee in a newspaper of general circulation published in a bordering state if the newspaper is the primary newspaper of general circulation in the area in which the off-sale licensee is located.

Sec. 6. Minnesota Statutes 1982, section 340.408, is amended to read:

340.408. [JOINT PURCHASES.]

No variable volume price or discount shall be offered to a retailer for a quantity of distilled spirits or wine in excess of 300 liter or smaller bottles. The joint purchase for resale to the general public of 300 or fewer (QUART) liter or smaller bottles of (INTOXICATING LIQUOR) distilled spirits or wine by more than one person lawfully permitted to sell (INTOXICATING LIQUOR) distilled spirits or wine to the general public is lawful. No rule or regulation pursuant to this chapter shall prohibit a lawful purchase pursuant to this section.

Sec. 7. Minnesota Statutes 1982, section 340.983, is amended to read:

340.983 [FILING OF WHOLESALE PRICE SCHEDULE.]

No brand owner or wholesaler of distilled (LIQUOR) spirits or wine shall sell, offer for sale, or solicit any order for distilled liquor or wine unless a schedule of wholesale prices, which shall include varying volume prices, is filed with the commissioner, on a form prescribed by him, and no sales shall be made except in accordance with (SUCH) these prices. (SUCH) Forms shall provide for the listing of the price, including any varying volume prices, at which each brand distributed by the filing wholesaler or brand owner is sold. The commissioner shall maintain (SUCH) filings in such a manner as to make their contents easily accessible to the public. The filings required under this section shall be made not later than the first day of each month, and the schedule of filed prices shall be effective from that day until the first day of the next month, provided that any filing may be amended within five days after its filing. The commissioner shall provide copies of (SUCH) filings to any person requesting them, and may charge a reasonable fee therefor. Any

person may examine (SUCH) filings in the office of the commissioner, and no charge shall be made for such examination.

(NO VOLUME PRICE FILED PURSUANT TO THIS SECTION SHALL BE FOR A QUANTITY IN EXCESS OF 300 QUARTS.)

Sec. 8. [ST. PAUL; PARK CLUB HOUSES; LIQUOR.]

Notwithstanding any contrary provision of law, charter or ordinance, the city of St. Paul may by ordinance authorize any holder of an "on-sale" liquor license issued by the city to dispense intoxicating liquor at any event of definite duration on the public premises known as the Phalen Park club house. The event may not be profit making except as a fund raising event for a nonprofit organization or a political committee as defined in Minnesota Statutes, section 210A.01, subdivision 8. The licensee must be engaged to dispense liquor at the event by a person or organization permitted to use the premises and may dispense liquor only to persons attending the event. A licensee's authority shall expire upon termination of the event. The authority to dispense liquor shall be granted in accordance with the statutes applicable to the issuance of "on-sale" liquor licenses in cities of the first class consistent with this act. The dispensing of liquor shall be subject to all laws and ordinances governing the dispensing of intoxicating liquor that are consistent with this act. All dispensing of liquor shall be in accordance with the conditions prescribed by the city. The conditions may limit the dispensing of liquor to designated areas of the facility. The city may fix and assess a fee to be paid to the city by an "on-sale" licensee for each event for which the licensee is engaged to dispense liquor. The authority granted by this subdivision shall not count as an additional "on-sale" intoxicating liquor license for purposes of determining the number of liquor licenses permitted to be issued under the provisions of Minnesota Statutes, section 340.11.

Sec. 9. [ST. PAUL; ON-SALE NONINTOXICATING MALT LIQUOR AND ON-SALE WINE LICENSES FOR THE DOWNTOWN COUNCIL.]

Notwithstanding sections 340.11, subdivision 20, 340.14, subdivision 3, and any other contrary provision of law, charter, or ordinance, the governing body of the city of St. Paul may issue "on-sale" nonintoxicating malt liquor and "on-sale" wine licenses to the St. Paul Downtown Council for use only at the annual Taste of Minnesota Festival to commemorate the July 4th holiday at the state capital and on its surrounding property. The fee for each license issued under this section is \$53.50.

Sec. 10. [MINNETONKA ON-SALE LIQUOR LICENSES.]

The city of Minnetonka may issue three on-sale licenses for the sale of intoxicating liquor, which licenses shall be in addition to the number authorized by Minnesota Statutes, section 340.11, subdivision 5a. All other provisions of chapter 340 shall apply to licenses issued pursuant to this section.

Sec. 11. [LONG PRAIRIE ON-SALE LICENSE.]

Notwithstanding the period of incorporation requirement of section 340.11, subdivision 11, or any law to the contrary, the city of Long Prairie may issue one club on-sale intoxicating liquor license to a Moose Lodge located within the city. The fee shall be that required by section 340.11, subdivision 11, and all other provisions of chapter 340 not inconsistent with this section shall apply to the license.

Sec. 12. [EFFECTIVE DATES.]

Section 8 is effective upon approval by the governing body of the city of St. Paul and compliance with Minnesota Statutes, section 645.021, subdivision 2. Section 9 is effective upon approval by the governing body of the city of St. Paul and compliance with Minnesota Statutes, section 645.021, subdivision 3. Section 10 is effective upon approval by the governing body of the city of Minnetonka and compliance with Minnesota Statutes, section 645.021, subdivision 3. Section 11 is effective upon approval by the governing body of the city of Long Prairie and compliance with Minnesota Statutes, section 645.021, subdivision 3. Sections 1 to 7 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to liquor; authorizing election day sales; reducing the period of existence required for a club license; authorizing off-sale licenses to dispense certain samples and advertise in bordering states' newspapers in certain instances; regulating volume discounts; authorizing the city of St. Paul to issue an on-sale liquor license to the Phalen Park club house; authorizing the city of St. Paul to issue a special beer and wine license to the Downtown Council; authorizing the city of Minnetonka to issue three additional on-sale licenses; authorizing the city of Long Prairie to issue a club license to a certain Moose Lodge; amending Minnesota Statutes 1982, sections 340.034, subdivision 1; 340.11, subdivisions 11 and 15; 340.14, subdivision 1; 340.15, by adding a subdivision; 340.408; and 340.983."

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

Senate Conferees: ALLAN H. SPEAR and RON SIELOFF.

House Conferees: JOEL JACOBS and PAT PIPER.

Jacobs moved that the report of the Conference Committee on S. F. No. 201 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 201, A bill for an act relating to intoxicating liquor; authorizing off-sale licensees to dispense samples of wine, liqueurs and cordials; amending Minnesota Statutes 1982, section 340.11, subdivision 15.

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

The question was taken on the repassage of the bill and the roll was called. There were 74 yeas and 42 nays as follows:

Those who voted in the affirmative were:

Battaglia	Eken	Krueger	Ogren	Sarna
Beard	Elioff	Larsen	Olsen	Scheid
Begich	Evans	Levi	Omann	Segal
Bennett	Forsythe	Long	Osthoff	Simoneau
Bergstrom	Graba	Mann	Pauly	Solberg
Berkelman	Greenfield	McDonald	Peterson	Sparby
Bishop	Gustafson	McEachern	Piepho	Staten
Brandl	Heinitz	McKasy	Piper	Tomlinson
Brinkman	Himle	Metzen	Price	Tunheim
Burger	Hoffman	Minne	Quinn	Uphus
Carlson, L.	Jacobs	Murphy	Quist	Valan
Clark, J.	Jensen	Nelson, K.	Rodovich	Welle
Cohen	Kelly	Neuenschwander	Rodriguez, F.	Wigley
Dempsey	Knickerbocker	Norton	Rose	Speaker Sieben
Dimler	Kostohryz	O'Connor	St. Onge	

Those who voted in the negative were:

Anderson, R.	Gruenes	Munger	Shaver	Vellenga
Blatz	Gutknecht	Onnen	Sherman	Waltman
Carlson, D.	Haukoos	Redalen	Skoglund	Welch
Clark, K.	Jennings	Reif	Stadum	Welker
DenOuden	Johnson	Riveness	Svigum	Wenzel
Erickson	Kalis	Rodriguez, C.	Swanson	Zaffke
Findlay	Kvam	Schafer	Thiede	
Fjoslien	Ludeman	Schoenfeld	Valento	
Frerichs	Marsh	Schreiber	Vanasek	

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

Mr. Speaker:

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

S. F. No. 87.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee.

Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 87

A bill for an act relating to public welfare; requiring reporting of abuse or neglect of children; exempting determinations of eligibility for day care and foster care licenses from application of the Minnesota criminal offenders rehabilitation law; requiring arrest information and reports to be made available to the commissioner of public welfare for the purpose of investigating applicants for a day care or residential facility license; establishing the burden of proof in certain appeals; providing for appointment of guardianship of children whose parents are deceased; clarifying investigative authority of welfare agencies in making mandated investigations of physical or sexual abuse and neglect; amending Minnesota Statutes 1982, sections 245.783, subdivision 3; 245.801, subdivision 4; 260.011, subdivision 2; 260.242, subdivision 2, and by adding a subdivision; 364.09; and 626.556, subdivisions 2, 4, 7, and 10.

May 21, 1983

The Honorable Jerome M. Hughes
President of the Senate

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

We, the undersigned conferees for S. F. No. 87, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 87 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 245.783, subdivision 3, is amended to read:

Subd. 3. [STUDY OF APPLICANT.] Before issuing a license or renewing a license, the commissioner shall conduct a study of the applicant and the agency or the day care or residential facility. The bureau of criminal apprehension, a county attorney, a county sheriff, and a chief of a local police department. (WITH THE INFORMED CONSENT OF), *after notice to the subject of the data*, shall assist in this study by providing to the commissioner, the director of any local agency responsible for licensing, or their representatives all criminal conviction

data, arrest information, reports regarding abuse or neglect of children, and investigation results available from local, state, and national criminal history record repositories, including the criminal justice data communications network, pertaining to the following individuals connected with the application for or renewal of a license: applicants, operators, all persons living in the household, all staff of any day care or residential facility and all staff of agencies placing children for care. If the commissioner is satisfied that the provisions of sections 245.781 to 245.812 and 252.28, subdivision 2 and the applicable rules (AND REGULATIONS) promulgated by him are substantially met, a license shall be issued. If the results of the study indicate that all of the applicable laws (,) and rules (AND REGULATIONS) cannot be met immediately, but can and will be met within one year or less, and the deviations do not threaten the health, rights, or safety of persons to be served, a provisional license may be issued for a period not to exceed one year from the date of issuance.

The commissioner may request advice from persons using the facility, agency, or service, operators of a similar facility, agency, or service, and relevant professionals as part of the evaluation of an applicant.

Sec. 2. Minnesota Statutes 1982, section 245.801, subdivision 4, is amended to read:

Subd. 4. [SUSPENSION; APPEAL.] An operator whose license the commissioner proposes to suspend, revoke, or make probationary shall be given notice by certified mail addressed to the location shown on the license. The notice shall contain a statement of, and the reasons for, the proposed action and shall inform the operator of his right to appeal the decision to the commissioner, in writing, within ten days after receipt of the notice of the proposed action. Upon receiving a timely written appeal, the commissioner shall give the operator reasonable notice and an opportunity for a prompt hearing before an impartial hearing examiner. *The local welfare agency may demonstrate reasonable cause to revoke, suspend, not renew, or make probationary a family foster care or family day care license by submitting reports, statements, affidavits, or other reliable hearsay to substantiate the allegations of non-compliance with rules promulgated by the commissioner pursuant to section 245.802 governing family foster care licensing and family day care licensing. Upon demonstration by the agency that reasonable cause exists to take the proposed action with respect to a family foster care or family day care license, the burden of proof shifts to the licensee to demonstrate compliance with the rule by a preponderance of the evidence.* The hearing examiner shall make a recommendation to the commissioner as to whether the license shall be suspended, revoked, or made probationary. However, if the commissioner finds that the health, safety or rights of the persons served by the facility or

agency are in imminent danger, he shall order the immediate suspension of the license. The operator shall be given written notice of the order by personal service. The notice shall contain a statement of the reasons for the suspension and shall inform the operator of his right to petition the commissioner for reconsideration of the order. The petition shall be in writing and shall be made within five days after the personal service of the order. Upon receiving a timely written petition, the commissioner shall give the operator reasonable notice and an opportunity for a prompt hearing before an impartial hearing examiner with respect to the order of suspension of the license. The hearing examiner shall make a recommendation to the commissioner as to whether the order of suspension should be affirmed or reversed. The commissioner shall not be bound by the recommendation of the hearing examiner. The final decision of the commissioner shall be served on the operator by personal service, and shall inform the applicant of his rights under chapter 14 *and as stated in this section.*

Sec. 3. Minnesota Statutes 1982, section 260.242, is amended by adding a subdivision to read:

Subd. 1a. [BOTH PARENTS DECEASED.] If upon petition to the juvenile court by a reputable person, including but not limited to an agent of the commissioner of public welfare, and upon hearing in the manner provided in section 260.155, the court finds that both parents are deceased and no appointment has been made or petition for appointment filed pursuant to sections 525.615 to 525.6185, the court shall order the guardianship and legal custody of the child transferred to:

- (a) the commissioner of public welfare;*
- (b) a licensed child placing agency; or*
- (c) an individual who is willing and capable of assuming the appropriate duties and responsibilities to the child.*

Sec. 4. Minnesota Statutes 1982, section 260.242, subdivision 2, is amended to read:

Subd. 2. [GUARDIAN'S POWERS.] (a) A guardian appointed under the provisions of (SUBDIVISION 1) this section has legal custody of his ward unless the court which appoints him gives legal custody to some other person. If the court awards custody to a person other than the guardian, the guardian nonetheless has the right and responsibility of reasonable visitation, except as limited by court order.

(b) The guardian may make major decisions affecting the person of his ward, including but not limited to giving consent (when consent is legally required) to the marriage, enlistment

in the armed forces, medical, surgical, or psychiatric treatment, or adoption of the ward. When, pursuant to (SUBDIVISION 1, CLAUSE (A)) *this section*, the commissioner of public welfare is appointed guardian, he may delegate to the welfare board of the county in which, after the appointment, the ward resides, the authority to act for him in decisions affecting the person of his ward, including but not limited to giving consent to the marriage, enlistment in the armed forces, medical, surgical, or psychiatric treatment of the ward.

(c) A guardianship created under the provisions of (SUBDIVISION 1) *this section* shall not of itself include the guardianship of the estate of the ward.

Sec. 5. Minnesota Statutes 1982, section 364.09, is amended to read:

364.09 [LAW ENFORCEMENT; EXCEPTION.]

This chapter shall not apply to the practice of law enforcement (*; BUT*) *or to eligibility for a family day care license or a family foster care license*. Nothing in this section shall be construed to preclude the Minnesota police and peace officers training board from recommending policies set forth in this chapter to the attorney general for adoption in his discretion *to apply to law enforcement.*"

Delete the title and insert:

"A bill for an act relating to public welfare; exempting determinations of eligibility for day care and foster care licenses from application of the Minnesota criminal offenders rehabilitation law; requiring arrest information and reports to be made available to the commissioner of public welfare for the purpose of investigating applicants for a day care or residential facility license; establishing the burden of proof in certain appeals; providing for appointment of guardianship of children whose parents are deceased; amending Minnesota Statutes 1982, sections 245.783, subdivision 3; 245.801, subdivision 4; 260.242, subdivision 2, and by adding a subdivision; and 364.09."

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

Senate Conferees: ERIC D. PETTY, ALLAN H. SPEAR and RON SIELOFF.

House Conferees: ANN WYNIA, JANET CLARK and CONNIE LEVI.

Wynia moved that the report of the Conference Committee on S. F. No. 87 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 87, A bill for an act relating to public welfare; requiring reporting of abuse or neglect of children; exempting determinations of eligibility for day care and foster care licenses from application of the Minnesota criminal offenders rehabilitation law; requiring arrest information and reports to be made available to the commissioner of public welfare for the purpose of investigating applicants for a day care or residential facility license; establishing the burden of proof in certain appeals; providing for appointment of guardianship of children whose parents are deceased; clarifying investigative authority of welfare agencies in making mandated investigations of physical or sexual abuse and neglect; amending Minnesota Statutes 1982, sections 245.783, subdivision 3; 245.801, subdivision 4; 260.011, subdivision 2; 260.242, subdivision 2, and by adding a subdivision; 364.09; and 626.556, subdivisions 2, 4, 7, and 10.

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

The question was taken on the repassage of the bill and the roll was called. There were 128 yeas and 2 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Jennings Welker

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

The following conference committee report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 782

A bill for an act relating to courts; providing for increases in maximum authorized fines for crimes and petty misdemeanors; increasing the value of stolen property necessary for felony theft; increasing the maximum government tort liability limits; amending Minnesota Statutes 1982, sections 3.736, subdivision 4; 466.04, subdivisions 1 and 3; 609.02, subdivisions 3, 4, and 4a; 609.03; and 609.52, subdivision 3; proposing new law coded in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1982, sections 609.031 and 609.032.

May 22, 1983

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

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 782, report we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 782 be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 3.736, subdivision 4, is amended to read:

Subd. 4. [LIMITS.] The total liability of the state and its employees acting within the scope of their employment on any tort claim shall not exceed:

(a) (\$100,000) \$200,000 when the claim is one for death by wrongful act or omission and (\$100,000) \$200,000 to any claimant in any other case.

(b) (\$500,000) \$600,000 for any number of claims arising out of a single occurrence. If the amount awarded to or settled upon multiple claimants exceeds (\$500,000) \$600,000, any party may apply to any district court to apportion to each claimant his proper share of the (\$500,000) \$600,000. The share apportioned each claimant shall be in the proportion that the ratio of the award or settlement made to him bears to the aggregate awards and settlements for all claims arising out of the occurrence.

The limitation imposed by this subdivision on individual claimants includes damages claimed for loss of services or loss of support arising out of the same tort.

Sec. 2. Minnesota Statutes 1982, section 466.04, subdivision 1, is amended to read:

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

(a) (\$100,000) *\$200,000* when the claim is one for death by wrongful act or omission and (\$100,000) *\$200,000* to any claimant in any other case;

(b) (\$300,000) *\$600,000* for any number of claims arising out of a single occurrence.

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

Sec. 3. Minnesota Statutes 1982, section 466.04, subdivision 3, is amended to read:

Subd. 3. [DISPOSITION OF MULTIPLE CLAIMS.] Where the amount awarded to or settled upon multiple claimants exceeds (\$300,000) *\$600,000*, any party may apply to any district court to apportion to each claimant his proper share of the total amount limited by subdivision 1. The share apportioned each claimant shall be in the proportion that the ratio of the award or settlement made to him bears to the aggregate awards and settlements for all claims arising out of the occurrence.

Sec. 4. Minnesota Statutes 1982, section 609.02, subdivision 3, is amended to read:

Subd. 3. [MISDEMEANOR.] "Misdemeanor" means a crime for which a sentence of not more than 90 days or a fine of not more than (\$500) *\$700*, or both, may be imposed.

Sec. 5. Minnesota Statutes 1982, section 609.02, subdivision 4, is amended to read:

Subd. 4. [GROSS MISDEMEANOR.] "Gross misdemeanor" means any crime which is not a felony or misdemeanor. *The maximum fine which may be imposed for a gross misdemeanor is \$3,000.*

Sec. 6. Minnesota Statutes 1982, section 609.03, is amended to read:

609.03 [PUNISHMENT WHEN NOT OTHERWISE FIXED.]

If a person is convicted of a crime for which no punishment is otherwise provided he may be sentenced as follows:

(1) If the crime is a felony, to imprisonment for not more than five years or to payment of a fine of not more than (\$5,000) \$10,000, or both; or

(2) If the crime is a gross misdemeanor, to imprisonment for not more than one year or to payment of a fine of not more than (\$1,000) \$3,000, or both; or

(3) If the crime is a misdemeanor, to imprisonment for not more than 90 days or to payment of a fine of not more than (\$500) \$700, or both; or

(4) If the crime is other than a misdemeanor and a fine is imposed but the amount is not specified, to payment of a fine of not more than (\$750) \$1,000, or to imprisonment for a specified term of not more than six months if the fine is not paid.

Sec. 7. [609.033] [INCREASED MAXIMUM PENALTIES FOR MISDEMEANORS.]

Any law of this state which provides for a maximum fine of \$500 as a penalty for a violation shall, on or after August 1, 1983, be deemed to provide for a maximum fine of \$700.

Sec. 8. [609.034] [INCREASED MAXIMUM PENALTY FOR ORDINANCE VIOLATIONS.]

Any law of this state or municipal charter which limits the power of any statutory or home rule charter city, town, county, or other political subdivision to prescribe a maximum fine of \$500 or less for an ordinance shall on or after August 1, 1983, be deemed to provide that the statutory or home rule charter city, town, county, or other political subdivision has the power to prescribe a maximum fine of \$700.

Sec. 9. [609.0341] [INCREASED MAXIMUM FINES FOR GROSS MISDEMEANORS; FELONIES; OTHER FINES.]

Subdivision 1. [GROSS MISDEMEANORS.] Any law of this state which provides for a maximum fine of \$1,000 or for a maximum term of imprisonment of one year or which is defined as a gross misdemeanor shall, on or after August 1, 1983, be deemed to provide for a maximum fine of \$3,000 and for a maximum term of imprisonment of one year.

Subd. 2. [FELONIES.] (a) Any law of this state which provides for a maximum fine of \$2,000 shall, on or after August 1, 1983, be deemed to provide for a maximum fine of \$4,000.

(b) Any law of this state which provides for a maximum fine of \$3,000 shall, on or after August 1, 1983, be deemed to provide for a maximum fine of \$5,000.

(c) Any law of this state which provides for a maximum fine of \$5,000 shall, on or after August 1, 1983, be deemed to provide for a maximum fine of \$10,000.

(d) Any law of this state which provides for a maximum fine of \$7,000 shall, on or after August 1, 1983, be deemed to provide for a maximum fine of \$14,000.

(e) Any law of this state which provides for a maximum fine of \$10,000 shall, on or after August 1, 1983, be deemed to provide for a maximum fine of \$20,000.

(f) Any law of this state which provides for a maximum fine of \$15,000 shall, on or after August 1, 1983, be deemed to provide for a maximum fine of \$30,000.

(g) Any law of this state which provides for a maximum fine of \$20,000 shall, on or after August 1, 1983, be deemed to provide for a maximum fine of \$35,000.

(h) Any law of this state which provides for a maximum fine of \$25,000 shall, on or after August 1, 1983, be deemed to provide for a maximum fine of \$40,000.

(i) Any law of this state which provides for a maximum fine of \$30,000 shall, on or after August 1, 1983, be deemed to provide for a maximum fine of \$45,000.

(j) Any law of this state which provides for a maximum fine of \$40,000 shall, on or after August 1, 1983, be deemed to provide for a maximum fine of \$50,000.

Subd. 3. [EXCEPTIONS.] The provisions of subdivision 2 do not apply to any felony for which the fine was established or increased in 1983 by a legislative enactment other than this section.

Sec. 10. Minnesota Statutes 1982, section 609.52, subdivision 3, is amended to read:

Subd. 3. [SENTENCE.] Whoever commits theft may be sentenced as follows:

(1) To imprisonment for not more than ten years or to payment of a fine of not more than \$10,000, or both, if the value of the property or services stolen exceeds \$2,500; or

(2) To imprisonment for not more than five years or to payment of a fine of not more than \$5,000, or both, if the value of the property or services stolen is more than (\$150) \$250 but not more than \$2,500; or

(3) To imprisonment for not more than five years or to payment of a fine of not more than \$5,000, or both, notwithstanding the value of the property or services stolen is not more than (\$150) \$250, if any of the following circumstances exist:

(a) The property is taken from the person of another or from a corpse, or grave or coffin containing a corpse; or

(b) The property taken is a record of a court or officer, or a writing, instrument or record kept, filed or deposited according to law with or in the keeping of any public officer or office; or

(c) The property is taken from a burning building or upon its removal therefrom, or from an area of destruction caused by civil disaster, riot, bombing, or the proximity of battle; or

(d) The property taken consists of public funds belonging to the state or to any political subdivision or agency thereof; or

(4) To imprisonment for not more than ten years or to payment of a fine of not more than \$10,000, or both, if the property stolen is an article representing a trade secret; or if the property stolen is an explosive or an incendiary device; or

(5) In all other cases where the value of the property or services stolen is (\$150) \$250 or less, to imprisonment for not more than 90 days or to payment of a fine of not more than \$500, or both, provided, however, in any prosecution under clause (1), clause (2), clause (3)(a), (b) and (c), clause (4), and clause (13) of subdivision 2 the value of the money or property received by the defendant in violation of any one or more of the above provisions within any six month period may be aggregated and the defendant charged accordingly in applying the provisions of this subdivision; provided that when two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

Sec. 11. [REPEALER.]

Minnesota Statutes 1982, sections 609.031 and 609.032 are repealed.

Sec. 12. [EFFECTIVE DATE.]

Sections 1, 2 and 3 are effective August 1, 1984, and apply to claims arising on or after that date. Sections 4 to 11 are effective August 1, 1983, and apply to offenses committed on or after that date."

Amend the title as follows:

Page 1, line 3, delete "and petty misdemeanors"

Page 1, line 8, delete "3, 4, and 4a" and insert "3 and 4"

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

House Conferees: ROBERT E. VANASEK, JANET CLARK and CONNIE LEVI.

Senate Conferees: ALLAN H. SPEAR, RANDOLPH W. PETERSON and DON A. ANDERSON.

Vanasek moved that the report of the Conference Committee on H. F. No. 782 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 782, A bill for an act relating to courts; providing for increases in maximum authorized fines for crimes and petty misdemeanors; increasing the value of stolen property necessary for felony theft; increasing the maximum government tort liability limits; amending Minnesota Statutes 1982, sections 3.736, subdivision 4; 466.04, subdivisions 1 and 3; 609.02, subdivisions 3, 4, and 4a; 609.03; and 609.52, subdivision 3; proposing new law coded in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1982, sections 609.031 and 609.032.

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

The question was taken on the repassage of the bill and the roll was called. There were 125 yeas and 4 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Burger	Ellingson	Haukoos	Kelly
Battaglia	Carlson, L.	Evans	Heinitz	Knickerbocker
Beard	Clark, J.	Findlay	Himle	Knuth
Begich	Clark, K.	Forsythe	Hoffman	Kostohryz
Bennett	Clawson	Frerichs	Hokr	Krueger
Bergstrom	Cohen	Graba	Jacobs	Kvam
Berkelman	Coleman	Greenfield	Jennings	Larsen
Bishop	Dempsey	Gruenes	Jensen	Levi
Blatz	Dimler	Gustafson	Johnson	Long
Brandl	Eken	Gutknecht	Kahn	Ludeman
Brinkman	Elioff	Halberg	Kalis	Mann

Marsh	Olsen	Rice	Shaver	Uphus
McDonald	Omann	Riveness	Shea	Valan
McEachern	Onnen	Rodosovich	Sherman	Valento
McKasy	Osthoff	Rodriguez, C.	Simoneau	Vanasek
Metzen	Otis	Rodriguez, F.	Skoglund	Vellenga
Minne	Pauly	Rose	Solberg	Waltman
Munger	Peterson	St. Onge	Sparby	Weich
Murphy	Piepho	Sarna	Stadum	Welker
Nelson, D.	Piper	Schafer	Staten	Welle
Nelson, K.	Price	Scheid	Sviggum	Wenzel
Neuenschwander	Quinn	Schoenfeld	Swanson	Wigley
Norton	Quist	Schreiber	Thiede	Wynia
O'Connor	Redalen	Seaberg	Tomlinson	Zaffke
Ogren	Reif	Segal	Tunheim	Speaker Sieben

Those who voted in the negative were:

Carlson, D. DenOuden Erickson Fjoslien

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

MESSAGES FROM THE SENATE, Continued

Mr. Speaker:

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

S. F. No. 862, A bill for an act relating to public employment; providing rights for certain part-time employees; amending the definition of supervisory employee; providing that the public employer's duty to bargain supersedes all municipal charters, ordinances or resolutions; amending Minnesota Statutes 1982, sections 179.63, subdivisions 7 and 9; 179.66, subdivision 2; and 179.71, subdivision 8.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Messrs. Chmielewski, Kroening and Nelson.

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

Begich 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. 862. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 862:

Begich, Osthoff and Welker.

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. 549, A bill for an act relating to education; establishing a lending program to fund school energy conservation investments; authorizing the issuance of state bonds pursuant to article XI of the Minnesota Constitution; appropriating money; amending Minnesota Statutes 1982, section 275.125, subdivisions 11a, 11b, and by adding a subdivision; and proposing new law coded in Minnesota Statutes, chapter 116J.

PATRICK E. FLAHAVEN, Secretary of the Senate

Otis moved that the House refuse to concur in the Senate amendments to H. F. No. 549, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 549:

Otis; Nelson, K., and Olson.

SPECIAL ORDERS, Continued

S. F. No. 767, as amended, temporarily laid over earlier today was again reported to the House.

S. F. No. 767, A bill for an act relating to retirement; authorizing the purchase of prior service credit in the Minnesota state retirement system by certain employees or former employees of the legislature or joint legislative agencies or commissions; proposing new law coded in Minnesota Statutes, chapter 352D.

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 121 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Onnen

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

The following conference committee reports were received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1259

A bill for an act relating to the operation of government in this state; modifying the definition of gross income; adopting federal definitions of itemized deductions; updating the references to the Internal Revenue Code; extending the duration of the temporary income tax surtax and changing its computation; modifying the deduction of federal income taxes; assigning certain gambling winnings by nonresidents to Minnesota; imposing withholding tax on certain gambling winnings and horse racing purses; repealing certain income tax credits for pollution control expenditures; limiting the subtraction for unemployment compensation; providing for timely payment of withholding income taxes; modifying the dependent care credit; providing for certain studies; changing the refund method for the sales tax on electricity used in agricultural production; clarifying the uses of funds from the non-game wildlife checkoff; making the six percent sales and use tax rate permanent; increasing the motor vehicle excise tax rate to six percent; modifying the enterprise

zone law; providing for state tax incentives in enterprise zones; limiting the number of enterprise zones; reducing the corporate income tax rate; eliminating the deduction for certain income and franchise taxes paid by corporations; changing the deduction for corporate capital gains; providing small business investment credits; providing an additional research credit; modifying the definition of market value; requiring additional information on the certificate of value; mandating that homestead affidavits be filed in all counties; requiring that all contracts for deed be recorded; restricting the use of sales ratio studies as evidence; eliminating the agricultural mill rate credit on farm homes; increasing the agricultural mill rate credit on certain property and providing a maximum credit amount; clarifying the property classification for certain timber property; modifying the wetlands credit; modifying the utility property tax credit; changing certain property tax classification ratios; exempting contracts for deed from the mortgage registry tax and providing penalties for failure to file; exempting cities and towns with populations under 5,000 from levy limitations; modifying the method by which levy limitations are calculated; adding a special levy for certain county purposes; establishing a new homestead credit formula for certain homestead property; modifying the property tax refund formula and increasing the maximum credit; changing the payment dates for the property tax refund; altering the sales tax on liquor, wine, and beer; changing the excise tax credit on fermented malt beverages; delaying the effective date of the rent capitalization method used in assessing agricultural land; repealing the native prairie credit and reimbursement; repealing the wetlands reimbursement; modifying school district cash flow; establishing school aid payment dates for fiscal year 1985 and thereafter; requiring that property taxes be paid 15 days earlier; altering property tax settlement dates; modifying the local government aids distribution formula for counties, cities, and towns; phasing out attached machinery aids and reduced assessment aids; enacting the multi-state tax compact; changing the definition of basic cost of cigarettes for purposes of the unfair cigarette sales act; appropriating money; amending Minnesota Statutes 1982, sections 116J.42, subdivision 7; 124.2137, subdivision 1; 272.02, subdivision 1; 272.03, subdivision 8; 272.115, subdivision 1; 273.11, subdivision 1; 273.115, subdivisions 1, 2, and 3; 273.13, subdivisions 6, 6a, 7, 8a, 9, 11, 14a, 17, 17b, 17c, 20, and by adding a subdivision; 273.1312, subdivisions 2, 3, 4, and 5; 273.1313, subdivisions 1, 2, 3, and 5; 273.138, by adding a subdivision; 273.139, by adding a subdivision; 275.50, subdivision 2, and by adding subdivisions; 275.51, by adding subdivisions; 275.53, by adding a subdivision; 276.09; 276.10; 276.11; 278.01, subdivisions 1 and 2; 278.03; 278.05, subdivisions 4 and 5; 279.01, subdivision 1; 287.05, subdivision 1; 290.01, subdivisions 19, 20, 20a, as amended, 20b, as amended, and 20f; 290.05, subdivision 6; 290.06, subdivisions 1, 2e, as amended, 11, and 14; 290.067, subdivisions 1 and 2; 290.068, by adding a subdivision; 290.09, subdivisions 1, 2, 3, as amended, 4, 5, 28, and 29; 290.091; 290.14; 290.16, subdivision 4; 290.17, subdivision 2; 290.18, subdivisions 1 and 2; 290.21, subdivisions 1 and 3; 290.23, subdivi-

sion 5; 290.31, subdivisions 2 and 3; 290.39, subdivision 2; 290.431; 290.46; 290.92, subdivisions 2a, 6, and by adding subdivisions; 290A.03, subdivisions 3, 6, 8, 11, 13, as amended, and by adding a subdivision; 290A.04, subdivisions 1, 2, 2a, 2b, and 3; 290A.07, subdivision 2a; 290A.16; 290A.18; 290A.19; 297A.02, as amended; 297A.03, subdivision 2, as amended; 297A.14, as amended; 297A.35, subdivision 3; 297B.02, as amended; 325D.32, subdivision 9; 340.14, subdivision 1; 340.47, subdivision 2; 473F.08, subdivision 7a; 477A.011, subdivisions 6, 7, 10, and by adding subdivisions; 477A.012; 477A.013; 477A.014, subdivision 1; and Laws 1981, First Special Session chapter 1, article II, section 25; and Third Special Session chapter 2, article III, section 22, as amended; proposing new law coded in Minnesota Statutes, chapters 116C; 124; 273; 290; 477A; and 507; repealing Minnesota Statutes 1982, sections 273.116; 273.138, subdivisions 1, 2, 3, 4, 5, and 6; 273.139, subdivisions 1 and 2; 273.42, subdivision 2; 273.425; 275.51, subdivisions 3e and 5; 290.01, subdivisions 23, 27, and 28; 290.032, subdivision 5; 290.06, subdivisions 9 and 9a; 290.077, subdivision 2; 290.08, subdivision 25; 290.09, subdivisions 10, 15, 22, and 27; 290.21, subdivision 3a; 290.501; 290A.07, subdivision 3; 340.986; 352C.07; 477A.011, subdivisions 8 and 9; and Laws 1982, chapter 523, article VII, section 3; and Third Special Session chapter 1, article V, section 4.

May 22, 1983

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

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 1259, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recedes from its amendments and that H. F. No. 1259 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

INCOME TAX

Section 1. Minnesota Statutes 1982, section 290.01, subdivision 19, is amended to read:

Subd. 19. [NET INCOME.] The term "net income" means the gross income, as defined in subdivision 20, less the *following* deductions (ALLOWED BY SECTION 290.09 (AND FOR IN-

DIVIDUALS, SECTION 290.21)) to the extent allowed by section 290.18, subdivision 1:

(a) *For corporations, the deductions allowed by section 290.09;*

(b) *For individuals, the deductions allowed in section 15, without regard to section 290.18, subdivision 1, section 16, and 290.09; and*

(c) *For estates and trusts, the deduction allowed by section 15, without regard to section 290.18, subdivision 1.*

Sec. 2. Minnesota Statutes 1982, section 290.01, subdivision 20, is amended to read:

Subd. 20. [GROSS INCOME.] Except as otherwise provided in this chapter, the term "gross income," as applied to corporations includes every kind of compensation for labor or personal services of every kind from any private or public employment, office, position or services; income derived from the ownership or use of property; gains or profits derived from every kind of disposition of, or every kind of dealing in, property; income derived from the transaction of any trade or business; and income derived from any source.

The term "gross income" in its application to individuals, estates, and trusts shall mean the adjusted gross income as defined in the Internal Revenue Code of 1954, as amended through the date specified herein for the applicable taxable year, with the modifications specified in this subdivision and in subdivisions 20a to 20f. For estates and trusts the adjusted gross income shall be their federal taxable income as defined in the Internal Revenue Code of 1954, as amended through the date specified herein for the applicable taxable year, with the modifications specified in this subdivision and in subdivisions 20a to 20f, and with the modification that the federal deduction for personal exemptions for trusts and estates shall not be allowed.

(i) The Internal Revenue Code of 1954, as amended through December 31, 1976, including the amendments made to section 280A (relating to licensed day care centers) in H. R. 3477 as it passed the Congress on May 16, 1977, shall be in effect for the taxable years beginning after December 31, 1976. The provisions of the Tax Reform Act of 1976, P. L. 94-455, which affect adjusted gross income shall become effective for purposes of this chapter at the same time they become effective for federal income tax purposes.

The provisions of section 4 of P.L. 95-458, sections 131, 133, 134, 141, 152, 156, 157, 405, and 543 of P.L. 95-600, and section 2 of P.L. 96-608 (relating to pensions, individual retirement ac-

counts, deferred compensation plans, the sale of a residence and to conservation payments to farmers) including the amendments made to these sections in P.L. 96-222 shall be effective at the same time that these provisions became effective for federal income tax purposes.

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

(iii) The Internal Revenue Code of 1954, as amended through December 31, 1980, and as amended by sections 302(b) and 501 to 509 of Public Law Number 97-34, shall be in effect for taxable years beginning after December 31, 1980 including the provisions of section 404 (relating to partial exclusions of dividends and interest received by individuals) of the Crude Oil Windfall Profit Tax Act of 1980, P.L. 96-223. The provisions of P.L. 96-471 (relating to installment sales) sections 122, 123, 126, 201, 202, 203, 204, 211, 213, 214, 251, 261, 264, 265, 311 (g) (3), 313, 314(a) (1), 321(a), 501 to 507, 811, and 812 of the Economic Recovery Tax Act of 1981, Public Law Number 97-34 and section 113 of Public Law Number 97-119 shall be effective at the same time that they become effective for federal income tax purposes.

(iv) The Internal Revenue Code of 1954, as amended through December 31, 1981, shall be in effect for taxable years beginning after December 31, 1981. *The Payment-in-Kind Tax Treatment Act of 1983, Public Law Number 98-4, shall be effective at the same time that it becomes effective for federal income tax purposes.*

References to the Internal Revenue Code of 1954 in subdivisions 20a, 20b, 20c, (AND) 20e, and 20f shall mean the code in effect for the purpose of defining gross income for the applicable taxable year.

Sec. 3. Minnesota Statutes 1982, section 290.01, subdivision 20a, as amended by Laws 1982, Third Special Session chapter 1, article V, section 1, is amended to read:

Subd. 20a. [MODIFICATIONS INCREASING FEDERAL ADJUSTED GROSS INCOME.] There shall be added to federal adjusted gross income:

(1) Interest income on obligations of any state other than Minnesota or a political subdivision of any other state exempt from federal income taxes under the Internal Revenue Code of 1954;

(2) (A BUSINESS CASUALTY LOSS IF THE TAX-PAYER ELECTED TO DEDUCT THE LOSS ON THE CUR-

RENT YEAR'S FEDERAL INCOME TAX RETURN BUT HAD DEDUCTED THE LOSS ON THE PREVIOUS YEAR'S MINNESOTA INCOME TAX RETURN;)

((3)) Income taxes imposed by this state or any other taxing jurisdiction, to the extent deductible in determining federal adjusted gross income and not credited against federal income tax;

((4)) (3) Interest on indebtedness incurred or continued to purchase or carry securities the income from which is exempt from tax under this chapter, to the extent deductible in determining federal adjusted gross income;

((5) AMOUNTS RECEIVED AS REIMBURSEMENT FOR AN EXPENSE OF SICKNESS OR INJURY WHICH WAS DEDUCTED IN A PRIOR TAXABLE YEAR TO THE EXTENT THAT THE DEDUCTION FOR THE REIMBURSED EXPENDITURE RESULTED IN A TAX BENEFIT;)

((6) THE AMOUNT OF ANY FEDERAL INCOME TAX OVERPAYMENT FOR ANY PREVIOUS TAXABLE YEAR, RECEIVED AS REFUND OR CREDITED TO ANOTHER TAXABLE YEAR'S INCOME TAX LIABILITY, PROPORTIONATE TO THE PERCENTAGE OF FEDERAL INCOME TAX THAT WAS CLAIMED AS A DEDUCTION IN DETERMINING MINNESOTA INCOME TAX FOR THE PREVIOUS TAXABLE YEAR. THE AMOUNT OF THE FEDERAL INCOME TAX OVERPAYMENT SHALL BE REPORTED ONLY TO THE EXTENT THAT THE AMOUNT RESULTED IN A REDUCTION OF THE TAX IMPOSED BY THIS CHAPTER.)

(THE OVERPAYMENT REFUND OR CREDIT, DETERMINED WITH RESPECT TO A HUSBAND AND WIFE ON A JOINT FEDERAL INCOME TAX RETURN FOR A PREVIOUS TAXABLE YEAR, SHALL BE REPORTED ON JOINT, COMBINED, OR SEPARATE MINNESOTA INCOME TAX RETURNS. IN THE CASE OF COMBINED OR SEPARATE MINNESOTA RETURNS, THE OVERPAYMENT SHALL BE REPORTED BY EACH SPOUSE PROPORTIONATELY ACCORDING TO THE RELATIVE AMOUNTS OF FEDERAL INCOME TAX CLAIMED AS A DEDUCTION ON HIS OR HER COMBINED OR SEPARATE MINNESOTA INCOME TAX RETURN FOR SUCH PREVIOUS TAXABLE YEAR;)

((7)) (4) In the case of a change of residence from Minnesota to another state or nation, the amount of moving expenses which exceed total reimbursements and which were therefore deducted in arriving at federal adjusted gross income;

((8)) (5) The amount of any increase in the taxpayer's federal tax liability under section 47 of the Internal Revenue Code of 1954 to the extent of the credit under section 38 of the Internal Revenue Code of 1954 that was previously allowed as a deduction under *Minnesota Statutes 1982, section 290.01*, subdivision 20b, clause (7);

((9)) (6) Expenses and losses arising from a farm which are not allowable under section 290.09, subdivision 29;

((10)) (7) Expenses and depreciation attributable to sub-standard buildings disallowed by section 290.101;

((11)) (8) The amount by which the gain determined pursuant to section 41.59, subdivision 2 exceeds the amount of such gain included in federal adjusted gross income;

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

((13)) (10) Interest income from qualified scholarship funding bonds as defined in section 103(e) of the Internal Revenue Code of 1954, if the nonprofit corporation is domiciled outside of Minnesota;

((14)) (11) Exempt-interest dividends, as defined in section 852(b)(5)(A) of the Internal Revenue Code of 1954, not included in federal adjusted gross income pursuant to section 852(b)(5)(B) of the Internal Revenue Code of 1954, except for that portion of exempt-interest dividends derived from interest income on obligations of the state of Minnesota, any of its political or governmental subdivisions, any of its municipalities, or any of its governmental agencies or instrumentalities;

((15)) (12) The amount of any excluded gain recognized by a trust on the sale or exchange of property as defined in section 641(c)(1) of the Internal Revenue Code of 1954;

((16)) (13) To the extent not included in the taxpayer's federal adjusted gross income, the amount of any gain, from the sale or other disposition of property having a lower adjusted basis for Minnesota income tax purposes than for federal income tax purposes. This modification shall not exceed the difference in basis. If the gain is considered a long term capital gain for federal income tax purposes, the modification shall be limited to 40 percent of the portion of the gain. This modification is limited to property that qualified for the (ENERGY) *equity investment* credit contained in section (290.06, SUBDIVISION

14,) 290.069, subdivision 4, and to property acquired in exchange for the release of the taxpayer's marital rights contained in section 290.14, clause (7);

((17)) (14) The amount of any loss from a source outside of Minnesota which is not allowed under section 290.17 including any capital loss or net operating loss carryforwards or carry-backs resulting from the loss;

((18) THE AMOUNT OF A DISTRIBUTION FROM AN INDIVIDUAL HOUSING ACCOUNT WHICH IS TO BE INCLUDED IN GROSS INCOME AS REQUIRED UNDER SECTION 290.08, SUBDIVISION 25;)

((19)) (15) To the extent deducted in computing the taxpayer's federal adjusted gross income, interest, taxes and other expenses which are not allowed under section 290.10, clause (9) or (10);

((20) TO THE EXTENT EXCLUDED FROM FEDERAL ADJUSTED GROSS INCOME, IN THE CASE OF A CITY MANAGER OR CITY ADMINISTRATOR WHO ELECTS TO BE EXCLUDED FROM THE PUBLIC EMPLOYEES RETIREMENT ASSOCIATION AND WHO MAKES CONTRIBUTIONS TO A DEFERRED COMPENSATION PROGRAM PURSUANT TO SECTION 353.028, THE AMOUNT OF CONTRIBUTIONS MADE BY THE CITY MANAGER OR ADMINISTRATOR WHICH IS EQUAL TO THE AMOUNT WHICH WOULD HAVE BEEN THE CITY MANAGER'S OR ADMINISTRATOR'S EMPLOYEE CONTRIBUTION PURSUANT TO SECTION 353.27, SUBDIVISION 2, IF HE WERE A MEMBER OF THE PUBLIC EMPLOYEES RETIREMENT ASSOCIATION;)

((21)) (16) The deduction for two-earner married couples provided in section 221 of the Internal Revenue Code of 1954;

((22) INTEREST ON ALL-SAVERS CERTIFICATES WHICH IS EXCLUDED UNDER SECTION 128 OF THE INTERNAL REVENUE CODE OF 1954;)

((23)) (17) Losses from the business of mining as defined in section 290.05, subdivision 1, clause (a) which is not subject to the Minnesota income tax;

((24)) (18) Expenses and depreciation attributable to property subject to Laws 1982, Chapter 523, Article 7, Section 3 which has not been registered;

((25)) (19) The amount of contributions to an individual retirement account, simplified employee pension plan, or self-employed retirement plan which is allowed under sections 311

and 312 of Public Law Number 97-34 to the extent those contributions were not an allowable deduction prior to the enactment of that law;

((26) TO THE EXTENT DEDUCTED IN COMPUTING FEDERAL ADJUSTED GROSS INCOME, LIVING EPENSES OF A MEMBER OF CONGRESS IN EXCESS OF THAT ALLOWABLE UNDER SECTION 290.09, SUBDIVISION 2, CLAUSE (A)(3);) and

((27)) (20) To the extent not included in the taxpayer's federal adjusted gross income, the amount of any contributions to a qualified pension plan, designated as employee contributions but which the employing unit picks up and which are treated as employer contributions pursuant to section 414(h) (2) of the Internal Revenue Code of 1954.

Sec. 4. Minnesota Statutes 1982, section 290.01, subdivision 20b, as amended by Laws 1982, Third Special Session chapter 1, article V, section 2, is amended to read:

Subd. 20b. [MODIFICATIONS REDUCING FEDERAL ADJUSTED GROSS INCOME.] There shall be subtracted from federal adjusted gross income:

(1) Interest income on obligations of any authority, commission or instrumentality of the United States to the extent includible in gross income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) The portion of any gain, from the sale or other disposition of property having a higher adjusted basis for Minnesota income tax purposes than for federal income tax purposes, that does not exceed such difference in basis; but if such gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to 40 per centum of the portion of the gain. This modification shall not be applicable if the difference in basis is due to disallowance of depreciation pursuant to section 290.101.

(3) Income from the performance of personal or professional services which is subject to the reciprocity exclusion contained in section 290.081, clause (a);

(4) Losses, not otherwise reducing federal adjusted gross income assignable to Minnesota, arising from events or transactions which are assignable to Minnesota under the provisions of sections 290.17 to 290.20, including any capital loss or net operating loss carryforwards or carrybacks or out of state loss carryforwards resulting from the losses, and including any farm loss carryforwards or carrybacks;

(5) If included in federal adjusted gross income, the amount of any credit received, whether received as a refund or credit to another taxable year's income tax liability, pursuant to chapter 290A, and the amount of any overpayment of income tax to Minnesota, or any other state, for any previous taxable year, whether the amount is received as a refund or credited to another taxable year's income tax liability;

(6) To the extent included in federal adjusted gross income, or the amount reflected as the ordinary income portion of a lump sum distribution under section 402(e) of the Internal Revenue Code of 1954, notwithstanding any other law to the contrary, the amount received by any person (i) from the United States, its agencies or instrumentalities, the Federal Reserve Bank or from the state of Minnesota or any of its political or governmental subdivisions or from any other state or its political or governmental subdivisions, or a Minnesota volunteer firefighter's relief association, by way of payment as a pension, public employee retirement benefit, or any combination thereof, (OR) (ii) as a retirement or survivor's benefit made from a plan qualifying under section 401, 403, 404, 405, 408, 409 or 409A of the Internal Revenue Code of 1954, or (iii) *severance pay distributed to an individual upon discontinuance of the individual's employment due to termination of business operations by the individual's employer, provided that the termination is reasonably likely to be permanent, involves the discharge of at least 75 percent of the employees at that site within a one-year period, and the business is not acquired by another person who continues operations at that site.* The maximum amount of this subtraction shall be \$11,000 less the amount by which the individual's federal adjusted gross income, plus the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code of 1954, exceeds \$17,000. *For purposes of this clause, "severance pay" means an amount received for cancellation of an employment contract or a collectively bargained termination payment made as a substitute for income which would have been earned for personal services to be rendered in the future.* In the case of a volunteer firefighter who receives an involuntary lump sum distribution of his pension or retirement benefits, the maximum amount of this subtraction shall be \$11,000; this subtraction shall not be reduced by the amount of the individual's federal adjusted gross income in excess of \$17,000;

(7) (THE AMOUNT OF ANY CREDIT TO THE TAX-PAYER'S FEDERAL TAX LIABILITY UNDER SECTION 38 OF THE INTERNAL REVENUE CODE OF 1954 BUT ONLY TO THE EXTENT THAT THE CREDIT IS CONNECTED WITH OR ALLOCABLE AGAINST THE PRODUCTION OR RECEIPT OF INCOME INCLUDED IN THE MEASURE OF THE TAX IMPOSED BY THIS CHAPTER;)

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

((9)) (8) The amount of any distribution from a qualified pension or profit sharing plan included in federal adjusted gross income in the year of receipt to the extent of any contribution not previously allowed as a deduction by reason of a change in federal law which was not adopted by Minnesota law for a taxable year beginning in 1974 or later;

((10)) (9) Interest, including payment adjustment to the extent that it is applied to interest, earned by the seller of the property on a family farm security loan executed before January 1, 1986 that is guaranteed by the commissioner of agriculture as provided in sections 41.51 to 41.60;

((11)) (10) The first \$3,000 of compensation for personal services in the armed forces of the United States or the United Nations, and the next \$2,000 of compensation for personal services in the armed forces of the United States or the United Nations wholly performed outside the state of Minnesota. This modification does not apply to compensation defined in subdivision 20b, clause (6);

((12)) (11) The amount of any income earned for personal services rendered outside of Minnesota prior to the date when the taxpayer became a resident of Minnesota. This modification does not apply to compensation defined in subdivision 20b, clause (6);

((13)) (12) In the case of wages or salaries paid or incurred on or after January 1, 1977, the amount of any credit for employment of certain new employees under sections 44B and 51 to 53 of the Internal Revenue Code of 1954 which is claimed as a credit against the taxpayer's federal tax liability, but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

((14)) (13) In the case of work incentive program expenses paid or incurred on or after January 1, 1979, the amount of any credit for expenses of work incentive programs under sections 40, 50A and 50B of the Internal Revenue Code of 1954 which is claimed as a credit against the taxpayer's federal tax liability, but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

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

((16) TO THE EXTENT INCLUDED IN FEDERAL ADJUSTED GROSS INCOME, SEVERANCE PAY THAT MAY BE TREATED AS A LUMP SUM DISTRIBUTION UNDER THE PROVISIONS OF SECTION 290.032, SUBDIVISION 5;)

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

((18) MINNESOTA EXEMPT-INTEREST DIVIDENDS AS PROVIDED BY SUBDIVISION 27;)

((19) A BUSINESS CASUALTY LOSS WHICH THE TAXPAYER ELECTED TO DEDUCT ON THE CURRENT YEAR'S MINNESOTA INCOME TAX RETURN BUT DID NOT DEDUCT ON THE CURRENT YEAR'S FEDERAL INCOME TAX RETURN;)

((20) TO THE EXTENT INCLUDED IN FEDERAL ADJUSTED GROSS INCOME, IN THE CASE OF A CITY MANAGER OR CITY ADMINISTRATOR WHO ELECTS TO BE EXCLUDED FROM THE PUBLIC EMPLOYEES RETIREMENT ASSOCIATION AND WHO MAKES CONTRIBUTIONS TO A DEFERRED COMPENSATION PROGRAM PURSUANT TO SECTION 353.028, THE AMOUNT OF PAYMENTS FROM THE DEFERRED COMPENSATION PROGRAM EQUIVALENT TO THE AMOUNT OF CONTRIBUTIONS TAXED UNDER SUBDIVISION 29A, CLAUSE (20);)

((21) CONTRIBUTIONS TO AN INTEREST EARNED ON AN INDIVIDUAL HOUSING ACCOUNT AS PROVIDED BY SECTION 290.08, SUBDIVISION 25;)

((22)) (16) Interest earned on a contract for deed entered into for the sale of property for agricultural use if the rate of interest set in the contract is no more than nine percent per year for the duration of the term of the contract. This exclusion shall be available only if (1) the purchaser is an individual who, together with his spouse and dependents, has a total net worth valued at less than \$150,000 and (2) the property sold under the contract is farm land as defined in section 41.52, subdivision 6 of no more than 1,000 acres that the purchaser intends to use for agricultural purposes. Compliance with these requirements shall be stated in an affidavit to be filed with the first income tax return on which the taxpayer claims the exclusion provided in this clause. Upon request accompanied by the information necessary to make the determination, the commissioner shall determine whether interest to be paid on a proposed transaction will qualify for this exclusion; the determination shall be pro-

vided within 30 days of receipt of the request, unless the commissioner finds it necessary to obtain additional information, or verification of the information provided, in which case the determination shall be provided within 30 days of receipt of the final item of information or verification. The exclusion provided in this clause shall apply to interest earned on contracts for deed entered into after December 31, 1981 and before July 1, 1983;

((23) THE PENALTY ON THE EARLY WITHDRAWAL OF AN ALL-SAVERS CERTIFICATE AS PROVIDED IN SECTION 128(E) OF THE INTERNAL REVENUE CODE OF 1954 TO THE EXTENT THAT THE INTEREST WAS INCLUDED IN INCOME UNDER SUBDIVISION 20A, CLAUSE (22) ;)

((24)) (17) Income from the business of mining as defined in section 290.05, subdivision 1, clause (a) which is not subject to the Minnesota income tax; (AND)

((25)) (18) To the extent included in federal adjusted gross income, distributions from a qualified governmental pension plan which represent a return of designated employee contributions to the plan and which contributions were included in gross income pursuant to subdivision 20a, clause ((27)) (20); and

(19) *To the extent included in federal adjusted gross income, distributions from an individual retirement account which represent a return of designated employee contributions if the contributions were included in gross income pursuant to subdivision 20a, clause (19). The distribution shall be allocated first to return of contributions included in gross income until the amount of the contributions has been exhausted.*

Sec. 5. Minnesota Statutes 1982, section 290.01, subdivision 20f, is amended to read:

Subd. 20f. [MODIFICATION FOR ACCELERATED COST RECOVERY SYSTEM.] A modification shall be made for the allowable deduction under the accelerated cost recovery system (AS PROVIDED IN SUBDIVISION 28). *The allowable deduction for the accelerated cost recovery system as provided in section 168 of the Internal Revenue Code of 1954 shall be the same amount as provided in that section for individuals, estates, and trusts with the following modifications:*

(1) *For property placed in service after December 31, 1980, and for taxable years beginning before January 1, 1982, 15 percent of the allowance provided in section 168 of the Internal Revenue Code of 1954 shall not be allowed.*

(2)(a) *For taxable years beginning after December 31, 1981, and before January 1, 1983, for 15 year real property as*

defined in section 168 of the Internal Revenue Code of 1954, 40 percent of the allowance provided in section 168 of the Internal Revenue Code of 1954 shall not be allowed and for all other property, 17 percent of the allowance shall not be allowed.

(b) For taxable years beginning after December 31, 1982, and with respect to property placed in service in taxable years beginning before January 1, 1983, for 15 year real property as defined in section 168 of the Internal Revenue Code of 1954, 40 percent of the allowance provided in section 168 of the Internal Revenue Code of 1954 shall not be allowed and for all other property 20 percent of the allowance shall not be allowed.

(3) For property placed in service in taxable years beginning after December 31, 1982, the allowable deduction shall be the amount provided by section 168 of the Internal Revenue Code of 1954.

(4) For property placed in service after December 31, 1980, for which the taxpayer elects to use the straight line method provided in section 168(b)(3) or a method provided in section 168(e)(2) of the Internal Revenue Code of 1954, the modifications provided in clauses (1) and (2) do not apply.

(5) For property subject to the modifications contained in clause (1) or (2) above or subject to a reduction in basis pursuant to section 48(q) of the Internal Revenue Code of 1954, the following modification shall be made after the entire amount of the allowable deduction for that property under the provision of section 168 of the Internal Revenue Code of 1954 has been obtained. The remaining depreciable basis in those assets for Minnesota purposes shall be a depreciation allowance computed by using the straight line method over the following number of years:

(a) 3 year property—1 year.

(b) 5 year property—2 years.

(c) 10 year property—5 years.

(d) All 15 year property—7 years.

(6) The basis of property to which section 168 of the Internal Revenue Code of 1954 applies shall be its basis as provided in this chapter and including the modifications provided in this subdivision. The recapture tax provisions provided in sections 1245 and 1250 of the Internal Revenue Code of 1954 shall apply but shall be calculated using the basis provided in the preceding sentence. When an asset is exchanged for another asset including an involuntary conversion and under the provision of the Internal Revenue Code of 1954 gain is not recognized in whole

or in part on the exchange of the first asset, the basis of the second asset shall be the same as its federal basis provided that the difference in basis due to clause (1) or (2) can be written off as provided in clause (5).

(7) *The modifications provided in this subdivision shall apply before applying any limitation to out of state losses contained in section 290.17 or farm losses contained in section 290.09, subdivision 29.*

(8) *After the entire amount of the allowable deduction for that property under the provisions of section 168 of the Internal Revenue Code of 1954 has been obtained, the remaining depreciable basis in those assets for Minnesota purposes that is allowable under clause (5) shall include the amount of any basis reduction made for federal purposes under section 48(q) of the Internal Revenue Code of 1954 to reflect the investment tax credit. No amount shall be allowed as a deduction under section 196 of the Internal Revenue Code of 1954.*

Sec. 6. Minnesota Statutes 1982, section 290.06, is amended by adding a subdivision to read:

Subd. 2dd. [SUSPENSION OF INFLATION ADJUSTMENTS.] (a) The taxable net income brackets, the personal credit amounts established pursuant to subdivision 3f and 3g, and the maximum standard deduction provided under section 16, subdivision 3, shall not be adjusted for inflation pursuant to subdivision 2d, for taxable years beginning during a calendar year if the following conditions occur:

(1) *The legislature and the governor have enacted a budget providing for an appropriation to the budget reserve account of at least \$250,000,000 for the biennium during which the calendar year began or, in the second half of an odd-numbered year, for the biennium which began during the calendar year; and*

(2) *The commissioner of finance estimated at the time the budget is enacted that the state would receive sufficient general fund receipts during the biennium to fund the full appropriation to the budget reserve account; and*

(3) *On or before September 15 of the calendar year it is estimated by the commissioner of finance that the probable general fund receipts from taxes and other sources will be less than estimated and consequently the amount available for the remainder of the biennium after transferring any available funds in the budget reserve account will be less than the amount estimated or allotted to be expended or incurred from the general fund; and*

(4) *The additional receipts resulting from the suspension of the inflation adjustments, together with all other general fund*

revenues, are not estimated to exceed the sum of the amounts necessary to fund in full all appropriations, including the appropriation to the budget reserve account, in which case the commissioner of revenue shall provide for partial inflation adjustments sufficient to fund in full the appropriations.

(b) The suspension of inflation adjustments shall apply only during the biennium in which the conditions specified in paragraph (a) have been satisfied.

(c) For taxable years beginning during a calendar year in which the inflation adjustments of the brackets, credits, and maximum standard deduction are not made pursuant to this subdivision, the taxable net income adjustment factor, as defined in section 290.18, subdivision 4, shall be the adjustment factor applicable to taxable years beginning during the preceding calendar year. For taxable years beginning during a calendar year in which the inflation adjustments are suspended for one-half of the taxable year as a result of paragraph (b), the taxable net income adjustment factor shall be determined by multiplying the factor for the previous year by an amount equal to the current year factor divided by two, plus one.

(d) For taxable years beginning during a calendar year in which the inflation adjustments are suspended pursuant to this subdivision and for which paragraph (b) will result in the inflation adjustments being suspended for only one-half of the taxable year, the commissioner of revenue shall adjust the withholding tables, notwithstanding section 290.92, subdivision 2a, so that the additional tax imposed is withheld and remitted by employers during the first six months of the taxable year as if the suspension were in effect for the entire year.

Sec. 7. Minnesota Statutes 1982, section 290.06, subdivision 2e, as amended by Laws 1982, Third Special Session chapter 1, article V, section 3, is amended to read:

Subd. 2e. [ADDITIONAL INCOME TAX.] In addition to the tax computed pursuant to subdivisions 2c and 2d or subdivision 3d, there is hereby imposed an additional income tax on individuals, estates, and trusts, other than those taxable as corporations. The additional tax shall be computed by applying the following rates to the tax computed pursuant to subdivision 3d or, in the case of an individual who does not qualify for the low income alternative tax and estates and trusts, the tax computed pursuant to subdivisions 2c and 2d and sections 290.032 and 290.091 less the credits allowed by sections 290.06, subdivisions 3e, 3f, 9, 9a, 11 and 14; and 290.081.

(1) For taxable years beginning after December 31, 1981, but before January 1, 1983, seven percent;

(2) For taxable years beginning after December 31, 1982, but before January 1, (1984) 1985, (5) 10 percent;

(3) *For taxable years beginning after December 31, 1984, but before January 1, 1986, 5 percent.*

On October 1, 1983 the commissioner of finance shall determine the amount of the state's unrestricted general fund balance at the close of the 1982-1983 biennium. If this amount is more than \$150,000,000, the commissioner shall reduce the rate of the surtax in effect for taxable years beginning after December 31, 1982 and before January 1, 1984, so that the amount of revenue raised by the surtax results in a fund balance of no more than \$150,000,000, provided that the rate so determined shall be rounded upward to the next one-tenth of one percent and no adjustment shall be required if the change in the rate of the surtax would be less than one-tenth of one percent.

Sec. 8. [ADJUSTMENT TO WITHHOLDING AND DECLARATIONS.]

For taxable years beginning after December 31, 1984, but before January 1, 1986, the commissioner of revenue shall adjust the withholding tables, notwithstanding section 290.92, subdivision 2a, so that the additional tax imposed by section 7 for the entire year is withheld and remitted by employers as if the additional tax were imposed at a rate of 10 percent during the first six months of the taxable year.

For the same period, the commissioner shall require that declarations filed for the first six months of the taxable year by individuals shall include the additional tax imposed by section 7.

Sec. 9. 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 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, who has not signed an agreement to limit his campaign expenditures as provided in section 10A.32, subdivision 3b. 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. 10. Minnesota Statutes 1982, section 290.06, subdivision 13, is amended to read:

Subd. 13. [GASOLINE AND SPECIAL FUEL TAX REFUND.] Subject to the provisions of section 296.18, a credit equal to the amount paid by the taxpayer during the taxable year as excise tax on gasoline bought and used for any purpose other than use in motor vehicles (OR), snowmobiles, or motorboats, or on special fuel bought and used for any purpose other than use in licensed motor vehicles may be deducted from any tax due under this chapter. Any amount by which the credit exceeds the tax due shall be refunded.

Sec. 11. Minnesota Statutes 1982, section 290.06, subdivision 14, is amended to read:

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

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

(a) Expenditures which qualify for the federal renewable energy source credit, pursuant to Section 44C of the Internal Revenue Code of 1954, as amended through December 31, 1981, and any regulations promulgated pursuant thereto, provided that, after December 31, 1980, any solar collector included in the claimed expenditure is certified by the commissioner of energy, planning and development. A solar collector is a device designed to absorb incident solar radiation, convert it to thermal energy, and transfer the thermal energy to a fluid passing through or in contact with the device. "Solar collector" shall not include passive solar energy systems as defined in clause (d);

(b) Expenditures for earth sheltered dwelling units. For purposes of this credit, an "earth sheltered dwelling unit" shall

mean a structure which complies with applicable building standards and which is constructed so that:

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

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

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

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

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

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

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

A passive system may include either or both:

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

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

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

If a credit was allowed to a taxpayer under this subdivision for any prior taxable year, the dollar amount of the maximum

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

The credit provided in this subdivision shall not be allowed in a taxable year if the amount of the credit would be less than \$10.

If the credit allowable under this subdivision exceeds the amount of tax due in a taxable year, the excess credit shall not be refunded but may be carried forward to the succeeding taxable year and added to the credit allowable for that year. No amount may be carried forward to a taxable year beginning after December 31, 1987.

A shareholder in a family farm corporation and each partner in a partnership operating a family farm shall be eligible for the credit provided by this subdivision in the same manner and to the same extent allowed a joint owner of property under section 44C (d) of the Internal Revenue Code of 1954, as amended through December 31, 1981. "Family farm corporation" and "family farm" have the meanings given in section 500.24.

The credit provided in this subdivision is subject to the provisions of Section 44C, (c) (7) and (10), and (d) (1) to (3), (AND (E).) of the Internal Revenue Code of 1954, as amended through December 31, 1981, and any regulations promulgated pursuant thereto.

The commissioner of revenue in cooperation with the commissioner of energy, planning and development shall adopt rules establishing additional qualifications and definitions for the credits provided in this subdivision.

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

The commissioner of energy, planning and development shall adopt rules establishing the criteria for certification of solar collectors as required by clause (a). The criteria shall:

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

- (2) Establish minimum levels of collector quality for safety;
- (3) Provide a means to determine the maintainability and structural integrity of solar collectors;
- (4) Establish a system for evaluating and rating the thermal performance of solar collectors;
- (5) Specify the procedures to follow to obtain certification of a solar collector;
- (6) Conform to the maximum extent practicable to the solar collector certification requirements of other states which have adopted certification procedures; and
- (7) Allow for individual variation so as not to hamper the development of innovative solar collectors.

The commissioner of energy, planning and development may adopt temporary rules pursuant to sections 14.29 to 14.36 to establish this certification procedure.

This subdivision is effective for expenditures made during taxable years beginning after December 31, 1978 and before January 1, 1986.

Sec. 12. Minnesota Statutes 1982, section 290.067, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT OF CREDIT.] A taxpayer may take as a credit against the tax due from him and his spouse, if any, under this chapter an amount equal to the dependent care credit for which he is eligible pursuant to the provisions of section 44A of the Internal Revenue Code of 1954, as amended through December 31, (1981) 1982, except that the applicable percentage of the employment-related expenses shall be 20 percent and subject to the other limitations provided in subdivision 2.

Sec. 13. Minnesota Statutes 1982, section 290.067, subdivision 2, is amended to read:

Subd. 2. [LIMITATIONS.] The credit for expenses incurred for the care of each dependent shall not exceed (\$400) \$720 in any taxable year, and the total credit for all dependents of a claimant shall not exceed (\$800) \$1,440 in a taxable year. The total credit shall be reduced (BY FIVE PERCENT OF THE AMOUNT BY WHICH) *according to the amount of* the combined federal adjusted gross income, plus the ordinary income portion of any lump sum distribution under section 402(e) of the Internal Revenue Code of 1954, as amended through Decem-

ber 31, (1981) 1982, of the claimant and his spouse, if any, (EXCEEDS \$15,000.) as follows:

income up to \$10,000, \$720 maximum for one dependent, \$1,440 for all dependents;

income of \$10,001 to \$11,000, \$670 maximum for one dependent, \$1,340 for all dependents;

income of \$11,001 to \$12,000, \$620 maximum for one dependent, \$1,240 for all dependents;

income of \$12,001 to \$13,000, \$570 maximum for one dependent, \$1,140 for all dependents;

income of \$13,001 to \$15,000, \$520 maximum for one dependent, \$1,040 for all dependents;

income of \$15,001 to \$22,000, \$400 maximum for one dependent, \$800 for all dependents, reduced by five percent of the amount by which the income exceeds \$15,000, plus \$70;

income of \$22,001 to \$23,000, \$70 for one dependent, \$140 for all dependents;

income of \$23,001 to \$24,000, \$20 for one dependent, \$40 for all dependents;

\$24,001 and over, no credit.

A married claimant shall file his income tax return for the year for which he claims the credit either jointly or separately on one form with his spouse. In the case of a married claimant only one spouse may claim the credit.

The commissioner shall construct and make available to taxpayers tables showing the amount of the credit at various levels of income and expenses. The tables shall follow the schedule contained in this subdivision, except that the commissioner may graduate the transitions between expenses and income brackets.

Sec. 14. Minnesota Statutes 1982, section 290.07, subdivision 1, is amended to read:

Subdivision 1. [ANNUAL ACCOUNTING PERIOD.] Net income and taxable net income shall be computed upon the basis of the taxpayer's annual accounting period. If a taxpayer has no annual accounting period, or has one other than a fiscal year, as heretofore defined, the net income and taxable net income shall be computed on the basis of the calendar year. Taxpayers shall employ the same accounting period on which they report,

or would be required to report, their net income under the (FEDERAL INCOME TAX ACT) *Internal Revenue Code*. The commissioner shall provide by rule for the determination of the accounting period for taxpayers who file a combined report under section 290.34, subdivision 2, when members of the group use different accounting periods for federal income tax purposes. Unless the taxpayer changes its accounting period for federal purposes, the due date of the return is not changed.

A taxpayer may change his accounting period only with the consent of the commissioner. In case of any such change, he shall pay a tax for the period not included in either his former or newly adopted taxable year, computed as provided in section 290.32.

Sec. 15. [290.088] [DEDUCTION FOR FEDERAL INCOME TAXES.]

Adjusted gross income for individuals, estates, and trusts shall be computed by allowing to individuals, estates, and trusts a deduction from gross income for federal income taxes. The amount of the deduction is determined under section 290.18, subdivision 2.

Sec. 16. [290.089] [DEDUCTIONS FROM GROSS INCOME; INDIVIDUALS.]

Subdivision 1. [AMOUNT ALLOWED.] In computing the net income of individuals, an amount determined pursuant to subdivision 2 or 3 is allowed as a deduction.

Subd. 2. [ITEMIZED DEDUCTIONS.] Subject to the provisions of section 290.18, subdivision 1, an amount equal to the amount determined pursuant to section 63(f) of the Internal Revenue Code is allowed with the following adjustments:

(a) Add the amount paid to others not to exceed \$500 for each dependent in grades K to 6 and \$700 for each dependent in grades 7 to 12, for tuition, textbooks, and transportation of each dependent in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363. As used in this clause, "textbooks" includes books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities.

including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs;

(b) Add the amount of Minnesota and other states' estate or inheritance taxes which were allowed as a deduction under section 290.077, subdivision 4, on income in respect of a decedent;

(c) Add the amount by which the deduction for the taxable year allowed pursuant to subdivision 4 exceeds the amount determined pursuant to section 222 of the Internal Revenue Code;

(d) Subtract income taxes paid or accrued within the taxable year under this chapter;

(e) Subtract income taxes paid to any other state or to any province or territory of Canada if a credit is allowed for the taxes under section 290.081;

(f) If the deduction computed under section 164 of the Internal Revenue Code is not reduced by the amount of the credit or refund allowed under chapter 290A, subtract that amount;

(g) Subtract the amount of interest on investment indebtedness paid or accrued in a taxable year beginning before January 1, 1981, which has been carried forward and is allowed as a deduction in the taxable year under section 163(d) of the Internal Revenue Code;

(h) Subtract the amount of charitable contributions deducted under section 170 of the Internal Revenue Code that (i) exceeds the following limitations: (A) an overall limit of 30 percent of the taxpayer's Minnesota gross income which, for purposes of this paragraph, shall include the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code; and (B) the aggregate of contributions to organizations described in section 290.21, subdivision 3, clause (c) shall not exceed 20 percent of the taxpayer's Minnesota gross income; or (ii) was deducted as a carryover under section 170(d) of the Internal Revenue Code.

Subd. 3. [STANDARD DEDUCTION.] In lieu of the deductions provided in subdivision 2, an individual may claim or be allowed a standard deduction as follows:

(a) Subject to modification pursuant to clause (b), the standard deduction shall be an amount equal to ten percent of the adjusted gross income of the taxpayer, up to a maximum deduction of \$2,250.

In the case of a husband and wife, the standard deduction shall not be allowed to either if the net income of one of the spouses is determined without regard to the standard deduction.

(b) *The maximum amount of the standard deduction shall be adjusted for inflation in the same manner as provided in section 290.06, subdivision 2d, for the expansion of the taxable net income brackets.*

(c) *The commissioner of revenue may establish a standard deduction tax table incorporating the rates set forth in section 290.06, subdivision 2c, and the standard deduction. The tax of any individual taxpayer whose adjusted gross income is less than \$20,000 shall, if an election is made not to itemize nonbusiness deductions, be computed in accordance with tables prepared and issued by the commissioner of revenue. The tables shall be prepared to reflect the allowance of the standard deduction and the personal and dependent credits.*

Subd. 4. [ADOPTION EXPENSES.] *An individual taxpayer is allowed a deduction for the expenses incurred during the taxable year arising from the adoption of one or more children, including attorney fees, court costs, social or adoption agency fees, and other necessary costs in connection with an adoption; the total expense, however, shall not exceed \$1,250 per child adopted. If under the taxpayer's system of accounting, the expense is deductible in two different taxable years, the total deduction for the two years shall not exceed \$1,250 per child.*

Subd. 5. [COMPUTATION OF MINNESOTA DEDUCTIONS.] *An individual who does not itemize deductions for federal purposes but does itemize deductions for Minnesota purposes shall compute that person's deductions for Minnesota as if that person had itemized their deductions for federal purposes under the provisions of subdivision 2. The individual shall be allowed as an itemized deduction for Minnesota the charitable contributions claimed as a deduction for federal purposes under the provisions of section 170(i) of the Internal Revenue Code.*

Subd. 6. [SEPARATE RETURNS ON SINGLE FORM.] *In the case of a husband and wife who filed a joint federal income tax return but filed separate Minnesota income tax returns, the amount of the itemized deductions that shall be allowed shall be the same amount that was allowed on their joint federal income tax return and as modified by subdivision 2. The deductions shall be divided between them based on who incurred and paid the amount which qualifies as a deduction. Amounts which qualify as a deduction and which are paid from joint funds may be divided between the spouses as they elect.*

Subd. 7. [INTERNAL REVENUE CODE.] *The Internal Revenue Code referred to in any of the subdivisions of this section means the Internal Revenue Code of 1954, as amended through March 12, 1983.*

Sec. 17. Minnesota Statutes 1982, section 290.09, subdivision 1, is amended to read:

Subdivision 1. [LIMITATIONS.] ((A)) *Except as provided in this subdivision, the (FOLLOWING) deductions provided in this section from gross income shall only be allowed to corporations in computing net income (, PROVIDED THAT ANY ITEM WHICH WAS DEDUCTED IN ARRIVING AT GROSS INCOME UNDER THE PROVISIONS OF SECTION 290.01, SUBDIVISIONS 20 TO 20F, SHALL NOT BE AGAIN DEDUCTED UNDER THIS SECTION.)*

((B)) PROPERTY TAXES MAY NOT BE DEDUCTED UNDER THIS SECTION IF

((1)) THE TAXES ARE ATTRIBUTABLE TO A TRADE OR BUSINESS CARRIED ON BY AN INDIVIDUAL, OR

((2)) THE TAXES ARE EXPENSES FOR THE PRODUCTION OF INCOME WHICH ARE PAID OR INCURRED BY AN INDIVIDUAL; AND WHICH ARE NOT ALLOWED AS A DEDUCTION UNDER SECTION 164 OF THE INTERNAL REVENUE CODE OF 1954, AS AMENDED THROUGH DECEMBER 31, 1981.)

((C)) INTEREST AND DEPRECIATION ATTRIBUTABLE TO RENTAL RESIDENTIAL PROPERTY MAY NOT BE DEDUCTED UNDER THIS SECTION IF THE PROPERTY DOES NOT COMPLY WITH THE REQUIREMENTS OF LAWS 1982, CHAPTER 523, ARTICLE 7, SECTION 3). *The provisions of subdivisions 2, clause (c), 28, and 29 shall also apply to individuals, estates, and trusts to the extent provided in those subdivisions.*

Sec. 18. Minnesota Statutes 1982, section 290.09, subdivision 2, is amended to read:

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

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

(2) Traveling expenses (including amounts expended for meals and lodging other than amounts which are lavish or extravagant under the circumstances) while away from home in the pursuit of a trade or business; and

(3) Rentals or other payments required to be made as a condition to the continued use or possession, for purposes of the

trade or business, of property to which the taxpayer has not taken or is not taking title or in which he has no equity. (FOR PURPOSES OF THE PRECEDING SENTENCE, THE PLACE OF RESIDENCE OF A MEMBER OF CONGRESS WITHIN THE STATE SHALL BE CONSIDERED HIS HOME, BUT AMOUNTS EXPENDED BY SUCH MEMBERS WITHIN EACH TAXABLE YEAR FOR LIVING EXPENSES SHALL NOT BE DEDUCTIBLE FOR INCOME TAX PURPOSES IN EXCESS OF \$3,000.)

(b) (EXPENSES FOR PRODUCTION OF INCOME. IN THE CASE OF AN INDIVIDUAL, THERE SHALL BE ALLOWED AS A DEDUCTION ALL THE ORDINARY AND NECESSARY EXPENSES PAID OR INCURRED DURING THE TAXABLE YEAR.)

((1) FOR THE PRODUCTION OR COLLECTION OF INCOME;)

((2) FOR THE MANAGEMENT, CONSERVATION, OR MAINTENANCE OF PROPERTY HELD FOR THE PRODUCTION OF INCOME; OR)

((3) IN CONNECTION WITH THE DETERMINATION, COLLECTION, OR REFUND OF ANY TAX.)

((C) ACTUAL CAMPAIGN EXPENDITURES IN AN AMOUNT NOT TO EXCEED ONE-THIRD OF THE SALARY OF THE OFFICE SOUGHT, FOR THE YEAR THE ELECTION IS HELD, BY THE CANDIDATE, BUT NO LESS THAN \$100, NOT REIMBURSED, WHICH HAVE BEEN PERSONALLY PAID BY A CANDIDATE FOR PUBLIC OFFICE;)

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

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

((F) THE PROVISIONS OF SECTION 280A (DISALLOWING CERTAIN EXPENSES IN CONNECTION WITH THE BUSINESS USE OF THE HOME AND RENTAL OF VACATION HOMES) OF THE INTERNAL REVENUE CODE OF 1954, AS AMENDED THROUGH DECEMBER 31, 1981, SHALL BE APPLICABLE IN DETERMINING THE AVAILABILITY OF ANY DEDUCTION UNDER THIS SUBDIVISION.)

((G)) (d) Entertainment, amusement, or recreation expenses shall be allowed under this subdivision only to the extent that they qualify as a deduction under section 274 of the Internal Revenue Code of 1954, as amended through December 31, 1981.

Sec. 19. Minnesota Statutes 1982, section 290.09, subdivision 3, as amended by Laws 1982, Third Special Session chapter 1, article VII, section 1, is amended to read:

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

(b) Interest paid or accrued within the taxable year on indebtedness incurred or continued to purchase or carry obligations or securities the income from which is excludable from gross income under (SECTIONS 290.01, SUBDIVISIONS 20. TO 20F OR) section 290.08, (OR SHARES OF A REGULATED INVESTMENT COMPANY WHICH DURING THE TAXABLE YEAR OF THE HOLDER THEREOF DISTRIBUTES MINNESOTA EXEMPT-INTEREST DIVIDENDS AS DEFINED IN SECTION 290.01, SUBDIVISION 27,) or on indebtedness described in section 264(a)(2) and (3), (b) and (c) (relating to life insurance) of the Internal Revenue Code of 1954, as amended through December 1, 1982 shall not be allowed as a deduction.

(c) If personal property or educational services are purchased under a contract the provisions of section 163(b) of the Internal Revenue Code of 1954, as amended through December 1, 1982 shall apply.

(d) (A CASH BASIS TAXPAYER MAY ELECT TO DEDUCT INTEREST AS IT ACCRUES ON A REVERSE MORTGAGE LOAN AS DEFINED IN SECTION 47.58, SUBDIVISION 1, RATHER THAN WHEN IT IS ACTUALLY PAID. THIS ELECTION MUST BE MADE, IF AT ALL, IN THE FIRST TAXABLE YEAR IN WHICH IT IS AVAILABLE TO THE CASH BASIS TAXPAYER AND, IF MADE, SHALL BE BINDING ON THE TAXPAYER FOR EACH SUBSEQUENT TAXABLE YEAR UNTIL MATURITY OF THE LOAN.)

((E) IN THE CASE OF A TAXPAYER OTHER THAN A CORPORATION, THE AMOUNT OF INTEREST ON INVESTMENT INDEBTEDNESS ALLOWABLE AS A DEDUCTION SHALL BE ALLOWED AND LIMITED AS SET FORTH IN SECTION 163(D) OF THE INTERNAL REVENUE CODE OF 1954, AS AMENDED THROUGH DECEMBER 1, 1982. THE LIMITATION PRESCRIBED IN SECTION 163(D)(1)(A) FOR MARRIED INDIVIDUALS WHO FILE SEPARATE RETURNS SHALL ALSO APPLY TO MARRIED INDIVIDUALS WHO FILE SEPARATELY ON ONE RETURN.)

((F) A TAXPAYER MAY NOT DEDUCT INTEREST ON INDEBTEDNESS INCURRED OR CONTINUED TO PURCHASE OR CARRY OBLIGATIONS OR SHARES, OR TO MAKE DEPOSITS OR OTHER INVESTMENTS, THE INTEREST ON WHICH IS DESCRIBED IN SECTION 116(C) OF THE INTERNAL REVENUE CODE OF 1954, AS AMENDED THROUGH DECEMBER 1, 1982 TO THE EX-

TENT SUCH INTEREST IS EXCLUDABLE FROM GROSS INCOME UNDER SECTION 116 OF THE INTERNAL REVENUE CODE OF 1954 AS AMENDED THROUGH DECEMBER 1, 1982.) Interest and carrying costs in the case of straddles shall be treated as provided in section 263(g) of the Internal Revenue Code of 1954, as amended through December 1, 1982. The deduction of original issue discount shall be allowed as provided in section 163(e) of the Internal Revenue Code of 1954, as amended through December 1, 1982.

((G)) (e) No deduction shall be allowed for interest on any registration-required obligation unless the obligation is in registered form as provided in section 163(f) of the Internal Revenue Code of 1954, as amended through December 1, 1982.

Sec. 20. Minnesota Statutes 1982, section 290.09, subdivision 4, is amended to read:

Subd. 4. [TAXES.] Taxes paid or accrued within the taxable year, except (a) income or franchise taxes imposed by this chapter and income or franchise taxes paid to any other state or to any province or territory of Canada for which a credit is allowed under section 290.081; (b) taxes assessed against local benefits of a kind deemed in law to increase the value of the property assessed; (c) (INHERITANCE, GIFT AND ESTATE TAXES EXCEPT AS PROVIDED IN SECTION 290.077, SUBDIVISION 4; (D) CIGARETTE AND TOBACCO PRODUCTS EXCISE TAX IMPOSED ON THE CONSUMER; (E) THAT PART OF MINNESOTA PROPERTY TAXES FOR WHICH A CREDIT OR REFUND IS CLAIMED AND ALLOWED UNDER CHAPTER 290A; (F)) federal income taxes (including the windfall profit tax on domestic crude oil), by corporations, national and state banks; ((G) MORTGAGE REGISTRY TAX; (H) REAL ESTATE TRANSFER TAX; (I) FEDERAL TELEPHONE TAX; (J) FEDERAL TRANSPORTATION TAX;) and ((K)) (d) tax paid by any corporation or national or state bank to any foreign country or possession of the United States to the extent that a credit against federal income taxes is allowed under the provisions of the Internal Revenue Code of 1954, as amended through December 31, 1981. If the taxpayer's foreign tax credit consists of both foreign taxes deemed paid and foreign taxes actually paid or withheld, it will be conclusively presumed that foreign taxes deemed paid were first used by the taxpayer in its foreign tax credit. Minnesota gross income shall include the amount of foreign tax paid which had been allowed as a deduction in a previous year, provided such foreign tax is later allowed as a credit against federal income tax.

Taxes imposed upon a shareholder's interest in a corporation which are paid by the corporation without reimbursement from the shareholder shall be deductible only by such corporation.

Property taxes shall be allowed as a deduction to the same taxpayer and in the same manner as provided in section 164 of the Internal Revenue Code of 1954, as amended through December 31, 1981, notwithstanding the provisions of section 272.31.

Sec. 21. Minnesota Statutes 1982, section 290.09, subdivision 5, is amended to read:

Subd. 5. [LOSSES.] (a) [GENERAL RULE.] There shall be allowed as a deduction any loss sustained during the taxable year and not compensated for by insurance or otherwise.

(b) [AMOUNT OF DEDUCTION.] For purposes of paragraph (a), the basis for determining the amount of the deduction for any loss shall be the adjusted basis provided in this chapter for determining the loss from the sale or other disposition of property.

(c) ([LIMITATION OF LOSSES OF INDIVIDUALS.] IN THE CASE OF AN INDIVIDUAL, THE DEDUCTION UNDER PARAGRAPH (A) SHALL BE LIMITED TO)

((1) LOSSES INCURRED IN A TRADE OR BUSINESS;)

((2) LOSSES INCURRED IN ANY TRANSACTION ENTERED INTO FOR PROFIT, THOUGH NOT CONNECTED WITH A TRADE OR BUSINESS; AND)

((3) LOSSES OF PROPERTY NOT CONNECTED WITH A TRADE OR BUSINESS, IF SUCH LOSSES ARISE FROM FIRE, STORM, SHIPWRECK, OR OTHER CASUALTY, OR FROM THEFT TO THE EXTENT THEY ARE DEDUCTIBLE PURSUANT TO THE PROVISIONS OF SECTION 165 (C) (3) OF THE INTERNAL REVENUE CODE OF 1954, AS AMENDED THROUGH DECEMBER 31, 1981. NO LOSS DESCRIBED IN THIS PARAGRAPH SHALL BE ALLOWED IF, AT THE TIME OF THE FILING OF THE RETURN, SUCH LOSS HAS BEEN CLAIMED FOR INHERITANCE OR ESTATE TAX PURPOSES.)

((D)) [WAGERING LOSSES.] Losses from wagering transactions shall be allowed only to the extent of the gains from such transactions. *No loss from pari-mutuel betting shall be allowed except to the extent of verified receipts and the sworn testimony of as least one witness other than the taxpayer or his spouse.*

((E)) (d) [THEFT LOSSES.] For purposes of paragraph (a), any loss arising from theft shall be treated as sustained during the taxable year in which the taxpayer discovers such loss.

((F)) (e) [CAPITAL LOSSES.] Losses from sales or exchanges of capital assets shall be allowed only to the extent allowed in section 290.16.

((G)) (f) [WORTHLESS SECURITIES.] ((1) [GENERAL RULE.]) If any security which is a capital asset becomes worthless during the taxable year, the loss resulting therefrom shall, for purposes of this chapter, be treated as a loss from the sale or exchange, on the last day of the taxable year, of a capital asset.

((2) [SECURITY DEFINED.] FOR PURPOSES OF THIS PARAGRAPH, THE TERM "SECURITY" MEANS:)

((A) A SHARE OF STOCK IN A CORPORATION;)

((B) A RIGHT TO SUBSCRIBE FOR, OR TO RECEIVE, A SHARE OF STOCK IN A CORPORATION; OR)

((C) A BOND, DEBENTURE, NOTE, OR CERTIFICATE, OR OTHER EVIDENCE OF INDEBTEDNESS, ISSUED BY A CORPORATION OR BY A GOVERNMENT OR POLITICAL SUBDIVISION THEREOF, WITH INTEREST COUPONS OR IN REGISTERED FORM.)

((3) [SECURITIES IN AFFILIATED CORPORATION.] FOR PURPOSES OF PARAGRAPH (1), ANY SECURITY IN A CORPORATION AFFILIATED WITH A TAXPAYER WHICH IS A DOMESTIC CORPORATION SHALL NOT BE TREATED AS A CAPITAL ASSET. FOR PURPOSES OF THE PRECEDING SENTENCE, A CORPORATION SHALL BE TREATED AS AFFILIATED WITH THE TAXPAYER ONLY IF:)

((A) AT LEAST 80 PERCENT OF EACH CLASS OF ITS STOCK IS OWNED DIRECTLY BY THE TAXPAYER, AND)

((B) MORE THAN 90 PERCENT OF THE AGGREGATE OF ITS GROSS RECEIPTS FOR ALL TAXABLE YEARS HAS BEEN FROM SOURCES OTHER THAN ROYALTIES, RENTS (EXCEPT RENTS DERIVED FROM RENTAL FROM PROPERTIES TO EMPLOYEES OF THE CORPORATION IN THE ORDINARY COURSE OF ITS OPERATING BUSINESS), DIVIDENDS, INTEREST (EXCEPT INTEREST RECEIVED ON DEFERRED PURCHASE PRICE OF OPERATING ASSETS SOLD), ANNUITIES, AND GAINS FROM SALES OR EXCHANGES OF STOCKS AND SECURITIES. IN COMPUTING GROSS RECEIPTS FOR PURPOSES OF THE PRECEDING SENTENCE, GROSS RECEIPTS FROM SALES OR EXCHANGES OF STOCK AND SECURITIES SHALL BE TAKEN INTO ACCOUNT ONLY TO THE EXTENT OF GAINS THEREFROM.) *The definitions contained in*

section 165(g) of the Internal Revenue Code of 1954, as amended through January 15, 1983, shall apply. No deduction shall be allowed for any loss sustained on any registration-required obligation as defined in and except as provided in section 165(j) of the Internal Revenue Code of 1954, as amended through January 15, 1983.

((H)) (g) [DISASTER LOSSES.] ((1)) Notwithstanding the provisions of (a), any loss

((A)) attributable to a disaster (WHICH OCCURS DURING THE PERIOD FOLLOWING THE CLOSE OF THE TAXABLE YEAR AND ON OR BEFORE THE TIME PRESCRIBED BY LAW FOR FILING THE INCOME TAX RETURN FOR THE TAXABLE YEAR (DETERMINED WITHOUT REGARD TO ANY EXTENSION OF TIME), AND)

((B)) occurring in an area subsequently determined by the President of the United States to warrant assistance by the Federal Government under the provisions of the Federal Disaster Relief Act of 1974 (, AT THE ELECTION OF THE TAXPAYER, MAY) *shall be deducted for the taxable year immediately preceding the taxable year in which the disaster occurred. (SUCH ELECTION MAY BE MADE) This provision shall apply only if (A SIMILAR) an election has been made under the provisions of Section (165(H)) 165(i) of the Internal Revenue Code of 1954, as amended through (DECEMBER 31, 1981) January 15, 1983 for federal income tax purposes. Such deduction allowed in the preceding taxable year shall not (BE IN EXCESS OF SO MUCH OF THE LOSS AS WOULD HAVE BEEN DEDUCTIBLE IN THE TAXABLE YEAR IN WHICH THE CASUALTY OCCURRED) exceed the uncompensated amount determined on the basis of the facts existing at the date the taxpayer claims the loss. If an election is made (UNDER THIS PARAGRAPH), the casualty resulting in the loss will be deemed to have occurred in the taxable year for which the deduction is claimed.*

((2) THE COMMISSIONER IS AUTHORIZED TO PRESCRIBE REGULATIONS PROVIDING THE TIME AND MANNER OF MAKING AN ELECTION TO CLAIM A DISASTER LOSS UNDER THIS CLAUSE.)

((I) [ELECTION.] IN LIEU OF THE DEDUCTION ALLOWED BY (A) OR (H) ANY LOSS NOT COMPENSATED FOR BY INSURANCE OR OTHERWISE:)

((1) ATTRIBUTABLE TO STORM OR OTHER NATURAL CAUSES OR FIRE, MAY, AT THE ELECTION OF THE TAXPAYER, BE CLAIMED AS A DEDUCTION IN THE TAXABLE YEAR IN WHICH SAID LOSS IS SUSTAINED OR IN THE PRECEDING TAXABLE YEAR.)

((2) IN THE EVENT THAT UNDER THE PROVISIONS OF THIS PARAGRAPH, A TAXPAYER CLAIMS THE SAME DISASTER LOSS DEDUCTION OR A NET OPERATING LOSS DEDUCTION RESULTING FROM THE INCLUSION OF A CASUALTY LOSS IN THE CALCULATION OF SUCH DEDUCTION IN DIFFERENT TAXABLE YEARS FOR STATE AND FEDERAL PURPOSES, APPROPRIATE MODIFICATIONS SHALL BE ALLOWED OR REQUIRED FOR TAXABLE YEARS AFFECTED IN ORDER TO PREVENT DUPLICATION OR OMISSION OF SUCH DEDUCTION.)

((3) THE COMMISSIONER IS AUTHORIZED TO PRESCRIBE REGULATIONS PROVIDING THE TIME AND MANNER TO MAKE AN ELECTION TO CLAIM A LOSS UNDER THE PROVISIONS OF THIS PARAGRAPH AND FOR THE FILING OF AN AMENDED RETURN OR CLAIM FOR REFUND.)

Sec. 22. Minnesota Statutes 1982, section 290.09, subdivision 29, is amended to read:

Subd. 29. [DEDUCTIONS ATTRIBUTABLE TO FARMING.] (a) [DEFINITIONS.] For purposes of this subdivision, income and gains and expenses and losses shall be considered as "arising from a farm" if such items are received or incurred in connection with cultivating the soil, or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of livestock, *including horses for horse racing*, bees, poultry, and fur-bearing animals and wildlife, and all operations incident thereto, including but not limited to the common use of "hedging".

(b) [DEDUCTIONS LIMITED.] Except as provided in this subdivision, expenses and losses, except for interest and taxes, arising from a farm shall not be allowed as deductions in excess of income and gains arising from a farm.

(c) [DEDUCTIONS ALLOWED; CARRYOVER DEDUCTIONS.] Expenses and losses arising from a farm or farms shall be allowed as deductions up to the amount of the income and gains arising from a farm or farms in any taxable year, plus the first (\$15,000) *\$30,000* of non-farm gross income, or non-farm taxable net income in the case of a corporation, provided however that in any case where non-farm income exceeds (\$15,000) *\$30,000*, the maximum allowable amount of (\$15,000) *\$30,000* shall be reduced by (TWICE THE) *an* amount (BY WHICH) *equal to* the non-farm income (EXCEEDS THE AMOUNT) *in excess of* (\$15,000) *\$30,000 multiplied by three*. For this purpose and for the purpose of applying the limitation in the following paragraph regarding the application of any carryback or carryforward, the term gross income shall include the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code of 1954,

as amended through December 31, 1981, and no deduction shall be allowed for two-earner married couples as provided in section 221 of the Internal Revenue Code of 1954, as amended through December 31, 1981. Any remaining balance of the deductions shall be carried back three years and carried forward five years, in chronological order, provided, however, that in any case in which any individual, estate or trust which elects a net operating loss carryforward under section 172(b)(3)(C) of the Internal Revenue Code of 1954, as amended through December 31, 1981, such losses shall not be carried back but shall only be carried forward.

Current expenses and losses shall be utilized as deductions in any taxable year, to the extent herein allowable, prior to the application of any carryback or carryover deductions. In any event, the combined amounts of such current expenses and losses and carryback or carryover deductions shall be allowed as deductions up to the amount of the income and gains arising from a farm or farms in any taxable year, plus the first (\$15,000) \$30,000 of non-farm gross income, or non-farm taxable net income in the case of a corporation, provided however that in any case where non-farm income exceeds (\$15,000) \$30,000, the maximum allowable amount of (\$15,000) \$30,000 shall be reduced by (TWICE THE) an amount (BY WHICH) equal to the non-farm income (EXCEEDS THE AMOUNT) in excess of (\$15,000) \$30,000 multiplied by three.

(d) [SHAREHOLDERS SEPARATE ENTITIES.] For purposes of this subdivision, individual shareholders of an electing small business corporation shall be considered separate entities.

(e) [SPECIAL PERIOD OF LIMITATION WITH RESPECT TO FARM LOSS LIMITATION CARRYBACKS.] For the purposes of sections 290.46 and 290.50, if the claim for refund relates to an overpayment attributable to a farm loss limitation carryback under this subdivision, in lieu of the period of limitation prescribed in sections 290.46 and 290.50, the period of limitation shall be that period which ends with the expiration of the 15th day of the 46th month (or the 45th month, in the case of a corporation) following the end of the taxable year of the farm loss which results in the carryback.

(f) [INTEREST ON CLAIMS.] In any case in which a taxpayer is entitled to a refund in a carryback year due to the carryback of a farm loss, interest shall be computed only from the end of the taxable year in which the loss occurs.

(g) [ORDER OF APPLICATION.] The application of this subdivision shall be made after applying any limitation to out of state losses contained in section 290.17.

Sec. 23. Minnesota Statutes 1982, section 290.14, is amended to read:

290.14 [GAIN OR LOSS ON DISPOSITION OF PROPERTY, BASIS.]

Except as otherwise provided in this chapter, the basis for determining the gain or loss from the sale or other disposition of property acquired on or after January 1, 1933, shall be the cost to the taxpayer of such property, with the following exceptions:

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

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

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

(4) Except as otherwise provided in this clause, the basis of property in the hands of a person acquiring the property from a decedent or to whom the property passed from a decedent shall, if not sold, exchanged or otherwise disposed of before the decedent's death by the person, be the fair market value of the property at the date of decedent's death or, in the case of an election under section 2032 (relating to alternate valuation) of the Internal Revenue Code of 1954, as amended through December 31, 1981, its valuation at the applicable valuation date prescribed by that section, or in the case of an election under section 2032A (relating to valuation of farm real property) of the Internal Revenue Code of 1954, as amended through December 31, 1981, its value determined by that section.

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

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

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

(c) Property transferred by the decedent during his lifetime in trust to pay the income for life to or on the order or direction

of the decedent with the right reserved to the decedent at all times before his death to make any change in the enjoyment thereof through the exercise of a power to alter, amend, or terminate the trust;

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

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

This clause shall not apply to property which constitutes a right to receive an item of income in respect of a decedent under section 290.077.

(5) If substantially identical property was acquired in the place of stocks or securities which were sold or disposed of and in respect of which loss was not allowed as a deduction under *section 16* or section 290.09, subdivision 5, the basis in the case of property so acquired shall be the same as that provided in section 1091 of the Internal Revenue Code of 1954, as amended through December 31, 1981.

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

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

(7) If the property was acquired by the taxpayer as a transfer of property in exchange for the release of the taxpayer's marital rights, the basis of the property shall be the same as it would be if it were being sold or otherwise disposed of by the person who transferred the property to the taxpayer.

(8) The basis of property subject to the provisions of section 1034 of the Internal Revenue Code of 1954, as amended through December 31, 1981 (relating to the rollover of gain on sale of principal residence) shall be the same as the basis for federal income tax purposes. The basis shall be increased by the amount of gain realized on the sale of a principal residence outside of Minnesota, while a nonresident of this state, which gain was not recognized because of the provisions of section 1034.

Sec. 24. Minnesota Statutes 1982, section 290.17, subdivision 2, is amended to read:

Subd. 2. [OTHER TAXPAYERS.] In the case of taxpayers not subject to the provisions of subdivision 1, items of gross income shall be assigned to this state or other states or countries in accordance with the following principles:

(1) (a) The entire income of all resident or domestic taxpayers from compensation for labor or personal services, or from a business consisting principally of the performance of personal or professional services, shall be assigned to this state, and the income of nonresident taxpayers from such sources shall be assigned to this state if, and to the extent that, the labor or services are performed within it; all other income from such sources shall be treated as income from sources without this state.

(b) In the case of an individual who is a nonresident of Minnesota and who is an athlete or entertainer, income from compensation for labor or personal services performed within this state shall be determined in the following manner.

(i) The amount of income to be assigned to Minnesota for an individual who is a nonresident salaried athletic team employee shall be determined by using a fraction in which the denominator contains the total number of days in which the individual is under a duty to perform for the employer, and the numerator is the total number of those days spent in Minnesota. In order to eliminate the need to file state or provincial income tax returns in several states or provinces, Minnesota will exclude from income any income assigned to Minnesota under the provisions of this clause for a nonresident athlete who is employed by an athletic team whose operations are not based in this state if the state or province in which the athletic team is based provides a similar income exclusion. If the state or province in which the athletic team's operations are based does not have an income tax on an individual's personal service income, it will be deemed that that state or province has a similar income exclusion. As used in the

preceding sentence, the term "province" means a province of Canada.

(ii) The amount of income to be assigned to Minnesota for an individual who is a nonresident, and who is an athlete not listed in clause (i), or who is an entertainer, for that person's athletic or entertainment performance in Minnesota shall be determined by assigning to this state all income from performances or athletic contests in this state.

(2) Income from the operation of a farm shall be assigned to this state if the farm is located within this state and to other states only if the farm is not located in this state. *Income from winnings on Minnesota pari-mutuel betting tickets shall be assigned to this state.* Income and gains received from tangible property not employed in the business of the recipient of such income or gains, and from tangible property employed in the business of such recipient if such business consists principally of the holding of such property and the collection of the income and gains therefrom, shall be assigned to this state if such property has a situs within it, and to other states only if it has no situs in this state. Income or gains from intangible personal property not employed in the business of the recipient of such income or gains, and from intangible personal property employed in the business of such recipient if such business consists principally of the holding of such property and the collection of the income and gains therefrom, wherever held, whether in trust, or otherwise, shall be assigned to this state if the recipient thereof is domiciled within this state; income or gains from intangible personal property wherever held, whether in trust or otherwise shall be assigned to this state if the recipient of such income or gains is domiciled within this state, or if the grantor of any trust is domiciled within this state and such income or gains would be taxable to such grantor under section 290.28 or 290.29;

(3) Income derived from carrying on a trade or business, including in the case of a business owned by natural persons the income imputable to the owner for his services and the use of his property therein, shall be assigned to this state if the trade or business is conducted wholly within this state, and to other states if conducted wholly without this state. This provision shall not apply to business income subject to the provisions of clause (1);

(4) When a trade or business is carried on partly within and partly without this state, the entire income derived from such trade or business, including income from intangible property employed in such business and including, in the case of a business owned by natural persons, the income imputable to the owner for his services and the use of his property therein, shall be governed, except as otherwise provided in sections 290.35 and 290.36, by the provisions of section 290.19, notwithstanding any provisions of this section to the contrary. This shall not apply to

business income subject to the provisions of clause (1), nor shall it apply to income from the operation of a farm which is subject to the provisions of clause (2). For the purposes of this clause, a trade or business located in Minnesota is carried on partly within and partly without this state if tangible personal property is sold by such trade or business and delivered or shipped to a purchaser located outside the state of Minnesota.

If the trade or business carried on wholly or partly in Minnesota is part of a unitary business, the entire income of that unitary business shall be subject to apportionment under section 290.19 *except for business income subject to the provisions of clause (1) and farm income subject to the provisions of clause (2)*. The term "unitary business" shall mean (A NUMBER OF) business activities or operations which are of mutual benefit, dependent upon, or contributory to one another, individually or as a group. Unity shall be presumed whenever there is unity of ownership, operation, and use, evidenced by centralized management or executive force, centralized purchasing, advertising, accounting, or other controlled interaction *but the absence of these centralized activities will not necessarily evidence a nonunitary business*. Unity of ownership will not be deemed to exist (UNLESS THE CORPORATION OWNS MORE THAN 50 PERCENT OF THE VOTING STOCK OF THE OTHER CORPORATION) *when a corporation is involved unless that corporation is a member of a group of two or more corporations more than 50 percent of the voting stock of each member of the group is directly or indirectly owned by a common owner or by common owners, either corporate or noncorporate, or by one or more of the member corporations of the group*.

The entire income of a unitary business (, INCLUDING ALL INCOME FROM EACH ACTIVITY, OPERATION OR DIVISION,) shall be subject to apportionment as provided in section 290.19. None of the income of a unitary business shall be considered as derived from any particular source and none shall be allocated to any particular place except as provided by the applicable apportionment formula.

In determining whether or not intangible property is employed in a unitary business carried on partly within and partly without this state so that income derived therefrom is subject to apportionment under section 290.19 the following rules and guidelines shall apply.

(a) Intangible property is employed in a business if the business entity owning intangible property holds it as a means of furthering the business operation of which a part is located within the territorial confines of this state.

(b) Where a business operation conducted in Minnesota, is owned by a business entity which carries on business activity outside of the state different in kind from that conducted within

this state, and such other business is conducted entirely outside the state, it will be presumed that the two business operations are unitary in nature, interrelated, connected and interdependent unless it can be shown to the contrary.

(5) (IN THE CASE OF A NONRESIDENT WHO IS LIABLE FOR PAYMENT OF A PENALTY FOR HAVING WITHDRAWN FUNDS FROM AN INDIVIDUAL HOUSING ACCOUNT ESTABLISHED PURSUANT TO SECTION 290.08, SUBDIVISION 25, THE AMOUNT SO WITHDRAWN AND FOR WHICH A DEDUCTION WAS ALLOWED SHALL BE AN ITEM OF INCOME ASSIGNABLE TO THIS STATE, AND THE PENALTY TAX OF TEN PERCENT SHALL REMAIN AN ADDITIONAL LIABILITY OF THAT TAXPAYER.)

((6)) For purposes of this section, amounts received by a non-resident from the United States, its agencies or instrumentalities, the Federal Reserve Bank, the state of Minnesota or any of its political or governmental subdivisions, or a Minnesota volunteer fireman's relief association, by way of payment as a pension, public employee retirement benefit, or any combination thereof, or as a retirement or survivor's benefit made from a plan qualifying under section 401, 403, 404, 405, 408, 409 or 409A of the Internal Revenue Code of 1954, as amended through December 31, 1981, are not considered income derived from carrying on a trade or business or from performing personal or professional services in Minnesota, and are not taxable under this chapter.

((7)) (6) All other items of gross income shall be assigned to the taxpayer's domicile.

Sec. 25. Minnesota Statutes 1982, section 290.18, subdivision 1, is amended to read:

Subdivision 1. [TAXABLE NET INCOME.] (a) *For resident individuals, taxable net income shall be the same as net income.*

(b) *For all other taxpayers, the taxable net income shall, except insofar as section 290.19 is applicable, be computed by deducting from the gross income assignable to this state under section 290.17 deductions of the kind permitted by (SECTION) sections 16, 290.09, and section 62 of the Internal Revenue Code of 1954, as amended through March 12, 1983, in accordance with the following provisions:*

(1) Such deductions shall be allowed to the extent that they are connected with and allocable against the production or receipt of such gross income assignable to this state;

(2) That proportion of such deductions, so far as not connected with and allocable against the production or receipt of such gross income assignable to this state and so far as not connected with and allocable against the production or receipt of gross income assignable to other states or countries and so far as not entering into the computation of the net income assignable to this state under section 290.19, shall be allowed which the taxpayer's gross income from sources within this state, as determined under section 290.17, subdivision 2, clauses (1), (2), (3), ((5),) and ((7)) (6), bears to his gross income from all sources, including that entering into the computations provided for by section 290.19; provided that taxes of the kind deductible under section 290.09, subdivision 4, shall, so far as within the description of deductions deductible under this clause, be deductible in their entirety if paid to the state of Minnesota, or any of its subdivisions authorized to impose such taxes, and thereupon be excluded in making the computation of deductions, as in this clause provided.

Sec. 26. Minnesota Statutes 1982, section 290.18, subdivision 2, is amended to read:

Subd. 2. [FEDERAL INCOME TAX PAYMENTS AND REFUNDS.] The adjusted gross income shall be computed by deducting from the gross income assignable to this state under section 290.17, the deduction for allowable federal income taxes determined under the provisions of sections 290.09, subdivision 4, 290.10 (8), (9) or (10), and 290.18.

This deduction shall be allowed to individuals, estates, or trusts (i) for taxable years beginning after December 31, 1980 in the taxable year to which the liability applies. Such liability includes the portion of self-employment tax allowed under section 290.10, clause (8). The self-employment tax must be deducted by the person who is deriving the income. When the federal tax liability is joint and several under the computation of a joint federal return of husband and wife, the federal tax liability must be split between the spouses in the same ratio that the federal adjusted gross income of that spouse bears to the total federal adjusted gross income. For purposes of the preceding sentence, "federal adjusted gross income" includes the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code of 1954, as amended through December 31, 1981.

(ii) taxes paid for a taxable year beginning before January 1, 1981 shall be allowed as follows:

(1) Those taxes paid in a taxable year beginning before January 1, 1981, shall be claimed in the year in which the payment was made.

(2) Those paid in a taxable year beginning after December 31, 1980 but before January 1, 1983 shall be divided and deducted in equal installments reflected by the yearly periods beginning with the first day of the taxable year in which the payment was made and ending December 31, 1986. For an amount which remains to be deducted in a taxable year beginning after December 31, 1982, where the federal tax liability for the year in which the payment was made is joint and several under the computation of a joint federal return of husband and wife, the remaining amounts to be deducted shall be claimed by the same spouse and in the same dollar amount as the deduction was claimed in the first taxable year beginning after December 31, 1981.

(3) Those paid in a taxable year beginning after December 31, 1982 shall be claimed in the year in which the payment was made. This amount shall be apportioned between spouses as provided in clause (i) and shall be allocated for exempt income under the provisions of section 290.10, clause (9) or (10) as though the payment was part of the federal tax liability for the year in which the payment was made.

((III)) (4) In the case of a person who was self employed during all or a portion of the taxable year, the federal income tax liability for purposes of this (SECTION) clause shall be increased by the self-employment tax allowed under section 290.10, clause (8). The self-employment tax shall be deducted in the year paid as provided in paragraph (1), (2), or (3). The self-employment tax must be deducted by the person who earned the income. Self-employment tax paid in a taxable year beginning after December 31, 1982 shall be allocated for exempt income as provided in paragraph (3).

((IV)) (iii) If a taxpayer's federal tax liability is eventually not paid by reason of compromise, discharge, or court order, the deduction allowed pursuant to this subdivision shall be disallowed for the taxable year in which the liability was accrued.

((V)) (iv) In the event a federal tax liability for a taxable year commencing after December 31, 1980 is increased, decreased or modified, and such increase, decrease or modification has resulted in a change in the amount of Minnesota income tax in the year to which such increase, decrease or modification is attributable, the taxpayer's deduction under this (SECTION) subdivision shall be modified for such year.

((VI)) (v) If the readjustments required in ((IV)) (iii) or ((V)) (iv) are for taxes reflected in the transition rule described in (ii) (2), the readjustment shall be made equally to the remaining installments and if a reduction to such installments is required under this readjustment which exceeds the total of

all remaining installments, the remaining installments will be reduced to zero and the excess included in income as a federal income tax refund.

((VII)) (vi) Refunds which are not involved with any readjustments under the transition rule shall be included in income under *Minnesota Statutes 1982*, section 290.01, subdivision 20a, clause (6) if it is from a year beginning before January 1, 1981.

((VIII)) (vii) Refunds of taxes for years beginning after December 31, 1980, shall be used to adjust the deduction in the taxable year of the liability unless that year is closed by statute and no other adjustments are to be required or allowable in which case such refund shall be reportable in the year received.

Sec. 27. *Minnesota Statutes 1982*, section 290.21, subdivision 1, is amended to read:

Subdivision 1. The following deductions shall be allowed *only to corporations and shall be deductions* from (GROSS INCOME IN COMPUTING NET INCOME FOR INDIVIDUALS, AND FROM) *a corporation's taxable net income (FOR CORPORATIONS)*.

Sec. 28. *Minnesota Statutes 1982*, section 290.21, subdivision 3, is amended to read:

Subd. 3. An amount for contribution or gifts made within the taxable year:

(a) to or for the use of the state of Minnesota, or any of its political subdivisions for exclusively public purposes,

(b) to or for the use of any community chest, corporation, organization, trust, fund, association, or foundation located in and carrying on substantially all of its activities within this state, organized and operating exclusively for religious, charitable, public cemetery, scientific, literary, artistic, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private stockholder or individual,

(c) to a fraternal society, order, or association, operating under the lodge system located in and carrying on substantially all of their activities within this state if such contributions or gifts are to be used exclusively for the purposes specified in subdivision 3(b), or for or to posts or organizations of war veterans or auxiliary units or societies of such posts or organizations, if they are within the state and no part of their net income inures to the benefit of any private shareholder or individual,

(d) to or for the use of the United States of America for exclusively public purposes, and to or for the use of any community chest, corporation, trust, fund, association, or foundation, organized and operated exclusively for any of the purposes specified in subdivision 3(b) and (c) no part of the net earnings of which inures to the benefit of any private shareholder or individual, but not carrying on substantially all of their activities within this state, in an amount equal to the ratio of Minnesota taxable net income to total net income, (PROVIDED, HOWEVER, THAT FOR AN INDIVIDUAL TAXPAYER, THE DEDUCTION SHALL BE ALLOWED IN AN AMOUNT EQUAL TO THE RATIO OF THE TAXPAYER'S GROSS INCOME ASSIGNABLE TO MINNESOTA TO THE TAXPAYER'S GROSS INCOME FROM ALL SOURCES,)

(e) (TO A MAJOR POLITICAL PARTY, AS DEFINED IN SECTION 200.02, SUBDIVISION 7, OR A POLITICAL CANDIDATE, AS DEFINED IN SECTION 210A.01, OR A POLITICAL CAUSE WHEN SPONSORED BY ANY PARTY OR ASSOCIATION OR COMMITTEE, AS DEFINED IN SECTION 210A.01, IN A MAXIMUM AMOUNT NOT TO EXCEED THE FOLLOWING:)

((1) CONTRIBUTIONS MADE BY INDIVIDUAL NATURAL PERSONS, \$100,)

((2) CONTRIBUTIONS MADE BY A NATIONAL COMMITTEEMAN, NATIONAL COMMITTEEWOMAN, STATE CHAIRMAN, OR STATE CHAIRWOMAN OF A MAJOR POLITICAL PARTY, AS DEFINED IN SECTION 200.02, SUBDIVISION 7, \$1,000,)

((3) CONTRIBUTIONS MADE BY A CONGRESSIONAL DISTRICT COMMITTEEMAN OR COMMITTEEWOMAN OF A MAJOR POLITICAL PARTY, AS DEFINED IN SECTION 200.02, SUBDIVISION 7, \$350,)

((4) CONTRIBUTIONS MADE BY A COUNTY CHAIRMAN OR A COUNTY CHAIRWOMAN OF A MAJOR POLITICAL PARTY, AS DEFINED IN SECTION 200.02, SUBDIVISION 7, \$150;)

((F) IN THE CASE OF AN INDIVIDUAL, THE TOTAL DEDUCTION ALLOWABLE HEREUNDER SHALL NOT EXCEED 30 PERCENT OF THE TAXPAYER'S MINNESOTA GROSS INCOME AS FOLLOWS:)

((I) THE AGGREGATE OF CONTRIBUTIONS MADE TO ORGANIZATIONS SPECIFIED IN (A), (B) AND (D) SHALL NOT EXCEED TEN PERCENT OF THE TAXPAYER'S MINNESOTA GROSS INCOME,)

((II) THE TOTAL DEDUCTION UNDER THIS SUBPARAGRAPH FOR ANY TAXABLE YEAR SHALL NOT EXCEED 20 PERCENT OF THE TAXPAYER'S MINNESOTA GROSS INCOME. FOR PURPOSES OF THIS SUBPARAGRAPH, THE DEDUCTION UNDER THIS SECTION SHALL BE COMPUTED WITHOUT REGARD TO ANY DEDUCTION ALLOWED UNDER SUBPARAGRAPH (I) BUT SHALL TAKE INTO ACCOUNT ANY CONTRIBUTIONS DESCRIBED IN SUBPARAGRAPH (I) WHICH ARE IN EXCESS OF THE AMOUNT ALLOWABLE AS A DEDUCTION UNDER SUBPARAGRAPH (I). FOR PURPOSES OF PARAGRAPH (F) THE TERM MINNESOTA GROSS INCOME SHALL ALSO INCLUDE THE ORDINARY INCOME PORTION OF A LUMP SUM DISTRIBUTION AS DEFINED IN SECTION 402(E) OF THE INTERNAL REVENUE CODE OF 1954, AS AMENDED THROUGH DECEMBER 31, 1981;)

((G) IN THE CASE OF A CORPORATION,) the total deduction hereunder shall not exceed 15 percent of the taxpayer's taxable net income less the deductions allowable under this section other than those for contributions or gifts,

((H)) (f) in the case of a corporation reporting its taxable income on the accrual basis, if: (A) the board of directors authorizes a charitable contribution during any taxable year, and (B) payment of such contribution is made after the close of such taxable year and on or before the fifteenth day of the third month following the close of such taxable year; then the taxpayer may elect to treat such contribution as paid during such taxable year. The election may be made only at the time of the filing of the return for such taxable year, and shall be signified in such manner as the commissioner shall by regulations prescribe;

((I)) (g) in the case of a contribution or property placed in trust as described in section 170(f)(2) of the Internal Revenue Code of 1954, as amended through December 31, 1981, a deduction shall be allowed under this subdivision to the extent that a deduction is allowable for federal income tax purposes.

((J) AMOUNTS PAID TO MAINTAIN CERTAIN STUDENTS AS MEMBERS OF THE TAXPAYER'S HOUSEHOLD SHALL BE ALLOWED AS A DEDUCTION AS PROVIDED IN SECTION 170(G) OF THE INTERNAL REVENUE CODE OF 1954, AS AMENDED THROUGH DECEMBER 31, 1981. NO OTHER DEDUCTION SHALL BE ALLOWED UNDER THIS SUBDIVISION FOR THESE AMOUNTS AND THE LIMITATIONS CONTAINED IN CLAUSE (F) SHALL NOT APPLY TO THESE AMOUNTS.)

Sec. 29. Minnesota Statutes 1982, section 290.23, subdivision 5, is amended to read:

Subd. 5. [DISTRIBUTABLE NET INCOME, INCOME, BENEFICIARY; DEFINED.] (1) For purposes of sections 290.22 through 290.25, the term "distributable net income" means the same as that term is defined in section 643(a) of the Internal Revenue Code of 1954, as amended through December 31, 1981 with the following modification:

There shall be included any tax-exempt interest to which section 290.01, subdivision 20b, clause (1) applies, reduced by any amounts which would be deductible in respect of disbursements allocable to such interest but for the provisions of (SECTIONS 290.09, SUBDIVISION 3, AND) section 290.10(9) (relating to disallowance of certain deductions).

If the estate or trust is allowed a deduction under section 642(c) of the Internal Revenue Code of 1954, as amended through December 31, 1981, the amount of the modifications shall be reduced to the extent that the amount of income which is paid, permanently set aside, or to be used for the purposes specified in that section of the Internal Revenue Code is deemed to consist of items specified in the modification. For this purpose, such amount shall (in the absence of specific provisions in the governing instrument) be deemed to consist of the same proportion of each class of items of income of the estate or trust as the total of each class bears to the total of all classes.

(2) The term "income," and the term "beneficiary" have the same meaning as those terms are defined in section 643(b) and (c) of the Internal Revenue Code of 1954, as amended through December 31, 1981.

Sec. 30. Minnesota Statutes 1982, section 290.31, subdivision 2, is amended to read:

Subd. 2. [INCOME AND CREDITS OF PARTNER.] (1) In determining his income tax, each partner shall take into account separately his distributive share of the partnership's

(a) gains and losses from sales or exchanges of capital assets held for not more than one year,

(b) gains and losses from sales or exchanges of capital assets held for more than one year,

(c) gains and losses from sales or exchanges of property described in section (290.16, SUBDIVISION 9(1) AND (2)) 1231 of the Internal Revenue Code of 1954, as amended through January 15, 1983 (relating to certain property used in a trade or business and involuntary conversions),

(d) charitable contributions ((AS DEFINED IN SECTION 290.21, SUBDIVISION 3)) as defined in section 170(c) of the

Internal Revenue Code of 1954, as amended through December 31, 1982,

(e) dividends with respect to which there is provided (A DEDUCTION UNDER SECTION 290.21,) *an exclusion under section 116 or a deduction under sections 241 to 247 of the Internal Revenue Code of 1954, as amended through December 31, 1982,*

(f) other items of income, gain, loss, deduction, or credit, to the extent provided by regulations prescribed by the commissioner, and

(g) taxable net income or loss, exclusive of items requiring separate computation under other subparagraphs of this paragraph (1).

(2) The character of any item of income, gain, loss, deduction, or credit included in a partner's distributive share under paragraphs (a) through (f) of paragraph (1) shall be determined as if such item were realized directly from the source from which realized by the partnership, or incurred in the same manner as incurred by the partnership.

(3) In any case where it is necessary to determine the gross income of a partner for purposes of this chapter, such amount shall include his distributive share of the gross income of the partnership.

Sec. 31. Minnesota Statutes 1982, section 290.31, subdivision 3, is amended to read:

Subd. 3. [PARTNERSHIP COMPUTATIONS.] The taxable net income of a partnership shall be computed in the same manner as in the case of an individual except that

(1) the items described in subdivision 2(1) shall be separately stated, and

(2) the following deductions shall not be allowed to the partnership:

(a) the deduction for taxes provided in section (290.09, SUBDIVISION 4) *164(a) of the Internal Revenue Code of 1954, as amended through December 31, 1982,* with respect to taxes, described in section 901 of the Internal Revenue Code of 1954, as amended through December 31, 1981, paid or accrued to foreign countries and to possessions of the United States,

(b) the deduction for charitable contributions provided in section 290.21, subdivision 3 *or section 170 of the Internal Revenue Code of 1954, as amended through December 31, 1982,*

(c) the net operating loss deduction provided in section 290.095,

(d) the additional itemized deductions for individuals provided in (SECTION 290.09, SUBDIVISIONS 10 AND 17) *sections 211 to 223 of the Internal Revenue Code of 1954, as amended through December 31, 1982, and,*

(e) the deduction for depletion under section 290.09, subdivision 8 with respect to oil and gas wells.

Any election affecting the computation of taxable net income derived from a partnership shall be made by the partnership except as provided in section 703(b) of the Internal Revenue Code of 1954, as amended through December 31, 1981.

Sec. 32. Minnesota Statutes 1982, section 290.34, subdivision 2, is amended to read:

Subd. 2. [AFFILIATED OR RELATED CORPORATIONS, COMBINED REPORT.] When a corporation which is required to file an income tax return is affiliated with or related to any other corporation through stock ownership by the same interests or as parent or subsidiary corporations, or has its income regulated through contract or other arrangement, the commissioner of revenue may permit or require such combined report as, in his opinion, is necessary in order to determine the taxable net income of any one of the affiliated or related corporations. For purposes of computing either the arithmetic average or weighted apportionment formulas under section 290.19, subdivision 1 for each corporation involved, the numerator of the fraction shall be that corporation's sales, property, and payroll in Minnesota and the denominator shall be the total sales, payroll, and property of all the corporations shown on the combined report. The combined report shall reflect the income of the entire unitary business as provided in section 290.17, subdivision 2, clause (4). The combined report shall reflect income only from corporations created or organized in the United States or under the laws of the United States or of any state, *the District of Columbia, the commonwealth of Puerto Rico, any possession of the United States, or any political subdivision of any of the foregoing.* All intercompany transactions between companies which are contained on the combined report shall be eliminated. This subdivision shall not apply to insurance companies whose income is determined under section 290.35 or to investment companies whose income is determined under section 290.36.

Sec. 33. Minnesota Statutes 290.37, subdivision 1, is amended to read:

Subdivision 1. [PERSONS MAKING RETURNS.] (a) The commissioner of revenue shall annually determine the gross

income levels at which individuals and estates shall be required to file a return for each taxable year.

In the case of a decedent who has gross income in excess of the minimum amount at which an individual is required to file a return, the decedent's final income tax return shall be filed by his or her personal representative, if any. If there is no personal representative, the return shall be filed by the successors (as defined in section 524.1-201) who receive any property of the decedent.

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

Every corporation shall file a return. The return in this case shall be signed by an officer of the corporation.

The receivers, trustees in bankruptcy, or assignees operating the business or property of a taxpayer shall file a return with respect to the taxable net income of such taxpayer if that exceeds an amount on which a tax at the rates herein provided would exceed the specific credits allowed.

(b) Such return shall (1) be verified or contain a written declaration that it is made under the penalties of criminal liability for wilfully making a false return, and (2) shall contain a confession of judgment for the amount of the tax shown due thereon to the extent not timely paid.

(c) For purposes of this subdivision the term "gross income" shall mean gross income as defined in section 61 of the Internal Revenue Code of 1954, as amended through December 31, 1981, modified and adjusted in accordance with the provisions of sections 290.01, subdivision 20b, clauses (1), (6) and ((11)) (10), 290.08, and 290.17.

Sec. 34. Minnesota Statutes 1982, section 290.39, subdivision 2, is amended to read:

Subd. 2. [SEPARATE COMPUTATIONS ON A SINGLE RETURN.] Notwithstanding the provisions of section 290.61, a husband and wife may elect to compute their Minnesota income tax separately on a single return, in which event:

(a) if the sum of the payments by either spouse, including withheld and estimated taxes, exceeds the amount of tax of such

spouse as computed separately, the excess may be applied by the commissioner to the credit of the other spouse if the sum of the payments by such other spouse, including withheld and estimated taxes, is less than the amount of the tax of such other spouse as computed separately;

(b) if the sum of the payments made by both spouses with respect to the taxes of both as computed separately, including withheld and estimated taxes, exceeds the total of the taxes due, refund of the excess may be made payable to both spouses or may be credited against any liability in respect of Minnesota income tax on the part of either spouse;

(c) if the sum of the payments made by both spouses with respect to the taxes of both as computed separately, including withheld and estimated taxes, is less than the total of the taxes due, the liability for the unpaid tax shall be joint and several; provided that a spouse may be relieved of liability in those cases contained in section 6013(e) of the Internal Revenue Code of 1954 as amended through December 31, 1981 (for purposes of computing the 25 percent test contained in that section, the amount of gross income stated in the return shall include the total gross income of both spouses);

(d) if the standard deduction provided for by section (290.09, SUBDIVISION 15) 16, *subdivision 3*, is not utilized, then the total of the Minnesota itemized deductions of a husband and wife may be taken by either or divided between them as they elect;

(e) the limitation on the deduction for investment interest prescribed in section 163(d) (1) (A) of the Internal Revenue Code of 1954, as amended through March 12, 1983, for married individuals who file separate returns shall also apply to married individuals who file separately on one return.

Sec. 35. Minnesota Statutes 1982, section 290.431, is amended to read:

290.431 [NON-GAME WILDLIFE CHECKOFF.]

Every individual who files an income tax return or property tax refund claim form may designate on their original return that \$1 or more shall be added to the tax or deducted from the refund that would otherwise be payable by or to that individual and paid into an account to be established for the management of non-game wildlife. The commissioner of revenue shall, on the first page of the income tax return and the property tax refund claim form, notify filers of their right to designate that a portion of their tax or refund shall be paid into the non-game wildlife management account. The sum of the amounts so designated to be paid shall be credited to the non-game wildlife management account for use by the non-game section of the division of wild-

life in the department of natural resources. The commissioner of natural resources shall submit a work program for each fiscal year and semi-annual progress reports to the legislative commission on Minnesota resources in the form determined by the commission. None of the money provided in this section may be expended unless the commission has approved the work program.

The state pledges and agrees with all contributors to the nongame wildlife management account to use the funds contributed solely for the management of nongame wildlife projects and further agrees that it will not impose additional conditions or restrictions that will limit or otherwise restrict the ability of the commissioner of natural resources to use the available funds for the most efficient and effective management of nongame wildlife.

Sec. 36. Minnesota Statutes 1982, section 290.46, is amended to read:

290.46 [EXAMINATION OF RETURNS; ASSESSMENTS, REFUNDS.]

The commissioner shall, as soon as practicable after the return is filed, examine the same and make any investigation or examination of the taxpayer's records and accounts that he may deem necessary for determining the correctness of the return. The tax computed by him on the basis of such examination and investigation shall be the tax to be paid by such taxpayer. If the tax found due shall be greater than the amount reported as due on the taxpayer's return, the commissioner shall assess a tax in the amount of such excess and the whole amount of such excess shall be paid to the commissioner within 60 days after notice of the amount and demand for its payment shall have been mailed to the taxpayer by the commissioner. If the understatement of the tax on the return was false and fraudulent with intent to evade the tax, the installments of the tax shown by the taxpayer on his return which have not yet been paid shall be paid to the commissioner within 60 days after notice of the amount thereof and demand for payment shall have been mailed to the taxpayer by the commissioner. If the amount of the tax found due by the commissioner shall be less than that reported as due on the taxpayer's return, the excess shall be refunded to the taxpayer in the manner provided by section 290.50 (except that no demand therefor shall be necessary), if he has already paid the whole of such tax, or credited against any unpaid installment thereof; provided, that no refundment shall be made except as provided in section 290.50.

If the commissioner examines returns of a taxpayer for more than one year, he may issue one order covering the several years under consideration reflecting the aggregate refund or additional tax due.

The notices and demands provided for by sections 290.46 to 290.48 shall be in such form as the commissioner may determine (including a statement) and shall contain a brief explanation of

the computation of the tax and shall be sent by mail to the taxpayer at the address given in his return, or to his last known address.

In cases where there has been an overpayment of a self-assessed liability as shown on the return filed by the taxpayer, the commissioner may refund such overpayment to the taxpayer and no demand therefor shall be necessary; further, written findings by the commissioner, notice by mail to the taxpayer and certificate for refundment by the commissioner shall not be necessary and the provisions of section 270.10, in such case, shall not be applicable.

In the case of an individual, estate or trust, the commissioner may audit and adjust the taxpayer's computation of federal adjusted gross income (or federal taxable income for estates or trusts) to make it properly conform with the provisions of section 290.01, subdivision 20. *In the case of an individual, the commissioner may audit and adjust the taxpayer's computation of itemized deductions to make them properly conform with the provisions of section 16.*

Sec. 37. Minnesota Statutes 1982, section 290.92, subdivision 2a, is amended to read:

Subd. 2a. [COLLECTION AT SOURCE.] (1) [DEDUCTIONS.] Every employer making payment of wages shall deduct and withhold upon such wages a tax as provided in this section.

(2) [WITHHOLDING ON PAYROLL PERIOD.] The employer shall withhold the tax on the basis of each payroll period or as otherwise provided in this section.

(3) [WITHHOLDING TABLES.] Unless the amount of tax to be withheld is determined as provided in subdivision 3, the amount of tax to be withheld for each individual shall be based upon tables to be prepared and distributed by the commissioner. The tables shall be computed for the several permissible withholding periods and shall take account of exemptions allowed under this section; and the amounts computed for withholding shall be such that the amount withheld for any individual during his taxable year shall approximate in the aggregate as closely as possible the tax which is levied and imposed under this chapter for that taxable year, upon his salary, wages, or compensation for personal services of any kind for the employer, and shall take into consideration the allowable deduction for federal income tax and the deduction allowable under section (290.09) 16, subdivision (15) 3, and the personal credits allowed against the tax.

(4) [MISCELLANEOUS PAYROLL PERIOD.] If wages are paid with respect to a period which is not a payroll period, the amount to be deducted and withheld shall be that applicable in the case of a miscellaneous payroll period containing a number of days, including Sundays and holidays, equal to the number of days in the period with respect to which such wages are paid.

(5) [MISCELLANEOUS PAYROLL PERIOD.] (a) In any case in which wages are paid by an employer without regard to any payroll period or other period, the amount to be deducted and withheld shall be that applicable in the case of a miscellaneous payroll period containing a number of days equal to the number of days, including Sundays and holidays, which have elapsed since the date of the last payment of such wages by such employer during the calendar year, or the date of commencement of employment with such employer during such year, or January 1 of such year, whichever is the later.

(b) In any case in which the period, or the time described in clause (a), in respect of any wages is less than one week, the commissioner, under regulations prescribed by him, may authorize an employer to determine the amount to be deducted and withheld under the tables applicable in the case of a weekly payroll period, in which case the aggregate of the wages paid to the employee during the calendar week shall be considered the weekly wages.

(6) [WAGES COMPUTED TO NEAREST DOLLAR.] If the wages exceed the highest bracket, in determining the amount to be deducted and withheld under this subdivision, the wages may, at the election of the employer, be computed to the nearest dollar.

(7) [REGULATIONS ON WITHHOLDING.] The commissioner may, by regulations, authorize employers:

(a) To estimate the wages which will be paid to any employee in any quarter of the calendar year;

(b) To determine the amount to be deducted and withheld upon each payment of wages to such employee during such quarter as if the appropriate average of the wages so estimated constituted the actual wages paid; and

(c) To deduct and withhold upon any payment of wages to such employee during such quarter such amount as may be necessary to adjust the amount actually deducted and withheld upon wages of such employee during such quarter to the amount required to be deducted and withheld during such quarter without regard to this paragraph (7).

(8) [ADDITIONAL WITHHOLDING.] The commissioner is authorized to provide by rule for increases or decreases in the amount of withholding otherwise required under this section in cases where the employee requests the changes. Such additional withholding shall for all purposes be considered tax required to be deducted and withheld under this section.

(9) [TIPS.] In the case of tips which constitute wages, this subdivision shall be applicable only to such tips as are included in a written statement furnished to the employer pursuant to section 6053 of the Internal Revenue Code of 1954, as amended through December 31, 1981, and only to the extent that the tax can be deducted and withheld by the employer, at or after the time such statement is so furnished and before the close of the calendar year in which such statement is furnished, from such wages of the employee (excluding tips, but including funds turned over by the employee to the employer for the purpose of such deduction and withholding) as are under the control of the employer; and an employer who is furnished by an employee a written statement of tips (received in a calendar month) pursuant to section 6053 of the Internal Revenue Code of 1954 as amended through December 31, 1981 to which subdivision 1 is applicable may deduct and withhold the tax with respect to such tips from any wages of the employee (excluding tips) under his control, even though at the time such statement is furnished the total amount of the tips included in statements furnished to the employer as having been received by the employee in such calendar month in the course of his employment by such employer is less than \$20. Such tax shall not at any time be deducted and withheld in an amount which exceeds the aggregate of such wages and funds as are under the control of the employer minus any tax required by other provisions of state or federal law to be collected from such wages and funds.

Sec. 38. Minnesota Statutes 1982, section 290.92, is amended by adding a subdivision to read:

Subd. 26. Any holder of a class A, B, or D license issued by the Minnesota horse racing commission, who makes a payment or payments for winnings on a pari-mutuel betting ticket or tickets in an amount of \$200 or more to the same individual, shall deduct from the payment or payments and withhold 11 percent of the amount as Minnesota withholding tax. For purposes of this subdivision, winnings from a pari-mutuel betting ticket must be determined by reducing the amount received by the amount paid for the ticket, and payments for winning on a pari-mutuel betting ticket which are not money must be taken into account at their fair market value. For purposes of the provisions of this section, a payment to any person of winnings which are subject to withholding must be treated as if the payment was a wage paid by an employer to an employee. Every individual who is to receive a payment of winnings which are subject to withholding shall furnish the license holder with a statement, made under the penalties of perjury, containing the name, address, and social security account number of the person receiving the payment and of each person entitled to any portion of such payment. The license holder is liable for the payment of the tax required to be withheld under this subdivision and subdivision 27 but is not liable to any person for the amount of the payment.

Sec. 39. Minnesota Statutes 1982, section 290.92, is amended by adding a subdivision to read:

Subd. 27. Any holder of a class A or B license issued by the Minnesota horse racing commission who makes a payment to a holder of a class C license issued by the commission, or who pays an amount as a purse, shall deduct from the payment and withhold seven percent of the amount as Minnesota withholding tax when the amount paid to that individual during the calendar year exceeds \$200. For purposes of the provisions of this section, a payment to any person which is subject to withholding under this subdivision must be treated as if the payment was a wage paid by an employer to an employee. Every individual who is to receive a payment which is subject to withholding under this subdivision shall furnish the license holder with a statement, made under the penalties of perjury, containing the name, address, and social security account number of the person receiving the payment. No withholding is required if the individual presents a signed certificate from his employer which states that the individual is an employee of that employer. A nonresident individual who holds a class C license must be treated as an athlete for purposes of applying the provisions of sections 290.17, subdivision 2(1)(b)(ii) and 290.92, subdivision 4a.

Sec. 40. Minnesota Statutes 1982, section 290A.03, subdivision 3, is amended to read:

Subd. 3. [INCOME.] (1) "Income" means the sum of the following:

(a) federal adjusted gross income as defined in the Internal Revenue Code of 1954 as amended through (DECEMBER 31, 1981) March 12, 1982; and

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

(i) additions to federal adjusted gross income as provided in Minnesota Statutes, section 290.01, Subdivision 20a, Clauses (1), ((3), (9), (14), (15), AND (21)) (2), (6), (11), (12), and (16);

(ii) all nontaxable income;

(iii) recognized net long term capital gains;

(iv) dividends and interest excluded from federal adjusted gross income under sections 116 or 128 of the Internal Revenue Code of 1954;

(v) cash public assistance and relief;

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

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

(viii) workers' compensation;

(ix) unemployment benefits;

(x) nontaxable strike benefits; and

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

(2) "Income" does not include

(a) amounts excluded pursuant to the Internal Revenue Code, Sections 101(a), 102, 117, and 121;

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

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

(d) relief granted under sections 290A.01 to 290A.20;

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

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

(g) federal adjusted gross income shall be reduced by the amount of the penalty on the early withdrawal of an all-savers certificate as provided in section 128(e) of the Internal Revenue Code of 1954.

Sec. 41. Minnesota Statutes 1982, section 290A.16, is amended to read:

290A.16 [INCOME TAX DEDUCTION PROHIBITED.]

(NOTWITHSTANDING SECTION 290.09, SUBDIVISION 4.) The income tax deduction for property taxes paid shall not exceed the amount paid, reduced by the amount of credit allowed with respect to the tax pursuant to sections 290A.01 to 290A.20.

Sec. 42. Minnesota Statutes 1982, section 290.53, subdivision 2, as amended by Laws 1983, H. F. No. 381, section 27, is amended to read:

Subd. 2. [FAILURE TO MAKE AND FILE RETURN.] In case of any failure to make and file a return as required by this chapter within the time prescribed by law or prescribed by the commissioner in pursuance of law, there shall be added to the tax in lieu of the penalty provided in subdivision 1: ten percent if the failure is for not more than 30 days with an additional five percent for each additional 30 days or fraction thereof during which such failure continues, not exceeding 25 percent in the aggregate.

In the case of a failure to file a return of tax imposed by this chapter within 60 days of the date prescribed for filing of the return (determined with regard to any extensions of time for filing), *where the return has been demanded by the commissioner under the provisions of section 290.47*, the amount added to the tax under this subdivision shall not be less than the lesser of \$50 or 100 percent of the amount required to be shown as *the amount of tax (ON) which is due with the return.*

The amount so added to any tax shall be collected at the same time and in the same manner and as a part of the tax, and the amount of said tax together with the amount so added shall bear interest at the rate specified in section 270.75 from the time such tax should have been paid until paid unless the tax has been paid before the discovery of the neglect, in which case the amount so added shall be collected in the same manner as the tax.

For the purposes of this subdivision the amount of any taxes required to be shown on the return shall be reduced by the amount of any part of the tax which is paid on or before the date

prescribed for payment of the tax and by the amount of any credit against the tax which may be claimed upon the return.

Sec. 43. [INSTRUCTIONS TO THE REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall substitute the phrase "Internal Revenue Code of 1954, as amended through March 12, 1983" for the words "Internal Revenue Code of 1954, as amended through December 31, 1981" or for the words "Internal Revenue Code of 1954, as amended through December 1, 1982" wherever the phrase occurs in chapter 290, except sections 290.01, subdivision 20, and 290.09, subdivision 5.

Sec. 44. [REPEALER.]

Minnesota Statutes 1982, sections 290.01, subdivisions 23, 27, and 28; 290.032, subdivision 5; 290.06, subdivisions 9 and 9a; 290.077, subdivision 2; 290.08, subdivision 25; 290.09, subdivisions 10, 15, 22, and 27; 290.21, subdivision 3a; 290.501; and 352C.07; and Laws 1982, chapter 523, article VII, section 3, and Third Special Session chapter 1, article V, section 4, are repealed.

Sec. 45. [EFFECTIVE DATE.]

Sections 1 to 44 are effective for taxable years beginning after December 31, 1982, except as otherwise specifically provided by this section or section 2. For any carryback to a taxable year beginning before January 1, 1983, "\$15,000" shall be substituted for "\$30,000" each place it appears in the second paragraph of Minnesota Statutes, section 290.09, subdivision 29, clause (c), the modifications to the rate of phase-out of the deduction provided by section 22 do not apply to such carryback, and section 22 is effective for carryover amounts from taxable years beginning before January 1, 1983. The amendments striking Minnesota Statutes 1982, section 290.01, subdivision 20a, clause (22) and subdivision 20b, clause (23) are effective for taxable years beginning after December 31, 1983. The amendment to Minnesota Statutes 1982, section 290.01, subdivision 20a, striking clause (5) is effective for medical expenses deducted in taxable years after December 31, 1981. The amendments to Minnesota Statutes 1982, section 290.01, subdivision 20a, striking clause (6) is effective for federal income tax refunds received for taxable years beginning after December 31, 1980. The amendment to Minnesota Statutes 1982, section 290.01, subdivision 20a, striking clause (20) and subdivision 20b, striking clause (20) is effective for taxable years beginning after December 31, 1980. The carryover provisions of sections 290.06, subdivisions 9 and 9a continue to apply to credit amounts attributable to a taxable year beginning before January 1, 1983. Section 40 is effective for claims based on rent paid in 1983 and thereafter and for property taxes paid in 1984 and thereafter.

ARTICLE 2

PROPERTY TAX

Section 1. Minnesota Statutes 1982, section 124.2137, subdivision 1, is amended to read:

Subdivision 1. [TAX REDUCTIONS.] The county auditor shall reduce the tax for school purposes on all property receiving the homestead credit pursuant to section 273.13, subdivision 6, by an amount equal to *29 percent of the tax levy (THAT WOULD BE PRODUCED BY APPLYING A RATE OF 18 MILLS) imposed on up to 320 acres of (THE PROPERTY) land including the buildings and structures thereon but excluding the homestead dwelling and surrounding one acre of land.* The county auditor shall reduce the tax for school purposes on the next 320 acres classified pursuant to section 273.13, subdivision 6 by an amount equal to *13 percent of the tax levy (THAT WOULD BE PRODUCED BY APPLYING A RATE OF TEN MILLS) imposed on the property.* The tax on all other agricultural lands classified pursuant to section 273.13, subdivision 6 shall be reduced by an amount equal to *ten percent of the tax levy (THAT WOULD BE PRODUCED BY APPLYING A RATE OF EIGHT MILLS) imposed on the property.* The tax on the first 320 acres of agricultural land classified pursuant to section 273.13, subdivision 4 and all real estate devoted to temporary and seasonal residential occupancy for recreational purposes, but not devoted to commercial purposes, shall be reduced by an amount *(THAT WOULD BE PRODUCED BY APPLYING A RATE OF TEN MILLS) equal to 13 percent of the tax imposed on the property.* The tax on timber land classified pursuant to section 273.13, subdivision 8a and agricultural land in excess of 320 acres classified pursuant to section 273.13, subdivision 4 shall be reduced by an amount equal to *ten percent of the tax levy (THAT WOULD BE PRODUCED BY APPLYING A RATE OF EIGHT MILLS) imposed on the property.* The amounts so computed by the county auditor shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under the provisions of section 275.29. Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner of revenue shall review (SUCH) the certifications to determine their accuracy. He may make (SUCH) changes in the certification as he may deem necessary or return a certification to the county auditor for corrections. *The amount of the reduction provided under this subdivision which any taxpayer can receive on all qualifying property which he owns shall not exceed \$2,000 in the case of agricultural property, and shall not exceed \$100 in the case of seasonal residential recreational property. In the case of property owned by more than one person, the maximum amount of the reduction shall apply to the total of all the owners.*

Sec. 2. Minnesota Statutes 1982, section 272.02, subdivision 1, is amended to read:

Subdivision 1. Except as provided in other subdivisions of this section or in section 272.025 or section 273.13, subdivisions 17, 17b, 17c or 17d, all property described in this section to the extent herein limited shall be exempt from taxation:

- (1) All public burying grounds;
- (2) All public schoolhouses;
- (3) All public hospitals;
- (4) All academies, colleges, and universities, and all seminaries of learning;
- (5) All churches, church property, and houses of worship;
- (6) Institutions of purely public charity except property assessed pursuant to section 273.13, subdivisions 17, 17b, 17c or 17d;
- (7) All public property exclusively used for any public purpose;
- (8) (a) Class 2 property of every household of the value of \$100, maintained in the principal place of residence of the owner thereof. The county auditor shall deduct (SUCH) *the* exemption from the total valuation of (SUCH) *the* property as equalized by the (REVENUE) commissioner of revenue assessed to (SUCH) *the* household, and extend the levy of taxes upon the remainder only. The term "household" as used in this section is defined to be a domestic establishment maintained either (1) by two or more persons living together within the same house or place of abode, subsisting in common and constituting a domestic or family relationship, or (2) by one person.

(b) During the period of his active service and for six months after his discharge therefrom, no member of the armed forces of the United States shall lose status of a householder under paragraph (a) which he had immediately prior to becoming a member of the armed forces.

In case there is an assessment against more than one member of a household the \$100 exemption shall be divided among the members assessed in the proportion that the assessed value of the Class 2 property of each bears to the total assessed value of the Class 2 property of all the members assessed. The Class 2 property of each household claimed to be exempt shall be limited to property in one taxing district, except in (THOSE) cases where a single domestic establishment is maintained in two or more adjoining districts.

Bonds and certificates of indebtedness hereafter issued by the state of Minnesota, or by any county or city of the state, or any town, or any common or independent school district of the state, or any governmental board of the state, or any county or city thereof, shall hereafter be exempt from taxation; provided, that nothing herein contained shall be construed as exempting (SUCH) *the* bonds from the payment of a tax thereon, as provided for by section 291.01, when any of (SUCH) *the* bonds constitute, in whole or in part, any inheritance or bequest, taken or received by any person or corporation.

(9) Farm machinery manufactured prior to 1930, which is used only for display purposes as a collectors item;

(10) The taxpayer shall be exempted with respect to (,) all agricultural products, inventories, stocks of merchandise of all sorts, all materials, parts and supplies, furniture and equipment, manufacturers material, manufactured articles including the inventories of manufacturers, wholesalers, retailers and contractors; and the furnishings of a room or apartment in a hotel, rooming house, tourist court, motel or trailer camp, tools and machinery which by law are considered as personal property, and the property described in section 272.03, subdivision 1, clause (c), except personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings and structures. Railroad docks and wharves which are part of the operating property of a railroad company as defined in section 270.80 are not exempt.

(11) Containers of a kind customarily in the possession of the consumer during the consumption of commodities, the sale of which are subject to tax under the provisions of the excise tax imposed by (EXTRA SESSION LAWS 1967,) chapter (32) 297A;

(12) All livestock, poultry, all horses, mules and other animals used exclusively for agricultural purposes;

(13) All agricultural tools, implements and machinery used by the owners in any agricultural pursuit.

(14) Real and personal property used primarily for the abatement and control of air, water, or land pollution to the extent that it is so used, other than real property used primarily as a solid waste disposal site.

Any taxpayer requesting exemption of all or a portion of any equipment or device, or part thereof, operated primarily for the control or abatement of air or water pollution shall file an application with the commissioner of revenue. (ANY SUCH) *The*

equipment or device shall meet standards, regulations or criteria prescribed by the Minnesota Pollution Control Agency, and must be installed or operated in accordance with a permit or order issued by that agency. The Minnesota Pollution Control Agency shall upon request of the commissioner furnish information or advice to the commissioner. If the commissioner determines that property qualifies for exemption, he shall issue an order exempting (SUCH) *the* property from taxation. (ANY SUCH) *The* equipment or device shall continue to be exempt from taxation as long as the permit issued by the Minnesota Pollution Control Agency remains in effect.

(15) Wetlands. For purposes of this subdivision, "wetlands" means land which is mostly under water, produces little if any income, and has no use except for wildlife or water conservation purposes. "Wetlands" shall be land preserved in its natural condition, drainage of which would be *legal*, feasible, and *economically* practical (AND WOULD PROVIDE LAND SUITABLE) for the production of livestock, dairy animals, poultry, fruit, vegetables, forage and grains, except wild rice. "Wetlands" shall include adjacent land which is not suitable for agricultural purposes due to the presence of the wetlands. "*Wetlands*" shall not include *woody swamps containing shrubs or trees, wet meadows, meandered water, streams, rivers, and floodplains or river bottoms*. Exemption of wetlands from taxation pursuant to this section shall not grant the public any additional or greater right of access to the wetlands or diminish any right of ownership to the wetlands.

(16) Native prairie. The commissioner of the department of natural resources shall determine lands in the state which are native prairie and shall notify the county assessor of each county in which the lands are located. Pasture land used for livestock grazing purposes shall not be considered native prairie for the purposes of this clause and section 273.116. Upon receipt of an application for the exemption and credit provided in this clause and section 273.116 for lands for which the assessor has no determination from the commissioner of natural resources, the assessor shall refer the application to the commissioner of natural resources who shall determine within 30 days whether the land is native prairie and notify the county assessor of his decision. Exemption of native prairie pursuant to this clause shall not grant the public any additional or greater right of access to the native prairie or diminish any right of ownership to it.

(17) Property used in a continuous program to provide emergency shelter for victims of domestic abuse, provided the organization that owns and sponsors the shelter is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1954, as amended through December 31, (1980) 1982, notwithstanding the fact that the sponsoring organization receives funding under section 8 of the United States Housing Act of 1937, as amended.

(18) If approved by the governing body of the municipality in which the property is located, property not exceeding one acre which is owned and operated by any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation, and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders; provided the property is used primarily as a clubhouse, meeting facility or recreational facility by the group or association and the property is not used for residential purposes on either a temporary or permanent basis.

(19) To the extent provided by section 295.44, real and personal property used or to be used primarily for the production of hydroelectric or hydromechanical power on a site owned by the state or a local governmental unit which is developed and operated pursuant to the provisions of section 105.482, subdivisions 1, 8 and 9.

Sec. 3. Minnesota Statutes 1982, section 272.03, subdivision 8, is amended to read:

Subd. 8. [MARKET VALUE.] "Market value" means the usual selling price at the place where the property to which the term is applied shall be at the time of assessment; being the price which could be obtained at a private sale (AND NOT AT FORCED) or an auction sale, *if it is determined by the assessor that the price from the auction sale represents an arms length transaction. The price obtained at a forced sale shall not be considered.*

Sec. 4. Minnesota Statutes 1982, section 272.115, subdivision 1, is amended to read:

272.115 [CERTIFICATE OF VALUE; FILING.]

Subdivision 1. Whenever any real estate is sold on or after January 1, 1978 for a consideration in excess of \$1,000, whether by warranty deed, quitclaim deed, contract for deed or any other method of sale, the grantor, grantee or his legal agent shall file a certificate of value with the county auditor in the county in which the property is located. Value shall, in the case of any deed not a gift, be the amount of the full actual consideration thereof, paid or to be paid, including the amount of any lien or liens assumed. The certificate of value shall include the classification to which the property belongs for the purpose of determining the fair market value of the property. *The certificate shall include financing terms and conditions of the sale which are necessary to determine the actual, present value of the sale price for purposes of the sales ratio study. The commissioner of revenue shall promulgate administrative rules specifying the financing terms and conditions which must be included on the certificate.*

Sec. 5. Minnesota Statutes 1982, section 273.11, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] Except as provided in subdivisions 6 (AND), 7, 8, and 9 or section 273.17, subdivision 1, all property shall be valued at its market value. The market value as determined pursuant to this section shall be stated such that any amount under \$100 is rounded up to \$100 and any amount exceeding \$100 shall be rounded to the nearest \$100. In estimating and determining such value, the assessor shall not adopt a lower or different standard of value because the same is to serve as a basis of taxation, nor shall he adopt as a criterion of value the price for which such property would sell (AT AUCTION OR) at a forced sale, or in the aggregate with all the property in the town or district; but he shall value each article or description of property by itself, and at such sum or price as he believes the same to be fairly worth in money. In assessing any tract or lot of real property, the value of the land, exclusive of structures and improvements, shall be determined, and also the value of all structures and improvements thereon, and the aggregate value of the property, including all structures and improvements, excluding the value of crops growing upon cultivated land. In valuing real property upon which there is a mine or quarry, it shall be valued at such price as such property, including the mine or quarry, would sell for a fair, voluntary sale, for cash. In valuing real property which is vacant, the fact that such property is platted shall not be taken into account. An individual lot of such platted property shall not be assessed in excess of the assessment of the land as if it were unplatted until the lot is improved with a permanent improvement all or a portion of which is located upon the lot, or for a period of three years after final approval of said plat whichever is shorter. When a lot is sold or construction begun, the assessed value of that lot or any single contiguous lot fronting on the same street shall be eligible for reassessment. All property, or the use thereof, which is taxable under sections 272.01, subdivision 2, or 273.19, shall be valued at the market value of such property and not at the value of a leasehold estate in such property, or at some lesser value than its market value.

Sec. 6. Minnesota Statutes 1982, section 273.11, is amended by adding a subdivision to read:

Subd. 8. [LIMITED EQUITY COOPERATIVE APARTMENTS.] *For the purposes of this subdivision, the terms defined in this subdivision have the meanings given them.*

A "limited equity cooperative" is a corporation organized under Minnesota Statutes, chapter 308, which has as its primary purpose the provision of housing and related services to its members, who must be persons or families of low and moderate income as defined in section 462A.03, subdivision 10, at the time they purchase their membership, and which meets the following requirements:

(a) *The articles of incorporation set the sale price of occupancy entitling cooperative shares or memberships at no more than a transfer value determined as provided in the articles. That value may not exceed the sum of the following:*

(1) *the consideration paid for the membership or shares by the first occupant of the unit, as shown in the records of the corporation;*

(2) *the fair market value, as shown in the records of the corporation, of any improvements to the real property that were installed at the sole expense of the member with the prior approval of the board of directors;*

(3) *accumulated interest, or an inflation allowance not to exceed the greater of a ten percent annual noncompounded increase on the consideration paid for the membership or share by the first occupant of the unit, or the amount that would have been paid on that consideration if interest had been paid on it at the rate of the percentage increase in the revised consumer price index for all urban consumers for the Minneapolis-St. Paul metropolitan area prepared by the United States Department of Labor, provided that the amount determined pursuant to this clause may not exceed \$500 for each year or fraction of a year the membership or share was owned; plus*

(4) *real property capital contributions shown in the records of the corporation to have been paid by the transferor member and previous holders of the same membership, or of separate memberships that had entitled occupancy to the unit of the member involved. These contributions include contributions to a corporate reserve account the use of which is restricted to real property improvements or acquisitions, contributions to the corporation which are used for real property improvements or acquisitions, and the amount of principal amortized by the corporation on its indebtedness due to the financing of real property acquisition or improvement or the averaging of principal paid by the corporation over the term of its real property related indebtedness.*

(b) *The articles of incorporation require that the board of directors limit the purchase price of stock or membership interests for new member-occupants or resident shareholders to an amount which does not exceed the transfer value for the membership or stock as defined in clause (a).*

(c) *The articles of incorporation require that the total distribution out of capital to a member shall not exceed that transfer value.*

(d) *The articles of incorporation require that upon liquidation of the corporation any assets remaining after retirement*

of corporate debts and distribution to members will be conveyed to a charitable organization described in section 501 (c)(3) of the Internal Revenue Code of 1954, as amended through December 31, 1982, or a public agency.

A "limited equity cooperative apartment" is a dwelling unit owned or leased by a limited equity cooperative. If the dwelling unit is leased by the cooperative the lease agreement must meet the conditions for a cooperative lease stated in Minnesota Statutes, section 273.133, subdivision 3.

"Occupancy entitling cooperative share or membership" is the ownership interest in a cooperative organization which entitles the holder to an exclusive right to occupy a dwelling unit owned or leased by the cooperative.

For purposes of taxation, the assessor shall value a unit owned by a limited equity cooperative at the lesser of its market value or the value determined by capitalizing the net operating income of a comparable apartment operated on a rental basis at the capitalization rate used in valuing comparable buildings that are not limited equity cooperatives. If a cooperative fails to operate in accordance with the provisions of clauses (a) to (d), the property shall be subject to additional property taxes in the amount of the difference between the taxes determined in accordance with this subdivision for the last ten years that the property had been assessed pursuant to this subdivision and the amount that would have been paid if the provisions of this subdivision had not applied to it. The additional taxes, plus interest at the rate specified in section 549.09, shall be extended against the property on the tax list for the current year.

Sec. 7. Minnesota Statutes 1982, section 273.11, is amended by adding a subdivision to read:

Subd. 9. [CONDOMINIUM PROPERTY.] Notwithstanding any other provision of law to the contrary, for purposes of property taxation, condominium property shall be valued in accordance with this subdivision.

(a) A structure or building that is initially constructed as condominiums shall be identified as separate units after the filing of a declaration. The market value of the residential units in that structure or building and included in the declaration shall be valued as condominiums.

(b) When 60 percent or more of the residential units in a structure or building being converted to condominiums have been sold as condominiums including those units that the converters retain for their own investment, the market value of the remaining residential units in that structure or building which are included in the declaration shall be valued as condominiums. If

not all of the residential units in the structure or building are included in the declaration, the 60 percent factor shall apply to those in the declaration. A separate description shall be recognized when a declaration is filed. For purposes of this clause, "retain" shall mean units that are rented and completed units that are not available for sale.

(c) For purposes of this subdivision, a "sale" is defined as the date when the first written document for the purchase or conveyance of the property is signed, unless that document is revoked.

Sec. 8. Minnesota Statutes 1982, section 273.115, subdivision 1, is amended to read:

Subdivision 1. The county auditor shall annually reduce the tax liability of each owner of wetlands exempt from property taxation pursuant to section 272.02, subdivision 1, clause (15), by an amount equal to (THREE-FOURTHS) *one-half* of one percent of the average level of estimated market value of an acre of tillable land in the township, city or unorganized territory in which the qualifying wetland is located, multiplied by the number of acres of wetlands he owns. Any excess of credit over tax liability shall not be paid to the property owner but shall be applied to the tax liability of the owner of the wetlands for any parcel he owns which is contiguous to the parcel containing the wetlands.

Sec. 9. Minnesota Statutes 1982, section 273.13, subdivision 6, is amended to read:

Subd. 6. [CLASS 3B.] Agricultural land, except as provided by class 1 hereof, and which is used for the purposes of a homestead shall constitute class 3b and shall be valued and assessed (FOR TAXES PAYABLE IN 1981 AND THEREAFTER) as follows: the first (\$50,000) *\$60,000* of market value shall be valued and assessed at 14 percent; the remaining market value shall be valued and assessed at 19 percent. (EFFECTIVE FOR TAXES PAYABLE IN 1982 AND THEREAFTER,) The maximum amount of the market value of the homestead bracket subject to the 14 percent rate shall be adjusted by the commissioner of revenue as provided in section 273.1311. The property tax to be paid on class 3b property as otherwise determined by law less any reduction received pursuant to sections (124.213 AND) *124.2137, 273.123, 273.135, and 473H.10* shall be reduced by (58) *54* percent of the tax (FOR TAXES PAYABLE IN 1981 AND THEREAFTER); provided that the amount of (SAID) *the* reduction shall not exceed \$650. (VALUATION SUBJECT TO RELIEF SHALL BE LIMITED TO 240 ACRES OF LAND, MOST CONTIGUOUS SURROUNDING, BORDERING, OR CLOSEST TO THE HOUSE OCCUPIED BY THE OWNER AS HIS DWELLING PLACE, AND SUCH OTHER STRUCTURES AS MAY BE INCLUDED THEREON UTILIZED BY

THE OWNER IN AN AGRICULTURAL PURSUIT, PROVIDED THAT) Noncontiguous land shall constitute class 3b only if the homestead is classified as class 3b and the detached land is located in the same township or city or not farther than two townships or cities or combination thereof from the homestead. The first \$12,000 market value of each tract of real estate which is rural in character and devoted or adaptable to rural but not necessarily agricultural use, used for the purpose of a homestead shall be exempt from taxation for state purposes; except as specifically provided otherwise by law.

Agricultural land as used herein, and in section 124.2137, shall mean contiguous acreage of ten acres or more, primarily used during the preceding year for agricultural purposes. Agricultural use may include pasture, timber, waste, unusable wild land and land included in federal farm programs.

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

(EFFECTIVE FOR THE 1981 ASSESSMENT AND IN SUBSEQUENT YEARS,) The assessor shall determine and list separately on his records the market value of the homestead dwelling and the one acre of land on which that dwelling is located. If any farm buildings or structures are located on this homesteaded acre of land, their market value shall not be included in this separate determination.

Sec. 10. Minnesota Statutes 1982, section 273.13, subdivision 6a, is amended to read:

Subd. 6a. [HOMESTEAD OWNED BY FAMILY FARM CORPORATION OR PARTNERSHIP.] (a) Each family farm corporation and each partnership operating a family farm shall be entitled to class 3b assessment and shall be eligible for the credit provided in subdivision 6 for one homestead occupied by a shareholder or partner thereof who is residing on the land and actively engaged in farming of the land owned by the corporation or partnership. (SUCH A) *The* homestead (SHALL NOT EXCEED 240 ACRES, AND) shall be assessed as provided in subdivision 6, notwithstanding the fact that legal title to the property may be in the name of the corporation or partnership and not in the name of the person residing thereon. "Family farm corporation" and "family farm" shall mean as defined in section 500.24.

(b) In addition to property specified in paragraph (a), any other residences owned by corporations or partnerships described in paragraph (a) which are located on agricultural land and occupied as homesteads by shareholders or partners who are actively engaged in farming on behalf of the corporation or part-

nership shall also be assessed as class 3b property, and be entitled to the credit provided in subdivision 6, but the property eligible shall be limited to the residence itself and as much of the land surrounding the homestead, not exceeding one acre, as is reasonably necessary for the use of the dwelling as a home, and shall not include any other structures that may be located thereon.

Sec. 11. Minnesota Statutes 1982, section 273.13, subdivision 7, is amended to read:

Subd. 7. [CLASS 3C, 3CC.] All other real estate and class 2a property, except as provided by classes 1 and 3cc, which is used for the purposes of a homestead, shall constitute class 3c, and shall be valued and assessed (FOR TAXES PAYABLE IN 1981 AND THEREAFTER) as follows: the first (\$25,000) \$30,000 of market value shall be valued and assessed at (16) 17 percent; the next (\$25,000) \$30,000 of market value shall be valued and assessed at (22) 19 percent; and the remaining market value shall be valued and assessed at (28) 30 percent. (EFFECTIVE FOR TAXES PAYABLE IN 1982 AND THEREAFTER,) The maximum amounts of the market value of the homestead brackets subject to the (16) 17 percent and (22) 19 percent rates shall be adjusted by the commissioner of revenue as provided in section 273.1311. The property tax to be paid on class 3c property as otherwise determined by law, less any reduction received pursuant to sections 273.123, 273.135, and 473H.10 shall be reduced by (58) 54 percent of the tax (FOR TAXES PAYABLE IN 1981 AND THEREAFTER) imposed on the first \$67,000 of market value; provided that the amount of (SAID) the reduction shall not exceed \$650. The first \$12,000 market value of each tract of such real estate used for the purposes of a homestead shall be exempt from taxation for state purposes; except as specifically provided otherwise by law.

Class 3cc property shall include real estate or manufactured homes used for the purposes of a homestead by (a) any blind person, if (SUCH) the blind person is the owner thereof or if (SUCH) the blind person and his or her spouse are the sole owners thereof; or (b) any person (hereinafter referred to as veteran) who: (1) served in the active military or naval service of the United States and (2) is entitled to compensation under the laws and regulations of the United States for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude motion without the aid of braces, crutches, canes, or a wheelchair, and (3) with assistance by the administration of veterans affairs has acquired a special housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, or the surviving spouse of (SUCH A) the deceased veteran for as long as the surviving spouse retains the special housing unit as his or her homestead; or (c) any person who: (1) is permanently and totally disabled and (2) (IS

RECEIVING) receives 90 percent or more of his total income from (i) aid from any state as a result of that disability, or (ii) supplemental security income for the disabled, or (iii) workers' compensation based on a finding of total and permanent disability, or (iv) social security disability, including the amount of a disability insurance benefit which is converted to an old age insurance benefit and any subsequent cost of living increases, or (v) aid under the Federal Railroad Retirement Act of 1937, 45 United States Code Annotated, Section 228b(a)5, or (vi) a pension from any local government retirement fund located in the state of Minnesota as a result of that disability (; WHICH AID IS AT LEAST 90 PERCENT OF THE TOTAL INCOME OF SUCH DISABLED PERSON FROM ALL SOURCES). Property shall be classified and assessed as class 3cc only if the commissioner of revenue certifies to the assessor that the owner of the property satisfies the requirements of this subdivision. Class 3cc property shall be valued and assessed (FOR TAXES PAYABLE IN 1981 AND THEREAFTER) as follows: in the case of agricultural land, including a manufactured home, used for a homestead, the first (\$33,000) \$30,000 of market value shall be valued and assessed at five percent, the next (\$17,000) \$30,000 of market value shall be valued and assessed at 14 percent, and the remaining market value shall be valued and assessed at 19 percent; and in the case of all other real estate and manufactured homes, the first (\$33,000) \$30,000 of market value shall be valued and assessed at five percent, the next (\$17,000) \$30,000 of market value shall be valued and assessed at (22) 19 percent, and the remaining market value shall be valued and assessed at (28) 30 percent. (EFFECTIVE FOR TAXES PAYABLE IN 1982 AND THEREAFTER.) In the case of agricultural land including a manufactured home used for purposes of a homestead, the commissioner of revenue shall adjust, as provided in section 273.1311, the maximum amount of the market value of the homestead brackets subject to the five percent and 14 percent rates; and for all other real estate and manufactured homes, the commissioner of revenue shall adjust, as provided in section 273.1311, the maximum amount of the market value of the homestead brackets subject to the five percent and (22) 19 percent rates. Permanently and totally disabled for the purpose of this subdivision means a condition which is permanent in nature and totally incapacitates the person from working at an occupation which brings him an income. The property tax to be paid on class 3cc property as otherwise determined by law, less any reduction received pursuant to section 273.135 shall be reduced by (58) 54 percent of the tax (FOR TAXES PAYABLE IN 1981 AND THEREAFTER) imposed on the first \$67,000 of market value; provided that the amount of (SAID) the reduction shall not exceed \$650.

For purposes of this subdivision, homestead property which qualifies for the classification ratios and credits provided in this subdivision shall include property which is used for purposes of the homestead but is separated from the homestead by a road, street, lot, waterway, or other similar intervening property. The

term "used for purposes of the homestead" shall include but not be limited to uses for gardens, garages, or other outbuildings commonly associated with a homestead, but shall not include vacant land held primarily for future development. In order to receive homestead treatment for the noncontiguous property, the owner shall apply for it to the assessor by July 1 of 1983 or the year when the treatment is initially sought. After initial qualification for the homestead treatment, additional applications for subsequent years are not required.

Sec. 12. Minnesota Statutes 1982, section 273.13, subdivision 9, is amended to read:

Subd. 9. [CLASS 4A, 4B, 4C, AND 4D.] (1) All property not included in the preceding classes shall constitute class 4a and shall be valued and assessed at 43 percent of the market value thereof, except as otherwise provided in this subdivision.

(2) Real property which is not improved with a structure and which is not utilized as part of a commercial or industrial activity shall constitute class 4b and shall be valued and assessed at 40 percent of market value.

(3) Commercial and industrial property, except as provided in this subdivision, shall constitute class 4c and shall be valued and assessed at (40) 34 percent of the first \$50,000 of market value and 43 percent of the remainder, provided that in the case of state-assessed commercial or industrial property owned by one person or entity, only one parcel shall qualify for the (40) 34 percent assessment, and in the case of other commercial or industrial property owned by one person or entity, only one parcel in each county shall qualify for the (40) 34 percent assessment.

(4) Industrial employment property defined in section 273.1313, during the period provided in section 273.1313, shall constitute class 4d and shall be valued and assessed at 20 percent of the first \$50,000 of market value and 21.5 percent of the remainder.

Sec. 13. Minnesota Statutes 1982, section 273.13, subdivision 11, is amended to read:

Subd. 11. [ASSESSOR MAY REQUIRE PROOF.] The assessor (MAY) shall require proof, by affidavit or otherwise of the facts upon which classification as a homestead may be determined under the provisions of subdivisions 5a, 6, 7, 7c, 7d, and 10.

Sec. 14. Minnesota Statutes 1982, section 273.13, subdivision 14a, is amended to read:

Subd. 14a. [BUILDINGS AND APPURTENANCES ON LAND NOT OWNED BY OCCUPANT.] The property tax to be paid in respect of the value of all buildings and appurtenances thereto owned and used by the occupant as a permanent residence, which are located upon land subject to property taxes and the title to which is vested in a person or entity other than the occupant, for all purposes shall be reduced by (58) 54 percent of the amount of the tax in respect of (SAID) *the value not in excess of \$67,000 as otherwise determined by law (FOR TAXES PAYABLE IN 1981, AND THEREAFTER), but not by more than \$650.*

Sec. 15. Minnesota Statutes 1982, section 273.13, subdivision 17, is amended to read:

Subd. 17. [TITLE II OR STATE HOUSING FINANCE AGENCY PROPERTY USED FOR ELDERLY AND LOW AND MODERATE INCOME FAMILIES.] (a) *Except as provided in clause (b), a structure situated on real property that is used for housing for the elderly or for low and moderate income families as defined by Title II of the National Housing Act or the Minnesota housing finance agency law of 1971 or regulations promulgated by the agency pursuant thereto and financed by a direct federal loan or federally insured loan or a loan made by the Minnesota housing finance agency pursuant to the provisions of either of (SAID) those acts and acts amendatory thereof shall, for 15 years from the date of the completion of the original construction or substantial rehabilitation, or for the original term of the loan, be assessed at 20 percent of the market value thereof, provided that the fair market value as determined by the assessor is based on the normal approach to value using normal unrestricted rents.*

(b) *In the case of a structure described in clause (a) with respect to which construction or substantial rehabilitation had not been commenced prior to January 1, 1984, the 20 percent assessment ratio shall apply only to that portion of the structure that is occupied by elderly persons or low and moderate income families as defined above.*

Sec. 16. Minnesota Statutes 1982, section 273.13, subdivision 17b, is amended to read:

Subd. 17b. [VALUATION OF FARMERS HOME ADMINISTRATION PROPERTY IN MUNICIPALITIES OF UNDER 10,000.] (a) *Notwithstanding any other provision of law, except as provided in clause (b), any structure*

((A)) (1) *situated on real property that is used for housing for the elderly or for low and moderate income families as defined by the farmers home administration,*

((B)) (2) located in a municipality of less than 10,000 population,

((C)) (3) financed by a direct loan or insured loan from the farmers home administration, and

((D)) (4) which qualifies under subdivision 17a, shall, for 15 years from the date of the completion of the original construction or for the original term of the loan, be assessed at five percent of the market value thereof, provided that the fair market value as determined by the assessor is based on the normal approach to value using normal unrestricted rents.

(b) A structure described in clause (a) with respect to which construction had not been commenced prior to January 1, 1984, shall be assessed at 20 percent of its market value, but only in proportion to its occupancy by elderly persons or low and moderate income families as defined above.

Sec. 17. Minnesota Statutes 1982, section 273.13, subdivision 17c, is amended to read:

Subd. 17c. [VALUATION OF LOWER INCOME HOUSING.] (a) *Except as provided in clause (b), a structure which is*

((A)) (1) situated upon real property that is used for housing lower income families or elderly or handicapped persons, as defined in section 8 of the United States Housing Act of 1937, as amended, and

((B)) (2) owned by an entity which has entered into a housing assistance payments contract under section 8 which provides assistance for 100 percent of the dwelling units in the structure, other than dwelling units intended for management or maintenance personnel, shall, for the term of the housing assistance payments contract, including all renewals, or for the term of its permanent financing, whichever is shorter, be assessed at 20 percent of its market value. The market value determined by the assessor shall be based on the normal approach to value using normal unrestricted rents.

(b) In the case of a structure described in clause (a) with respect to which construction had not been commenced prior to January 1, 1984, the 20 percent assessment ratio shall apply only to that portion of the structure that is occupied by lower income families or elderly or handicapped persons as defined above.

Sec. 18. Minnesota Statutes 1982, section 273.13, subdivision 20, is amended to read:

Subd. 20. [TAXATION: APARTMENTS; ASSESSED VALUE; APARTMENT HOUSING OF TYPE I OR II CONSTRUCTION.] That portion of real property subject to a general property tax and assessed as a structure upon the land shall, when such structure is constructed with materials meeting the requirements for type I or II construction as defined in the state building code, 90 percent or more is used or is to be used as apartment housing, and no part of which is subject to the provisions of subdivisions 7 (AND), 17, 17b, 17c, and 17d be classified for the purposes of taxation for a period of 40 years from the date of completion of original construction, or the date of initial though partial use, whichever is the earlier date, (AS FOLLOWS: (A)) when (SUCH) *the* structure is of a height of five or more stories that part, section, floor or area used or to be used for apartment housing shall be valued and assessed at 25 percent of the market value (THEREOF: (B) WHEN SUCH STRUCTURE IS OF A HEIGHT OF FOUR OR LESS STORIES THAT PART, SECTION, FLOOR OR AREA USED OR TO BE USED FOR APARTMENT HOUSING SHALL BE VALUED AND ASSESSED AT $33 \frac{1}{3}$ PERCENT OF THE MARKET VALUE THEREOF).

Sec. 19. Minnesota Statutes 1982, section 273.1311, is amended to read:

273.1311 [FLEXIBLE HOMESTEAD BRACKETS.]

(EFFECTIVE FOR TAXES PAYABLE IN 1982 AND SUBSEQUENT YEARS,) The maximum amount of the market value of the homestead brackets shall be adjusted as provided in this section.

(FOR TAXES PAYABLE IN 1982, THE HOMESTEAD BRACKETS SHALL BE INCREASED BY THE PERCENTAGE INCREASE IN THE STATEWIDE AVERAGE PURCHASE PRICE OF A RESIDENTIAL HOME AS INDICATED BY BONA FIDE SALES, FOR THE TWELVE-MONTH PERIOD ENDING MAY 31, 1981, AS COMPARED TO THE TWELVE-MONTH PERIOD ENDING MAY 31, 1980. THE REVISED BRACKET SHALL BE ROUNDED TO THE NEAREST \$1,000. THE COMMISSIONER OF REVENUE SHALL DETERMINE AND ANNOUNCE THE REVISED BRACKETS AS SOON AS POSSIBLE.)

For taxes payable in (1983) 1985 and subsequent years, the commissioner shall adjust the brackets used in the preceding assessment by the *estimated* percentage increase in the statewide average (PURCHASE PRICE) *assessors' estimated market value* of a residential home for the (TWELVE-MONTH PERIOD ENDING AUGUST 31 OF THE YEAR PRECEDING THE ASSESSMENT DATE AS COMPARED TO THE TWELVE-MONTH PERIOD FOR THE IMMEDIATE PRE-

CEDING YEAR) *current assessment over the previous assessment. The revised bracket shall be rounded to the nearest \$500. The commissioner of revenue shall determine and announce the revised bracket on October 1 of each year preceding the assessment date.*

Sec. 20. [273.1315] [CERTIFICATION OF 3CC PROPERTY.]

Any property owner seeking classification and assessment of his homestead as class 3cc property pursuant to section 273.13, subdivision 7, shall file with the commissioner of revenue for each assessment year a 3cc homestead declaration, on a form prescribed by the commissioner. The declaration shall contain the following information:

(a) the information necessary to verify that the property owner or his spouse satisfies the requirements of section 273.13, subdivision 7, for 3cc classification;

(b) the property owner's household income, as defined in section 290A.03, for the previous calendar year; and

(c) any additional information prescribed by the commissioner.

The declaration shall be filed on or before February 1 of each year to be effective for property taxes payable during the succeeding calendar year. The declaration and any supplementary information received from the property owner pursuant to this section shall be subject to section 290A.17.

The commissioner shall provide to the assessor on or before April 1 a listing of the parcels of property qualifying for 3cc classification.

Sec. 21. Minnesota Statutes 1982, section 273.135, subdivision 1, is amended to read:

Subdivision 1. The property tax to be paid in respect to property taxable within a tax relief area on class 3b property (NOT EXCEEDING 240 ACRES), on class 3c property, and on class 3cc property, as otherwise determined by law and regardless of the market value of the property, for all purposes shall be reduced in the amount prescribed by subdivision 2, subject to the limitations contained therein.

Sec. 22. Minnesota Statutes 1982, section 273.1391, subdivision 1, is amended to read:

Subdivision 1. The property tax to be paid in respect to property taxable within a tax relief area described in subdivision

2 on class 3b property (NOT EXCEEDING 240 ACRES), on class 3c property, and on class 3cc property, as otherwise determined by law and regardless of the market value of the property, for all purposes shall be reduced in the amount prescribed by subdivision 2, subject to the limitations contained therein.

Sec. 23. Minnesota Statutes 1982, section 278.05, subdivision 4, is amended to read:

Subd. 4. [SALES RATIO STUDIES AS EVIDENCE.] The sales ratio studies published by the department of revenue, or any part of the studies, or any copy of the studies or records accumulated to prepare the studies which is prepared by the commissioner of revenue for the equalization aid review committee for use in determining school aids shall be admissible in evidence as a public record without the laying of a foundation. Additional evidence relevant to the sales ratio study is also admissible. *No sales ratio study received into evidence shall be conclusive or binding on the court and evidence of its reliability or unreliability may be introduced by any party including, but not limited to, evidence of inadequate adjustment of sale prices for terms of financing.*

Sec. 24. Minnesota Statutes 1982, section 287.05, subdivision 1, is amended to read:

Subdivision 1. A tax of 15 cents is (HEREBY) imposed upon each \$100, or fraction thereof, of the principal debt or obligation which is or may be secured by any mortgage of real property (SITUATE) *situated* within the state executed, delivered, and recorded or registered; provided, however, that (SAID) *the* tax shall be imposed but once upon any mortgage and extension thereof. If (ANY SUCH) *the* mortgage describes (ANY) real estate (SITUATE) *situated* outside of this state, (SUCH) *the* tax shall be imposed upon that proportion of the whole debt secured thereby as the value of the real estate therein described (SITUATE) *situated* in this state bears to the value of the whole of the real estate described therein, as (SUCH) *the* value is determined by the commissioner of revenue upon application of the mortgagee. *The tax imposed by this section shall not apply to a contract for the conveyance of real estate or any interest in real estate recorded or registered on or after January 1, 1984.*

Sec. 25. [507.235] [FILING CONTRACTS FOR DEED.]

Subdivision 1. [FILING REQUIRED.] *All contracts for deed executed on or after January 1, 1984, shall be recorded within six months in the office of the county recorder or registrar of titles in the county in which the land is situated.*

Subd. 2. [PENALTY FOR FAILURE TO FILE.] *If a contract for deed is not filed as required by the county board adopted pursuant to subdivision 1, a penalty is imposed equal to 0.15*

percent of the principal amount of the contract debt. Payments of the penalty shall be deposited in the general fund of the county. The penalty shall be a lien against the property and shall have the same priority and be collected in the same manner provided for real property taxes.

Sec. 26. Minnesota Statutes 1982, section 515A.1-105, is amended to read:

515A.1-105 [(SEPARATE TITLES AND) PROPERTY TAXATION (; HOMESTEAD).]

Subdivision 1. [HOMESTEAD.] (a) Each unit together with its common element interest constitutes for all purposes a separate parcel of real estate.

(b) If a declaration is recorded prior to ten days before any installment of real estate taxes becomes payable, the local taxing authority shall split the taxes so payable on the condominium among the units. Interest and penalties which would otherwise accrue shall not begin to accrue until at least 30 days after the split is accomplished.

(c) A unit used for residential purposes together with not more than two units used for vehicular parking and their common element interests shall be treated the same as any other real estate in determining whether homestead exemptions or classifications shall apply.

Subd. 2. [MARKET VALUATION.] For purposes of property taxation, the residential units in a structure or building which are initially constructed as condominiums or are being converted into condominiums shall be valued as provided in section 7.

Sec. 27. Laws 1981, First Special Session chapter 1, article II, section 25, is amended to read:

Sec. 25. [EFFECTIVE DATE.]

Sections 1, 2, 5 to 15, 20, and 22 are effective for taxes levied in 1981 and thereafter, payable in 1982 and thereafter. (SECTIONS 3 AND 4 ARE) *Section 3 is effective for taxes levied in 1983 and thereafter, payable in 1984 and thereafter. Section 4 is effective for taxes levied in 1984 and thereafter, payable in 1985 and thereafter.* Section 18 is effective the day following final enactment. Section 19 is effective for taxes levied in 1980, payable in 1981. If a claimant filed a property tax refund for property taxes payable in 1981 and, if as a result of section 18 the amount of the eligible refund has changed, the claimant may

file an amended return pursuant to section 290.391 to obtain any additional refund due. Taxpayers who meet the requirements in section 9 and who notify the assessor prior to September 1, 1981, shall receive homestead classification on the qualifying property for the 1981 assessment to the same extent as other 3c and 3cc property.

Sec. 28. [FARMLAND ASSESSMENT STUDY.]

The committees on taxes shall study the feasibility of assessing farmland on the basis of productivity and net earning capacity.

In conducting the study, the committees shall consider the use of modern soil survey, including surface and subsoil types, and moisture, temperature, soil conservation practices applied by land occupiers, and other conditions affecting the soil. In addition, the committees shall consider data available from the department of revenue, the Minnesota crop and livestock reporting service, post-secondary agricultural institutions, and other appropriate sources. The committees shall also take into account the experiences of other states which have implemented farmland assessment programs based on productivity and net earning capacity.

The committees shall report their findings and recommendations prior to the third week of the 1984 legislative session.

Sec. 29. [APPROPRIATION.]

There is appropriated to the department of revenue for the purpose of administering the provisions of sections 4, 11, and article 4, section 15, \$147,000 for fiscal year 1984 and \$162,000 for fiscal year 1985. The complement of the department of revenue is increased by six.

Sec. 30. [REPEALER.]

Minnesota Statutes 1982, section 273.13, subdivision 15b, is repealed.

Sec. 31. [EFFECTIVE DATE.]

Sections 1 to 3, 5, 6, 8 to 12, 14, 18, 19, 21, 22, and 30 are effective for taxes levied in 1983 and thereafter, payable in 1984 and thereafter. Section 4 is effective for sales occurring on or after July 1, 1983. Sections 7, 13, 15, 16, 17, 20, and 26 are effective for the 1984 assessment and thereafter. Sections 23, 27, and 28 are effective the day after final enactment. Section 29 is effective July 1, 1983.

ARTICLE 3

LEVY LIMITS

Section 1. Minnesota Statutes 1982, section 275.50, subdivision 2, is amended to read:

Subd. 2. [GOVERNMENTAL SUBDIVISION.] "Governmental subdivision" means a county, home rule charter city, or statutory city, (TOWN OR SPECIAL TAXING DISTRICT DETERMINED BY THE DEPARTMENT OF REVENUE,) except a (TOWN) *home rule charter or statutory city* that has a population of less than 5,000 according to the most recent federal census (, PROVIDED THAT THE POPULATION OF AN INCORPORATED MUNICIPALITY LOCATED WITHIN THE BOUNDARIES OF A TOWN IS NOT INCLUDED IN THE POPULATION OF THE TOWN. THE TERM DOES NOT INCLUDE SCHOOL DISTRICTS OR THE METROPOLITAN TRANSIT COMMISSION CREATED PURSUANT TO SECTION 473.404).

Sec. 2. Minnesota Statutes 1982, section 275.50, subdivision 5, is amended to read:

Subd. 5. Notwithstanding any other law to the contrary for taxes levied in (1982) 1983 payable in (1983) 1984 and subsequent years, "special levies" means those portions of ad valorem taxes levied by governmental subdivisions to:

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

(b) pay the costs of complying with any written lawful order initially issued prior to January 1, 1977 by the state of Minnesota, or the United States, or any agency or subdivision thereof, which is authorized by law, statute, special act or ordinance and is enforceable in a court of competent jurisdiction, or any stipulation agreement or permit for treatment works or disposal system for pollution abatement in lieu of a lawful order signed by the governmental subdivision and the state of Minnesota, or the United States, or any agency or subdivision thereof which is enforceable in a court of competent jurisdiction. The commissioner of revenue shall in consultation with other state depart-

ments and agencies, develop a suggested form for use by the state of Minnesota, its agencies and subdivisions in issuing orders pursuant to this subdivision;

(c) pay the costs to a governmental subdivision for their minimum required share of any program otherwise authorized by law for which matching funds have been appropriated by the state of Minnesota or the United States, excluding the administrative costs of public assistance programs, to the extent of the increase in levy (FOR THE TAXES PAYABLE YEAR 1983 AND SUBSEQUENT YEARS) over the amount levied for the local share of the program for the taxes payable year 1971. This clause shall apply only to those programs or projects for which matching funds have been designated by the state of Minnesota or the United States on or before September 1, of the previous year and only when the receipt of these matching funds is contingent upon the initiation or implementation of the project or program during the year in which the taxes are payable or those programs or projects approved by the commissioner;

(d) pay the costs not reimbursed by the state or federal government, of payments made to or on behalf of recipients of aid under any public assistance program authorized by law, and the costs of purchase or delivery of social services. Except for the costs of *general assistance as defined in section 256D.02, subdivision 4*, general assistance medical care under section 256D.03 and the costs of hospital care pursuant to section 261.21, the aggregate amounts levied pursuant to this clause are subject to a maximum increase of 18 percent over the amount levied for these purposes in the previous year;

(e) pay the costs of principal and interest on bonded indebtedness (,) or (, EFFECTIVE FOR TAXES LEVIED IN 1973 AND YEARS THEREAFTER,) to reimburse for the amount of liquor store revenues used to pay the principal and interest due in the year preceding the year for which the levy limit is calculated on municipal liquor store bonds;

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

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

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

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

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

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

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

(m) pay the increased costs of municipal services provided to new private industrial and nonresidential commercial development, to the extent that the extension of such services are not paid for through bonded indebtedness or special assessments, and not to exceed the amount determined as follows. The governmental subdivision may calculate the aggregate of:

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

(2) The amount determined by dividing the overall levy limitation established pursuant to sections 275.50 to 275.56, and exclusive of special levies and special assessments, by the total taxable value of the governmental subdivision, and then multiplying this quotient times the total increase in assessed value

of private industrial and nonresidential commercial development within the governmental subdivision. For the purpose of this clause, the increase in the assessed value of private industrial and nonresidential commercial development is calculated as the increase in assessed value over the assessed value of the real estate parcels subject to such private development as most recently determined before the building permit was issued. In the fourth levy year subsequent to the levy year in which the building permit was issued, the increase in assessed value of the real estate parcels subject to such private development shall no longer be included in determining the special levy.

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

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

(o) pay amounts required by law to be paid to pay the interest on and to reduce the unfunded accrued liability of public pension funds in accordance with the actuarial standards and guidelines specified in sections 356.215 and 356.216 reduced (FOR LEVY YEAR 1977 AND SUBSEQUENT YEARS) by 106 percent of the amount levied for that purpose in 1976, payable in 1977. For the purpose of this special levy, the estimated receipts expected from the state of Minnesota pursuant to sections 69.011 to 69.031 or any other state aid expressly intended for the support of public pension funds shall be considered as a deduction in determining the required levy for the normal costs of the public pension funds. No amount of these aids shall be considered as a deduction in determining the governmental subdivision's required levy for the reduction of the unfunded accrued liability of public pension funds;

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

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

(r) Compensate for revenue lost as a result of abatements or court action pursuant to sections 270.07, 270.17 or 278.01 due

to a reassessment ordered by the commissioner of revenue pursuant to section 270.16;

(s) pay the costs of implementing section 18.023, including sanitation and reforestation; and

(t) pay the estimated cost for the following calendar year of the county's share of funding the Minnesota cooperative soil survey.

Sec. 3. Minnesota Statutes 1982, section 275.50, is amended by adding a subdivision to read:

Subd. 8. [IMPLICIT PRICE DEFLATOR.] "Implicit price deflator" means the implicit price deflator for government purchases of goods and services for state and local government prepared by the bureau of economic analysis of the United States Department of Commerce for the 12-month period ending in June of the levy year.

Sec. 4. Minnesota Statutes 1982, section 275.51, is amended by adding a subdivision to read:

Subd. 3f. [LEVY LIMIT BASE.] (a) The property tax levy limit base for governmental subdivisions for taxes levied in 1983 shall be calculated by adding the following amounts:

(1) the property tax permitted to be levied in 1982 for taxes payable in 1983 pursuant to Minnesota Statutes 1982, section 275.51, subdivision 3e; plus

(2) the amount of any payments the governmental subdivision was certified to receive in 1983 pursuant to Minnesota Statutes 1982, sections 477A.011 to 477A.03; plus

(3) the amount of any payments certified to the governmental subdivision in 1983 pursuant to Minnesota Statutes 1982, sections 298.28 and 298.282; plus

(4) the difference between the amount certified to the governmental subdivision in 1983 and the amount certified in 1984 pursuant to section 273.138; plus

(5) any amount levied as a special assessment to cover the costs of municipal operation and maintenance activities for the taxes payable year 1983; and

(6) the amount of any base adjustment authorized by the commissioner of revenue pursuant to subdivision 3g.

(b) For taxes levied in 1984 and subsequent years, a governmental subdivision's levy limit base is equal to its adjusted levy

limit base for the preceding year provided that, for taxes levied in 1984, the levy limit base of a county containing a city of the first class shall be increased by the amount paid to the county under section 273.138 in 1984 less the amount that will be paid to it under section 273.138 in 1985.

Sec. 5. Minnesota Statutes 1982, section 275.51, is amended by adding a subdivision to read:

Subd. 5g. [BASE ADJUSTMENTS.] Any governmental subdivision which reduced any of its unreserved, undesignated fund balances because of spending for nonspecial levy purposes in calendar year 1981 may apply to the commissioner of revenue to have its levy limit base increased for the taxes payable year 1984 by no more than the amount of the reduction in the fund balances.

Applications shall be in the form and accompanied by the data required by the commissioner. If approved by the commissioner, the subdivision may then pass a resolution stating the amount by which the levy limit base is proposed to be increased. Thereafter, the resolution shall be published for two successive weeks in the official newspaper of the governmental subdivision or if there is no official newspaper, in a newspaper of general circulation in the governmental subdivision, together with a notice fixing a date for a public hearing on the proposed increase. The hearing shall be held not less than two weeks nor more than four weeks after the first publication of the resolution. Following the public hearing, the governing body may determine to take no further action or, in the alternative, adopt a resolution authorizing the increase as originally proposed or approving an increase in the lesser amount it determines. The resolution authorizing an increase shall be published in the official newspaper of the governmental subdivision or if there is no official newspaper, in a newspaper of general circulation in the governmental subdivision. If within 30 days thereafter a petition signed by voters equal in number to five percent of the votes cast in the governmental subdivision in the last general election or 2,000 voters, whichever is less, requesting a referendum on the proposed resolution is filed with the clerk or recorder of the governmental subdivision if the governmental subdivision is a city or town, or with the county auditor if the governmental subdivision is a county, the resolution shall not be effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the referendum. The referendum must be held at a special or general election prior to October 1, 1983.

Sec. 6. Minnesota Statutes 1982, section 275.51, is amended by adding a subdivision to read:

Subd. 3h. [ADJUSTED LEVY LIMIT BASE.] For taxes levied in 1983 and thereafter, the adjusted levy limit base is equal to the levy limit base computed pursuant to subdivision 3f, increased by:

(a) a percentage equal to the percentage growth in the implicit price deflator, or five percent, whichever is greater;

(b) a percentage equal to the greater of the percentage increases in population or in number of households, if any, for the most recent 12-month period for which data is available, using figures derived pursuant to section 275.51, subdivision 6;

(c) one-half of the amount levied as a special levy in the previous year for paying the costs of municipal services provided to new private industrial and nonresidential commercial development pursuant to section 275.50, subdivision 5, clause (m), if the special levy is discontinued; and

(d) the amount of any permanent increase in the levy limit base approved at a general or special election held during the twelve month period ending September 30 of the levy year, pursuant to section 275.58, subdivisions 1 and 2.

Sec. 7. Minnesota Statutes 1982, section 275.51, is amended by adding a subdivision to read:

Subd. 3i. [LEVY LIMITATION.] The levy limitation for a governmental subdivision shall be equal to the adjusted levy limit base determined pursuant to subdivision 3h, reduced by (a) the total amount of local government aid that the governmental subdivision has been certified to receive pursuant to sections 477A.011 to 477A.014; (b) taconite taxes and aids pursuant to sections 298.28 and 298.282; (c) state reimbursements for wetlands and native prairie property tax exemptions pursuant to sections 273.115, subdivision 3 and 273.116, subdivision 3; and (d) payments in lieu of taxes to a county pursuant to section 477A.12 which are required to be used to provide property tax levy reduction certified to be paid in the calendar year in which property taxes are payable.

As provided in section 298.28, subdivision 1, one cent per taxable ton of the amount distributed under section 298.28, subdivision 1, clause (4)(c) shall not be deducted from the levy limit base of the counties that receive that aid. The resulting figure is the amount of property taxes which a governmental subdivision may levy for all purposes other than those for which special levies and special assessments are made.

Sec. 8. Minnesota Statutes 1982, section 275.51, is amended by adding a subdivision to read:

Subd. 6. [POPULATION AND HOUSEHOLD ESTIMATES.] *For the purpose of determining the amount of tax that a governmental subdivision may levy in accordance with limitation established by this chapter, the population or the number of households of the governmental subdivision shall be that established by the last federal census, by a census taken pursuant to section 275.14, or by an estimate made by the metropolitan council, or by the state demographer made pursuant to section 116J.42, subdivision 7, whichever is the most recent as to the stated date of count or estimate, up to and including July 1 of the current levy year.*

Sec. 9. [REPEALER.]

Minnesota Statutes 1982, sections 275.09, subdivision 3; 275.50, subdivision 6; and 275.51, subdivisions 3e and 5, are repealed.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 9 are effective for taxes levied in 1983, payable in 1984 and thereafter.

ARTICLE 4

PROPERTY TAX REFUND

Section 1. Minnesota Statutes 1982, section 290A.03, subdivision 6, is amended to read:

Subd. 6. [HOMESTEAD.] "Homestead" means the dwelling occupied by a claimant as (A PLACE OF) *his principal residence and so much of the land surrounding it, not exceeding ten acres, as is reasonably necessary for use of the dwelling as a home and any other property used for purposes of a homestead as defined in section 273.13, subdivision 7, except (THAT THIS RESTRICTION SHALL NOT BE APPLICABLE TO) for agricultural land assessed as part of a homestead pursuant to section 273.13, subdivision 6, "homestead" is limited to 320 acres.* The homestead may be owned or rented and may be a part of a multi-dwelling or multi-purpose building and the land on which it is built. A manufactured home, as defined in section 168.011, subdivision 8, assessed as personal property may be a dwelling for purposes of this subdivision.

Sec. 2. Minnesota Statutes 1982, section 290A.03, subdivision 8, is amended to read:

Subd. 8. [CLAIMANT.] (a) "Claimant" means a person, other than a dependent, who filed a claim authorized by sections 290A.01 to 290A.20 and who was domiciled in this state during the calendar year for which the claim for relief was filed.

(b) In the case of a claim relating to rent constituting property taxes, the claimant shall have resided in a rented or leased unit on which ad valorem taxes or payments made in lieu of ad valorem taxes, including payments of special assessments imposed in lieu of ad valorem taxes, are payable at some time during the calendar year covered by the claim.

(c) "Claimant" shall not include a resident of a nursing home, intermediate care facility, or long term residential facility whose rent constituting property taxes is paid pursuant to the supplemental security income program under Title XVI of the social security act, the Minnesota supplemental aid program under sections 256D.35 to 256D.41, the medical assistance program pursuant to Title XIX of the social security act, or the general assistance medical care program pursuant to section 256D.03, Subdivision 3. If only a portion of the rent constituting property taxes is paid by these programs, the resident shall be a claimant for purposes of this chapter, but the refund calculated pursuant to section 290A.04 shall be multiplied by a fraction, the numerator of which is income as defined in subdivision 3 reduced by the total amount of income from the above sources other than vendor payments under the medical assistance program or the general assistance medical care program and the denominator of which is income as defined in subdivision 3 plus vendor payments under the medical assistance program or the general assistance medical care program, to determine the allowable refund pursuant to this chapter.

(d) *Notwithstanding paragraph (c), if the claimant was a resident of the nursing home, intermediate care facility or long term residential facility for only a portion of the calendar year covered by the claim, the claimant may compute rent constituting property taxes by disregarding the rent constituting property taxes from the nursing home, intermediate care facility, or long term residential facility and use only that amount of rent constituting property taxes or property taxes payable relating to that portion of the year when the claimant was not in the facility. The claimant's household income is his income for the entire calendar year covered by the claim.*

(e) In the case of a claim for rent constituting property taxes of a part year *Minnesota* resident, the income and rental reflected in this computation shall be for the period of *Minnesota* residency only. Any rental expenses paid which may be reflected in arriving at federal adjusted gross income cannot be utilized for this computation. When two individuals of a household are able to meet the qualifications for a claimant, they may determine among them as to who the claimant shall be. If they are unable to agree, the matter shall be referred to the commissioner of revenue and his decision shall be final. If a homestead property owner was a part year *Minnesota* resident, the income reflected

in the computation made pursuant to section 290A.04 shall be for the entire calendar year, including income not assignable to Minnesota.

(f) If a homestead is occupied by two or more renters, who are not husband and wife, the rent shall be deemed to be paid equally by each, and separate claims shall be filed by each. The income of each shall be his household income for purposes of computing the amount of credit to be allowed.

Sec. 3. Minnesota Statutes 1982, section 290A.03, subdivision 11, is amended to read:

Subd. 11. [RENT CONSTITUTING PROPERTY TAXES.] "Rent constituting property taxes" means (23 PERCENT OF) the amount of gross rent actually paid in cash, or its equivalent, which is attributable (a) to the property tax paid on the unit or (THAT PORTION OF GROSS RENT WHICH IS) (b) to the amount paid in lieu of property taxes, in any calendar year by a claimant solely for the right of occupancy of his Minnesota homestead in the calendar year, and which rent constitutes the basis, in the succeeding calendar year of a claim for relief under sections 290A.01 to 290A.20 by the claimant. The amount of rent attributable to property taxes paid or payments in lieu made on the unit shall be determined by multiplying the net tax on the property where the unit is located by a fraction, the numerator of which is the gross rent paid by the claimant for the calendar year for the unit and the denominator of which is the gross rent paid for the calendar year for the property in which the unit is located. In the case of a claimant who resides in a unit for which a rent subsidy is paid pursuant to section 8 of the United States Housing Act of 1937, as amended, or under another state or federal program providing rent supplements or reduced rent for low and moderate income families, 20 percent of gross rent actually paid in cash or its equivalent shall be the claimant's "rent constituting property taxes paid."

Sec. 4. Minnesota Statutes 1982, section 290A.03, subdivision 13, as amended by Laws 1983, chapter 15, section 28, is amended to read:

Subd. 13. [PROPERTY TAXES PAYABLE.] "Property taxes payable" means the property tax exclusive of special assessments, penalties, and interest payable on a claimant's homestead before reductions made pursuant to section 273.13, subdivisions 6, 7 and 14a, but after deductions made pursuant to sections 124.2137, 273.115, 273.116, 273.135, 273.139, 273.1391, 273.42, subdivision 2, and any other state paid property tax credits in any calendar year. In the case of a claimant who makes ground lease payments, "property taxes payable" includes the amount of the payments directly attributable to the property taxes assessed against the parcel on which the house is located. No appor-

tionment or reduction of the "property taxes payable" shall be required for the use of a portion of the claimant's homestead for a business purpose if the claimant does not deduct any business depreciation expenses for the use of a portion of the homestead in the determination of federal adjusted gross income. For homesteads which are manufactured homes as defined in section 168.011, subdivision 8, "property taxes payable" shall also include (23 PERCENT) *the amount of the gross rent paid in the preceding year for the site on which the homestead is located, (EXCLUSIVE OF CHARGES FOR UTILITIES OR SERVICES) which is attributable to the net tax paid on the site. The amount attributable to property taxes shall be determined by multiplying the net tax on the parcel by a fraction, the numerator of which is the gross rent paid for the calendar year for the site and the denominator of which is the gross rent paid for the calendar year for the parcel.* When a homestead is owned by two or more persons as joint tenants or tenants in common, such tenants shall determine between them which tenant may claim the property taxes payable on the homestead. If they are unable to agree, the matter shall be referred to the commissioner of revenue and his decision shall be final. Property taxes are considered payable in the year prescribed by law for payment of the taxes.

In the case of a claim relating to "property taxes payable", the claimant must have owned and occupied the homestead on January 2 of the year in which the tax is payable and (i) the property must have been classified as homestead property pursuant to section 273.13, subdivisions 6, 7, or 14a on or before June 1 of the year in which the "property taxes payable" were levied; or (ii) the claimant must provide documentation from the local assessor that application for homestead classification has been made prior to (JULY 1) *October 1* of the year in which the "property taxes payable" were payable and that the assessor has approved the application.

Sec. 5. Minnesota Statutes 1982, section 290A.03, is amended by adding a subdivision to read:

Subd. 14. [NET TAX.] "Net tax" means

(a) the property tax, exclusive of special assessments, interest, and penalties, or

(b) the payments made in lieu of ad valorem taxes, including payments of special assessments imposed in lieu of ad valorem taxes,

for the calendar year in which the rent was paid. If a portion of the property is occupied as a homestead or is used for other than rental purposes, the net tax shall be the amount of tax after reductions pursuant to section 273.13, subdivisions 6, 7, and 14a, reduced by the percentage that the nonrental use comprises of

the total square footage of the building. If a portion of the property is used for purposes other than for residential rental and none of the property is occupied as a homestead, the net tax shall be the amount of the tax of the parcel multiplied by a fraction, the numerator of which is the assessed value of the residential rental portion and the denominator of which is the total assessed value of the parcel. If a portion of the property is used for other than rental residential purposes, the county treasurer shall list on the property tax statement the amount of net tax pertaining to the rental residential portion of the property.

The amount of the net tax shall not be reduced by an abatement or a court ordered reduction in the property tax on the property made after the certificate of rent constituting property tax has been provided to the renter.

Sec. 6. Minnesota Statutes 1982, section 290A.04, subdivision 1, is amended to read:

Subdivision 1. A credit shall be allowed each claimant in the amount that property taxes payable or rent constituting property taxes exceed the percentage of the household income of the claimant specified in subdivision 2 in the year for which the taxes were levied or in the year in which the rent was paid. (THE MAXIMUM CREDIT FOR ANY CLAIMANT WHO WAS DISABLED ON OR BEFORE JUNE 1 OR WHO ATTAINED THE AGE OF 65 PRIOR TO JUNE 1 OF THE YEAR FOLLOWING THE YEAR FOR WHICH THE TAXES WERE LEVIED OR IN WHICH THE RENT WAS PAID SHALL BE \$200 ABOVE THE MAXIMUM FOR WHICH THAT CLAIMANT WOULD OTHERWISE BE ELIGIBLE ACCORDING TO HIS INCOME.) *If the amount of property taxes payable or rent constituting property taxes is equal to or less than the percentage of the household income of the claimant specified in subdivision 2 in the year for which the taxes were levied or in the year in which the rent was paid, the claimant shall not be eligible for a state refund pursuant to this section.*

Sec. 7. Minnesota Statutes 1982, section 290A.04, subdivision 2, is amended to read:

Subd. 2. (THE REFUND SHALL BE PAID TO CLAIMANTS WHOSE PROPERTY TAXES PAYABLE EXCEED THE FOLLOWING PERCENTAGES OF THEIR INCOME, UP TO THE DESIGNATED MAXIMUM CREDIT AMOUNTS:)

(FOR CLAIMANTS EARNING:)

(\$0 TO \$2,999, 0.5 PERCENT, UP TO \$650;)

(3,000 TO 3,999, 0.6 PERCENT, UP TO \$650;)

- (4,000 TO 4,999, 0.7 PERCENT, UP TO \$650;)
- (5,000 TO 5,999, 0.8 PERCENT, UP TO \$650;)
- (6,000 TO 6,999, 0.9 PERCENT, UP TO \$650;)
- (7,000 TO 7,999, 1.0 PERCENT, UP TO \$650;)
- (8,000 TO 8,999, 1.1 PERCENT, UP TO \$650;)
- (9,000 TO 9,999, 1.2 PERCENT, UP TO \$650;)
- (10,000 TO 10,999, 1.3 PERCENT, UP TO \$650;)
- (11,000 TO 11,999, 1.4 PERCENT, UP TO \$650;)
- (12,000 TO 19,999, 1.5 PERCENT, UP TO \$650;)
- (20,000 TO 22,999, 1.6 PERCENT, UP TO \$650;)
- (23,000 TO 25,999, 1.8 PERCENT, UP TO \$600;)
- (26,000 TO 30,999, 2.0 PERCENT, UP TO \$550;)
- (31,000 TO 35,999, 2.2 PERCENT, UP TO \$525;)
- (36,000 TO 40,999, 2.4 PERCENT, UP TO \$500;)
- (41,000 TO 44,999, 2.6 PERCENT, UP TO \$500;)
- (45,000 TO 52,999, 2.8 PERCENT, UP TO \$500;)
- (53,000 TO 65,999, 3.0 PERCENT, UP TO \$500;)
- (66,000 TO 81,999, 3.2 PERCENT, UP TO \$500;)
- (82,000 TO 99,999, 3.5 PERCENT, UP TO \$500;)
- (100,000 AND OVER, 4.0 PERCENT, UP TO \$500;)

(PROVIDED THAT MAXIMUM CREDITS FOR INCOMES ABOVE \$20,000 DECLINE ACCORDING TO THE FOLLOWING SCHEDULE:)

(BETWEEN \$20,000 AND \$26,000 DECLINE \$16.67 PER \$1,000; BETWEEN \$26,000 AND \$36,000 DECLINE \$5 PER \$1,000.)

A claimant whose property taxes payable or rent constituting property taxes are in excess of the percentage of the household income stated below shall pay an amount equal to the amount shown for the appropriate household income level and the state refund will be equal to an amount up to the state refund amount shown below.

<i>Household Income</i>	<i>Percent of Income</i>	<i>Claimant Pays</i>	<i>State Refund</i>
<i>Net loss and</i>			
<i>up to \$2,999</i>	<i>0.5 percent</i>	<i>\$13</i>	<i>\$13</i>
<i>3,000 to 3,499</i>	<i>0.6 percent</i>	<i>\$15</i>	<i>\$15</i>
<i>3,500 to 3,999</i>	<i>0.6 percent</i>	<i>\$18</i>	<i>\$18</i>
<i>4,000 to 4,499</i>	<i>0.7 percent</i>	<i>\$20</i>	<i>\$20</i>
<i>4,500 to 4,999</i>	<i>0.7 percent</i>	<i>\$23</i>	<i>\$23</i>
<i>5,000 to 5,999</i>	<i>0.8 percent</i>	<i>\$40</i>	<i>\$40</i>
<i>6,000 to 6,999</i>	<i>0.9 percent</i>	<i>\$54</i>	<i>\$54</i>
<i>7,000 to 7,999</i>	<i>1.0 percent</i>	<i>\$70</i>	<i>\$70</i>
<i>8,000 to 8,999</i>	<i>1.1 percent</i>	<i>\$88</i>	<i>\$88</i>
<i>9,000 to 9,999</i>	<i>1.2 percent</i>	<i>\$108</i>	<i>\$108</i>
<i>10,000 to 10,999</i>	<i>1.3 percent</i>	<i>\$130</i>	<i>\$130</i>
<i>11,000 to 11,999</i>	<i>1.4 percent</i>	<i>\$154</i>	<i>\$154</i>
<i>12,000 to 12,999</i>	<i>1.5 percent</i>	<i>\$180</i>	<i>\$180</i>
<i>13,000 to 13,999</i>	<i>1.5 percent</i>	<i>\$195</i>	<i>\$195</i>
<i>14,000 to 14,999</i>	<i>1.5 percent</i>	<i>\$210</i>	<i>\$210</i>
<i>15,000 to 15,999</i>	<i>1.5 percent</i>	<i>\$225</i>	<i>\$225</i>
<i>16,000 to 16,999</i>	<i>1.5 percent</i>	<i>\$240</i>	<i>\$240</i>
<i>17,000 to 17,999</i>	<i>1.5 percent</i>	<i>\$255</i>	<i>\$255</i>
<i>18,000 to 18,999</i>	<i>1.5 percent</i>	<i>\$270</i>	<i>\$270</i>
<i>19,000 to 19,999</i>	<i>1.5 percent</i>	<i>\$285</i>	<i>\$285</i>

20,000 to 20,999	1.6 percent	\$320	\$320
21,000 to 21,999	1.6 percent	\$336	\$336
22,000 to 22,999	1.6 percent	\$352	\$352
23,000 to 23,999	1.8 percent	\$414	\$414
24,000 to 24,999	1.8 percent	\$432	\$432
25,000 to 25,999	1.8 percent	\$450	\$450
26,000 to 26,999	2.0 percent	\$520	\$520
27,000 to 27,999	2.0 percent	\$540	\$540
28,000 to 28,999	2.0 percent	\$560	\$560
29,000 to 29,999	2.0 percent	\$580	\$580
30,000 to 30,999	2.0 percent	\$600	\$600
31,000 to 31,999	2.2 percent	\$620	\$620
32,000 to 32,999	2.2 percent	\$640	\$640
33,000 to 33,999	2.2 percent	\$726	\$700
34,000 to 34,999	2.2 percent	\$748	\$600
35,000 to 35,999	2.2 percent	\$770	\$500
36,000 to 36,999	2.4 percent	\$792	\$400
37,000 to 37,999	2.4 percent	\$814	\$300
38,000 to 38,999	2.4 percent	\$912	\$200
39,000 to 39,999	2.4 percent	\$936	\$100

The payment made to a claimant shall be the amount of *the state* refund calculated pursuant to this subdivision, (BUT NOT EXCEEDING \$850,) less the homestead credit given pursuant to section 273.13, subdivisions 6, 7 and 14a.

Sec. 8. Minnesota Statutes 1982, section 290A.04, subdivision 2a, is amended to read:

Subd. 2a. (AN ADDITIONAL REFUND SHALL BE ALLOWED EACH CLAIMANT WHO WAS NOT DISABLED OR WHO HAD NOT ATTAINED THE AGE OF 65 BY JUNE 1 OF THE YEAR IN WHICH THE TAXES WERE PAYABLE IN AN AMOUNT EQUAL TO 50 PERCENT OF THE AMOUNT BY WHICH PROPERTY TAXES PAYABLE OR RENT CONSTITUTING PROPERTY TAXES EXCEED THE SUM OF (A) THE REFUND CALCULATED PURSUANT TO SUBDIVISION 2 AND (B) THE PERCENTAGE OF THE CLAIMANT'S HOUSEHOLD INCOME SPECIFIED IN SUBDIVISION 2. THE SUM OF THE REFUNDS PROVIDED IN SUBDIVISION 2 AND THIS SUBDIVISION SHALL NOT EXCEED THE MAXIMUM AMOUNTS PROVIDED BELOW.)

(FOR CLAIMANTS EARNING:)

(\$0 TO \$25,999, UP TO \$1,000;)

(26,000 TO 35,999, UP TO \$850;)

(36,000 AND OVER, UP TO \$550;)

(PROVIDED THAT MAXIMUM REFUNDS FOR INCOMES ABOVE \$20,000 DECLINE ACCORDING TO THE FOLLOWING SCHEDULE:)

(BETWEEN \$20,000 AND \$26,000 DECLINE \$25 PER \$1,000; BETWEEN \$26,000 AND \$36,000 DECLINE \$30 PER \$1,000. A CLAIMANT WHO OWNS HIS OWN HOMESTEAD PART OF THE YEAR AND RENTS PART OF THE YEAR MAY ADD HIS RENT CONSTITUTING PROPERTY TAXES TO THE QUALIFYING TAX ON HIS HOMESTEAD AND RECEIVE THE ADDITIONAL REFUND PROVIDED IN SUBDIVISION 2A.)

A claimant whose property taxes payable or rent constituting property taxes are in excess of the sum of the amounts in subdivision 2 paid by the claimant and the state for the specified household income level shall be allowed an additional refund. The amount of the additional refund shall be equal to the remaining amount of the claimant's property taxes payable or rent constituting property taxes less the percentage to be paid by the claimant pursuant to the table below up to the specified maximum state refund. The refund shall be reduced by the homestead credit given pursuant to section 273.13, subdivisions 6, 7, and 14a. The sum of the state refunds provided in subdivision 2 and this subdivision shall not exceed a total of \$1,125.

<i>Household Income</i>	<i>Percent Paid by Claimant</i>	<i>Maximum State Refund</i>
<i>Net loss and up to \$2,999</i>	<i>5 percent</i>	<i>\$1,125</i>
<i>3,000 to 3,499</i>	<i>6 percent</i>	<i>\$1,125</i>
<i>3,500 to 3,999</i>	<i>7 percent</i>	<i>\$1,125</i>
<i>4,000 to 4,499</i>	<i>8 percent</i>	<i>\$1,125</i>
<i>4,500 to 4,999</i>	<i>9 percent</i>	<i>\$1,125</i>
<i>5,000 to 5,999</i>	<i>10 percent</i>	<i>\$1,125</i>
<i>6,000 to 6,999</i>	<i>11 percent</i>	<i>\$1,125</i>
<i>7,000 to 7,999</i>	<i>12 percent</i>	<i>\$1,125</i>
<i>8,000 to 8,999</i>	<i>13 percent</i>	<i>\$1,125</i>
<i>9,000 to 9,999</i>	<i>14 percent</i>	<i>\$1,125</i>
<i>10,000 to 10,999</i>	<i>15 percent</i>	<i>\$1,125</i>
<i>11,000 to 11,999</i>	<i>16 percent</i>	<i>\$1,125</i>
<i>12,000 to 12,999</i>	<i>17 percent</i>	<i>\$1,125</i>
<i>13,000 to 13,999</i>	<i>18 percent</i>	<i>\$1,125</i>
<i>14,000 to 14,999</i>	<i>19 percent</i>	<i>\$1,125</i>
<i>15,000 to 15,999</i>	<i>20 percent</i>	<i>\$1,125</i>
<i>16,000 to 16,999</i>	<i>21 percent</i>	<i>\$1,125</i>
<i>17,000 to 17,999</i>	<i>22 percent</i>	<i>\$1,125</i>
<i>18,000 to 18,999</i>	<i>23 percent</i>	<i>\$1,125</i>
<i>19,000 to 19,999</i>	<i>24 percent</i>	<i>\$1,125</i>
<i>20,000 to 20,999</i>	<i>25 percent</i>	<i>\$1,125</i>
<i>21,000 to 21,999</i>	<i>27 percent</i>	<i>\$1,125</i>
<i>22,000 to 22,999</i>	<i>29 percent</i>	<i>\$1,125</i>

23,000 to 23,999	31 percent	\$1,125
24,000 to 24,999	33 percent	\$1,105
25,000 to 25,999	35 percent	\$1,080
26,000 to 26,999	38 percent	\$1,050
27,000 to 27,999	41 percent	\$1,020
28,000 to 28,999	44 percent	\$990
29,000 to 29,999	47 percent	\$960
30,000 to 30,999	50 percent	\$930
31,000 to 31,999	50 percent	\$900
32,000 to 32,999	50 percent	\$800
33,000 to 33,999	50 percent	\$700
34,000 to 34,999	50 percent	\$600
35,000 to 35,999	50 percent	\$500
36,000 to 36,999	50 percent	\$400
37,000 to 37,999	50 percent	\$300
38,000 to 38,999	50 percent	\$200
39,000 to 39,999	50 percent	\$100
40,000 and over		—0—

No credit or payment will be allowed pursuant to subdivision 2 or 2a if the claimant's household income is \$40,000 or more. This subdivision shall not apply to a claimant who is disabled or has attained the age of 65 by June 1 of the year in which the taxes are payable.

Sec. 9. Minnesota Statutes 1982, section 290A.04, subdivision 2b, is amended to read:

Subd. 2b. An additional refund shall be allowed each claimant who is disabled or has attained the age of 65 by June 1 of the year in which the taxes were payable (IN AN AMOUNT EQUAL TO

50 PERCENT OF THE AMOUNT BY WHICH PROPERTY TAXES PAYABLE OR RENT CONSTITUTING PROPERTY TAXES EXCEED THE SUM OF (A) THE REFUND CALCULATED PURSUANT TO SUBDIVISION 2 AND (B) THE PERCENTAGE OF THE CLAIMANT'S HOUSEHOLD INCOME SPECIFIED IN SUBDIVISION 2. THE SUM OF THE REFUNDS PROVIDED IN SUBDIVISION 2 AND THIS SUBDIVISION SHALL NOT EXCEED THE MAXIMUM AMOUNTS PROVIDED BELOW.)

(FOR CLAIMANTS EARNING:)

(\$0 TO 22,999, UP TO \$1,000;)

(23,000 TO 25,999, UP TO \$975;)

(26,000 TO 35,999, UP TO \$950;)

(36,000 AND OVER, UP TO \$750;)

(PROVIDED THAT MAXIMUM REFUNDS FOR INCOMES ABOVE \$20,000 DECLINE ACCORDING TO THE FOLLOWING SCHEDULE:)

(BETWEEN \$20,000 AND \$26,000 DECLINE \$8.33 PER \$1,000; BETWEEN \$26,000 AND \$36,000 DECLINE \$20 PER \$1,000.)

(IN THE CASE OF A CLAIMANT WHO WAS DISABLED ON OR BEFORE JUNE 1 OR WHO ATTAINED THE AGE OF 65 ON THE DATE SPECIFIED IN SUBDIVISION 1, THE REFUND SHALL NOT BE LESS THAN THE REFUND WHICH THE CLAIMANT'S HOUSEHOLD INCOME AS DEFINED IN SECTION 290A.03 AND PROPERTY TAX OR RENT CONSTITUTING PROPERTY TAX WOULD HAVE ENTITLED HIM TO RECEIVE UNDER MINNESOTA STATUTES 1974, SECTION 290.0618.), *if the claimant's property taxes payable or rent constituting property taxes exceed the total amount in subdivision 2 to be paid by the claimant and by the state for the claimant's household income. The amount of the additional refund shall be equal to the remaining amount of the claimant's property taxes payable or rent constituting property taxes less the percentage to be paid by the claimant pursuant to the table below up to the specified maximum state refund. The refund shall be reduced by the homestead credit given pursuant to section 273.13, subdivisions 6, 7, and 14a. The sum of the state refunds provided in subdivision 2 and this subdivision shall not exceed a total of \$1,125.*

<i>Household Income</i>	<i>Percent Paid by Claimant</i>	<i>Maximum State Refund</i>
<i>Net loss and up to \$2,999</i>	<i>5 percent</i>	<i>\$1,125</i>
<i>3,000 to 3,499</i>	<i>5 percent</i>	<i>\$1,125</i>
<i>3,500 to 3,999</i>	<i>5 percent</i>	<i>\$1,125</i>
<i>4,000 to 4,499</i>	<i>5 percent</i>	<i>\$1,125</i>
<i>4,500 to 4,999</i>	<i>5 percent</i>	<i>\$1,125</i>
<i>5,000 to 5,999</i>	<i>5 percent</i>	<i>\$1,125</i>
<i>6,000 to 6,999</i>	<i>5 percent</i>	<i>\$1,125</i>
<i>7,000 to 7,999</i>	<i>5 percent</i>	<i>\$1,125</i>
<i>8,000 to 8,999</i>	<i>5 percent</i>	<i>\$1,125</i>
<i>9,000 to 9,999</i>	<i>5 percent</i>	<i>\$1,125</i>
<i>10,000 to 10,999</i>	<i>6 percent</i>	<i>\$1,125</i>
<i>11,000 to 11,999</i>	<i>7 percent</i>	<i>\$1,125</i>
<i>12,000 to 12,999</i>	<i>8 percent</i>	<i>\$1,125</i>
<i>13,000 to 13,999</i>	<i>9 percent</i>	<i>\$1,125</i>
<i>14,000 to 14,999</i>	<i>10 percent</i>	<i>\$1,125</i>
<i>15,000 to 15,999</i>	<i>10 percent</i>	<i>\$1,125</i>
<i>16,000 to 16,999</i>	<i>11 percent</i>	<i>\$1,125</i>
<i>17,000 to 17,999</i>	<i>11 percent</i>	<i>\$1,125</i>
<i>18,000 to 18,999</i>	<i>12 percent</i>	<i>\$1,125</i>
<i>19,000 to 19,999</i>	<i>12 percent</i>	<i>\$1,125</i>
<i>20,000 to 20,999</i>	<i>13 percent</i>	<i>\$1,125</i>
<i>21,000 to 21,999</i>	<i>15 percent</i>	<i>\$1,125</i>

22,000 to 22,999	18 percent	\$1,125
23,000 to 23,999	21 percent	\$1,125
24,000 to 24,999	24 percent	\$1,105
25,000 to 25,999	27 percent	\$1,080
26,000 to 26,999	30 percent	\$1,050
27,000 to 27,999	35 percent	\$1,020
28,000 to 28,999	40 percent	\$990
29,000 to 29,999	45 percent	\$960
30,000 to 30,999	50 percent	\$930
31,000 to 31,999	50 percent	\$900
32,000 to 32,999	50 percent	\$800
33,000 to 33,999	50 percent	\$700
34,000 to 34,999	50 percent	\$600
35,000 to 35,999	50 percent	\$500
36,000 to 36,999	50 percent	\$400
37,000 to 37,999	50 percent	\$300
38,000 to 38,999	50 percent	\$200
39,000 to 39,999	50 percent	\$100
40,000 and over		—0—

No credit or payment will be allowed pursuant to subdivision 2 or 2b if the claimant's household income is \$40,000 or more.

Sec. 10. Minnesota Statutes 1982, section 290A.04, is amended by adding a subdivision to read:

Subd. 2e. If the net property taxes payable on a homestead increase more than 20 percent over the net property taxes payable in the previous year on the same property, a claimant who is a homeowner shall be allowed an additional refund equal to 50 percent of the amount by which the increase exceeds 20 per-

cent. This subdivision shall not apply to any increase in the net property taxes payable attributable to improvements made to the homestead. The refund shall not exceed \$200. The maximum refund shall be reduced by \$20 for each \$1,000 of the claimant's household income in excess of \$30,000. No refund shall be allowed if the claimant's household income exceeds \$40,000.

For purposes of this subdivision, "net property taxes payable" means property taxes payable after reductions made pursuant to sections 124.2137; 273.13, subdivisions 6, 7, and 14a; 273.115, subdivision 1; 273.116, subdivision 1; 273.135; 273.1391; and 273.42, subdivision 2, and any other state paid property tax credits and after the deduction of tax refund amounts for which the claimant qualifies pursuant to subdivisions 2, 2a and 2b.

In addition to the other proofs required by this chapter, each claimant under this subdivision shall file with the property tax refund return a copy of the property tax statement for taxes payable in the preceding year or other documents required by the commissioner.

On or before December 1, 1983, the commissioner shall estimate the cost of making the payments provided by this section. Notwithstanding the open appropriation provision of section 290A.23, if the estimated total refund claims exceed \$11,000,000, the commissioner shall adjust accordingly the percentage increase in net property taxes payable over the previous year which is required to qualify for the credit provided in this subdivision.

This subdivision is repealed effective for property taxes levied in 1984, payable in 1985.

Sec. 11. Minnesota Statutes 1982, section 290A.04, is amended by adding a subdivision to read:

Subd. 2f. If the net property taxes payable in 1984 on a homestead increases more than ten percent over the net property taxes payable in 1983 on the same property, and if the effective tax rate of property tax paid in 1983 on that homestead as compared to the January 2, 1982, estimated market value exceeds 2.25 percent, an additional credit shall be paid by the commissioner to the claimant. The additional credit shall be equal to 50 percent of the amount by which the increase exceeds ten percent but in no case shall the additional credit exceed \$200. This subdivision shall not apply to any increase in the net property taxes payable attributable to improvements made to the homestead.

For purposes of this subdivision, "effective tax rate" means the net property tax paid by the claimant in 1983, divided by the assessor's 1982 estimated market value times 100.

For purposes of this subdivision, "net property taxes" means the gross tax less the homestead credit and any other state paid credit and after the deduction of tax refund amounts for which the claimant qualifies.

The city assessor, or the county assessor if the property is located in a taxing district which does not have a city assessor, shall notify all affected property owners of the availability of this credit and furnish the forms which the commissioner shall prescribe.

The additional refunds shall be paid at the same time as the commissioner pays other property tax refund claims.

Sec. 12. Minnesota Statutes 1982, section 290A.04, subdivision 3, is amended to read:

Subd. 3. The commissioner of revenue shall construct and make available to taxpayers a comprehensive table showing the property taxes to be paid and credit allowed at various levels of income and assessment. The table shall follow the schedule of income percentages, maximums and other provisions specified in subdivisions 2, 2a, and 2b, except that the commissioner may graduate the transition between income brackets.

(FOR HOMESTEAD PROPERTY OWNERS WHO ARE DISABLED OR ARE 65 OR OLDER, AS PROVIDED IN SUBDIVISION 1, THE COMMISSIONER SHALL BASE HIS DETERMINATION OF THE CREDIT ON THE GROSS QUALIFYING TAX REDUCED BY THE AVERAGE STATEWIDE EFFECTIVE HOMESTEAD CREDIT PERCENTAGE FOR TAXES PAYABLE IN 1975 CALCULATED UNDER SECTION 273.13, SUBDIVISIONS 6 AND 7.)

Sec. 13. Minnesota Statutes 1982, section 290A.07, subdivision 3, is amended to read:

Subd. 3. Any claimant not included in subdivision 2a shall receive full payment after (SEPTEMBER 30) *August 31* and prior to (OCTOBER) *September 15*. Interest shall be added at six percent per annum from (OCTOBER) *September 15* or 60 days after receipt of the application if the application is filed after August 31. Interest will be computed until the date the claim is paid.

Sec. 14. Minnesota Statutes 1982, section 290A.18, is amended to read:

290A.18 [RIGHT TO FILE CLAIM.]

If a person entitled to relief under sections 290A.01 to 290A.23 dies prior to receiving relief, the surviving spouse (,) or depen-

dent (OR PERSONAL REPRESENTATIVE) of the person shall be entitled to file the claim and receive relief. *If there is no surviving spouse or dependent, the right to the credit shall lapse.*

Sec. 15. Minnesota Statutes 1982, section 290A.19, is amended to read:

290A.19 [OWNER OR MANAGING AGENT TO FURNISH RENT CERTIFICATE; PENALTY.]

(a) The owner or managing agent of any property for which rent is paid for occupancy as a homestead shall furnish a certificate of rent (PAID) *constituting property tax* to each person who is a renter on December 31, in the form prescribed by the commissioner. If the renter moves prior to December 31, the owner or managing agent shall at his option either provide the certificate to the renter at the time he moves, or mail the certificate to the forwarding address if an address has been provided by the renter. The certificate shall be made available to the renter not later than January 31 of the year following the year in which the rent was paid. Any owner or managing agent who willfully fails to furnish a certificate as provided herein shall be liable to the commissioner for a penalty of \$20 for each act or failure to act. The penalty shall be assessed and collected in the manner provided in chapter 290 for the assessment and collection of income tax.

(b) *If the owner or managing agent elects to provide the renter with the certificate at the time he moves, rather than after December 31, the amount of rent constituting property taxes shall be computed as follows:*

(i) *The net tax shall be reduced by 1/12th for each month remaining in the calendar year.*

(ii) *In calculating the denominator of the fraction pursuant to section 290A.03, subdivision 11, the gross rent paid through the last month of claimant's occupancy shall be substituted for "the gross rent paid for the calendar year for the property in which the unit is located."*

(c) *The certificate of rent constituting property taxes shall include the address of the property, including the county, and the property tax parcel identification number and any additional information which the commissioner determines is appropriate.*

(d) *If the owner or managing agent fails to provide the renter with a certificate of rent constituting property taxes, the commissioner shall allocate the net tax on the building to the unit on a square footage basis or other appropriate basis as the*

commissioner determines. The renter shall supply the commissioner with a statement from the county treasurer which gives the amount of property tax on the parcel, the address and property tax parcel identification number of the property, and the number of units in the building.

Sec. 16. [EFFECTIVE DATE.]

This article is effective for claims based on rent paid during calendar year 1983 and thereafter and property taxes payable in 1984 and thereafter, except that the date change in section 4 shall be effective beginning for claims based on rent paid during calendar year 1982.

ARTICLE 5

LOCAL GOVERNMENT AIDS

Section 1. Minnesota Statutes 1982, section 116J.42, subdivision 7, is amended to read:

Subd. 7. The commissioner:

(1) Shall continuously gather and develop demographic data within the state;

(2) Shall design and test methods of research and data collection;

(3) Shall have the power to call upon any agency of the state or political subdivision for data as may be available, and the agencies and political subdivisions shall cooperate to the fullest extent possible;

(4) Shall periodically prepare population projections for designated regions and for the state and may periodically prepare projections for each county, or other political or geographic division;

(5) Shall review, comment, and prepare analysis of population estimates and projections made by state agencies, political subdivisions, other states, federal agencies or nongovernmental persons, institutions or commissions;

(6) Shall serve as the state liaison with the federal bureau of census, shall coordinate his activities with federal demographic activities to the fullest extent possible, and shall aid the legislature in preparing a census data plan and form for each decennial census;

(7) Shall compile an annual study of population estimates on the basis of county, regional or other political or geographic divisions as necessary to carry out the purposes of this subdivision and section 116J.43;

(8) Shall, on or before January 1 of each year, issue a report to the legislature containing an analysis of the demographic implications of the annual population study and population projections;

(9) Shall cause to be prepared maps of all counties in the state, all municipalities with a population of 10,000 or more, and any other municipalities as deemed necessary for census purposes, according to scale and detail recommended by the federal bureau of the census, with the maps of cities showing boundaries of precincts; and

(10) Shall annually prepare (A POPULATION) *an estimate of population and of the number of households* for each governmental subdivision for which the metropolitan council does not prepare an annual (POPULATION) estimate, and shall communicate the (ESTIMATE) *estimates* to the governing body of each governmental subdivision by May 1 of each year.

Sec. 2. Minnesota Statutes 1982, section 273.138, subdivision 2, is amended to read:

Subd. 2. (a) *As provided in paragraphs (b) and (c), each county government, (CITY AND TOWNSHIP) shall receive reimbursement in (1978) 1984 and subsequent years in an amount (EQUAL TO) based on the product of its total mill rate for taxes payable in (THE CALENDAR YEAR PRIOR TO THE CALENDAR YEAR IN WHICH THE AID IS TO BE PAID) 1983, times the total 1972 assessed value of real property exempted from taxation by section 272.02, subdivision 1 which was located within the territory of (SUCH GOVERNMENTAL UNIT) the county, times 1.25. For the purpose of this subdivision, the "total mill rate" of a county government (, CITY OR TOWNSHIP) includes mill rates for taxes levied by (SUCH GOVERNMENTAL UNIT) the county which were not levied on the entire taxable value of (SUCH GOVERNMENTAL UNIT) the county.*

(b) *If the county contains a city of the first class, aid shall be paid in an amount equal to 50 percent of the amount computed pursuant to paragraph (a) in 1984, and no aid will be paid in 1985 and subsequent years.*

(c) *If the county does not contain a city of the first class, and if the product computed pursuant to paragraph (a) is \$50,000 or more for a county, aid shall be paid to that county*

in an amount equal to 90 percent of the amount computed pursuant to paragraph (a). If the product is less than \$50,000, no aid will be paid.

Sec. 3. Minnesota Statutes 1982, section 273.138, subdivision 3, is amended to read:

Subd. 3. (a) *As provided in paragraph (b), each school district shall receive reimbursement in (1974) 1984 and subsequent years in an amount (EQUAL TO) based on the product of its 1972 assessed value of real property exempted from taxation by Laws 1973, Chapter 650, Article XXIV, Section 1, times the sum of its 1972 payable 1973 mill rates for the following levies:*

(1) A levy to pay the principal and interest on bonded indebtedness, including the levy to pay the principal and interest on bonds issued pursuant to Minnesota Statutes 1971, Section 275.125, Subdivision 3, Clause (6) (c);

(2) A levy to pay the principal and interest on debt service loans, pursuant to Minnesota Statutes 1971, Section 124.42;

(3) A levy to pay the principal and interest on capital loans, pursuant to Minnesota Statutes 1971, Section 124.43;

(4) A levy to pay amounts required in support of a teacher retirement fund, pursuant to Minnesota Statutes 1971, Section 422.13;

(5) A levy for additional maintenance cost in excess of 30 mills times the adjusted assessed valuation of the school district, pursuant to Minnesota Statutes 1971, Section 275.125, Subdivision 3, Clause (4).

For the purpose of this subdivision, a school district mill rate for any of the forementioned levies which was not applied to the total taxable value of such school district shall be added to the forementioned sum of mill rates as if it had been applied to the entire taxable value of the school district.

(b) *If the product computed pursuant to paragraph (a) is more than or equal to an amount equal to \$10 per pupil unit of the district, aid shall be paid to that school district in an amount equal to 90 percent of the amount computed pursuant to paragraph (a). If the product is an amount less than \$10 per pupil unit, no aid will be paid.*

Sec. 4. Minnesota Statutes 1982, section 273.138, subdivision 6, is amended to read:

Subd. 6. (IF A COUNTY GOVERNMENT, CITY OR TOWNSHIP IS SUBJECT TO THE PROVISIONS OF SECTIONS 275.50 TO 275.56, THE AMOUNT OF AID CALCULATED FOR SUCH TAXING DISTRICT PURSUANT TO SUBDIVISION 2 FOR 1976 SHALL BE DEDUCTED FROM THE TAXING DISTRICT'S LEVY YEAR 1975, TAXES PAYABLE 1976 LEVY LIMIT BASE DETERMINED PURSUANT TO SECTION 275.51, SUBDIVISION 3b AND THE AMOUNT OF AID CALCULATED FOR SUCH TAXING DISTRICT PURSUANT TO SUBDIVISION 2 FOR 1977 SHALL BE DEDUCTED FROM THE TAXING DISTRICT'S LEVY YEAR 1976, TAXES PAYABLE 1977 LEVY LIMIT BASE DETERMINED PURSUANT TO SECTION 275.51, SUBDIVISION 3c FOR THE PURPOSE OF CALCULATING THE TAXING DISTRICT'S LEVY LIMITATION FOR TAXES PAYABLE IN 1976 OR 1977 AS THE CASE MAY BE.) The amount of aid calculated for a school district pursuant to subdivision 3, clauses (2), (3), (4), (5) and (6) (FOR 1975 OR A SUBSEQUENT YEAR) shall be deducted from the school district's maintenance levy limitation established pursuant to section 275.125, subdivision 2a, in determining the amount of taxes the school district may levy for general and special purposes (FOR TAXES PAYABLE IN 1975 OR A SUBSEQUENT YEAR).

Sec. 5. Minnesota Statutes 1982, section 477A.011, is amended by adding a subdivision to read:

Subd. 3a. [NUMBER OF HOUSEHOLDS.] Number of households means the number of households established by the most recent federal census, by a special census conducted under contract with the United States bureau of the census, by an estimate made by the metropolitan council, or by an estimate of the state demographer made pursuant to section 116J.42, subdivision 7, whichever is the most recent as to the stated date of the count or estimate.

Sec. 6. Minnesota Statutes 1982, section 477A.011, subdivision 6, is amended to read:

Subd. 6. [(CONSUMER PRICE INDEX) IMPLICIT PRICE DEFLATOR INCREASE.] For any calendar year aid distribution, the (CONSUMER PRICE INDEX) *implicit price deflator* increase means the percentage increase in the (REVISED CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS FOR THE MINNEAPOLIS-ST. PAUL METROPOLITAN AREA) *implicit price deflator for government purchases of goods and services for state and local government* prepared by the bureau of economic analysis of the United States department of (LABOR) *commerce* for the 12 month period ending in June of the previous year.

Sec. 7. Minnesota Statutes 1982, section 477A.011, subdivision 7, is amended to read:

Subd. 7. [LOCAL REVENUE BASE.] For the (1982) 1984 aid distribution, a municipality's local revenue base means (ITS LOCAL REVENUE BASE FOR) *the sum of:*

(a) (1) *in the case of a municipality which had a local revenue base for the 1981 aid distribution, the 1981 aid distribution base calculated pursuant to Minnesota Statutes 1980, Section 477A.01, less any amount added to the local revenue base for the costs of principal and interest on bonded debt incurred for the purpose of providing capital replacement for streets, curbs, gutters, storm sewers, and bridges, (INCREASED IN THE MANNER PRESCRIBED BY CLAUSES (A) AND (B).) multiplied by a factor of 1.208, and multiplied by a factor equal to the estimated 1981 population divided by the 1980 census population, provided that the latter factor is greater than 1.0; or*

(FOR ALL SUBSEQUENT CALENDAR YEAR AID DISTRIBUTIONS, A MUNICIPALITY'S LOCAL REVENUE BASE MEANS ITS LOCAL REVENUE BASE FOR THE PREVIOUS YEAR AID DISTRIBUTION CALCULATED PURSUANT TO SECTIONS 477A.011 TO 477A.014 INCREASED BY:)

((A) A PERCENTAGE EQUAL TO THE CONSUMER PRICE INDEX INCREASE; AND)

((B) A PERCENTAGE EQUAL TO THE PERCENTAGE INCREASE IN POPULATION OVER THAT USED TO COMPUTE THE PREVIOUS YEAR AID DISTRIBUTION, IF ANY.)

(THE LOCAL REVENUE BASE FOR A STATUTORY OR HOME RULE CHARTER CITY OR A TOWN HAVING THE POWERS OF A STATUTORY CITY PURSUANT TO SECTION 368.01 OR SPECIAL LAW WHICH HAS A POPULATION OF 2,500 OR MORE ACCORDING TO THE MOST RECENT FEDERAL CENSUS AND)

(2) *in the case of a municipality which (DOES) did not have a local revenue base for the (PREVIOUS YEAR) 1981 aid distribution (SHALL BE ESTABLISHED BY ADDING), the (PRIOR YEAR'S) local government aid distribution (RECEIVED) certified for 1983 pursuant to (MINNESOTA STATUTES 1980, SECTION 477A.01 OR) sections 477A.011 to 477A.014, (AND) plus the property tax levy, exclusive of levies for bonded indebtedness (, IN THE PRECEDING YEAR AND MULTIPLYING THAT SUM BY A PERCENTAGE EQUAL TO THE CONSUMER PRICE INDEX INCREASE.) for taxes payable in 1983;*

(b) *the total amount certified in calendar year 1983 pursuant to Minnesota Statutes 1982, section 273.138; and*

(c) the total amount certified in calendar year 1983 pursuant to Minnesota Statutes 1982, section 273.139, including any amount received by a district as defined by section 273.73, subdivision 9, or which qualifies for exemption pursuant to 273.78, which lies totally within the municipality, and including any amount which would have been received in 1983 pursuant to section 273.139 by a district as defined by section 273.73, subdivision 9, lying totally within the municipality, for a project approved by the Minnesota housing finance agency or the United States department of housing and urban development prior to March 1, 1983, had the project been completed and subject to taxation based upon full market value for taxes payable in 1983.

Any municipality whose payable 1983 levy exceeded its payable 1979 levy by a factor of ten, primarily because of a loss in state administered aids, may apply to the commissioner of revenue to have its local revenue base computed as if it did not have a local revenue base for the 1981 distribution. Applications shall be in the form and accompanied by the data required by the commissioner.

For 1985 and all subsequent calendar year aid distributions the local revenue base means the adjusted local revenue base used in the previous year aid distribution.

Sec. 8. Minnesota Statutes 1982, section 477A.011, is amended by adding a subdivision to read:

Subd. 7a. [ADJUSTED LOCAL REVENUE BASE.] Adjusted local revenue base means the local revenue base increased by:

(a) a percentage equal to the implicit price deflator increase; and

(b) a percentage equal to the percentage increase in population over that used to compute the previous year aid distribution, if any, or a percentage equal to the percentage increase in number of households over that used to compute the previous year aid distribution, if any, whichever is higher.

For the purposes of the 1984 aid distribution, the 1981 estimates of population and number of households shall be considered as the estimates used in the previous year aid distribution.

For the 1984 and 1985 aid distributions, the adjusted local revenue base of a city that issued general obligation bonds in 1982 to pay for the construction or reconstruction of water wells which replaced a municipal water supply found to be an environmental health hazard by the state department of health shall be

increased by one fourth of the amount of the bonds issued. This increase shall be disregarded in computing the local revenue base for the succeeding year aid distribution.

Sec. 9. Minnesota Statutes 1982, section 477A.011, subdivision 10, is amended to read:

Subd. 10. [MAXIMUM (INCREASE) AID AMOUNT.] For (ANY CALENDAR YEAR) *the 1984 aid distribution*, a municipality's maximum (INCREASE) *aid amount* shall (MEAN THE FOLLOWING PERCENTAGE OF ITS PREVIOUS YEAR AID:)

((A) 12 PERCENT IF ITS PREVIOUS YEAR AID IS GREATER THAN \$100 PER CAPITA;)

((B) 15 PERCENT IF ITS PREVIOUS YEAR AID IS GREATER THAN \$75 PER CAPITA BUT NOT GREATER THAN \$100 PER CAPITA;)

((C) 17 PERCENT IF ITS PREVIOUS YEAR AID IS GREATER THAN \$50 PER CAPITA BUT NOT GREATER THAN \$75 PER CAPITA;)

((D) 20 PERCENT IF ITS PREVIOUS YEAR AID IS NOT GREATER THAN \$50 PER CAPITA) *be 106 percent of the amount it was certified to receive in 1983 pursuant to sections 477A.011 to 477A.03, plus any amounts certified in 1983 pursuant to Minnesota Statutes 1982, sections 273.138 and 273.139, including any amount certified by a district as defined by section 273.73, subdivision 9, or which qualifies for exemption pursuant to section 273.78, which lies totally within the municipality, and including any amount which would have been received in 1983 pursuant to section 273.139 by a district as defined by section 273.73, subdivision 9, lying totally within the municipality, for a project approved by the Minnesota housing finance agency or the United States department of housing and urban development prior to March 1, 1983, had the project been completed and subject to taxation based upon full market value for taxes payable in 1983.*

For any subsequent calendar year aid distribution, a municipality's maximum aid amount shall be 106 percent of the amount received in the previous year pursuant to sections 477A.011 to 477A.03.

Sec. 10. Minnesota Statutes 1982, section 477A.012, is amended to read:

477A.012 [COUNTY GOVERNMENT DISTRIBUTIONS.]

In each calendar year, every county government (EXCEPT THAT OF A COUNTY CONTAINING A CITY OF THE FIRST CLASS) shall receive a distribution equal to (ITS PREVIOUS YEAR AID) 60 percent of the aid amount certified for 1983 pursuant to sections 477A.011 to 477A.03.

Sec. 11. Minnesota Statutes 1982, section 477A.013, is amended to read:

477A.013 [MUNICIPAL GOVERNMENT DISTRIBUTIONS.]

Subdivision 1. [(MUNICIPALITIES UNDER 2,500 POPULATION) TOWNS.] In each calendar year, each (MUNICIPALITY WHICH IS NOT COVERED BY THE PROVISIONS OF SUBDIVISION 2) *town which has an average equalized mill rate of at least two mills* shall receive a distribution equal to (ITS PREVIOUS YEAR AID PLUS ITS MINIMUM INCREASE) *50 percent of the amount received in 1983 pursuant to Minnesota Statutes 1982, sections 273.138, 273.139, and 477A.011 to 477A.03.*

Subd. 2. [(MUNICIPALITIES OVER 2,500 POPULATION) CITIES AND TOWNS.] In each calendar year, each statutory and home rule charter city (, AND EACH TOWN HAVING THE POWERS OF A STATUTORY CITY PURSUANT TO SECTION 368.01 OR SPECIAL LAW, WHICH HAS A POPULATION OF 2,500 OR MORE ACCORDING TO THE LATEST FEDERAL CENSUS) shall receive a distribution equal to the amount obtained by subtracting (THE PRODUCT OF) 10 mills (AND) *multiplied by the municipality's equalized assessed value from the adjusted local revenue base.* (THIS AMOUNT SHALL THEN BE ADJUSTED, SO THAT IT IS NEITHER LESS THAN THE SUM OF ITS PREVIOUS YEAR AID AND ITS MINIMUM INCREASE, NOR GREATER THAN THE SUM OF ITS PREVIOUS YEAR AID AND ITS MAXIMUM INCREASE.)

An aid amount shall be computed in the same manner for all towns which have an average equalized mill rate of at least two mills. A town's final aid amount shall be determined by either the subdivision 1 or the subdivision 2 calculation, whichever is greater.

Subd. 3. [AID LIMITATION.] *The aid amount determined pursuant to subdivision 2 shall be limited so that it is not greater than the municipality's maximum aid amount.*

Sec. 12. [477A.0131] [MAXIMUM AID REDUCTION.]

Subdivision 1. *No home rule charter or statutory city shall receive a distribution in any calendar year pursuant to sections*

477A.011 to 477A.03 that is less than the sum of the amounts certified in the previous calendar year pursuant to sections 477A.011 to 477A.03, section 273.139, and section 273.138, by more than an amount equal to three-quarters of one mill times the unit's equalized assessed value.

Subd. 2. Of the \$246,200,000 appropriated for distribution to cities for calendar year 1984, an amount not to exceed \$6,400,000 may be used for the purposes of this section. Payments shall be made in the manner prescribed in section 477A.015. In the event that this appropriation is not sufficient, aid amounts determined pursuant to this section shall be proportionally reduced.

Sec. 13. Minnesota Statutes 1982, section 477A.014, subdivision 1, is amended to read:

Subdivision 1. [CALCULATIONS AND PAYMENTS.] The commissioner of revenue shall make all necessary calculations and make payments pursuant to sections 477A.012, 477A.013 and 477A.03 directly to the affected taxing authorities annually. In addition, the commissioner shall notify the authorities of their aid amounts, as well as the computational factors used in making the calculations for their authority, and those statewide total figures that are pertinent, before August 15 of the year preceding the aid distribution year.

Sec. 14. [477A.017] [UNIFORM FINANCIAL ACCOUNTING AND REPORTING SYSTEM.]

Subdivision 1. [PURPOSE.] Sections 477A.011 to 477A.03 are designed to provide property tax relief to local units of government. In order for the legislature to determine the amounts of relief necessary each year, the legislature must have uniform and current financial information from the governmental units which receive aid distributions. This section is intended to provide that information.

Subd. 2. [STATE AUDITOR'S DUTIES.] The state auditor shall prescribe uniform financial accounting and reporting standards in conformity with national standards to be applicable to cities of more than 2,500 population and uniform reporting standards to be applicable to cities of less than 2,500 population.

Subd. 3. [CONFORMITY.] Other law to the contrary notwithstanding, in order to receive distributions under sections 477A.011 to 477A.03, counties and cities must conform to the standards set in subdivision 2 in making all financial reports required to be made to the state auditor after June 30, 1984.

Sec. 15. Minnesota Statutes 1982, section 477A.03, subdivision 2, is amended to read:

Subd. 2. [LIMITATION ON APPROPRIATION; PROPORTIONATE REDUCTION.] The amount appropriated under subdivision 1 for distributions to towns pursuant to section 477A.013 shall not exceed (\$240,725,464) \$8,750,000 (FOR CALENDAR YEAR 1982) and the amount appropriated for distribution to cities pursuant to section 477A.013 shall not exceed (\$270,561,978) \$246,200,000 for calendar year (1983) 1984. If the limitations contained in this subdivision result in a reduction in the amounts determined pursuant to (SECTIONS 477A.-012 AND) section 477A.013, subdivision 2, each (GOVERNMENTAL UNIT) city receiving local government aid shall have its distribution (PROPORTIONALLY) reduced (, BUT NO LOCAL GOVERNMENT UNIT SHALL RECEIVE LESS AID THAN ITS PREVIOUS YEAR AID) in proportion to the amounts determined pursuant to section 477A.013, subdivision 2, before the limitation of section 477A.013, subdivision 3, is taken into account. If the limitations contained in this subdivision result in a reduction in the amounts determined pursuant to section 477A.013, subdivision 1, each town receiving local government aid shall have its distribution reduced in proportion to the amounts determined pursuant to section 477A.013, subdivision 1 or 2, before the limitation of section 477A.013, subdivision 3, is taken into account.

Sec. 16. [REPEALER.]

Minnesota Statutes 1982, sections 273.138, subdivisions 1 and 4; 273.139; and 477A.011, subdivisions 8 and 9, are repealed.

Sec. 17. [EFFECTIVE DATE.]

Sections 2 to 12 and 14 to 17 are effective January 1, 1984. Sections 1 and 13 are effective July 1, 1983.

ARTICLE 6

SALES AND EXCISE TAXES

Section 1. Minnesota Statutes 1982, section 270.60, is amended to read:

270.60 [TAX REFUND AGREEMENTS WITH INDIANS.]

The commissioner of revenue is authorized to enter into a tax refund agreement with the governing body of any Sioux or Chipewa reservation in Minnesota. The agreement may provide for a mutually agreed upon amount as a refund to the governing body of any sales or excise tax paid by the Indian residents of a reservation into the state treasury (AFTER JUNE 14, 1976), or for an amount which measures the economic value of an agree-

ment by the council to pay the equivalent of the state sales tax on items included in the sales tax base but exempt on the reservation, notwithstanding any other law which limits the refundment of taxes.

There is annually appropriated from the general fund to the commissioner of revenue the amounts necessary to make the refunds provided in this section.

Sec. 2. Minnesota Statutes 1982, section 296.18, subdivision 1, is amended to read:

Subdivision 1. [GASOLINE OR SPECIAL FUEL USED IN OTHER THAN MOTOR VEHICLES.] Any person who shall buy and use gasoline for any purpose other than use in motor vehicles (OR), snowmobiles, or motorboats, or special fuel for any purpose other than use in licensed motor vehicles, and who shall have paid the excise tax directly or indirectly through the amount of the tax being included in the price of the gasoline or special fuel, or otherwise, shall be eligible to receive the credit provided in section 290.06, subdivision 13, in the amount of the tax paid by him. The taxpayer claiming this credit shall include with his income tax return information including the total amount of the gasoline so purchased and used by him other than in motor vehicles, or special fuel so purchased and used by him other than in licensed motor vehicles, and shall state when and for what purpose it was used. The words "gasoline" or "special fuel" as used in this subdivision do not include aviation gasoline or special fuel for aircraft.

Sec. 3. Minnesota Statutes 1982, section 296.421, subdivision 5, is amended to read:

Subd. 5. [COMPUTATION OF UNREFUNDED TAX.] The amount of unrefunded tax shall be a sum equal to three-fourths of one percent of all revenues derived from the excise taxes on gasoline, except on gasoline used for aviation purposes, together with interest thereon and penalties for delinquency in payment, paid or collected pursuant to the provisions of sections 296.02 to 296.17 (, FROM WHICH SHALL BE SUBTRACTED THE TOTAL AMOUNT OF MONEY REFUNDED FOR MOTOR BOAT USE PURSUANT TO SECTION 296.18). The amount of such tax shall be computed for each six-month period commencing January 1, 1961, and shall be paid into the state treasury on November 1 and June 1 following each six-month period.

Sec. 4. Minnesota Statutes 1982, section 297A.02, as amended by Laws 1982, Third Special Session chapter 1, article VI, section 2, is amended to read:

297A.02 [IMPOSITION OF TAX.]

Subdivision 1. [GENERALLY.] Except as otherwise provided in this chapter, there is (HEREBY) imposed an excise tax of (FIVE) six percent of the gross receipts from sales at retail (, AS HEREINBEFORE DEFINED,) made by any person in this state (, EXCEPT THAT FOR SALES AT RETAIL MADE AFTER DECEMBER 31, 1982 AND PRIOR TO JULY 1, 1983 THE RATE SHALL BE SIX PERCENT).

Subd. 2. [FARM MACHINERY.] Notwithstanding the provisions of subdivision 1, the rate of the excise tax imposed upon sales of farm machinery shall be four percent.

Subd. 3. [LIQUOR AND BEER SALES.] *Notwithstanding the provisions of subdivision 1, the rate of the excise tax imposed upon sales of intoxicating liquor, as defined in section 340.07, subdivision 2, and non-intoxicating malt liquor, as defined in section 340.001, subdivision 2, shall be 8.5 percent. Non-intoxicating malt liquor is subject to taxation under this subdivision only when sold at a on-sale or off-sale municipal liquor store or other establishment licensed to sell any type of intoxicating liquor.*

Sec. 5. Minnesota Statutes 1982, section 297A.03, subdivision 2, as amended by Laws 1982, Third Special Session chapter 1, article VI, section 3, is amended to read:

Subd. 2. It shall be unlawful for any retailer to advertise or hold out or state to the public or any customer, directly or indirectly, that the tax or any part thereof will be assumed or absorbed by the retailer, or that it will not be added to the sales price or that, if added, it or any part thereof will be refunded except that in computing the tax to be collected as the result of any transaction amounts of tax less than one-half of one cent may be disregarded and amounts of tax if one-half cent or more may be considered an additional cent. If the sales price of any sale at retail is (NINE CENTS OR LESS, OR IF THE SALES PRICE OF ANY SALE AT RETAIL MADE AFTER DECEMBER 31, 1982 AND PRIOR TO JULY 1, 1983, IS) eight cents or less, no tax shall be collected. Any person violating this provision shall be guilty of a misdemeanor.

Sec. 6. Minnesota Statutes 1982, section 297A.14, as amended by Laws 1982, Third Special Session chapter 1, article VI, section 4, is amended to read:

297A.14 [USING, STORING OR CONSUMING TANGIBLE PERSONAL PROPERTY; ADMISSIONS; UTILITIES.]

For the privilege of using, storing or consuming in Minnesota tangible personal property, tickets or admissions to places of amusement and athletic events, electricity, gas, and local exchange telephone service purchased for use, storage or consump-

tion in this state, there is (HEREBY) imposed on every person in this state a use tax at the rate of (FIVE) six percent of the sales price of sales at retail of any of the aforementioned items (MADE TO SUCH PERSON) unless the tax imposed by section 297A.02 was paid on the sales price (, EXCEPT THAT FOR SALES AT RETAIL OF ANY OF THE AFOREMENTIONED ITEMS MADE AFTER DECEMBER 31, 1982 AND PRIOR TO JULY 1, 1983 THE RATE SHALL BE SIX PERCENT). Notwithstanding the provisions of this paragraph, the rate of the use tax imposed upon the sales price of sales of farm machinery shall be four percent.

A motor (VEHICLES) *vehicle* subject to tax under this section shall be taxed at (THE) *its* fair market value at the time of transport into Minnesota if (SUCH) *the* motor (VEHICLES WERE) *vehicle* was acquired more than three months prior to its transport into this state.

(NOTWITHSTANDING ANY OTHER PROVISIONS OF SECTIONS 297A.01 TO 297A.44 TO THE CONTRARY, THE COST OF PAPER AND INK PRODUCTS EXCEEDING \$100,000 IN ANY CALENDAR YEAR, USED OR CONSUMED IN PRODUCING A PUBLICATION AS DEFINED IN SECTION 297A.25, SUBDIVISION 1, CLAUSE (I) IS SUBJECT TO THE TAX IMPOSED BY THIS SECTION.

Sec. 7. Minnesota Statutes 1982, section 297A.25, subdivision 1, is amended to read:

Subdivision 1. The following are specifically exempted from the taxes imposed by sections 297A.01 to 297A.44:

(a) The gross receipts from the sale of food products including but not limited to cereal and cereal products, butter, cheese, milk and milk products, oleomargarine, meat and meat products, fish and fish products, eggs and egg products, vegetables and vegetable products, fruit and fruit products, spices and salt, sugar and sugar products, coffee and coffee substitutes, tea, cocoa and cocoa products, and food products which are not taxable pursuant to section 297A.01, subdivision 3, clause (c) and which are sold by a retailer, organized as a nonprofit corporation or association, within a place located on property owned by the state or an agency or instrumentality of the state, the entrance to which is subject to an admission charge. This exemption does not include the following:

(i) candy and candy products;

(ii) carbonated beverages, beverages commonly referred to as soft drinks containing less than 15 percent fruit juice, or

bottled water other than noncarbonated and noneffervescent bottled water sold in individual containers of (ONE) *one-half* gallon or more in size;

(b) The gross receipts from the sale of prescribed drugs and medicine intended for use, internal or external, in the cure, mitigation, treatment or prevention of illness or disease in human beings and products consumed by humans for the preservation of health, including prescription glasses, therapeutic and prosthetic devices, but not including cosmetics or toilet articles notwithstanding the presence of medicinal ingredients therein;

(c) The gross receipts from the sale of and the storage, use or other consumption in Minnesota of tangible personal property, tickets, or admissions, electricity, gas, or local exchange telephone service, which under the Constitution or laws of the United States or under the Constitution of Minnesota, the state of Minnesota is prohibited from taxing;

(d) The gross receipts from the sale of tangible personal property (i) which, without intermediate use, is shipped or transported outside Minnesota by the purchaser and thereafter used in a trade or business or is stored, processed, fabricated or manufactured into, attached to or incorporated into other tangible personal property transported or shipped outside Minnesota and thereafter used in a trade or business outside Minnesota, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce (storage shall not constitute intermediate use); provided that the property is not subject to tax in that state or country to which it is transported for storage or use, or, if subject to tax in that other state, that state allows a similar exemption for property purchased therein and transported to Minnesota for use in this state; except that sales of tangible personal property that is shipped or transported for use outside Minnesota shall be taxed at the rate of the use tax imposed by the state to which the property is shipped or transported, unless that state has no use tax, in which case the sale shall be taxed at the rate generally imposed by this state; and provided further that sales of tangible personal property to be used in other states or countries as part of a maintenance contract shall be specifically exempt; or (ii) which the seller delivers to a common carrier for delivery outside Minnesota, places in the United States mail or parcel post directed to the purchaser outside Minnesota, or delivers to the purchaser outside Minnesota by means of the seller's own delivery vehicles, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(e) The gross receipts from the sale of packing materials used to pack and ship household goods, the ultimate destination of which is outside the state of Minnesota and which are not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(f) The gross receipts from the sale of and storage, use or consumption of petroleum products upon which a tax has been imposed under the provisions of chapter 296, whether or not any part of said tax may be subsequently refunded;

(g) The gross receipts from the sale of clothing and wearing apparel except the following:

(i) all articles commonly or commercially known as jewelry, whether real or imitation; pearls, precious and semi-precious stones, and imitations thereof; articles made of, or ornamented, mounted or fitted with precious metals or imitations thereof; watches; clocks; cases and movements for watches and clocks; gold, gold-plated, silver, or sterling flatware or hollow ware and silver-plated hollow ware; opera glasses; lorgnettes; marine glasses; field glasses and binoculars.

(ii) articles made of fur on the hide or pelt, and articles of which such fur is the component material or chief value, but only if such value is more than three times the value of the next most valuable component material.

(iii) perfume, essences, extracts, toilet waters, cosmetics, petroleum jellies, hair oils, pomades, hair dressings, hair restoratives, hair dyes, aromatic cachous and toilet powders. The tax imposed by this act shall not apply to lotion, oil, powder, or other article intended to be used or applied only in the case of babies.

(iv) trunks, valises, traveling bags, suitcases, satchels, overnight bags, hat boxes for use by travelers, beach bags, bathing suit bags, brief cases made of leather or imitation leather, salesmen's sample and display cases, purses, handbags, pocketbooks, wallets, billfolds, card, pass, and key cases and toilet cases.

(h) The gross receipts from the sale of and the storage, use, or consumption of all materials, including chemicals, fuels, petroleum products, lubricants, packaging materials, including returnable containers used in packaging food and beverage products, feeds, seeds, fertilizers, electricity, gas and steam, used or consumed in agricultural or industrial production of personal property intended to be sold ultimately at retail, whether or not the item so used becomes an ingredient or constituent part of the property produced. Such production shall include, but is not limited to, research, development, design or production of any tangible personal property, manufacturing, processing (other than by restaurants and consumers) of agricultural products whether vegetable or animal, commercial fishing, refining, smelting, reducing, brewing, distilling, printing, mining, quarrying, lumbering, generating electricity and the production of road building materials. Such production shall not include painting, cleaning, repairing or similar processing of property except as part of the original manufacturing process. Machinery, equip-

ment, implements, tools, assessories, appliances, contrivances, furniture and fixtures, used in such production and fuel, electricity, gas or steam used for space heating or lighting, are not included within this exemption; however, accessory tools, equipment and other short lived items, which are separate detachable units used in producing a direct effect upon the product, where such items have an ordinary useful life of less than 12 months, are included within the exemption provided herein;

(i) The gross receipts from the sale of and storage, use or other consumption in Minnesota of tangible personal property (except as provided in section 297A.14) which is used or consumed in producing any publication regularly issued at average intervals not exceeding three months, and any such publication. For purposes of this subsection, "publication" as used herein shall include, without limiting the foregoing, a legal newspaper as defined by Minnesota Statutes 1965, Section 331.02, and any supplements or enclosures with or part of said newspaper; and the gross receipts of any advertising contained therein or therewith shall be exempt. For this purpose, advertising in any such publication shall be deemed to be a service and not tangible personal property, and persons or their agents who publish or sell such newspapers shall be deemed to be engaging in a service with respect to gross receipts realized from such newsgathering or publishing activities by them, including the sale of advertising. *The term "publication" shall not include magazines and periodicals sold over the counter.* Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures used in such publication and fuel, electricity, gas or steam used for space heating or lighting, are not exempt;

(j) The gross receipts from all sales, including sales in which title is retained by a seller or a vendor or is assigned to a third party under an installment sale or lease purchase agreement under section 465.71, of tangible personal property to, and all storage, use or consumption of such property by, the United States and its agencies and instrumentalities or a state and its agencies, instrumentalities and political subdivisions;

(k) The gross receipts from the isolated or occasional sale of tangible personal property in Minnesota not made in the normal course of business of selling that kind of property, and the storage, use, or consumption of property acquired as a result of such a sale;

(l) The gross receipts from sales of rolling stock and the storage, use or other consumption of such property by railroads, freight line companies, sleeping car companies and express companies taxed on the gross earnings basis in lieu of ad valorem taxes. For purposes of this clause "rolling stock" is defined as the portable or moving apparatus and machinery of any such company which moves on the road, and includes, but is not

limited to, engines, cars, tenders, coaches, sleeping cars and parts necessary for the repair and maintenance of such rolling stock.

(m) The gross receipts from sales of airflight equipment and the storage, use or other consumption of such property by airline companies taxed under the provisions of sections 270.071 to 270.079. For purposes of this clause, "airflight equipment" includes airplanes and parts necessary for the repair and maintenance of such airflight equipment, and flight simulators.

(n) The gross receipts from the sale of telephone central office telephone equipment used in furnishing intrastate and interstate telephone service to the public.

(o) The gross receipts from the sale of and the storage, use or other consumption by persons taxed under the in lieu provisions of chapter 298, of mill liners, grinding rods and grinding balls which are substantially consumed in the production of taconite, the material of which primarily is added to and becomes a part of the material being processed.

(p) The gross receipts from the sale of tangible personal property to, and the storage, use or other consumption of such property by, any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious or educational purposes if the property purchased is to be used in the performance of charitable, religious or educational functions, or any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders;

(q) The gross receipts from the sale of caskets and burial vaults;

(r) The gross receipts from the sale of an automobile or other conveyance if the purchaser is assisted by a grant from the United States in accordance with 38 United States Code, Section 1901, as amended.

(s) The gross receipts from the sale to the licensed aircraft dealer of an aircraft for which a commercial use permit has been issued pursuant to section 360.654, if the aircraft is resold while the permit is in effect.

(t) The gross receipts from the sale of building materials to be used in the construction or remodeling of a residence when the construction or remodeling is financed in whole or in part by the United States in accordance with 38 United States Code, Sections 801 to 805, as amended. This exemption shall not be effective at time of sale of the materials to contractors, subcontractors,

tors, builders or owners, but shall be applicable only upon a claim for refund to the commissioner of revenue filed by recipients of the benefits provided in Title 38 United States Code, Chapter 21, as amended. The commissioner shall provide by regulation for the refund of taxes paid on sales exempt in accordance with this paragraph.

(u) The gross receipts from the sale of textbooks which are prescribed for use in conjunction with a course of study in a public or private school, college, university and business or trade school to students who are regularly enrolled at such institutions. For purposes of this clause a "public school" is defined as one that furnishes course of study, enrollment and staff that meets standards of the state board of education and a private school is one which under the standards of the state board of education, provides an education substantially equivalent to that furnished at a public school. Business and trade schools shall mean such schools licensed pursuant to section 141.25.

(v) The gross receipts from the sale of and the storage of material designed to advertise and promote the sale of merchandise or services, which material is purchased and stored for the purpose of subsequently shipping or otherwise transferring outside the state by the purchaser for use thereafter solely outside the state of Minnesota.

(w) The gross receipt from the sale of residential heating fuels in the following manner:

(i) all fuel oil, coal, wood, steam, propane gas, and L.P. gas sold to residential customers for residential use;

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

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

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

(y) The gross receipts from either the sales to or the storage, use or consumption of tangible personal property by an organization of military service veterans or an auxiliary unit of an organization of military service veterans, provided that:

(i) the organization or auxiliary unit is organized within the state of Minnesota and is exempt from federal taxation pursuant to section 501(c), clause (19), of the Internal Revenue Code as amended through December 31, 1978; and

(ii) the tangible personal property which is sold to or stored, used or consumed by the organization or auxiliary unit is for charitable, civic, educational, or nonprofit uses and not for social, recreational, pleasure or profit uses.

(z) The gross receipts from the sale of sanitary napkins, tampons, or similar items used for feminine hygiene.

Sec. 8. Minnesota Statutes 1982, section 297A.35, subdivision 3, is amended to read:

Subd. 3. A person who has paid an amount of tax to a retailer engaged in providing electricity in respect to the purchase for agricultural production of electricity which is exempt from tax under section 297A.25, subdivision 1, clause (h) may file a claim for refund of (SUCH) *the* tax with the commissioner, notwithstanding any other provision of this chapter. (SUCH CLAIM FOR REFUND SHALL BE MADE PURSUANT TO SECTION 290.501.)

Sec. 9. Minnesota Statutes 1982, section 297B.01, subdivision 8, is amended to read:

Subd. 8. "Purchase price" means the total consideration valued in money for a sale, whether paid in money or otherwise, provided however, that when a motor vehicle is taken in trade as a credit or as part payment on a motor vehicle taxable under Laws 1971, Chapter 853, the credit or trade-in value allowed by the person selling the motor vehicle shall be deducted from the total selling price to establish the purchase price of the vehicle being sold and the trade-in allowance allowed by the seller shall constitute the purchase price of the motor vehicle accepted as a trade-in. The purchase price in those instances where the motor vehicle is acquired by gift or by any other transfer for a nominal or no monetary consideration shall also include the average value of similar motor vehicles, established by standards and guides as determined by the motor vehicle registrar. The purchase price in those instances where a motor vehicle is manufactured by a person who registers it under the laws of this state shall mean the manufactured cost of such motor vehicle and manufactured cost shall mean the amount expended for materials, labor and other properly allocable costs of manufac-

ture, except that in the absence of actual expenditures for the manufacture of a part or all of the motor vehicle, manufactured costs shall mean the reasonable value of the completed motor vehicle. The term "purchase price" shall not include the transfer of a motor vehicle by way of gift between a husband and wife or parent and child, nor shall it include the transfer of a motor vehicle by a guardian to his ward when there is no monetary consideration and the title to such vehicle was registered in the name of the guardian, as guardian, only because the ward was a minor. *There shall not be included in "purchase price" the amount of any tax imposed by the United States upon or with respect to retail sales whether imposed upon the retailer or the consumer.*

Sec. 10. Minnesota Statutes 1982, section 297B.02, as amended by Laws 1982, Third Special Session chapter 1, article VI, section 5, is amended to read:

297B.02 [TAX IMPOSED.]

There is (HEREBY) imposed an excise tax at the rate (OF FIVE PERCENT) *provided in chapter 297A* on the purchase price of any motor vehicle purchased or acquired, either in or outside of the state of Minnesota, which is required to be registered under the laws of this state.

Sec. 11. [297B.031] [REFUND OF TAX; MANDATORY REFUND OR REPLACEMENT LAWS.]

If a manufacturer of motor vehicles is required by Laws 1983, chapter 108, section 1, subdivision 3, to refund the tax imposed by this chapter, a portion of the tax paid by the purchaser shall be refunded to the manufacturer. The amount of the refund shall be the tax paid by the purchaser less an amount equal to the tax paid multiplied by a fraction, the denominator of which is the purchase price of the vehicle and the numerator of which is the allowance deducted from the refund for the consumer's use of the vehicle. The refund shall be paid to the manufacturer only upon filing of a written application, in a form and providing information as prescribed by the commissioner. Payment of a refund pursuant to this section shall be made out of the general and highway user funds in the same proportion provided for deposit of tax proceeds for the fiscal year pursuant to section 297B.09, subdivision 1. The amounts necessary to pay the refunds are appropriated out of the respective funds.

Sec. 12. [TRANSITION PROVISION.]

The increase in the excise tax on the purchase price of motor vehicles provided by section 10 for sales made after June 30, 1983 shall not apply to the purchase price of a motor vehicle, purchased or acquired pursuant to a bona fide written contract

which (a) was executed prior to the day following final enactment of this law, (b) was enforceable prior to July 1, 1983, and (c) did not provide for the allocation of future taxes. This section shall not apply if delivery of the motor vehicle is accepted after December 31, 1983.

Sec. 13. [REPEALER.]

Minnesota Statutes 1982, section 340.986, is repealed.

Sec. 14. [EFFECTIVE DATE.]

Sections 2 and 3 are effective for taxable years beginning after December 31, 1982. Sections 4 to 10 and 12 are effective for sales made after June 30, 1983. Sections 1 and 11 are effective the day following final enactment.

ARTICLE 7

CASH FLOW

Section 1. Minnesota Statutes 1982, section 124.11, subdivision 2a, is amended to read:

Subd. 2a. ((A) THROUGH THE 1981-1982 SCHOOL YEAR, NINETY PERCENT OF THE ESTIMATED POST-SECONDARY VOCATIONAL INSTRUCTIONAL AID SHALL BE PAID TO EACH DISTRICT IN 12 EQUAL MONTHLY PAYMENTS ON THE 15TH OF EACH MONTH. THE ESTIMATED AID PAYMENTS SHALL BE PAID ON THE BASIS OF THE DEPARTMENT OF EDUCATION'S ESTIMATES OF THE CURRENT YEAR'S AVERAGE DAILY MEMBERSHIP ADJUSTED FOR THE LATEST AVAILABLE INFORMATION IN NOVEMBER, FEBRUARY AND MAY. THE FINAL PAYMENT, ADJUSTED TO REFLECT THE ACTUAL AVERAGE DAILY MEMBERSHIP, SHALL BE MADE IN SEPTEMBER OF THE FOLLOWING FISCAL YEAR.)

((B) BEGINNING IN) *For the 1982-1983 school year, eighty-five percent of the estimated post-secondary vocational instructional aid shall be paid to each district in 12 equal monthly payments on the 15th of each month. The estimated aid payments shall be paid on the basis of the department of education's estimates of the current year's average daily membership adjusted for the latest available information in November, February and May. The final payment, adjusted to reflect the actual average daily membership, shall be made in September of the following fiscal year.*

Sec. 2. Minnesota Statutes 1982, section 124.11, subdivision 2b, is amended to read:

Subd. 2b. ((A) THROUGH THE 1981-1982 SCHOOL YEAR, POST-SECONDARY VOCATIONAL SUPPLY AID AND SUPPORT SERVICES AID SHALL BE PAID TO DISTRICTS IN EQUAL INSTALLMENTS ON OR BEFORE AUGUST 1, NOVEMBER 1, FEBRUARY 1, AND MAY 1 OF EACH YEAR. EIGHTY PERCENT OF POST-SECONDARY VOCATIONAL EQUIPMENT AID AND REPAIR AND BETTERMENT AID SHALL BE PAID TO DISTRICTS ON OR BEFORE AUGUST 1 OF EACH YEAR. THE REMAINING 20 PERCENT OF POST-SECONDARY VOCATIONAL EQUIPMENT AID AND REPAIR AND BETTERMENT AID SHALL BE PAID TO DISTRICTS BY MAY 1 OF EACH YEAR.)

((B) BEGINNING IN) *For the 1982-1983 school year, the state shall pay to districts 25 percent of post-secondary vocational supply aid and support services aid by August 1, 20 percent by November 1, 20 percent by February 1, and 20 percent by May 1 of each school year. Eighty-five percent of post-secondary vocational equipment aid and repair and betterment aid shall be paid to districts by August 1 of each year. The final aid distribution shall be made by October 31 of the following fiscal year.*

Sec. 3. [124.195] [PAYMENT OF AIDS AND CREDITS TO SCHOOL DISTRICTS.]

Subdivision 1. [APPLICABILITY.] This section applies to all aids or credits paid by the commissioner of education from the general fund of the state of Minnesota to school districts except as provided in section 4. The procedures described in this section for making disbursements to school districts will be used starting in fiscal year 1984, except that for districts that have tax anticipation certificates or aid anticipation certificates which were sold prior to June 30, 1983, and which mature prior to June 30, 1984, the payment schedules specified in Minnesota Statutes 1982 may continue to be used in fiscal year 1984 if the school district provides evidence to the commissioner of education that the payment schedules established in this section would jeopardize repayment of these certificates or prevent the district from making payments for other services without additional borrowing.

Subd. 2. [DEFINITIONS.] (a) The term "other district receipts" means payments by county treasurers pursuant to section 276.10, apportionments from the school endowment fund pursuant to section 124.09, apportionments by the county auditor pursuant to section 124.10, subdivision 2, and payments to school districts by the commissioner of revenue pursuant to sections 294.21 to 294.26 and chapter 298.

(b) The term "cumulative amount guaranteed" means the sum of the following:

(1) *one-third of the final adjustment payment according to subdivision 6; plus*

(2) *the product of*

(i) *the cumulative disbursement percentage shown in subdivision 3; times*

(ii) *the sum of*

85 percent of the estimated aid and credit entitlements paid according to subdivision 10; plus

100 percent of the entitlements paid according to subdivisions 8 and 9; plus

the other district receipts; plus

the final adjustment payment according to subdivision 6.

Subd. 3. [PAYMENT DATES AND PERCENTAGES.] Beginning in fiscal year 1984 and thereafter, the commissioner of education shall pay to a school district on the dates indicated an amount computed as follows: the cumulative amount guaranteed minus the sum of (a) the district's other district receipts through the current payment, and (b) the aid and credit payments through the immediately preceding payment. For purposes of this computation, the payment dates and the cumulative disbursement percentages are as follows:

	<i>Payment date</i>	<i>Percentage</i>
<i>Payment 1</i>	<i>First business day prior to July 15:</i>	<i>2.25</i>
<i>Payment 2</i>	<i>First business day prior to July 30:</i>	<i>4.50</i>
<i>Payment 3</i>	<i>First business day prior to August 15:</i>	<i>6.75</i>
<i>Payment 4</i>	<i>First business day prior to August 30:</i>	<i>9.0</i>
<i>Payment 5</i>	<i>First business day prior to September 15: the greater of (a) one-half of the final adjustment for the prior fiscal year for the state paid property tax credits established in section 273.1392, or (b) the amount needed to provide 12.75 percent</i>	
<i>Payment 6</i>	<i>First business day prior to September 30: the greater of (a) one-half of the final adjustment for the prior fiscal</i>	

year for the state paid property tax credits established in section 273.1392, or (b) the amount needed to provide 16.5 percent

<i>Payment 7</i>	<i>First business day prior to October 15: the greater of (a) one-half of the final adjustment for the prior fiscal year for all aid entitlements except state paid property tax credits, or (b) the amount needed to provide 20.75 percent</i>	
<i>Payment 8</i>	<i>First business day prior to October 30: the greater of (a) one-half of the final adjustment for the prior fiscal year for all aid entitlements except state paid property tax credits, or (b) the amount needed to provide 25.0 percent</i>	
<i>Payment 9</i>	<i>First business day prior to November 15:</i>	<i>31.0</i>
<i>Payment 10</i>	<i>First business day prior to November 30:</i>	<i>37.0</i>
<i>Payment 11</i>	<i>First business day prior to December 15:</i>	<i>40.0</i>
<i>Payment 12</i>	<i>First business day prior to December 30:</i>	<i>43.0</i>
<i>Payment 13</i>	<i>First business day prior to January 15:</i>	<i>47.25</i>
<i>Payment 14</i>	<i>First business day prior to January 30:</i>	<i>51.5</i>
<i>Payment 15</i>	<i>First business day prior to February 15:</i>	<i>56.0</i>
<i>Payment 16</i>	<i>First business day prior to February 28:</i>	<i>60.5</i>
<i>Payment 17</i>	<i>First business day prior to March 15:</i>	<i>65.25</i>
<i>Payment 18</i>	<i>First business day prior to March 30:</i>	<i>70.0</i>
<i>Payment 19</i>	<i>First business day prior to April 15:</i>	<i>74.0</i>
<i>Payment 20</i>	<i>First business day prior to April 30:</i>	<i>85.0</i>
<i>Payment 21</i>	<i>First business day prior to May 15:</i>	<i>92.0</i>
<i>Payment 22</i>	<i>First business day prior to May 30:</i>	<i>100.0</i>

Subd. 4. [PAYMENT LIMIT.] Subdivision 3 does not authorize the commissioner of education to pay to a district's

operating funds an amount of state general fund cash that exceeds the sum of:

(a) its estimated aid and credit payments for the current year according to subdivision 10;

(b) its actual aid payments according to subdivisions 8 and 9; and

(c) the final adjustment payment for the prior year.

Subd. 5. [COMMISSIONER'S ASSUMPTIONS.] For purposes of determining the amount of state general fund cash to be paid to school districts pursuant to subdivision 3, the commissioner of education shall:

(a) assume that the payments to school districts by the county treasurer of revenues accruing to the fiscal year of receipt pursuant to section 276.10 are made in the following manner:

(1) 50 percent within seven business days of each due date; and

(2) 100 percent within 14 business days of each due date;

(b) assume that the payments to school districts by county auditors pursuant to section 124.10, subdivision 2 are made at the end of the months indicated in that subdivision.

Subd. 6. [FINAL ADJUSTMENT PAYMENT.] For all aids and credits paid according to subdivision 10, the final adjustment payment shall include the amounts necessary to pay the district's full aid entitlement for the prior year based on actual data. This payment shall be used to correct all estimates used for the payment schedule in subdivision 3. The payment shall be made in two installments, during September or October, as specified in subdivision 3. In the event actual data are not available, the final adjustment payment may be computed based on estimated data. A corrected final adjustment payment shall be made when actual data are available.

Subd. 7. [PAYMENTS TO SCHOOL NONOPERATING FUNDS.] Beginning in fiscal year 1984, state general fund payments to school nonoperating funds shall be made at 85 percent of the estimated entitlement during the fiscal year of the entitlement. This amount shall be paid in 12 equal monthly installments. The amount of the actual entitlement, after adjustment for actual data, minus the payments made during the fiscal year of the entitlement shall be paid prior to October 31 of the following school year

Subd. 8. [PAYMENT PERCENTAGE FOR REIMBURSEMENT AIDS.] *The following aids shall be paid at 100 percent of the entitlement for the prior fiscal year: special education summer foundation aid according to section 124.201; abatement aid according to section 124.214, subdivision 2; special education residential aid according to section 124.32, subdivision 5; special education summer school aid, according to section 124.32, subdivision 10; veterans farm management aid, according to section 124.625; early retirement aid according to section 125.611; and extended leave and part-time teacher aids according to chapters 354 and 354A.*

Subd. 9. [PAYMENT PERCENTAGE FOR CERTAIN AIDS.] *The following aids shall be paid at 100 percent of the entitlement for the current fiscal year: school lunch aid, according to section 124.646; teacher institute aid, campus laboratory school aid, and high technology aids.*

Subd. 10. [AID PAYMENT PERCENTAGE.] *Except as provided in subdivisions 8 and 9, beginning in fiscal year 1984, all education aids and credits in chapters 121, 123, 124, 125, and 273.1392, except post-secondary vocational shall be paid at 85 percent of the estimated entitlement during the fiscal year of the entitlement. The amount of the actual entitlement, after adjustment for actual data, minus the payments made during the fiscal year of the entitlement shall be paid as the final adjustment payment according to subdivision 6.*

Sec. 4. [124.5628] [PAYMENT OF AVTI INSTRUCTIONAL AID.]

Beginning for the 1983-1984 school year, 85 percent of the estimated post-secondary vocational instructional aid entitlement for each district shall be paid during the fiscal year of entitlement in 24 uniform payments on the first business day prior to the 15th of each month and on the first business day prior to the last day of each month.

The amount of entitlement, adjusted for actual data on tuition and fund balances, minus the payments made during the fiscal year of entitlement, shall be the final adjustment paid to each district in two payments on September 15 and September 30 in the fiscal year following entitlement.

Sec. 5. Minnesota Statutes 1982, section 273.1392, is amended to read:

273.1392 [PAYMENT; AIDS TO SCHOOL DISTRICTS.]

The amounts of homestead credit under section 273.13, subdivisions 6, 7, and 14a; wetlands credit and reimbursement under section 273.115; native prairie credit and reimbursement under

section 273.116; *disaster or emergency reimbursement under section 273.123*; attached machinery aid under section 273.138; reimbursement under section 273.139; and *metropolitan agricultural preserve (CREDIT) reduction* under section 473H.10, shall be certified to the department of education by the department of revenue. The amounts so certified shall be paid according to the schedule for payment of foundation aids pursuant to section 124.11 for fiscal year 1983. (THE SUM SUFFICIENT TO MAKE THE PAYMENTS REQUIRED BY THIS SECTION IS APPROPRIATED FROM THE GENERAL FUND TO THE COMMISSIONER OF EDUCATION) *Beginning in fiscal year 1984, the amounts so certified shall be paid according to section 3, subdivisions 6 and 10.*

Sec. 6. Minnesota Statutes 1982, section 276.09, is amended to read:

276.09 [SETTLEMENT BETWEEN AUDITOR AND TREASURER.]

On the fifth day of March and the 20th day of (MARCH, JUNE, AND NOVEMBER) May, and October of each year, the county treasurer shall make full settlement with the county auditor of all receipts collected by him for all purposes, from the date of the last settlement up to and including each day mentioned. The county auditor shall, within 30 days after each settlement, send an abstract of same to the state auditor in the form prescribed by the state auditor. At each settlement the treasurer shall make complete returns of the receipts on the current tax list, showing the amount collected on account of the several funds included in the list.

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

Sec. 7. Minnesota Statutes 1982, section 276.10, is amended to read:

276.10 [APPORTIONMENT AND DISTRIBUTION OF FUNDS.]

On the settlement day in March, (JUNE, AND NOVEMBER) May and October of each year, the county auditor and county treasurer shall distribute all undistributed funds in the treasury, apportioning them, as provided by law, and placing them to the credit of the state, town, city, school district, special district and each county fund. Within 20 days after the distribution is completed, the county auditor shall make a report of it to the state auditor in the form prescribed by the state auditor. The county auditor shall issue his warrant for the payment of mon-

neys in the county treasury to the credit of the state, town, city, school district, or special districts on application of the persons entitled to receive them.

Sec. 8. Minnesota Statutes 1982, section 276.11, is amended to read:

276.11 [WHEN TREASURER SHALL PAY FUNDS.]

As soon as practical after each settlement (IN MARCH, JUNE, AND NOVEMBER) the county treasurer shall pay over to the state treasurer or the treasurer of any town, city, school district, or special district, on the warrant of the county auditor, all receipts arising from taxes levied by and belonging to the state, or to such municipal corporation, or other body, and deliver up all orders and other evidences of indebtedness of such municipal corporation or other body, taking triplicate receipts therefor. The treasurer shall file one of the receipts with the county auditor, and shall return one by mail on the day of its reception to the clerk of the town, city, school district, or special district to which payment was made. The clerk shall preserve the receipt in the clerk's office. Upon written request of the state, a municipal corporation or other public body, the county treasurer shall, to the extent practicable, make partial payments of amounts collected periodically in advance of the next settlement and distribution. Accompanying each payment shall be a statement prepared by the county treasurer designating the years for which taxes included in the payment were collected and, for each year, the amount of the taxes and any penalties thereon. The county treasurer shall pay, upon written request of the state, a municipal corporation or other public body except school districts, at least 70 percent of the estimated collection within 30 days after the settlement date. Within (15) *seven business days* after the (SETTLEMENT) *due* date, the county treasurer shall pay to the treasurer of the school districts (AT LEAST 70) 50 percent of the estimated collections arising from taxes levied by and belonging to the school district *and the remaining 50 percent of the estimated collections shall be paid to the treasurer of the school district within the next seven business days.* The treasurer shall pay the balance of the amounts collected to the state or to a municipal corporation or other body within 60 days after the settlement date, provided, however, that after 45 days interest shall accrue at a rate of eight percent per annum to the credit of and shall be paid to the state, municipal corporation or other body. Interest shall be payable upon appropriation from the general revenue fund of the county and, if not paid, may be recovered by the state, municipal corporation, or other body, in a civil action.

Sec. 9. Minnesota Statutes 1982, section 278.01, subdivision 1, is amended to read:

Subdivision 1. [DETERMINATION OF VALIDITY.] Any person having any estate, right, title, or interest in or lien upon any parcel of land, who claims that such property has been partially, unfairly, or unequally assessed in comparison with other property in the city or county, or that the parcel has been assessed at a valuation greater than its real or actual value, or that the tax levied against the same is illegal, in whole or in part, or has been paid, or that the property is exempt from the tax so levied, may have the validity of his claim, defense, or objection determined by the district court of the county in which the tax is levied or by the tax court by serving two copies of a petition for such determination upon the county auditor and one copy each on the county treasurer and the county attorney and filing the same, with proof of service, in the office of the clerk of the district court before the (FIRST) 16th day of (JUNE) May of the year in which the tax becomes payable. The county auditor shall immediately forward one copy of the petition to the appropriate governmental authority in a home rule charter or statutory city or town in which the property is located if that city or town employs its own certified assessor. A copy of the petition shall also be sent to the school board of the school district in which the property is located. A petition for determination under this section may be transferred by the district court to the tax court. An appeal may also be taken to the tax court under chapter 271 at any time following receipt of the valuation notice required by section 273.121 but prior to (JUNE 1) May 16 of the year in which the taxes are payable.

Sec. 10. Minnesota Statutes 1982, section 278.01, subdivision 2, is amended to read:

Subd. 2. [HOMESTEADS.] Any person having any estate, right, title or interest in or lien upon any parcel which is classified as homestead under the provisions of section 273.13, subdivisions 6, 6a, 7, 7b, 10 or 12, who claims that said parcel has been assessed at a valuation which exceeds by ten percent or more the valuation which the parcel would have if it were valued at the average assessment/sales ratio for real property in the same class, in that portion of the county in which that parcel is located, for which the commissioner is able to establish and publish a sales ratio study as determined by the applicable real estate assessment/sales ratio study published by the commissioner of revenue, may have the validity of his claim, defense, or objection determined by the district court of the county in which the tax is levied or by the tax court by serving two copies of a petition for such determination upon the county auditor and one copy each on the county treasurer and the county attorney and filing the same, with proof of such service, in the office of the clerk of the district court before the (FIRST) 16th day of (JUNE) May of the year in which such tax becomes payable. The county auditor shall immediately forward one copy of the petition to the appropriate governmental authority in a home rule charter or statutory city or town in which the property is located if that city or town employs its own certified assessor. A copy of the

petition shall also be sent to the school board of the school district in which the property is located. A petition for determination under this section may be transferred by the district court to the tax court.

Sec. 11. Minnesota Statutes 1982, section 278.03, is amended to read:

278.03 [PAYMENT OF TAX.]

If the proceedings instituted by the filing of the petition have not been completed before the (FIRST) 16th day of (JUNE) May next following the filing, the petitioner shall pay to the county treasurer 50 percent of the tax levied for such year against the property involved, unless permission to continue prosecution of the petition without such payment is obtained as herein provided. If the proceedings instituted by the filing of the petition have not been completed by the next (NOVEMBER 1) October 16, the petitioner shall pay to the county treasurer 50 percent of the unpaid balance of the taxes levied for the year against the property involved if the unpaid balance is \$2,000 or less and 80 percent of the unpaid balance if the unpaid balance is over \$2,000, unless permission to continue prosecution of the petition without payment is obtained as herein provided. The petitioner, upon ten days notice to the county attorney and to the county auditor, given at least ten days prior to the (FIRST) 16th day of (JUNE) May or the (FIRST) 16th day of (NOVEMBER) October, may apply to the court for permission to continue prosecution of the petition without payment; and, if it is made to appear

- (1) That the proposed review is to be taken in good faith;
- (2) That there is probable cause to believe that the property may be held exempt from the tax levied or that the tax may be determined to be less than 50 percent of the amount levied; and
- (3) That it would work a hardship upon petitioner to pay the taxes due,

the court may permit the petitioner to continue prosecution of the petition without payment, or may fix a lesser amount to be paid as a condition of continuing the prosecution of the petition.

Failure to make payment of the amount required when due shall operate automatically to dismiss the petition and all proceedings thereunder unless the payment is waived by an order of the court permitting the petitioner to continue prosecution of the petition without payment. The county treasurer shall, upon

request of the petitioner, issue duplicate receipts for the tax payment, one of which shall be filed by the petitioner in the proceeding.

Sec. 12. Minnesota Statutes 1982, section 278.05, subdivision 5, is amended to read:

Subd. 5. Any time after the filing of the petition and before the trial of the issues raised thereby, when the defense or claim presented is that the property has been partially, unfairly, or unequally assessed, or that the parcel has been assessed at a valuation greater than its real or actual value, or that a parcel which is classified as homestead under the provisions of section 273.13, subdivisions 6, 6a, 7, 7b, 10 or 12, has been assessed at a valuation which exceeds by ten percent or more the valuation which the parcel would have if it were valued at the average assessment/sales ratio for real property in the same class in that portion of the county in which the parcel is located, for which the commissioner is able to establish and publish a sales ratio study, the attorney representing the state, county, city or town in the proceedings may serve on the petitioner, or his attorney, and file with the clerk of the district court, an offer to reduce the valuation of any tract or tracts to a valuation set forth in the offer. If, within ten days thereafter, the petitioner, or his attorney, gives notice in writing to the county attorney, or the attorney for the city or town, that the offer is accepted, he may file the offer with proof of notice, and the clerk shall enter judgment accordingly. Otherwise, the offer shall be deemed withdrawn and evidence thereof shall not be given; and, unless a lower valuation than specified in the offer is found by the court, no costs or disbursements shall be allowed to the petitioner, but the costs and disbursements of the state, county, city or town, including interest at six percent on the tax based on the amount of the offer from and after the (FIRST) 16th day of (NOVEMBER) *October* of the year the taxes are payable, shall be taxed in its favor and included in the judgment and when collected shall be credited to the county revenue fund, unless the taxes were paid in full before the (FIRST) 16th day of (NOVEMBER) *October* of the year in which the taxes were payable, in which event interest shall not be taxable.

Sec. 13. Minnesota Statutes 1982, section 279.01, subdivision 1, is amended to read:

Subdivision 1. On (JUNE FIRST) *May 16*, of each year, with respect to property actually occupied and used as a homestead by the owner of the property, a penalty of three percent shall accrue and thereafter be charged upon all unpaid taxes on real estate on the current lists in the hands of the county treasurer, and a penalty of seven percent on non-homestead property. Thereafter, for both homestead and non-homestead property, on the (FIRST) 16th day of each month, up to and including

(NOVEMBER FIRST) *October 16* following, an additional penalty of one percent for each month shall accrue and be charged on all such unpaid taxes. When the taxes against any tract or lot exceed \$10, one-half thereof may be paid prior to (JUNE FIRST) *May 16*; and, if so paid, no penalty shall attach; the remaining one-half shall be paid at any time prior to (NOVEMBER FIRST) *October 16* following, without penalty; but, if not so paid, then a penalty of four percent shall accrue thereon for homestead property and a penalty of four percent on non-homestead property. Thereafter, for homestead property, on the (FIRST) *16th* day of each month up to and including (JANUARY 1) *December 16* following, an additional penalty of two percent for each month shall accrue and be charged on all such unpaid taxes. Thereafter, for non-homestead property, on the (FIRST) *16th* day of each month up to and including (JANUARY 1) *December 16* following, an additional penalty of four percent for each month shall accrue and be charged on all such unpaid taxes. If one-half of such taxes shall not be paid prior to (JUNE FIRST) *May 16*, the same may be paid at any time prior to (NOVEMBER FIRST) *October 16*, with accrued penalties to the date of payment added, and thereupon no penalty shall attach to the remaining one-half until (NOVEMBER FIRST) *October 16* following; provided, also, that the same may be paid in installments as follows: One-fourth prior to (APRIL FIRST) *March 16*; one-fourth prior to (JUNE FIRST) *May 16*; one-fourth prior to (SEPTEMBER FIRST) *August 16*; and the remaining one-fourth prior to (NOVEMBER FIRST) *October 16*, subject to the aforesaid penalties. Where the taxes delinquent after (NOVEMBER FIRST) *October 16* against any tract or parcel exceed \$40, they may be paid in installments of not less than 25 percent thereof, together with all accrued penalties and costs, up to the next tax judgment sale, and after such payment, penalties, interest, and costs shall accrue only on the sum remaining unpaid. Any county treasurer who shall make out and deliver or countersign any receipt for any such taxes without including all of the foregoing penalties therein, shall be liable to the county for the amount of such penalties.

Sec. 14. Minnesota Statutes 1982, section 473F.08, subdivision 7a, is amended to read:

Subd. 7a. The administrative auditor shall determine for each county the difference between the total levy on distribution value pursuant to subdivision 3, clause (a), within the county and the total tax on contribution value pursuant to subdivision 6, within the county. On or before (JUNE 1) *May 16* of each year, he shall certify the differences so determined to each county auditor. In addition, he shall certify to those county auditors for whose county the total tax on contribution value exceeds the total levy on distribution value the settlement the county is to make to the other counties of the excess of the total tax on contribution value over the total levy on distribution

value in the county. On or before June (30) 15 and November (30) 15 of each year, each county treasurer in a county having a total tax on contribution value in excess of the total levy on distribution value shall pay one-half of the excess to the other counties in accordance with the administrative auditors certification.

Sec. 15. [EFFECTIVE DATE.]

Sections 6, 7, and 9 to 14 are effective for taxes levied in 1983 and thereafter, payable in 1984 and thereafter. Sections 1 to 5 and 8 are effective July 1, 1983.

ARTICLE 8

ECONOMIC DEVELOPMENT

Section 1. Minnesota Statutes 1982, section 273.13, subdivision 9, is amended to read:

Subd. 9. [CLASS 4A, 4B, 4C, AND 4D.] (1) All property not included in the preceding classes shall constitute class 4a and shall be valued and assessed at 43 percent of the market value thereof, except as otherwise provided in this subdivision.

(2) Real property which is not improved with a structure and which is not utilized as part of a commercial or industrial activity shall constitute class 4b and shall be valued and assessed at 40 percent of market value.

(3) Commercial and industrial property, except as provided in this subdivision, shall constitute class 4c and shall be valued and assessed at 40 percent of the first \$50,000 of market value and 43 percent of the remainder, provided that in the case of state-assessed commercial or industrial property owned by one person or entity, only one parcel shall qualify for the 40 percent assessment, and in the case of other commercial or industrial property owned by one person or entity, only one parcel in each county shall qualify for the 40 percent assessment.

(4) (INDUSTRIAL) Employment property defined in section 273.1313, during the period provided in section 273.1313, shall constitute class 4d and shall be valued and assessed at 20 percent of the first \$50,000 of market value and 21.5 percent of the remainder, *except that for employment property located in an enterprise zone designated pursuant to section 273.1312, subdivision 4, paragraph (c), clause (3), the first \$50,000 of market value shall be valued and assessed at 31.5 percent and the remainder shall be assessed and valued at 38.5 percent, unless the governing body of the city designated as an enterprise zone determines that a specific parcel shall be assessed pursuant to the*

first clause of this sentence. The governing body may provide for assessment under the first clause of the preceding sentence only for property which is located in an area which has been designated by the governing body for the receipt of tax reductions authorized by section 10, subdivision 9, paragraph (a).

Sec. 2. Minnesota Statutes 1982, section 273.1312, subdivision 2, is amended to read:

Subd. 2. [DESIGNATION.] The commissioner shall designate an area as an enterprise zone if ((I)) (a) an application is made in the form and manner and containing the information as prescribed by the (COMMISSIONER'S RULES) commissioner; ((II)) (b) the application is made (OR APPROVED) by the governing body of the area; (AND (III)) (c) the area is determined by the commissioner to be eligible for designation under subdivision 4; and (d) the zone is selected pursuant to the process provided by section 10.

Sec. 3. Minnesota Statutes 1982, section 273.1312, subdivision 3, is amended to read:

Subd. 3. [DURATION.] The designation of an area as an enterprise zone shall be effective (FROM) *for seven years after* the date of designation (TO 12 YEARS THEREAFTER).

Sec. 4. Minnesota Statutes 1982, section 273.1312, subdivision 4, is amended to read:

Subd. 4. [ELIGIBILITY REQUIREMENTS.] An area is eligible for designation if *the following requirements are met:*

((1)) (a) Its boundary is continuous and includes (, IF FEASIBLE, PROXIMATELY LOCATED) vacant or underutilized lands or buildings. (CONVENIENTLY ACCESSIBLE TO RESIDENTS OF THE AREA).

((2) ITS POPULATION AS DETERMINED UNDER THE MOST RECENT FEDERAL DECENNIAL CENSUS IS AT LEAST (I) 4,000 IF ANY OF THE AREA IS LOCATED WITHIN AN SMSA WITH A POPULATION OF 50,000 OR MORE, OR (II) 2,500 IN ANY OTHER CASE UNLESS THE AREA IS AN INDIAN RESERVATION, FOR WHICH NO MINIMUM POPULATION IS REQUIRED.) (b) *The area of the zone is less than 400 acres and the total market value of the taxable property contained in the zone at the time of application is less than \$100,000 per acre or \$300,000 per acre for an area located wholly within a first class city, except that these restrictions shall not apply to areas designated pursuant to paragraph (c), clause (2) or (3).*

((3) (A)) (c) (1) The proposed zone is located within an economic hardship area, as established by meeting (THREE) two or more of the following criteria:

((1)) (A) the (PERCENTAGE) number of (TOTAL) residential housing units within the (ZONE) area which (WAS) CONSTRUCTED PRIOR TO 1950 is 70) are substandard is 15 percent or greater under criteria prescribed by the commissioner using data collected by the bureau of the census or data submitted by the municipality and approved by the commissioner;

((2)) (B) the percentage of households within the (ZONE) area that fall below the poverty level, as determined by the United States census bureau, is 20 percent or greater;

((3)) (C) (i) the total (NUMBER OF PERSONS RESIDING WITHIN THE ZONE HAS DECLINED BY TEN PERCENT OR MORE OVER THE TEN YEARS PRECEDING APPLICATION) market value of commercial and industrial property in the area has declined over three of the preceding five years, or (ii) the total market value of all property in the area, as equalized by the sales ratio study, has declined or its growth has lagged three percentage points behind the statewide growth in total equalized market value in the state over the preceding three year period;

((4)) (D) for the last full year for which data is available, the (PERCENTAGE OF THE WORK FORCE OF THE JURISDICTION OF THE GOVERNING BODY OF THE AREA IN WHICH THE ZONE IS LOCATED ENGAGED IN MANUFACTURING IS LESS THAN THE PERCENTAGE OF THE WORK FORCE OF THE STATE ENGAGED IN MANUFACTURING) nonfarm per capita income in the area was 90 percent or less of the median for the state, excluding standard metropolitan statistical areas, or for the standard metropolitan statistical area if the area is located in a standard metropolitan statistical area;

((5) THE JURISDICTION OF THE GOVERNING BODY OF THE AREA IN WHICH THE ZONE IS LOCATED HAS RECENTLY EXPERIENCED A SIGNIFICANT EMPLOYMENT REDUCTION AT A FEDERAL MILITARY INSTALLATION WITHIN THE SMSA IN WHICH IT IS LOCATED) (E) (i) the current rate of unemployment in the area is 120 percent of the statewide average unemployment for the previous year, or (ii) the total number of employment positions has declined by ten percent during the last 18 months; or

((B)) (2) The area is so designated under federal legislation providing for federal tax benefits to investors, employers or employees in enterprise zones (SIMILAR TO THE STATE TAX BENEFITS SET FORTH IN LAWS 1982, CHAPTER 523; AND)

((4) THE GOVERNING BODY OF THE AREA SEEKING TO BE DESIGNATED AS AN ENTERPRISE ZONE, BY RESOLUTION, AGREES TO FOLLOW A COURSE OF ACTION, DURING THE PERIOD FOR WHICH THE DESIGNATION IS EFFECTIVE, DESIGNED TO PROMOTE ECONOMIC DEVELOPMENT IN THE AREA. THE PROGRAM MAY BE IMPLEMENTED BY GOVERNMENTAL ACTION, BY PRIVATE ENTITIES, OR BOTH, AND MAY INCLUDE BUT IS NOT LIMITED TO:)

((A) REDUCTION OR ABATEMENT OF REAL PROPERTY TAXES OF INDUSTRIAL LAND AND FACILITIES ACCORDING TO SECTION 273.1313;)

((B) ISSUANCE OF REVENUE BONDS OR USE OF FEDERAL FUNDS AVAILABLE TO FINANCE LOANS FOR PRIVATE INDUSTRIAL AND HOUSING FACILITIES;)

((C) ISSUANCE OF BONDS AND USE OF TAXES, TAX INCREMENTS, AND AVAILABLE FEDERAL FUNDS TO FINANCE PUBLIC FACILITIES IN THE AREA;)

((D) INCREASE IN THE LEVEL OR EFFICIENCY OF GOVERNMENTAL SERVICES;)

((E) COMMITMENTS FROM PUBLIC OR PRIVATE ENTITIES IN THE AREA TO PROVIDE JOBS, JOB TRAINING, AND TECHNICAL, FINANCIAL, OR OTHER ASSISTANCE TO EMPLOYEES AND RESIDENTS OF THE AREA); or

(3) *The area consists of a statutory or home rule charter city with a contiguous border with a city in another state or with a contiguous border with a city in Minnesota which has a contiguous border with a city in another state and the area is determined by the commissioner to be economically or fiscally distressed.*

For purposes of this subdivision, an economic hardship area must have a population under the most recent federal decennial census of at least (i) 4,000 if any of the area is located wholly or partly within a standard metropolitan statistical area, or (ii) 2,500 for an area located outside of a standard metropolitan statistical area, or (iii) no minimum in the case of an area located in an Indian reservation.

Sec. 5. Minnesota Statutes 1982, section 273.1312, subdivision 5, is amended to read:

Subd. 5. [LIMITATION.] No area (SHALL) may be designated as an enterprise zone after December 31, (1996) 1986.

Sec. 6. Minnesota Statutes 1982, section 273.1313, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] ((1) TERMS) (a) As used in this section, *the following terms* have the meanings given them (IN THIS SUBDIVISION).

((2)) (b) "Commissioner" means the commissioner of revenue.

((3) "INDUSTRIAL) (c) "Employment property" means taxable property, excluding land but including buildings, structures, fixtures, and improvements that satisfy each of the following conditions:

((A)) (1) The property is located within an enterprise zone designated according to section 273.1312.

((B)) (2) The (PRIMARY PURPOSE AND PROSPECTIVE USE OF THE) property is ((I) THE MANUFACTURE OR PROCESSING OF GOODS OR MATERIALS BY PHYSICAL OR CHEMICAL CHANGE, OR (II) THE PROVISION OF OFFICE, ENGINEERING, RESEARCH AND DEVELOPMENT, WAREHOUSING, PARTS DISTRIBUTION, OR OTHER FACILITIES THAT ARE RELATED TO A MANUFACTURING OR PROCESSING OPERATION CONDUCTED BY THE USER) *commercial or industrial property which is not used in a trade or business which either is described in section 103(b)(6)(O) of the Internal Revenue Code of 1954, as amended through January 15, 1983, or is a public utility.*

((C) THE USER WILL OWN THE PROPERTY OR OCCUPY IT UNDER A LEASE REQUIRING THE USER TO PAY PROPERTY TAXES ON IT AS IF THE USER WERE THE OWNER.)

((D) THE PROPERTY IS CLASSIFIED AS INDUSTRIAL EMPLOYMENT PROPERTY BY THE PROCEDURE AND SUBJECT TO THE CONDITIONS PROVIDED IN THIS SECTION, BEFORE IT IS FIRST PLACED IN USE.)

((4)) (d) "Market value" (, AS APPLIED TO INDUSTRIAL) *of a parcel of employment property (ON ANY PARTICULAR PARCEL OF LAND,) means the value of (ALL) the taxable property (SITUATED THERE EXCEPT THE LAND,) as annually determined pursuant to section 273.12, less (i) the market value of all property existing at the time of application for classification, as last assessed prior to the time of application, and (ii) any increase in the market value of the property referred to in clause (i) as assessed in each year after the (INDUSTRIAL) employment property is first placed in service. In each year, any change in the values of the (INDUS-*

TRIAL) employment property and the other property on the land shall be deemed to be proportionate unless caused by a capital improvement or loss.

((5)) (e) "Municipality" means any home rule charter or statutory city or county, but a county may not exercise the powers granted in this section with reference to property situated within a city.

(f) Notwithstanding the provisions of clauses (c) and (d) "employment property" and "market value" includes in the case of taxable real property located in an enterprise zone designated under section 273.1312, subdivision 4, paragraph (c), clause (3), the entire value of the commercial and industrial property used in a trade or business which is not used in a trade or business which either is described in section 103(b) (6)(O) of the Internal Revenue Code of 1954, as amended through January 15, 1983, or is a public utility; provided that the provisions of this paragraph shall not apply to employment property located in an enterprise zone designated pursuant to section 273.1312, subdivision 4, paragraph (c), clause (3), that is assessed pursuant to the first clause of the first sentence of section 273.13, subdivision 9, paragraph (4).

Sec. 7. Minnesota Statutes 1982, section 273.1313, subdivision 2, is amended to read:

Subd. 2. [PROGRAM.] ((1)) (a) The governing body of any municipality which contains a designated enterprise zone as provided by section 273.1312 (MAY) shall by resolution establish a program for classification of new (INDUSTRIAL) property or improvements to existing property as (INDUSTRIAL) employment property pursuant to the provisions of this section (IF IT FINDS THAT THE PROGRAM IS NEEDED TO FACILITATE AND ENCOURAGE THE RENEWAL OR ADDITION OF INDUSTRIAL FACILITIES TO PROVIDE OR PRESERVE EMPLOYMENT OPPORTUNITIES FOR ITS CITIZENS). Applications for classification under the program shall be filed with the municipal clerk or auditor in a form prescribed by the commissioner; with additions as may be prescribed by the municipal governing body. The application shall contain, where appropriate, a legal description of the parcel of land on which the facility is to be situated or improved; a general description of the facility or improvement and its proposed use, (THE EQUIPMENT PROPOSED TO BE USED IN CONNECTION WITH IT (INCLUDING EQUIPMENT EXEMPT FROM TAXATION UNDER EXISTING LAW),) the probable time schedule for undertaking the construction or improvement, and information regarding the matters referred to in paragraph ((4)) (d); the market value and the assessed value of the land and of all other taxable property then situated on it, according to the most recent assessment; and an estimate of the probable

cost of the new construction or improvement and the market value of the new or improved facility (excluding land) when completed.

((2)) (b) Upon receipt of an application the municipal clerk or auditor, subject to any prior approval required by the resolution establishing the program, shall furnish a copy to the assessor for the property and to the governing body of each school district and other public body authorized to levy taxes on the property, and shall publish a notice in the official newspaper of the time and place of a hearing to be held by the governing body on the application, not less than 30 days after the notice is published, stating that the applicant, the assessor, representatives of the affected taxing authorities, and any taxpayer of the municipality may be heard or may present their views in writing at or before the hearing. The hearing may be adjourned from time to time, but the governing body shall take action on the application by resolution within 30 days after the hearing. If disapproved, the reasons shall be set forth in the resolution, and the applicant may appeal to the commissioner within 30 days thereafter, but only on the ground that the determination is arbitrary, in relation to prior determinations as to classification under the program, or based upon a mistake of law. If approved, the resolution shall include determinations as to the matters set forth in paragraph ((4)) (d), and the clerk or auditor shall transmit it to the commissioner.

((3)) (c) Within 60 days after receipt of an approved application or an appeal from the disapproval of an application, the commissioner shall take action on it. The commissioner shall approve each application approved by the governing body if he finds that it complies with the provisions of this section. If he disapproves the application, or finds grounds exist for appeal of a disapproved application, he shall transmit the finding to the governing body and the applicant. When grounds for appeal have been determined to exist, the governing body shall reconsider and take further action on the application within 30 days after receipt of the commissioner's notice and serve written notice of the action upon the applicant. The applicant, within 30 days after receipt of notice of final disapproval by the commissioner or the governing body, may appeal from the disapproval to a court of competent jurisdiction.

((4)) (d) *In the case of enterprise zones qualifying pursuant to section 273.1312, subdivision 4, paragraph (c), clause (1), an application shall not be approved unless the governing body finds and determines that the construction or improvement of the facility:*

((A)) (1) *Is reasonably likely to create new employment or prevent a loss of employment in the municipality;*

((B)) (2) Is not likely to have the effect of transferring existing employment from one or more other municipalities within the state;

((C)) (3) Is not likely to cause the total market value of (INDUSTRIAL) employment property within the municipality to exceed five percent of the total market value of all taxable property within the municipality; or if it will, the resulting limitation upon the increase of the assessed value of all taxable property within the municipality, considering the amount of additional municipal services likely to be required for the (INDUSTRIAL) employment property, is not likely to substantially impede the operation or the financial integrity of the municipality or any other public body levying taxes on property in the municipality; and

((D)) (4) Will not result in the reduction of the assessed value of existing property within the municipality owned by the applicant, through abandonment, demolition, or otherwise, without provision for the restoration of the existing property within a reasonable time in a manner sufficient to restore the assessed valuation.

Sec. 8. Minnesota Statutes 1982, section 273.1313, subdivision 3, is amended to read:

Subd. 3. [CLASSIFICATION.] Property shall be classified as (INDUSTRIAL) employment property and assessed as provided for class 4d property in section 273.13, subdivision 9, (CLAUSE) *paragraph* (4), for taxes levied in the year in which the classification is approved and (IN EACH YEAR THEREAFTER TO AND INCLUDING THE 12TH YEAR AFTER THE INDUSTRIAL EMPLOYMENT PROPERTY IS COMPLETED) *for the four succeeding years after the approval*. If the classification is revoked, the revocation is effective for taxes levied in the next year after revocation.

Sec. 9. Minnesota Statutes 1982, section 273.1313, subdivision 5, is amended to read:

Subd. 5. [HEARING.] Upon receipt of the request, the commissioner shall notify the applicant and the governing body (BY CERTIFIED MAIL) of a time and place (, NOT LESS THAN 30 DAYS AFTER RECEIPT,) at which the applicant may be heard (AND). *The hearing must be held within 30 days after receipt of the request. Within 30 days after the hearing,* the commissioner (WILL) *shall* determine whether the facts and circumstances are grounds for revocation as recommended by the governing body. If the commissioner revokes the classification, the applicant may appeal from the commissioner's order to a court of competent jurisdiction at any time within 30 days after revocation.

Sec. 10. [273.1314] [SELECTION OF ENTERPRISE ZONES.]

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

- (a) "City" means a statutory or home rule charter city.*
- (b) "Commissioner" means the commissioner of energy, planning, and development or its successor agency.*
- (c) "Legislative advisory commission" means the legislative advisory commission established under section 3.30.*
- (d) "Municipality" means a city or a county for an area located outside the boundaries of a city. If an area lies in two or more cities or in both incorporated and unincorporated areas, municipality shall include in entity formed pursuant to section 471-59 by the governing bodies of the cities with jurisdiction over the incorporated area and the counties with jurisdiction over the unincorporated area.*

Subd. 2. [SUBMISSION OF APPLICATIONS.] On or before August 31 of each year, a municipality seeking designation of an area as an enterprise zone shall submit an application to the commissioner. The commissioner shall establish procedures and forms for the submission of applications for enterprise zone designation.

Subd. 3. [APPLICATIONS; CONTENTS.] The applications for designation as an enterprise zone shall contain, at a minimum:

- (a) verification that the area is eligible for designation pursuant to section 273.1312;*
- (b) a development plan, outlining the types of investment and development within the zone that the municipality expects to take place if the incentives and tax reductions specified under paragraphs (d) and (e) are provided, the specific investment or development reasonably expected to take place, any commitments obtained from businesses, the projected number of jobs that will be created, the anticipated wage level of those jobs, and any proposed targeting of the jobs created, including affirmative action plans if any;*
- (c) the municipality's proposed means of assessing the effectiveness of the development plan or other programs to be implemented within the zone once they have been implemented;*
- (d) the specific form of tax reductions, authorized by subdivision 9, proposed to be granted to businesses, the duration of*

the tax reductions, an estimate of the total state taxes likely to be foregone as a result, and a statement of the relationship between the proposed tax reductions and the type of investment or development sought or expected to be attracted to or maintained in the area if it is designated as a zone;

(e) the municipality's contribution to the zone as required by subdivision 6;

(f) any additional information required by the commissioner; and

(g) any additional information which the municipality considers relevant to the designation of the area as an enterprise zone.

Paragraph (b) does not apply to an application for designation under section 273.1312, subdivision 4, paragraph (c), clause (3).

Subd. 4. [EVALUATION OF APPLICATIONS.] The commissioner shall review and evaluate the applications submitted pursuant to subdivision 3 and shall determine whether each area is eligible for designation as an enterprise zone. If the department of energy, planning, and development no longer exists as presently constituted, the commissioner shall consult with the successor to the responsibilities of the planning division of that department in making this determination. In determining whether an area is eligible under section 273.1312, subdivision 4, paragraph (c), if unemployment, employment, income or other necessary data are not available for the area from the federal departments of labor or commerce or the state demographer, the commissioner may rely upon other data submitted by the municipality if he determines it is statistically reliable or accurate. The commissioner, in conjunction with the commissioner of revenue, shall prepare an estimate of the amount of state tax revenue which will be foregone for each application if the area is designated as a zone.

On or before October 1 of each year, the commissioner shall submit to the legislative advisory commission a list of the areas eligible for designation as enterprise zones, along with his recommendations for designation and supporting documentation. In making recommendations for designation, the commissioner shall consider and evaluate the applications pursuant to the following criteria:

(a) the pervasiveness of poverty, unemployment, and general distress in the area;

(b) the extent of chronic abandonment, deterioration or reduction in value of commercial, industrial or residential struc-

tures in the area and the extent of property tax arrearages in the area;

(c) the prospects for new investment and economic development in the area with the tax reductions proposed in the application relative to the state and local tax revenue which would be foregone;

(d) the competing needs of other areas of the state;

(e) the municipality's proposed use of other state and federal development funds or programs to increase the probability of new investment and development occurring;

(f) the extent to which the projected development in the zone will provide employment to residents of the economic hardship area, and particularly individuals who are unemployed or who are economically disadvantaged as defined in the federal Job Training Partnership Act of 1982, 96 Statutes at Large 1322;

(g) the funds available pursuant to subdivision 8; and

(h) other relevant factors which he specifies in his recommendations.

The commissioner shall submit a separate list of the areas entitled to designation as enterprise zones under section 273.1312, subdivision 4, paragraph (c), clauses (2) and (3), along with his recommendations for the amount of funds to be allocated to each area.

Subd. 5. [LAC RECOMMENDATIONS.] On or before October 15, the legislative advisory commission shall submit to the commissioner its advisory recommendations regarding the designation of enterprise zones. By October 30 of each year the commissioner shall make the final designation of the areas as enterprise zones, pursuant to section 273.1312, subdivision 2. In making the designation, the commissioner may make modifications in the design of or limitations on the tax reductions contained in the application necessary because of the funding limitations under subdivision 8.

Subd. 6. [LOCAL CONTRIBUTION.] No area may be designated as an enterprise zone unless the municipality agrees to make a qualifying local contribution in the form of (a) a property tax reduction for employment property as provided by section 273.1313 for any business qualifying for a state tax reduction pursuant to this section, or (b) an equivalent local contribution or investment out of other municipal funds, but excluding any special federal grants or loans. If the local contribution is to be used to fund additional reductions in state taxes, the commissioner and the governing body of the municipality shall enter

an agreement for timely payment to the state to reimburse the state for the amount of tax revenue foregone as a result.

Subd. 7. [LIMITATIONS; NUMBER OF DESIGNATIONS.] (a) In each of the years 1983 and 1984, the commissioner shall designate at least two but not more than five areas as enterprise zones. No designations shall be made after December 31, 1984.

(b) No more than one area may be designated as an enterprise zone in any county, except that two areas may be designated in a county containing a city of the first class.

(c) No more than one area in a congressional district may be designated as an enterprise zone in any calendar year.

This subdivision shall not apply to enterprise zones designated pursuant to section 273.1312, subdivision 4, paragraph (c), clauses (2) or (3).

Subd. 8. [FUNDING LIMITATIONS.] The maximum amount of the tax reductions which may be authorized pursuant to designations of enterprise zones under section 273.1312 and this section is limited to \$32,000,000. The maximum amount of this total which may be authorized by the commissioner for tax reductions pursuant to subdivision 9 that will reduce tax revenues which otherwise would have been received during fiscal years 1984 and 1985 is limited to \$8,000,000. Of the total limitation and the 1984-85 biennial limitation the commissioner shall allocate to enterprise zones designated under section 273.1312, subdivision 4, paragraph (c), clause (3), an amount equal to \$10,000,000 and \$4,000,000 respectively. These funds shall be allocated among such zones on a per capita basis. An amount sufficient to fund the state funded property tax credits authorized pursuant to this section is appropriated to the commissioner of revenue. Upon designation of an enterprise zone the commissioner shall certify the total amount available for tax reductions in the zone for its duration. The amount certified shall reduce the amount available for tax reductions in other enterprise zones. If subsequent estimates indicate or actual experience shows that the approved tax reductions will result in amounts of tax reductions in excess of the amount certified, the commissioner shall implement a plan to reduce the available tax reductions in the zone to an amount within the sum certified. If subsequent estimates indicate or actual experience shows that the approved tax reductions will result in amounts of tax reductions below the amount certified, the difference shall be available for certification in other zones or used in connection with an amended plan of tax reductions for the zone as the commissioner determines appropriate. If the tax reductions authorized result in reduced revenues for a dedicated fund, the commissioner of finance shall transfer equivalent amounts to the dedicated fund from the general fund as necessary.

Subd. 9. [AUTHORIZED FORMS OF STATE TAX REDUCTIONS.] (a) *The following types of tax reductions may be approved by the commissioner for businesses located in an enterprise zone:*

(1) *An exemption from the general sales tax imposed by chapter 297A for purchases of construction materials or equipment for use in the zone;*

(2) *A credit against the income tax of an employer for workers employed in the zone, other than workers employed in construction, up to a maximum of \$3,000 per employee;*

(3) *An income tax credit for a percentage of the cost of debt financing to construct new facilities in the zone;*

(4) *A state paid property tax credit for a portion of the property taxes paid by a new commercial or industrial facility or the additional property taxes paid by an expansion of an existing commercial or industrial facility in the zone.*

(b) *The municipality shall specify in its application for designation the types of tax reductions it seeks to be made available in the zone and the percentage rates and other appropriate limitations on the reductions.*

(c) *Upon designation of an enterprise zone and approval by the commissioner of the tax reductions to be made available therein, the commissioner of revenue shall take the steps necessary to implement the tax reductions.*

(d) *The tax reductions provided by this subdivision shall not apply to any facility described in section 103(b)(6)(O) of the Internal Revenue Code of 1954, as amended through January 15, 1983, or to any regulated public utility.*

(e) *The commissioner shall approve tax reductions authorized by paragraph (a) within an enterprise zone designated pursuant to section 273.1312, subdivision 4, paragraph (c), clause (3), only after the governing body of a city designated as an enterprise zone has designated an area or areas, each consisting of at least 100 acres, of the city not in excess of 400 acres in which the tax reductions may be provided.*

(f) *In addition to the tax reductions authorized by paragraph (a), for an enterprise zone designated under section 273.1312, subdivision 4, paragraph (c), clause (3), the following types of tax reductions may be approved:*

(1) *A credit against income tax for workers employed in the zone up to a maximum of \$1,500 per employee;*

(2) A state paid property tax credit for a portion of the property taxes paid by a commercial or industrial facility located in the zone.

(g) Each tax reduction provided to a business pursuant to this subdivision shall terminate not longer than five years after the effective date of the tax reduction for the business. Subject to the five year limitation, the tax reductions may be provided after expiration of the zone's designation.

(h) The income tax credits provided pursuant to clauses (a) and (f) may be refundable.

Subd. 10. [RECAPTURE.] Any business which receives tax reductions authorized by subdivision 9 and which ceases to operate its facility located within the enterprise zone within two years after the expiration of the tax reductions shall repay the amount of the tax reduction pursuant to the following schedule:

Termination of operations	Repayment Portion
Less than 6 months	100 percent
6 months or more but less than 12 months	75 percent
12 months or more but less than 18 months	50 percent
18 months or more but less than 24 months	25 percent

Subd. 11. [DEVELOPMENT AND REDEVELOPMENT POWERS.] Notwithstanding any contrary provision of law or charter, any city of the first or second class which contains an enterprise zone or which has been designated as an enterprise zone may, in addition to its other powers and without limiting them, exercise the powers granted to a governmental subdivision by chapters 458, 462, and 472. Section 458.192, subdivision 14, shall apply to the city in the exercise of the powers granted pursuant to this section. It may exercise the powers assigned to redevelopment agencies pursuant to chapter 474, without limitation to further the purposes of sections 458.09 to 458.1991, 462.411 to 462.705, and chapters 472 and 472A. It may exercise the powers set forth in sections 458.09 to 458.1991, 462.411 to 462.705, and chapters 472 and 472A, without limitation to further the purposes and policies set forth in chapter 474. It may exercise the powers granted by this subdivision and any other development or redevelopment powers authorized by other laws, including chapters 472A and 474, independently or in conjunction with each other as though all the powers had been granted to a single entity. Any project undertaken to accomplish the purposes of

chapter 462 that qualifies as single-family housing under section 462C.02, subdivision 4, shall be subject to the provisions of chapter 462C.

The authorization for a city to exercise powers pursuant to this subdivision shall terminate upon the expiration of the designation of the enterprise zone provided that the powers granted by this subdivision may be exercised after that date with respect to any project, program, or activity commenced or established prior to that date. The powers granted by this subdivision may only be exercised within the zone.

Subd. 12. [TECHNICAL ASSISTANCE.] The commissioner shall establish a mechanism for providing and shall provide technical assistance to small municipalities seeking designation of an area as an enterprise zone under this section and section 273.1312. For purposes of this subdivision, a small municipality means a municipality with a population of 20,000 or less.

Subd. 13. [ADMINISTRATIVE PROCEDURES ACT.] The provisions of chapter 14 shall not apply to designation of enterprise zones pursuant to this section or section 273.1312.

Subd. 14. [FEDERAL DESIGNATIONS.] The commissioner may accept applications and may at any time grant a contingent designation of area as an enterprise zone for purposes of seeking a designation of the area as a federal enterprise zone. For purposes of the designations, the commissioner may waive any of the requirements or limitations on designations contained in this section. If the contingent designation would require funding in excess of the amount available pursuant to subdivision 8, the commissioner shall inform the members of the legislative advisory commission and shall submit a request for the necessary funding to the tax and appropriations committees of the legislature.

Subd. 15. [REPORTING.] The commissioner shall require municipalities receiving enterprise zone designations pursuant to section 273.1312, subdivision 4, to supply information or otherwise report to the state regarding the economic activity which has occurred in the zone following the designation. This information shall include the number of jobs created in the zone, the number of economically disadvantaged individuals hired in the zone, the average wage level of the jobs created, and descriptions of any affirmative action programs undertaken by the municipality in connection with the zone.

Subd. 16. [INFORMATION SHARING.] Notwithstanding the provisions of sections 290.61 and 297A.43, the commissioner of revenue may share information with the commissioner or with a municipality receiving an enterprise zone designation, insofar as necessary to administer the funding limitations provided by subdivision 8.

Subd. 17. [REPEALER.] *This section is repealed effective December 31, 1996.*

Sec. 11. [INSTRUCTION TO REVISOR.]

If the department of energy, planning, and development no longer exists as presently constituted, "commissioner" as defined in section 273.1312 and section 10 means the successor to the responsibilities of the economic development division of that department. The revisor of statutes shall change the definition as appropriate in Minnesota Statutes 1984, and subsequent editions.

Sec. 12. Minnesota Statutes 1982, section 290.068, is amended by adding a subdivision to read:

Subd. 6. [ADDITIONAL CREDIT.] (a) *In addition to the credit allowed by subdivision 1, a credit shall be allowed against the tax imposed by this chapter for the taxable year equal to 12.5 percent of the amount of qualified research expenses paid or incurred for qualified research performed by a Minnesota-domiciled corporation for or on behalf of one or more of its wholly-owned subsidiary corporations which has in effect during the taxable year a valid election under section 936 of the Internal Revenue Code, including any expenses paid or incurred that are attributable to a wholly-owned subsidiary corporation by reason of paragraph (h) of section 936 for purposes of determining each corporation's combined taxable income.*

(b) *The maximum credit allowed by clause (a) for the taxable year shall be the excess of*

(1) *the total amount of tax imposed by this chapter on all members of the unitary group for the taxable year, over*

(2) *the sum of (A) the total amount of tax which would be imposed on the unitary group, if the corporation or corporations with valid elections under section 936 of the Internal Revenue Code were excluded from the unitary group, plus (B) the tax, if any, which would be imposed on the corporation or corporations with valid elections under section 936 of the Internal Revenue Code without regard to the other members of the unitary group.*

(c)(1) *If the amount of the credit determined under clause (a) for any taxable year exceeds the limitation provided in clause (b), the excess shall be a research credit carryover to each of the 15 succeeding taxable years. The entire amount of the excess unused credit for the taxable year shall be carried first to the earliest of the taxable years to which the credit may be carried and then to each successive year to which the credit may be carried.*

(2) *The amount of the unused credit which may be added under subparagraph (1) for any preceding taxable year shall not exceed the amount by which the limitation provided by clause (b) for the taxable year exceeds the sum of*

(i) *the credit allowable under this subdivision for the taxable year, and*

(ii) *the amounts, which, by reason of subparagraph (1), are added to the amount allowable for the taxable year and which are attributable to taxable years preceding the taxable year in which an excess credit arises.*

Sec. 13. [290.069] [SMALL BUSINESS INVESTMENT CREDITS.]

Subdivision 1. [DEFINITIONS.] (a) *"Small business assistance office" means a nonprofit corporation which is formed under chapter 317, is an exempt organization under section 501(c)(3) of the Internal Revenue Code, and satisfies the following conditions:*

(1) *The primary purpose of the corporation is to aid in the formation of new businesses which create jobs in the state by training or providing other direct assistance to entrepreneurs, managers, inventors, and other individuals in the development, financing, and operation of qualified small businesses.*

(2) *The corporation provides audited financial statements to all contributors and the commissioner of energy, planning, and development within 90 days following the close of the corporation's fiscal year.*

(3) *The corporation employs, at least, two full-time professional employees or the equivalent.*

(4) *The corporation is not engaged in providing financing or primarily engaged in arranging financing for businesses.*

(5) *The commissioner of energy, planning and development certifies that the corporation satisfies the requirements of this paragraph for the calendar year.*

(b) *"Technology" means a proprietary process, formula, pattern, device, or compilation of scientific or technical information unless it*

(1) *is in the public domain; or*

(2) *cannot be accurately valued.*

(c) "Controlled group of corporations" means the controlled group of corporations as defined in section 1563 of the Internal Revenue Code, and if the corporation is part of a unitary business, includes the corporations or entities constituting the unitary business which are not in the controlled group of corporations as defined in section 1563.

(d) An "innovation center public corporation" is a non-profit public corporation located at a state university in Minnesota that has the purpose of assisting, encouraging, developing, and advancing the high technology small business prosperity and economic welfare of the state.

(e) The "Internal Revenue Code" means the Internal Revenue Code of 1954, as amended through January 15, 1983.

(f) "Qualified small business" means a business entity organized for profit if the entity:

(1) Has 20 or fewer employees and has less than \$1,000,000 in gross annual receipts;

(2) Is not a subsidiary or an affiliate of a business which employs more than 20 employees or has total gross receipts for the previous year of more than \$1,000,000, computed by aggregating all of the employees and gross receipts of the business entities affiliated with the business;

(3) Has its commercial domicile in this state;

(4) Does not derive more than 20 percent of its gross receipts from royalties, rents, dividends, interest, annuities, and sales or exchanges of stock or securities;

(5) Is not engaged in a trade or business, the primary purpose of which is described in section 103(b)(6)(O) of the Internal Revenue Code of 1954, as amended through January 15, 1983; and

(6) Is certified by the commissioner of energy, planning and development that it satisfies the requirements of clauses (1) to (5).

Subd. 2. [TECHNOLOGY TRANSFER CREDIT.] A credit may be claimed against the taxes imposed by this chapter in an amount equal to 30 percent of the net value of the technology transferred to a qualified small business if the following conditions are satisfied:

(a) The commissioner certifies that the technology has the value claimed by the transferor taxpayer.

(b) *The transferor taxpayer is the exclusive and undisputed owner of the technology at the time the transfer is made.*

(c) *Except as provided in paragraph (h), the transferor retains no proprietary or financial interest in the technology subsequent to its transfer to the qualified small business and no credit is claimed for the transfer of the technology in a prior or subsequent taxable year, except pursuant to the carryover provisions of subdivision 5.*

(d) *The credit shall apply only to the first \$1,000,000 of the net value of the technology transferred during the taxable year. The value of the technology shall not exceed the total qualified research expenses, as defined in section 290.068, subdivision 2, expended by the transferor to create or develop the technology. For purposes of this clause, "net value" means the total value of the technology less any payments received from the transferee and less the value of any equity interest in the transferee received by the transferor in exchange for the technology. For purposes of determining the value of the equity interest, the total value of the transferee shall be deemed to be not less than the value of the technology transferred, less any cash payment made to the transferor.*

(e) *The taxpayer has not deducted the value of the transferred property from income under any other provisions of this chapter, except that the costs of developing the technology may have been deducted as a business expense or depreciated or included in the computation of the research and experimental expenditure credit pursuant to section 290.068.*

(f) *The transferee business entity may not be a subsidiary or affiliate of the transferor taxpayer.*

(g) *The transferee makes a substantial investment in acquiring or developing the technology. The requirements of this clause are satisfied if (1) transferee pays the transferor an amount equal to 20 percent of the value of the technology in return for acquisition of the rights to the technology, or if (2) the transferee expends an equivalent amount for equipment, materials, wages, or other direct costs to develop, produce, or otherwise use the technology. The requirements of this paragraph may not be satisfied by granting the transferor an equity interest as provided by paragraph (h).*

(h) *The transferor may receive in exchange for the transfer of the technology an equity interest in the transferee, but this interest may not exceed 25 percent of the capital interest, if the transferee is a partnership, or 25 percent in value of the outstanding stock, if the transferee is a corporation. The transferor's basis in the equity interest shall be reduced by the amount*

of the credits received pursuant to this subdivision. The transferor may not deduct any loss realized on the sale or exchange of the equity interest.

The commissioner may require that the taxpayer obtain an appraisal of the value of the transferred technology by a reliable, expert third party. The commissioner may promulgate administrative rules for appraising the value of transferred technology.

Subd. 3. [CONTRIBUTION CREDIT.] A credit shall be allowed against the taxes imposed by this chapter in an amount equal to 50 percent of the first \$50,000 of contributions made during the taxable year to a small business assistance office or to an innovation center public corporation. No credit shall be allowed for any contributions deducted pursuant to any other provision of this chapter.

Subd. 4. [EQUITY INVESTMENT CREDIT.] (a) A credit shall be allowed against the tax imposed by this chapter for the taxable year in an amount equal to 30 percent of the net investment in excess of \$25,000 in the equity stock of a qualified small business. The maximum amount of the credit for a taxable year may not exceed \$75,000. For purposes of this credit the following limitations apply:

(1) Equity stock shall not include any security which provides for fixed or variable interest payments.

(2) The taxpayer and any related persons may not own more than 49 percent of the value of any class of stock. For purposes of this paragraph, a person is a related person to another person if (i) the relationship between the persons would result in a disallowance of losses under section 267 or 707(b) of the Internal Revenue Code of 1954 or (ii) the persons are members of the same controlled group of corporations. The restrictions provided by this subdivision shall apply for a three year period beginning on the date the stock is purchased. If the taxpayer or a related person acquires more than 49 percent of the value of any class of stock after the allowance of a credit under this subdivision and prior to the end of the three year period, the taxpayer's tax for the taxable year in which the credit was allowed shall be increased by the amount of the credit previously claimed.

(3) The credit shall not exceed 75 percent of the taxpayer's tax liability computed after the subtraction of all credits, other than the credit provided in this subdivision.

(b) If the principal place of business of the qualified small business is located in an enterprise zone designated pursuant to section 273.1312, \$10,000 shall be substituted for \$25,000 and \$100,000 for \$75,000 in paragraph (a).

(c) *The taxpayer's basis in the stock shall be reduced by the amount of the credit.*

Subd. 5. [LIMITATIONS; OTHER CONDITIONS.] *The provisions of section 290.068, subdivisions 3, clause (a); 4; and 5 shall apply to the sum of the credits which this section allows, except that no carryback shall be allowed. The carryover provisions of section 290.068, subdivision 3, clause (b), shall apply to the sum of the credits allowed by this section except that the term "research credit" or "research and experimental expenditure credit" shall include the credits authorized by subdivisions 2 and 3 of this section. The credits allowed by subdivisions 2 and 3 shall only be available to corporations and banks whose tax is computed pursuant to section 290.06, subdivision 1.*

The maximum limitations on the amount of credit pursuant to subdivisions 2 and 3 shall be determined by aggregating together the credits of all the corporations in the controlled group of corporations with the taxpayer. In order to facilitate compliance with and enforcement of this provision the commissioner may require the taxpayer to claim the credit on a combined report of the unitary business or to file a copy of the consolidated federal return with the state return or both.

Subd. 6. [REPEALER.] *This section is repealed effective for contributions made to a small business office or to an innovation center public corporation as provided in subdivision 3, for technology transferred as described in subdivision 2, and for investments made as described in subdivision 4 in taxable years beginning after December 31, 1985.*

Sec. 14. *Minnesota Statutes 1982, section 290.09, subdivision 4, is amended to read:*

Subd. 4. [TAXES.] *Taxes paid or accrued within the taxable year, except (a) income or franchise taxes imposed by this chapter and income or franchise taxes paid to any other state or to any province or territory of Canada for which a credit is allowed under section 290.081; (b) taxes assessed against local benefits of a kind deemed in law to increase the value of the property assessed; (c) inheritance, gift and estate taxes except as provided in section 290.077, subdivision 4; (d) cigarette and tobacco products excise tax imposed on the consumer; (e) that part of Minnesota property taxes for which a credit or refund is claimed and allowed under chapter 290A; (f) federal income taxes (including the windfall profit tax on domestic crude oil), by corporations, national and state banks; (g) mortgage registry tax; (h) real estate transfer tax; (i) federal telephone tax; (j) federal transportation tax; (AND) (k) income or franchise taxes based on net income paid by a corporation to another state,*

to a political subdivision of another state, or to the District of Columbia; and (l) tax paid by any corporation or national or state bank to any foreign country or possession of the United States to the extent that a credit against federal income taxes is allowed under the provisions of the Internal Revenue Code of 1954, as amended through December 31, 1981. If the taxpayer's foreign tax credit consists of both foreign taxes deemed paid and foreign taxes actually paid or withheld, it will be conclusively presumed that foreign taxes deemed paid were first used by the taxpayer in its foreign tax credit. Minnesota gross income shall include the amount of foreign tax paid which had been allowed as a deduction in a previous year, provided such foreign tax is later allowed as a credit against federal income tax.

Taxes imposed upon a shareholder's interest in a corporation which are paid by the corporation without reimbursement from the shareholder shall be deductible only by such corporation.

Property taxes shall be allowed as a deduction to the same taxpayer and in the same manner as provided in section 164 of the Internal Revenue Code of 1954, as amended through December 31, 1981, notwithstanding the provisions of section 272.31.

Sec. 15. Minnesota Statutes 1982, section 471.59, is amended by adding a subdivision to read:

Subd. 11. [JOINT POWERS BOARD.] Two or more governmental units, through action of their governing bodies, may establish a joint board to issue bonds or obligations pursuant to any law by which any of the governmental units establishing the joint board may independently issue bonds or obligations and may use the proceeds of the bonds or obligations to carry out the purposes of the law under which the bonds or obligations are issued. A joint board created pursuant to this section may issue obligations and other forms of indebtedness only pursuant to authority granted by the action of the governing bodies of the governmental units which established the joint board. The joint board established pursuant to this subdivision shall be composed solely of members of the governing bodies of the governmental unit which established the joint board, and the joint board may not pledge the full faith and credit or taxing power of any of the governmental units which established the joint board. The obligations or other forms of indebtedness shall be obligations of the joint board. The obligations or other forms of indebtedness shall be issued in the same manner and subject to the same conditions and limitations which would apply if the obligations were issued or indebtedness incurred by one of the governmental units which established the joint board provided that any reference to a governmental unit in the statute, law, or charter provision authorizing the issuance of the bonds or the incurring of the indebtedness shall be considered a reference to the joint board.

Sec. 16. Laws 1981, Third Special Session chapter 2, article III, section 22, as amended by Laws 1982, chapters 523, article XXIX, section 5, and 641, article II, section 7, is amended to read:

Sec. 22. [EFFECTIVE DATE.]

Sections 1 and 19 to 21 are effective February 1, 1982. The provision of section 2 relating to commodity tax straddles and section 7 are effective for taxable years beginning after December 31, 1980. The provisions of section 2 relating to the exclusion of dividend and interest income are effective for taxable years beginning after December 31, 1981. Section 2, clauses (a)(22), (b)(24), the portion of clause (a)(16) relating to recovery property, (b)(25), and sections 8, 11, and 12 are effective for property placed in service after December 31, 1980 in taxable years ending after that date. Section 2, clauses (a)(17), (b)(2), the portion of clause (a)(16) relating to gain from the sale or disposition of property and section 9 are effective for taxable years beginning after December 31, 1982. Section 6 is effective for taxable years beginning after December 31, 1981. Section 10 is effective for (THE SALE OR OTHER DISPOSITION OF PROPERTY) *taxable years beginning after December 31, 1982*. For taxpayers subject to tax under Minnesota Statutes, chapter 290, sections 13, 14, and 15 are effective for taxable years beginning after June 30, 1981. Section 16 is effective for taxable years beginning after December 31, 1981. Sections 17 and 18 are effective for petitions filed after January 31, 1982.

Sec. 17. [EFFECTIVE DATE.]

Sections 1 to 11 and 15 are effective the day following final enactment. Sections 12 and 14 are effective for taxable years beginning after December 31, 1982. Section 13 is effective for taxable years beginning after December 31, 1983. Section 16 is effective January 1, 1983.

ARTICLE 9

SATELLITE BROADCASTING; DISTILLERIES.

Section 1. Minnesota Statutes 1982, section 272.02, subdivision 1, is amended to read:

Subdivision 1. Except as provided in other subdivisions of this section or in section 272.025 or section 273.13, subdivisions 17, 17b, 17c or 17d, all property described in this section to the extent herein limited shall be exempt from taxation:

- (1) All public burying grounds;
- (2) All public schoolhouses;

- (3) All public hospitals;
- (4) All academies, colleges, and universities, and all seminaries of learning;
- (5) All churches, church property, and houses of worship;
- (6) Institutions of purely public charity except property assessed pursuant to section 273.13, subdivisions 17, 17b, 17c or 17d;
- (7) All public property exclusively used for any public purpose;
- (8) (a) Class 2 property of every household of the value of \$100, maintained in the principal place of residence of the owner thereof. The county auditor shall deduct such exemption from the total valuation of such property as equalized by the revenue commissioner assessed to such household, and extend the levy of taxes upon the remainder only. The term "household" as used in this section is defined to be a domestic establishment maintained either (1) by two or more persons living together within the same house or place of abode, subsisting in common and constituting a domestic or family relationship, or (2) by one person.
- (b) During the period of his active service and for six months after his discharge therefrom, no member of the armed forces of the United States shall lose status of a householder under paragraph (a) which he had immediately prior to becoming a member of the armed forces.

In case there is an assessment against more than one member of a household the \$100 exemption shall be divided among the members assessed in the proportion that the assessed value of the Class 2 property of each bears to the total assessed value of the Class 2 property of all the members assessed. The Class 2 property of each household claimed to be exempt shall be limited to property in one taxing district, except in those cases where a single domestic establishment is maintained in two or more adjoining districts.

Bonds and certificates of indebtedness hereafter issued by the state of Minnesota, or by any county or city of the state, or any town, or any common or independent school district of the state, or any governmental board of the state, or any county or city thereof, shall hereafter be exempt from taxation; provided, that nothing herein contained shall be construed as exempting such bonds from the payment of a tax thereon, as provided for by section 291.01, when any of such bonds constitute, in whole or in part, any inheritance or bequest, taken or received by any person or corporation.

(9) Farm machinery manufactured prior to 1930, which is used only for display purposes as a collectors item;

(10) The taxpayer shall be exempted with respect to, all agricultural products, inventories, stocks of merchandise of all sorts, all materials, parts and supplies, furniture and equipment, manufacturers material, manufactured articles including the inventories of manufacturers, wholesalers, retailers and contractors; and the furnishings of a room or apartment in a hotel, rooming house, tourist court, motel or trailer camp, tools and machinery which by law are considered as personal property, and the property described in section 272.03, subdivision 1, clause (c), except personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings and structures. Railroad docks and wharves which are part of the operating property of a railroad company as defined in section 270.80 are not exempt.

(11) Containers of a kind customarily in the possession of the consumer during the consumption of commodities, the sale of which are subject to tax under the provisions of the excise tax imposed by Extra Session Laws 1967, Chapter 32;

(12) All livestock, poultry, all horses, mules and other animals used exclusively for agricultural purposes;

(13) All agricultural tools, implements and machinery used by the owners in any agricultural pursuit.

(14) Real and personal property used primarily for the abatement and control of air, water, or land pollution to the extent that it is so used, other than real property used primarily as a solid waste disposal site.

Any taxpayer requesting exemption of all or a portion of any equipment or device, or part thereof, operated primarily for the control or abatement of air or water pollution shall file an application with the commissioner of revenue. Any such equipment or device shall meet standards, regulations or criteria prescribed by the Minnesota Pollution Control Agency, and must be installed or operated in accordance with a permit or order issued by that agency. The Minnesota Pollution Control Agency shall upon request of the commissioner furnish information or advice to the commissioner. If the commissioner determines that property qualifies for exemption, he shall issue an order exempting such property from taxation. Any such equipment or device shall continue to be exempt from taxation as long as the permit issued by the Minnesota Pollution Control Agency remains in effect.

(15) Wetlands. For purposes of this subdivision, "wetlands" means land which is mostly under water, produces little if any income, and has no use except for wildlife or water conservation purposes. "Wetlands" shall be land preserved in its natural condition, drainage of which would be feasible and practical and would provide land suitable for the production of livestock, dairy animals, poultry, fruit, vegetables, forage and grains, except wild rice. "Wetlands" shall include adjacent land which is not suitable for agricultural purposes due to the presence of the wetlands. Exemption of wetlands from taxation pursuant to this section shall not grant the public any additional or greater right of access to the wetlands or diminish any right of ownership to the wetlands.

(16) Native prairie. The commissioner of the department of natural resources shall determine lands in the state which are native prairie and shall notify the county assessor of each county in which the lands are located. Pasture land used for livestock grazing purposes shall not be considered native prairie for the purposes of this clause and section 273.116. Upon receipt of an application for the exemption and credit provided in this clause and section 273.116 for lands for which the assessor has no determination from the commissioner of natural resources, the assessor shall refer the application to the commissioner of natural resources who shall determine within 30 days whether the land is native prairie and notify the county assessor of his decision. Exemption of native prairie pursuant to this clause shall not grant the public any additional or greater right of access to the native prairie or diminish any right of ownership to it.

(17) Property used in a continuous program to provide emergency shelter for victims of domestic abuse, provided the organization that owns and sponsors the shelter is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1954, as amended through December 31, 1980, notwithstanding the fact that the sponsoring organization receives funding under section 8 of the United States Housing Act of 1937, as amended.

(18) If approved by the governing body of the municipality in which the property is located, property not exceeding one acre which is owned and operated by any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation, and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders; provided the property is used primarily as a clubhouse, meeting facility or recreational facility by the group or association and the property is not used for residential purposes on either a temporary or permanent basis.

(19) To the extent provided by section 295.44, real and personal property used or to be used primarily for the production

of hydroelectric or hydromechanical power on a site owned by the state or a local governmental unit which is developed and operated pursuant to the provisions of section 105.482, subdivisions 1, 8 and 9.

(20) *If approved by the governing body of the municipality in which the property is located, a direct satellite broadcasting facility or fixed satellite regional or national program service facility, construction of which is commenced after June 30, 1983, for a period not to exceed five years. When the facility no longer qualifies for exemption, it shall be placed on the assessment rolls as provided in subdivision 4. As used in this clause, a "direct satellite broadcasting facility" is a facility operated by a corporation licensed by the federal communications commission to provide direct satellite broadcasting services using direct broadcast satellites operating in the 12-ghz. band and a "fixed satellite regional or national program service facility" is a facility operated by a corporation licensed by the federal communications commission to provide fixed satellite-transmitted regularly scheduled broadcasting services using satellites operating in the 6-ghz. band. Before approving a tax exemption pursuant to this paragraph, the governing body of the municipality shall provide an opportunity to the members of the county board of commissioners of the county in which the facility is proposed to be located and the members of the school board of the school district in which the facility is proposed to be located to meet with the governing body. The governing body shall present to the members of those boards its estimate of the fiscal impact of the proposed property tax exemption. The tax exemption shall not be approved by the governing body until the county board of commissioners has presented its written comment on the proposal to the governing body, or 30 days has passed from the date of the transmittal by the governing body to the board of the information on the fiscal impact, whichever occurs first.*

(21) *If approved by the governing body of the municipality in which the property is located, a facility construction of which is commercial after June 30, 1983, at which a licensed Minnesota manufacturer produces distilled spirituous liquors, liqueurs, cordials, or liquors designated as specialties regardless of alcoholic content, but not including ethyl alcohol, distilled with a majority of the ingredients grown or produced in Minnesota, for a period not to exceed five years. When the facility no longer qualifies for exemption, it shall be placed on the assessment rolls as provided in subdivision 4. Before approving a tax exemption pursuant to this paragraph, the governing body of the municipality shall provide an opportunity to the members of the county board of commissioners of the county in which the facility is proposed to be located and the members of the school board of the school district in which the facility is proposed to be located to meet with the governing body. The governing*

body shall present to the members of those boards its estimate of the fiscal impact of the proposed property tax exemption. The tax exemption shall not be approved by the governing body until the county board of commissioners has presented its written comment on the proposal to the governing body, or 30 days has passed from the date of the transmittal by the governing body to the board of the information on the fiscal impact, whichever occurs first.

Sec. 2. [297A.253] [SATELLITE BROADCASTING FACILITY MATERIALS; EXEMPTIONS.]

Notwithstanding the provisions of this chapter, there shall be exempt from the tax imposed therein all materials and supplies or equipment used or consumed in constructing, or incorporated into the construction of, a new facility in Minnesota for providing federal communications commission licensed direct satellite broadcasting services using direct broadcast satellites operating in the 12-ghz. band or fixed satellite regional or national program services, as defined in section 272.02, subdivision 1, clause (20), construction of which was commenced after June 30, 1983, and all machinery, equipment, tools, accessories, appliances, contrivances, furniture, fixtures, and all technical equipment or tangible personal property of any other nature or description necessary to the construction and equipping of that facility in order to provide those services.

Sec. 3. [297A.254] [DISTILLARY MATERIALS; EXEMPTION.]

Notwithstanding the provisions of this chapter, there shall be exempt from the tax imposed therein all materials and supplies or equipment used or consumed in constructing, or incorporated into the construction of, a new facility in Minnesota at which a licensed Minnesota manufacturer produces distilled spirituous liquors, liqueurs, cordials, and liquors designated as specialties regardless of alcoholic content, but not including ethyl alcohol, distilled with a majority of ingredients grown or produced in Minnesota, construction of which was commenced after June 30, 1983. All machinery, equipment, tools, accessories, appliances, contrivances, furniture, fixtures, and all technical equipment or tangible personal property of any other nature or description necessary to the construction and equipping of that facility in order to provide those services is also exempt.

Sec. 4. [EFFECTIVE DATE.]

Section 1 is effective for taxes levied in 1983 and thereafter, payable in 1984 and thereafter. Sections 2 and 3 are effective for sales made after June 30, 1983, and before July 1, 1983.

ARTICLE 10

DEVELOPMENT PROPERTY

Section 1. [CITY OF AUSTIN; CITY OF HASTINGS; PROPERTY HELD FOR DEVELOPMENT.]

Notwithstanding the time limitation provided in Minnesota Statutes, section 272.02, subdivision 5, the holding of property by the city of Austin or by the city of Hastings for later resale for economic development purposes shall be considered a public purpose in accordance with Minnesota Statutes, section 272.02, subdivision 1, clause (7) for a period not to exceed six years. This section shall not operate to create an exemption from sections 272.01, subdivision 2; 272.68; 273.19; or 462.575, subdivision 3, or other provisions of law providing for the taxation of or for payments in lieu of taxes for publicly held property which is leased, loaned, or otherwise made available and used by a private person.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective for taxes levied in 1983, payable in 1984 and thereafter.

ARTICLE 11

BEMIDJI

Section 1. [CITY OF BEMIDJI; PROPERTY TAX EXEMPTION FOR PROPERTY HELD FOR FUTURE DEVELOPMENT.]

The governing body of the city of Bemidji may authorize the exemption from property tax of property entirely located within the city of Bemidji, held by a qualified nonprofit organization for later resale for economic development purposes.

For purposes of this section, a "qualified nonprofit organization" is a corporation organized under the provisions of chapter 317 which is prohibited by its articles of incorporation from affording any pecuniary gain to its members or directors and which has as its primary purpose the civic betterment and development of the city of Bemidji. The exemption provided under this subdivision for property held by a qualified nonprofit organization shall apply only to property held for the purpose of encouraging development of commerce and industry in the city in accordance with the provisions of the articles of incorporation of the organization. This section shall not operate to create an exemption from sections 272.01, subdivision 2; 272.68; 273.19; or 462.575, subdivision 3; or other provision of law providing

for the taxation of or for payments in lieu of taxes for publicly held property which is leased, loaned, or otherwise made available and used by a private person.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day after approval by the city council of the city of Bemidji at 12:01 a.m. the day after compliance with Minnesota Statutes, section 645.021, subdivision 3.

ARTICLE 12

I.S.D. No. 692

Section 1. [EXEMPTION FROM PROPERTY TAX FOR LEASED PROPERTY.]

Property leased from Independent School District No. 692 by a nonprofit organization established for the purpose of providing services and rental space to community organizations and businesses and which donates its revenues that exceed its operating and maintenance costs and necessary reserves to the school district or to a community service fund to be used for educational and recreational purposes within the district, shall not be subject to taxation pursuant to Minnesota Statutes, section 272.01, subdivision 2 prior to the leasing or renting of the property from the nonprofit organization to a tenant.

Sec. 2. [LOCAL APPROVAL.]

Section 1 is effective upon local approval by the governing bodies of St. Louis County, the city of Babbitt, and Independent School District No. 692.

ARTICLE 13

CITY LODGING TAX

Section 1. [477A.018] [CITY LODGING TAX.]

Subdivision 1. [AUTHORIZATION.] Notwithstanding section 477A.016 or any other law, a statutory or home rule charter city may by ordinance impose a tax of up to three percent on the gross receipts from the furnishing for consideration of lodging at a hotel, motel, rooming house, tourist court, or other use of space by a transient, other than the renting or leasing of it for a continuous period of 30 days or more.

Subd. 2. [EXISTING TAXES.] No statutory or home rule charter city may impose a tax under this section upon transient lodging that, when combined with any tax authorized by special law or enacted prior to 1972, exceeds a rate of three percent.

Subd. 3. [DISPOSITION OF PROCEEDS.] *Ninety-five percent of the gross proceeds from any tax imposed under subdivision 1 shall be used by the statutory or home rule charter city to fund a local convention or tourism bureau for the purpose of marketing and promoting the city as a tourist or convention center. This subdivision shall not apply to any statutory or home rule charter city that has a lodging tax authorized by special law or enacted prior to 1972 at the time of enactment of this section.*

Sec. 2. [COLLECTION.]

The statutory or home rule charter city may agree with the commissioner of revenue that a tax imposed pursuant to section 1 shall be collected by the commissioner together with the tax imposed by Minnesota Statutes, chapter 297A, and subject to the same interest, penalties and other rules and that its proceeds, less the cost of collection, shall be remitted to the city.

Sec. 3. [EFFECTIVE DATE.]

This article is effective July 1, 1983.

ARTICLE 14

GRAVEL TAX

Section 1. Minnesota Statutes 1982, section 298.75, is amended to read:

Subdivision 1. [DEFINITIONS.] Except as may otherwise be provided, the following words, when used in this section, shall have the meanings herein ascribed to them.

(1) "Aggregate material" shall mean non-metallic natural mineral aggregate including, but not limited to sand, silica sand, gravel, building stone, crushed rock, limestone, and granite. Aggregate material shall not include dimension stone and dimension granite.

(2) "Person" shall mean any individual, firm, partnership, corporation, organization, trustee, association, or other entity.

(3) "Operator" shall mean any person engaged in the business of removing aggregate material from the surface or sub-surface of the soil, for the purpose of sale, either directly or indirectly, through the use of the aggregate material in a marketable product or service.

(4) "Extraction site" shall mean a pit, quarry, or deposit containing aggregate material and any contiguous property to the pit, quarry, or deposit which is used by the operator for stockpiling the aggregate material.

(5) "Importer" shall mean any person who buys aggregate material produced from a county not listed in paragraph (6) or another state and causes the aggregate material to be imported into a county in this state which imposes a tax on aggregate material.

(6) "County" shall mean the counties of Stearns, Benton, Sherburne, Wright, Carver, Scott, Dakota, LeSeuer, Kittson, Marshall, Pennington, Red Lake, Polk, Norman, Mahnomon, Clay, Becker, Wilkin, Traverse, Big Stone, Stevens, Pope, Anoka, Hennepin, Washington, and Ramsey.

Subd. 2. A county shall impose upon every importer and operator (**ENGAGED IN THE BUSINESS OF REMOVING AGGREGATE MATERIAL FOR SALE FROM A PIT, QUARRY, OR DEPOSIT,**) a production tax equal to ten cents per cubic yard or seven cents per ton of aggregate material removed except that the county board may (**IN ITS DISCRETION,**) decide not to impose this tax if it determines that in the previous year operators removed less than 20,000 tons or 14,000 cubic yards of aggregate material from that county. The tax shall be imposed on aggregate material produced in the county when the aggregate material is transported from the extraction site or sold, when in the case of storage the stockpile is within the state of Minnesota and the highways are not used for transporting the aggregate material. *The tax shall be imposed on an importer when the aggregate material is imported into the county that imposes the tax.*

(IN THE EVENT THAT) *If the aggregate material is transported directly from the extraction site to a waterway, railway, or another mode of transportation other than a highway, road or street, the tax imposed by this section shall be apportioned equally between the county where the aggregate material is extracted and the county to which the aggregate material is originally transported. If that destination is not located in Minnesota, then the county where the aggregate material was extracted shall receive all of the proceeds of the tax.*

Subd. 3. By the 14th day following the last day of each calendar quarter, every operator or importer shall make and file with the county auditor of the county in which the aggregate material is removed or imported, a correct report under oath, in such form and containing such information as the auditor shall require relative to the quantity of aggregate material removed or imported during the preceding calendar quarter. The report shall be accompanied by a remittance of the amount of tax due.

If any of the proceeds of the tax is to be apportioned as provided in subdivision 2, the operator or importer shall also include on the report any relevant information concerning the amount of aggregate material transported, the tax and the county of

destination. The county auditor shall notify (HIS) *the* county treasurer of the amount of such tax and the county to which it is due. The county treasurer shall remit the tax to the appropriate county within 30 days.

Subd. 4. If any operator *or importer* fails to make the report required by subdivision 3 **or files an erroneous report**, the county auditor shall, by the fifth working day after the date the report became due, determine the amount of tax due and notify the operator *or importer* by registered mail of the amount of tax so determined. An operator *or importer* may, within 30 days from the date of mailing the notice, file in the office of the county auditor a written statement of objections to the amount of taxes determined to be due. The statement of objections shall be deemed to be a petition within the meaning of chapter 278, and shall be governed by sections 278.02 and 278.13.

Subd. 5. Failure to file the report shall result in a penalty of \$5 for each of the first 30 days, beginning on the 14th day after the date when the county auditor has sent notice to the operator *or importer* as provided in subdivision 4, during which the report is overdue and no statement of objection has been filed. For each subsequent day during which the report is overdue and no statement of objection has been filed, a penalty of \$10 shall be assessed against the operator *or importer* who is required to file the report. The penalties imposed by this subdivision shall be collected as part of the tax. If neither the report nor a statement of objection has been filed after more than 60 days have elapsed from the date when the notice was sent, the operator *or importer* who is required to file the report is guilty of a misdemeanor.

Subd. 6. It is a misdemeanor for any operator *or importer* to remove aggregate material from a pit, quarry, or deposit *or for any importer to import aggregate material* unless all taxes due under this section for the previous reporting period have been paid or objections thereto have been filed pursuant to subdivision 4.

Subd. 7. All moneys collected as taxes under this section shall be deposited in the county treasury and credited as follows, for expenditure by the county board:

(a) Sixty percent to the county road and bridge fund for expenditure for the maintenance, construction and reconstruction of roads, highways and bridges;

(b) Thirty percent to the road and bridge fund of those towns as determined by the county board and to the general fund or other designated fund of those cities as determined by the county board, to be expended for maintenance, construction and reconstruction of roads, highways and bridges; and

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

(IN THE EVENT THAT) *If there are no abandoned pits, quarries or deposits located upon public or tax forfeited lands within the county, this portion of the tax shall be deposited in the county road and bridge fund for expenditure for the maintenance, construction and reconstruction of roads, highways and bridges.*

Sec. 2. [REPEALER.]

Laws 1961, chapter 605; Laws 1963, chapter 475; Laws 1965, chapter 163; Laws 1977, chapters 112 and 117; and Laws 1979, chapter 273 are repealed.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective for aggregate material produced after June 30, 1983.

Section 2 is effective January 1, 1983.

ARTICLE 15

DELINQUENCY: TAX FORFEITURE

Section 1. [PURPOSES; POLICY.]

Laws pertaining to the processing of delinquent real estate taxes in this state respecting billing, delinquency, judgment, sale, forfeiture, and redemption create risks respecting the validity of the title of the state, or its successors in interest, arising out of the tax forfeiture process. It is the policy of the state of Minnesota that the body of law pertaining to the processing of delinquent real property taxes be liberally construed in favor of the state, its officers, agents, and its successors in interest, to accomplish the following:

(a) *to promote the policy of unfettered marketability as expressed in section 284.28;*

(b) *to provide for uniform and reasonable notices to taxpayers and other interested parties with regard to:*

(1) *mailing of billing notices;*

(2) *notice of delinquency, judgment, and sale;*

(3) *notice of expiration of the redemption period; and*

(c) to eliminate other potential defects or ambiguities as fetter the marketability of title held by the state, or its successors in interest.

Sec. 2. Minnesota Statutes 1982, section 276.04, is amended to read:

276.04 [NOTICE OF RATES; PROPERTY TAX STATEMENTS.]

On receiving the tax lists from the county auditor, the county treasurer shall, if directed by the county board, give three weeks' published notice in a newspaper specifying the rates of taxation for all general purposes and the amounts raised for each specific purpose. He shall, whether or not directed by the county board, cause to be printed on all tax statements, or on an attachment, a tabulated statement of the dollar amount due to each taxing authority and the amount to be paid to the state of Minnesota from the parcel of real property for which a particular tax statement is prepared. The dollar amounts due the state, county, township or municipality and school district shall be separately stated but the amounts due other taxing districts, if any, may be aggregated. The property tax statements for class 2a property shall contain the same information that is required on the tax statements for real property. The county treasurer shall mail to taxpayers statements of their personal property taxes due, such statements to be mailed not later than February 15 (except in the case of Class 2a property), statements of the real property taxes due shall be mailed not later than January 31; provided, that the validity of the tax shall not be affected by failure of the treasurer to mail such statement. *The taxpayer is defined as the owner who is responsible for the payment of the tax.* Such real and personal property tax statements shall contain the market value, as defined in section 272.03, subdivision 8, used in determining the tax. The statement shall show the amount attributable to section 124.2137 as "state paid agricultural credit" and the amount attributable to section 273.13, subdivisions 6 and 7 as "state paid homestead credit". The statement shall show the reduction attributable to the aid given pursuant to section 273.139 and shall indicate that the reduction is paid by the state of Minnesota. If so directed by the county board, the treasurer shall visit places in the county as he deems expedient for the purpose of receiving taxes and the county board is authorized to pay the expenses of such visits and of preparing duplicate tax lists. *Failure to mail the tax statement shall not be deemed a material defect to affect the validity of any judgment and sale for delinquent taxes.*

Sec. 3. [276.041] [FILING TO RECEIVE NOTICE OF DELINQUENT TAXES.]

Fee owners, vendees, mortgagees, lienholders, and lessees may file their names and current mailing addresses with the county

auditor in the county in which the land is located for the purpose of receiving notices affecting such land that are issued pursuant to sections 276.04, 281.23, and section 6. Each person filing his name and address shall pay a filing fee of \$15 to the county auditor for each parcel. The filing shall expire after three years. Persons may refile their names and addresses for additional three year periods, and a fee of \$15 shall be paid with each re-filing. The county auditor shall furnish a copy of the list of names and addresses to the county treasurer. Taxpayers of record with the county auditor and mortgagees who remit taxes on their behalf shall receive tax statements and other notices as otherwise provided by law and shall not be required to file and pay fees under this section.

Sec. 4. Minnesota Statutes 1982, section 279.05, is amended to read:

279.05 [DELINQUENT LIST, FILING, EFFECT.]

On or before February fifteenth, in each year, the county auditor shall file with the clerk of the district court of the county a list of the delinquent taxes upon real estate within his county, which list shall contain a description of each parcel of land on which such taxes shall be so delinquent, except such parcels as shall have theretofore been bid in by the state and not (ASSIGNED BY IT OR) redeemed (, WITH THE NAME OF THE OWNER, IF KNOWN, AND, IF UNKNOWN, SO STATED, APPEARING ON THE DELINQUENT LIST, AND THE TOTAL AMOUNT OF TAXES AND PENALTIES, WITH THE YEARS FOR WHICH THE SAME ARE DELINQUENT, SET OPPOSITE SUCH DESCRIPTION, AND SHALL VERIFY SUCH LIST BY HIS AFFIDAVIT). *The list shall contain the following information:*

(a) *a legal description of the land and tax parcel or identification number of each parcel of land on which taxes shall be so delinquent except those parcels as shall have theretofore been bid in by the state and not redeemed;*

(b) *names of the taxpayers and fee owners and in addition those parties who have filed their addresses pursuant to section 3, and, at the election of the county auditor, the current filed addresses; and*

(c) *the total amount of taxes and penalties, with the years for which the same are delinquent, set opposite the description. The filing of such list shall have the effect of filing a complaint in an action by the county against each parcel of land therein described, to enforce payment of the taxes and penalties therein appearing against it, and shall be deemed the institution of such action, and the same shall operate as notice of the pendency thereof. The auditor shall verify the list by affidavit. The affidavit shall be substantially in the following form:*

at a tax judgment sale shall be three years from the date of sale to the state of Minnesota if the land is within an incorporated area unless it is: (a) homesteaded land as defined in section 273.13, subdivision 7; (b) agricultural land as defined in section 273.13, subdivision 6; or (c) seasonal recreational land as defined in section 273.13, subdivision 4, in which event the period of redemption is five years from the date of sale to the state of Minnesota.

The period of redemption for all other lands sold to the state at a tax judgment sale shall be five years from the date of sale. Inquiries as to the proceedings set forth above can be made to the county auditor of _____ county whose address is _____.

(Signed) _____,

Clerk of the District Court of the County

of

(Here insert list.)

The list referred to in the notice shall be substantially in the following form:

List of real property for the county of _____, on which taxes remain delinquent on the first Monday in January, 19 _____:

Town of (Fairfield),

Township (40), Range (20),

(NAME OF
OWNER)

Names (and
Current Filed
Addresses) for
the Taxpayers
and Fee Owners
and in Addition
Those Parties
Who Have Filed
Their Addresses

Pursuant to section 3	Subdivision of Section	Section	Tax Parcel Number	Total Tax and Penalty \$ cts.
John Jones (825 Fremont Fairfield, MN 55000)	S.E. 1/4 of S.W. 1/4	10	23101	2.20

(JAMES SMITH)	(UND. HALF OF S.E. 1/4)	(20)	(4.40)
(AMOS BROWN)	(BEG. AT THENCE IN N.E. DIRC. 40 RODS TO ; THENCE IN E. DIRC. 10 RODS TO ; THENCE IN S.W. DIRC. 40 RODS TO THENCE 10 RODS N. TO PLACE OF BEG.)	(21)	(3.15)

*Bruce Smith
(2059 Hand
Fairfield,
MN 55000)
and
Fairfield
State Bank
(100 Main
Street
Fairfield,
MN 55000)*

*That part of N.E.
1/4 of S.W. 1/4
desc. as follows:
Beg. at the S.E.
corner of said N.E.
1/4 of S.W. 1/4;
thence N. along the
E. line of said N.E.
1/4 of S.W. 1/4 a
distance of 600 ft.;
thence W. parallel
with the S. line of
said N.E. 1/4 of
S.W. 1/4 a distance
of 600 ft.; thence S.
parallel with said E.
line a distance of
600 ft. to S. line of
said N.E. 1/4 of
S.W. 1/4; thence E.
along said S. line a
distance of 600 ft. to
the point of beg.*

21 33211 3.15

As to platted property, the form of heading shall conform to circumstances and be substantially in the following form:

City of (Smithtown)

Brown's Addition, or Subdivision

(NAME OF
OWNER)

*Names (and
Current Filed
Addresses) for
the Taxpayers
and Fee Owners
and in Addition
Those Parties
Who have Filed
Their Addresses*

<i>Pursuant to section 3</i>	<i>Lot</i>	<i>Block</i>	<i>Tax Parcel Number</i>	<i>Total Tax and Penalty \$ cts.</i>
<i>John Jones (825 Fremont Fairfield, MN 55000)</i>	<i>15</i>	<i>9</i>	<i>58243</i>	<i>2.20</i>
<i>(JAMES SMITH)</i>	<i>(12)</i>	<i>(9)</i>		<i>(1.20)</i>
<i>(AMOS BROWN)</i>	<i>(4)</i>	<i>(10)</i>		<i>(4.40)</i>
<i>Bruce Smith (2059 Hand Fairfield, MN 55000) and Fairfield State Bank (100 Main Street Fairfield, MN 55000)</i>	<i>16</i>	<i>9</i>	<i>58244</i>	<i>3.15</i>

The names, descriptions, and figures employed in parentheses in the above forms are merely for purposes of illustration.

The name of the town, township, range or city, and addition or subdivision, as the case may be, shall be repeated at the head of each column of the printed lists as brought forward from the preceding column.

Errors in the list shall not be deemed to be a material defect to affect the validity of the judgment and sale.

Sec. 6. [279.091] [MAILING OF NOTICE AND LIST; FAILURE TO MAIL.]

On or before March 20 immediately following the filing of such list with the clerk of district court, the county auditor shall cause the notice and the pertinent portion of the list of delinquent real property to be mailed to all real property taxpayers and in addition those parties who have filed their addresses pursuant to section 3. Failure to mail the notice and the pertinent portions of the list shall not be deemed to be a material defect to affect the validity of the judgment and sale.

Sec. 7. [279.092] [PUBLICATION AND RELATED COSTS.]

The county auditor shall assess a service fee of the greater of (a) \$10.00, or (b) the amount determined by the county board as

Sec. 8. [279.131] [AFFIDAVIT OF MAILING.]

When the last publication shall have been made *and the notice and list shall have been mailed by the county auditor*, the notice shall be deemed to have been served and the court to have acquired full and complete jurisdiction to enforce against each parcel of land in such published list described in the taxes, accrued penalties, and costs upon it then delinquent, so as to bind every estate, right, title, interest, claim, or lien, in law or equity, in, to, or upon such parcel of land, of every person, company, or corporation. Such jurisdiction shall not be affected by any error in making the list filed with the clerk, nor by any error, irregularity, or omission in the assessment or levy of the taxes, or

in any other proceedings, prior to filing the list; nor by any mistake in copying the list for publication, or in publishing the list, or in mailing the list and notice or in the designation of the newspaper wherein such list is published; nor by reason of the taxes having been charged in any other name than that of the rightful owner; nor by any mistake in the amount of tax in such published list appearing against any piece or parcel of land therein described; provided, that any judgment rendered in such proceedings shall be void upon satisfactory proof made (AT ANY TIME) prior to the expiration of the statute of limitations provided in section 284.28 that such real estate was exempt from taxation or that such taxes were paid before judgment was rendered.

Sec. 10. Minnesota Statutes 1982, section 279.15, is amended to read:

279.15 [WHO MAY ANSWER; FORM.]

Any person having any estate, right, title, or interest in, or lien upon, any parcel of land embraced in such list as published, within 20 days after the last publication of the notice, may file with the clerk of the district court an answer (, VERIFIED AS A PLEADING IN A CIVIL ACTION,) setting forth his defense or objection to the tax or penalty against such parcel of land. The answer need not be in any particular form, but shall clearly refer to the parcel of land intended, and set forth in concise language the facts constituting the defense or objection to such tax or penalty; and, if the list shall embrace the taxes for two or more years, the defense or objection may be to the taxes or penalty for one or more of such years. The answer may embrace his defense or objection to any number of parcels of land in or upon which he has any estate, right, title, interest, or lien. (NO REPLY SHALL BE NECESSARY, BUT AT THE TRIAL THE ALLEGATIONS OF THE ANSWER SHALL BE DEEMED TO BE DENIED.)

Sec. 11. Minnesota Statutes 1982, section 279.16, is amended to read:

279.16 [JUDGMENT WHEN NO ANSWER; FORM; ENTRY.]

Upon the expiration of 20 days from the later of the filing of the affidavit of publication or the filing of the (NOTICE AND LIST, THE) affidavit of (PUBLICATION BEING FILED) mailing pursuant to section 8, the clerk shall enter judgment against each and every such parcel as to which no answer has been filed, which judgment shall include all such parcels, and shall be substantially in the following form:

State of Minnesota)
) ss.
County of)

District Court,

Judicial District.

In the matter of the proceedings to enforce payment of the taxes on real estate remaining delinquent on the first Monday in January, 19 . . . , for the county of . . . , state of Minnesota.

A list of taxes on real property, delinquent on the first Monday in January, 19 . . . , for said county of . . . , having been duly filed in the office of the clerk of this court, and the notice and list required by law having been duly published *and mailed* as required by law, and more than 20 days having elapsed since the last publication of the notice and list, and no answer having been filed by any person, company, or corporation to the taxes upon any of the parcels of land hereinafter described, it is hereby adjudged that each parcel of land hereinafter described is liable for taxes, penalties, and costs to the amount set opposite the same, as follows:

Description.	Parcel Number.	Amount.
--------------	----------------	---------

The amount of taxes, penalties, and cost to which, as hereinbefore stated, each of such parcels of land is liable, is hereby declared a lien upon such parcel of land as against the estate, right, title, interest, claim, or lien, of whatever nature, in law or equity, of every person, company, or corporation; and it is adjudged that, unless the amount to which each of such parcels is liable be paid, each of such parcels be sold, as provided by law, to satisfy the amount to which it is liable.

Dated this . . . day of . . . , 19 . . .

Clerk of the District Court,

County of . . .

The judgment shall be entered by the clerk in a book to be kept by him, to be called the real estate tax judgment book, and signed by the clerk. The judgment shall be written out on the left-hand pages of the book, leaving the right-hand pages blank for the entries in this chapter hereinafter provided; and the same presumption in favor of the regularity and validity of the judgment shall be deemed to exist as in respect to judgments in civil actions in such court, except where taxes have been paid before the entry of judgment, or where the land is exempt from taxation, in which cases the judgment shall be prima facie evidence only of its regularity and validity.

Sec. 12. Minnesota Statutes 1982, section 279.20, is amended to read:

279.20 [PAPERS FILED BY CLERK.]

The clerk shall attach together and file the list, notice, affidavit of publication, *affidavit of mailing*, one copy of the newspaper and supplement, if any, in which the notice and list were published, all answers, all orders made in the proceedings, and all affidavits and other papers filed in the course thereof.

Sec. 13. Minnesota Statutes 1982, section 280.01, is amended to read:

280.01 [(MODE OF) STATE BID IN AT SALE.]

On the second Monday in May, in each year, the county auditor shall sell all parcels of land against which judgment has been entered and remains unsatisfied for the taxes of the preceding year or years. *The auditor shall bid in for the state for all such parcels of land the amount of all delinquent taxes, penalties, costs, and interest to date. No notice of sale shall be required to be published, posted, or served prior to sale.* (BEFORE MAKING SUCH SALE HE SHALL GIVE TEN DAYS POSTED NOTICE THEREOF, ONE NOTICE TO BE POSTED IN THE OFFICE OF THE CLERK OF THE COURT WHERE THE JUDGMENT HAS BEEN ENTERED, ONE IN THE OFFICE OF THE COUNTY TREASURER, AND ONE AT SOME CONSPICUOUS PLACE AT THE COUNTY-SEAT; AND TWO WEEKS' PUBLISHED NOTICE, THE FIRST PUBLICATION TO BE AT LEAST 15 DAYS BEFORE THE DAY OF SALE. IF ANSWER HAS BEEN FILED, OR A REPUBLICATION OF THE NOTICE AND LIST OF DELINQUENT TAXES HAS BEEN MADE, AND JUDGMENT HAS BEEN ENTERED, THE AUDITOR SHALL SELL THE LANDS CHARGED WITH TAXES IN SUCH JUDGMENT WITHIN 30 DAYS THEREAFTER, FIRST GIVING THE REQUIRED NOTICE BY POSTING AND PUBLICATION. THE NOTICE MAY BE SUBSTANTIALLY IN THE FOLLOWING FORM.)

("TAX JUDGMENT SALE")

(PURSUANT TO A REAL ESTATE TAX JUDGMENT OF THE DISTRICT COURT OF THE COUNTY OF _____, STATE OF MINNESOTA, ENTERED THE _____ DAY OF _____, 19____, IN PROCEEDINGS FOR ENFORCING PAYMENT OF TAXES AND PENALTIES UPON REAL ESTATE IN THE COUNTY OF _____ REMAINING DELINQUENT ON THE FIRST MONDAY IN JANUARY, 19____, AND OF THE STATUTES IN SUCH CASE MADE AND PROVIDED, I SHALL, ON _____ THE _____ DAY OF _____, 19____, AT TEN O'CLOCK A.M., AT _____, IN THE (TOWN OR CITY) OF _____ AND COUNTY OF _____, SELL THE LANDS WHICH ARE CHARGED WITH TAXES, PENALTIES, AND COSTS IN SAID JUDGMENT, AND ON WHICH TAXES SHALL NOT HAVE BEEN PREVIOUSLY PAID.)

(
AUDITOR OF COUNTY.”)

(AT THE TIME AND PLACE APPOINTED IN SUCH NOTICE THE AUDITOR SHALL COMMENCE THE SALE OF SUCH LANDS, AND PROCEED WITH THE SALE THEREOF FROM DAY TO DAY FOR SIX CONSECUTIVE DAYS, OR UNTIL THE WHOLE SHALL BE SOLD. IF, FOR ANY REASON, ANY PARCEL AGAINST WHICH A JUDGMENT HAS BEEN ENTERED BE OMITTED FROM THE TAX JUDGMENT SALE OR SALES OF THE YEAR IN WHICH THE SAME WAS ENTERED, SUCH JUDGMENT SHALL BEAR INTEREST AT ONE PERCENT PER MONTH FROM THE DATE THEREOF. AND THE AUDITOR MAY INCLUDE SUCH PARCEL IN THE NEXT ANNUAL TAX JUDGMENT SALE.)

Sec. 14. Minnesota Statutes 1982, section 230.07, is amended to read:

280.07 [ENTRIES IN JUDGMENT BOOKS AFTER SALE.]

Immediately after such sale the county auditor shall set out in the copy judgment book (WHAT DISPOSITION WAS **MADE AT SUCH SALE OF EACH PARCEL OF LAND; IF SOLD TO AN ACTUAL PURCHASER, TO WHOM AND FOR WHAT AMOUNT, AND FOR WHAT RATE OF INTEREST; AND, IF BID IN FOR THE STATE, THEN SO STATING**) *that all parcels were bid in for the state.* He shall thereupon deliver such book to the clerk of the court, who shall forthwith enter on the right-hand page of the real estate tax judgment book, opposite the description of each parcel sold, the words (, **“SATISFIED BY SALE,” AND OPPOSITE EACH PARCEL BID IN FOR THE STATE THE WORDS,**) *“bid in for the state,”* and he shall thereupon redeliver the copy judgment book to the auditor. Upon (ANY ASSIGNMENT OR) redemption the auditor shall make a note thereon in the copy judgment book, opposite the parcel (ASSIGNED OR) redeemed.

Sec. 15. Minnesota Statutes 1982, section 280.10, is amended to read:

280.10 [PAYMENT OF SUBSEQUENT TAXES.]

The taxes for subsequent years shall be levied on property so (SOLD OR) bid in for the state in the same manner as if the sale had not been made. (THE PURCHASER OR ASSIGNEE OF THE STATE MAY PAY THE AMOUNT OF SUCH TAXES AT THE ANNUAL MAY SALE FOLLOWING THE DATE THEY BECOME DELINQUENT. ANY SUCH PURCHASER OR ASSIGNEE PAYING SUCH TAXES SHALL, IF HE BE THE OWNER OF A PRIOR CERTIFICATE OF SALE, NO-

TIFY THE COUNTY AUDITOR PRIOR TO THE ANNUAL MAY SALE THAT HE IS THE OWNER OF A TAX CERTIFICATE AND SUCH NOTICE SHALL CONTAIN A DESCRIPTION OF THE PROPERTY FOR WHICH SUCH CERTIFICATE WAS ISSUED, TOGETHER WITH THE YEAR OF SALE, AND THEREUPON THE COUNTY AUDITOR SHALL ISSUE THE CERTIFICATE OR A CERTIFICATE FOR SUCH TAXES IN THE SAME FORM AS NOW PROVIDED BY SECTION 280.03; SUCH CERTIFICATE SHALL BEAR INTEREST AT THE RATE PROVIDED BY SECTION 280.02, UNLESS THE PRIOR CERTIFICATE BEARS A LOWER RATE OF INTEREST, IN WHICH CASE SUCH LOWER RATE SHALL APPLY; PROVIDED, THAT, IF THERE SHALL HAVE BEEN ANY PARCEL REDEMPTION, HE SHALL PAY THE DELINQUENT TAXES ON THE UNREDEEMED PORTION OF THE LAND DESCRIBED IN HIS TAX CERTIFICATE, AND SUCH TAX CERTIFICATE, AFTER SUCH PARCEL REDEMPTION, SHALL BE APPLICABLE TO SUCH UNREDEEMED PORTION OF THE LAND THEREIN DESCRIBED ONLY, IN ALL RESPECTS AS IF A PORTION OF THE LAND UNREDEEMED FROM HAD BEEN ALL OF THE LAND DESCRIBED IN THE CERTIFICATE AT THE TIME OF ITS ISSUANCE, AND ALL PROCEEDINGS THEREAFTER HAD AS TO NOTICE OF EXPIRATION OF REDEMPTION AND OTHERWISE SHALL BE AS TO THE CERTIFICATE SO MODIFIED BY THE ELIMINATION THEREFROM OF THE PORTION OF THE LAND REDEEMED FROM AS AFORESAID.)

Sec. 16. Minnesota Statutes 1982, section 280.38, is amended to read:

280.38 [LANDS BID IN FOR THE STATE; ATTACHMENTS.]

When any parcel of land is bid in for the state, until (ITS RIGHTS BE ASSIGNED OR) the land be redeemed, the sale shall not operate as a payment of the amount for which the same is sold, but at any time after such sale the county auditor may make and file with the clerk where the judgment is entered an affidavit stating the date of the sale, the amount for which such parcel was bid in for the state, and the amount of all subsequent delinquent taxes, (THAT ITS RIGHT HAS NOT BEEN ASSIGNED,) that there has been no redemption, and that the land is rented, in whole or in part, and produces rent, and giving the names of the persons paying rent. Upon presentation of such affidavit, the judge or court commissioner for the county shall endorse thereon an order directing an attachment to issue to attach the rents of such lands. The clerk shall thereupon issue a writ directing the sheriff to attach the rents accruing for such land from any person, and to collect therefrom the amount for which the same was bid in for the state, and the amount of all subsequent delinquent taxes, stating such amount and the date of

sale, with penalties and interest accruing thereon, and his fees, and \$1 for the costs of the affidavit and attachment. The sheriff shall serve such writ by serving a copy thereof on each tenant or person in possession of such land paying rent therefor, or for any part thereof, and such service shall operate as an attachment of all rents accruing from the person served. The sheriff shall receive such rents as they become due, and may bring suit in his own name to collect the same, and shall pay into the county treasury the amount collected. No payment of rents by any person so served after such service, or prior thereto for the purpose of defeating such attachment, shall be valid against such attachment. The clerk shall be allowed for issuing the writ, including the filing of the affidavit, order of allowance, writ, and return, 50 cents, to be paid to him by the county in which the taxes are levied; provided, that in counties whose population exceeds 150,000 such fees shall be paid into the county treasury to the use of the county. The sheriff shall be allowed for serving the writ and collecting the money the same fees as are allowed by law upon an execution in a civil action; and, if he brings suit, such additional compensation as the court may allow, not exceeding one-half of the fees allowed by law for like services in ordinary cases.

If, at any time while the sheriff is collecting such rent, the lease upon such property shall expire, or, if the sheriff has once commenced to collect such rent and the property becomes vacant, the county auditor may lease the property upon five days' notice to the owner, subject to the approval of the district court.

At any time while the sheriff is collecting the rent under any lease, no modification of the lease between the owner and the tenant shall be valid unless approved by the district court upon five days notice to the county auditor.

The collection of such rent under this statute shall not be a bar to the county auditor (ASSIGNING SUCH TAXES TO AN ACTUAL PURCHASER, OR) selling the land at a forfeited tax sale under the present laws or any laws hereafter enacted.

In case any unplatted land is bid in for the state and is cropped upon a share agreement with the owner, or by a trespasser, the owner's share of such crop; or, in case of a trespasser, all or any part of such crops, may be attached and collected in the same manner as rents and applied upon delinquent taxes. The term "crops" shall include hay and grass. In case there is no agreement for rent, or in case of an occupant or trespasser on the unplatted land without any agreement for rent, then the attachment shall attach to and bind all of the grass, hay, and crops produced on such lands; provided, that the district court may, upon application by such occupant, upon ten days notice to the owner and the county auditor, and a showing by him to the satisfaction of the court that his occupancy was not a wilful trespass, release to such occupant the excess of such crops over and above the owner's or landlord's share of the grass, hay, and crops of such premises

as determined by the court. Such application must be made not later than 60 days after the date of the service of the writ of attachment upon such occupant, and if not made within such time it shall be considered that such occupant has waived all right and claim to such crops. The county auditor may give to the owner or person entitled to the possession of such unplatted land during the crop season at least ten days notice, in writing, by mail or otherwise, specifying the time and place at which application will be made to the district court for an order permitting the leasing of such land, and the district court may, if it deems it to be for the best interest of such person and of the public, make an order fixing the terms upon which such lease may be made by the county auditor, in the name of the county. The county auditor may then execute, in the name of the county, such lease in writing as the court shall order. No such lease shall be for a longer term than the current crop season. If the name or address of such person is unknown to the county auditor, such notice may be given by one publication in a legal newspaper in the county. If the owner or person entitled to such possession shall show to the court that he intends to lease such unplatted land or make a contract for cropping the same upon shares, the court may make such order as it deems best to provide for an attachment of all or a part of the rents or crop share of such person and for applying the same upon the delinquent taxes. (FROM AND AFTER APRIL 24, 1935,) In any proceeding for the collection of rents on unplatted land on which the taxes have been bid in by the state (AND NOT ASSIGNED), the court may, upon motion, order that payment, when made as to any part or the whole, be paid to the county treasurer to apply upon taxes. The owner of such unplatted properties may make application to the district court to release him from applying all or a portion of such rents upon such taxes upon his showing, by reason of the condition, cost of upkeep of the property, or other cause, undue hardship upon such owner or detriment to such property. The provisions affecting unplatted lands shall not apply to lands or real estate actually used or occupied by the owner thereof.

The county board may allow additional clerk hire to the county auditor for his work in making such leases, which leases shall be made in the name of the county, and the county shall have the right to bring suit for unpaid rents under such leases and to bring the necessary actions to secure evictions of tenants to whom it has leased.

Attachments, leases, and proceedings issued and made pursuant to this section shall not be deemed unfinished business that may be retained by the sheriff at expiration of his term, as provided by section 387.10.

The right of the county auditor (TO ASSIGN THE TAXES ON ANY UNPLATTED LANDS TO AN ACTUAL PURCHASER, OR) to sell the land at the forfeited tax sale, shall continue until all delinquent taxes described in the writ of attachment are paid.

Sec. 17. Minnesota Statutes 1982, section 280.385, subdivision 1, is amended to read:

Subdivision 1. [CONVEYANCE ACCEPTED.] Whenever any lands have been bid in for the state for delinquent taxes at any tax judgment sale (AND HAVE NOT BEEN SOLD OR ASSIGNED), the county board of the county in which such lands are situated may, in its discretion, with the consent first obtained of the governing body of the city or town in which such lands are situated, accept a conveyance from the owner thereof to the state; provided that the county attorney finds that such owner has good title to such lands and that they are free and clear of all encumbrances except taxes.

Sec. 18. [280.41] [OWNERSHIP BY STATE.]

Title to all parcels of land bid in for the state shall vest in the state subject only to the rights of redemption set forth in chapter 281.

Sec. 19. [280.43] [SALE DEFINED.]

No actual public "sale" shall take place under chapter 280. A "sale" shall be conclusively deemed to have been made and transfer made to the state of Minnesota hereunder.

Sec. 20. Minnesota Statutes 1982, section 281.01, is amended to read:

281.01 [TAX SALE, RIGHT OF REDEMPTION.]

Any person claiming an interest in any parcel of land (SOLD FOR TAXES AT A TAX SALE, OR) bid in by the state at (ANY SUCH) a tax sale (, AND HELD OR ASSIGNED BY IT SUBSEQUENT TO SUCH SALE,) may redeem the same within the time and in the manner in this chapter provided.

Sec. 21. Minnesota Statutes 1982, section 281.02, is amended to read:

281.02 [AMOUNT PAYABLE.]

Any person redeeming any parcel of land shall pay into the county treasury (, FOR THE USE OF THE FUNDS OR PERSON THERETO ENTITLED:)

((1) IF SUCH PARCEL WAS BID IN FOR THE STATE AND ITS RIGHT HAS NOT BEEN ASSIGNED), the amount for which the same was bid in, (WITH INTEREST AT 12 PERCENT PER ANNUM FROM THE DATE OF SALE, AND) the amount of all subsequent delinquent taxes, penalties, costs, and

interest thereon at (SUCH) *the* rate (FROM AND AFTER THE TIME WHEN SUCH TAXES BECOME DELINQUENT;)

((2) IF THE RIGHT OF THE STATE HAS BEEN ASSIGNED PURSUANT TO SECTION 280.11, THE AMOUNT PAID BY THE ASSIGNEE, WITH INTEREST AT 12 PERCENT PER ANNUM FROM THE DAY WHEN SO PAID, AND ALL UNPAID DELINQUENT TAXES, INTEREST, COSTS, AND PENALTIES ACCRUING SUBSEQUENTLY TO SUCH ASSIGNMENT; AND IF THE ASSIGNEE HAS PAID ANY DELINQUENT TAXES, PENALTIES, COSTS, OR INTEREST ACCRUING SUBSEQUENTLY TO THE ASSIGNMENT, THE AMOUNT SO PAID BY HIM, WITH INTEREST AT 12 PERCENT PER ANNUM FROM THE DAY OF SUCH PAYMENT;)

((3) IF SUCH PARCEL WAS SOLD TO A PURCHASER, THE AMOUNT PAID BY SUCH PURCHASER, WITH INTEREST AT THE RATE FOR WHICH SUCH PARCEL WAS SOLD, AND ALL UNPAID DELINQUENT TAXES, INTEREST, COSTS, AND PENALTIES ACCRUING SUBSEQUENTLY TO SUCH SALE, AND, IF THE PURCHASER HAS PAID ANY DELINQUENT TAXES, PENALTIES, COSTS, OR INTEREST ACCRUING SUBSEQUENTLY TO THE SALE, THE AMOUNT SO PAID BY HIM, WITH INTEREST AT THE RATE OF 12 PERCENT PER ANNUM FROM THE DATE OF SUCH PAYMENT;)

((4) IF THE RIGHT OF THE STATE HAS BEEN ASSIGNED PURSUANT TO SECTION 280.11; OR, IF SUCH PARCEL WAS SOLD TO THE PURCHASER AND THE CERTIFICATE OF SUCH ASSIGNMENT OR PURCHASE SHALL BE PRESENTED TO THE COUNTY AUDITOR BY THE OWNER THEREOF FOR CANCELATION, THE AUDITOR SHALL CANCEL SUCH CERTIFICATE AND MARK OPPOSITE THE DESCRIPTION OF THE PIECE OR PARCEL, DESCRIBED IN SUCH CERTIFICATE UPON THE JUDGMENT BOOK, AND TAX LIST FOR THE YEAR OR YEARS COVERED BY SUCH CERTIFICATE, THE WORDS, "REDEEMED BY CANCELATION OF CERTIFICATE) *provided in section 279.03. ("*)

Sec. 22. Minnesota Statutes 1982, section 281.03, is amended to read:

281.03 [AUDITOR'S CERTIFICATE.]

The county auditor shall certify to the amount due on such redemption, and, on payment of the same to the county treasurer, he shall make duplicate receipts for the certified amount, describing the property redeemed, one of which shall be filed with the auditor. Such receipts shall be governed by the provisions of

this chapter regulating the payment of current taxes and such payment shall have the effect to annul the sale. If the amount certified by the auditor and received in payment for redemption be less than that required by law, it shall not invalidate the redemption (, BUT THE AUDITOR SHALL BE LIABLE FOR THE DEFICIENCY TO THE PERSON ENTITLED THERE-TO). On redemption being made, the auditor shall enter upon the copy of the tax judgment book, opposite the description of the parcel redeemed, the word, "redeemed (," AND SHALL MAIL A NOTICE, WITH POSTAGE PREPAID, ADDRESSED TO THE PERSON HOLDING THE CERTIFICATE OF SALE OR ASSIGNMENT FOR WHICH THE REDEMPTION IS MADE, AT HIS LAST KNOWN POST OFFICE ADDRESS, STATING THAT THE REDEMPTION HAS BEEN MADE, AND THAT THE AMOUNT THEREOF IS IN THE COUNTY TREASURY, SUBJECT TO HIS DISPOSAL)."

Sec. 23. Minnesota Statutes 1982, section 281.05, is amended to read:

281.05 [REDEMPTION WHEN OWNER DIES.]

When the owner of lands sold for taxes dies after such sale and before the expiration of the period of redemption, (HIS EXECUTOR OR ADMINISTRATOR,) *a personal representative* or any person interested in his estate as heir, devisee, legatee, or creditor, may redeem from such sale (AT ANY TIME WITHIN THREE YEARS AND SIX MONTHS FROM THE DATE THEREOF) *during the period for redemption*. If such redemption be made by (AN EXECUTOR OR ADMINISTRATOR) *a personal representative*, he shall at the time thereof produce to the county auditor his letters (TESTAMENTARY OR OF ADMINISTRATION) *issued pursuant to chapter 524*. If made by any other person, he shall make and file with the county auditor an affidavit stating under what right or claim such redemption is made. The auditor shall make and deliver to the person making such redemption a certificate containing the name of the person redeeming, a statement of the claim or right upon which such redemption was made, the amount paid to redeem, a description of the lands redeemed, the date of the sale, and the year in which the taxes for which such sale was made were levied, which certificate shall have the effect to annul such sale, and may be recorded as other deeds of real estate, and with the like effect. If such redemption be made by a creditor, the amount paid to effect such redemption, with interest thereon at the rate (OF SEVEN PERCENT PER ANNUM) *provided in section 279.03*, shall constitute a valid claim against the estate of the deceased.

Sec. 24. Minnesota Statutes 1982, section 281.17, is amended to read:

281.17 [PERIOD FOR REDEMPTION.]

The (STATED) period of redemption for all lands sold to (AN ACTUAL PURCHASER OR BID IN FOR) the state at a tax judgment sale (HELD AFTER DECEMBER 31, 1975,) shall be three years from the date of sale to the state of Minnesota if the land is within an incorporated area unless it is: (a) homesteaded land as defined in section 273.13, subdivision 7, (b) agricultural land as defined in section 273.13, subdivision 6, or (c) seasonal recreational land as defined in section 273.13, subdivision 4, in which event the (STATED) period of redemption is five years from the date of sale to the state of Minnesota.

The (STATED) period of redemption for all other lands sold to (AN ACTUAL PURCHASER OR BID IN FOR) the state at a tax judgment sale (HELD AFTER DECEMBER 31, 1975,) shall be five years from the date of sale.

Sec. 25. Minnesota Statutes 1982, section 281.18, is amended to read:

281.18 [LANDS MAY BE REDEEMED.]

Every parcel of land heretofore sold to (AN ACTUAL PURCHASER OR BID IN FOR) the state at any tax judgment sale and now subject to redemption (, AND EVERY PARCEL OF LAND HEREAFTER SOLD TO AN ACTUAL PURCHASER OR BID IN FOR THE STATE AT ANY SUCH SALE,) shall continue subject to redemption until the expiration of the time allowed for redemption after the giving of notice of expiration as provided by law. Upon the expiration of such time absolute title to such parcel, if not theretofore redeemed, shall vest in the state (, THE PURCHASER, OR ITS OR HIS ASSIGNS, AS THE CASE MAY BE).

Sec. 26. Minnesota Statutes 1982, section 281.23, is amended to read:

281.23 [NOTICE.]

Subdivision 1. [DUTY OF AUDITOR.] In case any parcel of land bid in for the state at any tax judgment sale (HEREAFTER HELD) has not been (SOLD OR ASSIGNED TO AN ACTUAL PURCHASER) redeemed by 60 days before the expiration of the (STATED) period of redemption of such parcel, it shall be the duty of the county auditor thereupon forthwith to give notice of expiration of the time for redemption of such parcel, as herein provided; provided, that delay in giving such notice shall not affect the validity thereof.

Subd. 2. [MAY COVER PARCELS BID IN AT SAME TAX SALE.] All parcels of land bid in at the same tax judgment sale and having the same (STATED) period of redemption shall be covered by a single posted notice, but a separate notice may be

posted for any parcel which may be omitted. Such notice shall be sufficient if substantially in the following form:

"NOTICE OF EXPIRATION OF REDEMPTION

Office of the County Auditor

County of _____, State of Minnesota.

To all persons interested in the lands hereinafter described:

You are hereby notified that the parcels of land hereinafter described, situated in the county of _____, state of Minnesota, were bid in for the state on the _____ day of _____, 19____, at the tax judgment sale of land for delinquent taxes for the year 19____; that the legal descriptions and tax parcel identification numbers of such parcels and (THE) names of the (PERSONS TO WHOM THE SAME ARE ASSESSED, RESPECTIVELY,) taxpayers and fee owners and in addition those parties who have filed their addresses pursuant to section 3, and the amount necessary to redeem as of the date hereof and, at the election of the county auditor, the current filed addresses of any such persons, are as follows:

(DESCRIPTION)	(PERSONS TO WHOM ASSESSED)
(_____)	

*Names (and
Current Filed
Addresses) for
the Taxpayers
and Fee Owners
and in Addition
Those Parties
Who Have Filed
Their Addresses*

<i>Pursuant to section 3</i>	<i>Legal Description</i>	<i>Tax Parcel Number</i>	<i>Amount Necessary to Redeem as of Date Hereof</i>

That the time for redemption of such lands from such sale will expire 60 days after service of notice and the filing of proof

thereof in my office, as provided by law. *The redemption must be made in my office.*

FAILURE TO REDEEM SUCH LANDS PRIOR TO THE EXPIRATION OF REDEMPTION WILL RESULT IN THE LOSS OF THE LAND AND FORFEITURE OF SAID LAND TO THE STATE OF MINNESOTA.

Inquiries as to the proceedings set forth above can be made to the County Auditor for the County of _____, whose address is set forth below.

Witness my hand and official seal this
day of _____, 19

County Auditor(“)

(OFFICIAL SEAL)

(Address)

(Telephone).”

Such notice shall be posted by the auditor in his office, subject to public inspection, and shall remain so posted until at least one week after the date of the last publication of notice, as hereinafter provided. Proof of such posting shall be made by the certificate of the auditor, filed in his office.

Subd. 3. [PUBLICATION.] As soon as practicable after the posting of the notice prescribed in subdivision 2, the county auditor shall cause to be published for three successive weeks in the official newspaper of the county, (A) the notice (IN SUBSTANTIALLY THE FOLLOWING FORM:)

(“NOTICE OF EXPIRATION OF REDEMPTION)

(OFFICE OF THE COUNTY AUDITOR)

(COUNTY OF _____, STATE OF MINNESOTA)

(NOTICE IS HEREBY GIVEN THAT THE TIME FOR REDEMPTION OF CERTAIN LANDS BID IN FOR THE STATE ON THE _____ DAY OF _____, 19____, AT THE TAX JUDGMENT SALE OF LANDS FOR DELINQUENT TAXES FOR THE YEAR 19____, WILL EXPIRE 60 DAYS AFTER SERVICE OF NOTICE AND THE FILING OF PROOF THEREOF

IN MY OFFICE, AS PROVIDED BY LAW; THAT A NOTICE CONTAINING A DESCRIPTION OF SAID LANDS AND THE NAMES OF THE PERSONS TO WHOM THE SAME ARE ASSESSED HAS BEEN POSTED IN MY OFFICE, SUBJECT TO PUBLIC INSPECTION, AS REQUIRED BY LAW.)

(DATED, 19)

(
(COUNTY AUDITOR.”)

prescribed by subdivision 2.

Subd. 4. [PROOF OF PUBLICATION.] Proof of publication of such notice affidavit, as provided by law, shall be filed in the office of the county auditor. A single published notice shall be sufficient for all parcels of land bid in at the same tax judgment sale, having the same (STATED) period of redemption, and covered by a notice or notices kept posted during the time of the publication, as hereinbefore provided. (AS TO EITHER SERVICE UPON PERSONS IN POSSESSION OR RETURN AS TO VACANT LANDS, THE SHERIFF SHALL CHARGE MILEAGE ONLY FOR ONE TRIP IF THE OCCUPANTS OF MORE THAN TWO TRACTS ARE SERVED SIMULTANEOUSLY. AND IN SUCH CASE SUCH MILEAGE SHALL BE PRORATED AND CHARGED EQUITABLY AGAINST ALL SUCH OWNERS.)

Subd. 5. [MAILING OF NOTICE.] *Forthwith after the commencement of such publication, the county auditor shall cause the notice of expiration of redemption to be mailed by certified mail, return receipt requested, to all real property taxpayers and fee owners and in addition to those parties who have filed their addresses pursuant to section 3. Proof of such mailing shall be made by the certificate of the auditor filed in his office. Failure to receive the notice shall not operate to postpone or excuse any default.*

Subd. (5) 6. [SERVICE BY SHERIFF (OR CERTIFIED MAIL).] *Forthwith after the commencement of such publication the county auditor shall deliver to the sheriff of the county a sufficient number of copies of such (PUBLISHED) notice of expiration of redemption for service upon the persons in possession of all parcels of such land as are actually occupied (. TOGETHER WITH A COPY OF THE POSTED NOTICE OR NOTICES REFERRED TO IN SUCH PUBLISHED NOTICE). Within 30 days after receipt thereof, the sheriff shall make such investigation as may be necessary to ascertain whether the parcels covered by such notice are actually occupied or not, and shall serve a copy of such (PUBLISHED) notice of expiration of redemption upon the person in possession of each parcel found to be so occupied, in the manner prescribed for serving summons in*

a civil action. The sheriff shall make prompt return to the auditor as to all notices so served and as to all parcels found vacant and unoccupied. Such return shall be made upon a copy of such (PUBLISHED) notice (AND OF THE POSTED NOTICE OR NOTICES COVERED THEREBY) and shall be prima facie evidence of the facts therein stated. Unless compensation for such services is otherwise provided by law, the sheriff shall receive from the county, in addition to his other compensation prescribed by law, such fees and mileage for service on persons in possession as are prescribed by law for such service in other cases, and shall also receive such compensation for making investigation and return as to vacant and unoccupied lands as the county board may fix, subject to appeal to the district court as in case of other claims against the county. *As to either service upon persons in possession or return as to vacant lands, the sheriff shall charge mileage only for one trip if the occupants of more than two tracts are served simultaneously, and in such case mileage shall be prorated and charged equitably against all such owners.*

(FORTHWITH AFTER THE COMMENCEMENT OF SUCH PUBLICATION, THE COUNTY AUDITOR SHALL ALSO GIVE NOTICE BY CERTIFIED MAIL TO THE TAXPAYER AS SHOWN ON THE LAST STATEMENT WITHOUT REGARD TO THE COUNTY OR STATE OF RESIDENCY, AND GIVE NOTICE BY CERTIFIED MAIL AT THE LAST KNOWN ADDRESS OF THE PERSON IN WHOSE NAME THE PROPERTY IS ASSESSED ON THE LATEST TAX STATEMENT WITHOUT REGARD TO THE COUNTY OR STATE OF RESIDENCY. FAILURE TO RECEIVE THE NOTICE SHALL NOT OPERATE TO POSTPONE ANY PAYMENT OR EXCUSE ANY DEFAULT UNDER THIS SECTION. PROOF OF SUCH MAILING SHALL BE MADE BY THE CERTIFICATE OF THE AUDITOR FILED IN HIS OFFICE.)

Subd. (6) 7. [EXPIRATION OF TIME FOR REDEMPTION.] The time for redemption of any parcel of land as to which notice of expiration has been given, as provided in subdivisions 2 (AND), 3, 5, and 6, shall expire 60 days after the giving of such notice and the filing of proof thereof in the office of the county auditor (, UNLESS SUCH PARCEL SHALL THERETOFORE BE ASSIGNED TO AN ACTUAL PURCHASER, AS HEREINAFTER PROVIDED).

Subd. (7) 8. [COST.] The cost of giving notice, as provided by subdivisions 2 (AND), 3, 5, and 6, shall be paid by the county.

Subd. (8) 9. [CERTIFICATE.] After the time for redemption of any lands shall have expired after notice given, as provided in subdivisions 2 (AND), 3, 5, and 6, the county auditor shall execute a certificate describing the lands, specifying the tax judgment sale at which the same were bid in for the

state, and stating that the time for redemption thereof has expired after notice given as provided by law and that absolute title thereto has vested in the state of Minnesota. Such certificate shall be recorded in the office of the county recorder and thereafter filed in the office of the county auditor, except that in case of registered land such certificate shall be filed in the office of the registrar of titles and a duplicate filed in the office of the county auditor. Such certificate and the record thereof shall be prima facie evidence of the facts therein stated, but failure to execute or record or file such certificate shall not affect the validity of any proceedings hereunder respecting such lands or the title of the state thereto.

Sec. 27. Minnesota Statutes 1982, section 281.25, is amended to read:

281.25 [TITLES TO BE HELD IN TRUST BY THE STATE.]

Except as otherwise provided by law, the title to every parcel of land acquired by the state (, AS PROVIDED BY SECTIONS 281.16 TO 281.27,) shall be held by the state in trust for the respective taxing districts interested in the taxes, assessments, penalties, interest, and cost accrued against such parcel at the time of such acquisition in proportion to the respective interests of such taxing districts therein.

Sec. 28. Minnesota Statutes 1982, section 281.34, is amended to read:

281.34 [FEES FOR NOTICE.]

For serving such notice the sheriff shall receive the same fees as for the service of summons in a civil action in the district court, except that where more than one notice is served upon one person or corporation at the same time and place the sheriff shall be entitled to charge but one mileage. Such fees and the printer's fees for publishing such notice *and the costs of the certified mail* shall be (PAID IN THE FIRST INSTANCE BY THE HOLDER OF THE TAX CERTIFICATE, AND) repaid by the party offering to redeem such land before a certificate of redemption shall issue.

Sec. 29. Minnesota Statutes 1982, section 281.39, is amended to read:

281.39 [TIME FOR REDEMPTION FROM TAX SALE EXTENDED IN CERTAIN CASES.]

Whenever at the time fixed by law for absolute forfeiture of any parcel of land heretofore or hereafter bid in for the state

(AND NOT ASSIGNED OR DISPOSED OF BY THE STATE PURSUANT TO MASON'S MINNESOTA STATUTES OF 1927, SECTION 2139-2, AND ACTS AMENDATORY THEREOF AND SUPPLEMENTAL THERETO,) there shall be pending, in the United States district court, proceedings in eminent domain affecting such parcel, and such eminent domain proceedings shall have been pending more than two years prior to the date of forfeiture, the time of the forfeiture of such parcel shall be and is postponed and continued until the expiration of one year after the final determination of such eminent domain proceedings; and the owner of such parcel, regardless of whether such parcel is included within the boundaries of any game preserve, reforestation project, or conservation area, or any person having an interest therein, may discharge the delinquent taxes and assessments against such parcel and redeem such parcel, or portion thereof, from such sale to the state within such period, as so extended, upon payment of the portion of such unpaid taxes and assessments permitted by any law in effect during the pendency of such condemnation proceedings. Such redemption and discharge of delinquent taxes and assessments may be so made regardless of any or no determination of the value or other action by the county board or the commissioner of revenue.

Sec. 30. Minnesota Statutes 1982, section 282.01, subdivision 5, is amended to read:

Subd. 5. [SALE ON TERMS, CERTIFICATE.] When sales hereafter are made on terms the purchaser shall receive a certificate from the county auditor in such form, consistent with the provisions of sections 282.01 to 282.13 and setting forth the terms of sale, as may be prescribed by the attorney general. Failure of the purchaser or any person claiming under him, to pay any of the deferred instalments with interest, or the current taxes, or to comply with any conditions that may have been stipulated in the notice of sale or in the auditor's certificate herein provided for, shall constitute default; and the state may, by order of the county board, during the continuance of such default, (WITHOUT NOTICE,) declare such certificate canceled and take possession of such lands and may thereafter resell or lease the same in the same manner and under the same rules as other lands forfeited to the state for taxes are sold or leased. When the county board shall have adopted a resolution ordering the cancellation of such certificate or certificates (THE CANCELLATION SHALL BE DEEMED COMPLETE) and the cancellation shall have been completed in accord with section 37, then a reentry shall be deemed to have been made on the part of the state without any other act or deed, and without any right of redemption by the purchaser or any one claiming under him; and the original purchaser in default or any person claiming under him, who shall remain in possession or enter thereon shall be deemed a willful trespasser and shall be punished as such.

When the cancelation of such certificate has been completed the county auditor shall cancel all taxes and tax liens, delinquent and current, and special assessments, delinquent or otherwise, imposed upon the lands described in the certificate after the issuance thereof by him.

Sec. 31. Minnesota Statutes 1982, section 282.039, is amended to read:

282.039 [VETERAN'S CREDIT APPLICATION.]

The provisions of Minnesota Statutes 1980, Sections 282.031 to 282.037 shall continue in effect with respect to any veteran who has applied to purchase land under those sections before March 23, 1982 or to any veteran who purchases land under those sections and applies within the required time for a credit under Minnesota Statutes 1980, Section 282.033. *Any contract canceled or terminated for breach of the conditions thereof pursuant to Minnesota Statutes 1980, section 282.036, shall be canceled in the manner set forth in section 37.* This section is repealed April 1, 1988.

Sec. 32. Minnesota Statutes 1982, section 282.17, is amended to read:

282.17 [CANCELATION OF CONTRACTS.]

Failure of the purchaser to make any payment of any installment or of any interest required under a contract within six months from the date on which such payment becomes due, or to pay before they become delinquent all taxes that may be levied upon the lands so purchased shall constitute a default, and thereupon the contract shall be deemed canceled, and all right, title, and interest of the purchaser, his heirs, representatives, or assigns in the premises shall terminate (WITHOUT THE DOING BY THE STATE OF ANY ACT OR THING WHATSOEVER) *upon cancelation in accord with section 37.* A record of such default shall be made in the state land records kept by or under the direction of the commissioner of natural resources, and a certificate of such default may be made by or under the direction of the commissioner and filed with the county treasurer or recorded in the office of the county recorder of the county in which the premises are situated. Any such record or certificates shall be prima facie evidence of the facts therein stated, but the making of such record or certificate shall not be essential to the taking effect of such cancelation and termination, and thereupon the land described in the contract shall be subject to disposition as provided in sections 282.15 and 282.16, upon first having been reclassified and reappraised as provided by section 282.14. The county auditor shall report any such default to the commissioner of natural resources on or before June 30th of each year.

Sec. 33. Minnesota Statutes 1982, section 282.171, is amended to read:

282.171 [CONTRACTS, MEMBERS OF ARMED FORCES, CANCELATION.]

No contract entered into by persons in the armed forces of the United States prior to their induction or enlistment for the purchase of tax-forfeited or other lands from the state of Minnesota on the installment plan shall be terminated or canceled for non-payment of instalments except as provided herein.

Any person in the armed forces of the United States, who, as vendee, in any contract with the state of Minnesota for the purchase of tax-forfeited or other lands, is in default on any instalment, or is unable to pay any instalment or instalments thereafter becoming due, and desires to retain his or her rights under said contract, and such contract has not heretofore been canceled and the land sold, shall during the period of military service file, or cause to be filed by an adult, with knowledge of the facts, with the county auditor or other state agency, having charge of said contract, an affidavit, giving the legal description of said lands, and the number, if any, of said contract, and stating that the vendee in said contract is in the military service of the United States, the branch of the service, the date of enlistment or induction, and that said vendee desires to retain his or her rights under said contract. If said affidavit is filed within the time herein limited and provided, said contract shall remain in full force and effect, notwithstanding any default or non-payment of any instalment or instalments thereunder, for six months after the vendee's discharge from the military service. If said vendee fails to pay all delinquent instalments within six months after his or her discharge, then in such event said contract may be canceled and terminated as provided (BY LAW) *in section 37.*

Sec. 34. Minnesota Statutes 1982, section 282.222, subdivision 4, is amended to read:

Subd. 4. [TERMS OF SALE.] All sales under sections 282.221 to 282.226 shall be for cash or on the following terms: at least 15 percent of the purchase price shall be paid in cash at the time of the sale, and the balance shall be paid in equal annual instalments over a period of 20 years, with interest at a rate equal to the rate in effect at the time under section 549.09, payable annually, on the portion remaining unpaid, with privilege of prepayment of any instalment on any interest date. Sales on terms shall be evidenced by a certificate issued by the county auditor in a form prescribed by the attorney general. The county auditor shall submit a copy of the certificate to the commissioner of natural resources within 30 days. The appraised value of all merchantable timber on such agricultural lands shall be paid for in cash in full at the time of sale. The county auditor shall report all sales

to the commissioner of natural resources within 30 days. Failure of the purchaser to make any payment of any installment or of any interest required under any contract within six months from the date on which the payment is due, or to pay all taxes that may be levied upon the land purchased before they become delinquent, shall constitute a default. Upon default the contract shall be (DEEMED) canceled and all right, title, and interest of the purchaser, his heirs, representatives, or assigns in the premises shall (AUTOMATICALLY) terminate *upon cancellation in accord with section 37*. A record of the default shall be made in the state land records kept by or under the direction of the commissioner of natural resources. A certificate of the default may be made by or under the direction of the commissioner and filed with the county treasurer or recorded in the office of the county recorder of the county in which the premises are situated. Any record or certificate shall be prima facie evidence of the facts stated in it. The making of the record or certificate is not essential to the taking effect of the cancellation and termination. Upon cancellation and termination, the land described in the contract shall be subject to disposition as provided in this section after having been reclassified and reappraised as provided by section 282.221. The county auditor shall report any default to the commissioner of natural resources on or before June 30th of each year.

Sec. 35. Minnesota Statutes 1982, section 282.222, subdivision 5, is amended to read:

Subd. 5. [CANCELLATION VALIDATED.] In any case where a certificate of cancellation of any certificate of sale of lands sold pursuant to sections 282.221 to 282.226, has heretofore been made by either the commissioner of finance or the commissioner of natural resources and filed in the office of the officer executing the same or in the office of the commissioner of finance or recorded in the office of the county recorder of the county in which the land lies, such cancellation is hereby validated and made effective, and the certificate of sale shall be deemed canceled as if canceled by the proper officer and in the manner prescribed by law. *All cancellations made after the effective date of this act shall be in accord with section 37.*

Sec. 36. Minnesota Statutes 1982, section 282.301, is amended to read:

282.301 [RECEIPTS FOR PAYMENTS.]

The purchaser shall receive from the county auditor at the time of repurchase a receipt, in such form as may be prescribed by the attorney general. When the purchase price of a parcel of land shall be paid in full, the following facts shall be certified by the county auditor to the commissioner of revenue of the state of Minnesota: the description of land, the date of sale, the name of the purchaser or his assignee, and the date when the final installment of the purchase price was paid. Upon payment in full

of the purchase price, the purchaser or his assignee shall receive a quitclaim deed from the state, to be executed by the commissioner of revenue. Failure to make any payment herein required (WITHIN 60 DAYS FROM THE DATE ON WHICH PAYMENT WAS DUE) shall constitute default and upon such default and cancellation in accord with section 37, the right, title and interest of the purchaser or his heirs, representatives, or assigns in such parcel shall terminate (WITHOUT THE DOING BY THE STATE OF ANY ACT OR THING).

Sec. 37. [282.40] [CANCELATION OF INSTALLMENT SALE CONTRACTS BY STATE.]

The cancellation of any sale by the state of Minnesota under an installment contract of any parcel of land shall be completed pursuant to section 559.21, and all costs, attorney's fees, and other amounts payable by the purchaser thereunder shall be payable to the county.

Sec. 38. Minnesota Statutes 1982, section 559.21, is amended by adding a subdivision to read:

Subd. 6. [CANCELATION OF LAND SALE.] The state of Minnesota shall cancel any sale of land made by the state under an installment contract upon default therein only in accord with the provisions of this section.

Sec. 39. [REPEALER.]

Minnesota Statutes 1982, sections 279.24 and 281.36 are repealed.

Sec. 40. [EFFECTIVE DATE.]

This article is effective January 1, 1984, except for section 26, which is effective January 1, 1985.

ARTICLE 16

MULTISTATE TAX COMPACT

Section 1. [290.171] [ENACTMENT OF MULTISTATE TAX COMPACT.]

The "multistate tax compact" is hereby enacted into law and entered into with all jurisdictions legally joining therein, in the form substantially as follows:

Article I. Purposes.

The purposes of this compact are to:

1. *Facilitate proper determination of state and local tax liability of multistate taxpayers, including the equitable apportionment of tax bases and settlement of apportionment disputes.*
2. *Promote uniformity or compatibility in significant components of tax systems.*
3. *Facilitate taxpayer convenience and compliance in the filing of tax returns and in other phases of tax administration.*
4. *Avoid duplicative taxation.*

Article II. Definitions.

As used in this compact:

1. *"State" means a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States.*
2. *"Subdivision" means any governmental unit or special district of a state.*
3. *"Taxpayer" means any corporation, partnership, firm, association, governmental unit or agency or person acting as a business entity in more than one state.*
4. *"Income tax" means a tax imposed on or measured by net income including any tax imposed on or measured by an amount arrived at by deducting expenses from gross income, one or more forms of which expenses are not specifically and directly related to particular transactions.*
5. *"Capital stock tax" means a tax measured in any way by the capital of a corporation considered in its entirety.*
6. *"Gross receipts tax" means a tax, other than a sales tax, which is imposed on or measured by the gross volume of business, in terms of gross receipts or in other terms, and in the determination of which no deduction is allowed which would constitute the tax an income tax.*
7. *"Sales tax" means a tax imposed with respect to the transfer for a consideration of ownership, possession or custody of tangible personal property or the rendering of services measured by the price of the tangible personal property transferred or services rendered and which is required by state or local law to be separately stated from the sales price by the seller, or which is customarily separately stated from the sales price, but does not include a tax imposed exclusively on the sale of a spe-*

cifically identified commodity or article or class of commodities or articles.

8. "Use tax" means a nonrecurring tax, other than a sales tax, which (a) is imposed on or with respect to the exercise or enjoyment of any right or power over tangible personal property incident to the ownership, possession or custody of that property or the leasing of that property from another including any consumption, keeping, retention, or other use of tangible personal property and (b) is complementary to a sales tax.

9. "Tax" means an income tax, capital stock tax, gross receipts tax, sales tax, use tax, and any other tax which has a multistate impact, except that the provisions of articles III, IV and V of this compact shall apply only to the taxes specifically designated therein and the provisions of article IX of this compact shall apply only in respect to determinations pursuant to article IV.

Article III. Elements of Income Tax Laws.

Taxpayer Option, State and Local Taxes.

1. Any taxpayer subject to an income tax whose income is subject to apportionment and allocation for tax purposes pursuant to the laws of a party state or pursuant to the laws of subdivisions in two or more party states may elect to apportion and allocate his income in the manner provided by the laws of such state or by the laws of such states and subdivisions without reference to this compact, or may elect to apportion and allocate in accordance with article IV. This election for any tax year may be made in all party states or subdivisions thereof or in any one or more of the party states or subdivisions thereof without reference to the election made in the others. For the purposes of this paragraph, taxes imposed by subdivisions shall be considered separately from state tax taxes and the apportionment and allocation also may be applied to the entire tax base. In no instance wherein article IV is employed for all subdivisions of a state may the sum of all apportionments and allocations to subdivisions within a state be greater than the apportionment and allocation that would be assignable to that state if the apportionment or allocation were being made with respect to a state income tax.

Taxpayer Option, Short Form.

2. Each party state or any subdivision thereof which imposes an income tax shall provide by law that any taxpayer required to file a return, whose only activities within the taxing jurisdiction consist of sales and do not include owning or renting real estate or tangible personal property, and whose dollar volume of gross sales made during the tax year within the state or subdivision,

as the case may be, is not in excess of \$100,000 may elect to report and pay any tax due on the basis of a percentage of such volume, and shall adopt rates which shall produce a tax which reasonably approximates the tax otherwise due. The commissioner of revenue, after consultation with the Multistate Tax Commission, not more than once in five years, may adjust the \$100,000 figure in order to reflect such changes as may occur in the real value of the dollar, and such adjusted figure, upon adoption by the commissioner, shall replace the \$100,000 figure specifically provided herein. Each party state and subdivision thereof may make the same election available to taxpayers additional to those specified in this paragraph.

Coverage.

3. Nothing in this article relates to the reporting or payment of any tax other than an income tax.

Article IV. Division of Income.

1. As used in this article, unless the context otherwise requires:

(a) "Business income" means income arising from transactions and activity in the regular course of the taxpayer's trade or business, and includes income from tangible and intangible property if the acquisition, management, and disposition of the property constitute integral parts of the taxpayer's regular trade or business operations.

(b) "Commercial domicile" means the principal place from which the trade or business of the taxpayer is directed or managed.

(c) "Compensation" means wages, salaries, commissions and any other form of remuneration paid to employees for personal services.

(d) "Financial organization" means any bank, trust company, savings bank, industrial bank, land bank, safe deposit company, private banker, savings and loan association, credit union, cooperative bank, small loan company, sales finance company, investment company, or any type of insurance company.

(e) "Nonbusiness income" means all income other than business income.

(f) "Public utility" means any business entity (1) which owns or operates any plant, equipment, property, franchise, or license for the transmission of communications, transportation of goods or persons, except by pipeline, or the production, transmission, sale, delivery, or furnishing of electricity, water or

steam; and (2) whose rates of charges for goods or services have been established or approved by a federal, state or local government or governmental agency.

(g) "Sales" means all gross receipts of the taxpayer not allocated under paragraphs of this article.

(h) "State" means any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, and any foreign country or political subdivision thereof.

(i) "This state" means the state in which the relevant tax return is filed or, in the case of application of this article to the apportionment and allocation of income for local tax purposes, the subdivision or local taxing district in which the relevant tax return is filed.

2. Any taxpayer having income from business activity which is taxable both within and without this state, other than activity as a financial organization or public utility or the rendering of purely personal services by an individual or any income received by a Minnesota resident individual or income from the operation of a farm, shall allocate and apportion his net income as provided in this article. If a taxpayer has income from business activity as a public utility but derives the greater percentage of his income from activities subject to this article, the taxpayer may elect to allocate and apportion his entire net income as provided in this article.

3. For purposes of allocation and apportionment of income under this article, a taxpayer is taxable in another state if (1) in that state he is subject to a net income tax, a franchise tax measured by net income, a franchise tax for the privilege of doing business, or a corporate stock tax, or (2) that state has jurisdiction to subject the taxpayer to a net income tax regardless of whether, in fact, the state does or does not.

4. All business income shall be apportioned to this state by multiplying the income by a fraction, the numerator of which is the property factor plus the payroll factor plus the sales factor, and the denominator of which is three.

5. The property factor is a fraction, the numerator of which is the average value of the taxpayer's real and tangible personal property owned or rented and used in this state during the tax period and the denominator of which is the average value of all the taxpayer's real and tangible personal property owned or rented and used during the tax period.

6. Property owned by the taxpayer is valued at its original cost. Property rented by the taxpayer is valued at eight times

the net annual rental rate. Net annual rental rate is the annual rental rate paid by the taxpayer less any annual rental rate received by the taxpayer from subrentals.

7. *The average value of property shall be determined by averaging the values at the beginning and ending of the tax period but the tax administrator may require the averaging of monthly values during the tax period if reasonably required to reflect properly the average value of the taxpayer's property.*

8. *The payroll factor is a fraction, the numerator of which is the total amount paid in this state during the tax period by the taxpayer for compensation and the denominator of which is the total compensation paid everywhere during the tax period.*

9. *Compensation is paid in this state if:*

(a) *The individual's service is performed entirely within the state;*

(b) *The individual's service is performed both within and without the state, but the service performed without the state is incidental to the individual's service within the state; or*

(c) *Some of the service is performed in the state and (1) the base of operations or, if there is no base of operations, the place from which the service is directed or controlled is in the state, or (2) the base of operations or the place from which the 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.*

10. *The sales factor is a fraction, the numerator of which is the total sales of the taxpayer in this state during the tax period, and the denominator of which is the total sales of the taxpayer everywhere during the tax period.*

11. *Sales of tangible personal property are in this state if:*

(a) *The property is delivered or shipped to a purchaser, other than the United States government, within this state regardless of the f.o.b. point or other conditions of the sale; or*

(b) *The property is shipped from an office, store, warehouse, factory, or other place of storage in this state and (1) the purchaser is the United States government or (2) the taxpayer is not taxable in the state of the purchaser.*

12. *Sales, other than sales of tangible personal property, are in this state if:*

(a) *The income-producing activity is performed in this state; or*

(b) *The income-producing activity is performed both in and outside this state and a greater proportion of the income-producing activity is performed in this state than in any other state, based on costs of performance.*

19. *If the allocation and apportionment provisions of this article do not fairly represent the extent of the taxpayer's business activity in this state, the taxpayer may petition for or the tax administrator may require, in respect to all or any part of the taxpayer's business activity, if reasonable:*

(a) *Separate accounting;*

(b) *The exclusion of any one or more of the factors;*

(c) *The inclusion of one or more additional factors which will fairly represent the taxpayer's business activity in this state; or*

(d) *The employment of any other method to effectuate an equitable allocation and apportionment of the taxpayer's income.*

Article V. Elements of Sales and Use Tax Laws.

Tax Credit.

1. *Each purchaser liable for a use tax on tangible personal property shall be entitled to full credit for the combined amount or amounts of legally imposed sales or use taxes paid by him with respect to the same property to another state and any subdivision thereof. The credit shall be applied first against the amount of any use tax due the state, and any unused portion of the credit shall then be applied against the amount of any use tax due a subdivision.*

2. *Whenever a vendor receives and accepts in good faith from a purchaser a resale or other exemption certificate or other written evidence of exemption authorized by the appropriate state or subdivision taxing authority, the vendor shall be relieved of liability for a sales or use tax with respect to the transaction.*

Article VI. The Commission.

Organization and Management.

1. (a) *The multistate tax commission is hereby established. It shall be composed of one "member" from each party state who*

shall be the head of the state agency charged with the administration of the types of taxes to which this compact applies. If there is more than one such agency the state shall provide by law for the selection of the commission member from the heads of the relevant agencies. State law may provide that a member of the commission be represented by an alternate but only if there is on file with the commission written notification of the designation and identity of the alternate. The attorney general of each party state or his designee, or other counsel if the laws of the party state specifically provide, shall be entitled to attend the meetings of the commission, but shall not vote. Such attorneys general, designees, or other counsel shall receive all notices of meetings required under paragraph 1(e) of this article.

(b) Each party state shall provide by law for the selection of representatives from its subdivisions affected by this compact to consult with the commission member from that state.

(c) Each member shall be entitled to one vote. The commission shall not act unless a majority of the members are present, and no action shall be binding unless approved by a majority of the total number of members.

(d) The commission shall adopt an official seal to be used as it may provide.

(e) The commission shall hold an annual meeting and such other regular meetings as its bylaws may provide and such special meetings as its executive committee may determine. The commission bylaws shall specify the dates of the annual and any other regular meetings, and shall provide for the giving of notice of annual, regular and special meetings. Notices of special meetings shall include the reasons therefor and an agenda of the items to be considered.

(f) The commission shall elect annually, from among its members, a chairman, a vice chairman and a treasurer. The commission shall appoint an executive director who shall serve at its pleasure, and it shall fix his duties and compensation. The executive director shall be secretary of the commission. The commission shall make provision for the bonding of such of its officers and employees as it may deem appropriate.

(g) Irrespective of the civil service, personnel or other merit system laws of any party state, the executive director shall appoint or discharge such personnel as may be necessary for the performance of the functions of the commission and shall fix their duties and compensation. The commission bylaws shall provide for personnel policies and programs.

(h) The commission may borrow, accept or contract for the services of personnel from any state, the United States, or any other governmental entity.

(i) The commission may accept for any of its purposes and functions any and all donations and grants of money, equipment, supplies, materials and services, conditional or otherwise, from any governmental entity, and may utilize and dispose of the same.

(j) The commission may establish one or more offices for the transacting of its business.

(k) The commission shall adopt bylaws for the conduct of its business. The commission shall publish its bylaws in convenient form, and shall file a copy of the bylaws and any amendments thereto with the appropriate agency or officer in each of the party states.

(l) The commission annually shall make to the governor and legislature of each party state a report covering its activities for the preceding year. Any donation or grant accepted by the commission or services borrowed shall be reported in the annual report of the commission, and shall include the nature, amount and conditions, if any, of the donation, gift, grant or services borrowed and the identity of the donor or lender. The commission may make additional reports as it may deem desirable.

Committees.

2. (a) To assist in the conduct of its business when the full commission is not meeting, the commission shall have an executive committee of seven members, including the chairman, vice chairman, treasurer and four other members elected annually by the commission. The executive committee, subject to the provisions of this compact and consistent with the policies of the commission, shall function as provided in the bylaws of the commission.

(b) The commission may establish advisory and technical committees, membership on which may include private persons and public officials, in furthering any of its activities. Such committees may consider any matter of concern to the commission, including problems of special interest to any party state and problems dealing with particular types of taxes.

(c) The commission may establish such additional committees as its bylaws may provide.

Powers.

3. In addition to powers conferred elsewhere in this compact, the commission shall have power to:

(a) Study state and local tax systems and particular types of state and local taxes.

(b) Develop and recommend proposals for an increase in uniformity or compatibility of state and local tax laws with a view toward encouraging the simplification and improvement of state and local tax law and administration.

(c) Compile and publish information as in its judgment would assist the party states in implementation of the compact and taxpayers in complying with state and local tax laws.

(d) Do all things necessary and incidental to the administration of its functions pursuant to this compact.

Finance.

4. (a) The commission shall submit to the governor or designated officer or officers of each party state a budget of its estimated expenditures for such period as may be required by the laws of that state for presentation to the legislature thereof.

(b) Each of the commission's budgets of estimated expenditures shall contain specific recommendations of the amounts to be appropriated by each of the party states. The total amount of appropriations requested under any such budget shall be apportioned among the party states as follows: one-tenth in equal shares; and the remainder in proportion to the amount of revenue collected by each party state and its subdivisions from income taxes, capital stock taxes, gross receipts taxes, sales and use taxes. In determining such amounts, the commission shall employ such available public sources of information as, in its judgment, present the most equitable and accurate comparisons among the party states. Each of the commission's budgets of estimated expenditures and requests for appropriations shall indicate the sources used in obtaining information employed in applying the formula contained in this paragraph.

(c) The commission shall not pledge the credit of any party state. The commission may meet any of its obligations in whole or in part with funds available to it under paragraph 1(i) of this article, provided that the commission takes specific actions setting aside such funds prior to incurring any obligation to be met in whole or in part in such manner. Except where the commission makes use of funds available to it under paragraph 1(i), the commission shall not incur any obligation prior to the allotment of funds by the party states adequate to meet the same.

(d) The commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the commission shall be subject to the audit and accounting procedures established under its bylaws. All receipts and disbursements of funds handled by the commission shall be audited yearly by a certified or licensed public accountant and the report of

the audit shall be included in and become part of the annual report of the commission.

(e) The accounts of the commission shall be open at any reasonable time for inspection by duly constituted officers of the party states and by any persons authorized by the commission.

(f) Nothing contained in this article shall be construed to prevent commission compliance with laws relating to audit or inspection of accounts by or on behalf of any government contributing to the support of the commission.

Article VII. Uniform Regulations and Forms.

1. Whenever any two or more party states, or subdivisions of party states, have uniform or similar provisions of law relating to an income tax, capital stock tax, gross receipts tax, sales or use tax, the commission may adopt uniform regulations for any phase of the administration of such law, including assertion of jurisdiction to tax, or prescribing uniform tax forms. The commission may also act with respect to the provisions of article IV of this compact.

2. Prior to the adoption of any regulation, the commission shall:

(a) As provided in its bylaws, hold at least one public hearing on due notice to all affected party states and subdivisions thereof and to all taxpayers and other persons who have made timely request of the commission for advance notice of its regulation-making proceedings.

(b) Afford all affected party states and subdivisions and interested persons an opportunity to submit relevant written data and views, which shall be considered fully by the commission.

3. The commission shall submit any regulations adopted by it to the appropriate officials of all party states and subdivisions to which they might apply. Each such state and subdivision shall consider any such regulation for adoption in accordance with its own laws and procedures.

Article VIII. Interstate Audits.

1. Any party state or subdivision thereof desiring to make or participate in an audit of any accounts, books, papers, records or other documents may request the commission to perform the audit on its behalf. In responding to the request, the commission shall have access to and may examine, at any reasonable time, such accounts, books, papers, records, and other documents and

any relevant property or stock of merchandise. The commission may enter into agreements with party states or their subdivisions for assistance in performance of the audit. The commission shall make charges, to be paid by the state or local government or governments for which it performs the service, for any audits performed by it in order to reimburse itself for the actual costs incurred in making the audit.

2. The commission may require the attendance of any person within the state where it is conducting an audit or part thereof at a time and place fixed by it within such state for the purpose of giving testimony with respect to any account, book, paper, document, other record, property or stock of merchandise being examined in connection with the audit. If the person is not within the jurisdiction, he may be required to attend for such purpose at any time and place fixed by the commission within the state of which he is a resident, provided that such state has adopted this article.

3. The commission may apply to any court having power to issue compulsory process for orders in aid of its powers and responsibilities pursuant to this article and any and all such courts shall have jurisdiction to issue such orders. Failure of any person to obey any such order shall be punishable as contempt of the issuing court. If the party or subject matter on account of which the commission seeks an order is within the jurisdiction of the court to which application is made, such application may be to a court in the state or subdivision on behalf of which the audit is being made or a court in the state in which the object of the order being sought is situated. The provisions of this paragraph apply only to courts in a state that has adopted this article.

4. The commission may decline to perform any audit requested if it finds that its available personnel or other resources are insufficient for the purpose or that, in the terms requested, the audit is impracticable of satisfactory performance. If the commission, on the basis of its experience, has reason to believe that an audit of a particular taxpayer, either at a particular time or on a particular schedule, would be of interest to a number of party states or their subdivisions, it may offer to make the audit or audits, the offer to be contingent on sufficient participation therein as determined by the commission.

5. Information obtained by any audit pursuant to this article shall be confidential and available only for tax purposes to party states, their subdivisions or the United States. Availability of information shall be in accordance with the laws of the states or subdivisions on whose account the commission performs the audit, and only through the appropriate agencies or officers of such states or subdivisions. Nothing in this article shall be construed to require any taxpayer to keep records for any period not otherwise required by law.

6. Other arrangements made or authorized pursuant to law for cooperative audit by or on behalf of the party states or any of their subdivisions are not superseded or invalidated by this article.

7. In no event shall the commission make any charge against a taxpayer for an audit.

8. As used in this article, "tax," in addition to the meaning ascribed to it in article II, means any tax or license fee imposed in whole or in part for revenue purposes.

Article IX. Arbitration.

1. Whenever the commission finds a need for settling disputes concerning apportionments and allocations by arbitration, it may adopt a regulation placing this article in effect, notwithstanding the provisions of article VII.

2. The commission shall select and maintain an arbitration panel composed of officers and employees of state and local governments and private persons who shall be knowledgeable and experienced in matters of tax law and administration.

3. Whenever a taxpayer who has elected to employ article IV, or whenever the laws of the party state or subdivision thereof are substantially identical with the relevant provisions of article IV, the taxpayer, by written notice to the commission and to each party state or subdivision thereof that would be affected, may secure arbitration of an apportionment or allocation, if he is dissatisfied with the final administrative determination of the tax agency of the state or subdivision with respect thereto on the ground that it would subject him to double or multiple taxation by two or more party states or subdivisions thereof. Each party state and subdivision thereof hereby consents to the arbitration as provided herein, and agrees to be bound thereby.

4. The arbitration board shall be composed of one person selected by the taxpayer, one by the agency or agencies involved, and one member of the commission's arbitration panel. If the agencies involved are unable to agree on the person to be selected by them, such person shall be selected by lot from the total membership of the arbitration panel. The two persons selected for the board in the manner provided by the foregoing provisions of this paragraph shall jointly select the third member of the board. If they are unable to agree on the selection, the third member shall be selected by lot from among the total membership of the arbitration panel. No member of a board selected by lot shall be qualified to serve if he is an officer or employee or is otherwise affiliated with any party to the arbitration proceeding. Residence within the jurisdiction of a party to the arbitration proceeding shall not constitute affiliation within the meaning of this paragraph.

5. The board may sit in any state or subdivision party to the proceeding, in the state of the taxpayer's incorporation, residence or domicile, in any state where the taxpayer does business, or in any place that it finds most appropriate for gaining access to evidence relevant to the matter before it.

6. The board shall give due notice of the times and places of its hearings. The parties shall be entitled to be heard, to present evidence, and to examine and cross-examine witnesses. The board shall act by majority vote.

7. The board shall have the power to administer oaths, take testimony, subpoena and require the attendance of witnesses and the production of accounts, books, papers, records, and other documents, and issue commissions to take testimony. Subpoenas may be signed by any member of the board. In case of failure to obey a subpoena, and upon application by the board, any judge of a court of competent jurisdiction of the state in which the board is sitting or in which the person to whom the subpoena is directed may be found may make an order requiring compliance with the subpoena, and the court may punish failure to obey the order as a contempt. The provisions of this paragraph apply only in states that have adopted this article.

8. Unless the parties otherwise agree the expenses and other costs of the arbitration shall be assessed and allocated among the parties by the board in such manner as it may determine. The commission shall fix a schedule of compensation for members of arbitration boards and of other allowable expenses and costs. No officer or employee of a state or local government who serves as a member of a board shall be entitled to compensation therefor unless he is required on account of his service to forego the regular compensation attaching to his public employment, but any such board member shall be entitled to expenses.

9. The board shall determine the disputed apportionment or allocation and any matters necessary thereto. The determinations of the board shall be final for purposes of making the apportionment or allocation, but for no other purpose.

10. The board shall file with the commission and with each tax agency represented in the proceeding: the determination of the board; the board's written statement of its reasons therefor; the record of the board's proceedings; and any other documents required by the arbitration rules of the commission to be filed.

11. The commission shall publish the determinations of boards together with the statements of the reasons therefor.

12. The commission shall adopt and publish rules of procedure and practice and shall file a copy of such rules and of any amendment thereto with the appropriate agency or officer in each of the party states.

13. Nothing contained herein shall prevent at any time a written compromise of any matter or matters in dispute, if otherwise lawful, by the parties to the arbitration proceedings.

Article X. Entry Into Force and Withdrawal.

1. This compact shall become effective as to any other state upon its enactment. The commission shall arrange for notification of all party states whenever there is a new enactment of the compact.

2. Any party state may withdraw from this compact by enacting a statute repealing the same. No withdrawal shall affect any liability already incurred by or chargeable to a party state prior to the time of such withdrawal.

3. No proceeding commenced before an arbitration board prior to the withdrawal of a state and to which the withdrawing state or any subdivision thereof is a party shall be discontinued or terminated by the withdrawal, nor shall the board thereby lose jurisdiction over any of the parties to the proceeding necessary to make a binding determination therein.

Article XI. Effect on Other Laws and Jurisdictions.

Nothing in this compact shall be construed to:

(a) Affect the power of any state or subdivision thereof to fix rates of taxation, except that a party state shall be obligated to implement article III 2 of this compact.

(b) Apply to any tax or fixed fee imposed for the registration of a motor vehicle or any tax on motor fuel, other than a sales tax, provided that the definition of "tax" in article VIII 9 may apply for the purposes of that article and the commission's powers of study and recommendation pursuant to article VI 3 may apply.

(c) Withdraw or limit the jurisdiction of any state or local court or administrative officer or body with respect to any person, corporation or other entity or subject matter, except to the extent that such jurisdiction is expressly conferred by or pursuant to this compact upon another agency or body.

(d) Supersede or limit the jurisdiction of any court of the United States.

Article XII. Construction and Severability.

This compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this compact shall be severable and if any phrase, clause, sentence, or provision of this compact is declared to be contrary to the constitution of any state or of the United States or the applicability thereof to any government, agency, person or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby. If this compact shall be held contrary to the constitution of any state participating therein, the compact shall remain in full force and effect as to the remaining party states and in full force and effect as to the state affected as to all severable matters.

Sec. 2. [290.172] [COMMISSIONER OF REVENUE.]

The commissioner of revenue shall represent the state of Minnesota on the multistate tax commission. The commissioner may be represented on the commission by an alternate designated by him. The alternate shall be a deputy or assistant commissioner in the department of revenue.

Sec. 3. [290.173] [MULTISTATE COMPACT ADVISORY COMMITTEE.]

There is hereby established the multistate tax compact advisory committee composed of the commissioner of revenue or the alternate member of the commission designated by him, the attorney general or his designee, and two members of the senate, appointed by the committee on committees, and two members of the house of representatives appointed by the speaker of the house. The chairman shall be the member of the multistate tax commission, representing the state of Minnesota. The committee shall meet at the call of its chairman or at the request of a majority of its members, but in any event not less than three times in each year. The committee may consider any and all matters relating to recommendations of the multistate tax commission and the activities of the members in representing the state of Minnesota on the commission.

Sec. 4. [290.174] [INTERSTATE AUDITS.]

Article VIII of the multistate tax compact relating to interstate audits shall be in force in and with respect to the state of Minnesota.

Sec. 5. [290.175] [OPTIONAL APPORTIONMENT.]

Notwithstanding the provisions of section 1, the taxpayer may elect to apportion his income to Minnesota pursuant to this chapter, without regard to section 1, article IV.

Sec. 6. [APPROPRIATION.]

There is hereby appropriated \$175,000 to the multistate tax commission for fiscal years 1984 and 1985.

Sec. 7. [EFFECTIVE DATE.]

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

ARTICLE 17**ST. LOUIS COUNTY ABATEMENT****Section 1. [ST. LOUIS COUNTY ABATEMENT OF TAXES DUE TO CERTIFICATION OR PROCESSING ERROR OR DELAY.]**

The county board of St. Louis County may abate any property taxes or order the refund of any property taxes if, due to an error or delay in processing or certifying the tax, an incorrect tax is calculated or certified by the county auditor and the county board finds that the owner of the property has justifiably relied on the calculation or certification of the tax by the county auditor and that payment of the tax as recalculated or recertified would be unjust. The board shall abate the taxes only upon the written application of the owner. The application must be approved by the county auditor.

Notwithstanding section 270.07, the order of the commissioner of revenue shall not be required for abatement of taxes under this section. Abatement of taxes under this section shall be in addition to the method provided in section 270.07.

Sec. 2. [APPLICABILITY.]

On its effective date, section 1 applies to St. Louis County.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective after local approval at 12:01 a.m. on the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, for property taxes payable in 1978 and 1979.

ARTICLE 18**BUDGET RESERVE**

Section 1. Minnesota Statutes 1982, section 16A.15, subdivision 1, is amended to read:

Subdivision 1. [REDUCTION.] In case the commissioner of finance shall discover at any time that the probable receipts

from taxes or other sources for any appropriation, fund, or item will be less than was anticipated, and that consequently the amount available for the remainder of the biennium will be less than the amount estimated or allotted therefor, he shall, with the approval of the governor (, AND AFTER NOTICE TO THE AGENCY CONCERNED) *and after consultation with the legislative advisory commission created by section 3.30, (EITHER:)*

((A) AFTER CONSULTATION WITH THE LEGISLATIVE ADVISORY COMMISSION CREATED BY SECTION 3.30,) transfer from the budget reserve account established in (SECTION 16A.153,) *subdivision 6* to the general fund the amount necessary to balance revenue and expenditures (;)

((B) REDUCE THE AMOUNT ALLOTTED OR TO BE ALLOTTED SO AS TO PREVENT A DEFICIT; OR)

((C) MAKE ANY COMBINATION OF TRANSFERS AND REDUCTIONS AS PROVIDED BY CLAUSES (A) AND (B)). *Any additional deficit shall, with the approval of the governor and after consultation with the legislative advisory commission, be made up by reducing allotments.*

In reducing allotments, the commissioner of finance may consider other sources of revenue available to recipients of state appropriations and apply allotment reductions based on all sources of revenue available.

In like manner he shall request reduction of the amount allotted or to be allotted to any agency by the amount of any saving which can be effected upon previous spending plans through a reduction in prices or other cause.

Sec. 2. Minnesota Statutes 1982, section 16A.15, is amended by adding a subdivision to read:

Subd. 6. [BUDGET RESERVE ACCOUNT.] The commissioner of finance on July 1, 1983 shall transfer \$250,000,000 to a budget reserve account in the general fund in the state treasury.

Sec. 3. Minnesota Statutes 1982, section 16A.15, is amended by adding a subdivision to read:

Subd. 7. [DELAY IN PAYMENT; REDUCTION.] The commissioner of finance may delay payment of an amount up to 15 percent of an appropriation due to a special taxing district or a system of higher education in that entity's fiscal year for up to 60 days after the start of its next fiscal year. The amount delayed is subject to allotment reduction under section 1.

Sec. 4. [REPEALER.]

Minnesota Statutes 1982, section 16A.153, is repealed.

Sec. 5. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 19

ROCHESTER SALES TAX

Section 1. [SALES TAX.]

Notwithstanding Minnesota Statutes, section 477A.016, or any other contrary provision of law, ordinance, or city charter, the city of Rochester may, by ordinance, impose an additional sales tax of up to one percent on sales transactions taxable pursuant to Minnesota Statutes, chapter 297A that occur within the city.

Sec. 2. [EXCISE TAX.]

Notwithstanding Minnesota Statutes, section 477A.016, or any other contrary provision of law, ordinance, or city charter, the city of Rochester may, by ordinance, impose an excise tax of up to \$20 per motor vehicle, as defined by ordinance, purchased or acquired from any person engaged within the city in the business of selling motor vehicles at retail.

Sec. 3. [COLLECTION.]

The commissioner of revenue may enter into appropriate agreements with the city of Rochester to provide for collection by the state on behalf of the city of a tax imposed by the city of Rochester pursuant to section 1. The commissioner may charge the city of Rochester from the proceeds of any tax a reasonable fee for its collection.

Sec. 4. [ALLOCATION OF REVENUES.]

Revenues received from taxes authorized by sections 1 and 2 shall be used to pay the costs of collecting the taxes, capital and administrative costs of improvements to the city park and recreation system and flood control improvements for which the city voters at a special election held on November 2, 1982, approved the issuance of general obligation bonds, and to pay debt service on the bonds. The total capital and administrative expenditures payable from bond proceeds and revenues received from the taxes authorized by sections 1 and 2, excluding investment earnings thereon, shall not exceed \$16,000,000 for improvements to the city park and recreation system and \$16,000,000 for flood control improvements.

Sec. 5. [TERMINATION OF TAXES.]

The taxes imposed pursuant to sections 1 and 2 shall terminate on the first day of the second month next succeeding a determination by the city council that sufficient funds have been received from the taxes and bond proceeds to finance capital and administrative costs of \$16,000,000 for improvements to the city park and recreation system and \$16,000,000 for flood control improvements and to prepay or retire at maturity the principal, interest, and premium due on any bonds issued for the improvements. Any funds remaining after completion of the improvements and retirement or redemption of the bonds may be placed in the general fund of the city.

Sec. 6. [BONDS.]

The city of Rochester, pursuant to the approval of the city voters at a special election held on November 2, 1982, may issue general obligation bonds of the city in an amount not to exceed \$16,000,000 for improvements to the city park and recreation system and \$16,000,000 for flood control improvements. The debt represented by the bonds shall not be included in computing any debt limitation applicable to the city, and the levy of taxes required by Minnesota Statutes, section 475.61 to pay the principal of and interest on the bonds shall not be subject to any levy limitation or be included in computing or applying any levy limitation applicable to the city. The amount of any special levy for debt service imposed pursuant to Minnesota Statutes, section 275.50, subdivision 5, clause (e), for payment of principal and interest on the bonds shall not include the amount of estimated collection of revenues from the taxes imposed pursuant to sections 1 and 2 that are pledged for the payment of those obligations.

Sec. 7. [EFFECTIVE DATE.]

This article is effective the day after compliance by the governing body of the city of Rochester with Minnesota Statutes, section 645.021, subdivision 3.

ARTICLE 20**MISCELLANEOUS****Section 1. [168.022] [REFUNDS: MANDATORY REFUND OR REPLACEMENT LAWS.]**

Subdivision 1. [ENTITLEMENT TO REFUND.] If a manufacturer of motor vehicles is required by Laws 1983, chapter 108, section 1, subdivision 3, to refund the tax imposed by this chapter, the tax shall be refunded to the manufacturer as provided in this section.

Subd. 2. [AMOUNT OF REFUND.] The amount of the refund shall be the tax paid by the purchaser pursuant to this chapter less 1/12 of the annual tax for the vehicle for each calendar month or fraction of a calendar month between the date of registration and the date the purchase price is refunded.

Subd. 3. [APPLICATION.] The refund shall be paid to the manufacturer upon written application to the registrar of motor vehicles with proof of compliance with this section as the registrar may require.

Subd. 4. [PAYMENT OUT OF HIGHWAY USER FUND.] Payment of any refund pursuant to this section shall be made out of the highway user fund and the amounts necessary to pay the refunds are appropriated out of the highway user fund.

Sec. 2. Minnesota Statutes 1982, section 325D.32, subdivision 9, is amended to read:

Subd. 9. "Basic cost of cigarettes" means (WHICHEVER OF THE TWO FOLLOWING AMOUNTS IS LOWER, NAMELY (1) the gross invoice cost of cigarettes to the wholesaler or retailer (, AS THE CASE MAY BE, OR (2) THE LOWEST REPLACEMENT COST OF CIGARETTES TO THE WHOLESALE OR RETAILER IN THE QUANTITY LAST PURCHASED,) plus the full face value of any stamps which may be required by any cigarette tax act of this state, unless included by the manufacturer in his list price.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to taxation; establishing income tax definitions; altering, establishing, and eliminating certain income tax modifications, deductions, and credits; extending the income tax surtax; allowing suspension of indexing; modifying income tax administrative provisions; altering certain property tax credit, assessment, and administrative provisions; adjusting computation of property tax refunds; providing for computation and distribution of state aids to school districts and other local units of government; establishing the rate of sales and motor vehicle excise taxes and modifying exemption provisions; providing tax incentives for business development; authorizing the cities of Austin and Hastings and certain nonprofit entities in the city of Bemidji and within Independent School District No. 692, Babbitt, to hold property for economic development purposes; authorizing the imposition of city lodging taxes; providing for the imposition of a tax on aggregate materials by the counties of Stearns, Benton, Sherburne, Wright, Carver, Scott, Dakota, LeSueur, Kittson, Marshall, Pennington, Red Lake, Polk, Norman, Mahanomen, Clay, Becker, Wilkin, Traverse, Big Stone,

Stevens, Pope, Anoka, Hennepin, Washington, and Ramsey; revising provisions governing property tax delinquencies and sales of tax-forfeited lands; enacting the multistate tax compact; authorizing St. Louis County to abate certain taxes; providing for a budget reserve account and prescribing certain budget procedures; authorizing the city of Rochester to impose a local sales tax; authorizing certain refunds of motor vehicle excise tax; defining terms; imposing penalties; appropriating money; amending Minnesota Statutes 1982, sections 16A.15, subdivision 1, and by adding subdivisions; 116J.42, subdivision 7; 124.11, subdivisions 2a and 2b; 124.2137, subdivision 1; 270.60; 272.02, subdivision 1; 272.03, subdivision 8; 272.115, subdivision 1; 273.11, subdivision 1 and by adding subdivisions; 273.115, subdivision 1; 273.13, subdivisions 6, 6a, 7, 9, 11, 14a, 17, 17b, 17c, 20; 273.1311; 273.1312, subdivisions 2, 3, 4, and 5; 273.1313, subdivisions 1, 2, 3, and 5; 273.135, subdivision 1; 273.138, subdivisions 2, 3, and 6; 273.1391, subdivision 1; 273.1392; 275.50, subdivisions 2, 5, and by adding a subdivision; 275.51, by adding subdivisions; 276.04; 276.09; 276.10; 276.11; 278.01, subdivisions 1 and 2; 278.03; 278.05, subdivisions 4 and 5; 279.01, subdivision 1; 279.05; 279.06; 279.14; 279.15; 279.16; 279.20; 280.01; 280.07; 280.10; 280.38; 280.385, subdivision 1; 281.01; 280.02; 281.03; 281.05; 281.17; 281.18; 281.23; 281.25; 281.34; 281.39; 282.01, subdivision 5; 282.039; 282.17; 282.171; 282.222, subdivisions 4 and 5; 282.301; 287.05, subdivision 1; 290.01, subdivisions 19, 20, 20a, as amended, 20b, as amended, 20f; 290.06, subdivisions 2e, as amended, 11, 13, 14, and by adding a subdivision; 290.067, subdivisions 1 and 2; 290.068, by adding a subdivision; 290.07, subdivision 1; 290.09, subdivisions 1, 2, 3, as amended, 4, 5, and 29; 290.14; 290.17, subdivision 2; 290.18, subdivisions 1 and 2; 290.21, subdivisions 1 and 3; 290.23, subdivision 5; 290.31, subdivisions 2 and 3; 290.34, subdivision 2; 290.37, subdivision 1; 290.39, subdivision 2; 290.431; 290.46; 290.53, subdivision 2, as amended; 290.92, subdivision 2a, and by adding subdivisions; 290A.03, subdivisions 3, 6, 8, 11, 13, as amended, and by adding a subdivision; 290A.04, subdivisions 1, 2, 2a, 2b, 3, and by adding subdivisions; 290A.07, subdivision 3; 290A.16; 290A.18; 290A.19; 296.18, subdivision 1; 296.421, subdivision 5; 297A.02, as amended; 297A.03, subdivision 2, as amended; 297A.14, as amended; 297A.25, subdivision 1; 297A.35, subdivision 3; 297B.01, subdivision 8; 297B.02, as amended; 298.75; 325D.32, subdivision 9; 471.59, by adding a subdivision; 473F.08, subdivision 7a; 477A.011, subdivisions 6, 7, 10, and by adding subdivisions; 477A.012; 477A.013; 477A.014, subdivision 1; 477A.03, subdivision 2; 515A.1-105; 559.21, by adding a subdivision; Laws 1981, First Special Session, chapter 1, article II, section 25; Third Special Session, chapter 2, article III, section 22, as amended; proposing new law coded in Minnesota Statutes, chapters 124; 168; 273; 276; 279; 280; 282; 290; 297A; 297B; 477A; 507; repealing Minnesota Statutes 1982, sections 16A.153; 273.13, subdivision 15b; 273.138, subdivisions 1 and 4; 273.139; 275.09, subdivision 3; 275.50, subdivision 6; 275.51, subdivisions 3e and 5; 279.24; 281.36; 290.01, subdivisions 23, 27, and 28; 290.032, subdivision 5; 290.06, subdivisions 9 and 9a; 290.077, subdivision 2; 290.08,

subdivision 25; 290.09, subdivisions 10, 15, 22, and 27; 290.21, subdivision 32; 290.501; 340.986; 352C.07; 477A.011, subdivisions 8 and 9; Laws 1961, chapter 605; Laws 1963, chapter 475; Laws 1965, chapter 163; Laws 1977, chapters 112 and 117; Laws 1979, chapter 273; and Laws 1982, chapter 523, article VII, section 3 and Third Special Session chapter 1, article V, section 4."

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

House Conferees: JOHN D. TOMLINSON, JOHN E. BRANDL, ROBERT E. VANASEK, WILLIS EKEN and HARRY A. SIEBEN, JR.

Senate Conferees: DOUGLAS J. JOHNSON, COLLIN C. PETERSON, LINDA BERGLIN, NEIL DIETERICH and STEVEN G. NOVAK.

The Speaker called Wynia to the Chair.

Tomlinson moved that the report of the Conference Committee on H. F. No. 1259 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

CALL OF THE HOUSE

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

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

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

H. F. No. 1259, A bill for an act relating to the operation of government in this state; modifying the definition of gross income; adopting federal definitions of itemized deductions; updating the references to the Internal Revenue Code; extending the

duration of the temporary income tax surtax and changing its computation; modifying the deduction of federal income taxes; assigning certain gambling winnings by nonresidents to Minnesota; imposing withholding tax on certain gambling winnings and horse racing purses; repealing certain income tax credits for pollution control expenditures; limiting the subtraction for unemployment compensation; providing for timely payment of withholding income taxes; modifying the dependent care credit; providing for certain studies; changing the refund method for the sales tax on electricity used in agricultural production; clarifying the uses of funds from the non-game wildlife checkoff; making the six percent sales and use tax rate permanent; increasing the motor vehicle excise tax rate to six percent; modifying the enterprise zone law; providing for state tax incentives in enterprise zones; limiting the number of enterprise zones; reducing the corporate income tax rate; eliminating the deduction for certain income and franchise taxes paid by corporations; changing the deduction for corporate capital gains; providing small business investment credits; providing an additional research credit; modifying the definition of market value; requiring additional information on the certificate of value; mandating that homestead affidavits be filed in all counties; requiring that all contracts for deed be recorded; restricting the use of sales ratio studies as evidence; eliminating the agricultural mill rate credit on farm homes; increasing the agricultural mill rate credit on certain property and providing a maximum credit amount; clarifying the property classification for certain timber property; modifying the wetlands credit; modifying the utility property tax credit; changing certain property tax classification ratios; exempting contracts for deed from the mortgage registry tax and providing penalties for failure to file; exempting cities and towns with populations under 5,000 from levy limitations; modifying the method by which levy limitations are calculated; adding a special levy for certain county purposes; establishing a new homestead credit formula for certain homestead property; modifying the property tax refund formula and increasing the maximum credit; changing the payment dates for the property tax refund; altering the sales tax on liquor, wine, and beer; changing the excise tax credit on fermented malt beverages; delaying the effective date of the rent capitalization method used in assessing agricultural land; repealing the native prairie credit and reimbursement; repealing the wetlands reimbursement; modifying school district cash flow; establishing school aid payment dates for fiscal year 1985 and thereafter; requiring that property taxes be paid 15 days earlier; altering property tax settlement dates; modifying the local government aids distribution formula for counties, cities, and towns; phasing out attached machinery aids and reduced assessment aids; enacting the multi-state tax compact; changing the definition of basic cost of cigarettes for purposes of the unfair cigarette sales act; appropriating money; amending Minnesota Statutes 1982, sections 116J.42, subdivision 7; 124.2137, subdivision 1; 272.02, subdivision 1; 272.03, subdivision 8; 272.115, subdivision 1; 273.11, subdivision 1; 273.115, subdivisions 1, 2, and 3; 273.13, subdivisions

6, 6a, 7, 8a, 9, 11, 14a, 17, 17b, 17c, 20, and by adding a subdivision; 273.1312, subdivisions 2, 3, 4, and 5; 273.1313, subdivisions 1, 2, 3, and 5; 273.138, by adding a subdivision; 273.139, by adding a subdivision; 275.50, subdivision 2, and by adding subdivisions; 275.51, by adding subdivisions; 275.53, by adding a subdivision; 276.09; 276.10; 276.11; 278.01, subdivisions 1 and 2; 278.03; 278.05, subdivisions 4 and 5; 279.01, subdivision 1; 287.05, subdivision 1; 290.01, subdivisions 19, 20, 20a, as amended, 20b, as amended, and 20f; 290.05, subdivision 6; 290.06, subdivisions 1, 2e, as amended, 11, and 14; 290.067, subdivisions 1 and 2; 290.068, by adding a subdivision; 290.09, subdivisions 1, 2, 3, as amended, 4, 5, 28, and 29; 290.091; 290.14; 290.16, subdivision 4; 290.17, subdivision 2; 290.18, subdivisions 1 and 2; 290.21, subdivisions 1 and 3; 290.23, subdivision 5; 290.31, subdivisions 2 and 3; 290.39, subdivision 2; 290.431; 290.46; 290.92, subdivisions 2a, 6, and by adding subdivisions; 290A.03, subdivisions 3, 6, 8, 11, 13, as amended, and by adding a subdivision; 290A.04, subdivisions 1, 2, 2a, 2b, and 3; 290A.07, subdivision 2a; 290A.16; 290A.18; 290A.19; 297A.02, as amended; 297A.03, subdivision 2, as amended; 297A.14, as amended; 297A.35, subdivision 3; 297B.02, as amended; 325D.32, subdivision 9; 340.14, subdivision 1; 340.47, subdivision 2; 473F.08, subdivision 7a; 477A.011, subdivisions 6, 7, 10, and by adding subdivisions; 477A.012; 477A.013; 477A.014, subdivision 1; and Laws 1981, First Special Session chapter 1, article II, section 25; and Third Special Session chapter 2, article III, section 22, as amended; proposing new law coded in Minnesota Statutes, chapters 116C; 124; 273; 290; 477A; and 507; repealing Minnesota Statutes 1982, sections 273.116; 273.138, subdivisions 1, 2, 3, 4, 5, and 6; 273.139, subdivisions 1 and 2; 273.42, subdivision 2; 273.425; 275.51, subdivisions 3e and 5; 290.01, subdivisions 23, 27, and 28; 290.032, subdivision 5; 290.06, subdivisions 9 and 9a; 290.077, subdivision 2; 290.08, subdivision 25; 290.09, subdivisions 10, 15, 22, and 27; 290.21, subdivision 3a; 290.501; 290A.07, subdivision 3; 340.986; 352C.07; 477A.011, subdivisions 8 and 9; and Laws 1982, chapter 523, article VII, section 3; and Third Special Session chapter 1, article V, section 4.

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

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

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

There were 70 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Eken	Krueger	Osthoff	Skoglund
Anderson, G.	Elioff	Larsen	Otis	Solberg
Battaglia	Ellingson	Mann	Peterson	Sparby
Beard	Frerichs	McEachern	Piper	Staten
Begich	Graba	Metzen	Quinn	Swanson
Bergstrom	Greenfield	Minne	Rice	Tomlinson
Bishop	Gustafson	Munger	Riveness	Tunheim
Brandl	Jacobs	Murphy	Rodosovich	Vanasek
Brinkman	Jensen	Nelson, D.	St. Onge	Vellenga
Carlson, L.	Kahn	Nelson, K.	Sarna	Welch
Clark, J.	Kalis	Neuenschwander	Scheid	Welle
Clark, K.	Kelly	Norton	Segal	Wenzel
Clawson	Knuth	O'Connor	Shea	Wynia
Coleman	Kostohryz	Ogren	Simoneau	Speaker Sieben

Those who voted in the negative were:

Anderson, R.	Fjoslien	Knickerbocker	Quist	Thiede
Bennett	Forsythe	Kvam	Redalen	Uphus
Berkelman	Gruenes	Levi	Reif	Valan
Blatz	Gutknecht	Ludeman	Rodriguez, C.	Valento
Burger	Halberg	Marsh	Rose	Voss
Carlson, D.	Haukoos	McDonald	Schafer	Waltman
Cohen	Heap	McKasy	Schoenfeld	Welker
Dempsey	Heinitz	Olsen	Schreiber	Wigley
DenOuden	Himle	Omann	Seaberg	Zaffke
Dimler	Hoffman	Onnen	Shaver	
Erickson	Hokr	Pauly	Sherman	
Evans	Jennings	Piepho	Stadum	
Findlay	Johnson	Price	Svigum	

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

Heinitz was excused between the hours of 4:30 p.m. until 5:45 p.m.

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1290

A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government with certain conditions; providing for the transfer of certain money in the state treasury; authorizing land acquisition in certain cases; fixing and limiting the amount of fees to be collected in certain cases; creating, abolishing, modifying, and transferring agencies and functions; imposing a penalty; amending Minnesota Statutes 1982, sections 3.732, by adding a subdivision; 15.16, subdivision 5; 15A.083, subdivision 1; 16.32, subdivision 2; 16.75, by adding a subdivision; 16.82, subdivision 1; 16.866, subdivision 1; 16A.125, subdivision 5; 16A.127, subdivisions 1 and 7; 16A.36; 16A.50; 16A.64, subdivisions 2 and 4;

16A.66, subdivisions 1, 2, and 3; 40.072, subdivision 3; 43A.05, subdivision 5; 85A.01, subdivision 2; 85A.04, subdivision 3; 98.47, by adding a subdivision; 98.48, subdivision 9; 105.405, subdivision 2; 105.41, subdivision 5; 116.07, subdivision 2a; 124.46, subdivision 2; 136.40, subdivision 8; 169.123, subdivision 6; 175A.05; 176.183, subdivision 2; 179.7411; 181A.12, subdivision 1; 183.375, subdivision 5; 183.411, subdivision 3; 183.545; 183.57, subdivision 2; 256.481; 256.482; 270.18; 271.01, subdivision 1; 290.06, subdivision 13; 296.18, subdivision 1; 296.421, subdivision 5; 309.53, subdivision 2, and by adding a subdivision; 357.08; 363.02, subdivision 1; 363.06, subdivision 4, and by adding a subdivision; 363.071, subdivision 2; 462A.05, by adding a subdivision; 462A.21, by adding a subdivision; 480.09, subdivision 5; 480.241, subdivision 2; 480A.01, subdivision 2; 481.01; and 546.27, subdivision 2; Laws 1976, chapter 314, section 3; Laws 1980, chapter 614, section 192; proposing new law coded in Minnesota Statutes, chapters 3; 16A; 116C; 198; 270; repealing Minnesota Statutes 1982, sections 3.472; 3.86; 4.073; 105.71; 105.72; 105.73; 105.74; 105.75; 105.751; 105.76; 105.77; 105.78; 105.79; 114A.01; 114A.02; 114A.03; 114A.04; 114A.05; 114A.06; 114A.07; 114A.08; 114A.09; 193.35; 297A.05; and Laws 1965, chapter 66.

May 21, 1983

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

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 1290, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 1290 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [STATE DEPARTMENTS; APPROPRIATIONS.]

The sums set forth in the columns designated "APPROPRIATIONS" are appropriated from the general fund, or any other fund designated, to the agencies and for the purposes specified in the following sections of this act, to be available for the fiscal years indicated for each purpose. The figures "1983," "1984," and "1985," where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1984, or June 30, 1985, respectively.

SUMMARY BY FUND

	1984	1985	TOTAL
General	\$446,377,500	\$472,622,200	\$ 918,999,700
Special	10,828,900	13,489,000	24,317,900
State Airports	70,000	140,000	210,000
Game and Fish	31,069,800	31,530,300	62,600,100
Trunk Highway	9,460,300	19,260,700	28,721,000
Highway User	1,267,700	1,502,600	2,770,300
Special Comp.	1,678,900	1,697,000	3,375,900
TOTAL	\$500,753,100	\$540,241,800	\$1,040,994,900

APPROPRIATIONS
Available for the Year
Ending June 30

	1984	1985
\$		\$

Sec. 2. LEGISLATURE

Subdivision 1. Total for this section	\$26,974,200	\$29,483,900
Subd. 2. Senate	8,253,400	9,280,500
Subd. 3. House of Representatives	12,266,000	13,520,000
Subd. 4. Legislative Coordinating Commission	3,891,300	4,089,900

The amounts that may be expended
from this appropriation for each activity
are as follows:

Legislative Reference Library

1984	1985
\$ 578,400	\$ 600,600

Revisor of Statutes

\$ 2,446,600	\$ 2,619,400
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	1984	1985
	\$	\$

Legislative Commission on the Economic Status of Women

\$	91,000	\$	95,500
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Great Lakes Commission

\$	31,500	\$	31,900
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Interstate Cooperation Commission

\$	58,800	\$	59,200
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\$51,900 the first year and \$52,000 the second year is for the state contribution to the council of state governments.

Legislative Commission on Pensions and Retirement

\$	170,200	\$	176,300
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Legislative Commission on Employee Relations

\$	84,100	\$	88,500
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Legislative Commission to Review Administrative Rules

\$	94,100	\$	98,100
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Legislative Commission on Waste Management

\$	122,500	\$	97,100
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Mississippi River Parkway Commission

\$	10,300	\$	10,700
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This appropriation is from the trunk highway fund.

LCC—General Support

\$	203,800	\$	212,600
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	1984	1985
\$		\$

\$50,000 the first year and \$50,000 the second year is reserved for unanticipated costs of agencies in this subdivision and subdivision 5. The legislative coordinating commission may transfer necessary amounts from this appropriation to the appropriations of the agencies concerned, and the amounts transferred are appropriated to those agencies for expenditure by them. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$56,400 the first year and \$60,300 the second year is for the state contribution to the national conference of state legislatures.

Subd. 5. Legislative Audit
Commission

\$2,563,500	2,593,500
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The amounts that may be expended from this appropriation for each activity are as follows:

Legislative Audit Commission

\$ 11,500	\$ 11,800
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Legislative Auditor

\$ 2,552,000	\$ 2,581,700
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Sec. 3. SUPREME COURT

General Operations and Management	6,321,400	6,093,800
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The amounts that may be expended from this appropriation for each program are as follows:

Supreme Court Operations

\$ 3,737,200	\$ 3,516,900
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\$1,202,100 the first year and \$1,204,100 the second year is from the legal

	1984	1985
	\$	\$

services account in the special revenue fund for legal services to low-income clients. Any unencumbered balance remaining of the legal services appropriation in the first year does not cancel but is available for the second year of the biennium.

\$2,100 the first year and \$2,100 the second year is for a contingent account for expenses necessary for the normal operation of the court for which no other reimbursement is provided.

The state court administrator, as directed by the supreme court, may transfer the unencumbered balance of the appropriation for supreme court operations to an appropriation for the court of appeals. Transfers shall be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

State Court Administrator

\$ 2,073,600 \$ 2,059,900

\$24,800 the first year is to continue an alternative dispute resolution grant through December 31, 1983.

Of this amount \$200,000 the first year and \$200,000 the second year is available for the costs associated with the installation and operation of automated trial court information systems within a judicial district. This appropriation shall be expended with the approval of the governor after consultation with the legislative advisory commission pursuant to Minnesota Statutes, section 3.30.

The ongoing cost of operating the trial court information system (TCIS) in a judicial district shall be shared between the state and the participating counties of a judicial district. The state share of operating costs shall be limited to the

	1984	1985
\$		\$

following categories: computer and terminal hardware, computer and terminal equipment maintenance, software acquisition and maintenance, durable supplies, communications equipment acquisition and maintenance, data communications, and new judicial district systems personnel. The participating counties of a judicial district shall pay all other ongoing operating costs, including but not limited to: space rental for computer equipment, utilities, consumable supplies, postage, off-site computer disk file storage, and all personnel-related expenses other than salaries and fringe benefits for judicial district systems personnel.

If the appropriation for the state court administrator for either year is insufficient, the appropriation for the other year is available for it.

State Law Library

\$	510,600	\$	517,000
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Sec. 4. COURT OF APPEALS

General Operations and Management	1,141,100	1,948,100
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If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 5. TRIAL COURTS

General Operations and Management	12,805,500	12,846,300
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The amounts that may be expended from this appropriation for each program are as follows:

District and County Court Judges

\$12,262,000	\$12,302,100
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Included in this appropriation is \$24,000 the first year and \$24,000 the

	1984	1985
	\$	\$

second year for judges' membership dues in state and local judges' associations, up to \$100 per judge.

District Court Administrators

\$	543,500	\$	544,200
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If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Sec. 6. BOARD ON JUDICIAL STANDARDS

111,200	112,600
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Approved Complement—2

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 7. BOARD OF PUBLIC DEFENSE

349,100	348,900
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This appropriation includes \$340,000 each year to assist in the provision of criminal and juvenile defense to indigent individuals, allocated as follows:

St. Paul-Neighborhood Justice Center, Inc.

For cases arising in Ramsey county.

\$	95,000	\$	95,000
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Minneapolis-Legal Rights Center, Inc.

For cases arising in Hennepin county.

\$	55,000	\$	55,000
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Duluth-Duluth Indian Legal Assistance Program

For cases arising in St. Louis and Mille Lacs counties.

\$	85,000	\$	85,000
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	1984	1985
\$		\$

Cass Lake-Leech Lake Reservation
Criminal and Juvenile Defense Corp.

For cases arising in Cass, Itasca,
Hubbard, and Beltrami counties.

\$ 52,500 \$ 52,500

White Earth-White Earth Reserva-
tion Criminal and Juvenile Defense
Corp.

For cases arising in Mahnomen, Beck-
er, and Clearwater counties.

\$ 52,500 \$ 52,500

For the biennium ending June 30,
1985, the legislative auditor may con-
duct periodic post-award audits of these
grants as may be requested by the board
of public defense and approved by the
legislative audit commission.

In accordance with procedures estab-
lished by the board of public defense,
applications for funding during fiscal
years 1986 and 1987 shall be received
from Minnesota based public defense
corporations currently established or
from agencies or nonprofit organiza-
tions seeking to become established as
public defense corporations.

The applications shall be reviewed and
prioritized by the board, and a recom-
mended level of funding shall be included
in the budget documents transmitted
from the board to the 1985 legislature.

Sec. 8. PUBLIC DEFENDER

General Operations and Management	964,300	970,500
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Approved Complement—25

	1984	1985
	\$	\$

The amounts that may be expended from this appropriation for each activity are as follows:

Public Defender Operations

\$ 727,000	\$ 732,100
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Legal Assistance to Minnesota Prisoners

\$ 142,400	\$ 143,100
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Legal assistance to Minnesota prisoners shall serve the civil legal needs of persons confined to state institutions.

None of this appropriation shall be used to pay for lawsuits against public agencies or public officials to change social or public policy.

Legal Advocacy Project

\$ 94,900	\$ 95,300
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Sec. 9. GOVERNOR

General Operations and Management	2,209,400	2,215,700
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The amounts that may be expended from this appropriation for each program are as follows:

Executive Operations

\$ 2,147,600	\$ 2,153,900
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This appropriation includes \$248,700 the first year and \$251,200 the second year for the office of lieutenant governor.

\$66,700 the first year and \$66,700 the second year is for the committee on appointments.

	1984	1985
\$		\$

\$225,500 the first year and \$226,900 the second year is for the state ceremonial building, of which \$10,000 each year is to provide part-time staff assistance to the state ceremonial building council established in Minnesota Statutes, section 16.872.

\$125,000 the first year and \$125,000 the second year is for executive operations in Washington, D.C.

Of this appropriation \$17,000 the first year and \$17,000 the second year is for personal expenses connected with the offices of the governor and lieutenant governor.

Interstate Representation and Cooperation

\$	61,800	\$	61,800
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This appropriation is for membership dues of the national governors association.

The governor may transfer unencumbered balances among the purposes specified in this section, except that no transfer may be made from the appropriation to the lieutenant governor. Transfers shall be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 10. SECRETARY OF STATE

General Operations and Management	1,205,900	1,537,200
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Approved Complement—36

The amounts that may be expended from this appropriation for each activity are as follows:

Elections and Publications

\$	251,200	\$	499,900
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	1984	1985
	\$	\$

Uniform Commercial Code

\$ 108,600	\$ 105,700
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Business Services

\$ 485,500	\$ 575,900
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Administration

\$ 268,000	\$ 269,400
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Fiscal Operations

\$ 92,600	\$ 86,300
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The secretary of state may transfer unencumbered balances not specified for a particular purpose among the activities specified in this section. Transfers shall be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 11 STATE AUDITOR	381,100	383,900
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Approved Complement—122

General—7.5

Revolving—114.5

\$72,000 each year is to provide an account the auditor may bill for costs associated with conducting single audits of federal funds. This account may be used only when no other billing mechanism is feasible.

During the biennium ending June 30, 1985, the commissioner of finance shall not approve any rate increase for the state auditor beyond those in effect on January 1, 1983, except for adjustments necessitated by salary increases, indirect cost assessments, and other verifiably escalating expenses associated with performing their reimbursable audits.

	1984	1985
	\$	\$

Sec. 12. STATE TREASURER

Subdivision 1. Treasury Management	612,400	584,600
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Approved Complement—20

During the biennium ending June 30, 1985, the state treasurer shall use armored car services to transport cash outdoors.

Subd. 2. Unclaimed property	392,200	395,100
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Approved Complement—9

This appropriation is to the commissioner of commerce.

Sec. 13. ATTORNEY GENERAL

General Operations and Management	12,603,400	13,039,000
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Approved Complement—304

General—293

Federal—11

The amounts that may be expended from this appropriation for each activity are as follows:

Public Administration

\$ 1,519,800	\$ 1,579,500
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Public Resources

\$ 3,052,900	\$ 3,179,300
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Public Assistance

\$ 1,717,800	\$ 1,786,500
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Public Protection

\$ 3,428,000	\$ 3,560,100
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1984

1985

\$

\$

\$49,100 the first year and \$48,200 the second year is for the state match associated with establishing a public assistance vendor fraud unit. The attorney general shall report to the committee on finance in the senate and the committee on appropriations in the house of representatives at the end of each fiscal year of the biennium ending June 30, 1985. The report shall include the purposes for which the funding was utilized and documented revenues returned to the treasury pursuant to the activities of this unit. The state does not guarantee any continued funding beyond this biennium.

\$442,700 the first year and \$466,200 the second year is for costs and expenses incurred by the attorney general in enforcing and making claims under state and federal antitrust laws. The attorney general shall report the purposes for which this money is utilized. The reports shall be made to the committee on finance of the senate and the committee on appropriations of the house of representatives at the end of each fiscal year. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$94,100 in the second year shall be expended with the approval of the governor after consultation with the legislative advisory commission pursuant to Minnesota Statutes, section 3.30. The commissioner of public safety shall report to the chairman of the house appropriations committee and the senate finance committee by February 15, 1984, on the effects of the recent changes in Minnesota Statutes, section 169.123 on the numbers of requests for administrative review, petitions for judicial review, hearings, and appeals.

Legal Policy and Administration

\$ 2,884,900 \$ 2,933,600

	1984	1985
	\$	\$

Of this appropriation \$50,000 each year is for a special account for unanticipated legal expenses. If the appropriation for either year is insufficient, the appropriation for the other years is available for it.

The attorney general may transfer unencumbered balances not specified for a particular purpose among the activities specified in this section. Transfers shall be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 14. INVESTMENT BOARD	1,391,300	1,405,000
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Approved Complement—30

During the biennium ending June 30, 1985, the executive director of the board of investment shall apportion the actual expenses incurred by the board on an accrual basis among the several funds whose assets are invested by the board based on the weighted average assets under management during each quarter. The charge to each retirement fund shall be calculated, billed, and paid on a quarterly basis in accordance with procedures for interdepartmental payments established by the commissioner of finance. The amounts necessary to pay these charges are appropriated from the investment earnings of each retirement fund. Receipts shall be credited to the general fund as nondedicated receipts. Funds other than retirement funds shall be not billed; their portion of the expenses will be borne by the general fund. It is estimated that these receipts will be \$999,700 for the first year and \$1,013,700 for the second year.

Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

	1984	1985
	\$	\$

The legislature intends to address during the interim before the 1984 session the proper role of retirement fund members, both active and retired, and the constitutional officers, in the process of making investment decisions.

Sec. 15. ADMINISTRATIVE HEARINGS

1,414,000	1,428,400
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Approved Complement

General—34.0

Revolving—20.5

Workers' Compensation

\$ 1,414,000 \$ 1,428,400

During the biennium ending June 30, 1985, the legislative commission to review administrative rules shall explore alternative dispute resolution procedures including, but not limited to, informal mediation and binding arbitration to be offered as alternative options to the administrative hearing process. The commission may call upon the resources of the office of administrative hearings, the state planning agency, and the bureau of mediation services to assist the commission with the study. The study shall be coordinated with any similar efforts being made by the office of the governor.

Sec. 16. ADMINISTRATION

General Operations and Management	20,514,100	20,424,200
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	1984	1985
Approved Complement—	770	760
General—	369.7	359.7
Dedicated—	400.3	400.3

1984

1985

\$

\$

The amounts that may be expended from this appropriation for each program are as follows:

Management Services

\$ 3,807,300 \$ 3,737,000

By January 1, 1984, the commissioner of administration shall complete a review of the records retention and disposition schedules for state agencies in the executive branch previously approved by the records disposition panel and recommend to the agency and to the panel shortening the retention period for records whose cost of retention for that period is, in her opinion, excessive in relation to the benefit from retention for that period.

Real Property Management

\$ 8,956,300 \$ 9,087,600

\$140,000 the first year and \$195,000 the second year is for operation and maintenance of the Minnesota education association building at 55 Sherburne avenue, if acquired by the state.

By January 1, 1984, the commissioner shall conduct a study of parking fees and parking policies in the Capitol Complex, the seven county metropolitan area, and outstate areas. The study shall include, but not be limited to, the review of free, subsidized, and full rate lots and whether rates charged should recover in total or in part the costs of improvements to the lots. The report shall be sent to the chairmen of the appropriations committee in the house and the finance committee in the senate.

The cost of energy audits performed on buildings housing activities of the department of natural resources and the transportation department shall be re-

1984

\$

1985

\$

imbursed to the general fund from the game and fish fund and the trunk highway fund respectively.

The department of administration shall designate adequate space on second floor of the capitol building to be retained for food distribution services pursuant to section 248.07, subdivision 7.

Repair and Betterment

\$ 642,200 \$ 384,500

\$67,000 the first year shall be used to incorporate prairie landscaping in Cass Gilbert park and, if funds are available, install irrigation systems in the remainder of the park and other areas within the capitol complex.

\$58,000 each year is for tree and shrub replacement. This appropriation shall be used for native Minnesota trees and shrubs, primarily evergreens.

The commissioner and the capitol area architectural and planning board shall consult with and solicit the assistance of volunteers provided by the state horticultural society to improve and maintain the flowers, shrubs, and trees in the capitol area.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

State Agency Services

\$ 1,914,000 \$ 1,554,000

\$250,000 the first year and \$20,000 the second year is for automation of the procurement system.

During the biennium ending June 30, 1985, the commissioner of administra-

1984

1985

\$

\$

tion shall purchase goods under contracts held by the regents of the university of Minnesota and Hennepin and Ramsey counties whenever this will result in cost savings to the state. The commissioner shall study the consequences of doing this for all purchases.

During the biennium ending June 30, 1985, the commissioner of administration shall provide state agency guidebooks to members of the legislature.

Public Services

\$ 4,248,000 \$ 4,712,600

\$211,800 each year is for block grants to public television stations.

\$373,500 each year is for matching grants to public television stations.

\$195,100 each year is for grants to public radio stations pursuant to Minnesota Statutes, section 139.19.

\$120,000 the first year is for emergency equipment replacement at the Austin public television station.

\$2,000 the first year and \$2,000 the second year is for the state employees' band.

Any unencumbered balance remaining in the first year for grants to public television or radio stations does not cancel but is available for the second year of the biennium.

General Support

\$ 946,300 \$ 948,500

The commissioner of administration with the approval of the commissioner of finance may transfer unencumbered

	1984	1985
	\$	\$

balances not specified for a particular purpose among the programs specified in this section. Transfers shall be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

**Sec. 17. CAPITOL AREA
ARCHITECTURAL AND PLANNING
BOARD**

90,800	91,300
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Approved Complement—2

Sec. 18. FINANCE

General Operations and Management	6,430,300	6,591,300
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Approved Complement—122

The amounts that may be expended from this appropriation for each program are as follows:

Accounting Operations

\$ 4,075,300	\$ 4,133,400
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During the biennium ending June 30, 1985, the commissioner of finance shall not allow the allotment by any agency for statewide accounting terminal or printer costs if the costs are no longer to be incurred by those agencies. This shall produce additional cancellations to the general fund of \$16,000 each year.

Budget and Control

\$ 1,246,400	\$ 1,344,000
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Fiscal Management and Administration

\$ 1,108,600	\$ 1,113,900
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	1984	1985
\$		\$

The commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the programs specified in this section. Transfers shall be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 19. EMPLOYEE RELATONS

General Operations and Management	3,423,900	3,432,400
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Approved Complement—101

General—95

Special—6

The amounts that may be expended from this appropriation for each program are as follows:

Administration

\$ 1,038,700	\$ 1,044,500
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Equal Opportunity

\$ 158,100	\$ 158,300
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Labor Relations

\$ 372,600	\$ 374,000
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No state employee negotiated labor agreement shall contain a provision that guarantees a minimum number of allowable overtime hours to any employee.

The commissioner of employee relations shall not recommend or adopt a compensation plan pursuant to Minnesota Statutes, section 43A.18, subdivisions 2, 3, and 4, for payroll periods that begin after July 1, 1983, and end before July 1, 1985, if the compensation plan permits an employee who has received a

	1984	1985
\$		\$

salary increase after July 1, 1983 to convert accumulated vacation leave into cash or deferred compensation before separation from state service.

Personnel

\$ 1,854,500 \$ 1,855,600

The commissioner of employee relations with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the programs specified in this section. Transfers shall be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 20 REVENUE

General Operations and Management 33,107,900 33,770,200

1984 1985

Approved Complement—973 982

The complement number includes ten unfunded positions.

The amounts that may be expended from this appropriation for each program are as follows:

Revenue Management

\$ 9,928,500 \$10,129,600

\$200,000 the first year and \$400,000 the second year is for a management and systems review of the department's data processing networks, for preparation of a plan for development or replacement of computerized systems, and for proceeding with development in the areas of highest demonstrated need.

1984

1985

\$

\$

None of the appropriation for the development of computer systems shall be expended until the commissioner of revenue has submitted to the legislature a plan for the development of new computer systems and has received the recommendations of the chairmen of the committee on finance of the senate and the committee on appropriations of the house of representatives on the plan.

When projects for computer systems have been approved in writing by the commissioner of revenue, the commissioner may cause funds to be encumbered in the state accounting system and the encumbered funds shall not cancel at the end of the fiscal year but shall be available for the approved project only, for a period not exceeding one year or until the approved project has been completed, whichever is shorter.

After the commissioner of revenue begins to expend the appropriation, he shall report every three months describing the progress made and the money expended in developing computer systems. The report shall be submitted to the committee on finance of the senate and the committee on appropriations of the house of representatives.

\$50,000 each year is to prepare the tax expenditure budget report required by this act. By March 1, 1984, the commissioner shall present a progress report to the chairmen of the appropriations and tax committees in the house of representatives and the finance and tax committees in the senate. The progress report on the tax expenditure budget shall include, but not be limited to, the proposed format to be used, preliminary data collected, the basis on which estimates were made, and the funding sources involved.

The commissioner shall report by January 15, 1984, on the feasibility of

	1984	1985
	\$	\$

either establishing a fee or retaining a percentage of each debt recaptured pursuant to Minnesota Statutes, section 270A.07, in order to cover the costs of administering the program. The report shall be submitted to the chairmen of the appropriations committee in the house of representatives and the finance committee in the senate.

Income, Sales, and Use Tax Management

\$18,859,000 \$19,317,800

\$136,000 each year is for the reinstatement of walk-in taxpayer assistance programs.

If the office of the legislative auditor does not evaluate the desirability of continuing the current system of field offices and their satellite offices by July 1, 1984, the management analysis division of the department of administration shall do so. The study shall include consideration of management requirements; and evaluation of field versus office audit work; and the cost benefit of co-locating these offices with federal district revenue offices, merger, or elimination. A report shall be submitted to the chairmen of the appropriations committee in the house of representatives and the finance committee in the senate by July 1, 1984, if done by the legislative auditor, or by July 1, 1985, if done by the management analysis division.

Property and Special Taxes Management

\$ 4,200,900 \$ 4,202,400

\$4,000 the first year and \$4,000 the second year is for payment of property taxes of veterans awarded the congressional medal of honor.

	1984	1985
	\$	\$
Assessors Board		
\$ 119,500	\$ 120,400	

\$75,000 each year is for state paid tuition for required assessor training.

The commissioner of revenue with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the programs specified in this section. Transfer shall be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 21. TAX COURT	313,000	314,000
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Approved Complement—6

Sec. 22. NATURAL RESOURCES

General Operations and Management	84,765,100	86,231,600
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Approved Complement—1572

General—1003

Special—21

Game and Fish—523

Federal—25

Of this appropriation \$46,019,500 the first year and \$45,465,400 for the second year is from the general fund; \$500,000 the first year and \$500,000 the second year is from the consolidated conservation area account in the special revenue fund; \$2,417,200 the first year and \$4,798,500 the second year is from the forest management account in the special revenue fund; \$622,800 the first year and \$696,800 the second year is from the nongame wildlife

	1984	1985
	\$	\$

management account in the special revenue fund; \$3,000,500 the first year and \$3,000,500 the second year is from the state park maintenance and operation account in the special revenue fund; \$2,360,300 the first year and \$2,540,100 the second year is from the snowmobile trails and enforcement account in the special revenue fund; and \$29,844,800 the first year and \$29,230,300 the second year is from the game and fish fund.

The amounts that may be expended from this appropriation for each program are as follows:

Administrative Management Services

\$ 6,272,300 \$ 6,508,800

\$2,442,400 the first year and \$2,484,900 the second year is from the game and fish fund.

\$75,000 the first year and \$225,000 the second year is from the snowmobile trails and enforcement account in the special revenue fund.

During the biennium ending June 30, 1985, the fee for transferring existing leases, licenses, and agreements at the lessee's request is \$30.

During the biennium ending June 30, 1985, the utility crossing application fee is \$100.

During the biennium ending June 30, 1985, the fee for certifying trust fund land ownership, railroad land grants, and conveyances of them, as requested, is \$25.

\$300,000 the first year and \$300,000 the second year is for boating safety pursuant to Minnesota Statutes, section 296.421, subdivision 4.

	1984	1985
	\$	\$

The commissioner of natural resources with the approval of the commissioner of finance may transfer unencumbered balances among the programs authorized pursuant to Laws 1981, chapter 304, section 4. No transfer of balances among the programs may be authorized until the legislative commission on Minnesota resources has approved amended work programs. Transfers shall be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Regional Administration

\$ 3,306,600 \$ 3,324,000

\$773,400 the first year and \$783,500 the second year is from the game and fish fund.

Of these amounts, \$508,100 from the general fund and \$156,700 from the game and fish fund in the second year is for a regional office contingent account. Up to this amount may be released for regional administration only after the legislature has received a study of the regional and subregional structure of the department of natural resources. The management analysis unit in the department of administration shall conduct the study with the assistance of the department of natural resources. The study along with any recommendation for reorganization shall be presented to the legislature by January 1, 1984.

Notwithstanding the provisions of Laws 1982, chapter 641, article I, section 2, subdivision 1, paragraph (f), the commissioner need not close the metropolitan region office.

Field Services Support

\$ 5,190,000 \$ 5,276,000

	1984	1985
	\$	\$

\$1,549,600 the first year and \$1,627,700 the second year is from the game and fish fund.

Water Resources Management

\$ 3,305,200 \$ 3,311,500

Of the general fund appropriation reduction in Laws 1982, Third Special Session chapter 1, article II, section 2, subdivision 1, paragraph (m), clause (2), \$415,000 is from the water bank appropriation in Laws 1976, chapter 83, section 27.

Mineral Resources Management

\$ 5,036,300 \$ 4,544,200

\$250,000 the first year and \$250,000 the second year is for copper-nickel test drilling. Two positions for this purpose are in the unclassified civil service and their continued employment is contingent upon the availability of money from the appropriation. When the appropriation has been expended, their positions shall be canceled and the approved complement of the agency reduced accordingly. Part-time employment of persons is authorized.

\$300,000 the first year and \$300,000 the second year is for minerals research. Any unencumbered balance remaining in the first year shall not cancel but is available for the second year.

\$750,000 the first year and \$750,000 the second year is for direct reduction research, of which \$500,000 the first year and \$500,000 the second year is available only as matched by \$1 of non-state money for each \$2 of state money. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

	1984	1985
	\$	\$

In order to promote the establishment of energy efficient direct reduction technologies that could increase the competitiveness of Minnesota's taconite, the iron range resources and rehabilitation board should consider sponsoring research and development of a direct reduction facility on the iron range.

\$277,200 the first year and \$283,100 the second year is for mineland reclamation.

\$1,529,500 the first year and \$1,027,900 the second year is for peat management, of which \$1,250,000 the first year and \$750,000 the second year is for peat development. The commissioner may match this state money with money from non-state sources. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

Of these amounts, \$250,000 the first year and \$250,000 the second year is for a detailed peat survey, environmental monitoring, reclamation field work, and rules development.

Six positions in peat development are in the unclassified civil service and their continued employment is contingent upon the availability of money from the appropriation. When the appropriation has been expended, their positions shall be canceled and the approved complement of the agency reduced accordingly. Part-time employment of persons is authorized.

The commissioner shall review all peatlands identified as ecologically significant areas in the Minnesota peat program final report dated August, 1981. If any of these lands meet the resource and site qualifications for designation as a unit of the outdoor recreation system under Minnesota Statutes, chapter 86A, the commissioner shall designate the

	1984	1985
	\$	\$

units or recommend that the legislature authorize the units pursuant to Minnesota Statutes, section 86A.07 on or before July 1, 1986.

Site preparation for commercial peat mining is limited to the west central lakes peat bog and any other bog that will be disturbed by activities relating to the mining of metallic minerals or other construction or excavation that would seriously impair the value of the land for other purposes.

The commissioner shall report to the legislature by January 1, 1984 and January 1, 1985 on the progress of peat development projects funded by this appropriation.

Forest Management

\$ 18,789,100 \$ 20,931,200

\$2,342,200 the first year and \$4,723,500 the second year is from the forest management account in the special revenue fund.

\$500,000 the first year and \$500,000 the second year is from the consolidated conservation areas account in the special revenue fund.

\$930,700 the first year and \$967,600 the second year is for emergency fire fighting. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. No more than \$382,100 the first year and \$398,600 the second year is available for presuppression costs.

\$3,750,000 the first year and \$3,750,000 the second year is to implement the federal Boundary Waters Canoe Area legislation and is available only to match federal money on a basis of 80 percent federal, 20 percent state, provided that

	1984	1985
	\$	\$

no more than \$250,000 the first year and \$250,000 the second year may be expended prior to the appropriation of federal funds. If the federal reimbursement is appropriated, the state appropriations are available until September 30, 1984, and September 30, 1985, respectively. The federal reimbursement shall be deposited in the general fund.

The following positions now in the unclassified service shall be transferred to the classified civil service of the state: three forest soil and hydrology positions (three natural resources forest soil specialists); four forest planners (one planning supervisor state, two planner seniors state, one planner principal state); ten forest management specialists (nine natural resources specialist 2/foresters, and one clerk typist 2). The incumbents of these positions shall be transferred, without competitive examination, to probationary status in the classified civil service. Positions and employees shall be placed in the same classification and pay step as of June 30, 1983, by the commissioner of employee relations.

All of the employees' accrued vacation and sick leave shall be transferred to their credit.

It is requested that the legislative audit commission undertake a study of the fees and taxes imposed by the state relative to the forest industry. The study should seek to determine the cost and benefit relationship between state expenditures that enhance the commercial and industrial forest economy and the revenue generated through fees and taxes imposed on that sector. The study should be completed and presented to the legislature by December 1, 1983.

Fish Management

\$ 7,965,300 \$ 8,031,400

1984

1985

\$

\$

Except for \$32,100 the first year and \$32,200 the second year from the general fund for acid rain, this appropriation is from the game and fish fund.

\$149,700 the first year and \$178,300 the second year is for trout stream management.

Wildlife Management

\$10,490,100 \$ 9,649,900

\$610,300 the first year and \$684,300 the second year is from the nongame wildlife management account in the special revenue fund. \$9,749,200 the first year and \$8,834,900 the second year is from the game and fish fund.

The following positions now in the unclassified service shall be transferred to the classified civil service of the state: two natural heritage positions (natural resource specialist 3). The incumbents of these positions shall be transferred, without competitive examination, to probationary status in the classified civil service and shall be placed in the same classification and at the same step as at present. All of the employees' accrued vacation and sick leave shall be transferred to their credit.

\$854,300 the first year and \$854,900 the second year is for deer habitat improvement.

\$633,000 in the first year and \$653,400 the second year is for payments to counties in lieu of taxes on acquired wildlife lands.

\$2,310,700 the first year and \$1,310,700 the second year is from the wildlife acquisition account for the acquisition and development of wildlife management areas.

	1984	1985
	\$	\$

Ecological Services

\$ 880,500 \$ 881,700

\$535,500 the first year and \$535,200 the second year is from the game and fish fund.

Effective July 1, 1983, aquatic plant control permit fees established pursuant to Minnesota Statutes, section 98.48, subdivision 9 are doubled. Notice of the revised fees shall be published in the state register as soon as practicable.

Parks and Recreation Management

\$ 9,703,100 \$ 9,787,800

\$3,000,500 the first year and \$3,000,500 the second year is from the state park maintenance and operation account in the special revenue fund.

\$171,700 the first year and \$180,400 the second year is for the program to employ needy elderly persons in the maintenance and operation of state parks.

Upon expiration of the concessionaire contract at Fort Snelling state park, the commissioner shall work with the contract holder to establish a youth hostel at the park.

\$23,500 the first year and \$23,200 the second year is for payments in lieu of taxes on lands in voyageurs national park and St. Croix wild river state park. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Enforcement

\$ 8,351,500 \$ 8,427,000

\$75,000 the first year and \$75,000 the second year is from the snowmobile trails and enforcement account in the special revenue fund.

\$6,010,500 the first year and \$6,090,900 the second year is from the game and fish fund.

	1984	1985
	\$	\$

\$994,300 the first year and \$994,300 the second year is for grants to counties for boat and water safety.

The appropriation from the game and fish fund includes \$12,000 the first year and \$12,000 the second year for the purpose of controlling smelt fishing activities on the north shore, including development of parking facilities, traffic control, coordination of regulatory agencies, control of trespass and vandalism, control of littering and sanitation, and public information and education.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Planning and Research

\$ 868,800 \$ 893,500

The following positions now in the unclassified service shall be transferred to the classified civil service of the state: four policy development and management analysis positions and five natural resources data systems positions. The incumbents of these positions shall be transferred, without competitive examination, to probationary status in the classified civil service. Positions and employees shall be placed in the proper classifications by the commissioner of employee relations, with compensation appropriate to the assigned classifications. All of the employees' accrued vacation and sick leave shall be transferred to their credit.

\$84,600 the first year and \$84,600 the second year is for a grant to the Mississippi headwaters board for up to 50 percent of the cost of implementing the comprehensive plan for the upper Mississippi within areas under its jurisdiction.

\$19,900 the first year and \$19,900 the second year is for department operating

1984

\$

1985

\$

and administrative expenses associated with the Mississippi headwaters board grant and the implementation of the plan in areas along the river that are not included within the jurisdiction of the Mississippi headwaters board.

The commissioner of natural resources shall not disburse any money to the Mississippi headwaters board or for implementation of the plan in areas along the river that are not included within the jurisdiction of the Mississippi headwaters board until a copy of the cooperative Mississippi river management and jurisdiction agreement, signed by all the parties, has been filed in his office.

Youth Programs

\$ 805,600 \$ 809,300

This appropriation is for the operation of the Minnesota conservation corps, a summer youth program and a year-round young adult program. The department shall ensure that youths in all parts of the state have an equal opportunity for employment and that equal numbers of male and female youth be selected for the summer residential program. Youth enrollees shall be 15-18 years old inclusive and young adult enrollees shall be 18-26 years old inclusive. Enrollees in the Minnesota conservation corps shall not be considered a public employee under the definition contained in Minnesota Statutes, section 179.63, subdivision 7. The youth conservation corps shall provide service for the various department of natural resources disciplines including parks, forestry and wildlife habitat improvement, and trails and waterways.

\$125,000 the first year and \$125,000 the second year is from the wildlife acquisition account in the game and fish fund for the development of wildlife management areas.

	1984	1985
	\$	\$

\$75,000 the first year and \$75,000 the second year is from the forest management account in the special revenue fund for the development of forest lands.

\$12,500 the first year and \$12,500 the second year is from the nongame wildlife management account in the special revenue fund for the purpose of nongame wildlife management. Any unencumbered balance remaining in the first year shall not cancel, but is available the second year.

\$50,000 the first year and \$50,000 the second year is from the snowmobile trails and enforcement account in the special revenue fund for the development of state snowmobile trails consistent with the purposes of the fund.

\$75,000 the first year and \$75,000 the second year is from the game and fish fund for the purpose of public access and lake improvements.

No part of this appropriation may be expended for a project that is not consistent with the purposes of the fund from which the appropriation is made.

Trails and Waterways Management

\$3,574,000 \$3,629,300

\$2,160,300 the first year and \$2,190,100 the second year is from the snowmobile trails and enforcement account in the special revenue fund.

Of this amount \$300,000 the first year and \$300,000 the second year is available for acquisition and development of state snowmobile trails; up to \$45,000 the first year and up to \$45,000 the second year is available for professional services relating to acquisition and development of state snowmobile trails; and \$1,262,600 the first year and \$1,298,600 the second year is for snowmobile grants-in-aid.

	1984	1985
\$		\$

\$651,000 the first year and \$674,000 the second year is from the game and fish fund for public access and lake improvements, but is available for expenditure only to the extent that unrefunded marine gasoline tax revenues pursuant to Minnesota Statutes, section 296.421, subdivision 4, are actually received by the game and fish fund.

Minnesota Environmental Education Board

\$	226,700	\$	226,000
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The commissioner of natural resources with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the programs specified in this section. Transfers shall be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 23. ZOOLOGICAL BOARD

General Operations and Management	5,545,300	5,502,700
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Approved Complement—155.3

General—136.8

Special—16.5

Gift—2.0

The amounts that may be expended from this appropriation for each program are as follows:

Visitor Programs

\$	928,400	\$	930,800
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Biological Programs

\$	1,402,300	\$	1,406,000
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	1984	1985
	\$	\$

Business Management Services

\$ 644,500	\$ 646,400
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Physical Facilities

\$ 2,570,100	\$ 2,519,500
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The director of the Minnesota zoological garden with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the programs specified in this section, except that he shall make no transfer into the zoo ride program. Transfers shall be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

During the biennium ending June 30, 1985, the fee structure for the Minnesota zoological garden shall be established by the zoological garden board.

Sec. 24. WATER RESOURCES
BOARD

109,500	113,300
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Approved Complement—3

Sec. 25. POLLUTION CONTROL
AGENCY

General Operations and Management.	6,298,700	6,476,100
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1984	1985
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Approved Complement—	350.0	359.0
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General—	164.5	174.5
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Federal—	185.5	184.5
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The amounts that may be expended from this appropriation for each program are as follows:

	1984	1985
	\$	\$

Water Pollution Control

\$ 1,646,500	\$ 1,635,200
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Balances remaining from appropriations made in Laws 1977, chapter 455, section 33, subdivision 8, paragraph (b), lake improvement grants-in-aid, may be utilized for lake improvement grant administration. One position is authorized for this purpose.

Air Pollution Control

\$ 874,200	\$ 818,200
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\$304,100 the first year and \$247,800 the second year is for the acid rain program.

Solid Waste and Hazardous Waste Pollution Control

\$ 1,991,700	\$ 2,213,200
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\$257,000 the first year and \$537,400 the second year is additional money for the hazardous waste regulatory program and shall be covered by hazardous waste generator and facility fees collected for the biennium ending June 30, 1985.

Regional Support

\$ 603,900	\$ 606,100
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General Support

\$ 1,182,400	\$ 1,185,400
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The director of the pollution control agency, with the approval of the commissioner of finance, may transfer unencumbered balances not specified for a particular purpose among the activities specified in this section. Transfers shall

	1984	1985
\$		\$

be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 26. ENVIRONMENTAL QUALITY BOARD

1,275,500	1,304,100
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Approved Complement—25

Classified and unclassified state employees involved in the implementation and administration of the duties of the water planning board and the southern Minnesota rivers basin board shall be transferred, except for the position of chairperson of the water planning board, to the environmental quality board in the classified service of the state without competitive examination and shall be placed in the proper classification by the commissioner of employee relations with compensation as provided for the classifications. Nothing in this paragraph shall be construed as abrogating or modifying any rights now enjoyed by affected employees under the commissioner's or managerial plans for unrepresented employees or the terms of an agreement between the exclusive representatives of public employees and the state or one of its appointing authorities.

Sec. 27. WASTE MANAGEMENT BOARD

1,713,500	1,089,600
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1984	1985
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Approved Complement—	25	20
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General—	18	13
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Bond Fund—	7	7
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\$180,000 the first year and \$60,000 the second year is for grants to counties and local project review committees.

Any unencumbered balance remaining the first year shall not cancel but is available for the second year.

1984

1985

\$

\$

**Sec. 28. ENERGY AND ECONOMIC
DEVELOPMENT**

General Operations and Management. 24,769,100 18,672,800

Approved Complement—141.5

General—116

Federal—25.5

The amounts that may be expended from this appropriation for each program are as follows:

Energy

\$ 3,215,200 \$ 2,610,900

\$31,600 the first year and \$68,400 the second year is to develop and market energy audits for multi-family and commercial buildings.

\$51,500 the first year and \$48,500 the second year is for energy audit interpretation.

\$300,000 the first year is for matching grants for planning the development of district heating systems.

\$40,000 the first year and \$40,000 the second year is for administration of the district heating planning grants.

\$68,000 the first year is for a steam trap survey.

\$60,000 the first year is for energy management training, including training of 800 building operators.

\$89,500 the first year and \$40,500 the second year is for the superinsulated home demonstration project.

	1984	1985
	\$	\$

\$46,500 the first year and \$36,000 the second year is for the building energy research center.

Economic Development

\$ 1,746,000 \$ 1,796,000

\$125,000 the first year and \$125,000 the second year is for a grant to the Duluth port authority.

\$180,000 the first year and \$180,000 the second year is for community development corporations.

Any unencumbered balance remaining in the domestic development activity does not cancel but is available for the second year.

\$60,000 the first year and \$60,000 the second year is for a grant to a nonprofit corporation for the purpose of developing the motion picture and television industries. The grant shall be made only after the commissioner has established criteria for grant proposals and has solicited proposals through an open application process by July 1, 1983. To provide appropriate review for the disbursement of the grant, the governor shall appoint five persons to a Minnesota motion picture and television advisory council. The governor shall designate one of the appointees as chairperson and liaison to the governor for all activities concerning the grant recipient. It is a condition of the grant that the grantee shall submit a work plan to the council in a form determined by the council. None of the money provided by the grant may be expended unless it is part of an approved work plan. The appropriation for the second year is available only if the grantee can demonstrate the ability to match the amount on the basis of \$1 of money from nonpublic sources for each \$1 of state money.

1984

1985

\$

\$

Financial Management

\$15,613,400 \$ 9,386,100

\$10,000,000 the first year and \$5,000,000 the second year is for transfer to the economic development fund, if created by other law enacted at the 1983 regular session.

\$3,500,000 the first year and \$4,000,000 the second year is for transfer to the energy loan insurance fund, if created by other law enacted at the 1983 regular session.

\$1,800,000 is for transfer to a reserve account in the energy development fund, if created by other law enacted at the 1983 regular session. Any unencumbered balance remaining in the first year shall not cancel and is available for the second year.

\$313,400 the first year and \$386,100 the second year is for part of the staff of the energy and economic development authority, if created by other law enacted at the 1983 regular session. These amounts include \$18,000 the first year and \$22,000 the second year for expenses of an intervention office, and \$44,000 the first year and \$46,000 the second year for a business assistance program.

Science and Technology

\$ 242,600 \$ 254,800

This appropriation is for a science and technology function. The commissioner may hire a director and additional staff as he deems necessary to carry out this function within this appropriation.

The science and technology director shall give advice and recommendations

1984

1985

\$

\$

to the governor regarding technically related subjects including new issue analysis, research and development goals and projects, education initiatives, technologically related economic development, environmental protection, inter-governmental technology sharing, and governmental use of technology including the use of advanced information and communication technologies.

In the development of recommendations, the science and technology director shall establish a procedure for the evaluation of research projects with potential to become the basis of technological industrial growth in Minnesota. As part of this procedure, in order to ensure standards of excellence and cost beneficial expenditure of Minnesota state funding sources for research, the science and technology director shall consider a system of peer review analogous to the national science foundation or national institutes of health, to evaluate and select proposals according to merit and scientific significance.

In addition, the science and technology director shall monitor and promote the opportunities for expanded federal expenditures in research and development in and for Minnesota, and act as a liaison and coordinator for activities of established scientific groups beneficial to the enhancement of science and technology. These groups include but are not limited to the Minnesota academy of sciences, the science museum, and various local, national, and regional professional and academic societies.

The science and technology director and supportive staff shall cumulatively reflect expertise or familiarity with a wide range of scientific areas including basic science (physics, chemistry, biology, and mathematics), information sciences, engineering, and medical, agricultural, and biotechnology.

1984

1985

\$

\$

Tourism**\$ 3,951,900 \$ 4,625,000**

In order to develop maximum private sector involvement in tourism marketing activities, \$1,000,000 for the first year and \$1,000,000 for the second year will be placed in a separate account. Money will be made available from this account to the office of tourism after verification and documentation of private sector contributions to marketing tourism. For purposes of this appropriation, private sector in-kind services may provide one-half the match for this money in the first year.

"Private sector" means any private person, firm, corporation, or association, including but not limited to regional tourism organizations and chambers of commerce or convention bureaus.

The director shall submit a work program and semiannual progress reports, including the amount of private sector contributions received, to the chairman of the senate finance committee and the chairman of the house of representatives appropriations committee.

In order to provide equity and representation of all tourism accommodation businesses, the office of tourism will produce directories of all these businesses.

Money provided to each of the six Minnesota tourism regions shall be used for the purpose of purchasing media space and time and marketing specific geographic areas within each region. None of this money shall be used for any type of administrative, salary, or overhead costs of the region. Ten percent of the total regional funding shall be withheld pending final audit each year to assure adherence to the goals of the

	1984	1985
	\$	\$

gram. No money will be provided until a detailed marketing plan is approved by the director of tourism. The three northern regions will coordinate their activities through the money provided by this section. In addition, the two southern regions will coordinate their programs.

The director shall review the quality to tourism marketing and promotion done at the regional level and report to the legislature by January 1, 1984 the findings and recommendations.

The commissioner of energy and economic development with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the programs specified in this section. Transfers shall be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 29. INTERNATIONAL TRADE

General Operations and Management	3,270,000	1,130,000
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Approved Complement—17

\$2,000,000 the first year is for transfer to the export finance authority working capital account, if created by other law enacted at the 1983 regular session.

\$320,000 the first year and \$280,000 the second year is for administration of the export finance authority and export information office, if created by other law enacted at the 1983 regular session.

\$900,000 the first year and \$850,000 the second year is for the trade and export activity.

	1984	1985
\$		\$

\$50,000 the first year is for the world trade center commission, which is hereby created. The commission shall consist of nine members appointed by the governor. The appointees of the governor shall include persons knowledgeable in the areas of finance, export business, and education. The commission shall select a chairperson and other officers it believes necessary. The purpose of the commission is to study the feasibility, size, scope, site, development, bonding authority, costs, and the amount of private and public financial commitment required for a Minnesota world trade center. The commission may do all things necessary and reasonable to conduct the study including holding meetings and soliciting testimony and information. The commission shall report to the legislature and the governor by January 15, 1984, its conclusions and recommendations concerning the world trade center. The commission expires February 1, 1984.

The appropriations in this section are to the commissioner of agriculture, except as otherwise provided in this section.

The commissioner of agriculture with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the programs specified in this section. Transfers shall be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 30. STATE PLANNING AGENCY

General Operations and Management	4,138,600	3,918,900
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Approved Complement—99

General—67

	1984	1985
	\$	\$

Special—4

Revolving—10

Federal—18

\$40,000 the first year and \$40,000 the second year is for policy studies and research relating to general manufacturing, energy, and technology-related businesses jointly initiated and conducted by labor, business, education, and government.

\$10,000 in the first year is to study the feasibility of merging the departments of health and public welfare into a new department called the department of human services. The study shall examine the intergovernmental, social, administrative, and financial ramifications of the merger including: (1) services to be provided to the public; (2) administration of programs; (3) appropriate funding mechanisms; (4) appropriate inter-agency activity to effectuate the merger; and (5) reassignment of various areas of responsibility within the departments of health and public welfare to other state agencies as appropriate. The state planning director shall report to the legislature and to the governor by January 1, 1984.

\$110,000 the first year and \$110,000 the second year is for a grant to the environmental conservation library (ECOL).

\$418,400 the first year and \$418,400 the second year is for regional planning grants.

\$42,500 each year is for a grant to the government training service.

\$200,000 each year is for grants for youth intervention programs.

	1984	1985
\$	\$	

\$250,000 shall be transferred to the land management information center revolving account as working capital and shall be repaid to the general fund when service bureau fee receipts permit, but \$166,600 shall be repaid by June 30, 1985 and \$83,400 shall be repaid by June 30, 1986.

The balance of \$111,676 remaining in the appropriation made by Laws 1979, chapter 301, section 6, subdivision 2, is available the day following final enactment to be used by the commissioner to match money appropriated to the department of natural resources for the alteration of a portion of an old railroad bridge over the St. Louis river in the city of Duluth to make the bridge suitable for use as a public access fishing pier and observation site.

The state planning director with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the programs specified in this section. Transfers shall be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 31. NATURAL RESOURCES ACCELERATION

Subdivision 1. General Operations and Management	10,212,000	10,235,500
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Approved Complement—80

The amounts that may be expended from this appropriation for each activity are more specifically described in the following subdivisions of this section.

For all appropriations in this section, if the appropriation for either year is insufficient, the appropriation for the other year is available for it.

	1984	1985
	\$	\$
Subd. 2. Legislative Commission on Minnesota Resources	230,000	232,500

For the biennium ending June 30, 1985, the commission shall review the work programs and progress reports required under this section, and report its findings and recommendations to the committee on finance of the senate, committee on appropriations of the house of representatives, and other appropriate committees. The commission shall establish oversight committees to continue review of a variety of natural resource subject areas as it believes necessary to carry out its legislative charge.

Subd. 3. Department of Natural Resources	5,164,600	5,111,600
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Approved Complement—67

The amounts that may be expended from this appropriation for each activity are as follows:

(a) Department Information System

\$ 300,000 \$ 300,000

Approved Complement—5

For partial implementation of a department-wide plan for a computer and word processing system.

(b) Volunteer Management Intensification

\$ 97,000 \$ 98,000

Approved Complement—2

To begin coordination of volunteers in all disciplines through staff assistance and time budgeting.

	1984	1985
	\$	\$

(c) Groundwater Management

\$ 150,000 \$ 150,000

Approved Complement—3

To apply innovative information collection techniques and develop general watershed management rather than the site and permit specific approach. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

(d) Mineral Potential

\$ 85,000 \$ 85,000

Approved Complement—2

Additional field work and research to understand mineral potential.

(e) Accelerated Phase II Forest Inventory

\$ 225,000 \$ 225,000

Approved Complement—10

As one part of a three-part accelerated effort to complete the detailed inventory, including graphics machine and public land sampling. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

(f) Forestry Information System

\$ 344,000 \$ 345,000

Approved Complement—4

To finish development of an automated information system.

	1984	1985
	\$	\$

(g) Forest Recreation Development

\$ 400,000	\$ 400,000
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Approved Complement—3

To plan and implement rehabilitation of recreation development in state forests. All project costs are included in this appropriation.

(h) Wildfire Planning

\$ 97,000	\$ 98,000
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Approved Complement—3

To analyze, budget, and implement the most physically and economically effective fire protection on a pilot basis.

(i) Park Planning

\$ 110,000	\$ 110,000
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Approved Complement—6

To complete the remaining master plans required under Minnesota Statutes, chapter 86A, and recommend disposition of all other units.

(j) River Planning

\$ 100,000	\$ 100,000
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Approved Complement—4

To continue river planning analysis and technical assistance to local units for protection of river resources and to develop a proposal for possible inclusion in agency operations.

(k) Scientific and Natural Areas Planning

\$ 40,000	\$ 41,000
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1984

1985

\$

\$

Approved Complement—1

To continue management planning under Minnesota Statutes, section 84.033 and chapter 86A, for nine areas.

(l) Park Development

\$ 2,042,000 \$ 2,042,000

Approved Complement—8

For major rehabilitation and new development in state parks and recreation areas. All project costs are included in this appropriation. \$726,000 the first year and \$749,000 the second year is from the state park development account in the special revenue fund. \$450,000 of this appropriation represents anticipated reimbursements to be received during the biennium from the land and water conservation fund to be earned by expenditures from this subdivision and is available for expenditure only as these reimbursements are deposited in the state treasury.

(m) Parks Information System

\$ 103,500 \$ 46,500

Approved Complement—2

To develop a computerized information system to assist management activity in state parks.

(n) Water Access Acquisition and Development

\$ 740,000 \$ 740,000

Approved Complement—5

To acquire access sites and improve or develop sites around the state. All project costs are included in this appropriation. The commissioner shall make

1984

1985

\$

\$

every effort to maximize the use of local effort and finances in the program. \$150,000 of the appropriation represents anticipated reimbursements from the land and water conservation fund to be earned by expenditures from this subdivision and is available for expenditure only as these reimbursements are deposited in the state treasury.

In addition to this direct appropriation, and notwithstanding Minnesota Statutes, section 86.72, federal money for recreational boating facilities improvement programs under United States Code, title 46, sections 1474 to 1481 made available by section 421 of the Surface Transportation Assistance Act of 1982, 96 Statutes at Large, pages 2162 to 2163, earned by projects in this section is appropriated to the commissioner of natural resources for water access acquisition and development and is available until expended.

(o) Implement Resource and Management Plan on Department of Natural Resources Lands

\$ 200,000 \$ 200,000

Approved Complement—5

To implement an allocation plan based on land suitability and capability and public advice, which includes sale or exchange, or both. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

(p) Wild and Scenic Rivers

\$ 62,500 \$ 62,500

Approved Complement—2

	1984	1985
	\$	\$

To continue the wild and scenic river management program previously funded by legislative commission on Minnesota resources.

(q) Statewide Data Water Network

\$	68,600	\$	68,600
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Approved Complement—2

To continue legislative commission on Minnesota resources support for the statewide water data network.

Subd. 4. Pollution Control Agency	230,000	231,000
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Approved Complement—3

The amounts that may be expended from this appropriation for each activity are as follows:

(a) Soil and Watershed Acidification

\$	93,000	\$	93,000
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Approved Complement—1

For the first biennium of a two-biennium effort to assess the effects of atmospheric deposition on soils. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

(b) Groundwater Analysis Near Dump Sites

\$	72,000	\$	73,000
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Approved Complement—1

To investigate the effects on groundwater of 15 unregulated solid waste open dumps and improve management pro-

	1984	1985
	\$	\$

cesses. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

(c) Survey Organics in Monitor Wells

\$ 50,000 \$ 50,000

Approved Complement—1

For sampling up to 350 private wells in the monitoring network for analysis of organics. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

(d) Garvin Brook Monitoring

\$ 15,000 \$ 15,000

To provide water quality monitoring on the joint, federal-state project needed to assess the impact of land treatment. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

Subd. 5. Energy, Planning and Development

2,064,000 2,065,000

Approved Complement—9

The amounts that may be expended from this appropriation for each activity are as follows:

(a) Resource Management Models

\$ 75,000 \$ 75,000

Approved Complement—1

	1984	1985
\$		\$

For accelerated development of applications models to predict and simulate the effects of alternative policies and practices. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

(b) Recreation Grants

\$ 1,750,000 \$ 1,750,000

Approved Complement—4

For recreation open space projects requested by local units of government. The cost of administration is included in this appropriation. This appropriation is for grants of up to 50 percent of the total cost, or 50 percent of the local share if federal money is used. Up to 25 percent is available for acquisition. The per project limit for state grants is \$200,000.

The first priority in allocation is for development projects and for projects that are eligible for federal funding. Notwithstanding any other law to the contrary, these grants are not contingent upon the matching of federal grants.

\$875,000 the first year and \$875,000 the second year is reserved for projects outside the metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2.

This appropriation shall be expended with the approval of the governor after consultation with the legislative advisory commission. The legislative commission on Minnesota resources shall make recommendations to the legislative advisory commission regarding the expenditures.

	1984	1985
	\$	\$

(c) Bioenergy Research

\$	150,000	\$	150,000
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Approved Complement—1

To continue research into biomass production potential on peat and other lands.

(d) Assessment and Development of Alternative Energy Business

\$	89,000	\$	90,000
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Approved Complement—3

To assess the potential for business development of alternative energy resources.

Subd. 6. Department of Health	65,000	65,000
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Approved Complement—1

Survey Organics in Community Water Supplies

To provide equipment and a one-time sampling and analysis of volatile organic compounds in selected community water supplies.

Subd. 7. University of Minnesota	1,835,000	1,826,000
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The amounts that may be expended from this appropriation for each activity are as follows:

(a) Strategic Minerals Research Capacity

\$	265,000	\$	265,000
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For equipment and analysis to examine potential strategic minerals identification and recovery (cobalt, manganese, platinum, titanium).

	1984	1985
	\$	\$

(b) Taconite Reduction

\$	49,000	\$	49,000
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For research to achieve increased metallic iron production from taconite.

(c) Aeromagnetic Survey

\$	346,000	\$	347,000
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For the third biennium of a six-biennium effort to electronically acquire geologic data. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

(d) Geology of Southeast Minnesota

\$	30,000	\$	30,000
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To determine subsurface drainage and hydrology, and evaluate the impact of land practices. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

(e) Computer Analysis of Contaminant Spreading

\$	90,000	\$	90,000
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To develop interactive graphics models of contaminant spreading between selected Twin Cities aquifers. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

(f) Accelerated Detailed Soil Survey

\$	925,000	\$	925,000
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	1984	1985
\$		\$

For the fourth biennium of a seven-biennium effort to provide the appropriate detailed survey, based upon the adopted cost-share formula between county, state, and federal ownership ratios. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

(g) Research on River and Lake Management

\$	70,000	\$	70,000
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To develop lake water quality simulations and predict river oxygen dynamics, and predict river scour and fill effects. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

(h) Hydropower Research Facility Instrumentation

\$	50,000	\$	50,000
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To provide instrumentation of donated equipment for advanced research capability.

(i) Underground Space Center

\$	10,000
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To provide for expenses involved in conducting an international conference in October 1983 on the benefits and uses of underground space.

Subd. 8. Minnesota Historical Society

75,000	75,000
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The amounts that may be expended from this appropriation for each activity are as follows:

	1984	1985
	\$	\$

(a) Microfilm Public Land Records

\$	25,000	\$	25,000
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For completion of the project to microfilm state land ownership records.

(b) Conservation of Historic Collections

\$	50,000	\$	50,000
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To provide the match for grants from the national endowment for the humanities and private sector, all for the purpose of repair, restoration, and stabilization of the collections. The match money is appropriated.

Subd. 9. Science Museum of Minnesota

22,000	23,000
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For a natural history survey of Minnesota's aquatic invertebrates. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

Subd. 10. Work Programs

It is a condition of acceptance of the appropriations made by this section that the agency or entity receiving the appropriation shall submit work programs and semiannual progress reports in the form determined by the legislative commission on Minnesota resources. None of the money provided in this section may be expended unless the commission has approved the pertinent work program. Upon request from the commission the agency head shall submit an evaluation by July 1, 1984, as to whether the program should be incorporated in the next agency budget.

	1984	1985
	\$	\$

Subd. 11. Complement Temporary

Persons employed by a state agency and paid by an appropriation in this section are in the unclassified civil service and their continued employment is contingent upon the availability of money from the appropriation. When the appropriation has been expended, their positions shall be canceled and the approved complement of the agency reduced accordingly. Part-time employment of persons is authorized.

Subd. 12. Federal Reimbursement Account	526,400	606,400
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This appropriation is for the expenditure purposes in the natural resources federal reimbursement account in Minnesota Statutes, section 86.72.

Sec. 32. LABOR AND INDUSTRY

General Operations and Management	9,033,000	9,512,700
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Approved Complement—225

General—126.5

Federal—39.5

Special—59

The amounts that may be expended from this appropriation for each program are as follows:

Employment Standards

\$ 764,700	\$ 767,800
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Workers' Compensation

\$ 4,991,800	\$ 5,417,100
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Of this appropriation \$1,678,900 the first year and \$1,697,000 the second year is from the special compensation fund.

\$2,329,200 the first year and \$2,733,900 the second year is for reimburse-

	1984	1985
\$		\$

ment of the special compensation fund pursuant to Minnesota Statutes, section 176.183, subdivision 2.

\$300,000 the first year and \$300,000 the second year is for payment of peace officer survivor benefits pursuant to Minnesota Statutes, section 352E.04. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

During the biennium ending June 30, 1985, the commissioner of labor and industry shall impose fees under Minnesota Statutes, section 16A.128, sufficient to cover the cost of approving and monitoring qualified rehabilitation consultants, consultant firms, and vendors of rehabilitation services.

The commissioner shall study the need for establishing criteria which would determine whether a workers' compensation claim is handled by the division's attorneys, referred for private action, or referred for arbitration or mediation. The commissioner shall report to the legislature the conclusions of this study by February 15, 1984.

Code Enforcement

\$	728,600	\$	732,100
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The commissioner is instructed to merge the inspection duties of the boiler inspectors and the steamfitting inspector.

OSHA

\$	996,700	\$	1,006,800
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The salary and expenses associated with the passenger elevator inspector shall be paid from the building code surcharge revenues produced pursuant to Minnesota Statutes, section 16.866.

	1984	1985
	\$	\$

General Support

\$ 1,014,300 \$ 1,030,700

\$125,000 the first year and \$125,000 the second year is for a grant to the Minneapolis urban league labor education advancement program. \$125,000 the first year and \$125,000 the second year is for a grant to the St. Paul urban league labor education advancement program. Before payment of these grants, the commissioner shall secure an approved contract that specifies the detailed budget to be submitted for use of each grant, the frequency and format of periodic reports on actual use of the grants, and audit requirements. The legislative auditor may conduct post-award audits of these grants as requested by the commissioner and approved by the legislative audit commission. Twenty percent of each grant in each year, or \$25,000, shall be available for payment upon demonstration of a dollar for dollar match from nonstate contributions. If continuation of state funding is anticipated in the 1985-1987 fiscal biennium, the commissioner shall develop an application process by which organizations currently established or organizations seeking to become established as providers of labor education advancement programs may seek funding. The applications shall be reviewed and prioritized by the commissioner, and a recommended level of funding shall be transmitted by the commissioner to the 1985 legislature.

Information Management Services

\$ 536,900 \$ 558,200

The commissioner of labor and industry with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the programs specified in this section. Transfers shall

	1984	1985
\$	\$	

be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 33. WORKERS' COMPEN- SATION COURT OF APPEALS	382,200	382,800
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Approved Complement—9

The workers' compensation court of appeals shall report by February 15, 1984, to the chairmen of the senate finance committee and the house appropriations committee on the standards governing payments under Minnesota Statutes, chapter 352E. The report must describe any ambiguity in the definition of peace officers, eligible beneficiaries, and eligibility to receive benefits.

Sec. 34. MEDIATION SERVICES	1,113,600	1,077,900
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Approved Complement—24

Sec. 35. PUBLIC EMPLOYMENT RELATIONS BOARD	51,700	52,000
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Approved Complement—1

Sec. 36. MILITARY AFFAIRS

General Operations and Management	4,865,100	4,833,700
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Approved Complement—235

General—130.8

Federal—104.2

Plus additional personnel as may be financed entirely from federal money for the period federal money is available.

The amounts that may be expended from this appropriation for each program are as follows:

	1984	1985
	\$	\$

Maintenance of Military Training Facilities

\$ 3,735,000 \$ 3,760,700

\$4,100 each year is for an additional custodial position at Holman field. The adjutant general is directed to seek a federal share of \$12,300 each year.

The city of Moorhead having in error transferred \$23,600 to the state general fund for an armory improvement, \$23,600 is for repayment to the city of Moorhead, effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Moorhead.

The management analysis division of the department of administration shall review the feasibility of armory consolidation or closure. The study shall include in its considerations the needs of this department for defense and training related activities; the availability of other emergency facilities within the communities; and the age, physical maintenance needs, and personnel costs of the existing buildings.

The study shall also consider the cost effectiveness of reducing custodial hours, sharing custodial services among the armories, and increasing local financial support of armory maintenance expenses.

The recommendations resulting from this study shall be transmitted to the chairman of the finance committee in the senate and the appropriations committee in the house of representatives by March 15, 1984.

General Support

\$ 1,130,100 \$ 1,073,000

\$71,400 the first year and \$71,300 the second year is for expenses of military

	1984	1985
\$		\$

forces ordered to active duty pursuant to Minnesota Statutes, chapter 192. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

The adjutant general with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose between the programs specified in this section. Transfers shall be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 37. VETERANS AFFAIRS

General Operations and Management	10,449,800	10,540,300
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Approved Complement—314.5

The amounts that may be expended from this appropriation for each program are as follows:

Veterans Benefits and Services

\$ 2,277,200	\$ 2,256,400
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\$1,938,100 each year is for emergency financial and medical needs of veterans. For the biennium ending June 30, 1985, the commissioner shall limit financial assistance to veterans and dependents to six months, unless recipients have been certified as ineligible for other benefit programs. Of this appropriation, \$50,000 each year shall be expended with the approval of the governor after consultation with the legislative advisory commission pursuant to Minnesota Statutes, section 3.30.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

	1984	1985
	\$	\$

Of this appropriation, \$37,800 the first year and \$38,500 the second year is for war veterans and war orphans education aid, to be expended pursuant to Minnesota Statutes, section 197.75.

Veterans Home—Minneapolis

\$ 6,116,200 \$ 6,217,200

Of the appropriation in fiscal year 1984, \$10,000 is for a grant to the Vietnam veterans awareness council for the purposes of obtaining liability insurance and repairs and betterments on building #2 which currently provides emergency shelter for veterans and their families.

By January 15, 1984, the commissioner shall report to the legislature on the cost effectiveness of seeking certification of the Minneapolis nursing care building for medical assistance reimbursement.

Veterans Home—Hastings

\$ 2,047,800 \$ 2,066,700

Big Island Veterans Camp

\$ 8,600

This appropriation is for contract expenses associated with operating the Big Island veterans camp; the contract shall be for up to two years in length and shall specify that the contractor will cooperate with the Hennepin county park reserve district.

Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

The commissioner of veterans affairs with the approval of the commissioner

	1984	1985
\$		\$

of finance may transfer unencumbered balances not specified for a particular purpose among the programs specified in this section. Transfers shall be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 38. INDIAN AFFAIRS INTERTRIBAL BOARD	205,100	208,900
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Approved Complement—7

General—6

Federal—1

Ten percent of the funding in the second year, or \$20,900, shall be available for allotment upon demonstration of dollar for dollar match with nonstate contributions. Those dollars, up to the \$20,900, not receiving a match shall cancel to the general fund.

The agency shall report to the senate finance committee and house of representatives appropriations committee by March 1, 1984 its accomplishments for the first six months of the biennium and its work program, including its goals, objectives, timelines, and structure, for the remainder of the biennium. The appropriation for the second year is available for expenditure only with the approval of the governor after consultation with the legislative advisory commission, pursuant to Minnesota Statutes, section 3.30.

Sec. 39. COUNCIL ON AFFAIRS OF SPANISH-SPEAKING PEOPLE ..	104,600	105,500
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Approved Complement—3

Ten percent of the funding in the second year, or \$10,600, shall be available

	1984	1985
\$		\$

for allotment upon demonstration of dollar for dollar match with nonstate contributions. Those dollars, up to the \$10,600, not receiving a nonstate match shall cancel to the general fund.

The agency shall report to the senate finance committee and house of representatives appropriations committee by March 1, 1984 its accomplishments for the first six months of the biennium and its work program, including its goals, objectives, timelines, and structure, for the remainder of the biennium. The appropriation for the second year is available for expenditure only with the approval of the governor after consultation with the legislative advisory commission, pursuant to Minnesota Statutes, section 3.30.

Sec. 40. COUNCIL ON BLACK MINNESOTANS

104,400

105,600

Approved Complement—3.5

Ten percent of the funding in the second year, or \$10,600, shall be available for allotment upon demonstration of dollar for dollar match with nonstate contributions. Those dollars, up to the \$10,600, not receiving a nonstate match shall cancel to the general fund.

The agency shall report to the senate finance committee and house of representatives appropriations committee by March 1, 1984 its accomplishments for the first six months of the biennium and its work program, including its goals, objectives, timelines, and structure, for the remainder of the biennium. The appropriation for the second year is available for expenditure only with the approval of the governor after consultation with the legislative advisory commission, pursuant to Minnesota Statutes, section 3.30.

	1984	1985
	\$	\$
Sec. 41. COUNCIL FOR THE HANDICAPPED	330,700	336,700

Approved Complement—10

Ten percent of the funding in the second year, or \$33,700, shall be available for allotment upon demonstration of dollar for dollar match with nonstate contributions. Those dollars, up to the \$33,700, not receiving a nonstate match shall cancel to the general fund.

The agency shall report to the senate finance committee and house of representatives appropriations committee by March 1, 1984 its accomplishments for the first six months of the biennium and its work program, including its goals, objectives, timelines, and structure, for the remainder of the biennium. The appropriation for the second year is available for expenditure only with the approval of the governor after consultation with the legislative advisory commission, pursuant to Minnesota Statutes, section 3.30.

Sec. 42. HUMAN RIGHTS

General Operations and Management	1,363,400	1,440,900
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Approved Complement—59

General—43

Federal—16

The commissioner of administration shall assign a transition team to work with the commissioner of human rights in reviewing or developing charge intake and charge processing policies. Specific action plans shall be developed for the purpose of improving the administration and enforcement of the Human Rights Act. The commissioner of administration shall report to the legislature by February 1, 1984, on the action plans devel-

	1984	1985
	\$	\$

oped and an analysis of the resources needed to accomplish the statutory responsibilities of the commissioner of human rights. The commissioner of administration shall consult with the attorney general to ensure that the new enforcement alternatives being implemented are consistent with the objectives and requirements of Minnesota Statutes, chapter 363.

The amounts that may be expended from this appropriation for each program are as follows:

Enforcement

\$ 900,400	\$ 979,300
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The commissioner of human rights may assign priority to the investigation of charges based on likelihood of early settlement, potential for widespread impact on discriminatory behavior, or other criteria as established by the commissioner by rule adopted pursuant to Minnesota Statutes, chapter 14. By February 1, 1984, the commissioner shall report to the legislature on the charge-processing policies that have been adopted.

Planning, Public Information and Administrative Services

\$ 463,000	\$ 461,600
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The commissioner of human rights with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the programs specified in this section. Transfers shall be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

	1984	1985
\$		\$

The agency shall report to the senate finance committee and house of representatives appropriations committee by March 1, 1984 its accomplishments for the first six months of the biennium and its work program, including its goals, objectives, timelines, and structure, for the remainder of the biennium. The appropriation for the second year is available for expenditure only with the approval of the governor after consultation with the legislative advisory commission, pursuant to Minnesota Statutes, section 3.30. If approval is obtained, the complement of the department of human rights is increased by six positions in fiscal year 1985.

Sec. 43. HOUSING FINANCE
AGENCY 23,450,000

Approved Complement—124

Spending limit on cost of general administration of agency programs:

1984	1985
\$ 4,491,600	\$ 4,575,100

The appropriation is for transfer to the housing development fund.

\$3,000,000 is for tribal Indian housing programs.

\$6,000,000 is for home improvement loans.

\$6,000,000 is for rehabilitation loans.

\$200,000 is for innovative multifamily housing.

\$750,000 is for Vietnam veterans downpayment assistance.

\$5,000,000 is for energy conservation rehabilitation loans.

	1984	1985
\$		\$

\$2,500,000 is for energy efficiency loans for rental housing.

The appropriation of \$200,000 from the general fund by Laws 1982, chapter 380, is cancelled and reappropriated to the housing development fund created in Minnesota Statutes, section 462A.20, for the purpose of financing multi-family developments, to be used either (a) to make loans, with or without interest, pursuant to Minnesota Statutes, section 462A.05, subdivisions 1 and 3; or (b) to be paid into accounts of the agency for the purpose of making payments required by a resolution for the issuance of its notes or bonds, as permitted by Minnesota Statutes, section 462A.10, subdivision 4. The agency shall establish an account in the fund to record the receipt and disbursement of the amounts appropriated and any other amounts transferred to this account pursuant to Minnesota Statutes, section 462A.20, subdivision 3.

Sec. 44. EXECUTIVE COUNCIL	150,000	150,000
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For expenses in emergencies pursuant to Minnesota Statutes, section 9.061.

Sec. 45. GENERAL CONTINGENT ACCOUNTS	7,175,000	7,175,000
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The appropriations in this section shall be expended with the approval of the governor after consultation with the legislative advisory commission pursuant to Minnesota Statutes, section 3.30.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

General Fund

\$ 7,000,000 \$ 7,000,000

	1984	1985
	\$	\$

Game and Fish Fund

\$ 175,000	\$ 175,000
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Sec. 46. TORT CLAIMS	475,000	475,000
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To be disbursed by the commissioner of finance.

Of this amount \$450,000 the first year and \$450,000 the second year is from the general fund, and \$25,000 the first year and \$25,000 the second year is from the game and fish fund.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 47. DEBT SERVICE	116,101,700	144,399,400
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For transfer by the commissioner of finance to the state bond fund.

If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of finance shall notify the committee on finance of the senate and the committee on appropriations of the house of representatives of the amount of the deficiency and shall then transfer that amount pursuant to the statutory open appropriation.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 48. RETIREMENT	16,321,300	18,651,800
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The amounts that may be expended for each purpose are more specifically described in sections 49 to 53.

Sec. 49. MINNESOTA STATE RETIREMENT SYSTEM	3,756,300	4,493,800
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	1984	1985
	\$	\$

The amounts estimated to be needed for each program are as follows:

Legislators

\$ 1,347,000	\$ 2,172,500
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Pursuant to Minnesota Statutes, sections 3A.03, subdivision 2; 3A.04, subdivisions 3 and 4; and 3A.11.

Judges

\$ 2,265,300	\$ 2,174,500
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Pursuant to Minnesota Statutes, sections 490.106; and 490.123, subdivision 1.

Constitutional Officers

\$ 98,000	\$ 105,800
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Pursuant to Minnesota Statutes, sections 352C.031, subdivision 5; 352C.04, subdivision 3; and 352C.09, subdivision 2.

State Employee Supplemental Benefits

\$ 46,000	\$ 41,000
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Pursuant to Minnesota Statutes, section 352.73.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Sec. 50. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

28,000

21,000

For supplement benefits pursuant to Minnesota Statutes, section 353.83.

	1984	1985
	\$	\$

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Sec. 51. MINNEAPOLIS EMPLOYEES RETIREMENT FUND	6,000,000	7,000,000
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To the commissioner of finance for payment to the Minneapolis employees retirement fund pursuant to Minnesota Statutes, section 422A.101, subdivision 3.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Sec. 52. POLICE AND FIRE AMORTIZATION AID	6,537,000	6,537,000
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To the commissioner of finance for state aid to amortize the unfunded liability of local police and salaried firefighters' relief associations, pursuant to Minnesota Statutes, section 423A.02. If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Sec. 53. PENSION CONTRIBUTION REIMBURSEMENT		600,000
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To the commissioner of finance for reimbursement of excess public employee pension contributions as provided by this act.

Sec. 54. GAS TAX REIMBURSEMENT	1,057,700	1,072,600
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This appropriation is from the highway user tax distribution fund.

The commissioner of finance shall transfer to the general fund on January 1 each year the amounts necessary to

	1984	1985
	\$	\$

reimburse the general fund for the cost of collecting the tax on gasoline and gasoline substitutes and the cost of bond premiums during each fiscal year of the 1983-85 biennium.

Sec. 55. SALARY SUPPLEMENT 33,165,000 67,630,000

The amounts appropriated from each fund are as follows:

(a) General Fund

\$ 22,410,000 \$ 45,710,000

\$4,791,400 the first year and \$9,912,400 the second year is for comparability adjustments.

(b) State Airports Fund

\$ 70,000 \$ 140,000

\$14,200 the first year and \$29,300 the second year is for comparability adjustments.

(c) Game and Fish Fund

\$ 1,025,000 \$ 2,100,000

\$221,800 the first year and \$458,500 the second year is for comparability adjustments.

(c) Trunk Highway Fund

\$ 9,450,000 \$19,250,000

\$2,020,900 for the first year and \$4,176,100 the second year is for comparability adjustments.

(d) Highway User Tax Distribution Fund

\$ 210,000 \$ 430,000

	1984	1985
	\$	\$

\$44,900 the first year and \$92,700 the second year is for comparability adjustments.

The compensation and economic benefit increases covered by this section are those paid to classified and unclassified employees in the executive, judicial, and legislative branches of state government, and to employees of the Minnesota historical society who are paid from state appropriations, if the increases are required by existing law or authorized by law during the 1983 session of the legislature or by appropriate resolutions for employees of the legislature, or are given interim approval by the legislative commission on employee relations pursuant to Minnesota Statutes, sections 3.855 and 43A.18 or 179.74, subdivision 5. Except as limited by the direct appropriations made in this section, the amounts necessary to pay compensation and economic benefit increases covered by this section are appropriated from the various funds in the state treasury from which salaries are paid to the commissioner of finance for the fiscal years ending June 30, 1984, and June 30, 1985. In the case of salaries that are paid from one fund, but that fund is reimbursed by another fund, the amounts necessary to make these reimbursements are also appropriated.

The amounts appropriated for comparability adjustments shall be distributed pursuant to Minnesota Statutes, section 43A.05, according to the list of job classes approved by the legislative commission on employee relations on March 29, 1983.

The commissioner of finance shall transfer the necessary amounts to the proper accounts and shall promptly notify the committee on finance of the senate and the committee on appropriations of the house of representatives of the amount transferred to each appropriation account.

Sec. 56. [RECREATIONAL MOTOR VEHICLE STUDY.]

By January 1, 1984, the commissioner of natural resources shall study the use and effects of recreational motor vehicles on the environment, including soils, vegetation, and wildlife; the demand now and future need for recreational motor vehicle recreational opportunities in the state; the appropriate legal and social implications of recreational motor vehicle use on public and private lands; the potential for recreational motor vehicle use on existing recreational trails; and the impact of increased recreational motor vehicle use on tourism opportunities statewide. For the purposes of this section, "recreational motor vehicle" has the same meaning as defined in Minnesota Statutes, section 84.90 except that snowmobiles are not included in the study. The commissioner shall work with, and solicit the comments and advice of, the departments of public safety, transportation, and any interested party or group in the study. The study shall be presented to the governor and the appropriate standing committees in the house of representatives and the senate.

Sec. 57. [3.3026] [INFORMATION SYSTEMS DIRECTORY.]

Subdivision 1. [POLICY.] The state must make maximum use of its information files and data processing systems. A statewide directory of information systems will direct users to existing information systems maintained by state agencies, minimize duplication of information systems already developed, and encourage the sharing of information systems within the state. A directory will assist users in contacting agencies about information files and about experience with hardware and software configurations. It will reduce overall costs, promote communication among agencies, and permit more efficient use of personnel resources for information systems development.

Subd. 2. [DEFINITIONS.] The terms used in this section have the meanings given them in this subdivision.

(a) "Directory" means an indexed listing of descriptive data about information systems. The descriptions will include agency name, information system name, contact person, software used, hardware used, and other information which in the discretion of the legislative reference library will assist users.

(b) "Information system" or "information systems" means an organized collection of data, either manually organized or automated, used by an agency in performing its duties or assisting in the making of administrative and budgetary decisions. An information system includes the data organized and any hardware or software used to process it.

Every state agency shall file a description of its existing information systems with the legislative reference library by

January 31, 1984. These descriptions shall be in accordance with specifications and on forms provided by the library. Each agency shall file an updated description, noting additions, deletions, and changes by November 30 and by May 31 each year.

(c) "State agency" or "state agencies" means any office, department, agency, commission, council, bureau, research center, or society of state government, and other agencies supported by state funds.

Subd. 3. [LEGISLATIVE REFERENCE LIBRARY; DEVELOPMENT OF PLAN.] *The legislative reference library shall prepare a plan for the directory by January 1, 1984. The plan shall include a definition of the types of systems that will be included in the directory, an enumeration of the types of information required for each system reported, and a description of the method selected for production and dissemination of the directory.*

Subd. 4. [LEGISLATIVE REFERENCE LIBRARY DIRECTOR; DUTIES.] *The legislative reference library director shall employ and fix the salary of the technical, clerical, and other assistants necessary to produce the directory. The director may enter into contracts for equipment and services necessary in the production and dissemination of the directory.*

Subd. 5. [PUBLICATION.] *The legislative reference library shall prepare a directory by January 1, 1985. The directory shall be prepared in a format which the legislative reference library, in its discretion, believes is most efficient and beneficial to the user.*

Subd. 6. [UPDATING.] *The legislative reference library shall continually update the directory and shall reissue it at intervals it finds, in its discretion, are reasonable and cost efficient.*

Subd. 7. [AGENCY COOPERATION.] *Every state agency shall appoint one person within the agency as a data processing liaison, responsible for working with the legislative reference library. The appointment shall be made and the name forwarded to the legislative reference library by July 1, 1983. The department of administration shall provide access to its library listing of systems and programs produced under section 16.90 and shall produce this information in hardcopy form or on magnetic tape media, as requested by the legislative reference library director.*

Sec. 58. Minnesota Statutes 1982, section 3.732, is amended by adding a subdivision to read:

Subd. 6. *The head of each department or agency, or his designee, acting on behalf of the state, may enter into structured settlements, through the negotiation, creation, and utilization of*

annuities or similar financial plans for claimants, to resolve claims arising from the alleged negligence of the state, its agencies, or employees. The requirements set forth in sections 16.07, 16.08, and 16.098 shall not apply to the state's selection of and contracts with structured settlement consultants or purveyors of structured settlement plans.

Sec. 59. Minnesota Statutes 1982, section 3.922, subdivision 5, is amended to read:

Subd. 5. [OFFICERS, PERSONNEL.] The board shall annually elect a chairman and such other officers as it may deem necessary. The chairman shall have the authority to appoint subcommittees necessary to fulfill the duties of the board. It shall also employ, and prescribe the duties of such (CLERKS,) employees (,) and agents as it deems necessary. *All employees are in the unclassified service.* The chairman shall be an ex-officio member of the state board of human rights. The appropriations and other funds of this board are subject to the provisions of chapter 16. The board shall maintain its primary office in Bemidji and shall also maintain personnel and office space in St. Paul.

Sec. 60 Minnesota Statutes 1982, section 3.9222, is amended to read:

3.9222 [(ADVISORY COUNCIL) LEGISLATIVE COMMISSION ON THE ECONOMIC STATUS OF WOMEN.]

Subdivision 1. (AN ADVISORY COUNCIL) *A legislative commission* is (HEREBY) created to study and report on the economic status of women in Minnesota.

Subd. 2. The (COUNCIL) *commission* shall consist of five members of the house of representatives appointed by the speaker (,) and five members of the senate appointed by the committee on committees (, AND EIGHT CITIZENS APPOINTED BY THE GOVERNOR. AT LEAST 50 PERCENT OF THOSE APPOINTED BY THE GOVERNOR AND BY THE SPEAKER OF THE HOUSE SHALL BE WOMEN). Members shall serve (FOR TWO YEARS OR) until the expiration of their legislative terms (; EXCEPT, IN ORDER TO ESTABLISH STAGGERED MEMBERSHIP TERMS FOR THE CITIZEN MEMBERS, THE GOVERNOR SHALL APPOINT FOUR CITIZENS FOR THREE-YEAR TERMS AND FOUR CITIZENS FOR TWO-YEAR TERMS STARTING JULY 1, 1981. THE COMPENSATION OF NON-LEGISLATOR MEMBERS, THEIR REMOVAL FROM OFFICE AND THE FILLING OF VACANCIES SHALL BE AS PROVIDED IN SECTION 15.059. THE PERSONS APPOINTED BY THE GOVERNOR SHALL BE REPRESENTATIVE OF A RANGE OF ECONOMIC INTERESTS AND VOCATIONS AND SHALL INCLUDE PERSONS WHO ARE NOT REGULARLY EMPLOYED ON A FULL-TIME OR PART-TIME BASIS OUTSIDE THEIR HOMES).

Subd. 3. The (COUNCIL) *commission* shall study all matters relating to the economic status of women in Minnesota, including economic security of homemakers and women in the labor force, opportunities for education and vocational training, employment opportunities, the contributions of women to the economy, their access to benefits and services provided to citizens of this state, and laws and business practices constituting barriers to the full participation by women in the economy. In addition, the (COUNCIL) *commission* shall study the adequacy of programs and services relating to families in Minnesota, including single-parent families and members beyond the nuclear or immediate family.

Subd. 4. The (COUNCIL) *commission* shall report its findings and recommendations to the governor and the legislature not later than December 15 of each even-numbered year and shall supplement its findings and recommendations not later than December 15 of each odd-numbered year. The report shall recommend legislation and administrative action designed to enable women to achieve full participation in the economy. The report shall also recommend methods to encourage the development of coordinated, interdepartmental goals and objectives and the coordination of programs, services and facilities among all state departments and public and private providers of services related to children, youth and families.

Subd. 5. The (COUNCIL) *commission* may hold meetings and hearings at the times and places it designates to accomplish the purposes set forth in this (ACT) *section*. It shall select a chairman and other officers from its membership as it deems necessary.

Subd. 6. The legislature coordinating commission shall supply the (COUNCIL) *commission* with necessary staff, office space and administrative services.

Subd. 7. When any person, corporation, the United States government, or any other entity offers funds to the (COUNCIL) *commission* by way of gift, grant or loan, for the purpose of assisting the (COUNCIL) *commission* to carry out its powers and duties, the (COUNCIL) *commission* may accept the offer by majority vote and upon acceptance the chairman shall receive the funds subject to the terms of the offer, but no money shall be accepted or received as a loan nor shall any indebtedness be incurred except in the manner and under the limitations otherwise provided by law.

Sec. 61. [4.09] WASHINGTON OFFICE EXPENSES.]

In the operation of the Washington, D.C. office of the state of Minnesota, the governor may expend money appropriated by the legislature for promotional purposes in the same manner as private persons, firms, corporations, and associations expend

money for promotional purposes. Promotional expenditures for food, lodging, or travel are not governed by the travel rules of the commissioner of employee relations.

Sec. 62. Minnesota Statutes 1982, section 6.65, is amended to read:

6.65 [MINIMUM PROCEDURES FOR AUDITORS, PRESCRIBED.]

The state auditor shall prescribe minimum procedures and the audit scope for auditing the books, records, accounts, and affairs of local governments in Minnesota. The minimum scope for audits of all local governments shall include financial and legal compliance audits for fiscal years ending after January 15, 1984. The state auditor shall establish a task force to promulgate an audit guide for legal compliance audits. The task force shall include representatives of the state auditor, the attorney general, towns, cities, counties, school districts and private sector public accountants.

Sec. 63. Minnesota Statutes 1982, section 7.09, subdivision 1, is amended to read:

Subdivision 1. [PROCEDURE.] The state treasurer is (HEREBY) authorized to receive and accept, on behalf of the state, any gift, bequest, devise, or endowment which may be made by any person, by will, deed, gift, or otherwise, to or for the benefit of the state, or any of its departments or agencies, or to or in aid, or for the benefit, support, or maintenance of any educational, charitable, or other institution maintained in whole or in part by the state, or for the benefit of students, employees, or inmates thereof, or for any proper state purpose or function, and the money, property, or funds constituting such gift, bequest, devise, or endowment. No such gift, bequest, devise, or endowment shall be so accepted unless (THE GOVERNOR,) the commissioner of finance (,) and the state treasurer shall determine that it is for the interest of the state to accept (THE SAME) *it*, and shall approve of and direct (SUCH) *the* acceptance. When in order to effect the purpose for which any (SUCH) gift, bequest, devise, or endowment has been accepted, it is necessary to sell (ANY) property so received, the state treasurer, upon request of the authority in charge of the agency, department, or institution concerned, may sell (THE SAME) *it* at a price which shall be fixed by the state board of investment.

Sec. 64. Minnesota Statutes 1982, section 14.14, subdivision 1, is amended to read:

Subdivision 1. [REQUIRED HEARING.] No rule (, OTHER THAN A RULE SETTING A FEE COVERED BY SECTION 16A.128 OR 214.06, SHALL) *may* be adopted by any agency unless the agency first holds a public hearing affording

all affected interests an opportunity to participate. (FEE ADJUSTMENTS AUTHORIZED UNDER SECTION 16A.128 OR 214.06 MAY BE MADE BY RULE WITHOUT A PUBLIC HEARING WHEN THE TOTAL FEES RECEIVED DURING THE FISCAL BIENNIUM WILL NOT EXCEED 110 PERCENT OF THE SUM OF ALL DIRECT APPROPRIATIONS, TRANSFERS IN, AND SALARY SUPPLEMENTS FOR THAT PURPOSE FOR THE BIENNIUM.) Each agency shall maintain a list of all persons who have registered with the agency for the purpose of receiving notice of rule hearings. The agency may inquire as to whether those persons on the list wish to maintain their names thereon and may remove names for which there is a negative reply or no reply within 60 days. The agency shall, at least 30 days prior to the date set for the hearing, give notice of its intention to adopt rules by United States mail to all persons on its list, and by publication in the state register. Each agency may, at its own discretion, also contact persons not on its list and may give notice of its intention in newsletters, newspapers or other publications or through other means of communication. The notice in the state register (SHALL) *must* include the proposed rule or an amended rule in the form provided in section 14.07, subdivision 3, together with a statement of the place, date, and time of the public hearing and other information as required by law or rule. When an entire rule is proposed to be repealed, the agency need only publish that fact, giving the citation to the rule to be repealed in the notice.

Sec. 65. Minnesota Statutes 1982, section 15.16, subdivision 5, is amended to read:

Subd. 5. [OBTAINING RECOMMENDATION.] No control of state-owned lands shall be transferred between state departments without first consulting the (LEGISLATIVE BUILDING COMMISSION, OR OTHER APPROPRIATE LEGISLATIVE COMMITTEE OR COMMITTEES) *chairmen of the senate finance committee and house of representatives appropriations committee* and obtaining (A RECOMMENDATION THEREON) *their recommendations*. The (RECOMMENDATION) *recommendations* shall be advisory only. Failure to obtain a prompt recommendation shall be deemed a negative recommendation.

Sec. 66. Minnesota Statutes 1982, section 15A.083, subdivision 1, is amended to read:

Subdivision 1. [ELECTIVE JUDICIAL OFFICERS.] The following salaries shall be paid annually to the enumerated elective judicial officers of the state:

	Effective July 1, 1979	Effective July 1, 1980
(1) Chief justice of the supreme court	\$56,000	\$59,000
(2) Associate justice of the supreme court	52,500	56,000
(3) Judge of the court of appeals		52,000
(4) District judge, judge of county court (learned in the law), probate court, and county municipal court	45,000	48,000
((4)) (5) Judge of a county court (not learned in the law)	29,500	31,500

Sec. 67. Minnesota Statutes 1982, section 16.02, subdivision 10a, is amended to read:

Subd. 10a. No state agency shall *initiate or renew a lease* (ADDITIONAL) *for space for its own use in any private building unless (IT HAS CERTIFIED IN WRITING TO) the commissioner of administration (THAT IT) has thoroughly investigated (THE AVAILABILITY OF) presently vacant space in public buildings, such as closed school buildings, and found that none (THAT) is (FEASIBLE AND ADEQUATE FOR ITS NEEDS) available.*

Sec. 68. Minnesota Statutes 1982, section 16.02, subdivision 14, is amended to read:

Subd. 14. To rent out (, WITH THE APPROVAL OF THE GOVERNOR, ANY) state property, real or personal, not needed for public use, the rental of which is not otherwise provided for or prohibited by law. This shall not apply to state trust fund lands, or other state lands under the jurisdiction of the department of natural resources, or to lands forfeited for delinquent taxes or to lands acquired under section 298.22. No such property shall be rented out for a term exceeding two years at a time without the approval of the state executive council; and no such property shall ever be rented out for more than 25 years.

Sec. 69. Minnesota Statutes 1982, section 16.02, is amended by adding a subdivision to read:

Subd. 29. *To contract to purchase by installment payments capital or other equipment or services intended to improve the energy efficiency of a state building or facility provided that:*

- (a) *the term of the contract does not exceed ten years;*
- (b) *the entire cost of the contract is a percentage of the resultant savings in energy costs;*
- (c) *the contract for purchase is based on a competitive basis; and*
- (d) *the state may unilaterally cancel the agreement if the legislature fails to appropriate funds to continue the contract.*

The commissioner may spend money appropriated for energy costs in payment of a contract under this subdivision.

Sec. 70. Minnesota Statutes 1982, section 16.083, subdivision 1, is amended to read:

Subdivision 1. [SMALL BUSINESS AND MINNESOTA CORRECTIONAL INDUSTRIES SET-ASIDES.] The commissioner of administration shall for each fiscal year designate and set aside for awarding to small businesses and Minnesota correctional industries a total of approximately (20) 25 percent of the value of anticipated total state procurement of goods and services including printing and construction. The commissioner shall divide the procurements so designated into contract award units of economically feasible production runs in order to facilitate offers or bids from small businesses and Minnesota correctional industries. In making his annual designation of set-aside procurements the commissioner shall attempt (1) to vary the included procurements so that a variety of goods and services produced by different small businesses shall be set aside each year, and (2) to designate set-aside procurements in a manner that will encourage proportional distribution of set-aside awards among the geographical regions of the state. To promote the geographical distribution of set-aside awards, the commissioner may designate a portion of the small business set-aside procurement for award to bidders from a specified congressional district or other geographical region specified by the commissioner. The failure of the commissioner to set aside particular procurements shall not be deemed to prohibit or discourage small businesses or Minnesota correctional industries from seeking the procurement award through the normal solicitation and bidding processes.

Sec. 71. Minnesota Statutes 1982, section 16.083, is amended by adding a subdivision to read:

Subd. 1a. [CONSULTANT, PROFESSIONAL AND TECHNICAL PROCUREMENTS.] *Every state agency shall for each fiscal year designate and set aside for awarding to small businesses with their principal place of business in Minnesota ap-*

proximately 25 percent of the value of anticipated procurements of that agency for consultant services or professional and technical services. The set-aside under this subdivision is in addition to that provided by subdivision 1, but shall otherwise comply with section 16.098 and the set-aside for businesses owned and operated by socially or economically disadvantaged persons.

Sec. 72. Minnesota Statutes 1982, section 16.083, subdivision 3, is amended to read:

Subd. 3. [DETERMINATION OF ABILITY TO PERFORM.] Before announcing a set-aside award, the commissioner shall evaluate whether the small business or *Minnesota correctional industry* scheduled to receive the award is able to perform the set-aside contract. *This shall be done in consultation with an authorized agent of the Minnesota correctional industries program.* This determination shall include consideration of production and financial capacity and technical competence.

Sec. 73. Minnesota Statutes 1982, section 16.083, subdivision 4, is amended to read:

Subd. 4. [PREFERENCE TO SMALL BUSINESSES.] At least (15) 24 percent of the value of the procurements designated for set-aside awards shall be awarded, if possible, to businesses owned and operated by socially or economically disadvantaged persons. *The commissioner shall designate set-aside procurements in a manner that will encourage proportional distribution of set-aside awards among the geographical regions of the state. To promote the geographical distribution of set-aside awards, the commissioner may designate a portion of the set-aside for small businesses owned and operated by socially or economically disadvantaged persons for award to bidders from a specified congressional district or other geographical region specified by the commissioner.* In the event small businesses owned and operated by socially or economically disadvantaged persons are unable to perform at least (15) 24 percent of the set-aside awards, the commissioner shall award the balance of the set-aside contracts to other small businesses. *At least 50 percent of the value of the procurements awarded to businesses owned and operated by socially or economically disadvantaged persons shall actually be performed by the business to whom the award is made or another business owned and operated by a socially or economically disadvantaged person or persons. The commissioner shall not designate more than 20 percent of any commodity class for set-aside to businesses owned and operated by socially or economically disadvantaged persons. A business owned and operated by socially or economically disadvantaged persons that has been awarded more than five percent of the value of the total anticipated set-aside procurements for a fiscal year under this subdivision is disqualified from receiving further set-aside awards for that fiscal year.*

Sec. 74. Minnesota Statutes 1982, section 16.083, is amended by adding a subdivision to read:

Subd. 4a. [CONTRACTS IN EXCESS OF \$200,000; SET-ASIDE.] The commissioner as a condition of awarding state procurements for construction contracts or approving contracts for consultant, professional, or technical services pursuant to section 16.098 in excess of \$200,000 shall require that at least ten percent of the contract award to a prime contractor be subcontracted to a business owned and operated by a socially or economically disadvantaged person or persons. Any subcontracting pursuant to this subdivision shall not be included in determining the total amount of set-aside awards required by subdivisions 1, 1a, and 4, or any preference program authorized by the commissioner pursuant to section 16.085. In the event small businesses owned and operated by socially and economically disadvantaged persons are unable to perform ten percent of the prime contract award, the commissioner shall require that other small businesses perform at least ten percent of the prime contract award. The commissioner may determine that small businesses owned and operated by socially and economically disadvantaged persons are unable to perform at least ten percent of the prime contract award prior to the advertising for bids. Each construction contractor bidding on a project over \$200,000 shall submit with the bid a list of the businesses owned and operated by socially or economically disadvantaged persons that are proposed to be utilized on the project with a statement indicating the portion of the total bid to be performed by each business. The commissioner shall reject any bid to which this subdivision applies that does not contain this information. Prime contractors receiving construction contract awards in excess of \$200,000 shall furnish to the commissioner the name of each business owned and operated by a socially or economically disadvantaged person or persons or other small business that is performing work on the prime contract and the dollar amount of the work performed.

Sec. 75. Minnesota Statutes 1982, section 16.083, is amended by adding a subdivision to read:

Subd. 4b. [PREFERENCE TO MINNESOTA CORRECTIONAL INDUSTRIES.] At least 15 percent of the value of procurements designated for set-aside awards shall be awarded, if possible, to Minnesota correctional industries, established and under the control of the commissioner of corrections under section 241.27, for the variety of goods and services produced by the Minnesota correctional industries, unless the commissioner of corrections acting through an authorized agent certifies that Minnesota correctional industries cannot provide them. If the correctional industries are unable to perform at least 15 percent of the set-aside awards, the commissioner shall award the balance of the set-aside contracts to small businesses.

Sec. 76. Minnesota Statutes 1982, section 16.083, subdivision 5, is amended to read:

Subd. 5. [RECOURSE TO OTHER BUSINESSES.] In the event that subdivisions 1 to (4) 4b do not operate to extend a contract award to a small business or the *Minnesota correctional industries*, the award shall be placed pursuant to the normal solicitation and award provisions set forth in this chapter. The commissioner shall thereupon designate and set aside for small businesses or the *Minnesota correctional industries* additional state procurements corresponding in approximate value to the contract unable to be awarded pursuant to subdivisions 1 to (4) 4b.

Sec. 77. Minnesota Statutes 1982, section 16.083, subdivision 6, is amended to read:

Subd. 6. [PROCUREMENT PROCEDURES.] All laws and rules pertaining to solicitations, bid evaluations, contract awards and other procurement matters shall apply as consistent to procurements set aside for small businesses or *Minnesota correctional industries*. In the event of conflict with other rules, the provisions of sections 16.081 to 16.086 and rules promulgated pursuant thereto shall govern.

Sec. 78. Minnesota Statutes 1982, section 16.084, is amended to read:

16.084 [ENCOURAGEMENT OF PARTICIPATION; ADVISORY COUNCIL.]

Subdivision 1. [COMMISSIONER OF ADMINISTRATION.] The commissioners of administration and energy, planning and development shall publicize the provisions of the set-aside program, attempt to locate small businesses able to perform set-aside procurement awards, and encourage participation. When the commissioner of administration determines that a small business is unable to perform under a set-aside contract, he shall (SO) inform the commissioner of energy, planning and development who shall assist the small business in attempting to remedy the causes of the inability to perform a set-aside award. In assisting the small business, the commissioner of energy, planning and development in cooperation with the commissioner of administration shall use (ANY) management or financial assistance programs (AS MAY BE) made available by or through the department of energy, planning and development, other state or governmental agencies, or private sources.

Subd. 2. [ADVISORY COUNCIL.] A small business procurement advisory council is created. The council consists of 13 members appointed by the governor. A chairperson of the advisory council shall be elected from among the members. The appointments are subject to the appointments program provided by section 15.0597. The terms and removal of members are as provided in section 15.059, but members do not receive per diem or expenses.

Subd. 3. [DUTIES.] The small business procurement advisory council shall:

(a) advise the commissioner of administration on matters relating to the small business procurement program;

(b) review complaints or grievances from small business vendors or contractors who are doing or attempting to do business under the program; and

(c) review the quarterly reports of the commissioners of administration and energy, planning and development provided by section 16.086 to ensure compliance with the goals of the program.

Sec. 79. Minnesota Statutes 1982, section 16.085, is amended to read:

16.085 [RULES.]

The commissioner of administration shall promulgate by rule standards and procedures for certifying that small businesses and small businesses owned and operated by socially or economically disadvantaged persons are eligible to participate under the requirements of sections 16.081 to 16.086. (THE PROCEDURE FOR DETERMINATION OF ELIGIBILITY MAY INCLUDE SELF-CERTIFICATION BY A BUSINESS, PROVIDED THAT THE COMMISSIONER RETAINS THE ABILITY TO VERIFY A SELF-CERTIFICATION.) The rules shall provide that certification as a small business owned and operated by socially or economically disadvantaged persons will be for a maximum of five years from the date of receipt of the first set-aside award, and that after the expiration of the certification period the business may not again be certified for a five-year period. The commissioner shall promulgate by rule standards and procedures for hearing appeals and grievances and other rules as may be necessary to carry out the duties set forth in sections 16.081 to 16.086. The commissioner may make rules which exclude or limit the participation of nonmanufacturing business, including third-party lessors, jobbers, manufacturers' representatives, and others from eligibility under laws 1980, Chapter 361. The commissioner may adopt rules to establish a preference program whereby businesses owned and operated by socially and economically disadvantaged persons would be allowed a five percent preference in the bid amount on selected state procurements or a preference program whereby businesses owned and operated by socially and economically disadvantaged persons would be awarded any state procurement if the business could meet the low bid amount for that procurement. Each of the preference programs is applicable to no more than 1.5 percent of the value of anticipated total state procurements of goods and services, including construction. Each pref-

erence program established by the commissioner expires on June 30, 1986, and the commissioner shall report to the legislature on the progress of the program by January 1, 1986.

Sec. 80. Minnesota Statutes 1982, section 16.086, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER OF ADMINISTRATION.] The commissioner of administration shall submit an annual report pursuant to section 3.195 to the governor and the legislature with a copy to the commissioner of energy, planning and development indicating the progress being made toward the objectives and goals of sections 16.081 to 16.086 during the preceding fiscal year. (THIS REPORT) *The commissioner shall also submit a quarterly report to the small business procurement advisory council. These reports shall include the following information:*

(a) the total dollar value and number of potential set-aside awards identified during this period and the percentage of total state procurement this figure reflects;

(b) the number of small businesses identified by and responding to the set-aside program, the total dollar value and number of set-aside contracts actually awarded to small businesses with appropriate designation as to the total number and value of set-aside contracts awarded to each small business, and the total number of small businesses that were awarded set-aside contracts; *the information required by this clause shall be presented on a statewide basis, and shall also be broken down by geographic regions within the state;*

(c) the total dollar value and number of set-aside contracts awarded to small businesses owned and operated by economically or socially disadvantaged persons with appropriate designation as to the total number and value of set-aside contracts awarded to each small business and to each category of economically or socially disadvantaged persons as defined by section 645.445 and agency rules, and the percentages of the total state procurements the figures of total dollar value and the number of set-asides reflect; *the information required by this clause shall be presented on a statewide basis, and shall also be broken down by geographic regions within the state;*

(d) the number of contracts which were designated and set-aside pursuant to section 16.083 but which were not awarded to a small business, the estimated total dollar value of these awards, the lowest offer or bid on each of these awards made by the small business and the price at which these contracts were awarded pursuant to the normal procurement procedures.

Sec. 81. Minnesota Statutes 1982, section 16.098, subdivision 4, is amended to read:

Subd. 4. [PROCEDURE FOR CONSULTANT AND PROFESSIONAL AND TECHNICAL SERVICES CONTRACTS.] Before approving a proposed state contract for consultant services or professional and technical services the commissioner shall have at least determined that:

(1) all provisions of *section 16.083, subdivisions 1a and 4a, and subdivisions 2 and 3 of this section* have been verified or complied with;

(2) the work to be performed under the contract is necessary to the agency's achievement of its statutory responsibilities, and that there is statutory authority to enter into the contract;

(3) the contract will not establish an employer/employee relationship between the state or the agency and any persons performing under the contract;

(4) no current state employees will engage in the performance of the contract;

(5) no state agency has previously performed or contracted for the performance of tasks which would be substantially duplicated under the proposed contract;

(6) the contracting agency has specified a satisfactory method of evaluating and utilizing the results of the work to be performed.

Sec. 82. Minnesota Statutes 1982, section 16.28, is amended to read:

16.28 [PURCHASES.]

Subdivision 1. [GENERAL.] The commissioner of administration, subject to the approval of the governor, may make rules (, REGULATIONS,) and orders regulating and governing the manner and method of purchasing, delivering, and handling of, and the contracting for supplies, equipment, and other property for the various officials, departments, and agencies of the state government and institutions under their control. (SUCH) *These* rules (, REGULATIONS,) and orders shall be uniform, so far as practicable, shall be of general or limited application, and shall include provisions for the following:

(1) the advertisement for and the receipt of bids for supplies and other property and the stimulation of competition with regard thereto;

(2) the purchase of supplies and other property without advertisement or the receipt of bids, where the amount involved

will not exceed \$500, when in the judgment of the commissioner it is expedient;

(3) the purchase of supplies and other property without competition in cases of emergency requiring immediate action;

(4) the purchase of certain supplies, equipment, and other property by long or short term contracts, or by purchases of contracts made at certain seasons of the year, or by blanket contracts or orders covering the requirements of one or more departments, offices, and commissions;

(5) the time for submitting estimates for various supplies, equipment, and other property;

(6) regulation to secure the prompt delivery of commissary or other necessary supplies;

(7) standardization of forms for estimates, orders, and contracts;

(8) standardization of specifications for purchasing supplies, equipment, and other property;

(9) standardization of quality, grades, and brands to eliminate unnecessary number of commodities or of grades or brands of the same commodity;

(10) the purchase of supplies and other property locally upon permission, specific or otherwise, of the commissioner;

(11) the use and disposal of the products of state institutions;

(12) the disposal of obsolete, excess, and unsuitable supplies, salvage, waste materials, and other property, and (THE) *their* transfer (OF SAME) to other departments, offices, and commissions;

(13) the storage of surplus supplies, equipment, and other property not needed for immediate use;

(14) the testing of commodities or supplies or samples thereof;

(15) hearings on complaints in respect to the quality, grade, or brand of commodities or supplies;

(16) the waiver of rules in special cases; *and*

(17) *the purchase of supplies, equipment, and other property by state agency heads and institutions under their control*

without prior approval of the commissioner of administration when the amount involved does not exceed \$100.

The commissioner shall have immediate supervision of all purchases and contracts made, and shall carry out and enforce such rules (, REGULATIONS,) and orders relative thereto as he may adopt.

Subd. 2. [PURCHASES OVER \$100.] Purchases may also be made under subdivision 1, clause (17) when the amount involved exceeds \$100 if:

(1) the purchases are made in accordance with rules adopted pursuant to section 16.085;

(2) the agency making the purchases has adopted a plan to make ten percent of the purchases on an annual basis from businesses owned and operated by socially and economically disadvantaged persons and to make purchases from vendors throughout the state for any agency that has offices located statewide, and to make purchases from local vendors by agency offices;

(3) the amount involved does not exceed \$1,000 from July 1, 1983 to June 30, 1984, and \$1,500 on and after July 1, 1984; and

(4) the purchases are made after solicitation of at least three price quotations, whenever possible, which may be oral quotations, but of which the agency must keep a written record.

Sec. 83. Minnesota Statutes 1982, section 16.32, subdivision 2, is amended to read:

Subd. 2. Notwithstanding any provision in this section to the contrary, the commissioner may after consultation with the (LEGISLATIVE BUILDING COMMISSION) *chairmen of the senate finance committee and house of representatives appropriations committee*, adopt a plan, provide for an improvement, or construct a building that contemplates expenditure for its completion of more money than the appropriation therefor, if the excess money is provided by the United States government and granted to the state of Minnesota under federal law or any rule or regulation promulgated thereunder. Such federal money, for the purpose of this section, shall be deemed a part of the appropriation for the project.

Sec. 84. Minnesota Statutes 1982, section 16.75, is amended by adding a subdivision to read:

Subd. 9. [TRANSFER SERVICES.] The central motor pool revolving account may be used to provide material transfer services to departments and agencies of state government.

Sec. 85. Minnesota Statutes 1982, section 16.82, subdivision 1, is amended to read:

Subdivision 1. The commissioner of administration, upon request of the head of a state agency or department having control of a state owned building which is no longer used and which is a fire or safety hazard, shall, after obtaining approval of the (LEGISLATIVE BUILDING COMMISSION) *chairmen of the senate finance committee and house of representatives appropriations committee*, sell, wreck, or otherwise dispose of such building.

Sec. 86. Minnesota Statutes 1982, section 16.866, subdivision 1, is amended to read:

Subdivision 1. [COMPUTATION.] For the purpose of defraying the costs of administering the provisions of sections 16.83 to 16.867, there is (HEREBY) imposed a surcharge on all permits issued by municipalities in connection with the construction of or addition or alteration to, buildings and equipment or appurtenances, on and after July 1, 1971, as follows:

Where the fee for the permit issued is fixed in amount the surcharge (SHALL BE) is equivalent to 1/2 mill (.0005) of (SUCH) the fee or 50 cents, whichever amount is greater. For all other permits, the surcharge (SHALL BE) is as follows: (a) where the valuation of the structure, addition, or alteration is \$1,000,000 or less, the surcharge is equivalent to 1/2 mill (.0005) of the valuation of the structure, addition or alteration (PROVIDED HOWEVER, THAT); (b) where the valuation (OF THE STRUCTURE, ADDITION, OR ALTERATION) is (EQUAL TO OR) greater than \$1,000,000 (BUT LESS THAN \$10,000,000), the surcharge (SHALL BE \$1,000,) is \$500 plus two-fifths mill (.0004) of the value between \$1,000,000 and \$2,000,000; (c) where (SAID) the valuation is (EQUAL TO OR) greater than (\$10,000,000 BUT LESS THAN \$20,000,000) \$2,000,000 the surcharge (SHALL BE \$1,500 AND) is \$900 plus three-tenths mill (.0003) of the value between \$2,000,000 and \$3,000,000; (d) where (SAID) the valuation is (EQUAL TO OR) greater than (\$20,000,000) \$3,000,000 the surcharge (SHALL BE \$2,000) is \$1,200 plus one-fifth mill (.0002) of the value between \$3,000,000 and \$4,000,000; (e) where the valuation is greater than \$4,000,000 the surcharge is \$1,400 plus one-tenth mill (.0001) of the value between \$4,000,000 and \$5,000,000; and (f) where the valuation exceeds \$5,000,000 the surcharge is \$1,500 plus one-twentieth mill (.00005) of the value which exceeds \$5,000,000.

By September 1 of each odd numbered year beginning in 1979, the commissioner shall rebate to municipalities any money received pursuant to this section and section 16.851 in the previous biennium in excess of the cost to the building code division in that biennium of carrying out their duties under sections 16.83 to

16.867. The rebate to each municipality shall be in proportion to the amount of the surcharges collected by that municipality and remitted to the state. The amount necessary to meet the commissioner's rebate obligations under this subdivision is appropriated to the commissioner from the general fund.

Sec. 87. Minnesota Statutes 1982, section 16.872, subdivision 4, be amended to read:

Subd. 4. The powers and duties of the council are:

(1) To develop an overall restoration plan for the state ceremonial building and surrounding grounds;

(2) To approve alterations in the existing structure as the council deems appropriate; (AND)

(3) Notwithstanding the gift acceptance procedures of sections 7.09 to 7.12, to solicit contributions for and maintain and improve the quality of furnishings for the public areas of the building by accepting gifts of, or acquiring with donated money, furnishings, objects of art, and other items that the council determines may have historical value in keeping with the period and purpose of the building; and

(4) *Notwithstanding sections 7.09 to 7.12, to solicit contributions for the renovation of and making capital improvements to the state ceremonial building.*

Gifts for the benefit of the state ceremonial building and surrounding grounds are not accepted by the state unless accepted by the council. The council shall maintain a complete inventory of all gifts and articles received.

Sec. 88. Minnesota Statutes 1982, section 16A.125, subdivision 5, is amended to read:

Subd. 5. The term "state forest trust fund lands" as used in this subdivision, means any state school lands or other public lands subject to trust provisions under the state constitution and heretofore or hereafter set apart as (STATE) forest lands (AS PROVIDED BY LAW) *under the authority of the commissioner as defined by section 89.001, subdivision 13.*

The commissioner of finance and the state treasurer shall keep a separate account of all receipts from the sale of timber or other revenue from such state forest trust fund lands, to be known as the state forest suspense account, specifying the trust funds interested in such lands and the receipts therefrom, respectively.

As soon as practicable after the close of each fiscal quarter, upon information which shall be supplied by the commissioner

of natural resources, the commissioner of finance shall determine and certify the total costs incurred by the state during that quarter under appropriations made for the protection, improvement, administration, and management of state forest trust fund lands for forestry purposes as authorized by law, specifying the trust funds interested in such lands.

As soon as practicable after the end of each fiscal year, the commissioner of finance and the state treasurer shall distribute the receipts credited to the state forest suspense account during that fiscal year as follows:

(1) The total costs incurred by the state for forest management purposes during the fiscal year as certified in this subdivision shall be transferred to the state forest development account, except that if the total costs exceed \$500,000, the costs in excess of \$500,000 shall be transferred to the forest management fund established under section 89.04.

(2) The balance of said receipts shall be transferred to the state trust funds concerned in accordance with their respective interests in the lands from which the receipts were derived.

All moneys accruing and credited to the state forest development account are appropriated to the division of forestry in the department of natural resources, subject to the supervision and control of the commissioner of natural resources, for the purpose of implementing the state forest resource management policy and plan on state forest trust fund lands, to remain available until expended.

All appropriations under this subdivision shall be expended subject to the provisions of law. No appropriation shall become available for expenditure until any estimates required by law are approved by the commissioner of finance. No obligation involving expenditure of money shall be entered into unless there is a balance in the appropriation available not otherwise encumbered to pay obligations previously incurred.

Sec. 89. Minnesota Statutes 1982, section 16A.127, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in this section the following terms shall have the meanings given them:

(a) "State agency" means a state department, board, council, committee, authority, commission or other entity in the executive branch of state government;

(b) "Nongeneral fund moneys" means any moneys any state agency is authorized to receive and expend from a source other than the general fund;

(c) "Statewide indirect costs" means all operating costs incurred by the state treasurer and (THE) all departments (OF ADMINISTRATION, FINANCE AND PERSONNEL) and agencies which are attributable to the provision of services to any other state agency; *except as prohibited by federal law, "statewide indirect costs" include all operating costs incurred by the legislative and judicial branches of state government;*

(d) "Commissioner" means the commissioner of finance.

Sec. 90. Minnesota Statutes 1982, section 16A.127, subdivision 7, is amended to read:

Subd. 7. [LEGISLATIVE AUDITOR.] Unless otherwise specified by law, a state agency whose financial affairs are audited by the legislative auditor, *and whose funds are not administered by the state treasurer,* shall transfer to the general fund that portion of the cost of the audit applicable to the monies received by the agency from sources other than the general fund. The collection by the legislative auditor of the cost of an audit may be waived in whole or in part by the legislative audit commission upon recommendation by the legislative auditor.

Sec. 91. Minnesota Statutes 1982, section 16A.128, is amended to read:

16A.128. [FEE ADJUSTMENTS.]

Subdivision 1. [APPROVAL REQUIRED; AMOUNTS.] The fees fixed for the various accounts for which appropriations are made by law (, SHALL BE NEITHER) may not be increased (NOR) or decreased except with the approval of the commissioner of finance. If the fee or fee adjustment is required by law to be fixed by rule, the approval by the commissioner must be included in the statement of need and reasonableness. All these fees (SHALL) must be reviewed at least once each six months, and, except in special fee situations as determined by the commissioner, adjustments (SHALL) must be made to the end that the total fees received (SHALL) must approximate the amount appropriated for the several accounts, plus the portion of the general support costs and statewide indirect costs of the agency that is attributable to the function for which the fee is charged.

Subd. 2. [PROCEDURE.] Fees that are based on actual direct costs of a service, are one-time in nature, are not significant in terms of revenue as in the case of minor copying fees, are only billed within or between state agencies, or are specifically exempted by law from approval by the commissioner of finance, need not be set by rule unless specifically required by law. All other fees not set by law must be set by rule. Fee adjustments authorized under this section may be made pursuant to the procedure for noncontroversial rules in sections 14.21 to 14.28, but

without a public hearing, *which the notice of intention to adopt the rules must state*, when the total fees estimated to be received during the fiscal biennium will not exceed the sum of all direct appropriations, indirect costs, transfers in, and salary supplements for that purpose for the biennium. *This exemption from the public hearing requirements of the Administrative Procedure Act does not apply to adjustments of fees expended pursuant to open appropriations of dedicated receipts.*

Sec. 92. Minnesota Statutes 1982, section 16A.36, is amended to read:

16A.36 [GRANTS FROM UNITED STATES, USE.]

All funds received by the state from the government of the United States as grants in aid for the financing of aid to dependent children, or for maternal and child health services, or for the care of crippled children, or for the care of neglected children and child welfare generally, or for vocational rehabilitation, or for the extension of public health services, or for any other public assistance or public welfare purpose shall be used solely for the purpose for which the grant was made. Any interest or income arising from the funds so granted shall be (ACCREDITED) *credited* by the state treasurer to the particular account for which the grant was made and used solely for the purpose of that grant, or repaid to the United States Treasury (AS) *if* the proper authorities or the government of the United States (MAY) so require, *or otherwise shall be credited to the general fund.*

Sec. 93. Minnesota Statutes 1982, section 16A.50, is amended to read:

16A.50 [REPORT TO LEGISLATURE.]

On or before (NOVEMBER 15) *December 31* of each year the commissioner of finance shall prepare and submit to the legislature and make available to the public a financial report covering the operations of all state funds during the preceding fiscal year. The report shall contain financial statements and disclosures which present the state's financial position and the fiscal results of state operations. This report shall be in conformity with generally-accepted accounting principles.

Sec. 94. Minnesota Statutes 1982, section 16A.64, subdivision 2, is amended to read:

Subd. 2. The bonds shall be issued and sold upon sealed bids upon such notice, at such times, in such form and denominations, bearing interest at such rate or rates, maturing on such dates, either without option of prior payment or subject to prepayment upon such notice and at such times and prices, payable at such bank or banks, within or without the state, with such provisions for registration, conversion, and exchange and for the issuance

of notes in anticipation of the sale and delivery of definitive bonds, and in accordance with such further (REGULATIONS) *provisions*, as the commissioner of finance shall determine, subject to the approval of the attorney general (but not subject to the provisions of sections 14.02, 14.04 to 14.36, 14.38, 14.44 to 14.45, and 14.57 to 14.62). Each bond shall mature within 20 years from its date of issue (, **SHALL BE SOLD AT NOT LESS THAN PAR PLUS ACCRUED INTEREST,**) and shall be executed by the commissioner of finance and attested by the state treasurer under their official seals. The (**SIGNATURE OF ONE**) *signatures* of these officers on the face of any bond *and on the interest coupons appurtenant to it*, and their seals, (**AND THE SIGNATURE OF BOTH OFFICERS ON THE INTEREST COUPONS APPURTENANT TO ANY BOND,**) may be printed, lithographed, stamped, (**OR**) engraved, *or otherwise reproduced thereon. Each bond shall be authenticated by the manual signature on its face of one of the officers or a person authorized to sign on behalf of a bank or trust company designated by the commissioner to act as registrar or other authenticating agent.*

Sec. 95. Minnesota Statutes 1982, section 16A.64, subdivision 4, is amended to read:

Subd. 4. All expenses incidental to the sale, printing, execution, and delivery of bonds pursuant to this section, including, but not limited to, actual and necessary travel and subsistence expenses of state officers and employees for such purposes, shall be paid from the Minnesota state building fund, and the amounts necessary therefor are appropriated from said fund (; **PROVIDED THAT IF ANY AMOUNT IS SPECIFICALLY APPROPRIATED FOR THIS PURPOSE IN AN ACT AUTHORIZING THE ISSUANCE OF BONDS PURSUANT TO THIS SECTION, SUCH EXPENSES SHALL BE FIRST PAID TO THE EXTENT POSSIBLE FROM THE AMOUNT SO APPROPRIATED**).

Sec. 96. Minnesota Statutes 1982, section 16A.66, subdivision 1, is amended to read:

Subdivision 1. For the purpose of refunding state bonds of any series heretofore or hereafter authorized, *including interest on them*, the commissioner of finance may with approval by resolution of the executive council issue bonds of the state of Minnesota (**IN A MAXIMUM AMOUNT EQUAL TO THE OUTSTANDING PRINCIPAL AMOUNT OF THE BONDS TO BE REFUNDED,**) in the manner and upon the terms and conditions prescribed in this section and in the Constitution, Article XI, Section 7. For the prompt and full payment of all such refunding bonds and the interest thereon the full faith and credit and taxing powers of the state are irrevocably pledged. The proceeds of such bonds shall be credited to the state bond fund created by the Constitution, and within that fund to such sepa-

rate bookkeeping account as shall have been created for the payment of the bonds to be refunded and the interest thereon, *and shall be credited only against the tax otherwise required by the Constitution to be levied with respect to the refunded bonds.*

Sec. 97. Minnesota Statutes 1982, section 16A.66, subdivision 2, is amended to read:

Subd. 2. Unless otherwise expressly provided in the law authorizing the issuance of any series of bonds, such authorization shall include authorization to the commissioner to issue refunding bonds (IN A MAXIMUM PRINCIPAL AMOUNT EQUAL TO THE PRINCIPAL AMOUNT THEREOF OUTSTANDING AT ANY TIME,) for the purpose of refunding the same in the manner and upon the terms and conditions prescribed in this section. Any act directing the issuance of bonds for any purpose shall, together with this section, constitute complete authority for the issuance of bonds to refund the same, and such refunding bonds shall not be subject to the restrictions or limitations contained in any other law.

Sec. 98. Minnesota Statutes 1982, section 16A.66, subdivision 3, is amended to read:

Subd. 3. Such refunding bonds shall be issued and sold upon sealed bids, or may be sold directly to the state board of investment without bids, or may be exchanged for bonds refunded by agreement with the holders thereof, and shall be prepared, executed, and delivered, and when issued shall be secured, in the same manner in all respects as provided by law and the Constitution for the bonds refunded thereby. The proceeds of the bonds may be deposited, invested, and applied to accomplish the refunding in the manner and upon the conditions provided in section 475.67, subdivisions 5 to (11) 10. The interest rate on refunding bonds may exceed that on the bonds refunded when in the judgment of the commissioner and council refunding is nevertheless necessary or desirable for the purpose of extending the maturities and reducing the annual *amount of the property tax* or other funds needed to pay and secure the bonds and interest (*IN LIEU OF THE REVENUES PRIMARILY APPROPRIATED FOR THEIR PAYMENT*).

Sec. 99. [16A.672] [BONDS AND CERTIFICATES OF INDEBTEDNESS.]

Subdivision 1. [GENERAL.] Notwithstanding any contrary provision of other law, the commissioner of finance and the state treasurer shall have the powers specified in this section with respect to the issuance, form, execution, delivery, registration of transfer and exchange, and payment of bonds and certificates of indebtedness heretofore or hereafter authorized to be issued or issued by the state.

Subd. 2. [FORM OF OBLIGATIONS.] The bonds or certificates of indebtedness may be issued in bearer form with interest coupons attached, with or without provision for registration as to principal only, or in fully registered form, in one or more denominations, and with provisions for conversion of form, exchange of denominations, and transfer of ownership as prescribed by the commissioner of finance. All bonds and certificates of indebtedness, when issued according to orders of the commissioner of finance, shall be securities within the meaning of sections 336.8-101 to 336.8-408, and the commissioner of finance and the state treasurer may do on behalf of the state all acts and things which are permitted or required of issuers of securities under sections 336.8-101 to 336.8-408 and are consistent with the orders. The bonds or certificates of indebtedness may be printed, lithographed, or otherwise reproduced in the style and form the commissioner prescribes, but the form shall state in a general way the purpose for which they are issued and the security provided for their payment.

Subd. 3. [EXECUTION OF OBLIGATIONS.] The bonds and certificates of indebtedness shall be executed by the commissioner of finance and attested by the state treasurer under their official seals. Facsimile signatures and seals of either or both of these officers may, as the commissioner of finance deems appropriate, be printed, lithographed, stamped, engraved, or otherwise reproduced. Every bond and certificate issued, whether initially or upon transfer, exchange, or replacement, shall be manually signed on its face by one of these officers, or by a duly authorized representative of a bank or trust company designated by order of the commissioner of finance, whether at or after the time of initial issue, as registrar or otherwise as agent of the state to authenticate it.

Subd. 4. [DELIVERY OF OBLIGATIONS.] The commissioner of finance may appoint a bank or trust company within or outside the state to act as delivery agent on behalf of the state, and to deliver the bonds or certificates of indebtedness to the initial purchaser upon payment therefor.

Subd. 5. [REGISTRAR.] The commissioner of finance, in the order for the issuance of any bonds or certificates of indebtedness, may designate a corporate registrar to perform on behalf of the state the duties of a registrar as set forth in sections 336.8-101 to 336.8-408, including but not limited to authentication and delivery upon initial issuance and upon registration of transfer, exchange, or conversion into another form. Any registrar shall be an incorporated bank or trust company, within or outside the state, authorized by the laws of the United States or of the state in which it is located to perform these duties.

Subd. 6. [PAYMENT OF OBLIGATIONS.] The order authorizing the issuance of any bonds or certificates of indebted-

ness may provide for the payment of principal and interest in the manner and by the means the commissioner deems necessary to ensure full and prompt payment when due, and may provide for the payment at the office of a bank or trust company within or outside the state. In the case of fully registered bonds or certificates of indebtedness, the order may provide that the interest coming due on any interest payment date shall be payable to the person or entity who is the registered owner on the bond or certificate register on a specified date preceding the interest payment date, by check, draft, or other transfer to the order of the registered owner.

Subd. 7. [AGREEMENTS.] The commissioner of finance may enter into agreements containing terms which are necessary or desirable to carry out the authority given him in this section, pursuant to applicable orders of the commissioner. The agreements may provide for the payment of compensation for services to be performed and expenses to be incurred on behalf of the state, and may provide for their payment from the proceeds of the bonds or certificates of indebtedness, or from other money appropriated to the commissioner of finance, or from charges to be imposed on the holders of bonds or certificates of indebtedness, or from a combination of these sources. As much of the proceeds of the bonds or certificates as necessary is appropriated for this purpose.

Subd. 8. [APPROPRIATION.] There is appropriated annually to the commissioner of finance from the general fund in the state treasury an amount of money sufficient to pay when due all compensation and expenses due to registrars, delivery agents, and paying agents for state bonds and certificates of indebtedness under the terms of agreements entered into according to subdivision 7.

Subd. 9. [APPROVAL BY ATTORNEY GENERAL.] No agreement described in subdivision 7 shall become effective until it has been approved as to form and execution by the state attorney general or his designee.

Subd. 10. [REGISTRATION DATA PRIVATE.] All information contained in any register maintained by the state treasurer or a corporate registrar with respect to the ownership of state bonds or certificates of indebtedness constitutes nonpublic data as defined in section 13.02, subdivision 9, or private data on individuals as defined in section 13.02, subdivision 12. The information is not public and is accessible only to the individual, corporation, or other entity which is the subject of it, except as disclosure (a) is necessary for the performance of the duties of the registrar, the state commissioner of finance, the state treasurer, or the state legislative auditor, or (b) is requested by an authorized representative of the state commissioner of revenue or attorney general or of the commissioner of internal revenue of the United States for the purpose of ascertaining the applica-

tion of any estate, inheritance, or other tax, or (c) is required under section 13.03, subdivision 4.

Sec. 100. Minnesota Statutes 1982, section 43A.05, subdivision 5, is amended to read:

Subd. 5. [COMPARABILITY ADJUSTMENTS.] The commissioner shall compile, subject to availability of funds and personnel, and submit to the legislative commission on employee relations by January 1 of each odd-numbered year a list showing, by bargaining unit, and by plan for executive branch employees covered by a plan established pursuant to section 43A.18, those female-dominated classes and those male-dominated classes in state civil service for which a compensation in equity exists based on comparability of the value of the work. The commissioner shall also submit to the legislative commission on employee relations, along with the list, an estimate of the appropriation necessary for providing comparability adjustments for classes on the list. The commission shall review and approve, disapprove, or modify, the list and proposed appropriation. The commission's action shall be submitted to the full legislature in the same manner as provided in section 3.855 and section 43A.18 or section 179.74, subdivision 5, provided that the full legislature may approve, reject, or modify the commission's action. The commission shall show the distribution of the proposed appropriation among the bargaining units and among the plans established under 43A.18. Each bargaining unit and each plan shall be allocated that proportion of the total proposed appropriation which equals the (NUMBER) *cost of providing adjustments for the positions in the unit or plan approved by the commission for comparability adjustments* divided by the total (NUMBER) *cost of providing adjustments for all positions on the list approved by the commission for comparability adjustments*. Distribution of any appropriated funds within each bargaining unit or plan shall be determined by collective bargaining agreements or by plans.

Sec. 101. Minnesota Statutes 1982, section 43A.23, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] The commissioner is authorized to request bids from carriers or to negotiate with carriers and to enter into contracts with carriers which in the judgment of the commissioner are best qualified to underwrite and service the benefit plans. *Contracts to underwrite the benefit plans shall be bid or negotiated separately from contracts to service the benefit plans, which shall be awarded only on the basis of competitive bids.* The commissioner shall consider the cost of the plans, conversion options relating to the contracts, service capabilities, character, financial position, and reputation of the carriers and any other factors which the commissioner deems appropriate. Each benefit contract shall be for a uniform term of at least one year, but may be made automatically renewable from term to term in the absence of notice of termination by either

party. The commissioner shall, to the extent feasible, make hospital and medical benefits available from at least one carrier licensed to do business pursuant to each of chapters 62A, 62C and 62D. The commissioner need not provide health maintenance organization services to an employee who resides in an area which is not served by a licensed health maintenance organization. The commissioner may refuse to allow a health maintenance organization to continue as a carrier if it was selected by less than 200 employees in the preceding benefit year. The commissioner may elect not to offer all three types of carriers if there are no bids or no acceptable bids by that type of carrier or if the offering of additional carriers would result in substantial additional administrative cost. Any carrier licensed pursuant to chapter 62A shall be exempt from the tax imposed by section 60A.15 on premiums paid to it by the state.

Sec. 102. Minnesota Statutes 1982, section 85A.01, subdivision 2, is amended to read:

Subd. 2. The board shall annually elect a chairman from among its members and such other officers as it may deem necessary for the performance of its duties. It shall appoint a director to serve at its pleasure who is in the unclassified service of the state and who shall be chosen solely on the basis of his training, experience and other qualifications (IN) *appropriate to the field of zoo management*. The director shall act as executive secretary and appoint administrative officers and employees of the board with the approval of the board. With the approval of the board, he shall exercise the powers and duties set forth in section 85A.03.

Sec. 103. Minnesota Statutes 1982, section 85A.04, subdivision 3, is amended to read:

Subd. 3. [ZOO GIFT STORE ACCOUNT.] A working capital account is established for the gift store of the Minnesota zoological garden. All receipts from the gift store operation shall be deposited in the state treasury and credited to the account and are appropriated for the purposes of the gift store. Gift store expenses, including inventory, personnel costs, space rental, and overhead, shall be paid from the account. The unencumbered balance in the account on June 30 of each year in excess of the value of the inventory of the gift store on June 30, 1981 shall be (TRANSFERRED TO THE GENERAL FUND) *calculated and disbursed as follows: for the periods ending June 30, 1982, and June 30, 1983, the entire amount shall be transferred to the general fund; for the year ending June 30, 1984, and each year thereafter, the amount attributable to the period July 1, 1982, to June 30, 1983, shall be transferred to the general fund and the remainder shall be retained by the zoological garden. Any amount so retained shall be dedicated to capital improvements at the zoological garden and are appropriated for that purpose.* If improvements or expansions are planned for

the gift store operation to be paid with gift store receipts, the plan must be first approved by the governor after receiving the recommendation of the legislative advisory commission.

Sec. 104. Minnesota Statutes 1982, section 85A.04, is amended by adding a subdivision to read:

Subd. 4. [ZOO RIDE ACCOUNT.] All receipts from the operation of the zoo ride shall be deposited in a special account in the state treasury. All receipts from the zoo ride are appropriated to the board for the purposes of the zoo ride. These receipts are the only money appropriated for zoo ride operating expenses or debt service.

Sec. 105. Minnesota Statutes 1982, section 98.47, is amended by adding a subdivision to read:

Subd. 18. A license to take deer shall be issued without charge to any resident of Minnesota who is a veteran as defined in section 197.447, with a 100 percent service connected disability as defined by the United States veterans administration, and who furnishes satisfactory evidence of his disability to the county auditor or a subagent of the county auditor, acting under the provisions of section 98.50. This license must be issued in accordance with any rules the commissioner may prescribe.

Sec. 106. Minnesota Statutes 1982, section 98.48, subdivision 9, is amended to read:

Subd. 9. (a) The commissioner may issue special permits, with fee, to gather or harvest any aquatic plants, or plant parts, other than wild rice from public waters of the state, to transplant any aquatic plants into other public waters, or to destroy any harmful or undesirable aquatic vegetation or organisms in public waters by such means and under such conditions as he may prescribe for protection of such waters and desirable species of fish, vegetation, and other forms of aquatic life therein and for the protection of the public.

(b) Each application for a permit shall be accompanied by a permit fee when required by a fee schedule established by the commissioner pursuant to rules and regulations adopted after public hearing and published in the manner provided by section 97.53. The schedule may provide exemptions from fees, maximum fees not to exceed (\$50) \$100 per permit based upon the cost of receiving, processing, analyzing and issuing the permit and additional costs which may be imposed subsequent to the application for inspecting and monitoring the activities authorized by the permit. No fee may be imposed on any state or federal governmental agency applying for a permit. All money received pursuant to this subdivision shall be deposited in the game and fish fund.

(c) The commissioner shall promulgate, by January 1, 1975, after public hearing and shall publish in the manner provided by section 97.53, rules and regulations containing standards and criteria governing the issuance and denial of permits for activities affecting aquatic plants including, but not limited to, provisions to insure that aquatic plant control is consistent with shoreland conservation ordinances, lake management plans and programs, wild and scenic river plans, penalties for failure to comply with permit regulations and enforcement procedures.

Sec. 107. Minnesota Statutes 1982, section 105.405, subdivision 2, is amended to read:

Subd. 2. No permit authorized by sections 105.37 to 105.55 nor any plan for which the commissioner's approval is required or permitted, involving a diversion of any waters of the state, surface or underground, to a place outside of this state shall be granted or approved until after a determination by the commissioner that the water remaining in this state will be adequate to meet the state's water resources needs during the specified life of the diversion project *and after approval by the legislature.*

Sec. 108. Minnesota Statutes 1982, section 105.41, subdivision 5, is amended to read:

Subd. 5. Records of the amount of water appropriated or used shall be recorded for each such installation and such readings and the total amount of water appropriated shall be reported annually to the commissioner of natural resources on or before February 15 of the following year upon forms to be supplied by the commissioner.

(FOR THE PURPOSE OF IMPROVING THE STATE'S WATER USE DATA COLLECTION AND DISSEMINATION SYSTEM, THERE IS ESTABLISHED) *The records shall be submitted with an annual water appropriation processing fee (OF \$5) in the amount established in accordance with the following schedule of fees for each water appropriation permit in force at any time during the year: (a) irrigation permits, \$10 for each permitted 40 acres or portion thereof; (b) for nonirrigation permits, \$5 for each ten million gallons or portion thereof permitted each year, but not to exceed a total fee of \$250 per permit. The fee is payable regardless of the amount of water appropriated during the year. (THE FEE SHALL BE PAID AT THE TIME OF MAKING THE ANNUAL REPORT REQUIRED BY THIS SECTION.)* Failure to pay the fee is sufficient cause for revoking a permit. No fee may be imposed on any state agency, as defined in section 16.011, or federal governmental agency holding a water appropriation permit.

Sec. 109. Minnesota Statutes 1982, section 105.44, subdivision 10, is amended to read:

Subd. 10. [PERMIT FEES.] Each application for a permit authorized by sections 105.37 to 105.64, shall be accompanied by a permit application fee in the amount of (\$15) \$30 to defray the costs of receiving, recording, and processing the application. The commissioner may charge an additional permit application fee in excess of the fee specified above, in accordance with a schedule of fees adopted by rules promulgated in the manner provided by (CHAPTER 14) *section 16A.128*, which fee schedule shall be based upon the project's costs and the complexity of the permit applied for.

For projects requiring a mandatory environmental assessment pursuant to chapter 116D the commissioner may charge an additional field inspection fee of not less than \$25 for each permit applied for under sections 105.37 to 105.64. The commissioner shall establish pursuant to rules adopted in the manner provided by (CHAPTER 14) *section 16A.128*, a schedule for field inspection fees which shall include actual costs related to field inspection such as investigations of the area affected by the proposed activity, analysis of the proposed activity, consultant services, and subsequent monitoring, if any, of the activity authorized by the permit.

Except as provided below, the commissioner may not issue a permit until all fees required by this section relating to the issuance of a permit have been paid. The time limits prescribed by subdivision 4, do not apply to an application for which the appropriate fee has not been paid. Field inspection fees relating to monitoring of an activity authorized by a permit may be charged and collected as necessary at any time after the issuance of the permit. No permit application or field inspection fee may be refunded for any reason, even if the application is denied or withdrawn. No permit application or field inspection fee may be imposed on any state agency, as defined in section 16.011, or federal governmental agency applying for a permit.

Sec. 110. Minnesota Statutes 1982, section 115A.58, subdivision 2, is amended to read:

Subd. 2. [ISSUANCE OF BONDS.] Upon request by the board and upon authorization as provided in subdivision 1, the commissioner of finance shall sell Minnesota state waste management bonds. The bonds shall be in the aggregate amount requested, and sold upon sealed bids upon the notice, at the price in the form and denominations, bearing interest at the rate or rates, maturing in the amounts and on the dates (*with or without* option of prepayment (OR SUBJECT TO PREPAYMENT) upon (THE) notice and at (THE) *specified* times and prices), payable at (THE) a bank or banks within or outside the state (*with provisions, if any, for registration, conversion, and exchange and for the issuance of temporary bonds or notes in anticipation of the sale or delivery of definitive bonds*), and in accordance with (ANY) further provisions as the commissioner

of finance shall determine (. THE SALE IS), subject to the approval of the attorney general, but not subject to the provisions of sections 14.02, 14.04 to 14.36, 14.38, 14.44 to 14.45, and 14.57 to 14.62. The bonds shall be executed by the commissioner of finance and attested by the state treasurer under their official seals. The signatures of the officers on the bonds and any interest coupons and their seals may be printed, lithographed, engraved, (OR) stamped, *or otherwise reproduced* thereon, except that each bond shall be authenticated by the manual signature on its face of one of the officers or of an (OFFICER) *authorized representative* of a bank designated by (THEM) *the commissioner of finance as registrar or other authenticating agent*. The commissioner of finance shall ascertain and certify to the purchasers of the bonds the performance and existence of all acts, conditions, and things necessary to make them valid and binding general obligations of the state of Minnesota, subject to the approval of the attorney general.

Sec. 111. Minnesota Statutes 1982, section 116.03, subdivision 3, is amended to read:

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

The provisions of section 3.3005 shall not apply to (EMERGENCY RESPONSE) moneys available (WITHOUT REQUIREMENT OF A STATE MATCH) under the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Sections 9601 to 9657, *for which a state match is not required or for which a state match is available under the Environmental Response and Liability Act or from a political subdivision*. The receipt of the moneys shall be reported to the legislative advisory commission.

Sec. 112. Minnesota Statutes 1982, section 116.07, subdivision 2a, is amended to read:

Subd. 2a. [EXEMPTIONS FROM STANDARDS.] No standards adopted by any state agency for limiting levels of noise in terms of sound pressure which may occur in the outdoor atmosphere shall apply to (1) *segments of trunk highways constructed with federal interstate substitution money, provided*

that all reasonably available noise mitigation measures are employed to abate noise, (2) skeet, trap or shooting sports clubs, or (3) the holding of motor vehicle race events conducted at a facility specifically designed for that purpose that was in operation on or before July 1, 1983. Nothing herein shall prohibit a local unit of government or a public corporation with the power to make rules for the government of its real property from regulating the location and operation of skeet, trap or shooting sports clubs, or the holding of motor vehicle race events conducted at a facility specifically designed for that purpose that was in operation on or before July 1, 1983.

Sec. 113. Minnesota Statutes 1982, section 116.07, is amended by adding a subdivision to read:

Subd. 4d. [PERMIT FEES.] The agency may collect permit fees in amounts not greater than those necessary to cover the reasonable costs of reviewing and acting upon applications for agency permits and implementing and enforcing the conditions of the permits pursuant to agency rules. Permit fees shall not include the costs of litigation. The agency shall adopt rules establishing the amounts and methods of collection of any permit fees collected under this subdivision. Any money collected under this subdivision shall be deposited in the general fund.

Sec. 114. Minnesota Statutes 1982, section 116.07, subdivision 9, is amended to read:

Subd. 9. [ORDERS; INVESTIGATIONS.] The agency shall have the following powers and duties for the enforcement of any provision of this chapter, relating to air contamination or waste:

(a) to adopt, issue, reissue, modify, deny, revoke, enter into or enforce reasonable orders, schedules of compliance and stipulation agreements;

(b) to require the owner or operator of any emission facility, air contaminant treatment facility, potential air contaminant storage facility, or any system or facility related to the storage, collection, transportation, processing, or disposal of waste to establish and maintain records; to make reports; to install, use, and maintain monitoring equipment or methods; and to make tests, including testing for odor where a nuisance may exist, in accordance with methods, at locations, at intervals, and in a manner as the agency shall prescribe; and to provide other information as the agency may reasonably require;

(c) to conduct investigations, issue notices, public and otherwise, and order hearings as it may deem necessary or advisable for the discharge of its duties under this chapter, including but not limited to the issuance of permits; and to authorize any mem-

ber, employee, or agent appointed by it to conduct the investigations and issue the notices.

Sec. 115. Minnesota Statutes 1982, section 116.16, subdivision 10, is amended to read:

Subd. 10. [COSTS.] To the extent the agency administers or engages in activities necessary for administering any aspects of the federal water pollution control act as amended, 33 U.S.C. 1251 et seq., the agency may assess the costs of such administrative activities, *in an amount not to exceed (TWO PERCENT OF THE FEDERAL GRANT) that allowed by federal law*, against the federal construction grant funds allotted to the state.

Sec. 116. Minnesota Statutes 1982, section 116.17, subdivision 2, is amended to read:

Subd. 2. [ISSUANCE OF BONDS.] Upon request by resolution of the agency and upon authorization as provided in subdivision 1 the commissioner of finance shall sell and issue Minnesota state water pollution control bonds in the aggregate amount requested, upon sealed bids and upon such notice, at such price, in such form and denominations, bearing interest at (SUCH) a rate or rates, maturing in (SUCH) amounts and on (SUCH) dates, *with or without option of prepayment (OR SUBJECT TO PREPAYMENT)* upon (SUCH) notice and at (SUCH) *specified* times and prices, payable at (SUCH) a bank or banks within or outside the state, with (SUCH) provisions, *if any*, for registration, conversion, and exchange and for the issuance of *temporary bonds or notes* in anticipation of the sale or delivery of definitive bonds, and in accordance with (SUCH) further (REGULATIONS) *provisions*, as the commissioner of finance shall determine, subject to the approval of the attorney general, but not subject to the provisions of sections 14.02, 14.04 to 14.36, 14.38, 14.44 to 14.45, and 14.57 to 14.62. The bonds shall be executed by the commissioner of finance and attested by the state treasurer under their official seals. The signatures of the officers on the bonds and any appurtenant interest coupons and their seals may be printed, lithographed, engraved, (OR) stamped, or *otherwise reproduced* thereon, except that each bond shall be authenticated by the manual signature on its face of one of the officers or of an (OFFICER) *authorized representative* of a bank designated by (THEM) *the commissioner as registrar or other authenticating agent*. The commissioner of finance shall ascertain and certify to the purchasers of the bonds the performance and existence of all acts, conditions, and things necessary to make them valid and binding general obligations of the state of Minnesota, subject to the approval of the attorney general.

Sec. 117. Minnesota Statutes 1982, section 116.18, subdivision 1, is amended to read:

Subdivision 1. [APPROPRIATION FROM THE FUND.] The sum of \$155,000,000, or so much thereof as may be necessary, is appropriated from the Minnesota state water pollution control fund in the state treasury to the pollution control agency, for the period commencing on July 23, 1971 and ending June 30, (1983) 1985, to be granted and disbursed to municipalities and agencies of the state in aid of the construction of projects conforming to section 116.16, in accordance with the rules, priorities, and criteria therein described. Except as otherwise provided in this subdivision and in subdivision 2, these state funds shall be expended at 15 per centum of the eligible cost of construction and shall be expended only for projects tendered a grant of federal funds under section 201(g), section 202, section 203 or section 206(f) of the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1314 et seq., at 75 per centum of the eligible cost for construction of the treatment works; provided, that not less than ten percent of the cost shall be paid by the municipality or agency constructing the project. In the event that a municipality is tendered federal and state grants in a percentage cumulatively exceeding 90 per centum of the eligible cost of construction, the state pollution control agency shall reduce the grant to the municipality under this chapter to the extent necessary to assure that not less than ten percent of the cost shall be paid by the municipality. It is the purpose of this appropriation that a grant of state funds for each project approved in each of the fiscal years ending June 30, 1971 through (1983) 1985, shall be made in an amount not less than that required in federal law and regulations as a condition for the grant of federal funds for the project and for all other water pollution control projects for which federal grants are allocated in the same year, in the maximum amount permissible under law and regulations.

Notwithstanding any other provision, the agency may, in its discretion, and after consideration of the amount of state funds required to match federal funds, make a grant of state funds not exceeding 15 per centum to a municipality that would qualify for a grant of federal funds but desires to initiate construction of a project without a federal grant. The agency may limit the scope and eligible cost of the project.

If a municipality is tendered a grant of federal funds under section 201, paragraph (g), section 202, section 203 or section 206, paragraph (f) of the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1314 et seq., at 85 percent of the eligible cost for construction of treatment works utilizing innovative or alternative wastewater treatment processes and techniques, state funds shall be expended at nine percent of the eligible cost of construction; provided, that not less than six percent of the eligible cost of construction shall be paid by the municipality or agency constructing the project. In the event that a municipality is tendered federal and state grants in a percentage cumulatively exceeding 94 percent of the eligible cost of construction, the state pollution control agency shall reduce the grant to the mu-

municipality under this chapter to the extent necessary to assure that the municipality receives no more than 94 percent of the eligible cost of construction.

Sec. 118. Minnesota Statutes 1982, section 116.41, subdivision 2, is amended to read:

Subd. 2. [TRAINING AND CERTIFICATION PROGRAMS.] The agency shall develop standards of competence for persons operating and inspecting various classes of disposal facilities. The agency shall conduct training programs for persons operating facilities for the disposal of waste and for inspectors of such facilities, and may charge such fees as are necessary to cover the actual costs of the training programs. *All fees received shall be paid into the state treasury and credited to the account created in section 115.03, subdivision 1, clause (j), for training water pollution control personnel, and are appropriated to the agency to pay expenses relating to the training of disposal facility personnel.*

The agency shall require operators and inspectors of such facilities to obtain from the agency a certificate of competence. The agency shall conduct examinations to test the competence of applicants for certification, and shall require that certificates be renewed at reasonable intervals. The agency may charge such fees as are necessary to cover the actual costs of receiving and processing applications, conducting examinations, and issuing and renewing certificates. Certificates shall not be required for a private individual for landspreading and associated interim and temporary storage of sewage sludge on property owned or farmed by that individual.

Sec. 119. Minnesota Statutes 1982, section 116C.03, subdivision 2, is amended to read:

Subd. 2. The board shall include as permanent members the commissioner of the department of energy, planning and development, the director of the pollution control agency, the commissioner of natural resources, the commissioner of agriculture, the commissioner of health, the commissioner of transportation, and a representative of the governor's office designated by the governor. The governor shall appoint five members from the general public to the board, subject to the advice and consent of the senate. *At least two of the five public members shall have knowledge of and be conversant in water management issues in the state.*

Sec. 120. [116C.81]. [COORDINATION OF WATER RESOURCE MANAGEMENT AND PLANNING; DEFINITIONS.]

Subdivision 1. [APPLICATION.] For the purposes of sections 120 and 121 the terms defined in this section have the meanings given them.

Subd. 2. [BOARD.] "Board" means the environmental quality board.

Subd. 3. [SOUTHERN MINNESOTA RIVERS BASIN.] "Southern Minnesota rivers basin" means the area within the watersheds of rivers and streams tributary to the Minnesota river, and the areas within the watersheds of rivers tributary to the Mississippi river on the westerly side of the Mississippi south of its confluence with the Minnesota river.

Sec. 121. [116C.82] [DUTIES OF BOARD.]

Subdivision 1. [WATER PLANNING.] The board shall:

(1) coordinate public water resource management and regulation activities among the state agencies having jurisdiction in the area;

(2) initiate, coordinate, and continue to develop comprehensive long-range water resources planning in furtherance of the plan adopted by the water planning board entitled "A Framework for a Water and Related Land Resources Strategy for Minnesota, 1979";

(3) coordinate water planning activities of local, regional, and federal bodies with state water planning and integrate these plans with state strategies; and

(4) administer federal water resources planning with multi-agency interests.

Subd. 2. [SOUTHERN MINNESOTA RIVERS BASIN.] The board shall guide the creation and implementation of a comprehensive environmental conservation and development plan for the southern Minnesota rivers basin. The board shall coordinate state and local interests with respect to the study in southwestern Minnesota under Public Law Number 87-639. The board shall appoint an advisory council to advise the board concerning its responsibilities under this subdivision. The council shall consist of 11 members who are residents of the basin and appointed by the governor. The council is subject to the provisions of section 15.059, except that the council shall expire June 30, 1987. The council shall make recommendations to the board by June 30, 1985, concerning the establishment of a statewide advisory council to advise the board on water resources planning, regulation, and management.

Subd. 3. [GOVERNOR'S REPRESENTATIVE.] The board chairperson shall represent the governor on interstate water resources organizations.

Sec. 122. [TRANSITIONAL PROVISION.]

The members of the southern Minnesota rivers basin board as constituted before enactment of this act shall be the first members of the southern Minnesota rivers basin advisory council. The environmental quality board shall adjust the terms of the first members of the advisory council to conform to the requirements of Minnesota Statutes, section 15.059.

Sec. 123. [METROPOLITAN WATERSHED MANAGEMENT.]

Notwithstanding any contrary provisions of Minnesota Statutes 1982, section 473.878, subdivision 2, until July 1, 1984, no county shall petition for establishment of a watershed district or assume any authority under section 473.878, subdivision 2 for a minor watershed unit if the metropolitan council finds by December 31, 1983, that reasonable progress is being made to negotiate a joint powers agreement in order to form a watershed management organization for that watershed unit.

Sec. 124. Minnesota Statutes 1982, section 116J.24, is amended by adding a subdivision to read:

Subd. 6. [OUTREACH FOR ENERGY AUDIT INTERPRETATION.] The commissioner shall establish a program to assist school officials in the understanding of energy audits performed on their schools. The program will also provide suggestions and assistance in the application for any state or federal grants or loans relating to energy conservation for which the school may be eligible.

Sec. 125. Minnesota Statutes 1982, section 116J.27, subdivision 2, is amended to read:

Subd. 2. For the purposes of subdivisions 3 to 7, the following terms shall have the meanings given them.

(a) "Residence" means any dwelling for habitation either seasonally, meaning all or a portion of the months of (DECEMBER) November through (MARCH) April, or permanently by one or more persons. A residence (MAY BE OWNED OR RENTED AND) may be part of a multi-dwelling or multi-purpose building, but shall not include buildings such as hotels, hospitals, motels, dormitories, sanitariums, nursing homes, schools and other buildings used for educational purposes, or correctional institutions. A manufactured home as defined in section 168.011, subdivision 8, shall be a residence for purposes of this section.

(b) ("TIME OF SALE" MEANS THE TIME WHEN A WRITTEN PURCHASE AGREEMENT IS EXECUTED BY THE BUYER, OR, IN THE ABSENCE OF A PURCHASE AGREEMENT, AT THE TIME OF THE EXECUTION OF ANY DOCUMENT PROVIDING FOR THE CONVEYANCE OF A RESIDENCE.)

((C)) "ENERGY DISCLOSURE REPORT" MEANS THE WRITTEN AND SIGNED EVALUATION BY A PERSON CERTIFIED PURSUANT TO SUBDIVISION 6 MADE ON AN APPROVED FORM, REPRESENTING TO THE ACTUAL BUYER OF THE RESIDENCE EVALUATED THAT THE EVALUATOR HAS USED REASONABLE CARE AND DILIGENCE. FOR PURPOSES OF SUBDIVISIONS 5 AND 7, A RESIDENTIAL ENERGY AUDIT MEETING THE AUDIT STANDARDS OF 42 U.S.C. 8211 ET SEQ. MAY BE SUBSTITUTED FOR AN ENERGY DISCLOSURE REPORT.)

((D)) "Applicable energy efficiency standards" means those standards established under subdivision 1 which are not shown to be economically infeasible for the building in question.

Sec. 126. Minnesota Statutes 1982, section 116J.27, subdivision 6, is amended to read:

Subd. 6. [BUILDING EVALUATORS.] The commissioner shall certify evaluators in each county of the state who are qualified to determine the compliance of a residence with applicable energy (DISCLOSURE REQUIREMENTS) *efficiency standards*. The commissioner shall, by rule pursuant to chapter 14, adopt standards for the certification and performance of evaluators and set a fee for the certification of evaluators which is sufficient to cover the ongoing costs of the program once it is established. The commissioner shall encourage the certification of existing groups of trained municipal personnel and qualified individuals from community-based organizations and public service organizations. Each certified evaluator shall, on request of the owner, inspect any residence and report the degree to which it complies with applicable energy (DISCLOSURE REQUIREMENTS) *efficiency standards established pursuant to subdivision 1*. The inspections shall be made within 30 days of the request. (AFTER JULY 1, 1981.) Evaluators (FOR THE HOME ENERGY DISCLOSURE PROGRAM) shall be certified only if they also meet all requirements for conducting residential energy audits pursuant to 42 U.S.C. 8211 et seq. (ANY PERSON CERTIFIED AS A BUILDING EVALUATOR PRIOR TO JULY 1, 1981, SHALL, BY JANUARY 1, 1982, MEET THE UPGRADED CERTIFICATION STANDARDS IN EFFECT AFTER JULY 1, 1981.) The commissioner shall enter into an agreement with the department of education for the provision of evaluator training through the area vocational technical institutes. The commissioner may contract with the area vocational technical institutes to reduce the training costs to the students.

The commissioner may eliminate the examination fee for persons seeking upgraded certificates. The commissioner may also establish requirements for continuing education, periodic recertification, and revocation of certification for evaluators.

Sec. 127. Minnesota Statutes 1982, section 116J.31, is amended to read:

116J.31 [ENERGY AUDITS.]

The commissioner, in cooperation with the director of consumer services, shall develop (THE) and administer state (PLAN FOR THE PROGRAM) programs of energy audits of residential and commercial buildings including those required by 42 United States Code, section 8211 et seq. and section 8281. The consumer services division and the attorney general are authorized to release information on consumer complaints about the operation of the program to the commissioner.

Sec. 128. [116J.315] [ALTERNATIVE ENERGY ECONOMIC ANALYSIS.]

The commissioner shall carry out the following energy economic analysis duties:

- (a) provide continued analysis of alternative energy issues for the biennial report, certificates of need, and legislative requests;*
- (b) provide alternative energy information to consumers and business;*
- (c) assist in the maintenance and improvement of alternative energy input-output multipliers and market penetration models;*
- (d) provide analysis of alternative energy data.*

Sec. 129. Minnesota Statutes 1982, section 116J.36, is amended by adding a subdivision to read:

Subd. 3a. [GRANT ELIGIBILITY.] *The commissioner of energy, planning and development may provide planning grants to municipalities for planning related to the development of district heating systems. The municipality must demonstrate that a community heatload survey and map have been successfully completed, that potential district heating load is sufficiently large to justify further consideration, and that sufficient resources are available for the municipality to meet its financial requirements. Eligible planning grant costs include project definition, development of preliminary financing and distribution system plans, and obtaining commitment for detailed planning*

or design and preparation of a final report. The amount of the grant to a municipality is limited to 90 percent of eligible planning costs and shall not exceed \$70,000 as established by rule or temporary rule.

Sec. 130. [SURVEY OF STEAM TRAPS.]

The commissioner shall survey the steam traps in 100 state-owned buildings, to be selected by the commissioner of administration or a designee. The purpose of the survey is to assess the energy efficiency of current steam traps and to recommend repair or replacement of faulty steam traps.

Sec. 131. [ENERGY MANAGEMENT TRAINING.]

The commissioner shall train state building operators in efficient energy management of state buildings, including the periodic review and maintenance of steam traps as a high priority. The commissioner shall document the energy savings from this training and make it available for use in other program areas, such as in local government buildings.

Sec. 132. [116J.373] [SUPERINSULATED HOME DEMONSTRATION PROJECT.]

The superinsulated home demonstration project funded under Laws 1981, chapter 356, section 30, shall be continued under the direction of the commissioner and the center to monitor and document new projects and projects in progress. The project shall:

(a) work with the financial community to bring energy cost and savings into mortgage underwriting standards;

(b) develop a definition of superinsulation for use by financial institutions.

Sec. 133. [116J.38] [BUILDING ENERGY RESEARCH CENTER.]

Subdivision 1. [ENERGY PARTNERSHIP.] To improve the energy efficiency of buildings, the commissioner shall administer a building energy research center that shall be a cooperative effort among the commissioner, the University of Minnesota, area vocational-technical institutes, and certain associations and businesses from the private sector. The center's goal is to become a nationally recognized center for building research.

Subd. 2. [PURPOSE.] The purpose of the building energy research center is to:

(a) conduct studies of Minnesota building experience;

(b) disseminate information acquired relating to building energy efficiency;

(c) conduct continuing education courses;

(d) provide limited energy and design consultation services for innovative projects;

(e) coordinate and stimulate research efforts; and

(f) seek private sector pledges to match appropriations for this program.

Sec. 134. Minnesota Statutes 1982, section 116J.42, subdivision 8, is amended to read:

Subd. 8. The commissioner (MAY) shall charge a fee to each user of the Minnesota land management information system. Fees shall be deposited in the state treasury and credited to the land management information center revolving account. Money in the account is appropriated to the commissioner of energy, planning and development for operation of the land management information system, including the cost of all services, supplies, materials, labor, and equipment, as well as the portion of the general support costs and statewide indirect costs of the department that is attributable to the land management information system. The commissioner may require a state agency to make advance payments to the revolving account sufficient to cover the agency's estimated obligation for a period of 60 days or more. If the revolving account is abolished or liquidated, the total net profit from operations shall be distributed to the various funds from which purchases were made. The amount to be distributed to each fund shall bear to the net profit the same ratio as to the total purchases from each fund bears to the total purchases from all the funds during a period of time that fairly reflects the amount of net profit each fund is entitled to receive under this distribution. Employees paid from this account are in the unclassified service.

Sec. 135. Minnesota Statutes 1982, section 124.46, subdivision 2, is amended to read:

Subd. 2. Upon receipt of each such certification, subject to authorization as provided in subdivision 4, the commissioner of finance shall from time to time as needed issue and sell state of Minnesota school loan bonds in the aggregate principal amount stated in the commissioner's certificate, for the prompt and full payment of which, with the interest thereon, the full faith, credit, and taxing powers of the state are hereby irrevocably pledged, and shall credit the net proceeds of their sale to the purposes for which they are appropriated by section 124.40, subdivision 1. Such bonds shall be issued and sold at (NOT LESS THAN

THEIR PAR VALUE) *such price*, in such manner, in such number of series, at such times, and in such form and denominations, shall bear such dates of issue and of maturity, either without option of prior redemption or subject to prepayment upon such notice and at such times and prices, shall bear interest at such rate or rates and payable at such intervals, shall be payable at such bank or banks within or without the state, with such provisions for registration, conversion, and exchange, and for the issuance of notes in anticipation of the sale and delivery of definitive bonds, and in accordance with such further (REGULATIONS) *provisions* as the commissioner of finance shall determine subject to the limitations stated in this subdivision (but not subject to the provisions of sections 14.02, 14.04 to 14.36, 14.38, 14.44 to 14.45, and 14.57 to 14.62). The maturity date shall in no case be (LESS THAN TEN OR) more than 20 years after the date of issue of any bond and the principal amounts and due dates shall conform as near as may be with the commissioner's estimates of dates and amounts of payments to be received on debt service and capital loans. The bonds and *any interest coupons appurtenant to them* shall be executed by the commissioner of finance and attested by the state treasurer under their official seals. The (SIGNATURE) *signatures* of (ONE OF) these officers (ON THE FACE OF ANY BOND,) and their seals (, AND THE SIGNATURES OF BOTH OFFICERS ON THE INTEREST COUPONS APPURTENANT TO ANY BOND,) may be printed, lithographed, stamped, (OR) engraved, or otherwise reproduced thereon. *Each bond shall be authenticated by the manual signature on its face of one of the officers or a person authorized to sign on behalf of a bank or trust company designated by the commissioner to act as registrar or other authenticating agent.* The commissioner of finance is authorized and directed to ascertain and certify to purchasers of the bonds the performance and existence of all acts, conditions, and things necessary to make them valid and binding general obligations of the state of Minnesota in accordance with their terms.

Sec. 136. Minnesota Statutes 1982, section 136.40, subdivision 8, is amended to read:

Subd. 8. [BOND AUTHORIZATION AND APPROPRIATION.] For the purpose of providing money to be loaned to the Minnesota State University Board for the acquisition and betterment of public land, buildings, and improvements of a capital nature, the state auditor is directed to sell and issue Minnesota state university bonds in the maximum amount of \$4,500,000 to be expended for dormitory, residence hall, and food service facilities at the state universities, in accordance with the recommendations of the legislative buildings commission to the 1969 session of the legislature, and in the maximum amount of \$7,500,000 to be expended for student union facilities at said universities, in the manner and upon the conditions provided in subdivisions 1 to 7, which total amounts are authorized to be expended

for these purposes. No expenditures for the authorized purposes shall be made until the board has consulted the (LEGISLATIVE BUILDINGS COMMISSION AND THE COMMISSION HAS MADE ITS RECOMMENDATION) *chairmen of the senate finance committee and house of representatives appropriations committee and received their recommendations thereon.* Such recommendation shall be advisory only. Failure or refusal (OF THE COMMISSION) to make a recommendation promptly shall be deemed a negative recommendation. The bonds shall be sold, issued, and secured as provided in subdivisions 1 to 7 and in Article XI, Section 7, of the Constitution. In order to reduce the amount of taxes otherwise required by the Constitution to be levied for the payment of interest and principal thereon, there is appropriated annually to the Minnesota state university bond account in the state bond fund from the general fund in the state treasury a sum of money sufficient in amount, when added to the balance on hand on November 1 in each year in said Minnesota state university bond account, to pay all principal and interest due and to become due on said bonds to and including July 1 in the second ensuing year. The moneys received and on hand pursuant to this annual appropriation are available in the state bond fund prior to the levy of the tax in any year required by the Constitution and by subdivision 7 and shall be used to reduce the amount of the tax otherwise required to be levied.

Sec. 137. Minnesota Statutes 1982, section 139.18, subdivision 1, is amended to read:

Subdivision 1. The commissioner shall distribute the money provided by sections 139.16 to 139.18. Twice annually the commissioner shall make block grants which shall be distributed in equal amounts to public stations for operational costs. The commissioner shall allocate money appropriated for the purposes of sections 139.16 to 139.18 in such a manner that each eligible public station receives a block grant. In addition, the commissioner shall make matching grants to public stations. Matching grants shall be used for operational costs and shall be allocated using the procedure developed for distribution of state money under this section for grants made in fiscal year 1979. No station's matching grant in any fiscal year shall exceed the amount of Minnesota based contributions received by that station in the previous fiscal year. *Grants made pursuant to this subdivision may only be given to those federally licensed stations that are certified as eligible for community service grants through the corporation for public broadcasting.*

Sec. 138. Minnesota Statutes 1982, section 156A.02, subdivision 6, is amended to read:

Subd. 6. For the purposes of sections 156A.02 to 156A.10 "groundwater thermal exchange device" means any (SPACE) heating or cooling device, the operation of which is dependent upon extraction and reinjection of groundwaters from indepen-

dent aquifer. Thermal exchange devices licensed under this chapter shall be sealed against the introduction of any foreign substance into the system, but shall be so constructed as to permit periodic inspection of water quality and temperature.

Sec. 139. Minnesota Statutes 1982, section 156A.10, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding any department or agency rule to the contrary, the department of health shall issue, upon request and submission of a \$50 fee, permits for the reinjection of water by a properly constructed well into the same aquifer from which the water was drawn (EXCLUSIVELY) for the operation of a groundwater thermal exchange device. Withdrawal and reinjection shall be accomplished by means of a closed system in which the waters drawn for thermal exchange shall have no contact or commingling with water from other sources or with any polluting material or substances and so constructed as to allow opening for inspection by the department. *Wells that are part of a groundwater thermal exchange system shall serve no other function, except that water may be supplied to the domestic water system if the supply is taken off the thermal exchange system ahead of the heat exchange unit, and if the water discharges to a break tank through an air gap that is at least twice the effective diameter of the water outlet from the tank. A groundwater thermal exchange system may be used for domestic water heating only if the water heating device is an integral part of the heat exchange unit that is used for space heating and cooling.* As a condition of the permit, an applicant shall agree to allow inspection by the department during regular working hours for department inspectors. A maximum of 200 permits shall be issued for small systems having maximum capacities of 20 gallons per minute or less, which shall be subject to inspection twice annually. A maximum of ten permits shall be issued for larger systems having maximum capacities from 20 to 50 gallons per minute, which shall be subject to inspection four times per year. The department may by rule provide for administration of this section.

Sec. 140. Minnesota Statutes 1982, section 161.465, is amended to read:

161.465 [REIMBURSEMENT FOR FIRE SERVICES.]

Ordinary expenses incurred by a municipal or volunteer fire department in extinguishing a grass fire within the right-of-way of a trunk highway must be reimbursed upon certification to the commissioner of public safety from the trunk highway fund. In addition, ordinary expenses incurred by a municipal or volunteer fire department in extinguishing a fire outside the right-of-way of any trunk highway if the fire originated within the right-of-way, upon approval of a police officer or an officer or employee of the department of public safety (SHALL) must,

upon certification to the commissioner of public safety by the proper official of the municipality or fire department within 60 days after the completion of the service, be reimbursed to the municipality or fire department from funds in the trunk highway fund. The commissioner of public safety shall take (WHAT-EVER) action practicable to secure reimbursement to the trunk highway fund of (MONEYS) *money* expended (PURSUANT TO) *under* this section from the person, firm, or corporation responsible for the fire or danger (THEREOF) *of fire*.

The provisions of this section shall not be construed to admit (ANY) state liability for damage or destruction to private property or for injury to persons resulting from a fire (THAT ORIGINATES) *originating* within a trunk highway right-of-way.

Sec. 141. Minnesota Statutes 1982, section 167.50, subdivision 2, as amended by Laws 1983, chapter 17, section 4, is amended to read:

Subd. 2. The bonds shall be issued and sold upon sealed bids after (TWO WEEKS') published notice. (THEY SHALL MATURE SERIALLY OVER A TERM NOT EXCEEDING 20 YEARS FROM THEIR RESPECTIVE DATES OF ISSUE AND SHALL NOT BE SOLD FOR LESS THAN PAR AND ACCRUED INTEREST. SUBJECT TO THE FOREGOING LIMITATIONS, AND SUBJECT TO ANY OTHER LIMITATIONS STATED IN THE ACTS AUTHORIZING THE BONDS AND APPROPRIATING THE PROCEEDS THEREOF, BUT NOT SUBJECT TO THE PROVISIONS OF SECTIONS 14.02, 14.04 TO 14.36, 14.38, 14.44 TO 14.45, AND 14.57 TO 14.62.) The bonds shall be issued and sold (IN THE NUMBER OF SERIES,) *at the times and prices (not less than par and accrued interest), in the form and denominations, bearing interest at the rate or rates, maturing on dates, (EITHER) with or without option of prior redemption (OR SUBJECT TO PREPAYMENT) upon notice and at (THE) specified times and prices, payable at (THE) a bank or banks, within or without the state, with provisions for registration, conversion, and exchange and for the issuance of temporary bonds or notes in anticipation of the sale and delivery of definitive bonds, and in accordance with such further (REGULATIONS) provisions, as the commissioner of finance may determine (. THE BONDS), subject to the approval of the attorney general (but not subject to the provisions of sections 14.02, 14.04 to 14.36, 14.38, 14.44 to 14.45, and 14.57 to 14.62). Each bond shall mature within 20 years from its date of issue and shall be executed by the commissioner of finance and attested by the state treasurer under their official seals. The (SIGNATURE OF ONE) signatures of these officers on the face of and any interest coupons appurtenant to any bond, and their seals (, AND THE SIGNATURES OF BOTH OFFICERS ON THE INTEREST COUPONS APPURTENANT TO ANY BOND,) may be printed, lithographed,*

stamped, (OR) engraved, or otherwise reproduced thereon, provided that the signature of one of the officers, or of an authorized representative of a corporate registrar or other agent designated by the commissioner of finance to authenticate the bonds, shall be manually subscribed on the face of each bond.

Sec. 142. Minnesota Statutes 1982, section 169.123, subdivision 6, is amended to read:

Subd. 6. [HEARING.] A hearing under this section shall be before a municipal or county judge, in any county in the judicial district where the alleged offense occurred. The hearing shall be to the court and may be conducted at the same time and in the same manner as hearings upon pre-trial motions in the criminal prosecution under section 169.121, if any. The hearing shall be recorded. The commissioner of public safety (MAY) shall appear (THROUGH HIS OWN ATTORNEY OR, BY AGREEMENT WITH THE JURISDICTION INVOLVED,) and be represented by the attorney general or through the prosecuting authority for (THAT) the jurisdiction involved.

The hearing shall be held at the earliest practicable date, and in any event no later than 60 days following the filing of the petition for review. The judicial district administrator shall establish procedures to ensure efficient compliance with the provisions of this subdivision. To accomplish this, the administrator may, whenever possible, consolidate and transfer review hearings among the county courts within the judicial district.

The scope of the hearing shall be limited to the issues of:

(1) whether the peace officer had reasonable and probable grounds to believe the person was driving, operating, or in physical control of a motor vehicle while under the influence of alcohol or a controlled substance, and whether the person was lawfully placed under arrest for violation of section 169.121, or the person was involved in a motor vehicle accident or collision resulting in property damage, personal injury or death, or the person refused to take a screening test provided for by section 169.121, subdivision 6, or the screening test was administered and recorded an alcohol concentration of 0.10 or more; and

(2) whether at the time of the request for the test the peace officer informed the person of his rights, and the consequences of taking or refusing the test as required by subdivision 2; and

(3) either (a) whether the person refused to permit the test, or (b) whether a test was taken and the test results indicated an alcohol concentration of 0.10 or more at the time of testing, and whether the testing method used was valid and reliable, and whether the test results were accurately evaluated.

It shall be an affirmative defense for the petitioner to prove that, at the time of the refusal, his refusal to permit the test was based upon reasonable grounds.

Certified or otherwise authenticated copies of laboratory or medical personnel reports, records, documents, licenses and certificates shall be admissible as substantive evidence.

The court shall order either that the revocation be rescinded or sustained and forward the order to the commissioner of public safety. The court shall file its order within 14 days following the hearing. If the revocation is sustained, the court shall also forward the person's driver's license or permit to the commissioner of public safety for his further action if the license or permit is not already in the commissioner's possession.

Sec. 143. Minnesota Statutes 1982, section 174.51, subdivision 2, is amended to read:

Subd. 2. The bonds shall be sold upon sealed bids and upon notice, at a price, in form and denominations, bearing interest at a rate or rates, maturing in amounts and on dates, *without option of prior redemption or* subject to prepayment upon notice and at times and prices, payable at a bank or banks within or outside the state, with or without provisions for registration, conversion, exchange, and issuance of *temporary bonds or* notes in anticipation of the sale or delivery of definitive bonds, and in accordance with further (REGULATIONS) *provisions*, as the commissioner of finance shall determine subject to the approval of the attorney general, but not subject to the provisions of sections 14.02, 14.04 to 14.36, 14.38, 14.44 to 14.45, and 14.57 to 14.62. (THE BONDS) *Each bond shall mature within 20 years from its date of issue and* shall be executed by the commissioner of finance and attested by the state treasurer under their official seals. The signatures on the bonds and on any interest coupons and the seals may be printed or otherwise reproduced, except that each bond shall be authenticated by the manual signature on its face of one of the officers or of a person authorized to sign on behalf of a bank designated by (THEM) *the commissioner of finance as registrar or other authenticating agent*. The commissioner of finance shall ascertain and certify to the purchasers of the bonds the performance and existence of all acts, conditions, and things necessary to make them valid and binding general obligations of the state of Minnesota, subject to the approval of the attorney general.

Sec. 144. Minnesota Statutes 1982, section 174.51, subdivision 3, is amended to read:

Subd. 3. All expenses incidental to the sale, printing, execution, and delivery of bonds pursuant to this section, including but not limited to actual and necessary travel and subsistence expenses of state officers and employees for such purposes, shall be paid from the Minnesota state transportation fund and the amounts necessary therefor are appropriated from that fund (; PROVIDED THAT IF ANY AMOUNT IS SPECIFICALLY APPROPRIATED FOR THIS PURPOSE IN AN ACT AUTHORIZING THE ISSUANCE OF BONDS PURSUANT TO THIS SECTION, SUCH EXPENSES SHALL BE LIMITED TO APPROPRIATED).

Sec. 145. Minnesota Statutes 1982, section 175A.05, is amended to read:

175A.05 [QUORUM.]

A majority of the judges of the workers' compensation court of appeals shall constitute a quorum for the exercise of the powers conferred and the duties imposed on the workers' compensation court of appeals (AND) *except that all appeals shall be heard by (AT LEAST) no more than three of the five judges unless the appeal is determined to be of exceptional importance by a four-fifths vote of the judges.* A vacancy shall not impair the ability of the remaining judges of the workers' compensation court of appeals to exercise all the powers and perform all of the duties of the workers' compensation court of appeals.

Sec. 146. Minnesota Statutes 1982, section 148.56, is amended to read:

148.56 [OPTOMETRISTS.]

Subdivision 1. [OPTOMETRY DEFINED.] Any person shall be deemed to be practicing optometry within the meaning of sections 148.52 to 148.62 who shall display a sign, such as an eye, a pair of eyes, a pair of glasses or spectacles, or who shall in any way advertise himself as an optometrist, or who shall employ any means for the measurement of the powers of vision or the adaptation of lenses or prisms for the aid thereof, or have in his possession testing appliances for the purpose of the measurement of the powers of vision, or diagnose any optical deficiency or deformity, visual or muscular anomaly of the human eye, or prescribe lenses, prisms, or ocular exercises for the correction or the relief of same, or who holds himself out as being able to do so.

Subd. 2. [UNLAWFUL PRACTICES.] It shall be unlawful for any person who is not licensed as an optometrist in this state

to fit, sell, or dispose of, or to take, receive, or solicit any order for the fitting, sale, or disposition of, any spectacles, eye glasses, or lenses for the correction of vision in any place within the state other than an established place of business wherein such spectacles, eye glasses, or lenses are commonly sold and dealt in; and it shall be unlawful for any person, not licensed as an optometrist thereunder, to sell or dispose of, at retail, any spectacles, eye glasses, or lenses for the correction of vision in any established place of business or elsewhere in this state except under the supervision, direction, and authority of a duly licensed optometrist holding a certificate under sections 148.52 to 148.62, who shall be in charge of and in personal attendance at the booth, counter, or place where such articles are sold or disposed of.

Subd. 3. [UNREGULATED SALES.] Nothing in sections 148.52 to 148.62 shall be construed to apply to the sale of toy glasses, goggles consisting of plano-white or plano-colored lenses or ordinary colored glasses or to the replacement of duplications of broken lenses, nor to sales upon prescription from persons legally authorized by the laws of this state to examine eyes and prescribe glasses therefor, nor shall it apply to regularly licensed physicians and surgeons. Sections 148.52 to 148.62 also do not apply to the sale of spectacles, used for reading or fishing, and containing only simple lenses having a plus power of up to and including 3.25, at an established place of business that sells prescription eyewear, without advertising other than price marking on the spectacles, if no attempt is made to test the eyes. The term "simple lenses" does not include bifocals.

Subd. 4. [LICENSE REQUIRED.] It shall be unlawful for any person to engage in the practice of optometry without first procuring and filing for record a certificate of registration as a licensed optometrist pursuant to this section.

Sec. 147. Minnesota Statutes 1982, section 176.183, subdivision 2, is amended to read:

Subd. 2. The commissioner of labor and industry, in accordance with the terms of the order awarding compensation, shall pay compensation to the employee or his dependent from the special compensation fund. The commissioner of labor and industry shall certify to the commissioner of finance and to the legislature annually the total amount of compensation paid from the special compensation fund under subdivisions 1 and 1a. The commissioner of finance shall upon proper certification reimburse the special compensation fund from the general fund (THE TOTAL AMOUNT CERTIFIED AS PAID UNDER THIS SECTION) appropriation provided for this purpose. The amount reimbursed shall be limited to the certified amount paid under this section or the appropriation made for this purpose, whichever is the lesser amount. Compensation paid under this section which is not

reimbursed by the general fund shall remain a liability of the special compensation fund and shall be financed by the percentage assessed under section 176.131, subdivision 10.

Sec. 148. Minnesota Statutes 1982, section 176.421, subdivision 1, is amended to read:

Subdivision 1. [TIME FOR TAKING; GROUNDS.] When a petition has been heard before a compensation judge, within 30 days after a party in interest has been served with notice of an award or disallowance of compensation, or other order affecting the merits of the case, he may appeal to the workers' compensation court of appeals on any of the following grounds:

- (1) The order does not conform with this chapter; or
- (2) The compensation judge committed an error of law; or
- (3) The findings of fact and order were (UNWARRANTED BY THE EVIDENCE) *unsupported by substantial evidence in view of the entire record as submitted*; or
- (4) The findings of fact and order were procured by fraud, or coercion, or other improper conduct of a party in interest.

Sec. 149. Minnesota Statutes 1982, section 176.421, subdivision 3, is amended to read:

Subd. 3. [NOTICE OF APPEAL.] The appellant or his attorney shall prepare and sign a written notice of appeal specifying:

- (1) the order appealed from;
- (2) that appellant appeals from the order to the workers' compensation court of appeals;
- (3) the particular finding of fact or conclusion of law which he claims was (UNWARRANTED BY THE EVIDENCE) *unsupported by substantial evidence in view of the entire record as submitted* or procured by fraud, coercion, or other improper conduct;
- (4) the testimony or other part of the record of the hearing necessary to be transcribed in order for the court of appeals to consider the appeal; and,
- (5) any other ground upon which the appeal is taken.

Sec. 150. Minnesota Statutes 1982, section 176.421, subdivision 6, is amended to read:

Subd. 6. [POWERS OF WORKERS' COMPENSATION COURT OF APPEALS ON APPEAL.] On an appeal taken under this section, the workers' compensation court of appeals may:

((1) DISREGARD THE FINDINGS OF FACT WHICH THE COMPENSATION JUDGE HAS MADE;)

((2)) (1) examine the record;

((3)) (2) substitute for the findings of fact made by the compensation judge such findings as the total evidence requires; and,

((4)) (3) make an award or disallowance of compensation or other order as the facts and findings require.

Sec. 151. Minnesota Statutes 1982, section 176.441, subdivision 1, is amended to read:

Subdivision 1. [DISPOSITION BY WORKERS' COMPENSATION COURT OF APPEALS.] Where an appeal has been taken to the workers' compensation court of appeals under this chapter, on either the ground that the findings or order or both were (UNWARRANTED BY THE EVIDENCE) *unsupported by substantial evidence in view of the entire record as submitted*, or were procured by fraud, coercion, or other improper conduct of a party, the workers' compensation court of appeals may:

(1) grant a hearing based on the record before the compensation judge; or,

(2) remand the petition for a de novo hearing or a rehearing and notify the chief hearing examiner, who shall assign the de novo hearing or the rehearing before a compensation judge; or,

(3) sustain, reverse, or modify the order appealed from.

Sec. 152. Minnesota Statutes 1982, section 176.471, subdivision 1, is amended to read:

Subdivision 1. [TIME FOR SEEKING REVIEW; GROUNDS.] Where the workers' compensation court of appeals has made an award or disallowance of compensation or other order, if a party in interest acts within 30 days from the date he was served with notice of the order, he may have the order reviewed by the supreme court on certiorari upon one of the following grounds:

(1) The order does not conform with this chapter; or,

(2) The workers' compensation court of appeals committed any other error of law; or,

(3) The findings of fact and order were (UNWARRANTED BY THE EVIDENCE) *unsupported by substantial evidence in view of the entire record as submitted.*

Sec. 153. Minnesota Statutes 1982, section 179.7411, is amended to read:

179.7411 [LIMITATION ON THE CONTRACTING-OUT OF SERVICES PROVIDED BY MEMBERS OF A STATE OF MINNESOTA OR UNIVERSITY OF MINNESOTA BARGAINING UNIT.]

Any contract entered into after March 23, 1982 by the state of Minnesota or the University of Minnesota involving services, any part of which, in the absence of the contract, would be performed by members of a unit provided in section 179.741, subdivision 1 or 3, shall be subject to section 16.07 and shall provide for the preferential employment by such a party of members of that unit whose employment with the state of Minnesota or the University of Minnesota is terminated as a result of that contract.

Contracts entered into by the state of Minnesota for the purpose of providing court reporter services or transcription of the record of a hearing which was recorded by means of an audio magnetic recording device shall be subject to section 16.098 and the preferential employment provisions enumerated in this section. Any court reporter seeking a contract pursuant to the preferential employment provisions of this section shall be given preference when the services are needed only if that court reporter's charges for the services requested are no greater than the average of the charges made for the identical services by other court reporters in the same locality who are also under contract with the state for those services.

Sec. 154. Minnesota Statutes 1982, section 181A.12, subdivision 1, is amended to read:

Subdivision 1. [FINES; PENALTY.] Any employer who hinders or delays the department or its authorized representative in the performance of its duties under sections 181A.01 to 181A.12 or refuses to admit the commissioner or his authorized representative to any place of employment or refuses to make certificates or lists available as required by sections 181A.01 to 181A.12, or otherwise violates any provisions of sections 181A.01 to 181A.12 or any (REGULATIONS) *rules* issued pursuant thereto shall (. UPON CONVICTION THEREFOR, BE GUILTY OF A GROSS MISDEMEANOR) *be assessed a fine to be paid to the commissioner for deposit in the general fund. The*

fine may be recovered in a civil action in the name of the department brought in the district court of the county where the violation is alleged to have occurred or the district court where the commissioner has an office. Fines are in the amounts as follows:

(a) employment of minors under the age of 14	\$ 50
(b) employment of minors under the age of 16 during school hours while school is in session	50
(c) employment of minors under the age of 16 before 7:00 a.m.	50
(d) employment of minors under the age of 16 after 9:30 p.m.	50
(e) employment of minors under the age of 16 over eight hours a day	50
(f) employment of minors under the age of 16 over 40 hours a week	50
(g) employment of minors under the age of 18 in hazardous occupations	100
(h) employment of minors under the age of 16 in hazardous occupations	100
(i) minors under the age of 18 injured in hazardous employment	500
(j) minors employed without proof of age (each employee)	5

An employer who engages in a consistent and repeated pattern of violations of sections 181A.01 to 181A.12 is guilty of a gross misdemeanor.

Sec. 155. Minnesota Statutes 1982, section 183.375, subdivision 5, is amended to read:

Subd. 5. [FEES.] All fees collected by the division of boiler inspection shall be paid into the state treasury in the manner provided by law for fees received by other state departments and credited to the general fund. *When fees are to be set by the commissioner, they shall be set pursuant to section 16A.128.*

Sec. 156. Minnesota Statutes 1982, section 183.411, subdivision 3, is amended to read:

Subd. 3. [LICENSES.] A license to operate steam farm traction engines, portable and stationary show engines and portable and stationary show boilers shall be issued to an applicant who:

(a) is 18 years of age or older;

(b) has two licensed second class, grade A engineers or steam traction engineers, or any combination thereof, cosign his application; attesting to his competence in operating said devices;

(c) passes a written test for competence in operating said devices; and

(d) pays the required fee.

A license shall be valid for the lifetime of the licensee. A one time fee (OF \$20) *set by the commissioner pursuant to section 16A.128*, shall be charged for the license.

Sec. 157. Minnesota Statutes 1982, section 183.545, is amended to read:

183.545 [FEES FOR INSPECTION.]

Subdivision 1. [FEE AMOUNT; VESSELS.] The fees for the inspection of the hull, boiler, machinery, and equipments of vessels are *to be set by the commissioner pursuant to section 16A.128*, for vessels of 50 tons burden or over (, \$30.) and vessels of less than 50 tons burden (, \$15).

Subd. 2. [FEE AMOUNTS; MASTERS AND PILOTS.] *The commissioner shall, pursuant to section 16A.128, set the fee for an examination of an applicant for a master's or pilot's license (IS \$10. THE FEE), for an annual renewal of a master's or a pilot's license (IS \$6 OR \$8), and for an annual renewal if paid later than (10) ten days after expiration.*

Subd. 3. [INSPECTION FEES.] The fees for the annual inspection of boilers and biennial inspection of pressure vessels are *to be set by the commissioner pursuant to section 16A.128*, for:

(a) boiler inaccessible for internal inspection (, \$15);

(b) boiler accessible for internal inspection (, \$20);

(c) boiler internal inspection over 2,000 square feet heating surface (, \$30);

(d) boiler internal inspection over 4,000 square feet heating surface (, \$40);

(e) boiler internal inspection over 10,000 square feet heating surface (, \$60);

(f) boiler accessible for internal inspection requiring one-half day or more of inspection time shall be billed at the established shop inspection fee rate (.);

(g) pressure vessel for internal inspection via manhole (, \$15) ; and

(h) pressure vessel inaccessible for internal inspection (, \$10).

An additional fee based on the scale of fees applicable to an inspection shall be charged when it is necessary to make a special trip for a hydrostatic test of a boiler or pressure vessel.

The commissioner shall, pursuant to section 16A.128, set shop inspection fees (SHALL BE CHARGED AS FOLLOWS FOR FULL DAY \$190 PLUS \$35 PER HOUR OVER EIGHT HOURS, ONE-HALF DAY \$100, TWO HOURS OR LESS \$50, PLUS MILEAGE AND REASONABLE EXPENSES). Inspection time includes all time related to the shop inspection.

Subd. 4. [APPLICANTS FEES.] *The commissioner shall, pursuant to section 16A.128, set the fee for an examination of an applicant for (AN ENGINEER'S LICENSE IS) the following licenses:*

(a) chief engineer's license (, \$20);

(b) first class engineer's license (, \$15);

(c) second class engineer's license (, \$13);
and

(d) special engineer's license (, \$ 8).

If an applicant, after an examination, is entitled to receive a license, it shall be issued without the payment of any additional charge. Any license so issued expires one year after the date of its issuance. An engineer's license may be renewed upon application therefor and the payment of an annual renewal fee as (FOLLOWS:) *set by the commissioner pursuant to section 16A.128.*

(CHIEF ENGINEER'S LICENSE RENEWAL \$10)

(FIRST CLASS ENGINEER'S LICENSE RENEWAL \$10)

(SECOND CLASS ENGINEER'S LICENSE RENEWAL \$ 8)

(SPECIAL ENGINEER'S LICENSE RENEWAL \$ 6)

The fee is payable at the time of application, which shall be made not later than ten days after the date of expiration of such license. If application is made more than ten days after the date of expiration of such license, an expired fee shall be paid instead of the renewal fee (PRESCRIBED ABOVE); the expired fees (ARE:) *shall be set by the commissioner pursuant to section 16A.128.*

(CHIEF ENGINEER \$15)

(FIRST CLASS ENGINEER \$12)

(SECOND CLASS ENGINEER \$10)

(SPECIAL ENGINEER \$ 8)

Subd. 5. [FEE FORFEITURE.] Where an applicant for an engineer's license has paid the fees provided by subdivision 4, and thereafter fails to take an examination or furnish a proper affidavit, within a period of one year, said application fee shall be forfeited to the state of Minnesota.

Subd. 6. [NATIONAL BOARD INSPECTORS.] The fee for an examination of an applicant for a national board of boiler and pressure vessels inspectors commission (IS \$25) *shall be set by the commissioner pursuant to section 16A.128.*

Subd. 7. [NUCLEAR ENDORSEMENT.] The fee for each examination of an applicant for a national board of boiler and pressure vessels commissioned inspectors nuclear endorsement (IS \$10) *shall be set by the commissioner pursuant to section 16A.128.*

Subd. 8. [CERTIFICATE OF COMPETENCY.] The fee for issuance of the original state of Minnesota certificate of competency for inspectors (IS \$10) *shall be set by the commissioner pursuant to section 16A.128.* This fee is waived for inspectors who paid the examination fee (OF \$25). The fee for an annual renewal of the state of Minnesota certificate of competency (IS \$5) *shall be set by the commissioner pursuant to section 16A.128,* and is due January 1 of each year.

Sec. 158. Minnesota Statutes 1982, section 183.57, subdivision 2, is amended to read:

Subd. 2. Every boiler or pressure vessel as to which any insurance company authorized to do business in this state has

issued a policy of insurance, after the inspection thereof, is exempt from inspection made under sections 183.375 to 183.62, while the same continues to be insured and the person, firm, or corporation owning or operating the same has an unexpired certificate of exemption from inspection, issued by the chief boiler inspector. The fee (OF \$10) *set by the commissioner pursuant to section 16A.128*, on the first object inspected and (\$5) on each object thereafter shall apply to each exempt object. A certificate of exemption expires one year from date of issue. The certificate of exemption shall be posted in a conspicuous place near the boiler or pressure vessel or in the plant office or boiler room described therein and to which it relates. Every insurance company shall give written notice to the chief boiler inspector of the cancellation or expiration of every policy of insurance issued by it with reference to policies in this state, and the cause or reason for the cancellation or expiration. These notices of cancellation or expiration shall show the date of the policy and the date when the cancellation has or will become effective.

Sec. 159. Minnesota Statutes 1982, section 190.05, subdivision 5, as amended by 1983 H. F. No. 859, section 3, is amended to read:

Subd. 5. [ACTIVE SERVICE.] "Active service" means either state active service, *federally funded state active service*, or federal active service.

Sec. 160. Minnesota Statutes 1982, section 190.05, subdivision 5a, as amended by 1983 H. F. No. 859, section 4, is amended to read:

Subd. 5a. [STATE ACTIVE SERVICE.] "State active service" excludes federal active service *and federally funded state active service* and includes service or duty:

(1) on behalf of the state in case of actual or threatened public disaster, war, riot, tumult, breach of the peace, resistance of process, or whenever called upon in aid of state civil authority;

(2) at encampments ordered by state authority;

(3) otherwise ordered or requested by state authority and requiring the time of the organization or person; or

(4) travel to or from service or duty under clause (1), (2), or (3).

Sec. 161. Minnesota Statutes 1982, section 190.05, subdivision 5b, as amended by 1983 H. F. No. 859, section 5, is amended to read:

Subd. 5b. [FEDERALLY FUNDED STATE ACTIVE SERVICE.] *"Federally funded state active service" means service or duty under United States Code, title 32, as amended through December 31, 1983, and travel to or from that service or duty.*

Subd. 5c. [FEDERAL ACTIVE SERVICE.] *"Federal active service" excludes federally funded state active service and means service or duty under United States Code, title 10 (OR 32), as amended through December 31, 1983, other service or duty as may be required by the law, regulation, or order of the United States government, and travel to or from that service or duty.*

Sec. 162. Minnesota Statutes 1982, section 204B.32, is amended to read:

204B.32 [ELECTION EXPENSES; PAYMENT.]

The secretary of state shall pay the compensation for presidential electors, the cost of printing (THE WHITE BALLOTS, SPECIAL FEDERAL WHITE BALLOTS, AND) the pink paper ballots, and all necessary expenses incurred by the secretary of state in connection with elections. The counties shall pay the compensation prescribed in section 204B.31, clauses (b) and (c), the cost of printing the canary ballots, *the white ballots, the pink ballots when machines are used*, the state partisan primary ballots, and the state and county nonpartisan primary ballots, all necessary expenses incurred by county auditors in connection with elections, and the expenses of special county elections. The municipalities shall pay the compensation prescribed for election judges and sergeants at arms, the cost of printing the municipal ballots, providing ballot boxes, providing and equipping polling places and all necessary expenses of the municipal clerks in connection with elections, except special county elections. All disbursements under this section shall be presented, audited, and paid as in the case of other public expenses.

Sec. 163. Minnesota Statutes 1982, section 204D.11, subdivision 1, is amended to read:

Subdivision 1. [WHITE BALLOT; RULES; REIMBURSEMENT.] The names of the candidates for all partisan offices voted on at the state general election (AND CANDIDATES FOR THE OFFICE OF JUSTICE AND CHIEF JUSTICE OF THE SUPREME COURT) shall be placed on a single ballot printed on white paper which shall be known as the "white ballot". This ballot shall be prepared by the county auditor subject to the rules of the secretary of state. The state shall (REIMBURSE THE COUNTIES FOR) *contribute to* the cost of preparing the white ballot and the envelopes required for the returns of that ballot. The secretary of state shall adopt rules for preparation and time of delivery of the white ballot and for

(REIMBURSEMENT OF THE COUNTIES' COSTS) *establishing a basis for distributing to the counties the money appropriated by the state for white ballot costs.*

Sec. 164. Minnesota Statutes 1982, section 206.09, is amended to read:

206.09 [BALLOT LABELS; DIAGRAMS FOR VOTING MACHINES.]

The same authorities as are charged with providing paper ballots when such are used shall be required to provide all ballots, ballot labels and ballot cards, diagrams, sample ballots, return sheets and all other necessary supplies needed for the voting machines or electronic voting systems.

In state and county general elections the county auditor of each county in which voting machines or electronic voting systems are used shall provide all ballots, ballot labels, ballot cards, and other necessary printed forms and supplies needed for the voting machines, including all such forms needed for placing on such voting machines, all officers, candidates and constitutional amendments and other questions and propositions (, THE BALLOTS FOR) which are required by the election laws to be (PROVIDED BY THE STATE WHEN PAPER BALLOTS ARE USED) *placed on the white, pink, and canary ballots.* (THE TOTAL COST OF PRINTING AND PROVIDING ALL SUCH FORMS SHALL BE PRORATED BY EACH COUNTY AUDITOR SO THAT THE STATE AND COUNTY WILL PAY EACH ITS PROPORTIONATE SHARE BASED ON THE TOTAL NUMBER OF CANDIDATES AND QUESTIONS UNDER THE JURISDICTION OF EACH. THE STATE SHALL PAY TO THE COUNTY ITS PROPORTIONATE SHARE OF SUCH COST AS HEREIN PROVIDED, ALL PROVISIONS OF THE STATUTES OF THIS STATE NOTWITHSTANDING.)

Except as herein provided all ballots (or ballot labels) shall be printed in black ink on clear white material of such size as will fit the ballot frame of the voting machine or as will conform to the requirements of electronic voting systems where used, and in as plain clear type as the space will reasonably permit. In primaries where electronic voting systems are used, the ballot pages for the partisan primary ballots may be different colors or may be otherwise distinctively differentiated as between parties and all pages of the partisan primary ballot of a single party shall be consecutive without the intervention of any pages of any other party. In a prominent place on such ballots there shall be conspicuously printed a notice stating in substance the effect of attempting to vote in more than one partisan primary. Preparation of separate ballots for use on separate marking devices, each ballot containing the partisan primary ballot of only one party, shall also be permitted. Candidates' names may be set in as large type as the length of the majority of such names of all candidates

on the ballot permits and the remaining candidates' names may be set in such smaller sizes or styles of type as the length of each such name requires based upon the available space in the frame of the voting machine or upon the space available on any card, paper, booklet, or pages. Ballots (or ballot labels) for constitutional amendments or that portion of the ballot containing constitutional amendments shall be printed on material tinted pink. In a prominent place on such ballots, there shall be conspicuously printed a notice stating in substance that if a voter fails to vote on a constitutional amendment he votes, in effect, in the negative. Ballots (or ballot labels) for other questions shall be printed on material so tinted as to conform with the laws relating to paper ballots.

The authorities charged with the duty of providing ballots for any polling place where voting machines are used shall provide therefor at least two sample ballots which shall be arranged in the form of a diagram showing such part of the face of the voting machine as shall be in use at that election for voting for all candidates whose names are entitled to be placed on the ballot at such election and shall also show such part of the face of the voting machine as shall be in use for voting for all referendum questions, constitutional amendments, or other propositions; the proper authorities shall provide at least two sample ballots, ballot cards, or ballot labels which shall be arranged in the form of a diagram showing the ballot label containing the names of all candidates and propositions to be voted upon at that election in each polling place. Candidates' names shall not be rotated on such sample ballots but shall be arranged in alphabetical order for all offices where rotation of names on the official ballots on the voting machines is required by law. Such sample ballots shall be either in full or reduced size and shall contain suitable illustrated directions for voting on the voting machine, or for operating a marking device, or such illustrated instructions shall be provided on a separate poster, to be posted adjacent to each sample ballot. Not less than two such sample ballots shall be posted in a prominent place in the polling place and shall remain open to inspection by the voters throughout the election day.

The county auditor may use a one inch or more space between partisan and nonpartisan ballots, but in all cases a canary yellow color shall be used as background color on the nonpartisan ballots.

Sec. 165. Minnesota Statutes 1982, section 214.06, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding any law to the contrary, the commissioner of health as authorized by section 214.13, all health related licensing boards and all non-health related licensing boards shall by rule, with the approval of the commissioner of finance, adjust any fee which the board is empowered to assess a sufficient amount so that the total fees collected by each board will

as closely as possible equal anticipated expenditures during the fiscal biennium, (INCLUDING THE PORTION OF THE GENERAL SUPPORT COSTS AND STATEWIDE INDIRECT COSTS OF THE DEPARTMENT PROVIDING ADMINISTRATIVE SUPPORT SERVICES TO THE BOARD THAT IS ATTRIBUTABLE TO THE BOARD. EXAMINATION FEES, IF ANY, SHALL BE SET BY RULE SO THAT THE TOTAL AMOUNT OF ANNUAL EXAMINATION FEE INCOME APPROXIMATELY MEETS THE ANTICIPATED COST OF ADMINISTERING THE EXAMINATIONS DURING THE FISCAL BIENNIUM. FEE ADJUSTMENTS AUTHORIZED UNDER THIS SUBDIVISION MAY BE MADE WITHOUT A PUBLIC HEARING WHEN THE TOTAL FEES ESTIMATED TO BE RECEIVED DURING THE BIENNIUM WILL NOT EXCEED 110 PERCENT OF THE SUM OF ALL DIRECT APPROPRIATIONS, TRANSFERS IN, AND SALARY SUPPLEMENTS TO THE BOARD FOR THE BIENNIUM) *as provided in section 16A.128.* All fees received shall be deposited with the state treasurer and credited to the general fund.

Sec. 166. Minnesota Statutes 1982, section 216B.164, subdivision 2, is amended to read:

Subd. 2. [APPLICABILITY.] This section as well as any rules promulgated by the commission (PURSUANT) to *implement this section or the public utility regulatory policies act of 1978, Pub.L. 95-617, 92 Stat. 3117, and the federal energy regulatory commission regulations thereunder, (18 C.F.R.) Code of Federal Regulations, title 18, part 292, shall apply to all Minnesota electric utilities, including cooperative electric associations and municipal electric utilities (, THAT BECOME INTERCONNECTED WITH ANY QUALIFYING FACILITY AS DEFINED IN 18 C.F.R. SECTION 292.101(B)(1)).*

Sec. 167. Minnesota Statutes 1982, section 216B.164, subdivision 3, is amended to read:

Subd. 3. [PURCHASES; SMALL FACILITIES.] (a) For a qualifying (FACILITIES) *facility having less than 40 kilowatt capacity, the customer shall be billed for the net energy supplied by the utility according to the applicable rate schedule for sales to that class of customer. In the case of net input into the utility system by (THE) a qualifying facility having less than 40 kilowatt capacity, compensation to the customer shall be at a per kilowatt hour rate (SET BY THE COMMISSION) determined under paragraph (b) or (c) of this subdivision.*

(b) In setting (THESE) rates, the commission shall consider the fixed distribution costs to the utility not otherwise accounted for in the basic monthly charge and shall ensure that the costs charged to the qualifying facility are not discriminatory in rela-

tion to the costs charged to other customers of the utility. (NOTWITHSTANDING ANY OTHER LANGUAGE TO THE CONTRARY IN THIS SECTION,) The commission shall set the rates for net input into the utility system based on avoided costs as defined in (18 C.F.R.) *the Code of Federal Regulations*, title 18, section 292.101(b)(6), the factors listed in (18 C.F.R.) *Code of Federal Regulations*, title 18, section 292.304, and all other relevant factors.

(c) *Notwithstanding any provision in this chapter to the contrary, a qualifying facility having less than 40 kilowatt capacity may elect that the compensation for net input by the qualifying facility into the utility system shall be at the average retail utility energy rate. "Average retail utility energy rate" is defined as the average of the retail energy rates, exclusive of special rates based on income, age, or energy conservation, according to the applicable rate schedule of the utility for sales to that class of customer.*

(d) If the qualifying facility is interconnected with a non-generating utility which has a sole source contract with a municipal power agency or a generation and transmission utility, the non-generating utility may elect to treat its purchase of any net input under this subdivision as being made on behalf of its supplier and shall be reimbursed by its supplier for any additional costs incurred in making the purchase. Qualifying facilities having less than 40 kilowatt capacity may, at the customer's option, elect to be governed by the provisions of subdivision 4.

Sec. 168. Minnesota Statutes 1982, section 216B.164, subdivision 5, is amended to read:

Subd. 5. [DISPUTES.] In the event of disputes between an electric utility and a qualifying facility, either party may request a determination of the issue by the commission. In any such determination, the burden of proof shall be on the utility. *The commission in its order resolving each such dispute shall require payments to the prevailing party of the prevailing party's costs, disbursements, and reasonable attorneys' fees, except that the qualifying facility will be required to pay the costs, disbursements, and attorneys' fees of the utility only if the commission finds that the claims of the qualifying facility in the dispute have been made in bad faith, or are a sham, or frivolous.*

Sec. 169. Minnesota Statutes 1982, section 216B.164, subdivision 6, is amended to read:

Subd. 6. [RULES AND UNIFORM CONTRACT.] (a) The commission shall promulgate rules to implement the provisions of this section. *The commission shall also establish a uniform statewide form of contract for use between utilities and a qualifying facility having less than 40 kilowatt capacity.*

(b) *The commission shall require the qualifying facility to provide the utility with reasonable access to the premises and equipment of the qualifying facility if the particular configuration of the qualifying facility precludes disconnection or testing of the qualifying facility from the utility side of the interconnection with the utility remaining responsible for its personnel.*

(c) *The uniform statewide form of contract shall be applied to all new and existing interconnections established between a utility and a qualifying facility having less than 40 kilowatt capacity, except that existing contracts may remain in force until written notice of election that the uniform statewide contract form applies is given by either party to the other, with the notice being of the shortest time period permitted under the existing contract for termination of the existing contract by either party, but not less than ten nor longer than 30 days.*

(d) *The commission may promulgate temporary rules for the purpose of implementing this section. The temporary rules are subject to sections 14.29 to 14.36.*

Sec. 170. Minnesota Statutes 1982, section 216B.164, subdivision 8, is amended to read:

Subd. 8. [CUSTOMER, INTERCONNECTION AND WHEELING CHARGES.] (a) *Utilities shall be required to interconnect with a qualifying facility that offers to provide available energy or capacity and that satisfies the requirements of this section.*

(b) *Nothing contained in this section shall be construed to excuse the qualifying facility from any obligation for costs of interconnection and wheeling in excess of those normally incurred by the utility for customers with similar load characteristics who are not cogenerators or small power producers, or from any fixed charges normally assessed such nongenerating customers.*

Sec. 171. Minnesota Statutes 1982, section 216B.164, is amended by adding a subdivision to read:

Subd. 9. [MUNICIPAL ELECTRIC UTILITIES.] *For purposes of this section only, except subdivisions 5 and 7, and with respect to municipal electric utilities only, the term "commission" means the governing body of each municipal electric utility that adopts and has in effect rules implementing this section which are consistent with the rules adopted by the Minnesota public utilities commission under subdivision 6. As used in this subdivision, the governing body of a municipal electric utility means the city council of that municipality; except that, if another board, commission, or body is empowered by law or resolution of the city council or by its charter to establish and regulate*

rates and days for the distribution of electric energy within the service area of the city, that board, commission, or body shall be considered the governing body of the municipal electric utility.

Sec. 172. [216B.242] [INVERTED RATES.]

The commission may initiate a program designed to demonstrate the effect of inverted rates on promoting conservation by the residential customers of natural gas utilities. Any inverted rates ordered by the commission shall present customers with a tailblock price that, to the maximum extent practicable, reflects the replacement cost of gas. Total revenues collected from customers involved in this pilot program may not exceed those that would be collected under a flat rate. The commission may order one public gas utility to implement a pilot program of inverted rates for residential customers and to monitor the effects of these rates on gas consumption, and on costs to residential customers. The program shall include a sufficient number of residential customers to provide statistically significant conclusions regarding the effects and costs of inverted rates. The inverted rate schedules and monitoring plans shall be prepared in consultation with the commissioner of energy, planning and development.

Sec. 173. Minnesota Statutes 1982, section 216B.44, is amended to read:

216B.44 [MUNICIPAL SERVICE TERRITORY EXTENSIONS (IN ANNEXED AREAS; MUNICIPAL PURCHASE).]

Notwithstanding the provisions of sections 216B.38 to 216B.42, whenever a municipality which owns and operates an electric utility (a) extends its corporate boundaries through annexation or consolidation, or (b) determines to extend its service territory within its existing corporate boundaries, the municipality shall thereafter furnish electric service to (THE ANNEXED AREA) these areas unless the area is already receiving electric service from an electric utility, in which event, the (ANNEXING) municipality may purchase the facilities of the electric utility serving the (ANNEXED) area. The municipality acquiring the facilities shall pay to the electric utility formerly serving the (ANNEXED) area the appropriate value of its properties within the area which payment may be by exchange of other electric utility property outside the municipality on an appropriate basis giving due consideration to revenue from and value of the respective properties. In the event the municipality and the electric utility involved are unable to agree as to the terms of the payment or exchange, the municipality or the electric utility may file an application with the commission requesting that the commission determine the appropriate terms for the exchange or sale. After notice and hearing, the commission shall determine appropriate terms for an exchange, or in the event

no appropriate properties can be exchanged, the commission shall fix and determine the appropriate value of the property within the annexed area, and the transfer shall be made as directed by the commission. In making that determination the commission shall consider the original cost of the property, less depreciation, loss of revenue to the utility formerly serving the area, expenses resulting from integration of facilities, and other appropriate factors. Until the determination by the commission, the facilities shall remain in place and service to the public shall be maintained by the owner. However, the electric utility being displaced, serving the annexed area, shall not extend service to any additional points of delivery within the annexed area if the commission, after notice and hearing, with due consideration of any unnecessary duplication of facilities, shall determine that the extension is not in the public interest.

When property of (A PUBLIC) *an electric utility* located within an area annexed to a municipality which owns and operates (A PUBLIC) *an electric utility* is proposed to be acquired by the municipality, ratification by the electors is not required.

When property of an electric utility located within the existing corporate boundaries of a municipality that currently operates a municipal electric utility is proposed to be included within the service territory of the municipal electric utility, ratification by the electors is not required.

Sec. 174. [216B.465] [VOTER RATIFICATION OF MUNICIPAL PURCHASE, LIMITED APPLICATION.]

The provisions of sections 216B.45 and 216B.46 apply only to the purchase of public utility property by a municipality that, prior to the time of the purchase, did not operate a municipal utility providing the type of utility service delivered by the utility property being purchased.

In cases where the municipality operates, prior to the purchase of public utility property, a municipal utility providing the type of utility service delivered by the utility property being purchased, the provisions of section 216B.44 apply and voter ratification is not required.

Sec. 175. Minnesota Statutes 1982, section 239.10, is amended to read:

239.10 [ANNUAL INSPECTION.]

The department shall charge a fee to the owner for the costs of the regular inspection of scales, weights, measures, and weighing or measuring devices. The cost of any other inspection shall be paid by the owner if the inspection is performed at his request

or if the inspection is made at the request of some other person and the scale, weight, measure, or weighing or measuring device is found to be incorrect. The department may fix the fees and expenses for all regular inspections and special services by rule pursuant to section 16A.128. All moneys collected by the department for its regular inspections, special services, fees, and penalties shall be paid into the state treasury and credited to the state general fund.

Sec. 176. [270.067] [TAX EXPENDITURE BUDGET.]

Subdivision 1. [STATEMENT OF PURPOSE.] State governmental policy objectives are sought to be achieved both by direct expenditure of governmental funds and by the granting of special and selective tax relief or tax expenditures. Both direct expenditures of governmental funds and tax expenditures have an effect on the ability of the state and local governments to lower tax rates or to increase expenditures. As a result, tax expenditures should receive a regular and comprehensive review by the legislature as to (a) their total cost, (b) their effectiveness in achieving their objectives, (c) their effect on the fairness and equity of the distribution of the tax burden, and (d) the public and private cost of administering tax expenditure financed programs. This section is intended to facilitate a regular review of the state and local tax expenditure budget by the legislature by providing for the preparation of a regular biennial tax expenditure budget.

Subd. 2. [PREPARATION; SUBMISSION.] The commissioner of revenue shall prepare a tax expenditure budget for the state. The tax expenditure budget report shall be submitted to the legislature as a supplement to the governor's budget and at the same time as provided for submission of the budget pursuant to section 16A.11, subdivision 1.

Subd. 3. [PERIOD COVERED.] The report shall include estimates of annual tax expenditures for, at a minimum, a three-year period including the two-year period covered in the governor's budget submitted in the preceding January pursuant to section 16A.11.

Subd. 4. [CONTENTS.] The report shall detail for each tax expenditure item the amount of tax revenue foregone, a citation of the statutory or other legal authority for the expenditure, and the year in which it was enacted or the tax year in which it became effective. The report may contain additional information which the commissioner considers relevant to the legislature's consideration and review of individual tax expenditure items. This may include, but is not limited to, statements of the intended purpose of the tax expenditure, analysis of whether the expenditure is achieving that objective, and the effect of the expenditure device on the distribution of the tax burden and administration of the tax system.

Subd. 5. [REVENUE ESTIMATES; LEGISLATIVE BILLS.] Upon reasonable notice from the chairman of the house or senate tax committee that a bill is scheduled for hearing, the commissioner of revenue shall prepare an estimate of the effect on the state's tax revenues which would result from the passage of a legislative bill establishing, extending, or restricting a tax expenditure. These revenue estimates shall contain the same information as provided in subdivision 4 for expenditure items contained in the tax expenditure budget, as appropriate.

Subd. 6. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given:

(1) "Tax expenditure" means a tax provision which provides a gross income definition, deduction, exemption, credit, or rate for certain persons, types of income, transactions, or property that results in reduced tax revenue.

(2) "Tax" means any tax of statewide application or any tax authorized by state law to be levied by local governments generally. It does not include a special local tax levied pursuant to special law or to a special local tax levied pursuant to general authority that is no longer applicable to local governments generally.

Sec. 177. [273.118] [TAX PAID IN RECOGNITION OF CONGRESSIONAL MEDAL OF HONOR.]

An owner of property classified under section 273.13, subdivision 6, 6a, 7, 7d, or 14a, who submits to the commissioner of revenue his property tax statement and reasonable proof that the owner of the property:

(a) is a veteran as defined in section 197.447;

(b) was a resident of this state for at least six months before entering military service, or has been a resident of this state for five consecutive years before submitting the statement and proof; and

(c) has been awarded the congressional medal of honor; shall be paid by the commissioner of revenue within 30 days after the commissioner receives the statement and proof the amount of the owner's property tax liability as shown on the statement, up to \$2,000. The surviving spouse of a property owner who has received a payment under this section may receive payment of property taxes under this section as long as the spouse continues to own and occupy the property for which the taxes were paid under this section and the property continues to have an eligible classification. Property taxes paid

under this section reduce property taxes payable for purposes of chapter 290A, the Property Tax Refund Act.

Sec. 178. Minnesota Statutes 1982, section 290.06, subdivision 13, is amended to read:

Subd. 13. [GASOLINE AND SPECIAL FUEL TAX REFUND.] Subject to the provisions of section 296.18, a credit equal to the amount paid by the taxpayer during the taxable year as excise tax on gasoline bought and used for any purpose other than use in motor vehicles (OR), snowmobiles, or motorboats, or on special fuel bought and used for any purpose other than use in licensed motor vehicles may be deducted from any tax due under this chapter. Any amount by which the credit exceeds the tax due shall be refunded.

Sec. 179. Minnesota Statutes 1982, section 290.37, subdivision 1, is amended to read:

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

(IN THE CASE OF A DECEDENT WHO HAS GROSS INCOME IN EXCESS OF THE MINIMUM AMOUNT AT WHICH AN INDIVIDUAL IS REQUIRED TO FILE A RETURN,) The decedent's final income tax return, and all other income tax returns for prior years where the decedent had gross income in excess of the minimum amount at which an individual is required to file and did not file, shall be filed by his or her personal representative, if any. If there is no personal representative, the return or returns shall be filed by the (SUCCESSORS () transferees as defined in section (524.1-201)) 290.29, subdivision 3, who receive any property of the decedent.

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

Every corporation shall file a return. The return in this case shall be signed by an officer of the corporation.

The receivers, trustees in bankruptcy, or assignees operating the business or property of a taxpayer shall file a return with respect to the taxable net income of such taxpayer if that exceeds an amount on which a tax at the rates herein provided would exceed the specific credits allowed.

(b) Such return shall (1) be verified or contain a written declaration that it is made under the penalties of criminal liability for wilfully making a false return, and (2) shall contain a confession of judgment for the amount of the tax shown due thereon to the extent not timely paid.

(c) For purposes of this subdivision the term "gross income" shall mean gross income as defined in section 61 of the Internal Revenue Code of 1954, as amended through December 31, 1981, modified and adjusted in accordance with the provisions of sections 290.01, subdivision 20b, clauses (1), (6) and (11), 290.08, and 290.17.

Sec. 180. Minnesota Statutes 1982, section 290.44, is amended to read:

290.44 [PAYMENT OF TAX, WHO MUST PAY.]

The taxes imposed by this chapter, and interest and penalties imposed with respect thereto, shall be paid by the taxpayer upon whom imposed, except in the following cases:

(1) The tax due from a decedent for that part of the taxable year in which he died during which he was alive *and the taxes, interest, and penalty due for any and all prior years shall be paid* by his personal representative, if any. If there is no personal representative, the (TAX) *taxes, interest, and penalty shall be paid* by the (SUCCESSORS() *transferees*, as defined in section (524.1-201)) 290.29, subdivision 3, to the extent they receive property from the decedent.

(2) The tax due from an infant or other incompetent person shall be paid by his guardian or other person authorized or permitted by law to act for him;

(3) The tax due from the estate of a decedent shall be paid by the personal representative thereof;

(4) The tax due from a trust, including those within the definition of corporation, shall be paid by the trustee or trustees;

(5) The tax due from a taxpayer whose business or property is in charge of a receiver, trustee in bankruptcy, assignee, or other conservator, shall be paid by the person in charge of such business or property so far as the tax is due to the income from such business or property.

Sec. 181. Minnesota Statutes 1982, section 296.18, subdivision 1, is amended to read:

Subdivision 1. [GASOLINE OR SPECIAL FUEL USED IN OTHER THAN MOTOR VEHICLES.] Any person who

shall buy and use gasoline for any purpose other than use in motor vehicles (OR), snowmobiles, or motorboats, or special fuel for any purpose other than use in licensed motor vehicles, and who shall have paid the excise tax directly or indirectly through the amount of the tax being included in the price of the gasoline or special fuel, or otherwise, shall be eligible to receive the credit provided in section 290.06, subdivision 13, in the amount of the tax paid by him. The taxpayer claiming this credit shall include with his income tax return information including the total amount of the gasoline so purchased and used by him other than in motor vehicles, or special fuel so purchased and used by him other than in licensed motor vehicles, and shall state when and for what purpose it was used. The words "gasoline" or "special fuel" as used in this subdivision do not include aviation gasoline or special fuel for aircraft.

Sec. 182. Minnesota Statutes 1982, section 296.421, subdivision 5, is amended to read:

Subd. 5. [COMPUTATION OF UNREFUNDED TAX.] The amount of unrefunded tax shall be a sum equal to three-fourths of one percent of all revenues derived from the excise taxes on gasoline, except on gasoline used for aviation purposes, together with interest thereon and penalties for delinquency in payment, paid or collected pursuant to the provisions of sections 296.02 to 296.17 (, FROM WHICH SHALL BE SUBTRACTED THE TOTAL AMOUNT OF MONEY REFUNDED FOR MOTOR BOAT USE PURSUANT TO SECTION 296.18). The amount of such tax shall be computed for each six-month period commencing January 1, 1961, and shall be paid into the state treasury on November 1 and June 1 following each six-month period.

Sec. 183. Minnesota Statutes 1982, section 298.22, subdivision 1, is amended to read:

Subdivision 1. (1) The office of commissioner of iron range resources and rehabilitation is created. The commissioner shall be appointed by the governor under the provisions of section 15.06.

(2) The commissioner may hold such other positions or appointments as are not incompatible with his duties as commissioner of iron range resources and rehabilitation. The commissioner may appoint a deputy commissioner. All expenses of the commissioner, including the payment of such assistance as may be necessary, shall be paid out of the amounts appropriated by section 298.28, subdivision 1. *The compensation of the commissioner shall be set by the governor.*

(3) When the commissioner shall determine that distress and unemployment exists or may exist in the future in any county by reason of the removal of natural resources or a possibly limited

use thereof in the future and the decrease in employment resulting therefrom, now or hereafter, he may use such amounts of the appropriation made to him in section 298.22, subdivision 1 as he may determine to be necessary and proper in the development of the remaining resources of said county and in the vocational training and rehabilitation of its residents. For the purposes of this section, "development of remaining resources" includes, but is not limited to, the promotion of tourism.

Sec. 184. Minnesota Statutes 1982, section 309.53, subdivision 2, is amended to read:

Subd. 2. Such annual report shall include a financial statement covering the immediately preceding 12 months period of operation, and shall be executed by any two duly constituted officers of the charitable organization, who shall acknowledge that it was executed pursuant to resolution of the board of directors or trustees, or if there be no such board, then by its managing group which has approved the content of the annual report. *This annual report shall also include a copy of any tax return, including amendments, submitted by the charitable organization to the Internal Revenue Service for the period covered by the annual report.*

A charitable organization which files the annual report required under this subdivision with the securities and real estate division is not required to file the tax return with the commissioner of revenue. An organization which fails to file the tax return required under this section is subject to the penalties imposed by the commissioner of revenue as set forth in section 290.05, subdivisions 4 and 5.

Sec. 185. Minnesota Statutes 1982, section 309.53, is amended by adding a subdivision to read:

Subd. 3a. The federal tax return may be filed in lieu of other financial statements if it is prepared in accordance with generally accepted accounting principles and meets the requirements for financial statements set forth in subdivisions 2, 3, and 4.

Sec. 186. Minnesota Statutes 1982, section 317.67, is amended by adding a subdivision to read:

Subd. 3. [FILING FEE.] The secretary of state shall collect a fee of \$25 from each new nonprofit corporation at the time of incorporation.

Sec. 187. Minnesota Statutes 1982, section 322A.16, is amended to read:

322A.16 [FILING IN OFFICE OF SECRETARY OF STATE.]

(a) A signed copy of the certificate of limited partnership, of any certificates of amendment or cancellation or of any judicial decree of amendment or cancellation shall be delivered to the secretary of state. A person who executes a certificate as an agent or fiduciary need not exhibit evidence of his authority as a prerequisite to filing. Unless the secretary of state finds that any certificate does not conform to law, upon receipt of a \$10 filing fee (HE) *and, in the case of a certificate of limited partnership, a \$50 initial fee, the secretary shall:*

(1) endorse on the original the word "Filed" and the day, month and year of the filing; and

(2) return the original to the person who filed it or his representative.

(b) Upon the filing of a certificate of amendment or judicial decree of amendment in the office of the secretary of state, the certificate of limited partnership shall be amended as set forth in the amendment, and upon the effective date of a certificate of cancellation or a judicial decree of it, the certificate of limited partnership is cancelled.

Sec. 188. Minnesota Statutes 1982, section 322A.71, is amended to read:

322A.71 [ISSUANCE OF REGISTRATION.]

(a) If the secretary of state finds that an application for registration conforms to law and a \$10 filing fee *and a \$50 initial registration fee* has been paid, (HE) *the secretary shall:*

(1) endorse on the application the word "Filed", and the month, day and year of the filing thereof;

(2) file in his office a duplicate original of the application; and

(3) issue a certificate of registration to transact business in this state.

(b) The certificate of registration, together with a duplicate original of the application, shall be returned to the person who filed the application or his representative.

Sec. 189. Minnesota Statutes 1982, section 331.02, is amended by adding a subdivision to read:

Subd. 1a. [FEE.] Every newspaper submitting the statement required by subdivision 1, clause (8) shall remit a \$25 filing fee to the secretary of state at the time of that submission.

Sec. 190. Minnesota Statutes 1982, section 333.055, subdivision 3, is amended to read:

Subd. 3. The secretary of state shall charge and collect:

(a) For the filing of each certificate or amended certificate of an assumed name—(\$12) \$15

(b) Certificate renewal fee—\$6

Sec. 191. Minnesota Statutes 1982, section 333.20, subdivision 4, is amended to read:

Subd. 4. The application for registration shall be accompanied by a filing fee of (\$18) \$25, payable to the secretary of state; provided, however, that a single credit of \$10 shall be given each applicant applying for re-registration of a mark hereunder for each \$10 filing fee paid by applicant for registration of the same trademark prior to the effective date of sections 333.18 to 333.31.

Sec. 192. Minnesota Statutes 1982, section 345.31, is amended by adding a subdivision to read:

Subd. 3a. [COMMISSIONER.] "Commissioner" means the commissioner of commerce.

Sec. 193. Minnesota Statutes 1982, section 345.41, is amended to read:

345.41 [REPORT OF ABANDONED PROPERTY.]

(a) Every person holding funds or other property, tangible or intangible, presumed abandoned under sections 345.31 to 345.60 shall report annually to the (STATE TREASURER) *commissioner* with respect to the property as hereinafter provided.

(b) The report shall be verified and shall include:

(1) except with respect to traveler's checks and money orders, the name, if known, and last known address, if any, of each person appearing from the records of the holder to be the owner of any property of the value of \$10 or more presumed abandoned under sections 345.31 to 345.60;

(2) in case of unclaimed funds of life insurance corporations, the full name of the policyholder, insured or annuitant and his last known address according to the life insurance corporation's records;

(3) the nature and identifying number, if any, or description of the property and the amount appearing from the records to be due, except that items of value under \$10 each may be reported in aggregate;

(4) the date when the property became payable, demandable or returnable, and the date of the last transaction with the owner with respect to the property; and

(5) other information which the (STATE TREASURER) *commissioner* prescribes by rule as necessary for the administration of sections 345.31 to 345.60.

(c) If the person holding property presumed abandoned is a successor to other persons who previously held the property for the owner, or if the holder has changed his name while holding the property, he shall file with his report all prior known names and addresses of each holder of the property.

(d) The report shall be filed before November 1 of each year as of June 30 next preceding, but the report of life insurance corporations shall be filed before May 1 of each year as of December 31 next preceding. The (STATE TREASURER) *commissioner* may postpone the reporting date upon written request by any person required to file a report.

(e) If the holder of property presumed abandoned under sections 345.31 to 345.60 knows the whereabouts of the owner and if the owner's claim has not been barred by the statute of limitations, the holder shall, before filing the annual report, inform the owner of the steps necessary to prevent abandonment from being presumed.

(f) Verification, if made by a partnership, shall be executed by a partner; if made by an unincorporated association or private corporation, by an officer, and if made by a public corporation, by its chief fiscal officer.

(g) Holders of property described in section 345.32 shall not impose any charges against property which is described in section 345.32, clauses (a), (b) or (c).

(h) Any person who has possession of property which he has reason to believe will be reportable in the future as unclaimed property may, with the permission of the (STATE TREASURER) *commissioner*, report and deliver such property prior to the date required for reporting in accordance with this section.

Sec. 194. Minnesota Statutes 1982, section 357.08, is amended to read:

357.08 [PAID BY APPELLANT IN APPEAL (TO SUPREME COURT).]

(IN LIEU OF ALL CHARGES NOW PROVIDED BY LAW AS FEES OF THE CLERK OF THE SUPREME COURT,) There shall be paid by the appellant, or moving party or person requiring the service, in all cases of appeal, certiorari, habeas corpus, mandamus, injunction, prohibition, or other original proceeding, *when initially filed with the clerk of the appellate courts*, the sum of (\$20) \$50 to the clerk of the appellate courts. *In addition, there shall be paid by the appellant or moving party or person the sum of \$10 to the court or agency whose decision is sought to be reviewed. No additional filing fee shall be required for a petition for accelerated review by the supreme court. A filing fee of \$50 shall be paid to the clerk of the appellate courts upon the filing of a petition for review from a decision of the court of appeals.*

The clerk shall not file any paper, issue any writ or certificate, or perform any service enumerated herein, until the payment therefor shall have been made, and when made he shall pay such sum into the state treasury as provided for by section 15A.01.

The charges provided for herein shall not apply to disbarment proceedings, nor to an action or proceeding by the state taken solely in the public interest, where the state is the appellant or moving party, nor to copies of the opinions of the court furnished by the clerk to the parties before judgment, or so furnished to the district judge whose decision is under review, or to such law library associations in counties having a population exceeding 50,000, as the court may direct.

Sec. 195. Minnesota Statutes 1982, section 360.302, subdivision 1, is amended to read:

Subdivision 1. To provide moneys appropriated from time to time by the legislature for aeronautics purposes in accordance with the Constitution, Article 10, Sections 4 and 5, and Article XI, Section 5, Clause (g), upon request of the commissioner of transportation, the (STATE AUDITOR). *commissioner of finance* is directed to issue and sell bonds of the state of Minnesota, not exceeding the amount required from time to time to meet the appropriations so made, for the prompt and full payment of which, with the interest thereon, the full faith, credit, and taxing powers of the state are hereby irrevocably pledged. Such bonds shall be known as "Minnesota aeronautics bonds." The principal amount thereof shall be credited to the state airports fund created by sections 360.017 and 270.077, together with any interest received by the state upon investment of such bond proceeds, but the accrued interest and any premium received upon sale of the bonds shall be credited to the state bond fund (AND) except that the principal amount of any

bonds authorized to refund existing obligations shall be credited to the fund or funds from which those obligations are payable.

Sec. 196. Minnesota Statutes 1982, section 360.302, subdivision 2, is amended to read:

Subd. 2. Such bonds shall be issued and sold (AT NOT LESS THAN PAR) upon sealed bids after (TWO WEEKS) published notice, unless sold to the state board of investment. They shall be issued and sold in (SUCH NUMBER OF SERIES) *the manner*, at (SUCH) times, in (SUCH) form and denominations, bearing interest at (SUCH) a rate or rates, maturing on (SUCH) dates *and in amounts*, (EITHER) *with or without* option of prior redemption (OR SUBJECT TO PREPAYMENT) upon (SUCH) notice and at (SUCH) *specified* times and prices, payable at (SUCH) a bank or banks, within or without the state, with (SUCH) provisions, *if any*, for registration, conversion, and exchange and for the issuance of *temporary bonds or notes* in anticipation of the sale and delivery of definitive bonds, and in accordance with (SUCH) further regulations as the (STATE AUDITOR) *commissioner of finance* may determine, subject to any limitations stated in the acts authorizing such bonds and appropriating the proceeds thereof (but not subject to the provisions of sections 14.02, 14.04 to 14.36, 14.38, 14.44 to 14.45, and 14.57 to 14.62). The bonds shall be executed by the (STATE AUDITOR) *commissioner of finance* and attested by the state treasurer under their official seals. The (SIGNATURE OF ONE) *signatures* of these officers on the face of *and the interest coupons appertaining to* any bond, and their seals, (AND THE SIGNATURES OF BOTH OFFICERS ON THE INTEREST COUPONS APPURTENANT TO ANY BOND,) may be printed, lithographed, stamped, (OR) engraved, *or otherwise reproduced thereon, provided that the signature of one of the officers, or of an authorized representative of a corporate registrar or other agent designated by the commissioner of finance to authenticate the bonds, shall be manually subscribed on the face of each bond.*

Sec. 197. Minnesota Statutes 1982, section 360.302, subdivision 3, is amended to read:

Subd. 3. The (AUDITOR) *commissioner of finance* is authorized and directed to ascertain and certify to purchasers of the bonds the performance and existence of all acts, conditions, and things necessary to make them valid and binding general obligations of the state of Minnesota in accordance with their terms. Any act authorizing the issuance of bonds pursuant to this section shall, together with this section, constitute complete authority for such issue, and such bonds shall not be subject to the restrictions or limitations contained in any other law.

Sec. 198. 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, when religion 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. *After January 1, 1984, these age restrictions are exempt from the provisions of section 363.03, subdivision 1 only to the extent that they are declared exempt in rules adopted by the commissioner according to chapter 14. The commissioner must adopt rules governing this subject before January 1, 1984, and is authorized to adopt temporary, as well as permanent rules for this purpose. 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.

Sec. 199. Minnesota Statutes 1982, section 363.06, subdivision 4, is amended to read:

Subd. 4. [INQUIRY INTO CHARGE.] (1) Consistent with clause (7), (WHEN A CHARGE HAS BEEN FILED,) the commissioner shall promptly inquire into the truth of the allegations of the charge. The commissioner shall make an immediate inquiry when necessary to prevent a charging party from suffering irreparable loss in the absence of immediate action. The commissioner shall also make an immediate inquiry when it appears that a charge is frivolous or without merit and shall dismiss those charges. On (ALL) other charges the commissioner shall make a determination *within 12 months after the charge was filed* as to whether or not there is probable cause to credit the allegation of unfair discriminatory practices, and

(2) If the commissioner determines after investigation that no probable cause exists to credit the allegations of the unfair discriminatory practice, the commissioner shall, within ten days of the determination, serve upon the charging party and respondent written notice of the determination. Within ten days after receipt of notice, the charging party may request in writing on forms prepared by the department that the commissioner reconsider his determination. The request shall contain a brief statement of the reasons for and new evidence in support of the request for reconsideration. At the time of submission of the request to the commissioner, the charging party shall deliver or

mail to the respondent a copy of the request for reconsideration. The commissioner shall either reaffirm or reverse his determination of no probable cause within 20 days after receipt of the request for reconsideration, and he shall within ten days notify in writing the charging party and respondent of his decision to reaffirm or reverse.

A decision by the commissioner that no probable cause exists to credit the allegations of an unfair discriminatory practice shall not be appealed to district court pursuant to section 363.072 or sections 14.63 to 14.68.

(3) If the commissioner determines after investigation that probable cause exists to credit the allegations of unfair discriminatory practices, the commissioner shall serve on the respondent and his attorney if he is represented by counsel, by first class mail, a notice setting forth a short plain written statement of the alleged facts which support the finding of probable cause and an enumeration of the provisions of law allegedly violated. If the commissioner determines that attempts to eliminate the alleged unfair practices through conciliation pursuant to subdivision 5 have been or would be unsuccessful or unproductive, the commissioner shall issue a complaint and serve on the respondent, by registered or certified mail, a written notice of hearing together with a copy of the complaint, requiring the respondent to answer the allegations of the complaint at a hearing before a hearing examiner at a time and place specified in the notice, not less than ten days after service of said complaint. A copy of the notice shall be furnished to the charging party and the attorney general.

(4) If, at any time after the filing of a charge, the commissioner has reason to believe that a respondent has engaged in any unfair discriminatory practice, the commissioner may file a petition in the district court in a county in which the subject of the complaint occurs, or in a county in which a respondent resides or transacts business, seeking appropriate temporary relief against the respondent, pending final determination of proceedings under this chapter, including an order or decree restraining him from doing or procuring an act tending to render ineffectual an order the commissioner may enter with respect to the complaint. The court shall have power to grant temporary relief or a restraining order as it deems just and proper, but no relief or order extending beyond ten days shall be granted except by consent of the respondent or after hearing upon notice to the respondent and a finding by the court that there is reasonable cause to believe that the respondent has engaged in a discriminatory practice. Except as modified by this section, the Minnesota rules of civil procedure shall apply to an application, and the district court shall have authority to grant or deny the relief sought on conditions as it deems just and equitable. All hearings under this section shall be given precedence as nearly as practicable over all other pending civil actions.

(5) If a lessor, after he has engaged in a discriminatory practice defined in section 363.03, subdivision 2, clause (1), (a), leases or rents a dwelling unit to a person who has no knowledge of the practice or of the existence of a charge with respect to the practice, the lessor shall be liable for actual damages sustained by a person by reason of a final order as provided in this section requiring the person to be evicted from the dwelling unit.

(6) In any complaint issued under this section, the commissioner may seek relief for a class of individuals affected by an unfair discriminatory practice occurring on or after a date six months prior to the filing of the charge from which the complaint originates.

(7) The commissioner may adopt policies to determine *which charges are processed* and the order in which charges are processed based on their particular social or legal significance, administrative convenience, difficulty of resolution, or other standard consistent with the provisions of this chapter.

Sec. 200. Minnesota Statutes 1982, section 363.06, is amended by adding a subdivision to read:

Subd. 4a. [TEMPORARY RULES.] The commissioner may adopt temporary rules pursuant to chapter 14 to carry out the purposes of this section. Temporary and permanent rules adopted pursuant to this subdivision apply to cases pending before the commissioner on the date of adoption.

Sec. 201. Minnesota Statutes 1982, section 363.071, subdivision 2, is amended to read:

Subd. 2. [DETERMINATION OF DISCRIMINATORY PRACTICE.] The hearing examiner shall make findings of fact and conclusions of law, and if the hearing examiner finds that the respondent has engaged in an unfair discriminatory practice, the hearing examiner shall issue an order directing the respondent to cease and desist from the unfair discriminatory practice found to exist and to take such affirmative action as in the judgment of the examiner will effectuate the purposes of this chapter. Such order shall be a final decision of the department. The examiner shall order any respondent found to be in violation of any provision of section 363.03 to pay a civil penalty to the state. This penalty is in addition to compensatory and punitive damages to be paid to an aggrieved party. The hearing examiner shall determine the amount of the civil penalty to be paid, taking into account the seriousness and extent of the violation, the public harm occasioned by the violation, whether the violation was intentional, and the financial resources of the respondent. Any penalties imposed under this provision shall be paid into the general fund of the state. In all cases the examiner may order the respondent to pay an aggrieved party, who has suffered discrimi-

nation, compensatory damages, including damages for mental anguish or suffering, and, in all cases, may also order the respondent to pay an aggrieved party, who has suffered discrimination, punitive damages in an amount not more than \$6,000. Punitive damages shall be awarded pursuant to section 549.20. In any case where a political subdivision is a respondent the total of punitive damages awarded an aggrieved party may not exceed \$6,000 and in that case if there are two or more respondents the punitive damages may be apportioned among them. Punitive damages may only be assessed against a political subdivision in its capacity as a corporate entity and no regular or ex-officio member of a governing body of a political subdivision shall be personally liable for payment of punitive damages pursuant to this subdivision. In addition to the aforesaid remedies, in a case involving discrimination in

(a) employment, the examiner may order the hiring, reinstatement or upgrading of an aggrieved party, who has suffered discrimination, with or without back pay, admission or restoration to membership in a labor organization, or his admission to or participation in an apprenticeship training program, on-the-job-training program, or other retraining program, or any other relief the examiner deems just and equitable.

(b) housing, the examiner may order the sale, lease, or rental of the housing accommodation or other real property to an aggrieved party, who has suffered discrimination, or the sale, lease or rental of a like accommodation or other real property owned by or under control of the person against whom the complaint was filed, according to terms as listed with a real estate broker, or if no such listing has been made, as otherwise advertised or offered by the vendor or lessor, or any other relief the examiner deems just and equitable.

The examiner shall cause the findings of fact, conclusions of law, and order to be served on the respondent personally, the charging party by registered or certified mail, and shall furnish copies to the attorney general and the commissioner.

Sec. 202. Minnesota Statutes 1982, section 453.54, is amended by adding a subdivision to read:

Subd. 7a. It may invest in various technologies to minimize long-run costs of providing electrical services to consumers. These investments include energy conservation measures and renewable resources.

Sec. 203. Minnesota Statutes 1982, section 462A.02, subdivision 10, is amended to read:

Subd. 10. It is further declared that supplies of conventional energy resources are rapidly depleting in quantity and rising in

price and that the burden of these occurrences falls heavily upon the citizens of Minnesota generally and persons of low and moderate income in particular. These conditions are adverse to the health, welfare, and safety of all of the citizens of this state. It is further declared that it is a public purpose to ensure the availability of financing to be used by (LOW AND MODERATE INCOME PEOPLE) all citizens of the state, while giving preference to low and moderate income people, to (INSTALL) assist in the installation in their dwellings of reasonably priced energy conserving systems (USING) including the use of alternative energy resources and equipment so that by the improvement of the energy efficiency of all housing, the adequacy of the total energy supply may be preserved for the benefit of all citizens.

Sec. 204. Minnesota Statutes 1982, section 462A.05, is amended by adding a subdivision to read:

Subd. 14b. It may agree to purchase, make, or otherwise participate in the making, and may enter into commitments for the purchase, making, or participating in the making, of loans to persons and families, without limitations relating to the maximum incomes of the borrowers, to assist in energy conservation rehabilitation measures for existing housing owned by those persons or families including, but not limited to: weatherstripping and caulking, chimney construction or improvement, furnace or space heater repair, cleaning or replacement, insulation, storm windows and doors, and structural or other directly related repairs essential for energy conservation. Loans shall be made only when the agency determines that financing is not otherwise available, in whole or in part, from private lenders upon equivalent terms and conditions.

Sec. 205. Minnesota Statutes 1982, section 462A.05, is amended by adding a subdivision to read:

Subd. 18a. The agency may make loans, with or without interest, and with security for repayment, if any, the agency determines reasonably necessary and practicable, for the financing of innovative housing as described in this section.

(a) The housing shall be cooperative or rental multifamily housing which is designed to provide long-term affordability and which is either owned and operated on a nonprofit cooperative basis by the residents, or owned by a limited-dividend entity and operated by a residents association.

(b) Occupancy shall be restricted to persons and families of low and moderate income as defined in section 462A.03, subdivision 10; provided that the agency shall give priority to proposals that will provide housing to persons and families whose income is 50 percent or less of the statewide median family income, as estimated by the United States department of housing and urban development.

(c) A democratic residents association shall have substantial control over the operation and management of the housing and over the filling of housing unit vacancies.

(d) A training and education program shall be developed by the loan recipient and made available to residents to help them organize and operate the residents association, understand their legal rights and financial interests regarding the property, and manage and maintain the property. The agency shall ensure that a training and education program has been developed prior to approving any loan under this section.

Sec. 206. Minnesota Statutes 1982, section 462A.05, is amended by adding a subdivision to read:

Subd. 23. The agency may participate in loans or establish a fund to insure loans, or portions of loans, that are made by any banking institution, savings and loan association, or other lender approved by the agency, organized under the laws of this or any other state or of the United States having an office in this state, to owners of renter occupied homes or apartments that do not comply with standards set forth in section 116J.27, subdivision 3, without limitations relating to the maximum incomes of the owners or tenants. The proceeds of the insured portion of the loan must be used to pay the costs of improvements, including all related structural and other improvements, that will reduce energy consumption.

Sec. 207. [462A.072] [PROVISION OF FINANCIAL EXPERTISE TO OTHER AGENCIES.]

Upon request of the commissioner of energy, planning and development, the director shall provide financial management assistance to the small business finance agency. Reimbursement for these services shall be at a reasonable rate established by negotiation between the director and the commissioner of energy, planning and development.

Sec. 208. Minnesota Statutes 1982, section 462A.21, is amended by adding a subdivision to read:

Subd. 4j. It may expend money for the purposes of section 462A.05, subdivision 23, and may pay the costs and expenses for the development and operation of the program.

Sec. 209. Minnesota Statutes 1982, section 462A.21, is amended by adding a subdivision to read:

Subd. 9a. It may create a revolving fund to be used to make loans to encourage innovative multifamily housing pursuant to section 462A.05, subdivision 18a.

Sec. 210. [462A.27] [RULES.]

The agency may adopt temporary and permanent rules for the efficient administration of sections 204, 205, and 206. The temporary rules need not be adopted in compliance with chapter 14 and are effective for 360 days or until the permanent rules are adopted, whichever occurs first. The temporary rules are effective upon adoption by the agency and shall be published in the state register as soon thereafter as possible.

Sec. 211. Minnesota Statutes 1982, section 471.345, is amended by adding a subdivision to read:

Subd. 9. [ENERGY EFFICIENCY SERVICE CONTRACTS.] Notwithstanding any law to the contrary, a municipality may enter into a contract to purchase by installment payments capital or other equipment or services intended to improve the energy efficiency of buildings or facilities owned by the municipality provided that:

- (a) the term of the contract does not exceed ten years;*
- (b) the entire cost of the contract is a percentage of the resultant savings in energy costs;*
- (c) the contract for purchase is based on a competitive basis; and*
- (d) the municipality may unilaterally cancel the agreement if the governing board of the municipality fails to appropriate money to continue the contract.*

Sec. 212. [471.365] [LOCAL GOVERNMENT PURCHASES.]

A bid received by a local unit of government on a contract for purchase of goods shall not be considered as the lowest bid if it is a product of a prison industry other than one located in Minnesota.

Sec. 213. Minnesota Statutes 1982, section 473.833, subdivision 3, is amended to read:

Subd. 3. [COUNTY SITE SELECTION AUTHORITIES.] Each metropolitan county shall establish a site selection authority. By June 1, 1983, each site selection authority shall select specific sites within the county from the council's disposal site inventory, in accordance with the procedures established by the council under section 473.149, subdivision 2e, and in a number equal to that required by the council to be acquired by the county. Each site selection authority shall be composed of the county

board, plus one member appointed by the governing body of each city or town within the county containing a site in the council's disposal site inventory or the majority of the land contained within such a site. If the number of members on the site selection authority who reside in a city or town containing all or part of a site or buffer area is equal to or greater than the number of members who do not, the chairman of the county board shall appoint to the authority an additional member or members, residing within the county but not within a city or town containing all or part of a site or buffer area, sufficient to assure a majority of one on the authority of members residing in cities and towns not containing all or any part of a site or buffer area. The chairman of the county board shall be the chairman of the site selection authority. If a site selection authority has not selected the requisite number of sites in accordance with the council's standards, criteria, and procedures by June 1, 1983, the council shall make the selection. *A county is not required to develop a solid waste disposal facility in any municipality in which a mixed municipal solid waste resource recovery facility having a capacity greater than 400 tons per day is located if the council finds that the capacity and number of disposal facilities required by the development schedule in that county can be provided in that county without development of the solid waste disposal facility.*

Sec. 214. Minnesota Statutes 1982, section 480.09, subdivision 5, is amended to read:

Subd. 5. All moneys collected shall be paid into the state treasury and (SHALL BE ADDED TO THE CURRENT BIENNIAL APPROPRIATION) *are appropriated to the state law librarian for (THE) library purposes. Separate accounts shall be maintained for book sales receipts, the book purchasing service, and computer-assisted legal research.*

Sec. 215. Minnesota Statutes 1982, section 480.241, subdivision 2, is amended to read:

Subd. 2. [TRANSMITTAL OF SURCHARGE TO SUPREME COURT.] Notwithstanding any other law or rule to the contrary, all surcharges collected pursuant to subdivision 1 shall be transmitted monthly by the district, county and conciliation court clerks and municipal court administrators to the supreme court for deposit in a *legal services account in the (GENERAL) special revenue fund.*

Sec. 216. Minnesota Statutes 1982, section 480A.01, subdivision 2, is amended to read:

Subd. 2. [TEMPORARY NUMBER OF JUDGES.] On (JULY 1, 1983) *November 1, 1983*, the court of appeals shall consist of six judges. On (JANUARY 1, 1984) *April 1, 1984*, an additional six judges shall be added.

Sec. 217. Minnesota Statutes 1982, section 514.19, is amended to read:

514.19 [RIGHT OF DETAINER.]

(SUCH) A lien and right of detainer (SHALL EXIST) *exists* for:

(1) Transporting property from one place to another but not as a carrier under article 7 of the uniform commercial code;

(2) Keeping or storing property as a bailee but not as a warehouseman under article 7 of the uniform commercial code;

(3) Keeping, feeding, pasturing, or otherwise caring for domestic animals or other beasts, including medical or surgical treatment (THEREOF) and shoeing (THE SAME);

(4) *The use and storage of molds and patterns in the possession of the fabricator belonging to the customer for the balance due from the customer for fabrication work;*

(5) Making, altering or repairing any article, or expending any labor, skill or material (THEREON) *on it*.

(SUCH) *The* liens (SHALL) embrace all lawful charges against (SUCH) *the* property paid to any other person by the person claiming (SUCH) *the* lien, and the price or value of (SUCH) *the* care, storage or contribution and all reasonable disbursements occasioned by the detention or sale of the property.

Sec. 218. Minnesota Statutes 1982, section 514.92, subdivision 1, is amended to read:

Subdivision 1. Every duly licensed and registered veterinarian shall have a lien for all veterinary services over \$25 rendered upon any animal or animals at the request of the owner or lawful possessor of same, including but not limited to surgical procedures, vaccines, antisera, virus, antibiotics, or other veterinary treatment, from the date of filing (SUCH) *the* lien. Within (60) 180 days from the day on which (SAID) *the* treatment was completed, the claimant of (SUCH) *the* lien shall file in the appropriate filing office under the Uniform Commercial Code, Minnesota Statutes, Section 336.9-401, a verified lien statement setting forth the kind and number of animals treated, the (PRICE AGREED UPON) *reasonable value* for (SUCH) *the* treatment (, WHICH SHALL NOT EXCEED THE REASONABLE VALUE OF SUCH TREATMENT) *or services rendered, or the price contracted between the parties,* the name of the person for whom (SUCH) *the* treatment was done, the (DESCRIPTION) *reasonable identification of the animal or group of animals treated,* (AND IF BRANDED, THE BRAND THEREON,)

dates when the treatment was commenced and was completed, the name of the owner, or reputed owner, of (SUCH) *the* animals, the name and address of the veterinarian claiming the lien. Within one year after the date the last service was rendered, but not thereafter, the lien claimant may foreclose his lien in the manner prescribed for security interests under Article 9 of the Uniform Commercial Code.

Sec. 219. Minnesota Statutes 1982, section 546.27, subdivision 2, is amended to read:

Subd. 2. *At least annually*, the board on judicial standards shall (ANNUALLY) review the compliance of each district, county, municipal, or probate judge with the provisions of subdivision 1. *To facilitate this review, the director of the state judicial information system shall notify the executive secretary of the state board on judicial standards when a matter exceeds 90 days without a disposition.* The board shall notify the commissioner of finance of each judge not in compliance. If the board finds that a judge has compelling reasons for noncompliance, it may decide not to issue the notice. Upon notification that a judge is not in compliance, the commissioner of finance shall not pay the salary of that judge. The board may cancel a notice of noncompliance upon finding that a judge is in compliance, but in no event shall a judge be paid a salary for the period in which the notification of noncompliance was in effect.

Sec. 220. Minnesota Statutes 1982, section 648.39, subdivision 5, is amended to read:

Subd. 5. [SALE PRICE.] The sale price for each edition of Minnesota Statutes is the actual cost of composition, printing, binding, and distribution of all books ordered, but not less than \$75. The sale prices of each edition of the Laws of Minnesota and supplement to the Minnesota Statutes are not less than the actual cost of composition, printing, binding and distribution of all books ordered, but not less than (\$25) \$10. (THE REVISOR OF STATUTES SHALL FIX THE SALE PRICES OF PAPER BACK EDITIONS OF EACH OF THE PUBLICATIONS OR PAMPHLETS PUBLISHED PURSUANT TO SECTION 648.43.) Receipts from the sale of the Minnesota Statutes, supplement to the Minnesota Statutes, and Laws of Minnesota (, AND ANY PAMPHLETS) shall be deposited in the general fund.

Sec. 221. Laws 1976, chapter 314, section 3, is amended to read:

Sec. 3. This act is effective upon final enactment. (THE BOARD SHALL EXPIRE ON JUNE 30, 1983.)

Sec. 222. Laws 1980, chapter 564, article XII, section 1, subdivision 3, is amended to read:

Subd. 3. WASTE MANAGEMENT
BOARD. 15,718,000

This appropriation is available for the following purposes:

(a) General Operations and Management.

Approved Complement—14. These positions are in the unclassified service and their continuation is dependent upon the availability of money from appropriations in this subdivision. When these appropriations have been expended the positions shall be cancelled and the approved complement reduced accordingly. The annual salary of the full-time chairperson of the board shall be \$45,000.

(b) Acquisition of Sites and Buffer Areas for Hazardous Waste Facilities 6,200,000

This appropriation is from the state waste management fund, to be spent pursuant to article II, section 3, subdivision 4. Up to (\$1,200,000) \$3,200,000 is available (FOR EXPENDITURE BEFORE JUNE 30, 1981) for costs of staff and independent professional services needed for the selection and acquisition of sites.

(c) Waste Processing Facility Demonstration Program 8,800,000

This appropriation is from the state waste management fund, to be spent pursuant to article VI, sections 4 and 6. Up to 5 percent is available for administration and technical and professional services.

Sec. 223. Laws 1980, chapter 614, section 192, is amended to read:

Sec. 192. [EFFECTIVE DATE.]

Except as otherwise provided in this act, this act is effective the day following final enactment. Section 55 is effective retro-

active to April 1, 1980. Sections 87 and 88 are effective for any notice of the objects of the petition served after the day following final enactment. Sections 85 and 86 are effective for each district named in section 86 upon approval by a majority of the board of managers of the respective districts, and upon compliance with the provisions of Minnesota Statutes, sections 645.-021. Sections 168 to 180 are effective upon approval by resolution of the St. Paul city council. The resolution shall be adopted after published notice to the public and public hearing. Sections 37 to 39, 49, 51, 57, 60 to 68, 70 to 74, 79, 81 to 83, 89, 101 to 123, 126, 128, 135 to 145, 148, 152, and 155, are effective July 1, 1980. Section 187 is effective July 1, 1980 (AND EXPIRES JUNE 30, 1983). Pursuant to Minnesota Statutes, Section 645.-023, Subdivision 1, Clause (b), section 155 is effective without local approval July 1, 1980. Section 157 is effective March 1, 1981 and applies to causes of action accruing on or after that date. Section 191, subdivision 2 is effective July 1, 1981.

Sec. 224. Laws 1982, Third Special Session chapter 1, article II, section 2, subdivision 1, is amended to read:

Subdivision 1. [STATE DEPARTMENTS.]

The general fund appropriations in Laws 1981, chapters 306, 346; and 356; as amended by Laws 1981, First Special Session chapter 4, article 4, are reduced by the listed amounts:

(a) Legislature	(\$119,800)
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The amounts that are reduced from each appropriation are as follows:

(1) Revisor of Statutes

1983

(49,800)

(2) Legislative Auditor

(70,000)

(b) Supreme Court	(35,000)
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(c) Contingent Accounts—

General	(200,000)
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Fuel and Utilities	(1,000,000)
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(d) Attorney General	(50,000)
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(e) Executive Council	(1,000,000)
(f) Investment Board	(67,000)
(g) Administration	(166,000)
(h) Finance	(145,000)
(i) Employee Relations	(50,000)
(j) Revenue	(315,000)
(k) Agriculture	(88,500)

\$62,000 of this reduction is in the appropriation for flood plain management grants in the southern Minnesota river basin study area two, administered by the soil and water conservation board.

(l) Animal Health, Board of	(100,000)
(m) Natural Resources	(1,273,000)

The amounts that are reduced from each program are as follows:

(1) Field Services Support

(133,000)

(2) Water Resources Management

(471,000)

Notwithstanding the provisions of Minnesota Statutes, section 105.392, subdivision 2, during the period ending July 1, 1983, the commissioner shall enter into agreements for the conservation of wetlands for a period of ten years, but the commissioner may obligate funds for payment at one year intervals for fiscal year 1983, subject to the availability of appropriated funds, if this condition is included in the agreement.

(3) Mineral Resources Management

(115,000)

(4) Forest Management

(198,000)

(5) Parks and Recreation Management

(100,000)

(6) Enforcement

(7,000)

(7) Planning and Research

(13,000)

(8) Trails and Waterways Management

(236,000)

In addition to the above reductions, it is estimated that \$350,000 of the open appropriation for payments in lieu of taxes on natural resources land pursuant to Minnesota Statutes, section 477A.12, will be cancelled.

It is also estimated that, if the department of natural resources deficiencies for workers' compensation and unemployment compensation are fully funded according to the November 17, 1982 estimate, the sum of \$541,000 will cancel to the general fund.

(n) Zoological Board

(35,000)

Admission fees shall be raised to the limits provided in Laws 1981, chapter 356, section 26. It is estimated that this fee increase will generate \$115,000 in non-dedicated revenue for the general fund.

(o) Pollution Control Agency	(650,000)
(p) Energy, Planning and Development	(358,000)
(q) Natural Resources Acceleration (LCMR)	(1,399,600)

The legislative commission on Minnesota resources shall apportion this appropriation reduction, and previous reductions, among the several programs and activities in Laws 1981, chapter 356, section 31; and also among the programs in Laws 1977, chapter 421, sections 12 and 13; Laws 1979, chapter 301, sections 3 and 6; and Laws 1981, chapter 304, section 4, to the extent that the reductions will result in reductions in expenditures from the general fund by June 30, 1983. Appropriation reductions apportioned by the legislative commission on Minnesota resources during the 1981-83 biennium shall not be treated as cancellations available for expenditure in subsequent bienniums.

(r) Labor and Industry	(50,000)
(s) Military Affairs	(127,000)
(t) Veterans Affairs	(445,000)

The non-dedicated receipt limitation in Laws 1981, chapter 356, section 36, for fiscal year 1983 is removed.

(u) Human Rights	(10,000)
(v) Retirement Contributions	(42,213,600)

The amounts that are reduced from the various appropriations are as follows:

- (1) State Agencies

(9,781,600)

Beginning with the first full pay period after December 28, 1982 and ending with the last full pay period before July 1, 1983, employer retirement contributions for the following employees are reduced by four percent of salary: legislators, judges, and constitutional officers, pursuant to Laws 1981, chapter 356, section 48; state employees, pursuant to sections 352.04, subdivision 3; and 352D.04, subdivision 2; correctional employees, pursuant to section 352.92, subdivision 2; highway patrol employees, pursuant to section 352B.02, subdivision 1; and members of the teachers retirement association employed by state agencies, pursuant to section 354.42, subdivisions 3 and 5. The commissioner of finance shall apportion this reduction among the appropriations made to the several state agencies.

Beginning with the first full pay period after December 28, 1982 and ending with the last full pay period before (JANUARY 1, 1984) *July 1, 1983*, the employee retirement contributions for the following employees are increased by two percent of salary: legislators, pursuant to section 3A.03, subdivision 1; judges, pursuant to sections 490.102, subdivision 8, and 490.123, subdivision 1, except that this clause relating to judges and the companion provision relating to appropriations for employer contributions for judges are expressly declared to be severable from the remaining provisions of this item (1); constitutional officers, pursuant to section 352C.09, subdivision 1; state employees, pursuant to sections 352.04, subdivision 2; and 352D.04, subdivision 2; correctional employees, pursuant to section 352.92, subdivision 1; highway patrol employees, pursuant to section 352B.02, subdivision 1; and members of the teachers retirement association employed by state agencies, pursuant to section 354.42, subdivision 2. These increased employee contributions shall be

posted to each individual employee's retirement account.

In addition to the appropriation reduction in this item (1), the commissioner of finance shall reduce allotments for grants-in-aid or other payments from the general fund to state and semi-state agencies that employ members of the Minnesota state retirement system but are not on the state payroll system including, but not limited to, the Minnesota historical society, state horticultural society, Minnesota crop improvement association, and the state agricultural society, to reflect the savings to those agencies as a result of the reduced employer contributions provided in this item (1).

(2) University of Minnesota

(1,512,000)

This reduction is attributable to the decrease in employer retirement contributions required by item (1) for university employees who are members of the Minnesota state retirement system.

This reduction is in the appropriations made to the University of Minnesota in Laws 1981, chapter 359, sections 7 to 10, allocated among the various appropriation accounts by the commissioner of finance.

(3) Metropolitan Agencies

(1,080,000)

This reduction is in the appropriations for public transit made to the metropolitan transit commission in Laws 1981, chapter 363, section 55, subdivision 1, allocated among the various appropriation accounts by the commissioner of finance.

In addition to the appropriation reduction in this item (3), the commissioner of finance shall reduce allotments for homestead credits or other payments from the general fund to the metropolitan council, metropolitan waste control commission, metropolitan sports facilities commission and other metropolitan agencies that employ members of the Minnesota state retirement system to reflect the savings to those agencies as a result of the reduced employer contributions provided in item (1).

(4) Public Employees Retirement Association

Beginning with the first full pay period after December 28, 1982 and ending with the last full pay period before (JANUARY 1, 1984) *July 1, 1983*, the employee retirement contributions for the following employees are increased by two percent of salary: public employees, pursuant to section 353.27, subdivision 2; and police and firefighters, pursuant to section 353.65, subdivision 2. These increased employee contributions shall be posted to each individual employee's retirement account. (IT IS ESTIMATED THAT THESE INCREASED CONTRIBUTIONS WILL AMOUNT TO \$24,440,800 BY JANUARY 1, 1984.)

Beginning with the first full pay period after December 28, 1982 and ending with the last full pay period before July 1, 1983, upon each credit of employer contributions to the public employees retirement fund and the public employees police and fire fund, a portion of the employer contribution equal to four percent of salary shall be paid from the public employees retirement fund and the public employees police and fire fund to the state treasury and credited to the general fund. It is estimated that these payments will amount to \$24,440,800 by July 1, 1983.

(5) Municipal Employees Retirement Fund

Beginning with the first full pay period after December 28, 1982 and ending with the last full pay period before (JANUARY 1, 1984) *July 1, 1983*, the employee retirement contribution for Minneapolis employees, pursuant to section 422A.10, is increased by two percent of salary. These increased employee contributions shall be posted to each individual employee's retirement account. (IT IS ESTIMATED THAT THESE INCREASED CONTRIBUTIONS WILL AMOUNT TO \$1,800,000 BY JANUARY 1, 1984.)

Beginning with the first full pay period after December 28, 1982 and ending with the last full pay period before July 1, 1983, upon each credit of employer contributions to the municipal employees retirement fund, a portion of the employer contribution equal to four percent of salary shall be paid from the municipal employees retirement fund to the state treasury and credited to the general fund. It is estimated that these payments will amount to \$1,800,000 by July 1, 1983.

(6) Local Police and Salaried Firefighters Relief Associations

Beginning with the first full pay period after December 28, 1982 and ending with the last full pay period before (JANUARY 1, 1984) *July 1, 1983*, the employee retirement contributions for members of local police and salaried firefighters relief associations that receive amortization state aid pursuant to section 423A.02 are increased by two percent of salary. These increased employee contributions shall be posted to each individual employee's retirement account. (IT IS ESTIMATED THAT THESE INCREASED CONTRIBUTIONS WILL AMOUNT TO \$1,790,400

BY JANUARY 1, 1984.) Beginning with the first full pay period after December 28, 1982 and ending with the last full pay period before July 1, 1983, upon each credit of employer contributions to the local police and salaried firefighters relief association retirement funds, a portion of the employer contribution equal to four percent of salary shall be paid from the retirement funds to the state treasury and credited to the general fund. It is estimated that these payments will amount to \$1,790,400 by July 1, 1983.

(7) Teachers Statewide

(26,400,000)

Beginning with the first full pay period after December 28, 1982 and ending with the last full pay period before July 1, 1983, the employer retirement contribution for teachers employed by political subdivisions, pursuant to section 354.42, subdivisions 3 and 5, shall be reduced by four percent of salary.

Beginning with the first full pay period after December 28, 1982 and ending with the last full pay period before (JANUARY 1, 1984) *July 1, 1983*, the employee retirement contribution for teachers employed by political subdivisions, pursuant to section 354.42, subdivision 2, shall be increased by two percent of salary. These increased contributions shall be posted to each individual employee's retirement account.

School district teachers on extended leave of absence pursuant to section 125.60 and receiving employer contributions pursuant to section 354.094 and school district teachers teaching part-time pursuant to section 354.66, shall not have their employer contributions reduced or employee contributions increased as provided in this item (7).

(8) Teachers in First Class Cities

(3,440,000)

Beginning with the first full pay period after December 28, 1982 and ending with the last full pay period before July 1, 1983, the employer retirement contributions for teachers in Duluth, Minneapolis, and St. Paul, pursuant to section 354A.12, subdivision 2, shall be reduced by four percent of salary. The commissioner of finance shall apportion this reduction among the appropriations to the teachers retirement associations in cities of the first class.

Beginning with the first full pay period after December 28, 1982 and ending with the last full pay period before (JANUARY 1, 1984) *July 1, 1983*, the employee retirement contribution for teachers in Duluth, Minneapolis, and St. Paul, pursuant to section 354A.12, subdivision 1, shall be increased by two percent of salary. These increased contributions shall be posted to each individual employee's retirement account.

Teachers on extended leave pursuant to section 125.60 and receiving employer contributions pursuant to section 354A.091 and teachers teaching part-time pursuant to section 354A.094, shall not have their employer contributions reduced or employee contributions increased as provided in this item (8).

(9) Pension Fund Reimbursements

The sum of \$8,480,000 is appropriated from the general fund to the commissioner of finance for apportionment to the several pension funds for the following purposes: \$5,840,000 to reimburse the funds for any amount by which the increased employee contributions received by (JANUARY 1, 1984) *July 1, 1983* are less than the reduced employer contributions received by July 1, 1983;

\$2,000,000 to reimburse the funds for the loss of investment income they suffer, as determined by the commissioner of finance, because the reduced employer contributions received by July 1, 1983 are not matched by increased employee contributions (UNTIL JANUARY 1, 1984); and \$640,000 to fund increased contribution refunds due to the increased employee contributions required by this section. This appropriation is available until June 30, 1984.

(10) Notwithstanding Laws 1982, chapter 641, article I, section 2, subdivision 1, paragraph (i), item (1), the increase in contribution rates required by that item shall be adjusted to reflect the changes in contribution rates required by this section.

Sec. 225. [REIMBURSEMENT OF EXCESS PENSION CONTRIBUTIONS.]

Subdivision 1. [REIMBURSEMENT REQUIRED.] Any public employee or official who retires from January 1, 1983 to June 30, 1985, and whose pension contributions were increased by Laws 1982, Third Special Session chapter 1, article II, section 2, subdivision 1, paragraph (v), must be reimbursed for the amount of increased contributions paid by the official or employee because of that law. Reimbursement must be in a lump sum to the employee or official, or his or her survivor, at the same time as the first annuity payment. The amount of the reimbursement is the amount that the employee's or official's contributions increased because of Laws 1982, Third Special Session chapter 1, article II, section 2, subdivision 1, paragraph (v) plus interest at the then current rate paid on refunds by the relief or retirement association. Reimbursement shall be paid by the retirement or relief association to which the employee belongs.

Subd. 2. [STATE PAYMENTS TO RETIREMENT ASSOCIATIONS.] In the first month of each fiscal year, each retirement or relief association shall submit to the commissioner of finance a statement of the amount of reimbursements that the retirement or relief association paid under subdivision 1 in the prior January 1 to December 31 calendar year. The commissioner of finance shall then pay to the retirement or relief association the amount indicated in the statement.

Sec. 226. [REIMBURSEMENT OF EXCESS PENSION CONTRIBUTIONS; STATE UNCLASSIFIED EMPLOYEES RETIREMENT PROGRAM.]

Subdivision 1. [REIMBURSEMENT REQUIRED.] From January 1, 1983 to June 30, 1985, any participant in the state unclassified employees retirement program whose pension contributions were increased by Laws 1982, Third Special Session chapter 1, article II, section 2, subdivision 1, paragraph (v), must be reimbursed for the amount of increased contributions paid by the participant because of that law. Reimbursement must be in a lump sum to the participant at the time of withdrawal, or to the participant, or his or her survivor, at the same time as the first annuity payment. The amount of the reimbursement is the amount that the participant's contributions increased because of Laws 1982, Third Special Session chapter 1, article II, section 2, subdivision 1, paragraph (v) plus interest at the average rate of return on fixed return investments for the immediately preceding five-year period. Reimbursement shall be paid by the Minnesota state retirement system.

Subd. 2. [STATE PAYMENTS TO RETIREMENT SYSTEM.] In the first month of each fiscal year, the Minnesota state retirement system shall submit to the commissioner of finance a statement of the amount of reimbursements that the Minnesota state retirement system paid under subdivision 1 in the prior January 1 to December 31 calendar year. The commissioner of finance shall then pay to the Minnesota state retirement system the amount indicated in the statement.

Sec. 227. [FUTURE REVIEW.]

The legislature at the session in 1984 will review any adverse consequences of the repeal of increased employee pension contribution rates provided for in this act.

Sec. 228. [CAPITAL IMPROVEMENTS PLANNING.]

Subdivision 1. [CAPITAL IMPROVEMENT PROGRAMS; REVIEW AND RECOMMENDATIONS.] The commissioner of energy, planning and development shall have the following responsibilities under this section:

(a) The commissioner shall review the process used by each state agency for each program whereby the state agency carries out state capital improvement projects, provides state financial assistance to capital improvement projects of political subdivisions or private persons, or reviews requests for federal financial assistance to capital improvement projects of political subdivisions or private persons.

For purposes of this subdivision, financial assistance includes tax exemptions, tax credits, loan guarantees, cash payments and

any other form of direct or indirect financial assistance provided by or through the state.

(b) The commissioner shall review existing inventories of capital improvements developed by state agencies, regional or local governmental entities for capital improvement programs in order to determine whether existing inventories provide adequate information on current capital facilities and the present and projected condition of capital projects in the state.

The commissioner shall consider both the adequacy of the inventory for each program and the adequacy of inventories of all programs within a given region or political subdivision.

(c) The commissioner shall determine the impact state agency projects are likely to have on the economic development of the state, the region, and the locality in which the projects are located. Included in the analysis shall be the relationship of the cost of each project to the economic development benefit of the project and to the goals of the project.

(d) The commissioner shall recommend any changes in procedures or evaluation criteria used by a state agency providing financial assistance for a capital improvement program which would be necessary to ensure that the criteria set out in subdivision 2 are adequately addressed. The commissioner shall determine what changes in procedures used by the agency would be necessary to improve the accuracy and reliability of capital improvement project list for each agency, region and political subdivision.

(e) The commissioner shall determine any changes in procedures or evaluation criteria used by the commissioner of finance in the biennial budget process which may be necessary to address the criteria set out in subdivision 2.

Subd. 2. [CONSIDERATIONS.] In making these determinations, the commissioner of energy, planning and development shall consider geographic differences and local capabilities, including the needs of both rural and urban areas and large and small cities. The objective of the commissioner shall be to recommend a system to better identify capital improvement projects and programs for state agencies that:

(a) create or improve the economic development capabilities of the state;

(b) are consistent with regional capital improvement plans;

(c) protect and promote public health and safety; and

(d) tend to achieve other state, regional and local goals.

The commissioner shall encourage each region and political subdivision to consider the state agency criteria when developing local capital improvement project lists.

Subd. 3. [PROGRAMS AFFECTED.] *The capital improvement programs governed by this section are those for roads, bridges, parks and recreation facilities, transit facilities/rolling stock, railways, waterways, airports, water systems, sewers, waste water treatment plants, waste disposal facilities, dams, energy facilities, higher education facilities, and other public buildings and equipment.*

Subd. 4. [RECOMMENDATIONS.] *By January 1, 1984, the commissioner of energy, planning and development shall report to the legislature recommendations for changes in capital improvement programs of each state agency and the biennial budget process needed to give greater weight to projects and programs that would do more to promote economic development in this state. The commissioner shall report on the progress of capital improvement program processes in the regional development commissions provided by subdivision 7.*

Subd. 5. [CAPITAL BUDGET.] *The report in subdivision 4 may include a recommendation that the budget prepared by the commissioner of finance should include a capital expenditure budget for a five-year period including not only state projects but also regional, local, and private projects that receive financial assistance from the federal government subject to state review.*

Subd. 6. [FINANCING STUDY.] *The commissioner of energy, planning and development shall report to the legislature by January 1, 1984, recommendations concerning various methods of financing capital improvements in this state. The recommendations shall include:*

(a) proposed shifts in responsibility for particular programs or projects from one level of government to another;

(b) proposed changes in the revenue source ultimately used to pay for particular programs and projects, whether general taxes, special taxes, or user fees;

(c) proposed combination or coordination of federal programs of grants or loans to political subdivisions with similar state programs;

(d) proposed changes in the method of financing particular programs or projects, whether from current revenue or from borrowing;

(e) changes in borrowing procedures, including:

(1) use of federal money granted to the state to make loans to political subdivisions;

(2) conversion of state programs of assistance to political subdivisions from grants to loans;

(3) pooled borrowing by the state on behalf of its political subdivisions;

(4) use of sale and lease-back arrangements; and

(5) creation of a state or semi-state infrastructure bank.

Subd. 7. [REGIONAL CAPITAL IMPROVEMENT PLANS.] The commissioner of energy, planning and development shall review the capital improvement plans of each regional development commission. Plans found by the commissioner to be consistent with state goals and policies shall be followed by the commissioner in preparing his recommendations pursuant to subdivision 4.

Subd. 8. [ASSISTANCE.] The commissioner may receive money from other sources, public and private, to assist in carrying out the duties imposed by this section.

Sec. 229. [PAYMENTS RESTORED.]

Any amounts reduced from allotments pursuant to section 5 of House File No. 1308, as enacted at the 1983 regular session, are appropriated and shall be paid pursuant to new allotments for the fiscal year ending June 30, 1984.

Sec. 230. [LAKE BEMIDJI STATE PARK.]

Pursuant to Minnesota Statutes, section 471.59, the city of Bemidji may enter into a joint powers agreement with the commissioner of natural resources to manage for the purposes of outdoor recreation as defined in Minnesota Statutes, section 86A.03, subdivision 3, the following described land within Lake Bemidji state park:

All of government lot 1 and that part of government lot 2 lying west of C.S.A.H. 12; the northeast quarter of the northwest quarter of section 11 lying west of C.S.A.H. 12; all in township 146, range 33.

Sec. 231. [CITY OF DULUTH; GROUP WORKER'S COMPENSATION SELF INSURANCE POOLS.]

Subdivision 1. [FORMATION OF POOLS WITH PRIVATE EMPLOYERS.] Notwithstanding any contrary provision of

other law, ordinance, or charter, the city of Duluth may enter into a self insurance pool with private employers to self insure worker's compensation liability of pool members. Any pool formed pursuant to this section shall be operated under bylaws established by members of the pool. The initial bylaws and amendments to them shall not be effective unless approved by the city of Duluth and the commissioner of insurance. The bylaws shall address the following subjects:

(a) Qualifications for group self insurer membership, including underwriting standards.

(b) The method of selecting the board of directors, including the directors' terms of office.

(c) The procedure for amending the bylaws or plan of operation.

(d) Investment of assets of the fund.

(e) Frequency and extent of loss control or safety engineering services provided to members.

(f) A schedule for payment and collection of premiums.

(g) Expulsion procedures, including expulsion for nonpayment of premiums and expulsion for excessive losses.

(h) Delineation of authority granted to the administrator.

(i) Delineation of authority granted to the service company.

(j) Basis for determining premium contributions by members including any experience rating program.

(k) Procedures for resolving disputes between members of the group, which shall not include submitting them to the commissioner.

(l) Basis for determining distribution of any surplus to the members, or assessing the membership to make up any deficit.

(m) Provisions for security to be furnished by private employers to insure assessments are paid in case of private employer insolvency.

The members participating in the pool may establish a joint board with appropriate powers to manage the pool. Each member of the pool shall pay to the pool the amounts assessed against it pursuant to the bylaws. A member may withdraw only after it has reimbursed the pool for the amounts for which it is obligated under the terms of the agreement.

Subd. 2. [APPROVAL OF COMMISSIONER.] A pool formed pursuant to this section shall not be effective or begin operation until it has been approved by the commissioner of insurance in the manner provided in Minnesota Statutes, section 471.982. Section 471.982 and any applicable rules adopted pursuant to it shall apply to any pool formed pursuant to this section. A pool formed pursuant to this section shall be a member of the workers' compensation reinsurance association and shall be bound by its plan of operation.

Sec. 232. [RESTRICTIONS ON CERTAIN AIRPORTS.]

The metropolitan airports commission shall not take any action with respect to an airport owned by it that would result in a permanent net reduction in useable runway length at the airport. Retention of existing useable runway length at an airport owned by the metropolitan airports commission shall not cause the airport to be reclassified from a minor use to an intermediate use airport.

Sec. 233. [COMPENSATION COUNCIL.]

The salary increases recommended by the compensation council created by 1983 regular session S. F. No. 415, section 8, shall be paid only from appropriations enacted after January 1, 1984.

Sec. 234. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall change the words "state treasurer" wherever they appear in Minnesota Statutes 1982, sections 345.31 to 345.60 to "commissioner" in Minnesota Statutes 1984.

Sec. 235. [REPEALER.]

Minnesota Statutes 1982, sections 3.472; 3.86; 4.073; 8.31, subdivision 4; 114A.01; 114A.02; 114A.03; 114A.04; 114A.05; 114A.06; 114A.07; 114A.08; 114A.09; 116J.27, subdivisions 5 and 7; 193.35; and 297A.05, are repealed. Laws 1965, chapters 66 and 312, are repealed.

Sec. 236. [EFFECTIVE DATE.]

Section 140 is effective retroactively to January 1, 1982. However, claims made for grass fires in highway rights-of-way occurring between January 1, 1982 and May 31, 1983 must be postmarked and sent via certified mail no later than June 30, 1983, in order to qualify for reimbursement consideration. Section 225, subdivision 1, and section 226, subdivision 1 are effective retroactively to December 29, 1982. Sections 178, 181, and 182 are effective for gasoline sold for motorboats after December 31, 1982. Section 108 is effective for reporting years 1983

and following. Sections 111 to 118, 172, 221, 223, and 228 are effective the day following final enactment. Section 66 is effective July 1, 1983, but only if no other law setting the salary of judges of the court of appeals is enacted at the 1983 regular session. Sections 146 and 148 to 152 are procedural changes and are effective for all cases pending on July 1, 1983, regardless of the date of injury, date of hearing, or date of appeal and all decisions of workers' compensation judges and the workers' compensation court of appeals issued on or after July 1, 1983, shall apply the provisions of those sections. Section 225, subdivision 2, and section 226, subdivision 2, are effective July 1, 1984. Sections 155 to 158 are effective July 1, 1985."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government with certain conditions; providing for the transfer of certain money in the state treasury; authorizing land acquisition in certain cases; fixing and limiting the amount of fees and other costs to be collected in certain cases; creating, abolishing, modifying, and transferring agencies and functions; providing for a motor vehicle study; providing for an information systems directory; defining and amending terms; providing for settlement of claims; imposing certain duties, responsibilities, authority, and limitations on agencies, political subdivisions, and the University of Minnesota; setting certain salaries; setting guidelines and procedures for procurement; establishing boards and a council; providing for bonds; providing for certain licenses, permits and certificates; setting evidentiary standards for workers' compensation court of appeals; modifying election procedures; regulating certain utilities; providing for a review process for tax expenditures; providing property tax relief for congressional medal of honor recipients; modifying certain tax obligations; regulating certain employment practices; providing assistance for residential energy conservation; modifying right of detainer and veterinary liens; providing for reimbursement of excess pension contributions; providing for capital improvements planning; allowing the city of Duluth to enter into a self-insurance pool with private employers; imposing penalties; amending Minnesota Statutes 1982, sections 3.732, by adding a subdivision; 3.922, subdivision 5; 3.9222; 6.65; 7.09, subdivision 1; 14.14, subdivision 1; 15.16, subdivision 5; 15A.083, subdivision 1; 16.02, subdivisions 10a, 14, and by adding a subdivision; 16.083, subdivisions 1, 3, 4, 5, 6, and by adding subdivisions; 16.084; 16.085; 16.086, subdivision 1; 16.098, subdivision 4; 16.28; 16.32, subdivision 2; 16.75, by adding a subdivision; 16.82, subdivision 1; 16.866, subdivision 1; 16.872, subdivision 4; 16A.125, subdivision 5; 16A.127, subdivisions 1 and 7; 16A.128; 16A.36; 16A.50; 16A.64, subdivisions 2 and 4; 16A.66, subdivisions 1, 2, and 3; 43A.05, subdivision 5; 43A.23, subdivision 1; 85A.01, subdivision 2; 85A.04, subdivision 3, and by adding a

subdivision; 98.47, by adding a subdivision; 98.48, subdivision 9; 105.405, subdivision 2; 105.41, subdivision 5; 105.44, subdivision 10; 115A.58, subdivision 2; 116.03, subdivision 3; 116.07, subdivisions 2a, 9, and by adding a subdivision; 116.16, subdivision 10; 116.17, subdivision 2; 116.18, subdivision 1; 116.41, subdivision 2; 116C.03, subdivision 2; 116J.24, by adding a subdivision; 116J.27, subdivisions 2 and 6; 116J.31; 116J.36, by adding a subdivision; 116J.42, subdivision 8; 124.46, subdivision 2; 136.40, subdivision 8; 139.18, subdivision 1; 148.56; 156A.02, subdivision 6; 156A.10, subdivision 1; 161.465; 167.50, subdivision 2, as amended by Laws 1983, chapter 17, section 4; 169.123, subdivision 6; 174.51, subdivisions 2 and 3; 175A.05; 176.183, subdivision 2; 176.421, subdivisions 1, 3, and 6; 176.441, subdivision 1; 176.471, subdivision 1; 179.7411; 181A.12, subdivision 1; 183.375, subdivision 5; 183.411, subdivision 3; 183.545; 183.57, subdivision 2; 190.05, subdivisions 5, as amended, 5a, as amended, and 5b, as amended; 204B.32; 204D.11, subdivision 1; 206.09; 214.06, subdivision 1; 216B.164, subdivisions 2, 3, 5, 6, 8, and by adding a subdivision; 216B.44; 239.10; 290.06, subdivision 13; 290.37, subdivision 1; 290.44; 296.18, subdivision 1; 296.421, subdivision 5; 298.22, subdivision 1; 309.53, subdivision 2, and by adding a subdivision; 317.67, by adding a subdivision; 322A.16; 322A.71; 331.02, by adding a subdivision; 333.055, subdivision 3; 333.20, subdivision 4; 345.31, by adding a subdivision; 345.41; 357.08; 360.302, subdivisions 1, 2, and 3; 363.02, subdivision 1; 363.06, subdivision 4, and by adding a subdivision; 363.071, subdivision 2; 453.54, by adding a subdivision; 462A.02, subdivision 10; 462A.05, by adding subdivisions; 462A.21, by adding subdivisions; 471.345, by adding a subdivision; 473.833, subdivision 3; 480.09, subdivision 5; 480.241, subdivision 2; 480A.01, subdivision 2; 514.19; 514.92, subdivision 1; 546.27, subdivision 2; and 648.39, subdivision 5; Laws 1976, chapter 314, section 3; Laws 1980, chapter 564, article XII, section 1, subdivision 3; Laws 1980, chapter 614, section 192; Laws 1982, Third Special Session chapter 1, article II, section 2, subdivision 1; proposing new law coded in Minnesota Statutes, chapters 3; 4; 16A; 116C; 116J; 216B; 270; 273; 462A; and 471; repealing Minnesota Statutes 1982, sections 3.472; 3.86; 4.073; 8.31, subdivision 4; 114A.01; 114A.02; 114A.03; 114A.04; 114A.05; 114A.06; 114A.07; 114A.08; 114A.09; 116J.27, subdivisions 5 and 7; 193.35; and 297A.05; and Laws 1965, chapters 66 and 312."

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

House Conferees: PHYLLIS KAHN, DAVID BATTAGLIA, JAMES I. RICE, DOUGLAS W. CARLSON and DAVID T. BISHOP.

Senate Conferees: CARL W. KROENING, SAM G. SOLON, WILLIAM P. LUTHER, GERALD L. WILLET and GREGORY L. DAHL.

Kahn moved that the report of the Conference Committee on H. F. No. 1290 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1290, A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government with certain conditions; providing for the transfer of certain money in the state treasury; authorizing land acquisition in certain cases; fixing and limiting the amount of fees to be collected in certain cases; creating, abolishing, modifying, and transferring agencies and functions; imposing a penalty; amending Minnesota Statutes 1982, sections 3.732, by adding a subdivision; 15.16, subdivision 5; 15A.083, subdivision 1; 16.32, subdivision 2; 16.75, by adding a subdivision; 16.82, subdivision 1; 16.866, subdivision 1; 16A.125, subdivision 5; 16A.127, subdivisions 1 and 7; 16A.36; 16A.50; 16A.64, subdivisions 2 and 4; 16A.66, subdivisions 1, 2, and 3; 40.072, subdivision 3; 43A.05, subdivision 5; 85A.01, subdivision 2; 85A.04, subdivision 3; 98.47, by adding a subdivision; 98.48, subdivision 9; 105.405, subdivision 2; 105.41, subdivision 5; 116.07, subdivision 2a; 124.46, subdivision 2; 136.40, subdivision 8; 169.123, subdivision 6; 175A.05; 176.183, subdivision 2; 179.7411; 181A.12, subdivision 1; 183.375, subdivision 5; 183.411, subdivision 3; 183.545; 183.57, subdivision 2; 256.481; 256.482; 270.18; 271.01, subdivision 1; 290.06, subdivision 13; 296.18, subdivision 1; 296.421, subdivision 5; 309.53, subdivision 2, and by adding a subdivision; 357.08; 363.02, subdivision 1; 363.06, subdivision 4, and by adding a subdivision; 363.071, subdivision 2; 462A.05, by adding a subdivision; 462A.21, by adding a subdivision; 480.09, subdivision 5; 480.241, subdivision 2; 480A.01, subdivision 2; 481.01; and 546.27, subdivision 2; Laws 1976, chapter 314, section 3; Laws 1980, chapter 614, section 192; proposing new law coded in Minnesota Statutes, chapters 3; 16A; 116C; 198; 270; repealing Minnesota Statutes 1982, sections 3.472; 3.86; 4.073; 105.71; 105.72; 105.73; 105.74; 105.75; 105.751; 105.76; 105.77; 105.78; 105.79; 114A.01; 114A.02; 114A.03; 114A.04; 114A.05; 114A.06; 114A.07; 114A.08; 114A.09; 193.35; 297A.05; and Laws 1965, chapter 66.

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

The question was taken on the repassage of the bill and the roll was called. There were 77 yeas and 55 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Carlson, D.	Graba	Long	O'Connor
Anderson, C.	Carlson, L.	Greenfield	Mann	Ogren
Anderson, R.	Clark, J.	Gustafson	McEachern	Olsen
Battaglia	Clark, K.	Hoffman	Metzen	Osthoff
Beard	Clawson	Jacobs	Minne	Otis
Begich	Cohen	Jensen	Munger	Peterson
Bergstrom	Dimler	Kahn	Murphy	Piper
Berkelman	Eken	Kelly	Nelson, D.	Price
Bishop	Elioff	Knickerbocker	Nelson, K.	Rice
Brandl	Ellingson	Kostohrvz	Neuenschwander	Riveness
Brinkman	Evans	Krueger	Norton	Rodosovich

Rodriguez, F.	Segal	Staten	Vanasek	Wynia
St. Onge	Simoneau	Swiggum	Vellenga	Speaker Sieben
Sarna	Skoglund	Swanson	Welch	
Scheid	Solberg	Tomlinson	Welle	
Schoenfeld	Sparby	Tunheim	Wenzel	

Those who voted in the negative were:

Bennett	Cruenes	Kvam	Quinn	Sherman
Blatz	Gutknecht	Larsen	Quist	Stadum
Burger	Halberg	Levi	Redalen	Thiede
Coleman	Haukoos	Ludeman	Reif	Uphus
Dempsey	Heap	Marsh	Rodriguez, C.	Valan
DenOuden	Himle	McDonald	Rose	Valento
Erickson	Hokr	McKasy	Schafer	Voss
Findlay	Jennings	Omann	Schreiber	Waltman
Fjoslien	Johnson	Onnen	Seaberg	Welker
Forsythe	Kalis	Pauly	Shaver	Wigley
Frerichs	Knuth	Piepho	Shea	Zaffke

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1310

A bill for an act relating to capital improvements; authorizing the acquisition and betterment of public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of state bonds; appropriating money; proposing new law coded in Minnesota Statutes, chapter 16.

May 23, 1983

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

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 1310, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 1310 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [CAPITAL IMPROVEMENTS; APPROPRIATIONS.]

The sums set forth in the column designed "APPROPRIATIONS" are appropriated from the state building fund, or any other fund designated, to the state agencies indicated, to be ex-

pending for the acquisition and betterment of public land and buildings and other public improvements of a capital nature, as more specifically described in the following sections of this act.

SUMMARY

ADMINISTRATION	\$ 27,943,000
NATURAL RESOURCES	20,326,800
ENERGY, PLANNING AND DEVELOPMENT ..	17,325,000
MILITARY AFFAIRS	360,000
TRANSPORTATION	8,442,700
EDUCATION	850,000
STATE UNIVERSITIES	3,360,000
COMMUNITY COLLEGES	470,000
UNIVERSITY OF MINNESOTA	21,456,300
CORRECTIONS	17,000,000
PUBLIC WELFARE	2,805,000
MINNESOTA HISTORICAL SOCIETY	2,280,000
BOND SALE EXPENSES	111,900
TOTAL	\$122,730,700
Trunk Highway Fund	10,285,700
Building Fund	112,445,000

APPROPRIATIONS

Sec. 2. ADMINISTRATION

To the commissioner of administration for the purposes specified in this section	27,943,000
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(a) Replace PCB transformers- statewide	300,000
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(b) Replace high-voltage oil switches
in capitol complex loop 180,000

(c) Emergency contingent account 335,000

This appropriation is available for expenditure with the approval of the governor after consultation with the legislative advisory commission pursuant to Minnesota Statutes, section 3.30.

(d) Renovate capitol 1,255,000

(e) Landscaping in the capitol complex 375,000

(f) State History Center 400,000

This amount includes funding for program and structural planning of the State History Center and provides for a project design competition in cooperation with the Capitol Area Architectural and Planning Board, in accordance with Minnesota Statutes, section 15.50, subdivision 2(e). The project will utilize the existing Historical Society building in conjunction with the Mechanic Arts High School site. It will include the connection of the State History Center to the proposed district heating system. All design considerations will conform to the comprehensive plan for the Capitol Area, established under Minnesota Statutes, section 15.50, subdivision 2(a).

(g) Judicial Building 100,000

This amount includes funding for a study of program needs and site selection for the judicial branch within the Capitol area complex.

(h) Acquire MEA Building 2,750,000

This appropriation, or so much thereof as is necessary, is for all costs of ac-

quisition by direct purchase of the Minnesota Education Association building at 55 Sherburne Avenue, St. Paul, Minnesota

(i) MEA building renovations 385,000

This appropriation is for renovation of the MEA building and connection to the district heating system.

(j) Rehabilitate and make energy modifications to the state office building 19,000,000

This appropriation may be used in part for temporary relocation of the occupants of the state office building during the renovation. The windows of the renovated building must be capable of being opened.

(k) Life safety projects in the capitol complex 1,020,000

(l) Transportation building 1,843,000

(1) Life safety projects 765,000

(2) Replace heating and cooling coils 50,000

(3) Improve elevators 728,000

(4) Remove PCB transformers 300,000

The appropriations in items (1) to (4) are from the trunk highway fund.

Sec. 3. NATURAL RESOURCES

Subdivision 1. To the commissioner of administration or the commissioner of natural resources for the purposes more specifically described in the following subdivisions of this section

20,326,800

Subd. 2. To the commissioner of administration to install sewer system connection at Lake City headquarters 30,000

Subd. 3. To the commissioner of natural resources for dam safety projects 626,800

(a) Analysis, design, and repair of publicly owned dams 100,000

(b) Lake Zumbro dam 125,000

(c) Lanesboro dam 100,000

(d) Granite Falls dam 301,800

Subd. 4. To the commissioner of natural resources to acquire and better public outdoor recreation lands and capital improvements as more specifically described in the following paragraphs of this subdivision 19,670,000

(a) For acquisition of state parks and recreation areas, as listed and described in Minnesota Statutes, sections 85.012 and 85.013 2,500,000

(b) For betterment of state parks and recreation areas, as listed and described in Minnesota Statutes, sections 85.012 and 85.013 3,450,000

(c) For acquisition and betterment of state trails and trails within state parks and other units of the outdoor recreation system as defined in Minnesota Statutes, section 86A.05 and Laws 1980, chapter 614, section 164 3,725,000

\$2,000,000 is for the state trail in Ramsey and Washington counties authorized by this act.

(d) For acquisition of state forests listed and described in Minnesota Statutes, section 89.021 470,000

(e) For betterment of R. J. Dorer memorial forest described in Minnesota Statutes, section 89.021, subdivision 33 230,000

(f) For betterment of state forest recreation listed and described in Minnesota Statutes, section 89.021 380,000

(g) For betterment of state forest roads and bridges 1,150,000

(h) For acquisition of fishing management lands including riparian rights and other interests therein needed for management of waters for primary wildlife use and benefit and for access to fishing waters pursuant to Minnesota Statutes, section 97.48, subdivisions 8, 11, and 15 240,000

(i) For acquisition of wildlife management areas pursuant to Minnesota Statutes, sections 97.48, subdivision 13, and 97.481, and wetlands under the water bank program pursuant to Minnesota Statutes, section 105.392 4,090,000

(j) For betterment of wildlife management areas, acquired pursuant to Minnesota Statutes, sections 97.48, subdivision 13, and 97.481 575,000

(k) For acquisition of scientific and natural areas designated pursuant to Minnesota Statutes, section 84.033 400,000

(l) For betterment of natural and scientific areas designated pursuant to Minnesota Statutes, section 84.033 60,000

(m) For acquisition of wild, scenic, and recreational rivers, designated pursuant to sections 104.25 to 104.40, and canoe and boating routes, portages, and camp sites, as listed and described in Minnesota Statutes, section 85.32 250,000

(n) For betterment of canoe and boating routes, portages, and camp sites

as listed and described in Minnesota Statutes, section 85.82 50,000

(o) For betterment of public accesses to public waters pursuant to Minnesota Statutes, section 97.48, subdivision 15 920,000

(p) For acquisition of public accesses to public waters pursuant to Minnesota Statutes, section 97.48, subdivision 15 1,180,000

Lands in this subdivision shall be acquired by the commissioner of natural resources and in accordance with policies established in Minnesota Statutes, sections 86A.01 to 86A.09. Those acquired for each unit of the outdoor recreation system shall be suited for the purpose of that unit and suited for management in accordance with the principles applicable to it. The commissioner of natural resources shall submit semi-annual work progress reports to the legislative commission on Minnesota resources, in the form requested by the commission, and shall submit a work program to the commission and request its recommendation thereon before expending any money appropriated by this subdivision for any purpose. The commission's recommendation shall be advisory only. Failure to respond to a request within 60 days after receipt shall be deemed a negative recommendation. Work programs involving land acquisition shall include a land acquisition plan. No parcel may be acquired unless it is covered by an acquisition plan.

Within two years after the acquisition of fee title to any land purchased pursuant to this section, the commissioner shall offer for sale in the manner provided by law other lands of equal acreage.

The approved complement of the department of natural resources is in-

creased by 26 unclassified positions. These positions are a continuation of the positions authorized by Laws 1981, chapter 304, section 4 and shall be paid for from either or both of these appropriations.

None of the amounts authorized in subdivision 4 of this section, except for \$500,000 in paragraph (g) and \$1,000,000 in paragraph (i), shall be expended until the commissioner of natural resources has presented a prioritized list of projects to the 1984 session of the legislature and to the chairmen of the senate finance committee and the house appropriations committee and the chairmen have given their approval. No bonds authorized pursuant to the appropriations in subdivision 4 shall be sold before July 1, 1984, except for: (1) \$500,000 in paragraph (g) and \$1,000,000 in paragraph (i); or (2) bonds that the commissioner of finance determines are needed before that date.

Sec. 4. ENERGY, PLANNING AND DEVELOPMENT

17,325,000

To the commissioner of energy, planning and development for payment to the metropolitan council established under Minnesota Statutes, section 473.123. The commissioner of energy, planning and development shall transfer this amount to the metropolitan council upon receipt of a certified copy of a council resolution requesting payment. The appropriation shall be used to pay the cost of the acquisition and betterment by the metropolitan council and local governmental units of regional recreation open space in accordance with the council's policy plan as provided in Minnesota Statutes, sections 473.301 to 473.341, including relocation costs and tax equivalents required to be paid by Minnesota Statutes, sections 473.315 and 473.341.

(a) Of the amount appropriated by this section, the metropolitan council may expend no more than \$400,000 for staff and independent professional services necessary to acquire and better open space and for the performance of duties of the metropolitan council under this section.

(b) Laws 1981, chapter 304, section 2, is amended to allow the expenditure of up to \$400,000 for staff and independent professional services during the biennium ending June 30, 1985.

(c) Of the amount appropriated by this section, the metropolitan council shall use \$50,000 for site selection, planning, and working drawings for the metropolitan speed skating rink recommended pursuant to Laws 1981, chapter 304, section 3.

(d) The publicly owned land on Big Island in Lake Minnetonka shall be designated as a regional park by the metropolitan council.

(e) With respect to grants for acquisition in the central riverfront regional park, the council shall, to the maximum extent possible, require acquisition of non fee interest in the housing out parcel on Nicollet Island where consistent with continued housing use and the overall development of the park.

(f) The legislature recognizes the intent of the Minneapolis park and recreation board and the Hennepin county park reserve district to achieve a coordinated functioning of their respective systems, including the establishment of a policy and procedure for answering adequate operational funding and an equitable sharing of associated financial responsibility for both systems.

(g) None of the amounts authorized in this section shall be expended until

the metropolitan council has presented a prioritized list of projects to the 1984 session of the legislature and to the chairmen of the senate finance committee and the house appropriations committee and the chairmen have given their approval. No bonds authorized pursuant to this section shall be sold before July 1, 1984, except for bonds that the commissioner of finance determines are needed before that date.

Sec. 5. MILITARY AFFAIRS

To the adjutant general for the purposes specified in this section	360,000
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(a) Install heating plant at Worthington	100,000
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(b) Replace roofs statewide	260,000
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Sec. 6. TRANSPORTATION

To the commissioner of transportation for the purposes specified in this section	8,442,700
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Subdivision 1. Central Shop	3,227,000
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Subd. 2. Chemical Storage Sheds	313,000
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Subd. 3. East Grand Forks truck station	244,000
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Subd. 4. Henning truck station	229,000
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Subd. 5. Mapleton equipment storage	325,000
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Subd. 6. Grand Rapids equipment storage	670,000
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Subd. 7. Rum River Rest Area	909,700
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Subd. 8. Split Rock Rest Area	620,000
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Subd. 9. Golden Valley office addition	980,000
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Subd. 10. Morris Maintenance Headquarters 925,000

Subd. 11. If the commissioner of transportation does not have sufficient money to match all available federal aid for road and bridge construction during the biennium ending June 30, 1985, the commissioner shall defer some or all of the buildings in this section until it is possible to match federal aid.

The appropriations in this section are from the trunk highway fund.

Sec. 7. EDUCATION

To the state board of education for post secondary vocational-technical construction in the school districts listed in this section 850,000

Independent School District No. 206, Alexandria

Notwithstanding any law to the contrary, Independent School District No. 206, Alexandria, may construct an addition to its area vocational-technical institute to replace a temporary building subject to the following conditions: (1) approval of the school board; (2) availability, at the time of construction, of unencumbered funds in the district's area vocational-technical institute building construction fund equal to or exceeding \$600,000; (3) the cost of construction shall not exceed the total cost of \$600,000; (4) the addition shall be used for the carpentry program; (5) the size of the addition shall meet the guidelines of the department of education; (6) the entire cost of construction shall be from the area vocational-technical institute building construction fund of Independent School District No. 206, Alexandria.

Independent School District No. 891, Canby 70,000

This appropriation is for roof repairs. The total cost of the construction shall not exceed \$84,200, whether paid from state, local, or federal money.

Independent School District No. 917, Dakota County	63,000
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The appropriation is for roof repairs. The total cost of the construction shall not exceed \$75,000, whether paid from state, local, or federal money.

Independent School District No. 22, Detroit Lakes	68,000
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This appropriation is for roof repairs. The total cost of the construction shall not exceed \$80,000, whether paid from state, local, or federal money.

Independent School District No. 697, Eveleth	105,000
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This appropriation is for restroom facilities. The total cost of the construction shall not exceed \$125,000, whether paid from state, local, or federal money.

Independent School District No. 423, Hutchinson	235,000
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This appropriation is for roof repairs. The total cost of the construction shall not exceed \$276,800 whether paid from state, local, or federal money.

Independent School District No. 77, Mankato	59,000
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This appropriation is for roof repairs. The total cost of the project shall not exceed \$70,000, whether paid from state, local, or federal money.

Independent School District No. 583, Pipestone	34,000
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This appropriation is for floor repairs for the meat cutting program.

The total cost of the construction shall not exceed \$40,000, whether paid from state, local, or federal money.

Independent School District No. 625, St. Paul	85,000
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This appropriation is for roof repairs. The total cost of the project shall not exceed \$100,000, whether paid from state, local, or federal money.

Independent School District No. 819, Wadena	90,000
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This appropriation is for roof repairs. The total cost of the project shall not exceed \$107,200, whether paid from state, local, or federal money.

Independent School District No. 861, Winona	41,000
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This appropriation is for roof repairs. The total cost of the construction shall not exceed \$48,400, whether paid from state, local, or federal money.

Joint Independent School District No. 287, Suburban Hennepin

Joint Independent School District No. 287, Suburban Hennepin, may construct an addition and remodel the Xenium Lane office building to provide additional space for special education and secondary vocational education programs. Funding for this project shall be provided from the local building construction fund in an amount not to exceed \$1,900,000.

Sec. 8. STATE UNIVERSITIES

Subdivision 1. To the commissioner of administration for the purposes more

specifically described in the following subdivisions of this section	3,360,000
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Subd. 2. Bemidji Campus

This appropriation is for the following projects:	670,000
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(a) Replace roofs at Bangsberg hall and Hagg-Sauer hall	220,000
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(b) Correct water infiltration and structural deficiencies at maintenance-receiving warehouse	100,000
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(c) Replace bleachers at Glas field house and Physical Education Gymnasium	350,000
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Subd. 3. Mankato Campus

Correct water infiltration problems at Trafton hall	850,000
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Subd. 4. Southwest Campus

Replace theater stage lighting system	80,000
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Subd. 5. St. Cloud Campus

(a) Replace theater stage lighting system	80,000
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(b) It is the intent of the legislature that any assessment by the city of St. Cloud for construction associated with the replacement of the Tenth Street bridge shall be made only upon completion of construction and upon notice of assessment and shall not exceed \$500,000. The state departments of transportation and administration shall work with the city of St. Cloud and the project architects to assure the state university system that the structural integrity of the facilities on the St. Cloud State University campus is not damaged as a result of the construction and utilization of the Tenth Street bridge.

Subd. 6. Winona Campus

Restore Phelps hall foundation and building exterior	180,000
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Subd. 7. Systemwide

Remove asbestos fireproofing material	1,500,000
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Sec. 9. COMMUNITY COLLEGES

To the commissioner of administration to replace roofs systemwide	470,000
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Sec. 10. UNIVERSITY OF MINNESOTA

Subdivision 1. To the regents of the University of Minnesota for the purposes more specifically described in the following subdivisions of this section	21,456,300
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Subd. 2. Minneapolis Campus	19,154,000
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(a) Supplement to the School of Management and Hubert H. Humphrey Institute facility due to delay in project	1,664,000
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(b) Construct music facility on the West Bank Campus	15,990,000
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None of this appropriation shall be used for the concert auditorium. The university is encouraged to secure donations from nonstate sources for that facility.

(c) Civil and mineral engineering equipment	1,000,000
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This appropriation is available upon submission of required documentation that the state money has been matched by an equal amount in contributions of money or equipment from nonstate sources. The contributions must be made after July 1, 1983, in order to qualify to match the state funds.

Subd. 3. Duluth Campus 1,943,000

(a) Supplement due to delay in construction of greenhouse 30,000

(b) Supplement due to delay in renovation of school of business space 50,000

(c) Natural resources research institute 1,200,000

No portion of this appropriation may be spent until the following two events have occurred: (a) the receipt of title to the Sage building from the federal government, and (b) the receipt of a \$1,800,000 grant for the construction from the federal government. If the federal grant and the title to the building are not forthcoming, the university may request money for rental of space for the institute from the general contingent account pursuant to Minnesota Statutes, section 3.30.

(d) Prepare working drawings for a physical education and recreational sports complex 663,000

Subd. 4. Morris Campus

Supplement due to delay of remodeling Behmler hall 43,000

Subd. 5. Northwest Experiment Station—Crookston

Supplement due to delay of construction 4,000

Subd. 6. Southwest Experiment Station—Lamberton 165,300

(a) Supplement due to delay of construction 17,000

(b) This appropriation is for the state share of the purchase price of a

270-acre parcel of land near the South-
west Experiment Station 148,300

Subd. 7. Southern Experiment Sta-
tion—Waseca

Waseca city sewer relief 95,000

Subd. 8. Hormel Institute—Austin

Supplement due to delay of construc-
tion 52,000

Subd. 9. Soudan

Construct physics laboratory 500,000

This appropriation is available upon
submission of required documentation
that each dollar of state money has been
matched by money contributed from
nonstate sources.

Sec. 11. CORRECTIONS

Subdivision 1. To the commissioner
of administration for the purposes
more specifically described in the fol-
low subdivisions of this section 17,000,000

Subd. 2. Minnesota Correctional Fa-
cility—Stillwater 700,000

Repair of roofs, gutters, rainleaders,
and downspouts

Subd. 3. Minnesota Correctional Fa-
cility—Sauk Centre

(a) Reshingle and repair Evers cot-
tage roof 22,000

(b) Fire and life safety projects 125,000

Subd. 4. Minnesota Correctional Fa-
cility—St. Cloud

(a) Fire and life safety projects 560,000

(b) Replace roofs on food service, laundry, and warehouse; upgrade insulation to code, reroof

Reshape building and reroof Cell House C	260,000
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(c) Replace sewer serving administration building and cell house	65,000
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Subd. 5. Minnesota Correctional Facility—Red Wing

Fire and life safety projects	268,000
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Subd. 6. Minnesota Correctional Facility—Shakopee

Construct a new prison for women	15,000,000
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This appropriation is for the total cost of planning, designing, constructing, and equipping the facility. \$500,000 is available immediately and \$14,500,000 is available after April 1, 1984.

Sec. 12. PUBLIC WELFARE

Subdivision 1. To the commissioner of administration for the purposes more specifically described in the following subdivisions of this section	2,805,000
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Subd. 2. Anoka State Hospital	490,000
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(a) Administration building and tunnel ramp repair	290,000
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(b) Air conditioning, boiler replacement, and pool repair in Miller building	200,000
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Subd. 3. Faribault State Hospital

Install privacy screens for Elm, Hickory, and Seneca cottages	65,000
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Subd. 4. Fergus Falls State Hospital

Replace emission control unit	450,000
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Subd. 5. State Hospitals and Nursing Homes

Systemwide roof repair and replacement	800,000
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Subd. 6. State Hospitals and Nursing Homes

Systemwide fire and life safety projects	1,000,000
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No money appropriated for fire and life safety projects shall be used for removal of fire escape slides at any state hospital or state nursing home.

Sec. 13. MINNESOTA HISTORICAL SOCIETY

To the Minnesota historical society for the purposes specified in this section	2,280,000
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(a) To construct an underground microfilm vault	630,000
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(b) Install humidity controls in historical society building	40,000
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(c) Renovate the Charles A. Lindbergh house	110,000
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(d) Agriculture Interpretive Center at Waseca	1,500,000
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The limitations provided by Minnesota Statutes, section 138.93, subdivision 1, do not apply to construction financed under this subdivision. The improvements shall be constructed on land owned by the state or pledged to be conveyed to the state.

Funds shall be provided only for the purpose of providing capital improvements. Before issuing any bonds under this subdivision, the commissioner of finance shall obtain a written contract

from the operator of the Agricultural Interpretive Center establishing the terms and conditions for the repayment of the sum of \$1,500,000 plus interest. The debt service payments paid by the center shall be identical to the debt costs of the state for the bonds sold to provide funds to finance capital improvements in this act including capitalization costs. The principal and interest payments shall be for a period of 20 years. The first payment shall be made in the third year following the sale of the bonds and shall continue for 20 years. Funds not required for payments to the center shall be invested by the state board of investment and the interest shall be credited to the general fund. Payments back to the state of Minnesota by the center shall be credited to the general fund.

Notwithstanding the provisions of Minnesota Statutes, section 272.02, the operator of the Agriculture Interpretive Center shall pay property tax on all tillable land included in the center.

Sec. 14. BOND SALE EXPENSES

To the commissioner of finance for bond sale expenses pursuant to Minnesota Statutes, section 16A.64, subdivision 4

111,900

Sec. 15. [BOND SALE; DEBT SERVICE.]

To provide the money appropriated in this act from the state building fund the commissioner of finance upon request of the governor shall sell and issue bonds of the state in an amount up to \$112,445,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.63 to 16A.671, and by the Constitution, Article XI, Sections 4 to 7.

Sec. 16. [CONSULTATION REQUIRED.]

No land shall be purchased and no buildings shall be purchased, constructed, or erected on lands of the University of Minnesota until the regents have first consulted with the chairman of the senate finance committee and the chairman of the house appro-

priations committee and obtained their recommendations, which are advisory only.

Sec. 17. [REVIEW OF PLANS.]

The commissioner of administration, the commissioner of transportation, and the board of regents of the University of Minnesota shall not prepare final plans and specifications for any construction or major remodeling authorized by this act until the using agency or department has presented the program and schematic plans and cost estimates for all elements necessary to complete the project to the chairman of the house appropriations committee and the chairman of the senate finance committee and the chairmen have made their recommendations thereon. The recommendations are advisory only. Failure or refusal to make a recommendation promptly is deemed a negative recommendation.

Sec. 18. [APPROPRIATIONS FOR CONSTRUCTION; TRANSFER.]

Upon the awarding of final contracts for the completion of a project for construction or other permanent improvement authorized by this act, the commissioners of administration and transportation and the board of regents of the University of Minnesota as to appropriations made to them may transfer any unencumbered balance in the project account to any other project enumerated in the same section of the appropriation act as the project about to be completed. The money transferred pursuant to this section is appropriated for the purposes for which transferred. The commissioners of administration and transportation and the board of regents of the University of Minnesota shall report to the chairman of the house appropriations committee and the chairman of the senate finance committee on any transfer made pursuant to this section.

Sec. 19. [APPROPRIATIONS FOR CONSTRUCTION; FEDERAL MONEY; EXCEEDING AUTHORIZED COST.]

The commissioner of administration, the commissioner of transportation, and the board of regents of the University of Minnesota shall apply for the maximum federal share for each capital improvement project for which money is appropriated by this act. Encumbrance or expenditure of money in excess of the project authorization shall be made only after the commissioner of administration, the commissioner of transportation, and the board of regents, as appropriate, have consulted with the chairman of the house appropriations committee and the chairman of the senate finance committee and the chairmen have made their recommendations thereon. The recommendations are advisory only. Failure or refusal to make a recommendation promptly is deemed a negative recommendation.

Sec. 20. [METHODS OF ACQUISITION.]

Where money has been appropriated by this act to the commissioner of administration to acquire lands or sites for public buildings or real estate, acquisition may be by gift, purchase, or condemnation proceedings. Condemnation proceedings shall be pursuant to Minnesota Statutes, chapter 117.

Sec. 21. [REVOLVING LAND FUND STUDY.]

The commissioner of natural resources shall review the concept of a revolving land fund and report to the legislature by January 15, 1984 with his findings and recommendations.

Sec. 22. [16.321] [ART IN STATE BUILDINGS.]

Subdivision 1. [PERCENT OF APPROPRIATIONS FOR ART.] An appropriation for the construction or alteration of any state building that is enacted on or after the effective date of this act may contain an amount not to exceed one percent of the total appropriation for the building for the acquisition of works of art, excluding landscaping, which may be an integral part of the building or its grounds, attached to the building or grounds or capable of being displayed in other state buildings. Money used for this purpose is available only for the acquisition of works of art to be exhibited in areas of a building or its grounds accessible, on a regular basis, to members of the public. For the purposes of this section "state building" means a building the construction or alteration of which is paid for wholly or in part by the state.

Subd. 2. [EXEMPT BUILDINGS.] A building for which the appropriation is less than \$500,000 for construction or alteration or a building for which the commissioner of administration has determined that this section is inappropriate is exempt from the requirements of this section.

Subd. 3. [UNUSED FUNDS.] If an amount made available under subdivision 1 is not expended for works of art for the building, the unexpended portion is available to the Minnesota board of the arts for the commission or purchase of works of art for state buildings existing or for which an appropriation was made prior to the effective date of this act and is not available to pay construction costs of the building.

Sec. 23. Minnesota Statutes 1982, section 85.015, is amended by adding a subdivision to read:

Subd. 14. [STATE TRAIL, RAMSEY AND WASHINGTON COUNTIES.] (a) The trail shall originate at milepost 446.19 on the Soo Line Railroad right-of-way in the Southeast Quarter of Section 19, Township 29 North, Range 22 West, Ramsey Coun-

ty, and shall extend in an easterly and northeasterly direction along the Soo Line Railroad right-of-way to milepost 438.33 in the Southwest Quarter of Section 5, Township 29 North, Range 21 West, in Washington County, and there terminate.

(b) The trail shall be developed primarily for hiking and nonmotorized riding.

(c) In addition to the authority granted in Minnesota Statutes, section 85.015, subdivision 1, lands and interests in lands for the trail may be acquired by eminent domain.

(d) The commissioner of natural resources, after consulting with all local units of government affected by the trail, and with the commissioner of transportation and the metropolitan council, shall prepare a master plan for the trail. After completion of the master plan, any land or interest in land not needed for the trail may be disposed of by the commissioner of natural resources as follows:

(1) by transfer to the department of transportation, the historical society, or another state agency;

(2) by sale at not less than the purchase price to a city, town, school district, park district, or other political subdivision whose boundaries include or are adjacent to the land, for public purposes only, after written notice to each of these political subdivisions; or

(3) if no offer to purchase is received from any political subdivision within one year after the completion of the master plan, then by public sale, at not less than the purchase price, upon notice published in the manner provided in section 92.14, and otherwise in the same manner as trust fund lands are sold, so far as applicable.

All proceeds derived from sales of unneeded land and interest in land shall be deposited in the state bond fund. For the purposes of United States Code, title 23, section 138, and title 49, section 1653(f), any land or interest in land not needed for the trail and transferred to another state agency, or sold, does not constitute permanent park, recreation area, or wildlife or waterfowl refuge facility land.

Sec. 24. Minnesota Statutes 1982, section 473.147, subdivision 1, is amended to read:

Subdivision 1. The metropolitan council after consultation with the parks and open space commission, municipalities, park districts and counties in the metropolitan area, and after appropriate public hearings, shall prepare and adopt a long-range system policy plan for regional recreation open space as part of the

council's metropolitan development guide. The plan shall substantially conform to all policy statements, purposes, goals, standards, and maps in development guide sections and comprehensive plans as developed and adopted by the council pursuant to the chapters of the Minnesota Statutes directly relating to the council. The policy plan shall identify generally the areas which should be acquired by a public agency to provide a system of regional recreation open space comprising park district, county and municipal facilities which, together with state facilities, reasonably will meet the outdoor recreation needs of the people of the metropolitan area and shall establish priorities for acquisition and development. In preparing or amending the policy plan the council shall consult with and make maximum use of the expertise of the commission. The policy plan shall include a five year capital improvement program, which shall be revised periodically, and shall establish criteria and priorities for the allocation of funds for such acquisition and development. *The legislature in each bonding measure shall designate an anticipated level of funding for this acquisition and development for each of the two succeeding bienniums.*

Sec. 25. Minnesota Statutes 1982, section 473.436, subdivision 5, is amended to read:

Subd. 5. [BUS PURCHASES AND OTHER IMPROVEMENTS.] In addition to obligations outstanding on January 1, (1980) 1983, the commission may issue certificates of indebtedness, bonds or other obligations in an amount not exceeding (\$9,000,000) \$12,000,000 for the purposes of purchasing *and rehabilitation of* buses and related equipment, and constructing maintenance and other buildings, bus shelters and road related improvements.

Sec. 26. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Amend the title as follows:

Page 1, line 5, after the semicolon insert "requiring review of the concept of a revolving land fund; providing for art in state buildings;"

Page 1, line 6, after the second semicolon insert "amending Minnesota Statutes 1982, sections 85.015, by adding a subdivision; 473.147, subdivision 1; and 473.436, subdivision 5;"

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

House Conferees: JAMES I. RICE, LYNDON R. CARLSON, ROBERT E. VANASEK, WILLARD M. MUNGER and JOHN ROSE.

Senate Conferees: GENE WALDORF, KEITH LANGSETH, CARL W. KROENING, DON B. SAMUELSON and JOHN BERNHAGEN.

Rice moved that the report of the Conference Committee on H. F. No. 1310 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1310, A bill for an act relating to capital improvements; authorizing the acquisition and betterment of public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of state bonds; appropriating money; proposing new law coded in Minnesota Statutes, chapter 16.

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

The question was taken on the repassage of the bill and the roll was called. There were 92 yeas and 40 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Eken	Larsen	Piepho	Solberg
Anderson, G.	Elioff	Long	Piper	Sparby
Anderson, R.	Ellingson	Mann	Price	Staten
Battaglia	Evans	Marsh	Quinn	Swanson
Beard	Findlay	McEachern	Redalen	Tomlinson
Begich	Fjoslien	Metzen	Rice	Tunheim
Bennett	Forsythe	Minne	Riveness	Valan
Bergstrom	Graba	Munger	Rodosovich	Vanasek
Berkelman	Greenfield	Murphy	Rodriguez, F.	Vellenga
Bishop	Gustafson	Nelson, D.	Rose	Voss
Brandl	Jacobs	Nelson, K.	St. Onge	Waltman
Brinkman	Jensen	Neuenschwander	Sarna	Welch
Carlson, D.	Kahn	Norton	Scheid	Welle
Carlson, L.	Kalis	O'Connor	Schoenfeld	Wenzel
Clark, J.	Kelly	Ogren	Segal	Wynia
Clark, K.	Knickerbocker	Osthoff	Shaver	Speaker Sieben
Clawson	Knuth	Otis	Shea	
Coleman	Kostohryz	Pauly	Simoneau	
Dimler	Krueger	Peterson	Skoglund	

Those who voted in the negative were:

Blatz	Gutknecht	Johnson	Onnen	Stadum
Burger	Halberg	Kvam	Quist	Svigum
Cohen	Haukoos	Levi	Reif	Thiede
Dempsey	Heap	Ludeman	Rodriguez, C.	Uphus
DenOuden	Himle	McDonald	Schafer	Valento
Erickson	Hoffman	McKasy	Schreiber	Welker
Frerichs	Hokr	Olsen	Seaberg	Wigley
Gruenes	Jennings	Omann	Sherman	Zaffke

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1149

A bill for an act relating to liens; right of possession and liens on fabrication molds and patterns; providing a nonpossessory lien on personal property; lengthening the time limit for veterinary liens; amending Minnesota Statutes 1982, sections 514.18; 514.19; and 514.92, subdivision 1.

May 23, 1983

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

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 1149, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 1149 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 514.18, is amended to read:

514.18 [RETAINING.]

Subdivision 1. [MECHANICS' LIEN ON PERSONAL PROPERTY; PROPERTY IN POSSESSION.] Whoever, at the request of the owner or legal possessor of any personal property, shall store or care for or contribute in any of the modes mentioned in section 514.19 to its preservation, care, or to the enhancement of its value, shall have a lien upon (SUCH) the property for the price or value of (SUCH) the storage, care, or contribution, and for any legal charges against (THE SAME) it paid by (SUCH) the person to any other person, and the right to retain the property in his possession until (SUCH) the lien is lawfully discharged (*; BUT A VOLUNTARY SURRENDER OF POSSESSION SHALL EXTINGUISH THE LIEN HEREIN GIVEN*).

Subd. 2. [NONPOSSESSORY LIEN; NOTICE.] Notwithstanding the voluntary surrender or other loss of possession of the property on which the lien is claimed, the person entitled to it may preserve the lien, if at any time within 60 days after the surrender or loss of possession he gives notice of his lien by filing in the appropriate filing office under the uniform commercial code, section 336.9-401 a verified statement and notice of his intention to claim a lien. The statement shall contain a description

of the property upon which the lien is claimed, the work performed or materials furnished and the amount due.

Subd. 3. [PRIORITY; SECURITY; INTEREST; FORECLOSURE.] *The lien is valid against everyone except a purchaser or encumbrancer in good faith without notice and for value whose rights were acquired prior to the filing of the lien statement and who has filed a statement of his interest in the appropriate filing office. The lien shall be considered a security interest under the uniform commercial code and foreclosure on it shall be in the manner prescribed for security interests under article 9 of the uniform commercial code.*

Subd. 4. [MOTOR VEHICLES EXCLUDED.] *Subdivisions 2 and 3 apply to machinery, implements and tools of all kinds but do not apply to motor vehicles.*

Sec. 2. Minnesota Statutes 1982, section 514.19, is amended to read:

514.19 [RIGHT OF DETAINER.]

(SUCH) A lien and right of detainer **(SHALL EXIST)** *exists* for:

(1) Transporting property from one place to another but not as a carrier under article 7 of the uniform commercial code;

(2) Keeping or storing property as a bailee but not as a warehouseman under article 7 of the uniform commercial code;

(3) Keeping, feeding, pasturing, or otherwise caring for domestic animals or other beasts, including medical or surgical treatment **(THEREOF)** and shoeing **(THE SAME)**;

(4) *The use and storage of molds and patterns in the possession of the fabricator belonging to the customer for the balance due from the customer for fabrication work;*

(5) Making, altering or repairing any article, or expending any labor, skill or material **(THEREON)** on it.

(SUCH) *The liens (SHALL) embrace all lawful charges against (SUCH) the property paid to any other person by the person claiming (SUCH) the lien, and the price or value of (SUCH) the care, storage or contribution and all reasonable disbursements occasioned by the detention or sale of the property.*

Sec. 3. Minnesota Statutes 1982, section 514.92, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS.] (EVERY) A duly licensed and registered veterinarian (SHALL HAVE) *has* a lien for all veterinary services over \$25 rendered upon any animal or animals at the request of the owner or lawful possessor of (SAME) *them*, including but not limited to surgical procedures, vaccines, antisera, virus, antibiotics, or other veterinary treatment, from the date of filing (SUCH) *the* lien. Within (60) *180* days from the day on which (SAID) *the* treatment was completed, the claimant of (SUCH) *the* lien shall file in the appropriate filing office under the Uniform Commercial Code, Section 336.9-401, a verified lien statement setting forth the kind and number of animals treated, the (PRICE AGREED UPON) *reasonable value* for (SUCH) *the* treatment (, WHICH SHALL NOT EXCEED THE REASONABLE VALUE OF SUCH TREATMENT) *or services rendered, or the price contracted between the parties*, the name of the person for whom (SUCH) *the* treatment was done, the (DESCRIPTION) *reasonable identification of the animal or group of animals treated*, (AND IF BRANDED, THE BRAND THEREON,) dates when the treatment was commenced and was completed, the name of the owner, or reputed owner, of (SUCH) *the* animals, *and* the name and address of the veterinarian claiming the lien. Within one year after the date the last service was rendered, but not thereafter, the lien claimant may foreclose his lien in the manner prescribed for security interests under Article 9 of the Uniform Commercial Code.

PERSONAL PROPERTY IN SELF-SERVICE STORAGE

Sec. 4. [514.95] [TITLE.]

Sections 4 to 9 may be cited as the "Minnesota Liens on Personal Property in Self-Service Storage Act."

Sec. 5. [514.96] [DEFINITIONS.]

As used in sections 4 to 9:

(a) "Self-service storage facility" means any real property that is designed and used only for the purpose of renting or leasing individual storage space in the facility under the following conditions:

(1) *The occupants have access to the storage space only for the purpose of storing and removing personal property.*

(2) *The owner does not issue a warehouse receipt, bill of lading, or other document of title for the personal property stored in the storage space.*

(3) *The property has 50 or more individual storage spaces.*

(b) "Self-service storage facility" does not include any garage used principally for parking motor vehicles or any property of a financial institution that contains vaults, safe deposit boxes, or other receptacles for the uses, purposes, and benefits of the financial institution's customers.

(c) "Owner" means a person who is either the owner of a self-service storage facility or the lessor of an entire self-service storage facility and who receives rent from an occupant pursuant to a rental agreement that he enters into with the occupant.

(d) "Occupant" means a person who rents storage space at a self-service storage facility under a rental agreement that he enters into with the owner.

(e) "Rental agreement" means any written agreement that is entered into by the owner and the occupant and that establishes the terms and conditions of the occupant's use of storage space at a self-service storage facility.

(f) "Personal property" means money and every inanimate tangible thing that is the subject of ownership, except anything forming part of a parcel of real estate and anything that is an agricultural commodity.

Sec. 6. [514.97] [LIEN AGAINST PROPERTY.]

(a) The owner of a self-service storage facility has a lien against the occupant on the personal property stored pursuant to a rental agreement in any storage space at the self-service storage facility, or on the proceeds of the personal property subject to the defaulting occupant's rental agreement in the owner's possession, for rent, labor, or other charges in relation to the personal property that are specified in the rental agreement and that have become due and for expenses necessary for the preservation of the personal property or expenses reasonably incurred in the sale or other disposition of the personal property under law. The lien provided for in this section is superior to any other security interest except those which are perfected prior to the date the lien provided for in this section attaches.

(b) The owner's lien created by this section attaches as of the date the personal property is brought to the self-service storage facility. An owner loses his lien on any personal property that he voluntarily permits to be removed from the self-service storage facility or unjustifiably refuses to permit to be removed from the facility.

Sec. 7. [514.98] [ENFORCEMENT OF LIEN.]

Subdivision 1. [PROCEDURE.] An owner's lien created by sections 4 to 9 for a claim that has become due may be en-

forced in the same manner as a warehouseman's lien pursuant to section 336.7-210, subsections (1) to (9).

Subd. 2. [DISPOSAL OF PROPERTY NOT SOLD AT AUCTION.] If no person purchases the personal property at the auction and if the owner has complied with this section, the owner may do any of the following:

(1) Advertise and sell the personal property.

(2) Sell the personal property at a private sale.

(3) Dispose of the personal property in any manner considered appropriate by the owner including, but not limited to, destroying the personal property.

Sec. 8. [514.99] [RENTAL AGREEMENTS.]

The rental agreement between the owner and the occupant shall set forth (a) the lien rights of the owner upon failure of the occupant to pay rent, and (b) the extent and the limits of insurance carried by the owner and covering the occupant's personal property stored in the leased premises.

Sec. 9. [514.991] [ADVERTISING.]

No owner shall advertise or represent its services, or permit its services to be advertised or represented, in a manner which uses the word "warehouse" unless the owner is licensed and bonded as provided in chapter 231.

Nothing in this section prohibits the use of the term "self-service storage facility" in any advertisement or representation."

Delete the title and insert:

"A bill for an act relating to liens; right of possession and liens on fabrication molds and patterns; providing a nonpossessory lien on personal property; lengthening the time limit for veterinary liens; providing a lien on personal property held in self-service storage facilities; providing for the enforcement of these liens; regulating rental agreements and advertising; amending Minnesota Statutes 1982, sections 514.18; 514.19; and 514.92, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 514."

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

House Conferees: JOHN T. CLAWSON, JOEL JACOBS and DOUGLAS W. CARLSON.

Senate Conferees: RANDOLPH W. PETERSON, MARILYN M. LANTRY and FRITZ KNAAK.

Clawson moved that the report of the Conference Committee on H. F. No. 1149 be adopted and that the bill be repassed as amended by the Conference Committee.

Larsen moved that the House refuse to adopt the Conference Committee report on H. F. No. 1149, and that the bill be returned to the Conference Committee.

A roll call was requested and properly seconded.

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

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

There were 72 yeas and 54 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Fjoslien	McEachern	Price	Sherman
Battaglia	Graba	Metzen	Quinn	Solberg
Beard	Greenfield	Nelson, D.	Quist	Swanson
Begich	Gustafson	Neuenschwander	Redalen	Thiede
Bennett	Gutknecht	Norton	Riveness	Tunheim
Bergstrom	Halberg	O'Connor	Rodosovich	Uphus
Brandl	Heap	Ogren	Rodriguez, C.	Vellenga
Brinkman	Hoffman	Olsen	Rodriguez, F.	Voss
Burger	Hokr	Omann	Rose	Waltman
Carlson, L.	Jensen	Onnen	St. Onge	Welle
Clark, K.	Kalis	Osthoff	Sarna	Wenzel
Elioff	Kostohryz	Otis	Scheid	Zaffke
Ellingson	Krueger	Peterson	Schoenfeld	
Erickson	Kvam	Piepho	Schreiber	
Evans	Larsen	Piper	Segal	

Those who voted in the negative were:

Anderson, B.	DenOuden	Johnson	Nelson, K.	Staten
Anderson, G.	Dimler	Knickerbocker	Pauly	Swiggum
Berkelman	Eken	Knuth	Reif	Tomlinson
Bishop	Findlay	Levi	Rice	Valan
Blatz	Forsythe	Long	Schafer	Valento
Carlson, D.	Frerichs	Ludeman	Seaberg	Vanasek
Clark, J.	Gruenes	Mann	Shaver	Welch
Clawson	Haukoos	Marsh	Simoneau	Welker
Cohen	Himle	McDonald	Skoglund	Wigley
Coleman	Jacobs	Minne	Sparby	Speaker Sieben
Dempsey	Jennings	Munger	Stadum	

The motion prevailed.

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 857, A bill for an act relating to labor; establishing the job skills partnership; creating a board; appropriating money; proposing new law coded as Minnesota Statutes, chapter 116K.

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. 782, A bill for an act relating to courts; providing for increases in maximum authorized fines for crimes; increasing the value of stolen property necessary for felony theft; increasing the maximum government tort liability limits; amending Minnesota Statutes 1982, sections 3.736, subdivision 4; 466.04, subdivisions 1 and 3; 609.02, subdivisions 3 and 4; 609.03; and 609.52, subdivision 3; proposing new law coded in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1982, sections 609.031 and 609.032.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 549, A bill for an act relating to education; establishing a lending program to fund school energy conservation investments; authorizing the issuance of state bonds pursuant to article XI of the Minnesota Constitution; appropriating money; amending Minnesota Statutes 1982, section 275.125, subdivisions 11a, 11b, and by adding a subdivision; and proposing new law coded in Minnesota Statutes, chapter 116J.

The Senate has appointed as such committee Messrs. Nelson, Bernhagen and Vega.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. No. 1008.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee.

Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 1008

A bill for an act relating to courts; authorizing the appointment of court referees; amending Minnesota Statutes 1982, sections 260.031, subdivision 1; 484.65, subdivisions 4, 5, and 6; and 484.70, subdivision 1; repealing Minnesota Statutes 1982, section 484.701.

May 20, 1983

The Honorable Jerome M. Hughes
President of the Senate

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

We, the undersigned conferees for S. F. No. 1008, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment.

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

Senate Conferees: MICHAEL O. FREEMAN, EMBER D. REICHGOTT and RON SIELOFF.

House Conferees: BOB ELLINGSON, ROBERT E. VANASEK and DAVID T. BISHOP.

Ellingson moved that the report of the Conference Committee on S. F. No. 1008 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1008, A bill for an act relating to courts; authorizing the appointment of court referees; amending Minnesota Statutes 1982, sections 260.031, subdivision 1; 484.65, subdivisions 4, 5, and 6; and 484.70, subdivision 1; repealing Minnesota Statutes 1982, section 484.701.

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

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

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

There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

Mr. Speaker:

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

S. F. No. 964.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee.

Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 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.

May 21, 1983

The Honorable Jerome M. Hughes
President of the Senate

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

We, the undersigned conferees for S. F. No. 964, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate accede to the House amendments and that S. F. No. 964 be further amended as follows:

Pages 4 and 5, delete section 5

Page 5, line 6, delete everything after "[PROTECTIVE ORDERS.]"

Page 5, delete lines 7 to 12

Page 5, line 13, delete "(b)"

Page 9, delete line 5, and insert:

"This act is effective the day following final enactment."

Renumber the remaining sections

Amend the title as follows:

Page 1, line 19, delete "subdivisions 4," and insert "subdivision"

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

Senate Conferees: ERIC D. PETTY, RANDOLPH W. PETERSON and FRITZ KNAAK.

House Conferees: BOB ELLINGSON, LEE GREENFIELD and JIM HEAP.

Ellingson moved that the report of the Conference Committee on S. F. No. 964 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 third time, as amended by Conference, and placed upon its repassage.

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

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

There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

CALL OF THE HOUSE LIFTED

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

The following conference committee report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 769

A bill for an act relating to metropolitan government; extending the time for design selection for noise suppression equipment at the international airport; amending Minnesota Statutes 1982, section 473.608, subdivision 20.

May 23, 1983

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

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 769, report that we have agreed upon the items in dispute and recommend as follows:

That the House accede to the Senate amendment.

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

House Conferees: WES SKOGLUND, O. J. HEINITZ and LINDA SCHEID.

Senate Conferees: MICHAEL FREEMAN, WILLIAM V. BELANGER, JR., and ERIC D. PETTY.

Skoglund moved that the report of the Conference Committee on H. F. No. 769 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 769, A bill for an act relating to metropolitan government; extending the time for design selection for noise suppression equipment at the international airport; amending Minnesota Statutes 1982, section 473.608, subdivision 20.

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

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

Those who voted in the affirmative were:

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

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

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

MESSAGES FROM THE SENATE, Continued

Mr. Speaker:

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

S. F. No. 634.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee.

Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 634

A bill for an act relating to game and fish; establishing the joint legislative committee on fishing resources; imposing a surcharge on fishing licenses for development and improvement of state fishing resources; authorizing designation of experimental and specialized fishing waters; authorizing additional notice of netting season; licensing fishing guides; increasing certain license fees; prohibiting angling and use of tip-ups while spearing in a dark house; prohibiting issuance of new commercial game fish netting licenses; allowing designation of lakes for taking of certain muskellunge; imposing penalties for various offenses; amending Minnesota Statutes 1982, sections 84.027, subdivision 2; 97.48, subdivision 26, and by adding a subdivision; 97.53, by adding a subdivision; 97.55, by adding subdivisions; 98.46, subdivision 5; 98.52, by adding subdivisions; and 101.42, subdivisions 1a and 20; proposing new law coded in Minnesota Statutes, chapters 97, 98, and 102.

May 23, 1983

The Honorable Jerome M. Hughes
President of the Senate

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

We, the undersigned conferees for S. F. No. 634, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 634 be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 97.48, subdivision 8, is amended to read:

Subd. 8. The commissioner shall do all things deemed by him desirable in the preservation, protection and propagation in their natural state, and artificially, of all desirable species of wild animals. *The commissioner shall make special provisions for the management of fish and wildlife to insure recreational opportunities for anglers and hunters.*

Sec. 2. Minnesota Statutes 1982, section 97.48, subdivision 22, is amended to read:

Subd. 22. The commissioner shall authorize the maintenance and operation of private fish hatcheries under such rules and regulations as the commissioner shall prescribe for the raising and disposition of any fish indigenous to Minnesota waters (EXCEPT CARP). No license shall be required of any person for taking fish by angling at a licensed private fish hatchery operated in accordance with the rules and regulations of the commissioner, or from an artificial pool containing only fish purchased from a private fish hatchery, provided the operator shall furnish to each person taking such fish a written certificate in such form as the commissioner shall prescribe, giving the number and description of the fish taken and such other information as the commissioner requires, whereupon such fish may be possessed, shipped, or transported within the state in like manner as fish taken by a resident under a license. Any person making a false statement in any such certificate shall be guilty of a misdemeanor and subject to the same penalties as prescribed for violations of section 97.55, subdivision 11.

Sec. 3. Minnesota Statutes 1982, section 97.48, subdivision 26, is amended to read:

Subd. 26. The commissioner may designate all or part of any lake (WHICH DOES NOT EXCEED 2,000 ACRES OF WATER AREA) or (ANY) stream, but in aggregate not more than (15) 100 lakes (OR FIVE) and 25 streams (, NOR MORE THAN 10,000 ACRES OF WATER,) at any one time, as experimental waters and, notwithstanding any other provision of law, may establish by order the seasons, limits and methods for the taking of fish therefrom and such other regulations relating thereto as he deems desirable; provided the above may be done only on waters to which the public has free access after a public (HEARING) meeting has been held in the county where the lake or stream, or major portion thereof, is located. *In the case of a named lake having a water area of more than 1,500 acres, a public meeting shall be held in the seven-county metropolitan area, as defined in section 473.121, subdivision 2. Notice of (SAID) the public (HEARING) meeting shall be published once in a legal newspaper within the county or counties where the lake or stream is located not less than seven days prior to the (HEARING) meeting. The commissioner shall establish*

methods and criteria for citizen initiation of experimental waters designation and for citizen participation in the evaluation of waters designated as experimental waters.

Sec. 4. Minnesota Statutes 1982, section 97.48, is amended by adding a subdivision to read:

Subd. 26a. The commissioner may develop a system of classification under which waters which have been designated as experimental waters pursuant to subdivision 26 and other waters intrinsically suitable therefor are classified as primarily intended for use as trophy lakes, family fishing lakes, special species management lakes, or other categories of special use designated by the commissioner.

Sec. 5. Minnesota Statutes 1982, section 97.53, is amended by adding a subdivision to read:

Subd. 3. In addition to the publication requirements of this section, notice of opening of the netting season on whitefish, tullibee, and herring may be given by posting the date and time in the public places deemed most appropriate by the commissioner not less than 48 hours prior to the opening of the netting season.

Sec. 6. Minnesota Statutes 1982, section 97.55, is amended by adding a subdivision to read:

Subd. 14. Every person who violates the provisions of section 101.42, subdivision 11, is guilty of a gross misdemeanor.

Sec. 7. Minnesota Statutes 1982, section 97.55, is amended by adding a subdivision to read:

Subd. 15. Except as provided in section 102.23, every person who unlawfully buys or sells game fish or small game where the total amount of the sale or sales is \$50 or more, and where no penalty is provided in subdivision 8 or 9, is guilty of a gross misdemeanor.

Sec. 8. Minnesota Statutes 1982, section 97.55, is amended by adding a subdivision to read:

Subd. 16. Every person who illegally buys or sells game fish, big game, or small game, when the total amount of the sale or sales is \$300 or more, is guilty of a gross misdemeanor punishable by a fine of not less than \$500 nor more than \$5,000 or by imprisonment in the county jail for not less than 90 days or more than one year or by both such fine and imprisonment.

Sec. 9. [97.86] [IMPROVEMENT OF FISHING RESOURCES.]

Subdivision 1. [LICENSE SURCHARGE.] A surcharge of \$2.50 shall be added to the annual license fee for each license issued pursuant to section 98.46, subdivision 2, clauses (4) and (5), subdivision 2a, subdivision 5, clauses (1), (2), and (3), and subdivision 15. The proceeds of the surcharge shall be credited to the game and fish fund.

The commissioner may spend the proceeds of the surcharge for the following purposes:

(a) Rehabilitation and improvement of marginal fish producing waters administered on a cost sharing basis under agreements between the commissioner and other parties interested in sport fishing.

(b) Expansion of fishing programs including, but not limited to, aeration, stocking of marginal fishing waters in urban areas, shore fishing areas, and fishing piers. In the expenditure of funds pursuant to this clause, preference shall be given to local units of government and other parties willing and able to share costs.

(c) Upgrading of fish propagation capabilities in order to improve the efficiency of fish production, expansion of walleyed pike production from waters subject to winter kill for stocking in more suitable waters, introduction of new species where deemed biologically appropriate by the commissioner, and purchase of fish from private hatcheries for stocking purposes.

(d) Financing the preservation and improvement of fish habitat. First priority shall be given to expansion of habitat improvement programs approved by the commissioner and implemented in cooperation with other interested parties.

(e) Increasing enforcement through use of covert operations, workteams, and added surveillance, communication, and navigational equipment.

(f) Purchase by the commissioner of the walleyed pike quota of commercial fishermen as prescribed in section 17.

(g) Not more than ten percent of the money available under this subdivision may be used for administrative or permanent personnel costs.

Subd. 2. [INTERIM STUDY.] The house environment and natural resources committee and the senate agriculture and natural resources committee shall review issues and trends in the management and improvement of fishing resources, using information obtained by and presented to the committees by public and private agencies and organizations, and other parties interested in management and improvement of fishing resources. The committees may make recommendations to the commissioner

on programs and projects for management and improvement of fishing resources.

The commissioner shall prepare an annual work plan for the expenditure of money under subdivision 1 and provide copies of the plan and any subsequent amendments to the committees and to other parties interested in management and improvement of fishing resources.

Sec. 10. Minnesota Statutes 1982, section 98.46, subdivision 5, is amended to read:

Subd. 5. Fees for the following licenses, to be issued to residents only, shall be:

- (1) To spear fish from a dark house, \$7.50;
- (2) For any fish house or dark house used during the winter fishing season, (\$3) \$5 for each fish house or dark house not rented or offered for hire, and (\$13) \$15 for each fish house or dark house rented or offered for hire. Each fish house or dark house shall have attached to the outside a metal tag at least two inches in diameter with a 3/16 inch hole in the center, which will be issued with a license. Each metal tag shall be stamped with a number to correspond with the fish house or dark house license and also shall be stamped with the year of issuance. The metal tag shall be attached to the fish house or dark house as designated by commissioner's order;
- (3) To net whitefish, tullibees or herring from inland lakes or international waters, for domestic use only, for each net, \$3;
- (4) To conduct a taxidermist business, for three consecutive years for residents 18 years of age and older, \$40; for residents under the age of 18, \$25;
- (5) To maintain fur and game farms, including deer, \$15;
- (6) To take, transport, purchase and possess for sale unprocessed turtles and tortoises within the state, \$50;
- (7) To prepare dressed game fish shipments for nonresidents as provided by section 97.45, subdivision 6, as amended, \$13;
- (8) Minnow dealer, \$70 plus \$10 for each vehicle;
- (9) Minnow dealer's helper, \$5 for each helper. Minnow dealer's helpers' licenses shall be issued to the minnow dealer and are transferable by the dealer at will to his own helpers;

(10) Exporting minnow dealer, \$250, plus \$10 for each vehicle.

Each vehicle license shall cover a specified vehicle. The serial number, license number, make, and model shall be specified on the license which must be conspicuously posted in the vehicle licensed.

Sec. 11. Minnesota Statutes 1982, section 101.42, subdivision 1a, is amended to read:

Subd. 1a. No muskellunge less than 36 inches in length may be taken in any waters north of trunk highway No. 210. *The commissioner may designate particular lakes north of trunk highway No. 210 in which muskellunge less than 36 inches but not less than 30 inches in length may be taken.*

Sec. 12. Minnesota Statutes 1982, section 101.42, subdivision 20, is amended to read:

Subd. 20. It shall be unlawful to take fish by angling with a set or unattended line except that two lines with a single hook attached to each line, used for angling through the ice, shall not be deemed an unattended line if the owner is within sight of the line. Lines to which tip-ups are attached shall not be deemed unattended if the owner is within 80 feet of the tip-up; *except that it is unlawful to use tip-ups or take fish by angling while spearing fish in a dark house.*

Sec. 13. [102.235] [NEW LICENSES PROHIBITED.]

The commissioner shall not issue any new commercial fishing license which permits netting of game fish on Lake of the Woods and Rainy Lake.

Sec. 14. Minnesota Statutes 1982, section 102.26, is amended by adding a subdivision to read:

Subd. 3a. *Beginning March 1, 1984, the commissioner shall limit the maximum poundage of walleye that may be taken by commercial fishermen in Lake of the Woods in any one season on the following schedule:*

YEAR	SEASONAL COMMERCIAL WALLEYE TAKE IN POUNDS
1984	164,000
1985	150,000
1986	135,000

1987	120,000
1988	100,000
1989	80,000
1990	60,000
1991	30,000
1992	0

For the 1984 license year, 150,000 pounds of walleye shall be allocated equally among the ten existing gill net licensees according to order of the commissioner. Up to 14,000 pounds of walleye shall be allocated among existing trap or pound licensees, provided that no licensee shall take more than the highest poundage harvested in any of the last three years. For 1985 and subsequent years the allocation of walleye poundage among the licensees shall be determined by order of the commissioner.

Sec. 15. Minnesota Statutes 1982, section 102.26, is amended by adding a subdivision to read:

Subd. 3b. Beginning March 1, 1984, the commissioner shall limit the maximum poundage of walleye that may be taken by commercial fishermen in Rainy Lake in any one season on the following schedule:

YEAR	SEASONAL COMMERCIAL WALLEYE TAKE IN POUNDS
1984	14,500
1985	12,500
1986	10,500
1987	8,500
1988	6,500
1989	4,500
1990	2,500
1991	1,000
1992	0

For the 1984 license year and subsequent years, the seasonal commercial walleye take in pounds in Rainy Lake shall be allocated among the licensees by order of the commissioner.

Sec. 16. Minnesota Statutes 1982, section 102.26, is amended by adding a subdivision to read:

Subd. 3c. All gill net licenses on Lake of the Woods and Rainy Lake shall be cancelled after the 1987 license year. A gill net licensee whose license is cancelled as provided in this subdivision retains the walleye quota which he holds at the time of cancellation, subject to the quota phase-out schedule in section 14 or 15. Notwithstanding the provisions of section 13, the licensee may be issued a pound or trap net for the netting of game fish in accordance with the quota of the licensee.

Sec. 17. Minnesota Statutes 1982, section 102.26, is amended by adding a subdivision to read:

Subd. 3b. In 1984 and any subsequent year an existing licensee may transfer the walleye quota allocated to him under section 14 or 15 to any other existing licensee or, after July 1, 1985, he may sell the quota to the state. If a licensee sells the quota to the state, he must sell the quota for all years remaining in the quota schedule as provided in section 14 or 15. A sale to the state shall be at the present wholesale value of the quota as determined by applying the standard formula for computing present value assuming the following: (a) an allocation to the licensee of the same proportion of the total remaining walleye quota as allocated in the year of sale; (b) an interest rate of eight percent; and (c) a walleye wholesale price in the round of \$1.15 per pound. A licensee may elect to receive payment for a sale to the state in a lump sum or in up to four annual installments. Any quota sold to the state shall cancel and is not available for reallocation to any other licensee. When a walleye quota is sold to the state and cancelled, the gill net license of the licensee shall be cancelled.

Sec. 18. [EFFECTIVE DATE.]

Sections 9, 10, and 14 to 17 are effective March 1, 1984. The remaining sections of this act are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to game and fish; imposing a surcharge on fishing licenses for development and improvement of state fishing resources; authorizing designation of experimental and specialized fishing waters; authorizing additional notice of netting season; increasing certain license fees; prohibiting angling and use of tip-ups while spearing in a dark house; prohibiting issuance of new commercial game fish netting licenses;

allowing designation of lakes for taking of certain muskellunge; reducing the seasonal commercial walleye take in Lake of the Woods and Rainy Lake; authorizing the state to buy the walleye quota of certain commercial fishermen; amending Minnesota Statutes 1982, sections 97.48, subdivisions 8, 22, and 26, and by adding a subdivision; 97.53, by adding a subdivision; 97.55, by adding subdivisions; 98.46, subdivision 5; 101.42, subdivisions 1a and 20; and 102.26, by adding subdivisions; and proposing new law coded in Minnesota Statutes, chapters 97 and 102."

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

Senate Conferees: COLLIN C. PETERSON, DOUGLAS J. JOHNSON, GENE MERRIAM, JOHN BERNHAGEN and CARL W. KROENING.

House Conferees: JOHN SARNA, WILLARD M. MUNGER, DAVID BATTAGLIA, TOM OSTHOFF and TONY BENNETT.

Sarna moved that the report of the Conference Committee on S. F. No. 634 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 634, A bill for an act relating to game and fish; establishing the joint legislative committee on fishing resources; imposing a surcharge on fishing licenses for development and improvement of state fishing resources; authorizing designation of experimental and specialized fishing waters; authorizing additional notice of netting season; licensing fishing guides; increasing certain license fees; prohibiting angling and use of tip-ups while spearing in a dark house; prohibiting issuance of new commercial game fish netting licenses; allowing designation of lakes for taking of certain muskellunge; imposing penalties for various offenses; amending Minnesota Statutes 1982, sections 84.027, subdivision 2; 97.48, subdivision 26, and by adding a subdivision; 97.53, by adding a subdivision; 97.55, by adding subdivisions; 98.46, subdivision 5; 98.52, by adding subdivisions; and 101.42, subdivisions 1a and 20; proposing new law coded in Minnesota Statutes, chapters 97, 98, and 102.

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

The question was taken on the repassage of the bill and the roll was called. There were 93 yeas and 34 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Bishop	Coleman	Greenfield	Jacobs
Anderson, G.	Brandl	Dempsey	Gustafson	Jensen
Battaglia	Carlson, L.	Eken	Gutknecht	Kalis
Beard	Clark, J.	Elioff	Halberg	Kelly
Bennett	Clark, K.	Ellingson	Heap	Knickerbocker
Bergstrom	Clawson	Findlay	Himle	Knuth
Berkelman	Cohen	Graba	Hoffman	Kostohryz

Krueger	Nelson, D.	Price	Scheid	Thiede
Larsen	Nelson, K.	Quinn	Schreiber	Tomlinson
Levi	Neuenschwander	Quist	Segal	Tunheim
Long	Norton	Reif	Shaver	Valan
Mann	O'Connor	Rice	Shea	Vellenga
Marsh	Olsen	Riveness	Simoneau	Welch
McEachern	Omman	Rodosovich	Skoglund	Welle
McKasy	Osthoff	Rodriguez, C.	Solberg	Wenzel
Metzen	Otis	Rodriguez, F.	Sparby	Wynia
Minne	Peterson	Rose	Stadum	Speaker Sieben
Munger	Piepho	St. Onge	Staten	
Murphy	Piper	Sarna	Swanson	

Those who voted in the negative were:

Anderson, R.	Erickson	Hokr	Onnen	Vanasek
Blatz	Evans	Jennings	Redalen	Voss
Brinkman	Fjoslien	Johnson	Schafer	Waltman
Burger	Frerichs	Kvam	Seaberg	Welker
Carlson, D.	Gruenes	Ludeman	Sherman	Wigley
DenOuden	Haukoos	McDonald	Sviggum	Zaffke
Dimler	Heinitz	Ogren	Uphus	

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

Mr. Speaker:

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

H. F. No. 855, A bill for an act relating to contracts; prohibiting the enforcement of indemnification agreements in construction contracts, except in cases of negligence or other wrongful acts; proposing new law coded as Minnesota Statutes, chapter 337.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Norton moved that the House concur in the Senate amendments to H. F. No. 855 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 855, A bill for an act relating to contracts; prohibiting the enforcement of indemnification agreements in construction contracts, except in cases of negligence or other wrongful acts; proposing new law coded as Minnesota Statutes, chapter 337.

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

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. 858, A bill for an act relating to veterans; clarifying eligibility for certain educational programs; standardize the definition of "veteran"; improve management of grant program; coordinate program with federal law; providing funds for the agent orange program; amending Minnesota Statutes 1982, section 197.75; proposing new law coded in Minnesota Statutes, chapter 197; repealing Minnesota Statutes 1982, sections 197.09; 197.10; and 197.11.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Riveness moved that the House concur in the Senate amendments to H. F. No. 858 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 858, A bill for an act relating to veterans; clarifying eligibility for certain educational programs; standardize the

definition of "veteran"; improve management of grant program; coordinate program with federal law; amending Minnesota Statutes 1982, section 197.75; proposing new law coded in Minnesota Statutes, chapter 197; repealing Minnesota Statutes 1982, sections 197.09; 197.10; and 197.11.

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

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

Those who voted in the affirmative were:

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

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

Mr. Speaker:

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

S. F. No. 428.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee.

Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 428

A bill for an act relating to state government; extending the expiration date of certain advisory committees and councils; repealing certain inactive advisory councils, committees, and task forces; amending Minnesota Statutes 1982, sections 3.9223, subdivision 1; 4.31, subdivision 5; 11A.08, subdivision 4; 15.059, subdivision 5; 16.02, subdivision 28; 16.872, subdivision 3; 21.112, subdivision 2; 41.54, subdivision 2; 52.062, subdivisions 1 and 2; 115A.12, subdivision 1; 121.938; 123.581, subdivision 1; 126.531; 145.919; 145.93, subdivision 3; 145.98, subdivision 1; 148.191, subdivision 2; 152.02, subdivision 13; 155A.06, subdivision 5; 156A.06, subdivision 1; 161.1419, by adding a subdivision; 198.055, by adding a subdivision; 241.64; 241.71; 246.017, subdivision 2; 256B.58; 268.12, subdivision 6; and 507.09; Laws 1975, chapter 235, section 2; Laws 1976, chapter 314, section 3; and Laws 1980, chapter 614, section 192; repealing Minnesota Statutes 1982, sections 16.91; 16.853; 31.60, subdivisions 2 and 3; 43A.31, subdivision 4; 52.061; 52.062, subdivision 3; 82.30; 84.524; 86A.10; 115A.12, subdivision 2; 116J.04; 121.934; 123.581, subdivisions 2, 3, 4, 5, and 7; 124.215; 128A.03; 129B.09, subdivision 8; 136A.02, subdivision 6; 141.24; 144.011, subdivision 2; 144.571; 144A.17; 144A.55; 145.93, subdivision 2; 151.13, subdivision 2; 152.02, subdivision 11; 184.23; 214.14; 222.65; 245.84, subdivision 4; and 363.04, subdivisions 4, 4a, and 5.

May 22, 1983

The Honorable Jerome M. Hughes
President of the Senate

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

We, the undersigned conferees for S. F. No. 428, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 428 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 3.922, is amended to read:

**3.922 [INDIAN AFFAIRS (INTERTRIBAL BOARD)
COUNCIL.]**

Subdivision 1. [CREATION, MEMBERSHIP.] There is created a state Indian affairs (INTERTRIBAL BOARD) council to consist of the following ex-officio members: The governor or

a member of his official staff designated by him, the commissioner of education, the commissioner of public welfare, the commissioner of natural resources, the commissioner of human rights, the commissioner of energy, planning and development, the commissioner of corrections, the executive director of the Minnesota housing finance agency, the commissioner of iron range resources and rehabilitation, and the commissioner of health each of whom may designate a member of his staff to serve in his place, three members of the state house of representatives appointed by the speaker of the house of representatives, and three members of the state senate appointed by the committee on committees of the senate. Voting members of the (BOARD) *council* shall be: the duly elected tribal chairmen of the Fond du Lac reservation business committee; the Grand Portage reservation business committee; the Mille Lacs reservation business committee; the White Earth reservation business committee; the Bois Forte (Nett Lake) reservation business committee; the Leech Lake reservation business committee; the Red Lake tribal council; the Upper Sioux board of trustees; the Lower Sioux tribal council; the Shakopee-Mdewankanton general council; the Prairie Island tribal council; and two members to be selected pursuant to subdivision 2. The chairmen of the above Indian committees, trusts, or councils may designate in writing a member who shall have been elected at large to an office in the committee, trust, or council, to serve in his place. (BOARD) *Council* members appointed to represent the state house of representatives, the state senate or tribal governments shall no longer serve on the (BOARD) *council* at such time as they are no longer members of the bodies which they represent, and upon such circumstances, their offices shall be vacant. A member who is a designee of a tribal chairman shall cease to be a member at the end of the term of the tribal chairman who designated him. Ex-officio members or their designees on the (BOARD) *council* shall not be voting members of the (BOARD) *council*.

Subd. 2. [ADDITIONAL MEMBERS.] Two members of the (BOARD) *council* shall be elected at large by Indian residents of Minnesota who (1) are legal members and eligible voters of a federally recognized tribe in accordance with the criteria of said tribe and (2) are not members of any federally recognized tribe with a reservation in Minnesota. The election of at large members shall be in a manner prescribed by the secretary of state with the first such election for at large members to take place at a reasonable time, but no later than April 14, 1977. The manner of election, certification, and contest shall, insofar as reasonably possible, be consistent with procedures employed in general elections in the state so as to insure a fair election and ready access to the election process by eligible voters. The voting procedure shall include voting by absentee ballot. A person shall be eligible to serve as an at large member of the (BOARD) *council* if at the time of the election he is a qualified voter within the requirements of the Minnesota Constitution, Article VII and a member of a federally recognized tribe that does not have a reservation in Minnesota. The at large election described herein shall be cer-

tified and regulated by the secretary of state. The term for at large members elected in 1977 shall expire on April 20, 1981. At large elections shall be held no later than April 14, 1981, and no later than every fourth April 14 thereafter, and the term of office for at large members shall be four years commencing on the April 20 following each at large election and ending at 12:01 a.m., April 20 four years thereafter.

Subd. 3. [COMPENSATION; EXPENSES.] Compensation of nonlegislator members shall be as provided (FOR OTHER ADMINISTRATIVE BOARDS IN CHAPTER 15) *in section 15.059*. Expenses of the (BOARD) *council* shall be approved by two of any three members of the (BOARD) *council* designated by the (BOARD) *council* and shall then be paid in the same manner as other state expenses are paid. The commissioner of finance shall be informed in writing by the executive secretary of the names of the persons authorized to approve expenses.

Subd. 4. [MEETINGS.] Meetings may be called by the chairman or at the written request of five members of the (BOARD) *council*. A majority of the voting members of the (BOARD) *council* constitutes a quorum.

Subd. 5. [OFFICERS, PERSONNEL.] The (BOARD) *council* shall annually elect a chairman and such other officers as it may deem necessary. The chairman shall have the authority to appoint subcommittees necessary to fulfill the duties of the (BOARD) *council*. It shall also employ, and prescribe the duties of such clerks, employees, and agents as it deems necessary. The chairman shall be an ex-officio member of the state board of human rights. The appropriations and other funds of this (BOARD) *council* are subject to the provisions of chapter 16. The (BOARD) *council* shall maintain its primary office in Bemidji and shall also maintain personnel and office space in St. Paul.

Subd. 6. [DUTIES.] The primary duties of the (BOARD) *council* shall be to:

(1) Clarify for the legislature and state agencies the nature of tribal governments, the relationship of tribal governments to the Indian people of Minnesota;

(2) Assist the secretary of state in establishing an election of at large members of the (BOARD) *council*;

(3) Make recommendations to members of the legislature on desired and needed legislation for the benefit of the statewide Indian community and communicate to the members of the legislature when legislation has or will have an adverse effect on the statewide Indian community;

(4) Provide, through the elected apparatus of the (BOARD) *council*, an effective conduit for programs, proposals and projects to the legislature submitted by tribal governments, organizations, committees, groups or individuals;

(5) Provide a continuing dialogue with members of the appropriate tribal governments in order to improve their knowledge of the legislative process, state agencies and governmental due process;

(6) Assist in establishing Indian advisory councils in cooperation with state agencies delivering services to the Indian community;

(7) Assist state agencies in defining what groups, organizations, committees, councils or individuals are eligible for delivery of their respective services;

(8) Assist in providing resources, tribal and other, in the delivery of services to the statewide Indian community;

(9) Act as a liaison between local, state and national units of government in the delivery of services to the Indian population of Minnesota;

(10) Assist state agencies in the implementation and updating of studies of services delivered to the Indian community;

(11) Provide, for the benefit of all levels of state government, a continuing liaison between those governmental bodies and duly elected tribal governments and officials;

(12) Interreact with private organizations involved with Indian concerns in the development and implementation of programs designed to assist Indian people, insofar as they affect state agencies and departments; and

(13) Act as an intermediary, when requested and if necessary between Indian interests and state agencies and departments when questions, problems or conflicts exist or arise.

Subd. 7. [STATE OFFICIALS AND DEPARTMENTS; CO-OPERATION.] In carrying out these objectives and to ascertain Indian needs the (BOARD) *council* shall have the right to confer with state officials and other governmental units, and to have access to such records as are necessary to obtain needed information. The (BOARD) *council* also shall have the right to call upon various state departments for such technical advice and service as are needed to fulfill the purposes of the (BOARD) *council*.

Subd. 8. [ADVISORY COUNCIL.] (THERE IS CREATED) An advisory council on urban Indians *is created* to advise the board on the unique problems and concerns of Minnesota Indians who are residing in urban areas of the state. The council shall be appointed by the board and shall consist of five Indians residing in the vicinity of Minneapolis, St. Paul and Duluth. At least one member of the council shall be a resident of each of the aforementioned cities. The council shall expire, and the terms, compensation and removal of members shall be as provided in section 15.059.

Subd. 9. [ANNUAL REPORT.] The (BOARD) *council* shall make an annual report to the governor and the legislature on its activities, its findings, and its recommendations prior to November 15 in each year.

Sec. 2. Minnesota Statutes 1982, section 3.9223, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] There is created a state council on affairs of Spanish-speaking people to consist of seven members appointed by the governor with the advice and consent of the senate. The members of the council shall be broadly representative of the Spanish-speaking community of the state. Membership, terms, compensation, removal of members and filling of vacancies shall be as provided in Minnesota Statutes, Section 15.0575. The council shall annually elect from its membership a chairperson and other officers it deems necessary. *The council shall expire on the date provided by section 15.059, subdivision 5.*

Sec. 3. Minnesota Statutes 1982, section 4.31, subdivision 5, is amended to read:

Subd. 5. The governor shall appoint an advisory committee of not more than 21 members, at least one member from each economic development region, to advise and make recommendations to him and the director of volunteer services. Notwithstanding this numerical limitation, members currently serving on an advisory group to the governor's office of volunteer services shall complete their prescribed terms of office; thereafter, appointments of successors shall be made so as to be consistent with the numerical limitation contained in this section. Membership terms, compensation, removal and filling of vacancies of members *and expiration* of the advisory committee shall be as provided in section 15.059; provided, that members shall not be eligible for a per diem.

Sec. 4. Minnesota Statutes 1982, section 11A.08, subdivision 4, is amended to read:

Subd. 4. [TERMS; COMPENSATION; REMOVAL; VACANCIES; EXPIRATION.] The membership terms, compen-

sation (AND), removal of members appointed by the state board, (AND) filling of vacancies of (SUCH) members, and expiration of the council shall be as provided in section 15.059 except that council members shall not receive a per diem.

Sec. 5. Minnesota Statutes 1982, section 15.059, subdivision 5, is amended to read:

Subd. 5. [EXPIRATION DATE.] Unless an earlier date is specified by law, the existence of each advisory council and committee governed by this section shall terminate on June 30, (1983) 1988.

Sec. 6. Minnesota Statutes 1982, section 15.059, subdivision 6, is amended to read:

Subd. 6. [ADVISORY TASK FORCES.] *If the existence of an advisory task (FORCES CREATED AFTER JULY 1, 1975 AND GOVERNED BY THIS SUBDIVISION) force is mandated by statute, the task force shall expire on the date specified in the enabling legislation. If no expiration date is specified, the task force shall expire two years after the effective date of the act creating the advisory task force (OR THE DATE OF APPOINTMENT OF THE MEMBERS, WHICHEVER IS LATER, UNLESS A SHORTER TERM IS SPECIFIED IN STATUTE). If the existence of a task force is authorized but not mandated by statute, the task force shall expire at the pleasure of the person or group which creates the task force, or two years after the first members of the task force are appointed, whichever is sooner. A person or group with discretionary authority to create a task force may create another task force to continue the work of a task force which expires, unless prohibited by other law.*

Members of advisory task forces shall not receive the \$35 per diem specified in this section but shall receive expenses in the same manner and amount as (STATE EMPLOYEES) provided in the commissioner's plan under section 43A.18, subdivision 2. Members appointed to these advisory task forces shall serve until the expiration date of the advisory task force and may be removed pursuant to subdivision 4.

Sec. 7. Minnesota Statutes 1982, section 16.02, subdivision 28, is amended to read:

Subd. 28. To provide an employee assistance program comprised of training, diagnostic and referral services for state employees and their dependents. (IN CONJUNCTION WITH THE PROGRAM, THE GOVERNOR SHALL APPOINT AN ADVISORY COMMITTEE ON STATE EMPLOYEE ASSISTANCE CONSISTING OF NOT MORE THAN 15 MEMBERS. THE COMMITTEE, WHICH SHALL BE SUBJECT TO THE

PROVISIONS OF SECTION 15.059, SHALL ADVISE THE COMMISSIONER REGARDING THE OPERATIONAL POLICIES OF THE EMPLOYEE ASSISTANCE PROGRAM.)

Sec. 8. Minnesota Statutes 1982, section 16.872, is amended to read:

Subdivision 1. The commissioner of administration may accept, on behalf of the state, on such terms and conditions as the donor may prescribe, a building to be used as (A STATE CEREMONIAL BUILDING) *the governor's residence*. (SUCH) *This* building shall be used for official ceremonial functions of the state, and space shall be provided for suitable living quarters for the governor of the state.

Subd. 2. The commissioner of administration shall maintain (SUCH) *the* building in the same manner as other state buildings are maintained and shall rehabilitate, decorate, and furnish (SUCH CEREMONIAL) *the* building (, AND). (IN CARRYING OUT SUCH) *The* decoration and furnishing shall be guided by the (STATE CEREMONIAL BUILDING COUNCIL) *governor's residence council*.

Subd. 3. The (STATE CEREMONIAL BUILDING COUNCIL) *governor's residence council* consists of the following 15 members: the commissioner of administration; the spouse, *or a designee* of the governor; the executive director of the board of arts; the director of the Minnesota historical society; a member of the senate appointed pursuant to the rules of the senate; a member of the house of representatives appointed pursuant to the rules of the house of representatives; seven persons appointed by the governor including one in the field of higher education, one member of the American Society of Interior Designers, Minnesota chapter, one member of the American Institute of Architects, Minnesota chapter, one member of the American Society of Landscape Architects, Minnesota chapter, one member of the family that donated the ceremonial building to the state, if available, and four public members. Members of the council serve without compensation. Membership terms, removal, and filling of vacancies for members appointed by the governor are governed by section 15.0575. The council shall elect a chairman and a secretary from among its members. *The council shall expire on the date provided by section 15.059, subdivision 5.*

Subd. 4. The powers and duties of the council are:

(1) To develop an overall restoration plan for the (STATE CEREMONIAL BUILDING) *governor's residence* and surrounding grounds;

(2) To approve alterations in the existing structure as the council deems appropriate; and

(3) Notwithstanding the gift acceptance procedures of sections 7.09 to 7.12, to solicit contributions for and maintain and improve the quality of furnishings for the public areas of the building by accepting gifts of, or acquiring with donated money, furnishings, objects of art, and other items that the council determines may have historical value in keeping with the period and purpose of the building.

Gifts for the benefit of the (STATE CEREMONIAL BUILDING AND) *governor's residence and surrounding grounds* are not accepted by the state unless accepted by the council. The council shall maintain a complete inventory of all gifts and articles received.

Sec. 9. Minnesota Statutes 1982, section 16.90, subdivision 4, is amended to read:

Subd. 4. The commissioner, after consultation with the (STATE INFORMATION SYSTEMS ADVISORY COUNCIL AND THE) intergovernmental information systems advisory council, shall design and maintain a master plan for information systems in the state and its political subdivisions and shall report thereon to the governor and legislature at the beginning of each regular session; establish standards for information systems; maintain a library of systems and programs developed by the state and its political subdivisions for use by agencies of government; and administer the communications for the state information system.

Sec. 10. Minnesota Statutes 1982, section 16.91, is amended to read:

16.91 [STATE INFORMATION SYSTEMS ADVISORY COUNCIL.]

(TO EFFECTUATE AND FACILITATE THE PURPOSES AND PROVISIONS OF SECTIONS 16.90 TO 16.96.) The (GOVERNOR SHALL) *commissioner may* appoint a state information systems advisory (COUNCIL, WHICH SHALL) *task force* to assist the department in the development and coordination of a state information services master plan and make recommendations from time to time to the commissioner concerning the progress, direction and needs of the state's computerization effort. The (COUNCIL) *task force* shall expire and the terms, compensation and removal of members shall be as provided in section 15.059.

Sec. 11. Minnesota Statutes 1982, section 16.911, is amended to read:

Subdivision 1. The governor shall appoint an intergovernmental information systems advisory council, to serve at his

pleasure, consisting of 25 members. (SUCH COUNCIL) *Fourteen members shall be appointed or elected officials of local governments, seven shall be representatives of state agencies, and four shall be selected from the community at large. Further, the council shall be composed of (a) two members from each of the following groups: Counties outside of the seven county metropolitan area, (COUNTIES WITHIN THE METROPOLITAN AREA, CITIES OF THE FIRST CLASS, MUNICIPALITIES) cities of the second and third class outside the metropolitan area (AND MUNICIPALITIES), cities of the second and third class within the metropolitan area, and cities of the fourth class; (b) one member from each of the following groups: The metropolitan council, an outstate regional body, (MINNESOTA HIGHER EDUCATION COORDINATING BOARD, SCHOOL DISTRICTS LOCATED IN) counties within the metropolitan area, cities of the first class, school districts in the metropolitan area, and school districts outside the metropolitan area; (c) one member from each of the state departments of administration, education, energy, planning and development, legislative auditor, public welfare, and revenue; (d) one member from the office of the state auditor; and (e) four members from the state community at large. To the extent permitted by available resources the commissioner shall furnish staff and other assistance as requested by the council. The council shall expire and the terms, compensation and removal of members of the advisory council shall be as provided in section 15.059.*

Subd. 2. The council shall: assist the commissioner in the development and updating of (AN) intergovernmental information systems (MASTER PLAN), including data definitions, format, and retention standards (AND PROGRAM BUDGETING SYSTEMS AND STANDARDS); (RECOMMENDING) recommend to the commissioner policies and procedures governing the collection, security, and confidentiality of data; review (AND COMMENT ON ALL APPLICATIONS FOR FEDERAL OR FOUNDATION FUNDING FOR) intergovernmental information (SYSTEMS) and (ON ALL) computer systems involving intergovernmental funding; encourage cooperative efforts among local governments in developing information systems to meet individual and collective, operational, and external needs; bring about the necessary degree of standardization consistent with local prerogatives; yield fiscal and other information required by state and federal laws and regulations in readily usable form; foster the efficient use of available federal, state, local, and private resources for the development of systems; keep local governments abreast of the state of the art in information systems and prepare guidelines for intergovernmental systems.

Subd. 3. The intergovernmental information systems advisory council shall (a) develop recommendations to the (COMMISSIONER) commissioners of (REVENUE) state departments, the legislative auditor, and the state auditor for the expeditious gathering and reporting of the information and data (SPECI-

FIED HEREIN) *between state and local governmental agencies in accordance with cooperatively developed standards; (b) elect an executive committee, not to exceed seven members from its membership; (c) develop an annual plan, to include administration and evaluation of grants, in compliance with applicable rules; (d) provide technical information systems assistance or guidance to local governments for development, implementation, and modification of automated systems, including formation of consortiums for those systems.*

Subd. 4. (THE STATE AND EACH UNIT OF LOCAL GOVERNMENT INCLUDING SCHOOL DISTRICTS SHALL REPORT THE FOLLOWING DATA, TO THE EXTENT FEASIBLE, AND SUCH DATA SHALL BE COMPILED AND REPORTED BY THE COMMISSIONER:)

((A) THE INCIDENCE, RATES, DISTRIBUTION, EXEMPTION FROM AND TOTAL REVENUE RAISED OF STATE AND LOCAL SALES, PROPERTY, INCOME TAXES, SPECIAL ASSESSMENTS AND OTHER REVENUE SOURCES OF THE STATE AND EACH UNIT OF LOCAL GOVERNMENT;)

((B) THE BONDED INDEBTEDNESS OF LOCAL UNITS OF GOVERNMENT AND THE RELATIONSHIP OF SUCH DEBT TO STATUTORY DEBT LIMITS;)

((C) THE DISTRIBUTION OF THE STATE FUNDS, BY CATEGORY, TO EACH LOCAL UNIT OF GOVERNMENT;)

((D) THE AMOUNTS OF STATE AND FEDERAL GRANT-IN-AID ASSISTANCE TO EACH LOCAL UNIT OF GOVERNMENT AND STATE AGENCIES BY CATEGORY;)

((E) AND SUCH OTHER INFORMATION AS THE COMMISSIONER MAY REQUIRE) *Appropriations and other funds made available to the council for staff, operational expenses, and grants must be administered through the Department of Administration. Revenues derived from royalties, reimbursements, or other fees from software programs, systems, or technical services arising out of activities funded by current or prior state appropriations is appropriated to the council for the purposes enumerated in subdivision 2.*

(SUBD. 5. THE COMMISSIONER SHALL PROMULGATE RULES REGULATING THE REPORTING AND GATHERING OF SUCH DATA AND THE RULES SHALL PROVIDE, TO THE MAXIMUM DEGREE POSSIBLE, THAT DATA IS REPORTED IN A FORM READILY PROCESSED BY OR CONVERTIBLE TO EDP TECHNIQUES UTILIZED BY THE COMMISSIONER OR STATE AUDITOR.)

(SUBD. 6. DATA COLLECTED AND COMPILED PURSUANT TO THE RULES SHALL BE AVAILABLE TO ANY STATE OR LOCAL OFFICIAL AND EMPLOYEE AND ANY PRIVATE PERSON UNDER SUCH REASONABLE CONDITIONS AND FEES AS THE COMMISSIONER SHALL PRESCRIBE. COMPILATIONS OF SUCH DATA BY THE COMMISSIONER SHALL BE IN A REASONABLE FORM AND AVAILABLE NOT LATER THAN APRIL 1 OF EACH YEAR. REPORTING PERIODS FOR THE STATE AND EACH LOCAL UNIT OF GOVERNMENT SHALL BE FROM JANUARY 1 TO JUNE 30 AND FROM JULY 1 TO DECEMBER 31.)

Sec. 12. Minnesota Statutes 1982, section 21.112, subdivision 2, is amended to read:

Subd. 2. [ADVISORY SEED POTATO CERTIFICATION (COMMITTEE) TASK FORCE.] (HE SHALL) *The commissioner may* appoint an advisory seed potato certification (COMMITTEE TO CONSIST OF SIX MEMBERS, EACH OF WHOM) *task force. If the task force is appointed each member shall be a grower in Minnesota of certified seed potatoes (, AND SHALL SERVE WITHOUT COMPENSATION, EXCEPT HE SHALL RECEIVE HIS TRAVELING EXPENSES AND OTHER EXPENSES NECESSARY IN ATTENDING COMMITTEE MEETINGS. THE TERM OF EACH COMMITTEE MEMBER SHALL BE THREE YEARS FROM JULY 1 FOLLOWING HIS APPOINTMENT, EXCEPT THAT OF THE FIRST COMMITTEE TO BE APPOINTED, TWO MEMBERS SHALL SERVE ONE YEAR, TWO MEMBERS SHALL SERVE TWO YEARS AND TWO MEMBERS SHALL SERVE THREE YEARS. VACANCIES SHALL BE FILLED BY THE COMMISSIONER FOR THE BALANCE OF THE VACANT TERM. SAID COMMITTEE SHALL HOLD AT LEAST ONE MEETING EACH YEAR AND OTHER MEETINGS WHEN DEEMED NECESSARY BY THE COMMISSIONER). The task force shall expire, and the terms, compensation and removal of members shall be as provided in section 15.059.*

Sec. 13. Minnesota Statutes 1982, section 41.54, subdivision 2, is amended to read:

Subd. 2. [TERMS AND COMPENSATION.] The compensation (AND), removal of members *and expiration* of the council shall be governed by section 15.059. The council shall meet monthly or more often as needed.

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

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

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

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

(d) The agricultural economist, 1985.

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

Sec. 14. Minnesota Statutes 1982, section 43A.31, subdivision 4, is amended to read:

Subd. 4. [INSURANCE ADVISORY (COUNCIL) TASK FORCE.] The commissioner (SHALL) *may* appoint and serve as chairman of an insurance advisory (COUNCIL) *task force* consisting of (11) *12* members. (TWO) *Three* members shall be selected from names submitted by exclusive representatives of state employees. One member shall be selected from names submitted by exclusive representatives of employees of the University of Minnesota. One member shall be selected from names submitted by organizations representing retired state employees. One member shall be selected from names submitted by the regents of the University of Minnesota. The commissioners of administration, insurance, health and finance, and the deputy commissioner for labor relations or their designees, shall serve as the other members. Except as provided in this section, the provisions of section 15.059 shall apply to the members of the (COUNCIL) *task force*. The (COUNCIL) *task force* shall advise the commissioner in (THE SELECTION OF CARRIERS) *matters relating to insurance, including the administration, design, and financing of insurance programs*. Evidence of discussions, recommendations or decisions by the council shall not be submitted to any court or arbitrator in any matter involving state or University of Minnesota employees.

Sec. 15. Minnesota Statutes 1982, section 45.17, subdivision 6, is amended to read:

Subd. 6. (THERE IS HEREBY CREATED THE BOARD OF) *The director of consumer services may appoint a residential utility consumers task force whose duties (SHALL) may include:*

(1) Establishing policy guidelines concerning the utility related activities of the commerce department's consumer services section;

(2) Reviewing and commenting upon the section's staff employment decisions related to performing the responsibilities conferred in this section; and

(3) Annually reviewing and commenting upon the consumer services section's budget of estimated expenses for utility related activities.

If appointed the (BOARD) task force shall consist of nine (VOTING) members to be appointed by the (GOVERNOR) director. At least one member shall represent each congressional district, and at least two members shall represent farm consumers. No more than six members shall be members of the same political party. In making appointments, the (GOVERNOR) director shall give consideration to individuals having a special interest in the provision of utility services to residential consumers.

The (BOARD) task force members shall elect from among their number a chairman and any other officers as it may deem necessary. The (BOARD) task force shall meet at the call of the chairman or the director. The *expiration*, terms of office, compensation, and provisions for removal and filling vacancies of members shall be as provided in section (15.0575) 15.059.

(THE DIRECTOR OF THE CONSUMER SERVICES SECTION SHALL SUBMIT AN ANNUAL BUDGET OF ESTIMATED EXPENSES TO THE BOARD FOR REVIEW AND COMMENT. THE DIRECTOR SHALL ALSO PERIODICALLY SEEK THE ADVICE OF THE BOARD CONCERNING ITS OPERATIONS RELATED TO THE RESPONSIBILITIES CONFERRED BY THIS SECTION.) The director shall (ALSO) file an annual report of the section's utility related activities with (THE BOARD AND) the legislature on or before December 31 of each year.

Sec. 16. Minnesota Statutes 1982, section 52.061, is amended to read:

52.061 [CREDIT UNION ADVISORY (COUNCIL) TASK FORCE.]

(THERE IS ESTABLISHED) *The commissioner of banks may appoint a credit union advisory (COUNCIL) task force to consult with, advise, and make recommendations to the commissioner (OF BANKS) in all matters pertaining to credit unions. If created, the advisory (COUNCIL) task force shall consist of five members who shall be appointed by the commissioner (OF BANKS) and who shall be persons who have had three or more years of experience as a credit union officer, director or committee member. To aid in making a selection of the five advisory (COUNCIL) task force members, the Minnesota league of credit unions may submit a list of not less than 15 names; however, the commissioner (OF BANKS) shall not*

be limited to this list in making his selections. (THE CHAIRMAN OF THE ADVISORY COUNCIL SHALL BE ELECTED ANNUALLY BY AND FROM ITS MEMBERS. MEETINGS SHALL BE HELD AT THE TIMES AND PLACES DETERMINED BY THE CHAIRMAN AND THE COMMISSIONER OF BANKS. MEETINGS MAY BE CALLED BY EITHER THE CHAIRMAN OR THE COMMISSIONER OF BANKS. THREE MEMBERS OF THE ADVISORY COUNCIL SHALL CONSTITUTE A QUORUM. HOWEVER, AT LEAST THREE AFFIRMATIVE VOTES SHALL BE NEEDED TO PASS ANY MOTION. THE AUTHORITY AND RESPONSIBILITY OF THE ADVISORY COUNCIL SHALL BE TO ADVISE THE GOVERNOR AND THE COMMISSIONER OF BANKS ON PROBLEMS CONCERNING CREDIT UNIONS AND TO FOSTER THE INTEREST AND COOPERATION OF CREDIT UNIONS IN IMPROVING THEIR METHODS OF OPERATION.) The commissioner (OF BANKS) may review with the advisory (COUNCIL) *task force* the records of the banking division concerning the supervision, regulation, and examination of credit unions. The (COUNCIL) *task force expiration*, terms, compensation, and removal of members shall be as provided in section 15.059.

Sec. 17. Minnesota Statutes 1982, section 52.062, subdivision 3, is amended to read:

Subd. 3. In lieu of immediate suspension of the operation of the credit union, the commissioner of banks may submit to the advisory (COUNCIL) *task force*, with a copy to the affected credit union, a statement with respect to said practices or violations for the purpose of investigation and review by the advisory (COUNCIL) *task force* so that it may attempt to cause the correction of said practices or violations. Unless said corrections shall be made within 60 days of the notice to the advisory (COUNCIL) *task force* and the credit union, the commissioner of banks, if he shall determine to proceed further, shall give to the affected credit union written notice of his intention to suspend the operation of the credit union, and shall fix a time and place for a hearing before the commissioner of banks, or such person or persons as the commissioner of banks may designate. The advisory (COUNCIL) *task force* shall sit at such hearing for the purpose of providing advice and counsel to the commissioner of banks or his representative. Evidence may be produced at said hearing by any party thereto, and the commissioner of banks shall base his decision as to the suspension of operation of the credit union upon said evidence. If the commissioner of banks decides to suspend operation of the credit union, the board of directors shall be given notice by certified mail of such suspension, which notice shall include a list of reasons for such suspension and a list of any specific violations of law, bylaw, or regulation, and shall specify which operations of the credit union may continue during the period of suspension.

Sec. 18. Minnesota Statutes 1982, section 82.30, subdivision 1, is amended to read:

Subdivision 1. (THERE SHALL BE) *The commissioner of real estate and securities shall appoint a real estate advisory (COUNCIL OF SEVEN MEMBERS TO BE APPOINTED BY THE COMMISSIONER OF SECURITIES AND REAL ESTATE) task force. (FIVE MEMBERS) The task force shall (BE) include real estate brokers with at least five years experience as licensed real estate brokers in Minnesota and (TWO MEMBERS SHALL BE) public members. (THEY SHALL MEET AT THE CALL OF THE COMMISSIONER ON A QUARTERLY BASIS AT PUBLICIZED SESSIONS AND AT SUCH OTHER TIMES AS THE COMMISSIONER MAY DEEM NECESSARY AND) The task force may advise (AND CONSULT WITH HIM) the commissioner on all matters relating to education of licensees, prelicensing requirements, and (SUCH) other (MAJOR) policy matters relating to the administration of sections 82.17 to 82.34. The (COUNCIL) task force shall expire and the terms, compensation, and removal of members shall be as provided in section 15.059. No member of the real estate advisory (COUNCIL) task force may establish, own, operate, invest in a course designed to fulfill any requirement of Minnesota law pertaining to licenses for real estate salespersons or brokers.*

Sec. 19. Minnesota Statutes 1982, section 84.524, subdivision 1, is amended to read:

84.524. [CITIZEN'S ADVISORY TASK FORCE ON THE BOUNDARY WATERS CANOE AREA.]

Subdivision 1. (THERE IS CREATED) *The commissioner of natural resources may create a citizen's advisory task force on the Boundary Waters Canoe Area (, CONSISTING OF 17 MEMBERS SELECTED AS FOLLOWS). If the task force is created it shall include the following members:*

(1) Three residents of St. Louis County (APPOINTED BY THE GOVERNOR);

(2) Three residents of Cook County (APPOINTED BY THE GOVERNOR);

(3) Three residents of Lake County (APPOINTED BY THE GOVERNOR); and

(4) Eight residents of the state residing outside of the aforementioned counties (APPOINTED BY THE GOVERNOR).

(THE GOVERNOR SHALL DESIGNATE ONE OF THE APPOINTEES TO SERVE AS CHAIRMAN AND THE ADVISORY TASK FORCE MAY ELECT SUCH OTHER OFFICERS AS IT DEEMS NECESSARY.) The advisory task force shall be subject to the provisions of section 15.059 (, EXCEPT THAT THE ADVISORY TASK FORCE SHALL NOT EXPIRE UNTIL JUNE 30, 1983).

Sec. 20. Minnesota Statutes 1982, section 84.524, subdivision 2, is amended to read:

Subd. 2. (THE ADVISORY TASK FORCE SHALL CONDUCT MEETINGS AND RESEARCH INTO ALL MATTERS RELATED TO THE ESTABLISHMENT AND OPERATION OF THE BOUNDARY WATERS CANOE AREA, AND SHALL MAKE SUCH RECOMMENDATIONS TO THE UNITED STATES FOREST SERVICE AND OTHER FEDERAL AND STATE AGENCIES CONCERNED, REGARDING OPERATION OF THE AREA, AS THE ADVISORY TASK FORCE DEEMS ADVISABLE. A COPY OF EACH RECOMMENDATION SHALL BE FILED WITH THE LEGISLATIVE REFERENCE LIBRARY.) The advisory task force shall not apply for or accept funds from public or private sources other than the legislature. Subject to the availability of legislative appropriation, the advisory task force may contract for services relating to matters within its authority.

Sec. 21. Minnesota Statutes 1982, section 84B.11, subdivision 1, is amended to read:

Subdivision 1. The governor shall appoint, except for the legislative members, a citizen's (COMMITTEE) *council* on Voyageurs National Park, consisting of (16) 17 members as follows:

Four residents of Koochiching county (, TWO OF WHOM SHALL BE APPOINTED TO TERMS ENDING JANUARY 1, 1979, AND TWO OF WHOM SHALL BE APPOINTED TO TERMS ENDING JANUARY 7, 1980);

Four residents of St. Louis county (, TWO OF WHOM SHALL BE APPOINTED TO TERMS ENDING JANUARY 7, 1980, AND TWO OF WHOM SHALL BE APPOINTED TO TERMS ENDING JANUARY 1, 1979);

(FOUR) *Five* residents of the state at large from outside Koochiching and St. Louis counties (, TWO OF WHOM SHALL BE APPOINTED TO TERMS ENDING JANUARY 1, 1979, AND TWO OF WHOM SHALL BE APPOINTED TO TERMS ENDING JANUARY 7, 1980);

Two members of the state senate to be appointed by the committee on committees;

Two members of the state house of representatives to be appointed by the speaker of the house.

The governor shall designate one of the appointees to serve as chairman and the committee may elect such other officers as it deems necessary. Members shall be appointed so as to represent differing viewpoints and interest groups on the facilities included in and around the park. Legislator members shall serve for the term of the legislative office to which they were elected. (THE COMMITTEE SHALL EXPIRE AND) The terms, compensation and removal of non-legislator members shall be as provided in section 15.059. *This section is repealed June 30, 1987.*

Sec. 22. Minnesota Statutes 1982, section 86A.10, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] *The commissioner of energy, planning and development may appoint an outdoor recreation advisory task force. If appointed each regional development commission and the metropolitan council shall designate one of its members to serve (ON THE OUTDOOR RECREATION ADVISORY COUNCIL, WHICH IS HEREBY CREATED. THE GOVERNOR SHALL APPOINT THE CHAIRMAN OF THE COUNCIL TO SERVE AT HIS PLEASURE). Areas of the state not having a regional development commission shall have one representative from each unorganized area appointed by the commissioner. The (COUNCIL) task force shall expire and the terms, compensation, and removal of members shall be as provided in section 15.059.*

Sec. 23. Minnesota Statutes 1982, section 116J.04, is amended to read:

116J.04 [ENERGY POLICY DEVELOPMENT (COUNCIL) TASK FORCE.]

(A COUNCIL OF 15 MEMBERS TO ACT IN) *The commissioner may appoint an advisory (CAPACITY) task force on energy policy development (TO THE COMMISSIONER IS CREATED). (MEMBERS SHALL BE APPOINTED BY THE GOVERNOR, WITH THE ADVICE AND CONSENT OF THE SENATE.) If created the task force shall include at least one member from each congressional district (AND SEVEN FROM THE STATE AT LARGE). The (COUNCIL) task force members shall broadly represent the scientific, technical, educational, business and labor fields (AND AT LEAST FOUR MEMBERS SHALL BE FROM EDUCATIONAL AND SCIENTIFIC RESEARCH INSTITUTIONS). The (COUNCIL) task force shall develop recommendations on policy for energy issues and energy needs and shall advise the commissioner on the energy related functions of the department. (THE COMMISSIONER SHALL REPORT TO THE LEGISLATURE ON THE MAJOR ENERGY POLICY RECOMMENDATIONS OF THE COUNCIL.*

THE COUNCIL SHALL ORGANIZE AND ELECT AMONG ITS MEMBERS SUCH OTHER OFFICERS AS IT MAY DEEM NECESSARY. THE COUNCIL SHALL MEET AT THE CALL OF THE CHAIR.) The *expiration*, terms, compensation, and removal of members shall be as provided by section 15.059. (THE COUNCIL MAY ADVISE THE COMMISSIONER ON THE TRANSFER OF ENERGY AGENCY PERSONNEL AND FUNCTIONS.)

Sec. 24. Minnesota Statutes 1982, section 121.87, subdivision 1, is amended to read:

Subdivision 1. (A 25 MEMBER STATE) *The state board of education may appoint a community education advisory (COUNCIL SHALL BE ESTABLISHED) task force* for the purpose of promoting the furtherance of sections 121.85 to 121.88, and the advancement of educational, recreational and social opportunity through the maximum utilization of public school facilities throughout the state of Minnesota. (THE COUNCIL SHALL BE) *If appointed (BY THE GOVERNOR AND), the task force shall (CONSIST OF TWO LAY MEMBERS) include at least one member* from each congressional district and (NINE) members (SELECTED AT LARGE) who (SHALL) represent government and professions most closely related to community education activities, functions and school administrative jurisdictions.

Sec. 25. Minnesota Statutes 1982, section 121.87, subdivision 3, is amended to read:

Subd. 3. (CLERICAL, MAILING, PRINTING, AND OTHER JUSTIFIABLE EXPENSES INCURRED BY THE COUNCIL SHALL BE PAID FROM FUNDS SET ASIDE FOR THE ADMINISTRATION OF THE OFFICE OF THE DIRECTOR OF COMMUNITY EDUCATION PROGRAMS.) The (COUNCIL) *task force* shall expire and the terms, compensation, and removal of members shall be as provided in section 15.059.

Sec. 26. Minnesota Statutes 1982, section 123.581, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] Programs for in-service training for regular classroom teachers, assistant principals and principals in techniques of education of handicapped pupils shall be established in school districts designated by the state board of education. Funds for these programs shall be granted by the state board (UPON THE RECOMMENDATION OF THE ADVISORY COUNCIL FOR IN-SERVICE TRAINING IN TECHNIQUES OF EDUCATION OF HANDICAPPED PUPILS). Handicapped pupils for the purposes of this section, are those defined in section 120.03.

Sec. 27 Minnesota Statutes 1982, section 126.531, subdivision 1, is amended to read:

Subdivision 1. The (MINNESOTA INDIAN AFFAIRS INTERTRIBAL BOARD SHALL NOMINATE 15 PERSONS FOR MEMBERSHIP TO THE) *state board of education may create an American Indian language and culture education advisory task force. (THE STATE BOARD OF EDUCATION SHALL APPOINT NINE PERSONS FROM THOSE SO NOMINATED TO CONSTITUTE THE TASK FORCE.) If created, members shall include representatives of community groups, parents of children eligible to be served by the programs, American Indian administrators and teachers, persons experienced in the training of teachers for American Indian language and culture education programs, persons involved in programs for American Indian children in nonsectarian nonpublic, urban, community, tribal or alternative schools and persons knowledgeable in the field of American Indian language and culture education. Members shall be appointed so as to be representative of significant segments of the population of American Indians.*

Sec. 28. Minnesota Statutes 1982, section 128A.03, is amended to read:

128A.03 [ADVISORY COUNCILS]

Subdivision 1. The state board of education (SHALL) *may* appoint an advisory (COUNCIL) *task force* on the Minnesota school for the deaf and an advisory (COUNCIL) *task force* on the Minnesota braille and sight-saving school (. THESE COUNCILS SHALL) *to advise the (STATE) board on policies pertaining to the control, management, and administration of these schools.*

Subd. 2. (EACH ADVISORY COUNCIL SHALL CONSIST OF EIGHT MEMBERS.) *If created the members shall be representative of the various geographic regions of the state, shall include parents or guardians of visually disabled or hearing impaired children, shall include a staff representative of the applicable school, and shall include two representatives from groups representing the interests of visually disabled or hearing impaired individuals, as applicable. All members shall have knowledge, experience and interest in the problems of visually disabled or hearing impaired children.*

Subd. 3. The (COUNCILS) *task forces* shall expire and the terms, compensation and removal of members shall be as provided in section 15.059.

Sec. 29. Minnesota Statutes 1982, section 129B.09, subdivision 8, is amended to read:

Subd. 8. [ADVISORY TASK FORCE ON EARLY CHILDHOOD AND FAMILY EDUCATION.] The council on quality education (SHALL) *may* appoint an advisory task force on early childhood and family education programs. *If appointed*, the advisory task force shall be composed of parents of young children and persons knowledgeable in the fields of health, education and welfare. A majority of the task force shall be parents of young children. (THE ADVISORY TASK FORCE SHALL ADVISE THE COUNCIL IN THE ADMINISTRATION OF THE EARLY CHILDHOOD AND FAMILY EDUCATION PROGRAMS.) The *expiration*, terms, compensation, and removal of members shall be governed by the provisions of section 15.059, subdivision 6. (THE TASK FORCE SHALL EXPIRE JUNE 30, 1983.)

Sec. 30. Minnesota Statutes 1982, section 144.011, subdivision 2, is amended to read:

Subd. 2. [STATE HEALTH ADVISORY (COUNCIL) TASK FORCE.] The *commissioner of health may appoint a* state health advisory (COUNCIL IS HEREBY CREATED TO CONSIST OF 15 MEMBERS APPOINTED BY THE GOVERNOR) *task force. (NINE) If appointed*, members of the (COUNCIL) *task force shall be broadly representative of the licensed health professions and (SIX MEMBERS) shall (BE) also include public members as defined by section 214.02. (THE COUNCIL AND ITS MEMBERS SHALL BE GOVERNED BY THE PROVISIONS OF SECTION 15.059. THE GOVERNOR SHALL DESIGNATE A CHAIRMAN OF THE COUNCIL AND SUCH OTHER OFFICERS AS HE DEEMS NECESSARY. THE COUNCIL SHALL ADVISE THE COMMISSIONER OF HEALTH ON ANY MATTER RELATING TO THE FUNCTIONS OF THE DEPARTMENT.) The task force shall expire, and the terms, compensation, and removal of members shall be as provided in section 15.059.*

Sec. 31. Minnesota Statutes 1982, section 145.919, is amended to read:

145.919 [COMMUNITY HEALTH SERVICES ADVISORY COMMITTEE.]

An advisory committee is established to advise, consult with, and make recommendations to the state commissioner of health on matters relating to the development, maintenance, funding and evaluation of community health services. Each board of health meeting the eligibility requirements of section 145.917 may appoint a member to serve on the committee. The terms shall be two years and no member shall serve more than three consecutive terms. Continuity of membership shall be assured by having an approximately equal number of terms expire each year. Members may receive a per diem and shall be reimbursed for travel and other necessary expenses while engaged in their

official duties. The committee shall meet at least quarterly and special meetings may be called by the chairman or a majority of the members. *The committee shall expire on the date provided by section 15.059, subdivision 5.*

Sec. 32. Minnesota Statutes 1982, section 145.93, subdivision 2, is amended to read:

Subd. 2. [ADVISORY (COUNCIL) TASK FORCE.] The commissioner of health (SHALL) *may* appoint an advisory (COUNCIL TO SERVE ON A VOLUNTARY BASIS) *task force* consisting of, but not limited to, the following: one nurse; one pharmacist; one physician each from the fields of toxicology, pediatric medicine, emergency medicine, and internal medicine; and one person who has no past or present material financial interest or professional involvement in the provision of poison information or treatment services. No more than three members may be residents of the metropolitan area, as defined in section 473.02, subdivision 5; no more than one may be a resident of any single county; and none may be affiliated in any way with the currently designated poison information center. *The task force shall expire and the terms, compensation, and removal of members shall be as provided in section 15.059.*

Sec. 33. Minnesota Statutes 1982, section 145.93, subdivision 3, is amended to read:

Subd. 3. [GRANT AWARD; DESIGNATION; PAYMENTS UNDER GRANT.] Each *odd-numbered* year the commissioner shall give reasonable public notice of the availability of moneys appropriated (PURSUANT TO LAWS 1980, CHAPTER 577, SECTION 2) *or otherwise available for the Minnesota poison information center.* (AFTER CONSULTING WITH THE ADVISORY COUNCIL,) The commissioner shall select as grantee a nonprofit corporation or unit of government which applies for the moneys and best fulfills the criteria specified in subdivision 4. The grantee selected shall be designated the Minnesota poison information center. (MONEYS APPROPRIATED UNDER LAWS 1980, CHAPTER 577, SECTION 2) *The grant shall be paid to the grantee quarterly beginning on July 1.*

Sec. 34. Minnesota Statutes 1982, section 145.98, subdivision 1, is amended to read:

Subdivision 1. [CREATION; MEMBERSHIP.] (THERE IS ESTABLISHED IN THE EXECUTIVE BRANCH A COUNCIL) *The commissioner of health may appoint an advisory task force on health promotion and wellness. Members of the (COUNCIL) task force shall be (APPOINTED BY THE GOVERNOR. THEY SHALL BE) experienced or interested in health promotion and wellness. There shall be (15 MEMBERS WITH) at least one member from each congressional district. (THE INITIAL MEMBERSHIP SHALL INCLUDE ALL*

PERSONS HOLDING CURRENT MEMBERSHIP ON THE GOVERNOR'S COUNCIL ON HEALTH PROMOTION AND WELLNESS ESTABLISHED BY EXECUTIVE ORDER NO. 81-6. THE CHAIRPERSON SHALL BE APPOINTED BY THE GOVERNOR FROM AMONG THE MEMBERS. MEMBERS SHALL NOT RECEIVE PER DIEM PAY BUT MAY BE REIMBURSED FOR TRAVEL AND OTHER EXPENSES IN THE SAME MANNER AND AMOUNT AS STATE EMPLOYEES.) *The task force shall expire, and the terms (OF OFFICE), compensation, and removal of members shall be governed by section (15.0575) 15.059.*

Sec. 35. Minnesota Statutes 1982, section 145.98, subdivision 3, is amended to read:

Subd. 3. [POWERS.] The (COUNCIL) *task force* may solicit, receive, and disburse funds made available for health promotion and wellness. (SUBJECT TO APPROVAL BY THE COUNCIL, THE CHAIRPERSON MAY APPOINT ADVISORY COMMITTEES COMPOSED OF INDIVIDUALS WHO HAVE INTEREST OR EXPERTISE IN VARIOUS HEALTH PROMOTION AND WELLNESS FIELDS. SUBJECT TO THE AVAILABILITY OF FUNDS, THE COUNCIL MAY HIRE STAFF TO ASSIST IN ITS WORK AND CONTRACT WITH INDIVIDUALS AND ORGANIZATIONS TO ASSIST IT IN CARRYING OUT THE DUTIES OF THE COUNCIL. THE COUNCIL SHALL ASSUME THE DUTIES OF THE GOVERNOR'S COUNCIL ON HEALTH PROMOTION AND WELLNESS ESTABLISHED BY EXECUTIVE ORDER NO. 81-6, AND SECTION 15.039 SHALL APPLY TO THIS TRANSFER OF RESPONSIBILITIES.)

Sec. 36. Minnesota Statutes 1982, section 148.191, subdivision 2, is amended to read:

Subd. 2. The board is authorized to adopt and, from time to time, revise rules not inconsistent with the law, as may be necessary to enable it to carry into effect the provisions of sections 148.171 to 148.299. The board shall prescribe by rule curricula and standards for schools and courses preparing persons for licensure under sections 148.171 to 148.299. It shall conduct or provide for surveys of such schools and courses at such times as is may deem necessary. It shall approve such schools and courses as meet the requirements of sections 148.171 to 148.299 and board rules. It shall examine, license and renew the license of duly qualified applicants. It shall hold examinations at least once in each year at such time and place as it may determine. It shall by rule adopt, evaluate and periodically revise, as necessary, requirements for licensure and for registration and renewal of registration as defined in section 148.231. It shall cause the prosecution of all persons violating sections 148.171 to 148.299 and have power to incur such necessary expense therefor. It shall keep a record of all its proceedings. (THE

BOARD SHALL APPOINT AN ADVISORY TASK FORCE ON NURSING EDUCATION CONSISTING OF 11 MEMBERS FOR THE PURPOSES OF ADVISING THE BOARD ON MATTERS PERTAINING TO CAREER PROGRESSION AND THE APPROVAL AND OPERATION OF NURSING PROGRAMS, ASSISTING WITH SURVEYS OF NURSING PROGRAMS, COLLECTING NURSING EDUCATION DATA AND PROVIDING LIAISON BETWEEN THE BOARD AND NURSING EDUCATION. THREE MEMBERS SHALL BE EITHER AN ADMINISTRATOR OR SUPERVISOR IN ONE OF THE FOLLOWING TYPES OF AGENCIES AT THE TIME OF APPOINTMENT AND THROUGHOUT HIS TERM: HOSPITAL, NURSING HOME OR COMMUNITY NURSING SERVICE. THE REMAINING EIGHT MEMBERS SHALL BE EITHER AN ADMINISTRATOR OR FACULTY MEMBER IN ONE OF THE FOLLOWING TYPES OF EDUCATIONAL PROGRAMS AT THE TIME OF APPOINTMENT AND THROUGHOUT HIS TERM: NURSING ASSISTANT PROGRAM, PRACTICAL NURSING PROGRAM PREPARING FOR LICENSURE, PROFESSIONAL NURSING PROGRAM PREPARING FOR LICENSURE, OR ADVANCED NURSING PROGRAM FOR LICENSED PRACTICAL OR REGISTERED NURSES. THE TASK FORCE SHALL EXPIRE AND THE COMPENSATION AND REMOVAL OF MEMBERS SHALL BE AS PROVIDED IN SECTION 15.059.)

Sec. 37. Minnesota Statutes 1982, section 149.02, is amended to read:

149.02 [EXAMINATION; LICENSING.]

The state commissioner of health is hereby authorized and empowered to examine, upon submission of an application therefor and fee as prescribed by the commissioner pursuant to section 144.122, all applicants for license to practice mortuary science or funeral directing and to determine whether or not the applicants possess the necessary qualifications to practice mortuary science or funeral directing. If upon examination the commissioner shall determine that an applicant is properly qualified to practice mortuary science or funeral directing, he shall grant a license to the person to practice mortuary science or funeral directing. Licenses shall expire and be renewed as prescribed by the commissioner pursuant to section 144.122.

On or after the thirty-first day of December, 1955, separate licenses as embalmer or funeral director shall not be issued, except that a license as funeral director shall be issued to those apprentices who have been registered under regulations of the commissioner as apprentice funeral directors on the first day of July, 1955, qualify by examination for licensure under such regulations as funeral directors before the first day of August, 1957. Such applicants shall file an application for license as a funeral director in the manner as is required in section 149.03 for a li-

cense in mortuary science. It shall be accompanied by a fee in an amount prescribed by the commissioner pursuant to section 144.122. However, a single license as a funeral director shall be issued to those persons whose custom, rites, or religious beliefs forbid the practice of embalming. An applicant for a single license as a funeral director under this exception shall submit to the commissioner of health two affidavits substantiating the beliefs and convictions of the applicant and shall meet any other standards for licensure as are required by law or by regulation of the commissioner. Such a funeral director shall only direct funerals for persons of his customs, rites or religious beliefs. In the case of a funeral conducted for persons of such customs, rites or religious beliefs where embalming and funeral directing is necessary according to law, such embalming and funeral directing shall be performed only by a person licensed to do so in this state.

All licensees who on the thirty-first day of December, 1955, hold licenses as embalmers only shall be granted licenses to practice mortuary science and may renew their licenses at the times and in the manner specified by the commissioner pursuant to section 144.122.

All licensees who on the thirty-first day of December, 1955, hold licenses as funeral director only may continue to renew their licenses at the times and in the manner specified by the commissioner pursuant to section 144.122. If a licensee fails to renew, as in this chapter required, his license as a funeral director shall not thereafter be reinstated.

To assist in the holding of the examination and enforcement of the provisions of this chapter, the commissioner shall establish a (COMMITTEE OF EXAMINERS IN THE) mortuary sciences *advisory council* to which he shall appoint four (EXAMINERS) *members*. Two (EXAMINERS) *members* shall be licensed in mortuary science and shall have had at least five years experience immediately preceding their appointment in the preparation and disposition of dead human bodies and in the practice of mortuary science. A third (EXAMINER) *member* shall be a representative of the commissioner, and the fourth (EXAMINER) *member* shall be a full-time academic staff member of the course in mortuary science of the university of Minnesota. (THE COMMITTEE SHALL EXPIRE AND) The terms, compensation and removal of members *and expiration of the council* shall be as provided in section 15.059.

Sec. 38. Minnesota Statutes 1982, section 151.13, subdivision 2, is amended to read:

Subd. 2. The board (SHALL) *may* appoint an advisory task force on continuing education, consisting of not more than ten members, to study continuing education programs and requirements and to submit its report and recommendations to the

board. The task force shall expire, and the compensation and removal of members shall be as provided in section 15.059.

Sec. 39. Minnesota Statutes 1982, section 152.02, subdivision 11, is amended to read:

Subd. 11. The state board of pharmacy (SHALL) *may* appoint an advisory (COUNCIL) *task force* on controlled substances consisting of not more than 13 members (, WHO SHALL SERVE WITHOUT COMPENSATION,) to advise it in the administration of this chapter.

(COMMENCING JULY 1, 1973, SIX MEMBERS SHALL BE APPOINTED FOR A ONE YEAR TERM AND SEVEN MEMBERS SHALL BE APPOINTED FOR A TWO YEAR TERM. THEREAFTER, MEMBERS SHALL BE APPOINTED FOR TWO YEAR TERMS. FOUR OF THE MEMBERS OF THE COUNCIL) *If appointed, the task force* shall (BE PHYSICIANS AS DESIGNATED BY THE STATE BOARD OF MEDICAL EXAMINERS. ONE OF THE MEMBERS OF THE COUNCIL SHALL BE) *include a physician, a pharmacologist, (ONE OF THE MEMBERS OF THE COUNCIL SHALL BE) and a pharmacist (, AND). The (REMAINDER) other members* shall be from among the following: correction or law enforcement officers, judges, representatives of drug treatment or counseling facilities, former drug abusers, education, and students. (THE MEMBERS OF THE COUNCIL SHALL SELECT A CHAIRMAN FROM AMONG THEIR MEMBERSHIP, WHO MAY CALL MEETINGS OF THE COUNCIL WHEN DEEMED APPROPRIATE, AND SHALL CALL MEETINGS OF THE COUNCIL WHEN REQUESTED TO DO SO BY ANY FOUR MEMBERS OF THE COUNCIL.) *The task force shall expire, and the terms, compensation, and removal of members shall be as provided in section 15.059.*

Sec. 40. Minnesota Statutes 1982, section 152.02, subdivision 13, is amended to read:

Subd. 13. The state board of pharmacy (AND THE ADVISORY COUNCIL ON CONTROLLED SUBSTANCES) shall study the implementation of Laws 1971, Chapter 937 in relation to the problems of drug abuse in Minnesota and shall report to the legislature annually on or before December 1, their recommendations concerning amendments to Laws 1971, Chapter 937.

Sec. 41. Minnesota Statutes 1982, section 155A.06, subdivision 2, is amended to read:

Subd. 2. [APPOINTMENTS.] Appointments to the council shall be made by the (GOVERNOR) *director* in accordance with section 15.0597.

Sec. 42. Minnesota Statutes 1982, section 155A.06, subdivision 5, is amended to read:

Subd. 5. [COMPENSATION.] Members of the council shall be compensated for expenses *and the council shall expire* as provided in section 15.059.

Sec. 43. Minnesota Statutes 1982, section 156A.06, subdivision 1, is amended to read:

Subdivision 1. There is hereby created the water well contractors and exploratory borers advisory council, herein referred to as the "advisory council," as an advisory council to the state commissioner of health. The advisory council shall be composed of (13) *16* voting members. Of the (13) *16* voting members, one member shall be from the state department of health, appointed by the state commissioner of health; one member shall be from the department of natural resources, appointed by the commissioner of natural resources; one member shall be a member of the Minnesota geological survey of the University of Minnesota appointed by the director; two members shall be engaged in the business of exploratory boring for minerals; two public members who are not connected with the business of exploratory boring or the water well drilling industry; *one member shall be from the pollution control agency, appointed by the director of the pollution control agency; one member shall be a professional engineer; one member shall be a certified professional geologist;* and six members shall be contractors actively engaged in the water well drilling industry, not to exceed two from the seven county metropolitan area and at least four from the remainder of the state who shall be representative of different geographical regions. They shall be residents of the state of Minnesota and appointed by the commissioner of health. No appointee of the water well drilling industry shall serve *more than two* consecutive terms. The appointees to the advisory council from the water well drilling industry shall have been bona fide residents of this state for a period of at least three years prior to appointment and shall have had at least five years experience in the water well drilling business. The council shall (NOT) expire, (BUT) *and* the terms of the appointed members and the compensation and removal of all members shall be as provided in section 15.059.

Sec. 44. Minnesota Statutes 1982, section 161.1419, is amended by adding a subdivision to read:

Subd. 8. *The commission shall expire on the date provided by section 15.059, subdivision 5.*

Sec. 45. Minnesota Statutes 1982, section 175.007, subdivision 1, is amended to read:

Subdivision 1. The commissioner shall appoint an advisory council on workers' compensation, which shall consist of five rep-

representatives of employers and five representatives of employees; (AND) three members representing the general public; and *two persons who have received or are currently receiving workers' compensation benefits under chapter 176.* The council may consult with the judges of the workers' compensation court of appeals. The council shall expire and the terms, compensation and removal of members shall be as provided in section 15.059.

Sec. 46. Minnesota Statutes 1982, section 184.23, is amended to read:

184.23 [ADVISORY (COUNCIL) TASK FORCE CREATED.]

Subdivision 1. (THERE IS CREATED A COUNCIL TO BE KNOWN AS) *The commissioner of labor and industry may appoint an employment agency advisory (COUNCIL WHOSE DUTY SHALL BE) task force to advise the department as to the administration of the provisions of sections 184.21 to 184.40. (SUCH COUNCIL SHALL CONSIST OF NINE MEMBERS, APPOINTED BY THE COMMISSIONER OF LABOR AND INDUSTRY.) If appointed, a majority of (THOSE SELECTED) members shall be actually engaged as an owner or manager of an employment agency licensed by the state of Minnesota for a period of three years immediately preceding the time of their appointment.*

Subd. 3. (THE COUNCIL SHALL MEET AT THE CALL OF THE COMMISSIONER AND ADVISE AND CONSULT ON ALL MAJOR POLICY MATTERS RELATING TO THE LICENSING OF AN EMPLOYMENT AGENT OR COUNSELOR. THE COUNCIL SHALL ELECT ANNUALLY FROM ITS MEMBERS A CHAIRMAN, VICE-CHAIRMAN AND SECRETARY. THE COUNCIL IS ALSO AUTHORIZED TO CONDUCT ITS OWN MEETINGS AT THE CALL OF THE CHAIRMAN.) *The (COUNCIL) task force shall expire and the terms, compensation and removal of members shall be as provided in section 15.059.*

Sec. 47. Minnesota Statutes 1982, section 198.055, is amended by adding a subdivision to read:

Subd. 1a. [REDUCED MEMBERSHIP.] After July 1, 1983, appointments to each group of appointees on the advisory committee shall be reduced by one so that after the second group of appointments subsequent to July 1, 1983, the committee shall consist of nine members. The commissioner shall comply with Laws 1976, chapter 149, section 48, regarding the composition of the committee in all appointments made after July 1, 1983.

Sec. 48. Minnesota Statutes 1982, section 206.08, subdivision 3, is amended to read:

Subd. 3. [ADVISORY (COMMITTEE) TASK FORCE.]

The secretary of state may appoint a nonpartisan advisory (COMMITTEE) *task force* to advise (HIM) in the examining and reporting duties prescribed in this section. *The task force shall expire, and the terms, compensation, and removal of members shall be as provided in section 15.059.*

Sec. 49. Minnesota Statutes 1982, section 214.13, subdivision 4, is amended to read:

Subd. 4. The commissioner of health shall wherever possible delegate the administration of regulation activities to a health related licensing board with the concurrence of that board. If the commissioner of health delegates this function, the licensing board shall regularly bill the commissioner of health for the cost of performing this function. The commissioner of health may establish an advisory (COUNCIL) *task force* to advise him or the appropriate health related licensing board on matters relating to the registration and regulation of an occupation. A (COUNCIL) *task force* shall have seven members appointed by the commissioner of which five are members of the registered occupation or related registered or licensed occupations, and two are public members. A (COUNCIL) *task force* shall expire, and the terms, compensation and removal of members shall be as provided in section 15.059.

Sec. 50. Minnesota Statutes 1982, section 241.64, is amended to read:

241.64 [ADVISORY (TASK FORCE) COUNCIL.]

Subdivision 1. [CREATION.] Within 60 days after the effective date of sections 241.61 to 241.66, the commissioner shall appoint a nine member advisory (TASK FORCE) *council* to advise him on the implementation of sections 241.61 to 241.66. The provisions of section 15.059 (, SUBDIVISION 6,) shall govern the terms (, COMPENSATION, AND) removal of members, *and expiration of the advisory (TASK FORCE) council. Council members shall not receive per diem, but shall receive expenses in the same manner and amount as state employees.*

Subd. 2. [MEMBERSHIP.] Persons appointed shall be knowledgeable in the fields of health, law enforcement, social services or the law. Five members of the advisory (TASK FORCE) *council* shall be representatives of community or governmental organizations which provide services to battered women, and four members of the advisory (TASK FORCE) *council* shall be public members.

Subd. 3. [DUTIES.] The advisory (TASK FORCE) *council* shall:

(a) recommend to the commissioner the names of five applicants for the position of project coordinator.

(b) advise the commissioner on the rules promulgated pursuant to section 241.63;

(c) review and comment on applications received by the commissioner for designation as a pilot program and applications for education grants; and

(d) advise the project coordinator in the performance of his duties in the administration and coordination of the programs funded under section 241.62.

Sec. 51. Minnesota Statutes 1982, section 241.71, is amended to read:

241.71 [CREATION OF ADVISORY TASK FORCE.]

(WITHIN 60 DAYS AFTER JULY 1, 1981,) The commissioner of corrections (SHALL) *may* appoint an advisory task force on the woman offender in corrections. The task force shall have (AT LEAST TEN BUT) no more than 20 members and shall reflect a statewide geographical representation. The provisions of section 15.059, subdivision 6, shall govern the *expiration*, terms, expenses, and removal of members of the advisory task force.

Sec. 52. Minnesota Statutes 1982, section 245.84, subdivision 4, is amended to read:

Subd. 4. The commissioner may appoint an advisory (COUNCIL) *task force* of not more than 35 members which shall advise the commissioner on grants and other child care issues. One-third of the members of the advisory council shall be parents who use child care services. The membership *expiration*, terms, compensation and removal from office of members of the advisory council shall be according to section 15.059.

Sec. 53. Minnesota Statutes 1982, section 246.017, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP, DUTIES, MEETINGS.] The commissioner of public welfare (SHALL CREATE AND ESTABLISH) *may appoint* a medical policy directional (COMMITTEE) *task force* on mental health (COMPOSED OF SEVEN) *including* members (FIVE OF WHOM) *who* are experts in their fields of medicine, mental health, mental retardation, or related sciences. (TWO) Members shall *also* be selected from social service, rehabilitation, volunteer services, nursing, hospital administration or related fields. Not more than one member shall be selected from any one field of medicine or re-

lated sciences which shall include the field of psychiatry, neurology, physiology, biochemistry, internal medicine, pediatrics, pharmacology, and psychology. *The task force shall expire, and the terms, compensation, and removal of members shall be as provided in section 15.059.*

(ONE MEMBER SHALL BE APPOINTED WHOSE TERM SHALL EXPIRE JULY 1, 1954, AND HIS SUCCESSORS THEREAFTER SHALL BE APPOINTED FOR A PERIOD OF THREE YEARS; TWO MEMBERS SHALL BE APPOINTED WHOSE TERMS EXPIRE ON JULY 1, 1955, AND THEIR SUCCESSORS SHALL BE APPOINTED FOR A TERM OF THREE YEARS; TWO MEMBERS SHALL BE APPOINTED WHOSE TERMS SHALL EXPIRE ON JULY 1, 1956, AND THEIR SUCCESSORS THEREAFTER SHALL BE APPOINTED FOR A TERM OF THREE YEARS. TWO MEMBERS SHALL BE APPOINTED WHOSE TERMS SHALL BE DETERMINED BY THE COMMISSIONER.)

(THE COMMITTEE WILL MEET AT LEAST SIX TIMES EACH YEAR AT SUCH TIMES AND IN SUCH PLACES AS THE COMMISSIONER OF PUBLIC WELFARE MAY DETERMINE. HE MAY CALL SUCH ADDITIONAL MEETINGS FROM TIME TO TIME AS HE MAY DEEM NECESSARY NOT EXCEEDING A MAXIMUM OF 50 MEETINGS IN ANY ONE YEAR. EACH MEMBER WILL RECEIVE THE SUM OF \$50 PER DAY FOR TIME ACTUALLY SPENT IN TRANSACTING THE BUSINESS OF THE BOARD AND SHALL BE REIMBURSED FOR EXPENSES ACTUALLY INCURRED IN THE PERFORMANCE OF THEIR OFFICIAL DUTIES.)

(THE COMMITTEE SHALL ADVISE THE COMMISSIONER OF PUBLIC WELFARE AS TO ALL PHASES OF PROFESSIONAL STANDARDS INCLUDING PATIENT CARE, TRAINING OF PERSONNEL, MANAGEMENT PRACTICES, ESTABLISHMENT OF TREATMENT PROGRAMS, OBTAINING ADEQUATE STAFF, ESTABLISHMENT OF MEDICAL AND STATISTICAL RECORDS AND OPERATION OF PRACTICES IN ORDER THAT THEY BE COMPATIBLE WITH PROFESSIONAL REQUIREMENTS. THE COMMITTEE SHALL ADVISE THE COMMISSIONER OF PUBLIC WELFARE IN APPROVAL AND GUIDANCE OF RESEARCH PROJECTS AND DISTRIBUTION OF RESEARCH FUNDS. THEY SHALL ASSIST HIM IN ESTABLISHING AND MAINTAINING THE BEST POSSIBLE PRACTICES IN ALL MENTAL INSTITUTIONS.)

The commissioner of public welfare shall appoint, and unless otherwise established by law, set the salary of a licensed physician to serve as medical director to assist him in establishing and maintaining the medical policies of the department of public welfare. The commissioner may place the medical director's position

in the unclassified service if the position meets the criteria of section 43A.08, subdivision 1a.

Sec. 54. Minnesota Statutes 1982, section 252.31, is amended to read:

252.31 [ADVISORY (COUNCIL) TASK FORCE.]

The commissioner of public welfare (SHALL) *may* appoint an advisory (COUNCIL OF 11 MEMBERS TO BE KNOWN AS THE ADVISORY COUNCIL) *task force* for the mentally retarded and physically handicapped. The (COUNCIL) *task force* shall advise the commissioner relative to those laws for which the commissioner is responsible to administer and enforce relating to mental retardation and physical disabilities. The (COUNCIL) *task force* shall consist of persons who are providers or consumers of service for the mentally retarded or physically handicapped, or who are interested citizens. (THE COMMISSIONER OF EDUCATION AND THE COMMISSIONER OF HEALTH OR THEIR DESIGNEES SHALL BE NON-VOTING EX-OFFICIO MEMBERS AND SHALL ADVISE THE COUNCIL AS TO RULES, REGULATIONS AND SERVICES WHICH RELATE TO THE DEPARTMENTS OF EDUCATION AND HEALTH.) The (COUNCIL) *task force* shall expire and the terms, compensation and removal of (APPOINTED) members shall be as provided in section 15.059.

Sec. 55. Minnesota Statutes 1982, section 256.481, is amended to read:

256.481 [HANDICAPPED PERSON; DEFINITION.]

For the purposes of sections 256.481 to (256.483) 256.482 "handicapped person" means (ONE WHO, BECAUSE OF A SUBSTANTIAL PHYSICAL, MENTAL OR EMOTIONAL DISABILITY OR DYSFUNCTION REQUIRES SPECIAL SERVICES IN ORDER TO ENJOY THE BENEFITS OF OUR SOCIETY) *any person who:*

(a) *has a physical, mental, or emotional impairment which substantially limits one or more major life activities;*

(b) *has a record of such an impairment; or*

(c) *is regarded as having such an impairment.*

Sec. 56. Minnesota Statutes 1982, section 256.482, is amended to read:

256.482 [COUNCIL FOR THE HANDICAPPED.]

Subdivision 1. [ESTABLISHMENT; MEMBERS.] There is hereby established the council for the handicapped which shall consist of (30) 21 members appointed by the governor. (AT LEAST FIFTEEN COUNCIL MEMBERS SHALL BE HANDICAPPED PERSONS OR PARENTS OR GUARDIANS OF HANDICAPPED PERSONS. TWENTY MEMBERS SHALL BE APPOINTED FROM THE GENERAL PUBLIC, AND TEN SHALL BE APPOINTED FROM ORGANIZATIONS WHICH PROVIDE SERVICES FOR THE HANDICAPPED.) *Members shall be appointed from the general public and from organizations which provide services for handicapped persons. A majority of council members shall be handicapped persons or parents or guardians of handicapped persons. There shall be at least one member of the council appointed from each of the state development regions. The commissioners of the departments of education, public welfare (AND), health, economic security, and (THE STATE COMMISSIONER OF HEALTH,) human rights and the directors of the division of vocational rehabilitation and state services for the blind or their designees shall serve as ex officio (, WITHOUT A VOTE, ON THE COUNCIL, OR SHALL DESIGNATE A REPRESENTATIVE TO THE COUNCIL) members of the council without vote. In addition, there (SHALL) may be ex officio (REPRESENTATION, WITHOUT VOTE, FROM THE PROGRAMS SERVING MENTALLY RETARDED PERSONS, AND FROM THE PROGRAMS SERVING BLIND PERSONS IN THE DEPARTMENT OF PUBLIC WELFARE AND) members from other (PROGRAMS) bureaus, divisions, or sections of state departments which are directly concerned with the provision of services (FOR) to handicapped persons. (THERE SHALL BE AT LEAST ONE MEMBER OF THE COUNCIL APPOINTED FROM EACH OF THE STATE DEVELOPMENT REGIONS.)*

The terms of members serving as of December 31, 1983, shall expire on that date. Thereafter, notwithstanding the provisions of section 15.059, each member of the council appointed by the governor shall serve a three-year term and until his or her successor is appointed and qualified, provided that of the members initially appointed to serve starting in 1984, one-third shall be appointed for one year, one-third for two years, and one-third for three years as designated by the governor. The compensation and removal of all members and expiration of the council shall be as provided in section 15.059. The governor shall appoint a (CHAIRMAN) chair of the council from among the members appointed from the general public or handicapped persons or their parents or guardians. Vacancies shall be filled by the appointing authority for the remainder of the unexpired term. The council shall not expire (AND THE TERMS OF THE APPOINTED MEMBERS AND THE COMPENSATION AND REMOVAL OF ALL MEMBERS SHALL BE AS PROVIDED IN SECTION 15.059).

Subd. 2. [EXECUTIVE DIRECTOR; STAFF.] The council may select an executive director of the council by a vote of

a majority of all council members. The executive director shall be in the unclassified service of the state and shall (ACT AS SECRETARY TO THE COUNCIL AND SHALL PERFORM SUCH OTHER DUTIES AS THE COUNCIL MAY REQUIRE OF HIM) *provide administrative support for the council and provide administrative leadership to implement council mandates, policies, and objectives.* The (COUNCIL) executive director shall (APPROVE EMPLOYMENT OF SUCH CLERICAL HELP AND OTHER EMPLOYEES AS ARE NECESSARY, UPON THE RECOMMENDATION OF THE EXECUTIVE DIRECTOR) *employ and direct staff authorized according to state law and necessary to carry out council mandates, policies, activities, and objectives.* Salaries (FOR) of the executive director and staff shall be established in the manner prescribed by (CHAPTER 15A) *state law*, and the executive director and staff shall be reimbursed for (ALL) *the actual and necessary expenses incurred as a result of (HIS) their council responsibilities.*

Subd. 3. [RECEIPT OF FUNDS.] Whenever any person, firm or corporation offers to the council funds by the way of gift, grant or loan, for purposes of assisting the council to carry out its powers and duties, the council may accept such offer by majority vote and upon such acceptance the (CHAIRMAN) *chair* shall receive such funds subject to the terms of the offer, but no money shall be accepted or received as a loan nor shall any indebtedness be incurred except in the manner and under the limitations otherwise provided by law.

Subd. 4. [ORGANIZATION; (COUNCILS AND) COMMITTEES.] The council shall organize itself in conformity with its responsibilities under sections 256.481 to (256.483) *256.482* and shall establish (COUNCILS AND) committees which shall give detailed attention to the special needs of each category of handicapped persons. The members of such (COUNCILS AND) committees shall be designated by the (CHAIRMAN) *chair* with the approval of a majority of the council (AND EACH COUNCIL OR COMMITTEE SHALL HAVE MEMBERS FROM, AND IN APPROXIMATELY THE SAME RATIO AS, THE THREE GROUPS REPRESENTED ON THE COUNCIL). (COUNCILS) *Committees* established shall include a (COUNCIL ON EMPLOYMENT WHICH SHALL CARRY OUT THE DUTIES AND RESPONSIBILITIES FORMERLY ENTRUSTED TO THE GOVERNOR'S COMMISSION ON EMPLOYMENT OF HANDICAPPED PERSONS, AND A COUNCIL ON CHILDREN WHICH SHALL CARRY OUT THE DUTIES AND RESPONSIBILITIES RELATED TO HANDICAPPED CHILDREN FORMERLY ENTRUSTED TO THE MINNESOTA ADVISORY BOARD ON HANDICAPPED, GIFTED AND EXCEPTIONAL CHILDREN) *committee on children which shall study the special needs of handicapped children and a committee on employment which shall study the special employment needs of handicapped persons. The council shall serve as liaison in Minnesota for the president's committee*

on employment of the handicapped and for any other organization for which it is so designated by the governor or state legislature.

Sub. 5. [DUTIES AND POWERS.] The council shall have the following duties and powers:

(1) To advise *and otherwise aid* the governor (,); appropriate state agencies, *including but not limited to the departments of education, public welfare, economic security, human rights, and the divisions of vocational rehabilitation and services for the blind; the state legislature; and the public on* matters pertaining to public policy and the administration of programs, services and facilities for handicapped persons in Minnesota;

(2) To encourage *and assist in* the development of coordinated, interdepartmental goals and objectives and the coordination of programs, services and facilities among all state departments and private providers of service as they relate to handicapped persons;

(3) To serve as a source of information to the public regarding all services, *programs and legislation pertaining to* handicapped persons;

(4) To review and make comment to the governor, state agencies, the legislature, and the public concerning adequacy of state programs, plans and budgets for services to handicapped persons and for funding under the various federal grant programs;

(5) To research, formulate and advocate plans, programs and policies which will serve the needs of handicapped persons;

(6) To advise the (DEPARTMENT) *departments* of labor and industry and (THE STATE BOARD OF EDUCATION) *economic security* on the administration and improvement of the workers' compensation law as the law relates to programs, facilities and personnel providing assistance to injured and handicapped workers;

(7) To advise the workers' compensation division of the department of labor and industry and the workers' compensation court of appeals as to the necessity and extent of any alteration or remodeling of an existing residence or the building or purchase of a new or different residence which is proposed by a licensed architect under section 176.137.

Sec. 57. Minnesota Statutes 1982, section 256B.58, is amended to read:

256B.58 [ADMINISTRATION.]

The pilot programs shall be administered by the commissioner. The commissioner may employ staff to administer the programs. The cost of the staff shall be met solely by funds authorized to be spent for administering the programs. (THE COMMISSIONER SHALL APPOINT A SEVEN MEMBER ADVISORY TASK FORCE TO ADVISE THE COMMISSIONER ON THE OPERATION OF THE PILOT PROGRAMS. ALL OF THE MEMBERS OF THE ADVISORY TASK FORCE SHALL BE SENIOR CITIZENS. THE COMPENSATION OF MEMBERS, THEIR REMOVAL FROM OFFICE, AND THE FILLING OF VACANCIES SHALL BE AS PROVIDED IN SECTION 15.059.)

Sec. 58. Minnesota Statutes 1982, section 268.12, subdivision 6, is amended to read:

Subd. 6. [ADVISORY COUNCILS.] The commissioner of economic security shall appoint a state advisory council and may appoint such local advisory councils as he deems advisable, composed in each case of an equal number of employer and employee representatives who shall be selected because of their vocation, employment, or affiliation, and of such members representing the general public as he may designate. (THE COMMISSIONER MAY ALSO APPOINT AN AGRICULTURAL EMPLOYMENT ADVISORY COUNCIL AND SUCH OTHER ADVISORY COUNCILS AS MAY BE FOUND NECESSARY FOR PROPER ADMINISTRATION. SUCH) *The advisory councils shall aid the commissioner in formulating policies and discussing problems relating to the administration of sections 268.03 to 268.24 and in assuring impartiality and freedom from political influence in the solution of such problems. The councils shall expire and the terms, compensation and removal of members shall be as provided in section 15.059.*

Sec. 59. Minnesota Statutes 1982, section 326.41, is amended to read:

326.41 [ADVISORY COUNCIL.]

The state commissioner of health shall appoint seven persons to the advisory council on plumbing code and examinations, one of whom shall be a practical master plumber, one a practical journeyman plumber, and one a representative of the commissioner. The council shall expire and the terms, compensation and removal of members of the council shall be as provided in section 15.059.

Sec. 60. Minnesota Statutes 1982, section 363.04, subdivision 4, is amended to read:

Subd. 4. [(COMMITTEE) TASK FORCE, MEMBERSHIP, APPEALS.] (THERE IS HEREBY ESTABLISHED WITH-

IN THE DEPARTMENT) *The commissioner may appoint a human rights advisory (COMMITTEE) task force. (THE COMMITTEE SHALL SERVE IN AN ADVISORY CAPACITY TO THE COMMISSIONER. THE COMMITTEE SHALL CONSIST OF 15 MEMBERS TO BE APPOINTED BY THE GOVERNOR. MEMBERS SHALL BE APPOINTED WITH DUE REGARD TO THEIR FITNESS FOR THE EFFICIENT DISPATCH OF THE FUNCTIONS, POWERS AND DUTIES VESTED IN AND IMPOSED UPON THE COMMITTEE. THE GOVERNOR SHALL DESIGNATE FROM TIME TO TIME ONE OF THE MEMBERS AS CHAIRMAN.)*

Sec. 61. Minnesota Statutes 1982, section 363.04, subdivision 4a, is amended to read:

Subd. 4a. [TERMS; COMPENSATION; REMOVAL; VACANCIES.] *The expiration, membership terms, compensation, removal of members, and filling of vacancies on the (COMMITTEE) task force shall be as provided in section 15.059.*

Sec. 62. Minnesota Statutes 1982, section 507.09, is amended to read:

507.09 [FORMS APPROVED; AMENDMENTS.]

The several forms of deeds, mortgages, land contracts, assignments, satisfactions, and other conveyancing instruments prepared by the uniform conveyancing blanks commission and filed by the commission with the secretary of state pursuant to Laws 1929, Chapter 135, as amended by Laws 1931, Chapter 34, are approved and recommended for use in the state. Such forms shall be kept on file with and be preserved by the secretary of state as a public record. The commissioner of securities and real estate may appoint an advisory (COMMITTEE) *task force* on uniform conveyancing forms to recommend to the commissioner of securities and real estate amendments to existing forms or the adoption of new forms. *The task force shall expire, and the terms, compensation, and removal of members shall be as provided in section 15.059.* The commissioner of securities and real estate may adopt amended or new forms consistent with the laws of this state by rule in accordance with chapter 14.

Sec. 63. Laws 1975, chapter 235, section 2, is amended to read:

Sec. 2. This act is effective July 1, 1975 and shall expire June 30, (1983) 1987.

Sec. 64. Laws 1976, chapter 314, section 3, is amended to read:

Sec. 3. This act is effective upon final enactment. The (BOARD) council shall expire on (JUNE 30, 1983) the date provided by Minnesota Statutes, section 15.059, subdivision 5.

Sec. 65. Laws 1980, chapter 614, section 192, is amended to read:

Sec. 192. [EFFECTIVE DATE.] Except as otherwise provided in this act, this act is effective the day following final enactment. Section 55 is effective retroactive to April 1, 1980. Sections 87 and 88 are effective for any notice of the objects of the petition served after the day following final enactment. Sections 85 and 86 are effective for each district named in section 86 upon approval by a majority of the board of managers of the respective districts, and upon compliance with the provisions of Minnesota Statutes, Section 645.021. Sections 168 to 180 are effective upon approval by resolution of the St. Paul city council. The resolution shall be adopted after published notice to the public and public hearing. Sections 37 to 39, 49, 51, 57, 60 to 68, 70 to 74, 79, 81 to 83, 89, 101 to 123, 126, 128, 135 to 145, 148, 152, and 155, are effective July 1, 1980. Section 187 is effective July 1, 1980 and expires (JUNE 30, 1983) on the date provided by Minnesota Statutes, section 15.059, subdivision 5. Pursuant to Minnesota Statutes, Section 645.023, Subdivision 1, Clause (b), section 155 is effective without local approval July 1, 1980. Section 157 is effective March 1, 1981 and applies to causes of action accruing on or after that date. Section 191, subdivision 2 is effective July 1, 1981.

Sec. 66. [TRANSITION.]

A person or group which is given discretionary authority under this act to appoint an advisory task force may appoint any person who on the day prior to the effective date of this section was a member of an advisory group, to serve as a member of the advisory task force which replaces the advisory group. The initial appointment of former advisory group members to a successor advisory task force is not subject to the open appointments process under section 15.0597. This section is repealed 90 days after the effective date of this section.

Sec. 67. [INTERIM STUDY.]

During the interim between the 1983 and 1984 legislative sessions the governmental operations committees of the house of representatives and the senate shall study the status of advisory groups. Specifically the committees shall investigate the extent to which advisory task forces are created to serve the same functions as the groups abolished by this act. The committees shall hear testimony from persons aggrieved by the failure of an appointing authority to create an advisory task force. The committees shall report their findings and any recommendations for

statutory changes to the house and the senate before the beginning of the 1984 legislative session.

Sec. 68. [REPEALER.]

Minnesota Statutes 1982, 16.853; 31.60, subdivisions 2 and 3; 84.524, subdivisions 3 and 4; 86A.10, subdivision 2; 121.87, subdivision 2; 121.938; 123.581, subdivisions 2, 3, 4, 5, and 7; 124.215; 141.24; 144.571; 144A.17; 144A.55; 145.98, subdivisions 2 and 4; 214.14; 222.65; 256.483; and 363.04, subdivision 5, are repealed.

Sec. 69. [EFFECTIVE DATE.]

Sections 1 to 68 are effective July 1, 1983."

Delete the title and insert:

"A bill for an act relating to state government; repealing or amending the statutory authority for certain executive branch advisory groups; providing authority for the creation of certain task forces in the executive branch; amending certain laws relating to the organization and expiration of executive branch advisory groups; amending Minnesota Statutes 1982, sections 3.922; 3.9223, subdivision 1; 4.31, subdivision 5; 11A.08, subdivision 4; 15.059, subdivisions 5 and 6; 16.02, subdivision 28; 16.872; 16.90, subdivision 4; 16.91; 16.911; 21.112, subdivision 2; 41.54, subdivision 2; 43A.31, subdivision 4; 45.17, subdivision 6; 52.061; 52.062, subdivision 3; 82.30, subdivision 1; 84.524, subdivisions 1 and 2; 84B.11, subdivision 1; 86A.10, subdivision 1; 116J.04; 121.87, subdivisions 1 and 3; 123.581, subdivision 1; 126.531, subdivision 1; 128A.03; 129B.09, subdivision 8; 144.011, subdivision 2; 145.919; 145.93, subdivisions 2 and 3; 145.98, subdivisions 1 and 3; 148.191, subdivision 2; 149.02; 151.13, subdivision 2; 152.02, subdivisions 11 and 13; 155A.06, subdivisions 2 and 5; 156A.06, subdivision 1; 161.1419, by adding a subdivision; 175.007, subdivision 1; 184.23; 198.055, by adding a subdivision; 206.08, subdivision 3; 214.13, subdivision 4; 241.64; 241.71; 245.84, subdivision 4; 246.017, subdivision 2; 252.31; 256.481; 256.482; 256B.58; 268.12, subdivision 6; 326.41; 363.04, subdivisions 4 and 4a; 507.09; Laws 1975, chapter 235, section 2; Laws 1976, chapter 314, section 3; and Laws 1980, chapter 614, section 192; repealing Minnesota Statutes 1982, sections 16.853; 31.60, subdivisions 2 and 3; 84.524, subdivisions 3 and 4; 86A.10, subdivision 2; 121.87, subdivision 2; 121.938; 123.581, subdivisions 2, 3, 4, 5, and 7; 124.215; 141.24; 144.571; 144A.17; 144A.55; 145.98, subdivisions 2 and 4; 214.14; 222.65; 256.483; and 363.04, subdivision 5."

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

Senate Conferees: LAWRENCE J. POGEMILLER, DONALD M. MOE and PHYLLIS W. MCQUAID.

House Conferees: DANIEL J. KNUTH, BOB McEACHERN and K. J. McDONALD.

Knuth moved that the report of the Conference Committee on S. F. No. 428 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 428, A bill for an act relating to state government; extending the expiration date of certain advisory committees and councils; repealing certain inactive advisory councils, committees, and task forces; amending Minnesota Statutes 1982, sections 3.9223, subdivision 1; 4.31, subdivision 5; 11A.08, subdivision 4; 15.059, subdivision 5; 16.02, subdivision 28; 16.872, subdivision 3; 21.112, subdivision 2; 41.54, subdivision 2; 52.062, subdivisions 1 and 2; 115A.12, subdivision 1; 121.938; 123.581, subdivision 1; 126.531; 145.919; 145.93, subdivision 3; 145.98, subdivision 1; 148.191, subdivision 2; 152.02, subdivision 13; 155A.06, subdivision 5; 156A.06, subdivision 1; 161.1419, by adding a subdivision; 198.055, by adding a subdivision; 241.64; 241.71; 246.017, subdivision 2; 256B.58; 268.12, subdivision 6; and 507.09; Laws 1975, chapter 235, section 2; Laws 1976, chapter 314, section 3; and Laws 1980, chapter 614, section 192; repealing Minnesota Statutes 1982, sections 16.91; 16.853; 31.60, subdivisions 2 and 3; 43A.31, subdivision 4; 52.061; 52.062, subdivision 3; 82.30; 84.524; 86A.10; 115A.12, subdivision 2; 116J.04; 121.934; 123.581, subdivisions 2, 3, 4, 5, and 7; 124.215; 128A.03; 129B.09, subdivision 8; 136A.02, subdivision 6; 141.24; 144.011, subdivision 2; 144.571; 144A.17; 144A.55; 145.93, subdivision 2; 151.13, subdivision 2; 152.02, subdivision 11; 184.23; 214.14; 222.65; 245.84, subdivision 4; and 363.04, subdivisions 4, 4a, and 5.

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

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

Those who voted in the affirmative were:

Anderson, B.	Clark, J.	Greenfield	Kvam	Neuenschwander
Anderson, G.	Clawson	Gruenes	Larsen	Norton
Anderson, R.	Coleman	Gustafson	Levi	O'Connor
Battaglia	Dempsey	Gutknecht	Long	Ogren
Beard	DenOuden	Haukoos	Ludeman	Olsen
Begich	Dimler	Himle	Mann	Omman
Bennett	Eken	Hoffman	Marsh	Onnen
Bergstrom	Elioff	Jacobs	McDonald	Osthoff
Berkelman	Ellingson	Jensen	McEachern	Otis
Bishop	Erickson	Johnson	McKasy	Pauly
Blatz	Evans	Kalis	Metzen	Peterson
Brandl	Findlay	Kelly	Minne	Piepho
Brinkman	Fjoslien	Knickerbocker	Munger	Piper
Burger	Forsythe	Knuth	Murphy	Price
Carlson, D.	Frerichs	Kostohryz	Nelson, D.	Quist
Carlson, L.	Graba	Krueger	Nelson, K.	Redalen

Reif	Scheid	Skoglund	Uphus	Welle
Rice	Schoenfeld	Sparby	Valan	Wenzel
Rodosovich	Schreiber	Stadum	Valento	Wigley
Rodriguez, C.	Seaberg	Staten	Vanasek	Wynia
Rodriguez, F.	Segal	Sviggum	Vellenga	Zaffke
Rose	Shaver	Swanson	Voss	Speaker Sieben
St. Onge	Shea	Thiede	Waltman	
Sarna	Sherman	Tomlinson	Welch	
Schafer	Simoneau	Tunheim	Welker	

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

Mr. Speaker:

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

H. F. No. 1259, A bill for an act relating to taxation; establishing income tax definitions; altering, establishing, and eliminating certain income tax modifications, deductions, and credits; extending the income tax surtax; allowing suspension of indexing; modifying income tax administrative provisions; altering certain property tax credit, assessment, and administrative provisions; adjusting computation of property tax refunds; providing for computation and distribution of state aids to school districts and other local units of government; establishing the rate of sales and motor vehicle excise taxes and modifying exemption provisions; providing tax incentives for business development; authorizing the cities of Austin and Hastings and certain non-profit entities in the city of Bemidji and within Independent School District No. 692, Babbitt, to hold property for economic development purposes; authorizing the imposition of city lodging taxes; providing for the imposition of a tax on aggregate materials by the counties of Stearns, Benton, Sherburne, Wright, Carver, Scott, Dakota, LeSueur, Kittson, Marshall, Pennington, Red Lake, Polk, Norman, Mahnomen, Clay, Becker, Wilkin, Traverse, Big Stone, Stevens, Pope, Anoka, Hennepin, Washington, and Ramsey; revising provisions governing property tax delinquencies and sales of tax-forfeited lands; enacting the multi-state tax compact; authorizing St. Louis County to abate certain taxes; providing for a budget reserve account and prescribing certain budget procedures; authorizing the city of Rochester to impose a local sales tax; authorizing certain refunds of motor vehicle excise tax; defining terms; imposing penalties; appropriating money; amending Minnesota Statutes 1982, sections 16A.15, subdivision 1, and by adding subdivisions; 116J.42, subdivision 7; 124.11, subdivisions 2a and 2b; 124.2137, subdivision 1; 270.60; 272.02, subdivision 1; 272.03, subdivision 8; 272.115, subdivision 1; 273.11, subdivision 1 and by adding subdivisions; 273.115, subdivision 1; 273.13, subdivisions 6, 6a, 7, 9, 11, 14a, 17, 17b, 17c, 20; 273.1311; 273.1312, subdivisions 2, 4, and 5; 273.1313, subdivisions 1, 2, 3, and 5; 273.135, subdivision 1; 273.138, subdivisions 2, 3, and 6; 273.1391; 273.1392; 275.50, subdivisions 2, 5, and by adding a subdivision; 275.51, by adding subdi-

visions; 276.04; 276.09; 276.10; 276.11; 278.01, subdivisions 1 and 2; 278.03; 278.05, subdivisions 4 and 5; 279.01, subdivision 1; 279.05; 279.06; 279.14; 279.15; 279.16; 279.20; 280.01; 280.07; 280.10; 280.38; 280.385, subdivision 1; 281.01; 281.02; 281.03; 281.05; 281.17; 281.18; 281.23; 281.25; 281.34; 281.39; 282.01, subdivision 5; 282.039; 282.17; 282.171; 282.222, subdivisions 4 and 5; 282.301; 287.05, subdivision 1; 290.01, subdivisions 19, 20, 20a, as amended, 20b, as amended, 20f; 290.06, subdivisions 3e, as amended, 11, 13, 14, and by adding a subdivision; 290.067, subdivisions 1 and 2; 290.068; 290.07, subdivision 1; 290.09, subdivisions 1, 2, 3, as amended, 4, 5, and 29; 290.14; 290.17, subdivision 2; 290.18, subdivisions 1 and 2; 290.21, subdivisions 1 and 3; 290.23, subdivision 5; 290.31, subdivisions 2 and 3; 290.34, subdivision 2; 290.37, subdivision 1; 290.39, subdivision 2; 290.431; 290.46; 290.92, subdivision 2a, and by adding subdivisions; 290A.03, subdivisions 3, 11, 13, as amended, and by adding a subdivision; 290A.04, subdivisions 1, 2, 2a, 2b, and by adding subdivisions; 290A.16; 290A.18; 290A.19; 296.18, subdivision 1; 296.421, subdivision 5; 297A.02, as amended; 297A.03, subdivision 2, as amended; 297A.14, as amended; 297A.25, subdivision 1; 297A.35, subdivision 3; 297B.01, subdivision 8; 297B.02, as amended; 298.75; 325D.32, subdivision 9; 471.59; 473F.08, subdivision 7a; 477A.011, subdivisions 6, 7, 10, and by adding subdivisions; 477A.12; 477A.013; 477A.014; 477A.03, subdivision 2; 515A.1-105; 559.21, by adding a subdivision; Laws 1981, First Special Session, chapter 1, article II, section 25; Third Special Session chapter 2, article III, section 22, as amended; proposing new law coded in Minnesota Statutes, chapters 124; 168; 273; 276; 279; 280; 282; 290; 297A; 297B; 477A; repealing Minnesota Statutes 1982, sections 16A.153; 273.13, subdivision 15b; 273.138, subdivisions 1 and 4; 273.139; 275.09, subdivision 3; 275.50, subdivision 6; 275.51, subdivisions 3e and 5; 279.24; 281.36; 340.986; 477A.011, subdivisions 8 and 9; Laws 1961, chapter 605; Laws 1963, chapter 475; Laws 1965, chapter 163; Laws 1977, chapters 112 and 117; and Laws 1979, chapter 273."

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

The following conference committee report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1224

A bill for an act relating to occupations and professions; regulating the period of time between professional boxing contests, matches, or exhibitions; amending Minnesota Statutes 1982, sec-

tion 341.115; proposing new law coded in Minnesota Statutes, chapter 341.

May 23, 1983

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

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 1224, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 1224 be further amended as follows:

Page 2, line 22, after the period, insert "*The examination must also include an eye examination designed to reveal any retinal defects or damage that could be aggravated by boxing.*"

Page 2, after line 23, insert:

"The board may order an electroencephalogram before any contest, match, or exhibition if it determines that the examination is necessary to protect the health of the boxer. The examination must be performed at the expense of the promoter."

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

House Conferees: PAUL ANDERS OGREN, BEN E. GUSTAFSON and TERRY DEMPSEY.

Senate Conferees: FLORIAN CHMIELEWSKI, SAM G. SOLON and DARRIL WEGSCHEID.

Ogren moved that the report of the Conference Committee on H. F. No. 1224 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1224, A bill for an act relating to occupations and professions; regulating the period of time between professional boxing contests, matches, or exhibitions; amending Minnesota Statutes 1982, section 341.115; proposing new law coded in Minnesota Statutes, chapter 341.

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

The question was taken on the repassage of the bill and the roll was called. There were 108 yeas and 12 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Elioff	Kvam	Pauly	Solberg
Anderson, G.	Ellingson	Larsen	Peterson	Sparby
Anderson, R.	Evans	Levi	Piepho	Stadum
Battaglia	Findlay	Long	Piper	Staten
Beard	Fjoslien	Ludeman	Price	Svinggum
Begich	Forsythe	Mann	Quist	Swanson
Bennett	Frerichs	Marsh	Redalen	Thiede
Bergstrom	Greenfield	McEachern	Reif	Tomlinson
Berkelman	Gruenes	McKasy	Rice	Tunheim
Bishop	Gustafson	Metzen	Rodosovich	Uphus
Blatz	Gutknecht	Munger	Rodriguez, C.	Valan
Brandl	Haukoos	Murphy	Rodriguez, F.	Valento
Brinkman	Heinitz	Nelson, D.	Rose	Vanasek
Burger	Himle	Neuenschwander	St. Onge	Voss
Carlson, D.	Hoffman	Norton	Sarna	Waltman
Carlson, L.	Jacobs	O'Connor	Scheid	Welch
Clark, J.	Jensen	Ogren	Schoenfeld	Wenzel
Clawson	Johnson	Olsen	Schreiber	Wigley
Cohen	Kalis	Omman	Seaberg	Zaffke
Coleman	Knickerbocker	Onnen	Shaver	Speaker Sieben
Dimler	Knuth	Osthoff	Sherman	
Eken	Kostohryz	Otis	Simoneau	

Those who voted in the negative were:

Erickson	McDonald	Schafer	Skoglund	Welle
Graba	Minne	Shea	Welker	Wynia
Krueger	Nelson, K.			

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

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

RECESS

RECONVENED

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

There being no objection the order of business reverted to Introduction and First Reading of House Bills.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Thiede; Sherman; Shea; Anderson, G., and Valento introduced:

H. F. No. 1365, A bill for an act relating to crimes; providing for a surcharge on fines in domestic assault cases; amending Minnesota Statutes 1982, section 609.101.

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

Blatz; Cohen; Clark, J.; McKasy and Staten introduced:

H. F. No. 1366, A bill for an act relating to missing persons; authorizing certain procedures useful in missing person investigations; proposing new law coded as Minnesota Statutes, chapter 260A.

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

HOUSE ADVISORIES

The following House Advisories were introduced:

Kalis, Valan, Mann, Wenzel and Graba introduced:

H. A. No. 42, A proposal to study costs and benefits of mortgage insurance on family farm loans.

The advisory was referred to the Committee on Appropriations.

Mann, Jensen, Johnson and Kalis introduced:

H. A. No. 43, A proposal to study the Minnesota Fence Law as provided in Minnesota Statutes, Chapter 344.

The advisory was referred to the Committee on Agriculture.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 1290, A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government with certain conditions; providing for the transfer of certain money in the state treasury; authorizing land acquisition in certain cases; fixing and limiting the amount of fees and other costs to be collected in certain cases; creating, abolishing, modifying, and transferring agencies and functions; providing for a motor vehicle study; providing for an information systems directory; defining and amending terms; providing for settlement of claims; imposing certain duties, responsibilities, authority, and limitations on agencies, political subdivisions, and the University of Minnesota; setting certain salaries; setting

guidelines and procedures for procurement; establishing boards and a council; providing for bonds; providing for certain licenses, permits, and certificates; setting evidentiary standards for workers' compensation court of appeals; modifying election procedures; regulating certain utilities; providing for a review process for tax expenditures; providing property tax relief for congressional medal of honor recipients; modifying certain tax obligations; regulating certain employment practices; providing assistance for residential energy conservation; modifying right of detainer and veterinary liens; providing for reimbursement of excess pension contributions; providing for capital improvements planning; allowing the city of Duluth to enter into a self-insurance pool with private employers; imposing penalties; amending Minnesota Statutes 1982, sections 3.732, by adding a subdivision; 3.922, subdivision 5; 3.9222; 6.65; 7.09, subdivision 1; 14.14, subdivision 1; 15.16, subdivision 5; 15A.083, subdivision 1; 16.02, subdivisions 10a, 14, and by adding a subdivision; 16.083, subdivisions 1, 3, 4, 5, 6, and by adding subdivisions; 16.084; 16.085; 16.086, subdivision 1; 16.098, subdivision 4; 16.28; 16.32, subdivision 2; 16.75, by adding a subdivision; 16.82, subdivision 1; 16.866, subdivision 1; 16.872, subdivision 4; 16A.125, subdivision 5; 16A.127, subdivisions 1 and 7; 16A.128; 16A.36; 16A.50; 16A.64, subdivisions 2 and 4; 16A.66, subdivisions 1, 2, and 3; 43A.05, subdivision 5; 43A.23, subdivision 1; 85A.01, subdivision 2; 85A.04, subdivision 3, and by adding a subdivision; 98.47, by adding a subdivision; 98.48, subdivision 9; 105.405, subdivision 2; 105.41, subdivision 5; 105.44, subdivision 10; 115A.58, subdivision 2; 116.03, subdivision 3; 116.07, subdivisions 2a, 9, and by adding a subdivision; 116.16, subdivision 10; 116.17, subdivision 2; 116.18, subdivision 1; 116.41, subdivision 2; 116C.03, subdivision 2; 116J.24, by adding a subdivision; 116J.27, subdivisions 2 and 6; 116J.31; 116J.36, by adding a subdivision; 116J.42, subdivision 8; 124.46, subdivision 2; 136.40, subdivision 8; 139.18, subdivision 1; 148.56; 156A.02, subdivision 6; 156A.10, subdivision 1; 161.465; 167.50, subdivision 2, as amended by Laws 1983, chapter 17, section 4; 169.123, subdivision 6; 174.51, subdivisions 2 and 3; 175A.05; 176.183, subdivision 2; 176.421, subdivisions 1, 3, and 6; 176.441, subdivision 1; 176.471, subdivision 1; 179.7411; 181A.12, subdivision 1; 183.375, subdivision 5; 183.411, subdivision 3; 183.545; 183.57, subdivision 2; 190.05, subdivisions 5, as amended, 5a, as amended, and 5b, as amended; 204B.32; 204D.11, subdivision 1; 206.09; 214.06, subdivision 1; 216B.164, subdivisions 2, 3, 5, 6, 8, and by adding a subdivision; 216B.44; 239.10; 290.06, subdivision 13; 290.37, subdivision 1; 290.44; 296.18, subdivision 1; 296.421, subdivision 5; 298.22, subdivision 1; 309.53, subdivision 2, and by adding a subdivision; 317.67, by adding a subdivision; 322A.16; 322A.71; 331.02, by adding a subdivision; 333.055, subdivision 3; 333.20, subdivision 4; 345.31, by adding a subdivision; 345.41; 357.08; 360.302, subdivisions 1, 2, and 3; 363.02, subdivision 1; 363.06, subdivision 4, and by adding a subdivision; 363.071, subdivision 2; 453.54, by adding a subdivision; 462A.02, subdivision 10; 462A.05, by adding subdivisions; 462A.21, by adding subdivisions; 471.345, by adding a subdivi-

sion; 473.833, subdivision 3; 480.09, subdivision 5; 480.241, subdivision 2; 480A.01, subdivision 2; 514.19; 514.92, subdivision 1; 546.27, subdivision 2; and 648.39, subdivision 5; Laws 1976, chapter 314, section 3; Laws 1980, chapter 564, article XII, section 1, subdivision 3; Laws 1980, chapter 614, section 192; Laws 1982, Third Special Session chapter 1, article II, section 2, subdivision 1; proposing new law coded in Minnesota Statutes, chapters 3; 4; 16A; 116C; 116J; 216B; 270; 273; 462A; and 471; repealing Minnesota Statutes 1982, sections 3.472; 3.86; 4.073; 8.31, subdivision 4; 114A.01; 114A.02; 114A.03; 114A.04; 114A.05; 114A.06; 114A.07; 114A.08; 114A.09; 116J.27, subdivisions 5 and 7; 193.35; and 297A.05; and Laws 1965, chapters 66 and 312.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1031, A bill for an act relating to the lower Red River watershed management board; removing ten year limitation for tax levy by watershed districts which are members of board; amending Laws 1976, chapter 162, sections 1, as amended, and 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Sparby moved that the House concur in the Senate amendments to H. F. No. 1031 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1031, A bill for an act relating to the lower Red River watershed management board; removing ten year limitation for tax levy by watershed districts which are members of board; transferring a position to the classified service; amending Laws 1976, chapter 162, sections 1, as amended, and 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 89 yeas and 13 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Coleman	Kostohryz	Omann	Shea
Anderson, R.	Dimler	Krueger	Onnen	Sherman
Battaglia	Elihoff	Larsen	Osthoff	Simoneau
Beard	Ellingson	Levi	Otis	Skoglund
Begich	Erickson	Long	Peterson	Solberg
Bennett	Findlay	Mann	Piper	Sparby
Bergstrom	Graba	McEachern	Price	Swanson
Berkelman	Greenfield	Metzen	Quist	Tomlinson
Bishop	Gustafson	Minne	Redalen	Tunheim
Brandl	Heap	Munger	Rice	Uphus
Brinkman	Heinitz	Murphy	Rodosovich	Valan
Burger	Hoffman	Nelson, D.	Rodriguez, C.	Vanasek
Carlson, D.	Jacobs	Nelson, K.	Rodriguez, F.	Waltman
Carlson, L.	Jensen	Neuenschwander	St. Onge	Welle
Clark, J.	Johnson	Norton	Sarna	Wenzel
Clark, K.	Kalis	O'Connor	Scheid	Wynia
Clawson	Kelly	Ogren	Schoenfeld	Speaker Sieben
Cohen	Knickerbocker	Olsen	Segal	

Those who voted in the negative were:

DenOuden	Gutknecht	Ludeman	Seaberg	Welker
Fjoslien	Haukoos	McDonald	Swiggum	
Frerichs	Hokr	Schafer	Valento	

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

The following conference committee reports were received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 722

A bill for an act relating to cable communications; authorizing cable communications companies to use public roads for certain purposes; defining terms; requiring access by cable communications companies; providing residences with freedom of choice of cable communications services; imposing conditions of access; limiting certain actions of property owners; allowing appeal; specifying the measure of damages under a subsequent condemnation; specifying certain prohibitions; authorizing cable communications companies to use existing utility easements; amending Minnesota Statutes 1982, sections 222.37, subdivision 1; and 238.02, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 238.

May 23, 1983

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

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 722, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 722 be further amended to read:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 222.37, subdivision 1, is amended to read:

Subdivision 1. Any water power, telegraph, telephone, pneumatic tube, community antenna television, *cable communications* or electric light, heat, or power company may use public roads for the purpose of constructing, using, operating, and maintaining lines, subways, canals, or conduits, for their business, but such lines shall be so located as in no way to interfere with the safety and convenience of ordinary travel along or over the same; and, in the construction and maintenance of such line, subway, canal, or conduit, the company shall be subject to all reasonable regulations imposed by the governing body of any county, town or city in which such public road may be. Nothing herein shall be construed to grant to any person any rights for the maintenance of a telegraph, telephone, pneumatic tube, community antenna television system, *cable communications system*, or light, heat, or power system within the corporate limits of any city until such person shall have obtained the right to maintain such system within such city or for a period beyond that for which the right to operate such system is granted by such city.

Sec. 2. Minnesota Statutes 1982, section 238.02, subdivision 1, is amended to read:

Subdivision 1. The words and phrases used in (SECTIONS 238.01 TO 238.17) *this chapter* have the following meanings unless a different meaning clearly appears in the text.

Sec. 3. [238.22] [DEFINITIONS.]

Subdivision 1. [SCOPE.] *The terms used in sections 3 to 8 have the meanings given them in this section.*

Subd. 2. [DWELLING UNIT.] *"Dwelling unit" means a single unit providing complete, independent, living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation.*

Subd. 3. [MULTIPLE DWELLING COMPLEX.] *"Multiple dwelling complex" means a site, lot, field, or tract of land*

or water, other than a condominium, cooperative, or mobile home park, whether occupied or under construction, containing more than four dwelling units.

Subd. 4. [PROPERTY OWNER.] "Property owner" means any person with a recorded interest in a multiple dwelling complex, or person known to the cable communications company to be an owner, or the authorized agent of the person.

Subd. 5. [RESIDENT.] "Resident" means a person or entity paying rent to a property owner.

Subd. 6. [ACCESS.] "Access" means entrance onto the premises of the property owner and an easement for purposes of surveying, designing, installing, inspecting, maintaining, operating, repairing, replacing, or removing equipment used in the construction and operation of a cable communications system.

Sec. 4. [238.23] [ACCESS REQUIRED.]

Subdivision 1. [PROVISION OF ACCESS.] A property owner or other person controlling access shall provide a cable communications company access to the property owner's multiple dwelling complex. The access provided must be perpetual and freely transferable by one cable communications company to another. A cable communications company granted access, and its successors in interest, must fully comply with sections 3 to 8.

Subd. 2. [RESIDENT'S RIGHTS.] The intent of sections 3 to 8 is to give residents the freedom to choose among competing cable communications services and nothing in sections 3 to 8 shall be interpreted to require residents to hook up or subscribe to any services offered by any cable communications company or alternative provider of cable communications services.

Sec. 5. [238.24] [CONDITIONS FOR ACCESS.]

Subdivision 1. [IN GENERAL.] An installation of cable communications facilities under sections 3 to 8 must conform to reasonable conditions necessary to protect the safety, functioning, and aesthetic appearance of the premises, and the convenience and well-being of the property owner and residents.

Subd. 2. [OWNER APPROVAL.] A property owner may require from a cable communications company before installation or modification of cable communications facilities, diagrams showing plans for the placement and securing of the facilities. A property owner may approve or disapprove installation plans. Approval of plans may not be unreasonably withheld.

Subd. 3. [INSTALLATION; BOND.] *The facilities must be installed in an expeditious and workmanlike manner, must comply with applicable codes, and must be installed parallel to utility lines when economically feasible. A property owner may require a cable communications company to post a bond or equivalent security in an amount not exceeding the estimated cost of installation of the cable communications facilities on the premises. Any bond filed by a cable communications company with a municipality which would provide coverage to the property owner as provided under this subdivision shall be considered to fulfill the requirements of this subdivision.*

Subd. 4. [INDEMNIFY FOR DAMAGE.] *A cable communications company shall indemnify a property owner for damage caused by the company in the installation, operation, maintenance, or removal of its facilities.*

Subd. 5. [RELOCATION.] *A property owner may require a cable communications company, after reasonable written notice, to promptly relocate cable communications facilities on or within the premises of the property owner for the purpose of rehabilitation, redecoration, or necessary maintenance of the premises by the property owner.*

Subd. 6. [MASTER ANTENNA TELEVISION SYSTEM.] *Nothing in sections 3 to 8 precludes a property owner from entering into an agreement for use of a master antenna television system by a cable communications company or other television communications service.*

Subd. 7. [COST ALLOCATED.] *A cable communications company shall bear the entire cost of the installation, operation, maintenance, and removal of a cable communications facility within the initial franchise service area.*

Subd. 8. [COMPENSATION FOR ACCESS.] (a) *A cable communications company shall:*

(1) *compensate the property owner for the diminution in fair market value of the premises resulting directly from the installation of the nonexclusive cable communications system; and*

(2) *reimburse the property owner in an amount not to exceed \$100 for premises containing less than ten dwelling units, and \$200 for other premises, for actual costs incurred by the property owner with respect to the professional review of the plans and drawings regarding installation or modification of the cable communications system, associated contractual materials, and other documentation.*

(b) *With respect to paragraph (a), clause (1), any party appearing in a proceeding as provided under section 6 may intro-*

duce evidence of damages, if any, and special benefits, if any, to the property occurring by reason of the installation of the cable communications system.

Subd. 9. [NOT RETROACTIVE.] *Nothing in sections 3 to 8 affects the validity of an agreement effective before the effective date of this act between a property owner, a cable communications company, or any other person providing cable communications services on or within the premises of the property owner.*

Subd. 10. [CHANNEL CAPACITY.] (a) *A property owner must provide access by a franchised cable communications company, as required under section 4, only if that cable company installs equipment with channel capacity sufficient to provide access to other providers of television programming or cable communications services so that residents or association members have a choice of alternative providers of those services. If the equipment is installed, the cable communications company shall allow alternative providers to use the equipment. If some of the residents or association members choose to subscribe to the services of an alternative provider, the cable company that installed the equipment shall be reimbursed by the other providers for the cost of equipment and installation on the property on a pro rata basis which reflects the number of subscribers of each provider on that property to the total number of subscribers on that property. In determining the pro rata amount of reimbursement by any alternative provider, the cost of equipment and installation shall be reduced to the extent of cumulative depreciation of that equipment at the time the alternative provider begins providing service.*

(b) *If equipment is already installed as of the effective date of this section with channel capacity sufficient to allow access to alternative providers, the access and pro rata reimbursement provisions of paragraph (a) apply.*

(c) *The board shall promulgate rules by January 1, 1984 to implement the provisions of this subdivision.*

(d) *Paragraphs (a) and (b) come into effect after rules have been promulgated and adopted in accordance with paragraph (c).*

Sec. 6. [238.25] [PROCEDURE.]

Subdivision 1. [APPLICABLE PROVISIONS.] *The procedure for acquiring access under sections 3 to 8 must be as provided under this section, notwithstanding any provisions of chapter 117.*

Subd. 2. [NOTICE AND OFFER; MANNER OF SERVICE.] (a) *To obtain access to property under sections 3 to*

8, a cable communications company shall serve written notice on all property owners. The notice shall contain the following:

(1) the name and address of the cable communications company;

(2) the name of the property owners and address of the premises to which access is sought;

(3) the date of the franchise and city granting the franchise;

(4) the amount of compensation offered by the cable communications company to the property owner or owners; and

(5) the anticipated date on which access is to commence.

(b) If a property owner does not accept the offer made by the cable communications company, the property owner shall, within 45 days of the service of the notice and offer, notify the cable communications company of the refusal. Failure to notify the cable communications company within 45 days as provided under this paragraph constitutes a refusal of the offer and a denial of access.

(c) The notice and offer must be served on the property owner or owners by certified mail or in the same manner as a summons in a civil action.

Subd. 3. [INITIATION.] (a) A cable communications company which has been denied access to a multiple-dwelling complex may initiate proceedings under this section to obtain access.

(b) The cable communications company shall pay all costs of the proceedings including compensation to the property owner.

Subd. 4. [PETITION FOR ACCESS.] (a) To obtain access to the property owner's premises, as required under section 4, the cable communications company shall file with the district court in the county in which the premises is located, a petition:

(1) stating that the cable communications company has served the property owners with the notice and offer required under subdivision 2 and that the offer has not been accepted;

(2) requesting a determination of the damages, if any, which may result from the access; and

(3) stating the legal description of the property owner's premises to which access is sought.

(b) Upon filing the petition with the district court, the cable communications company shall pay the property owner or deposit with the district court an amount equal to the company's offer of compensation as provided under subdivision 2, paragraph (a), clause (4).

(c) Upon filing of the petition with the district court, the cable communications company may file for record with the county recorder a notice of the pendency of the proceeding, describing with reasonable certainty the premises affected and the purposes of the petition.

Subd. 5. [SERVICE OF PETITION.] The petition must be served upon all persons named in the petition as property owners in the same manner as a summons in a civil action; except that, service may be made upon a property owner by three weeks published notice if the cable communications company, its agent or attorney, files an affidavit stating on belief that the property owner is not a resident of the state and that the company has mailed a copy of the notice to the property owner at the property owner's place of residence, or that after diligent inquiry the property owner's place of residence cannot be ascertained by the company. If the state is a property owner, the notice must be served upon the attorney general. Any property owner not served as provided under this paragraph is not bound by the proceeding unless the property owner voluntarily appears therein.

Subd. 6. [ORDER GRANTING ACCESS.] Upon the filing of the petition and proof of service as provided under this section, and prior to making a determination of damages under this section, the court shall enter an order granting access 30 days after the filing of the petition.

Subd. 7. [ENTRY FOR SURVEYS AND ACCESS.] For the purpose of making surveys and examinations to accomplish all necessary preliminary purposes or for other purposes relative to any proceedings under this section, the cable communications company may lawfully enter a property owner's premises, doing no unnecessary damage and being liable only for actual damage done.

Subd. 8. [JUDGMENT; DISMISSAL OF ACTION.] (a) The court shall enter judgment no sooner than ten days after it has filed its determination of damages. (b) The cable communications company may at any time up to ten days after the filing of the court's determination of the damages dismiss any proceeding under this section against any property owner's premises by notifying the property owner and the court. When

the proceeding is dismissed, the property owner may recover from the cable communications company reasonable costs and expenses and temporary damages, if any.

Subd. 9. [APPEAL.] Either party to the district court proceeding may appeal the court's determination within 90 days after the filing of that determination.

Subd. 10. [FINAL CERTIFICATE.] Upon completion of the proceedings, the attorney for the cable communications company shall make a certificate describing the access acquired and the purpose or purposes for which acquired, and reciting the fact of final payment of all awards or judgments in relation thereto. The certificate must be filed with the clerk of court and a certified copy thereof filed for record with the county recorder. The record is notice to all parties of the access to the premises described in the petition.

Subd. 11. [NO RELOCATION BENEFITS.] Neither sections 117.50 to 117.56 nor the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 may be construed as applying to any persons affected by these proceedings.

Sec. 7. [238.26] [SUBSEQUENT TAKING.]

In the event the premises upon which cable communications equipment has been installed is subsequently condemned by the state or by another entity empowered under state law to condemn by exercise of the power of eminent domain, the cable communications company's measure of damages for the taking shall be limited to the actual compensation originally paid by the cable communications company to the property owner under sections 3 to 8.

Sec. 8. [238.27] [INTERFERENCE WITH FACILITIES.]

No person may interfere with the installation, operation, inspection, maintenance, or removal of cable communications facilities or activities of a cable communications company under sections 3 to 8 of this act.

Sec. 9. [238.35] [USE OF EXISTING EASEMENTS; RESTRICTIONS.]

Subdivision 1. [LEGISLATIVE FINDINGS.] There is a long-standing legislative policy in the state of Minnesota to provide for the dedication or other provision of easements required by public utilities and cable communications companies. Except for applicable governmental regulations, these easements do not include any limitation on the type, number, or size of cables or related cable communication system components. There is a public understanding and acceptance of the need of public utilities and cable communications companies to have the ability

to use existing utility easements in order to provide new and improved cable communications services made possible by technological developments and to make changes to the cables or related cable communication systems components. Changing technology has caused and will continue to cause over time the development of new cable communications services requiring changing uses of existing utility easements. Cable communications companies have a need to use existing utility easements in order to deliver their services to the public. The addition of cable communications system components does not constitute an unanticipated or added burden on the real estate subject to the easements.

Subd. 2. [UTILITY EASEMENT DEFINED.] For purposes of this section, the term "utility easement" includes all utility easements or general purpose easements dedicated on a recorded plat to the public or to the state or to any political subdivision thereof; all deeded easements to the public or to the state or to any political subdivision thereof which are for general or utility purposes; all easements acquired by condemnation or prescription by the state or any political subdivision thereof which are for general or utility purposes; and all easements in favor of any public service corporation for telephone or electric transmission purposes.

Subd. 3. [AUTHORIZATION TO USE EXISTING UTILITY EASEMENTS.] The state or any county, city, township, agency, or political subdivision thereof, or any individual, partnership, venture, or corporation which is licensed, franchised, or authorized thereby to establish and operate a cable communications company may utilize any existing utility easement in accordance with the provisions of this section to install, maintain, and remove cable communications system components without the payment of additional compensation to the owners or occupants of the real estate subject to the easement, other than the owner of the utility easement or its successors or assigns.

Subd. 4. [RESTRICTIONS ON USE.] (a) As a condition of using any utility easement, a cable communications company shall be subject to any burdens, duties, or obligations specified in the easement of the grantee of the easement.

(b) A cable communications company shall restore the real estate, and any landscaping or improvement thereon, to the condition they were in prior to entry within 30 days of completing the installation of the cables and related cable communications system components upon that real estate and to make changes to the cables or related cable communication systems components. Changing technology has caused and will continue to cause over time the development of new cable communications services requiring changing uses of existing utility easements. Restoration which cannot be completed during the winter months must be accomplished as promptly as weather conditions permit.

Sec. 10. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

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

House Conferees: JOEL JACOBS, LONA MINNE and RICHARD E. WIGLEY.

Senate Conferees: DON FRANK, GARY W. LAIDIG and DONNA C. PETERSON.

Jacobs moved that the report of the Conference Committee on H. F. No. 722 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 722, A bill for an act relating to cable communications; authorizing cable communications companies to use public roads for certain purposes; defining terms; requiring access by cable communications companies; providing residences with freedom of choice of cable communications services; imposing conditions of access; limiting certain actions of property owners; allowing appeal; specifying the measure of damages under a subsequent condemnation; specifying certain prohibitions; authorizing cable communications companies to use existing utility easements; amending Minnesota Statutes 1982, sections 222.37, subdivision 1; and 238.02, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 238.

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

The question was taken on the repassage of the bill and the roll was called. There were 95 yeas and 29 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Coleman	Hokr	Nelson, D.	Rodosovich
Anderson, G.	Dempsey	Jacobs	Nelson, K.	Rodriguez, C.
Battaglia	Eken	Jensen	Neuenschwander	Rodriguez, F.
Begich	Elioff	Kalis	Norton	St. Onge
Bennett	Ellingson	Kelly	O'Connor	Sarna
Bergstrom	Findlay	Knuth	Ogren	Scheid
Berkelman	Forsythe	Krueger	Osthoff	Schoenfeld
Blatz	Graba	Kvam	Otis	Schreiber
Brandl	Greenfield	Larsen	Pauly	Seaberg
Brinkman	Gustafson	Long	Peterson	Shea
Burger	Gutknecht	Mann	Piepho	Sherman
Carlson, D.	Halberg	McEachern	Piper	Simoneau
Carlson, L.	Haukoos	McKasy	Price	Skoglund
Clark, J.	Heap	Metzen	Quinn	Solberg
Clark, K.	Heinitz	Minne	Quist	Sparby
Clawson	Himle	Munger	Rice	Staten
Cohen	Hoffman	Murphy	Riveness	Tomlinson

Tunheim
Valan

Vanasek
Vellenga

Welch
Welle

Wenzel
Wigley

Wynia
Speaker Sieben

Those who voted in the negative were:

Anderson, R.
Beard
Bishop
DenOuden
Dimler
Erickson

Fjoslien
Frerichs
Gruenes
Johnson
Knickerbocker
Levi

Ludeman
Marsh
McDonald
Olsen
Omann
Onnen

Redalen
Rose
Schafer
Swiggum
Swanson
Thiede

Uphus
Valento
Waltman
Welker
Zaffke

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 409

A bill for an act relating to liquor; restrictions upon joint purchases and volume discounts at wholesale; amending Minnesota Statutes 1982, sections 340.408; and 340.983.

May 18, 1983

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

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 409, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 409 be amended as follows:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1982, section 340.11, subdivision 21, is amended to read:

Subd. 21. [LIABILITY INSURANCE.] Every person licensed to sell at retail intoxicating liquor or non-intoxicating malt liquor at on-sale or off-sale shall, after (MARCH 1) August 1, 1983, demonstrate proof of financial responsibility with regard to liability imposed by section 340.95, to the (COMMISSIONER OF PUBLIC SAFETY) *authority issuing the license* as a condition of the issuance or renewal of his license, provided this subdivision does not apply to *licensees who by affidavit establish that they are on-sale non-intoxicating malt liquor licensees with sales of less than \$10,000 of non-intoxicating malt liquor (PER) for the preceding year, or off-sale non-intoxicating malt liquor licensees with sales of less than \$20,000 of non-intoxicating malt liquor for the preceding year, (NOR TO) or holders*

of on-sale wine licenses under subdivision 20, with sales of less than \$10,000 of wine (PER) for the preceding year. *The issuing authority must submit to the commissioner the proof of financial responsibility or exemption affidavit submitted by the license applicant. Proof of financial responsibility may be given by filing:*

(a) A certificate that there is in effect for the period covered by the license an insurance policy or pool providing the following minimum coverages;

(1) \$50,000 because of bodily injury to any one person in any one occurrence, and, subject to the limit for one person, in the amount of \$100,000 because of bodily injury to two or more persons in any one occurrence, and in the amount of \$10,000 because of injury to or destruction of property of others in any one occurrence.

(2) \$50,000 for loss of means of support of any one person in any one occurrence, and, subject to the limit for one person, \$100,000 for loss of means of support of two or more persons in any one occurrence; or

(b) A bond of a surety company with minimum coverages as provided in clause (a), or

(c) A certificate of the state treasurer that the licensee has deposited with him \$100,000 in cash or securities which may legally be purchased by savings banks or for trust funds having a market value of \$100,000.

This subdivision does not prohibit a local governing unit from requiring higher insurance or bond coverages, or a larger deposit of cash or securities than is required hereunder, as a condition of issuance or renewal of a retail intoxicating liquor or non-intoxicating malt liquor on-sale or off-sale license.

The commissioner of insurance shall advise licensees and municipalities subject to the financial responsibility requirements of this subdivision of those persons offering insurance coverage. The commissioner of insurance (MAY, IF NECESSARY,) shall establish (AN ASSIGNED RISK POOL BY RULE ADOPTED UNDER THE ADMINISTRATIVE PROCEDURE ACT, SECTIONS 14.01 to 14.70.) a program to assist licensees in obtaining insurance coverage. The program shall include a committee appointed by the commissioner of insurance of a representative group of insurance carriers and producers. The commissioner of insurance shall serve as an ex officio member of the committee. The committee shall review and act upon all properly executed applications requesting liquor liability market assistance. The market assistance program shall be established by the commissioner of insurance by August 1, 1983, and shall continue to function so long as its services are deemed by the commissioner

of insurance to be necessary to relieve perceived availability problems in the liquor liability insurance market. If the committee finds that it cannot assist in securing insurance coverage it shall notify the applicant in writing with a full explanation and recommendation for enhancing its ability to secure insurance. The commissioner of insurance shall, if necessary, establish an assigned risk plan pursuant to subdivision 22.

Sec. 2. Minnesota Statutes 1982, section 340.11, is amended by adding a subdivision to read:

Subd. 22. [ASSIGNED RISK PLAN.] (1) The purpose of the assigned risk plan is to provide coverage required by subdivision 21 to persons rejected pursuant to this subdivision.

(2) An insurer that refuses to write the coverage required by subdivision 21 shall furnish the applicant with a written notice of refusal. The rejected applicant shall file a copy of the notice of refusal with the commissioner of public safety and with the assigned risk plan at the time of application for coverage under the plan.

(3) The commissioner of insurance may enter into service contracts as necessary or beneficial to accomplish the purposes of the assigned risk plan including servicing of policies or contracts of coverage, data management, and assessment collections. Services related to the administration of policies or contracts of coverages shall be performed by one or more qualified insurance companies licensed pursuant to section 60A.06, subdivision 1, clause (13) or a qualified vendor of risk management services. A qualified insurer or vendor of risk management services shall possess sufficient financial, professional, administrative, and personnel resources to provide the services required for operation of the plan. The cost of all services contracted for shall be an obligation of the assigned risk plan.

(4) The commissioner of insurance may assess all insurers licensed pursuant to section 60A.06, subdivision 1, clause (13) an amount sufficient to fully fund the obligations of the assigned risk plan, if the commissioner of insurance determines that the assets of the assigned risk plan are insufficient to meet its obligations. The assessment of each insurer shall be in a proportion equal to the proportion which the amount of insurance written as reported on page 14 of the annual statement under line 5, commercial multi-peril, and line 17, other liability, during the preceding calendar year by that insurer bears to the total written by all such carriers for such lines.

(5) Policies and contracts of coverage issued pursuant to this subdivision shall contain the usual and customary provisions of liability insurance policies, and shall contain the minimum coverage required by subdivision 21 or the local governing unit.

(6) *Assigned risk policies and contracts of coverage shall be subject to premium tax pursuant to section 60A.15.*

(7) *Insureds served by the assigned risk plan shall be charged premiums based upon a rating plan approved by the commissioner of insurance. Assigned risk premiums shall not be lower than rates generally charged by insurers for the business. The commissioner of insurance shall fix the compensation received by the agent of record.*

(8) *The commissioner of insurance shall adopt rules, including temporary rules, as may be necessary to implement this subdivision. The rules may include:*

(a) *appeal procedures from actions of the assigned risk plan;*

(b) *formation of an advisory committee composed of insurers, vendors of risk management services and licensees, to advise the commissioner of insurance regarding operation of the plan; and*

(c) *applicable rating plans and rating standards.*

Sec. 3. Minnesota Statutes 1982, section 340.353, subdivision 8, is amended to read:

Subd. 8. [FINANCIAL RESPONSIBILITY.] Every municipal liquor store operated pursuant to subdivision 1 shall, prior to commencement or continuation of operation after (MARCH 1) August 1, 1983, demonstrate proof of financial responsibility by compliance with the requirements of section 340.11, subdivision 21."

Renumber the remaining sections

Page 2, after line 18, insert:

"Sec. 6. Laws 1982, chapter 528, section 9, is amended to read:

Sec. 9. [EFFECTIVE DATE.]

Sections 2 to 4 are effective (MARCH 1) August 1, 1983. Sections 1, 5, 6, 7 and 8 are effective the day following final enactment and apply to all causes of action arising on and after that day, except that any changes in notice requirements in section 8 are not effective until 30 days following final enactment.

Sec. 7. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Amend the title as follows:

Page 1, line 3, after the semicolon insert "extending the date for requiring dram shop insurance; requiring an assigned risk plan and specifying rule making authority of the commissioner of insurance in regard thereto;"

Page 1, line 4, after "sections" insert "340.11, subdivision 21, and by adding a subdivision; 340.353, subdivision 8;"

Page 1, line 4, after "340.983" insert "; and Laws 1982, chapter 528, section 9"

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

House Conferees: JOEL JACOBS, DOUG ST. ONGE and TERRY DEMPSEY.

Senate Conferees: CLARENCE M. PURFEERST, JOE BERTRAM and DON A. ANDERSON.

Jacobs moved that the report of the Conference Committee on H. F. No. 409 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 409, A bill for an act relating to liquor; restrictions upon joint purchases and volume discounts at wholesale; amending Minnesota Statutes 1982, sections 340.408; and 340.983.

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

The question was taken on the repassage of the bill and the roll was called. There were 110 yeas and 14 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Cohen	Hokr	Metzen	Price
Anderson, G.	Coleman	Jacobs	Minne	Quinn
Anderson, R.	Dempsey	Jensen	Munger	Quist
Battaglia	Eken	Johnson	Murphy	Redalen
Beard	Elioff	Kalis	Nelson, D.	Reif
Begich	Ellingson	Kelly	Nelson, K.	Rice
Bennett	Findlay	Knickerbocker	Neuenschwander	Riveness
Bergstrom	Forsythe	Knuth	Norton	Rodosovich
Berkelman	Graba	Kostohryz	O'Connor	Rodriguez, C.
Bishop	Greenfield	Krueger	Ogren	Rodriguez, F.
Blatz	Gruenes	Kvam	Olsen	Rose
Brandl	Gustafson	Larsen	Omann	St Onge
Brinkman	Gutknecht	Levi	Osthoff	Sarna
Burger	Halberg	Long	Otis	Scheid
Carlson, L.	Heap	Mann	Pauly	Schoenfeld
Clark, J.	Heinitz	Marsh	Peterson	Schreiber
Clark, K.	Himle	McEachern	Piepho	Seaberg
Clawson	Hoffman	McKasy	Piper	Segal

Sherman	Svigum	Uphus	Vellenga	Wenzel
Simoneau	Swanson	Valan	Voss	Wigley
Solberg	Tomlinson	Valento	Waltman	Wynia
Sparby	Tunheim	Vanasek	Welch	Speaker Sieben

Those who voted in the negative were:

DenOuden	Fjoslien	McDonald	Skoglund	Welle
Dimler	Frerichs	Onnen	Thiede	Zaffke
Erickson	Ludeman	Schafer	Welker	

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 851

A bill for an act relating to agriculture; making certain changes in the family farm security loan program; amending Minnesota Statutes 1982, sections 15.38, by adding a subdivision; 16.02, subdivision 14; 41.52, by adding a subdivision; 41.53, subdivision 2; 41.54, subdivision 2; 41.55; 41.56, subdivisions 4, 5, and by adding subdivisions; 41.57, subdivision 2; 41.58, subdivision 1; 41.59, subdivisions 1, 2, and 3; 41.61, subdivision 1; and 48.19, by adding a subdivision.

May 23, 1983

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

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 851, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 851 be further amended as follows:

Page 5, line 9, delete "10" and insert "8"

Page 10, delete section 17

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 10, delete "; and 48.19, by adding a subdivision"

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

House Conferees: JERRY GRABA, HENRY J. KALIS and MERLYN O. VALAN.

Senate Conferees: JOE BERTRAM, CHARLES R. DAVIS and CHARLES A. BERG.

Graba moved that the report of the Conference Committee on H. F. No. 851 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 851, A bill for an act relating to agriculture; making certain changes in the family farm security loan program; amending Minnesota Statutes 1982, sections 15.38, by adding a subdivision; 16.02, subdivision 14; 41.52, by adding subdivision; 41.53, subdivision 2; 41.54, subdivision 2; 41.55; 41.56, subdivisions 4, 5, and by adding subdivisions; 41.57, subdivision 2; 41.58, subdivision 1; 41.59, subdivisions 1, 2, and 3; 41.61, subdivision 1; and 48.19, by adding a subdivision.

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

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

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE SENATE, Continued

Mr. Speaker:

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

H. F. No. 1310, A bill for an act relating to capital improvements; authorizing the acquisition and betterment of public land and buildings and other public improvements of a capital nature with certain conditions; requiring review of the concept of a revolving land fund; providing for art in state buildings; authorizing issuance of state bonds; appropriating money; amending Minnesota Statutes 1982, sections 85.015, by adding a subdivision; 473.147, subdivision 1; and 473.436, subdivision 5; proposing new law coded in Minnesota Statutes, chapter 16.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 769, A bill for an act relating to metropolitan government; extending the time for design selection for noise suppression equipment at the international airport; amending Minnesota Statutes 1982, section 473.608, subdivision 20.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1224, A bill for an act relating to occupations and professions; regulating the period of time between professional boxing contests, matches, or exhibitions; amending Minnesota Statutes 1982, section 341.115; proposing new law coded in Minnesota Statutes, chapter 341.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 674, A bill for an act relating to insurance; providing for a program of continuing education; authorizing a continuing insurance education advisory task force; 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; appropriating money; amending Minnesota Statutes 1982, sections 60A.02, subdivision 7; 60A.03, subdivision 5; 60A.17, subdivision 1 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Skoglund moved that the House concur in the Senate amendments to H. F. No. 674 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 674, A bill for an act relating to commerce; providing for a program of continuing education; authorizing a continuing insurance education advisory task force; 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; appropriating money; amending Minnesota Statutes 1982, sections 60A.02, subdivision 7; 60A.03, subdivision 5; 60A.17, subdivision 1 and by adding a subdivision; 60A.14, subdivision 1; 60A.198, subdivision 3; 60A.23, subdivision 8; 82.22, subdivision 13; 471.982, subdivision 2; and proposing new law coded in Minnesota Statutes, chapter 60A.

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 109 yeas and 15 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Elioff	Knuth	Osthoff	Sherman
Anderson, G.	Ellingson	Kostohryz	Pauly	Simoneau
Anderson, R.	Evans	Krueger	Peterson	Skoglund
Battaglia	Fjoslien	Kvam	Piepho	Solberg
Beard	Forsythe	Larsen	Piper	Sparby
Begich	Graba	Long	Price	Staten
Bennett	Greenfield	Mann	Quinn	Swanson
Bergstrom	Gruenes	McEachern	Quist	Tomlinson
Berkelman	Gustafson	McKasy	Redalen	Tunheim
Bishop	Halberg	Metzen	Reif	Valan
Blatz	Haukoos	Minne	Rice	Valento
Brandl	Heap	Munger	Riveness	Vanasek
Brinkman	Heinitz	Murphy	Rodosovich	Vellenga
Burger	Himle	Nelson, D.	Rodriguez, C.	Voss
Carlson, L.	Hoffman	Nelson, K.	Rodriguez, F.	Waltman
Clark, J.	Hokr	Neuenschwander	Rose	Welch
Clark, K.	Jacobs	Norton	Sarna	Welle
Clawson	Jensen	O'Connor	Scheid	Wenzel
Cohen	Johnson	Ogren	Schreiber	Wigley
Coleman	Kalis	Olsen	Seaberg	Zaffke
Dempsey	Kelly	Omann	Segal	Speaker Sieben
Eken	Knickerbocker	Onnen	Shaver	

Those who voted in the negative were:

DenOuden	Findlay	Ludeman	Schafer	Thiede
Dimler	Frerichs	McDonald	Schoenfeld	Uphus
Erickson	Gutknecht	St. Onge	Sviggun	Welker

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

Mr. Speaker:

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

H. F. No. 654, A bill for an act relating to outdoor recreation; requiring a user fee for cross country skiers; creating a cross country ski trail grant-in-aid program; imposing a penalty; appropriating money for recreational purposes; proposing new law coded in Minnesota Statutes, chapter 85.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Nelson, D., moved that the House concur in the Senate amendments to H. F. No. 654 and that the bill be repassed as amended by the Senate. The motion prevailed.

The Speaker called Wynia to the Chair.

H. F. No. 654, A bill for an act relating to outdoor recreation; requiring licensing of cross country skiers; creating a cross country ski trail grant-in-aid program; regulating entry of motor vehicles into state parks and other facilities; imposing a penalty; appropriating money for recreational purposes; amending Minnesota Statutes 1982, section 85.05, subdivision 2; proposing new law coded in Minnesota Statutes, chapter 85.

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 70 yeas and 56 nays as follows:

Those who voted in the affirmative were:

Battaglia	Eken	McKasy	Redalen	Solberg
Beard	Ellingson	Metzen	Reif	Sparby
Bennett	Forsythe	Munger	Rice	Staten
Bergstrom	Greenfield	Murphy	Riveness	Swanson
Bishop	Hoffman	Nelson, D.	Rodosovich	Tomlinson
Brandl	Jensen	Nelson, K.	Rodriguez, C.	Tunheim
Burger	Knickerbocker	Neuenschwander	Rodriguez, F.	Valan
Carlson, D.	Knuth	Norton	Rose	Vanasek
Carlson, L.	Kostohryz	Ogren	St. Onge	Vellenga
Clark, J.	Krueger	Otis	Sarna	Welch
Clark, K.	Larsen	Peterson	Scheid	Welle
Clawson	Long	Piper	Segal	Wynia
Cohen	Mann	Price	Shaver	Zaffke
Coleman	McEachern	Quinn	Simoneau	Speaker Sieben

Those who voted in the negative were:

Anderson, B.	Evans	Jacobs	Omann	Thiede
Anderson, G.	Findlay	Jennings	Onnen	Uphus
Anderson, R.	Frerichs	Johnson	Osthoff	Valento
Begich	Graba	Kelly	Pauly	Voss
Berkelman	Gruenes	Kvam	Piepho	Waltman
Blatz	Gutknecht	Levi	Quist	Welker
Brinkman	Halberg	Ludeman	Schafer	Wenzel
Dempsey	Haukoos	Marsh	Schreiber	Wigley
DenOuden	Heap	McDonald	Shea	
Dimler	Heinitz	Minne	Sherman	
Elioff	Himle	O'Connor	Skoglund	
Erickson	Hokr	Olsen	Sviggum	

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

The following conference committee report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 289

A bill for an act relating to the city of St. Paul; authorizing the city to permit, by ordinance, the use of an "on-sale" liquor license issued by the city at the Highland Park and Phalen Park club houses.

May 23, 1983

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

The Honorable Jerome M. Hughes
President of the Senate

We, the under undersigned conferees for H. F. No. 289, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 289 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [ST. PAUL; PARK CLUB HOUSES; LIQUOR.]

Notwithstanding any contrary provision of law, charter or ordinance, the city of St. Paul may authorize any holder of an "on-sale" liquor license issued by the city to dispense intoxicating liquor at any event of definite duration on the public premises known as the Como Park Conservatory, Harriet Island, and the Highland Park club house. Authorization to dispense intoxicating liquor under this section shall be made by adoption of separate ordinances for each public premise. The city council shall conduct a public hearing prior to adoption of each ordinance at a location within the ward where the affected premises are located and near the affected public premises. The event may not be profit making except as a fund raising event for a nonprofit organization or a political committee as defined in Minnesota Statutes, section 210A.01, subdivision 8. The licensee must be engaged to dispense liquor at the event by a person or organization permitted to use the premises and may dispense liquor only to persons attending the event. A licensee's authority shall expire upon termination of the event. The authority to dispense liquor shall be granted in accordance with the statutes applicable to the issuance of "on-sale" liquor licenses in cities of the first class consistent with this act. The dispensing of liquor shall be subject to all laws and ordinances governing the dispensing of intoxicating liquor that are consistent with this act. All dispensing of liquor shall be in accordance with the conditions prescribed by the city. The conditions may limit the dispensing of liquor to designated areas of the facility. The city may fix and assess a fee to be paid to the city by an "on-sale" licensee for each event for which the licensee is engaged to dispense liquor. The authority granted by this subdivision shall not count as an additional "on-sale" intoxicating liquor license for purposes of determining the number of liquor licenses permitted to be issued under the provisions of Minnesota Statutes, section 340.11.

Sec. 2. [HENNEPIN COUNTY; SHORT-TERM LIQUOR LICENSE.]

Notwithstanding any law to the contrary, Hennepin County, by resolution of its county board, may issue, with or without fee, to a nonprofit organization or corporation, one-day on-sale licenses for the sale and serving of intoxicating liquor in the Hennepin County Government Center in connection with any convention, banquet, conference, meeting or social event conducted by the nonprofit organization. The licensee may dispense intoxicating liquor only to persons attending the event. The licensee's authority shall expire upon termination of the event. All dispensing of intoxicating liquor shall be in accordance with the terms and conditions prescribed by resolution of the county board.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective the day after compliance by the governing body of the city of St. Paul with Minnesota Statutes, section 645.021, subdivision 3.

Section 2 is effective upon approval by the county board of Hennepin County and compliance with the provisions of Minnesota Statutes, section 645.021, subdivision 3."

Delete the title and insert:

"A bill for an act relating to liquor licensing; authorizing the city of St. Paul to permit, by ordinance, the use of an "on-sale" liquor license issued by the city at the Como Park Conservatory, Harriet Island, and Highland Park club house; authorizing Hennepin County to issue short-term liquor licenses."

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

House Conferees: RICH O'CONNOR, TOM OSTHOFF and RANDY C. KELLY.

Senate Conferees: NEIL DIETERICH and DONNA C. PETERSON.

O'Connor moved that the report of the Conference Committee on H. F. No. 289 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 289, A bill for an act relating to the city of St. Paul; authorizing the city to permit, by ordinance, the use of an "on-sale" liquor license issued by the city at the Highland Park and Phalen Park club houses.

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

The question was taken on the repassage of the bill and the roll was called. There were 73 yeas and 42 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Eken	Larsen	Pauly	Sherman
Battaglia	Elioff	Long	Peterson	Simoneau
Beard	Ellingson	Marsh	Piepho	Solberg
Begich	Evans	McEachern	Piper	Staten
Bergstrom	Findlay	McKasy	Price	Swanson
Berkelman	Greenfield	Metzen	Quinn	Tomlinson
Bishop	Gustafson	Minne	Riveness	Tunheim
Blatz	Hoffman	Murphy	Rodosovich	Vanasek
Brandl	Jacobs	Neuenschwander	Rodriguez, F.	Vellenga
Brinkman	Jensen	Norton	St. Onge	Voss
Carlson, L.	Kelly	O'Connor	Sarna	Wenzel
Clark, J.	Knickerbocker	Ogren	Scheid	Wynia
Clark, K.	Knuth	Omann	Seaberg	Speaker Sieben
Coleman	Kostohryz	Osthoff	Segal	
Dempsey	Krueger	Otis	Shaver	

Those who voted in the negative were:

Anderson, G.	Frerichs	Jennings	Onnen	Valento
Burger	Graba	Kvam	Quist	Waltman
Carlson, D.	Gruenes	Levi	Rose	Welch
Clawson	Halberg	Ludeman	Schafer	Welker
Cohen	Haukoos	Mann	Skoglund	Wigley
DenOuden	Heap	McDonald	Swiggum	Zaffke
Dimler	Heinitz	Munger	Thiede	
Erickson	Himle	Nelson, D.	Uphus	
Fjoslien	Hokr	Olsen	Valan	

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

MESSAGES FROM THE SENATE, Continued

Mr. Speaker:

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

S. F. No. 862.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee.

Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 862

A bill for an act relating to public employment; providing rights for certain part-time employees; amending the definition

of supervisory employee; providing that the public employer's duty to bargain supersedes all municipal charters, ordinances or resolutions; amending Minnesota Statutes 1982, sections 179.63, subdivisions 7 and 9; 179.66, subdivision 2; and 179.71, subdivision 8.

May 23, 1983

The Honorable Jerome M. Hughes
President of the Senate

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

We, the undersigned conferees for S. F. No. 862, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 862 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 179.63, subdivision 7, is amended to read:

Subd. 7. "Public employee" or "employee" means any person appointed or employed by a public employer except:

- (a) elected public officials;
- (b) election officers;
- (c) commissioned or enlisted personnel of the Minnesota national guard;
- (d) emergency employees who are employed for emergency work caused by natural disaster;
- (e) part time employees whose service does not exceed the lesser of 14 hours per week or 35 percent of the normal work week in the employee's bargaining unit;
- (f) employees who hold positions of a basically temporary or seasonal character for a period not in excess of (100) 67 working days in any calendar year;
- (g) *employees who hold positions of a basically temporary character for a period not in excess of 100 working days in a calendar year; or part-time employees, who are under the age of 22, are full-time students enrolled in a nonprofit or public edu-*

cational institution prior to their being hired by an employer and who have indicated, either in their application for employment or by being enrolled at an educational institution for the next academic year or term, an intention to continue as students during or after their temporary or part time employment.

The exclusions of clauses (e) and (f) shall not apply to:

(1) an employee hired by a school district to replace an absent teacher who at the time of his absence is a "public employee" not within the other exclusions of this subdivision where the replacement employee is employed more than 30 working days as a replacement for that teacher; and

(2) an employee hired by a school district for a teaching position created by increased enrollment, curriculum expansion, courses which are a part of the curriculum whether offered annually or not, or other appropriate reasons.

Employees included as "public employees" pursuant to clauses (1) and (2) shall not be included under master contracts expiring June 30, 1981, for purposes of salary or fringe benefits;

((G)) (h) employees of charitable hospitals as defined by section 179.35, subdivision 3;

((H)) (i) full time undergraduate students employed by the school which they attend under a work study program or in connection with the receipt of any financial aid, irrespective of number of hours of service per week;

((I)) (j) an individual who renders part time teaching service for less than 300 hours in a fiscal year as an instructor in an adult vocational education program.

Sec. 2. Minnesota Statutes 1982, section 179.63, subdivision 9, is amended to read:

Subd. 9. "Supervisory employee", when the reference is to other than essential employees as defined in subdivision 11, means (ANY) a person (HAVING) *who has* authority in the interests of the employer to hire, transfer, suspend, promote, discharge, assign, reward or discipline other employees or responsibly to direct them or adjust their grievances on behalf of the employer, or to effectively recommend any of the aforesaid actions, if in connection with the foregoing the exercise of (SUCH) *the* authority is not merely routine or clerical in nature but requires the use of independent judgment. (ANY) A determination of "supervisory employee" may be appealed to the public employment relations board.

Effective May 2, 1983, the removal of employees by the employer from non-supervisory bargaining units for the purpose of designating the employees as "supervisory employees" shall require either the prior written agreement of the exclusive representative and the written approval of the director or a separate determination by the director before the redesignation is effective.

Sec. 3. Minnesota Statutes 1982, section 179.66, subdivision 2, is amended to read:

Subd. 2. A public employer has an obligation to meet and negotiate in good faith with the exclusive representative of the public employees in an appropriate unit regarding grievance procedures and the terms and conditions of employment, but (SUCH) the obligation does not compel the public employer or its representative to agree to a proposal or require the making of a concession.

The public employer's duty under this subdivision exists notwithstanding contrary provisions in a municipal charter, ordinance, or resolution. A provision of a municipal charter, ordinance, or resolution which limits or restricts a public employer from negotiating or from entering into binding contracts with exclusive representatives is superseded by this subdivision.

Sec. 4. Minnesota Statutes 1982, section 179.71, subdivision 8, is amended to read:

Subd. 8. Hearings and mediation meetings authorized by this section shall be held (IN THE COUNTY WHICH BEST MEETS THE CONVENIENCES OF THE WITNESSES, BUT SUCH HEARINGS MAY BE HELD) at a time and place as is (AGREED TO BY THE PETITIONER AND THOSE PARTIES AFFECTED BY THE PETITION) *determined by the director, but, whenever practical, a hearing shall be held in the general geographic area where the question has arisen or exists.*

Sec. 5. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

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

Senate Conferees: FLORIAN CHMIELEWSKI, CARL W. KROENING and TOM A. NELSON.

House Conferees: JOSEPH R. BEGICH and TOM OSTHOFF.

Begich moved that the report of the Conference Committee on S. F. No. 862 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 862, A bill for an act relating to public employment; providing rights for certain part-time employees; amending the definition of supervisory employee; providing that the public employer's duty to bargain supersedes all municipal charters, ordinances or resolutions; amending Minnesota Statutes 1982, sections 179.63, subdivisions 7 and 9; 179.66, subdivision 2; and 179.71, subdivision 8.

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

The question was taken on the repassage of the bill and the roll was called. There were 78 yeas and 42 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dempsey	Long	Peterson	Solberg
Battaglia	Eken	Mann	Piper	Sparby
Beard	Elioff	McEachern	Price	Staten
Begich	Ellingson	Metzen	Quinn	Sviggum
Bennett	Greenfield	Minne	Rice	Swanson
Bergstrom	Gustafson	Munger	Riveness	Tomlinson
Berkelman	Hoffman	Murphy	Rodosovich	Tunheim
Brandl	Jacobs	Nelson, D.	Rodriguez, F.	Vanasek
Brinkman	Jensen	Nelson, K.	Rose	Voss
Carlson, D.	Kalis	Neuenschwander	St. Onge	Welch
Carlson, L.	Kelly	Norton	Sarna	Welle
Clark, J.	Knuth	O'Connor	Scheid	Wenzel
Clark, K.	Kostohryz	Ogren	Schoenfeld	Wynia
Clawson	Krueger	Omann	Segal	Speaker Sieben
Cohen	Larsen	Osthoff	Simoneau	
Coleman	Levi	Otis	Skoglund	

Those who voted in the negative were:

Blatz	Frerichs	Jennings	Quist	Valan
Burger	Graba	Johnson	Redalen	Valento
DenOuden	Gruenes	Knickerbocker	Reif	Waltman
Dimler	Halberg	Kvam	Schafer	Welker
Erickson	Haukoos	Ludeman	Schreiber	Wigley
Evans	Heap	McDonald	Seaberg	Zaffke
Findlay	Heinitz	Onnen	Shaver	
Fjoslien	Himle	Pauly	Sherman	
Forsythe	Hokr	Piepho	Thiede	

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

Mr. Speaker:

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

S. F. No. 708.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee.

Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 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.

May 18, 1983

The Honorable Jerome M. Hughes
President of the Senate

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

We, the undersigned conferees for S. F. No. 708, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and S. F. No. 708 be amended as follows:

Page 17, line 6, strike "fund of the county" and insert "*district where the violation occurs*"

Page 73, after line 20, insert:

"Sec. 150. [COURT STUDY COMMISSION.]

Subdivision 1. [CREATION.] There is created a court study commission whose purpose shall be to study the structure of the state court system to determine the desirability of unifying the current county, municipal, and district courts into a single trial court.

Subd. 2. [MEMBERSHIP; CHAIRMAN.] The commission shall consist of 16 members as follows: four members of the senate appointed by the subcommittee on committees of the committee on rules and administration; four members of the house of representatives appointed by the speaker of the house; two district court judges and two county or municipal court judges appointed by the chief justice; the chief justice of the supreme court or his designee; and three members appointed by the governor. The commission shall elect a chairman from its membership.

Subd. 3. [REPORT TO THE LEGISLATURE.] On or before January 1, 1984, the commission shall submit to the chairmen of the judiciary committees in the house of representatives and the senate its recommendations whether to unify the current county, municipal, and district courts into a single trial court.

Subd. 4. [STAFF.] The judicial planning committee shall provide staff for the commission. Members shall receive travel and other expenses in the same manner as state employees."

Page 73, line 21, delete "150" and insert "151"

Page 73, after line 26, insert:

"Sec. 152. [EFFECTIVE DATE.]

Section 150 is effective the day following final enactment."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "establishing a court study commission;"

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

Senate Conferees: RANDOLPH W. PETERSON, GENE MERRIAM and DONALD A. STORM.

House Conferees: JOHN T. CLAWSON, BEN E. GUSTAFSON and BERT J. MCKASY.

Clawson moved that the report of the Conference Committee on S. F. No. 708 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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.

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

The question was taken on the repassage of the bill and the roll was called. There were 118 yeas and 11 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

DenOuden	McDonald	Reif	Schafer	Welker
Haukoos	Ogren	St. Onge	Thiede	Wigley
Ludeman				

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

Mr. Speaker:

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

H. F. No. 559, A bill for an act relating to courts; providing for interest rates on judgments; amending Minnesota Statutes 1982, section 549.09, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

Schoenfeld moved that the House refuse to concur in the Senate amendments to H. F. No. 559, that the Speaker appoint a

Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

The following conference committee report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 657

A bill for an act relating to transportation; authorizing the commissioner to expend money for railroad acquisition by a regional railroad authority; modifying requirements for compliance with standards for zoning ordinances for municipal airports; modifying the regional railroad authority act to allow municipalities to form regional railroad authorities; allowing the expenditure of certain state funds for railroad improvement and acquisition; providing an aircraft base price for taxation purposes; amending Minnesota Statutes 1982, sections 222.50, subdivision 7; 360.063, subdivisions 3, 4, and 6; 360.065, subdivision 2; 360.066, subdivision 1; 360.067, subdivision 1; 360.531, subdivision 4; 398A.02; 398A.03; 398A.04, subdivisions 8 and 9; 398A.07, subdivision 2; and Laws 1980, chapter 610, section 1, as amended.

May 23, 1983

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

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 657, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 657 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 161.125, subdivision 1, is amended to read:

Subdivision 1. The commissioner of transportation shall, in accordance with the department's program, implement sound abatement measures within or along the perimeter of any interstate or trunk highway within incorporated areas located within the metropolitan area or any municipality whenever the noise level attributable to vehicular traffic at the abutting residential property line is in excess of the federal noise standards. The commissioner shall utilize federal matching funds available for

constructing and maintaining sound abatement measures. No standard adopted by any state agency for limiting levels of noise in terms of sound pressure in the outdoor atmosphere shall apply to any interstate highway, *or to any trunk highway segment constructed or reconstructed with federal interstate substitution funds, provided that all reasonable mitigating measures are used to abate noise.*

Sec. 2. Minnesota Statutes 1982, section 222.50, subdivision 7, is amended to read:

Subd. 7. The commissioner may expend money from the rail service improvement account for the following purposes:

(a) To pay interest adjustments on loans guaranteed under the state rail user loan guarantee program;

(b) To pay a portion of the costs of capital improvement projects designed to improve rail service including construction or improvement of short segments of rail line such as side track, team track and connections between existing lines, and construction and improvement of loading, unloading, storage and transfer facilities of a rail user;

(c) To acquire, maintain, manage and dispose of railroad right-of-way pursuant to subdivision 8 and the state rail bank program;

(d) To provide for aerial photography survey of proposed and abandoned railroad tracks for the purpose of recording and reestablishing by analytical triangulation the existing alignment of the in-place track;

(e) *To pay a portion of the costs of acquiring a rail line by a regional railroad authority established pursuant to chapter 398A.*

All money derived by the commissioner from the disposition of railroad right-of-way or of any other property acquired pursuant to sections 222.46 to 222.62 shall be deposited in the (STATE) rail (BANK) service improvement account.

Sec. 3. Minnesota Statutes 1982, section 296.02, subdivision 2, is amended to read:

Subd. 2. [GASOLINE TAX IMPOSED FOR AVIATION USE.] Subject to the provisions of section 296.18, subdivision 4, there is hereby imposed an excise tax, at the (SAME) rate (PER GALLON AS THE GASOLINE EXCISE TAX,) *of five cents per gallon* on all aviation gasoline received, sold, stored, or withdrawn from storage in this state. This tax shall be payable at the times, in the manner, and by persons specified in sections 296.01 to 296.27.

Sec. 4. Minnesota Statutes 1982, section 360.063, subdivision 3, is amended to read:

Subd. 3. [JOINT AIRPORT ZONING BOARD.] (1) Where an airport is owned or controlled by a municipality and (ANY) *an* airport hazard area appertaining to (SUCH) *the* airport is located within the territorial limits of another county or municipality, the municipality owning or controlling the airport may request (ANY) *a* county or municipality in which an airport hazard area is located:

(a) To adopt and enforce airport zoning regulations for the area in question that conform to (MINIMUM) standards prescribed by the commissioner pursuant to subdivision 4; or

(b) To join in creating a joint airport zoning board pursuant to clause (2). The owning or controlling municipality shall determine which of these actions it shall request, except as provided in clause (5) for the metropolitan airports commission. The request shall be made by certified mail to the governing body of each county and municipality in which an airport hazard area is located.

(2) Where an airport is owned or controlled by a municipality and (ANY) *an* airport hazard area appertaining to (SUCH) *the* airport is located within the territorial limits of another county or municipality, the municipality owning or controlling the airport and the county or other municipality within which the airport hazard area is located may, by ordinance or resolution duly adopted, create a joint airport zoning board, which board shall have the same power to adopt, administer, and enforce airport zoning regulations applicable to the airport hazard area in question as that vested by subdivision 1 in the municipality within which (SUCH) *the* area is located. (EACH SUCH) A joint board shall have as members two representatives appointed by the municipality owning or controlling the airport and two from the county or municipality, or in case more than one county or municipality is involved two from each county or municipality, in which the airport hazard is located, and in addition a chairman elected by a majority of the members so appointed. All members shall serve at the pleasure of their respective appointing authority. Notwithstanding any other provision of law to the contrary, if the owning and controlling municipality is a city of the first class it shall appoint four members to the board, and the chairman of the board shall be elected from the membership of the board.

(3) If (ANY) *a* county or municipality, within 60 days of receiving a request from an owning or controlling municipality pursuant to clause (1), fails to adopt, or thereafter fails to enforce. (SUCH) *the* zoning regulations or fails to join in creating a joint airport zoning board, the owning or controlling municipality or a joint airport zoning board created without participa-

tion by the subdivisions which fail to join the board, may itself adopt, administer, and enforce airport zoning regulations for the airport hazard area in question. In the event of conflict between (SUCH) *the* regulations and (ANY) airport zoning regulations adopted by the county or municipality within which the airport hazard area is located, (THE REGULATIONS OF THE MUNICIPALITY OWNING OR CONTROLLING THE AIRPORT OR THE JOINT ZONING BOARD SHALL GOVERN AND PREVAIL) *section 360.064, subdivision 2, applies.*

(4) "Owning or controlling municipality," as used in this subdivision, includes:

(a) A joint airport operating board created pursuant to section 360.042 that has been granted all the powers of a municipality in zoning matters under the agreement creating the board;

(b) A joint airport operating board created pursuant to section 360.042 that has not been granted zoning powers under the agreement creating the board, provided that (SUCH A) *the* board shall not itself adopt zoning regulations nor shall (ANY) *a* joint airport zoning board created at its request adopt zoning regulations unless all municipalities that created the joint operating board join to create the joint zoning board; and

(c) The metropolitan airports commission established and operated pursuant to chapter 473.

(5) The metropolitan airports commission shall request creation of one joint airport zoning board for each airport operated under its authority.

Sec. 5. Minnesota Statutes 1982, section 360.063, subdivision 4, is amended to read:

Subd. 4. [AIRPORT APPROACH.] The commissioner may recommend an airport approach plan for each publicly owned airport in the state and for each privately owned airport of the publicly owned class and from time to time recommend revisions of (ANY SUCH) *the* plan. (EACH SUCH) *A* plan shall indicate the circumstances in which structures or trees are or would be airport hazards, the airport hazard area, and what measures should be taken to eliminate airport hazards. (HE) *The commissioner* shall prescribe (MINIMUM) airport approach and turning standards for airports of various classes, and (ALL) airport zoning regulations adopted by (ANY) *a* municipality, county, or joint airport zoning board shall conform to (SUCH MINIMUM) *the* standards, *except as provided in sections 360.065 and 360.066.*

Sec. 6. Minnesota Statutes 1982, section 360.063, subdivision 6, is amended to read:

Subd. 6. [PROCEDURE WHEN ZONING BOARD FAILS TO ACT.] If (ANY) a municipality, county, or joint airport zoning board fails to adopt within a reasonable time airport zoning regulations in accordance with the provisions of sections 360.011 to 360.076, or adopts regulations or amendments which do not conform to the (MINIMUM) standard prescribed by the commissioner, (HE) *the commissioner* may, for the protection of the public safety, adopt or supplement and from time to time as may be necessary amend, supplement, or repeal (SUCH) *the* regulations for (SUCH) *the* municipality or county until airport zoning regulations provided for in sections 360.011 to 360.076, are adopted by (SUCH) *the* municipality, county, or joint airport zoning board. (HE) *The commissioner* shall have the same powers with reference to (SUCH) *the* airport zoning regulations as are granted in sections 360.011 to 360.076, to municipalities, administrative boards, and boards of adjustment. (ANY) An action of the commissioner taken under this subdivision (SHALL BE) *is* subject to review by the courts as provided in section 360.072.

Sec. 7. Minnesota Statutes 1982, section 360.065, subdivision 2, is amended to read:

Subd. 2. [REGULATIONS SUBMITTED TO COMMISSIONER.] Prior to adopting (ANY) zoning regulations for (ANY) an airport hazard area under sections 360.011 to 360.076, the municipality, county, or joint airport zoning board which is to adopt the regulations shall submit its proposed regulations to the commissioner in order that (HE) *the commissioner* may determine whether it conforms to the (MINIMUM) standards prescribed by him. (HE) *The commissioner* shall immediately examine (SUCH) *the* proposed regulations and report to the municipality, county, or joint airport zoning board his approval, or (HIS) objections, if any. If (ANY) objections are made by him on the ground that (SUCH) *the* regulations do not conform to the (MINIMUM) standards prescribed by him for the class of airport involved, the municipality, county, or joint zoning board shall make (SUCH) amendments as are necessary to meet (SUCH) *the* objections *unless it demonstrates that the social and economic costs of restricting land uses in accordance with the standards outweigh the benefits of a strict application of the standards.* The governing body of the municipality or county or the joint airport zoning board shall not adopt the regulations or take other action until the proposed regulations are approved by the commissioner (AS CONFORMING TO SUCH MINIMUM STANDARDS). *The commissioner may approve local zoning ordinances that are more stringent than the standards.* A copy of (SUCH) *the* regulations as adopted shall be filed with the county recorder in each county in which (SUCH) *the* zoned area is located.

Substantive rights existing prior to the passage of this subdivision and (HERETOFORE) *previously* exercised (SHALL) *are not* (BE) affected by the filing of (SUCH) *the* regulations.

Sec. 8. Minnesota Statutes 1982, section 360.066, subdivision 1, is amended to read:

Subdivision 1. [REASONABLENESS.] (ALL MINIMUM) Standards of the commissioner defining airport hazard areas and the categories of uses permitted (THEREIN) and (ALL) airport zoning regulations adopted under sections 360.011 to 360.076, shall be reasonable, and none shall impose (ANY) a requirement or restriction which is not reasonably necessary to effectuate the purposes of sections 360.011 to 360.076. In determining what minimum (STANDARDS AND) airport zoning regulations may be adopted, the commissioner and (ANY) a local airport zoning authority shall consider, among other things, the character of the flying operations expected to be conducted at the airport, the location of the airport, the nature of the terrain within the airport hazard area, the existing land uses and character of the neighborhood around the airport, (AND) the uses to which the property to be zoned (IS PUT) are planned and adaptable, and the social and economic costs of restricting land uses versus the benefits derived from a strict application of the standards of the commissioner.

Sec. 9. Minnesota Statutes 1982, section 360.067, subdivision 1, is amended to read:

Subdivision 1. [PERMITS.] (1) (ANY) Airport zoning regulations adopted under sections 360.011 to 360.076, may require that a permit be obtained before (ANY) a new structure or use may be constructed or established and before (ANY) an existing use or structure may be substantially changed or substantially altered or repaired. In any event, all (SUCH) regulations shall provide that before (ANY) a nonconforming structure or tree may be replaced, substantially altered or repaired, rebuilt, allowed to grow higher, or replanted, a permit must be secured from the administrative agency authorized to administer and enforce the regulations, authorizing (SUCH) the replacement, change, or repair. No permit shall be granted that would allow the establishment or creation of an airport hazard or permit a nonconforming structure or tree or nonconforming use to be made or become higher or become a greater hazard to air navigation than it was when the applicable regulation was adopted or than it is when the application for a permit is made.

(2) Whenever the administrative agency determines that a nonconforming use or nonconforming structure or tree has been abandoned or more than 80 percent torn down, (DESTROYED,) deteriorated, or decayed: (a) no permit shall be granted that would allow (SAID) the structure or tree to exceed the applicable height limit or otherwise deviate from the zoning regulations; and (b), whether application is made for a permit under this subdivision or not, the (SAID) agency may by appropriate action compel the owner of the nonconforming structure or tree, at (HIS OWN) the owner's expense, to lower, remove, recon-

struct, or equip (SUCH) *the* object as may be necessary to conform to the regulations. If the owner of the nonconforming structure or tree (SHALL NEGLECT) *neglects* or (REFUSE) *refuses* to comply with (SUCH) *the* order for ten days after notice (THEREOF) *of the order*, the (SAID) agency may proceed to have the object (SO) lowered, removed, reconstructed, or equipped and assess the cost and expense (THEREOF) upon the object of the land (WHEREON) *where* it is or was located. Unless (SUCH) an assessment is paid within 90 days from the service of notice (THEREOF) on the agent or owner of (SUCH) *the* object or land, the sum (SHALL) *will* bear interest at the rate of eight percent per annum until paid, and shall be collected in the same manner as are general taxes.

(3) Except as provided (HEREIN) *in this subdivision*, all applications for permits shall be granted.

Sec. 10. Minnesota Statutes 1982, section 360.531, subdivision 4, is amended to read:

Subd. 4. [BASE PRICE FOR TAXATION.] For the purpose of fixing a base price for taxation from which depreciation in value at a fixed percent per annum can be counted, such price is defined as follows:

(1) The base price for taxation of an aircraft (OF WHICH A SIMILAR OR CORRESPONDING MODEL WAS BEING MANUFACTURED ON AUGUST 1 PRECEDING THE FISCAL YEAR FOR WHICH THE TAX IS LEVIED) shall be the manufacturer's list price (OF SUCH SIMILAR OR CORRESPONDING MODEL IN EFFECT ON SUCH AUGUST 1).

(2) (THE BASE PRICE FOR TAXATION OF AN AIRCRAFT OF WHICH NO SIMILAR OR CORRESPONDING MODEL WAS MANUFACTURED UNTIL AFTER SUCH AUGUST 1 SHALL BE THE MANUFACTURER'S LIST PRICE AT THE FACTORY WHEN THE AIRCRAFT TAXED WAS FIRST MANUFACTURER.)

(3) The commissioner shall have authority to fix the base value for taxation purposes of any aircraft of which no such similar or corresponding model has been manufactured (SINCE A TIME PRIOR TO SUCH AUGUST 1), and of any rebuilt or foreign aircraft, any aircraft on which a record of the list price is not available (IN HIS OFFICE), or any military aircraft converted for civilian use, using as a basis for such valuation the list price (ON SUCH AUGUST 1) of aircraft with comparable performance characteristics, and taking into consideration the age and condition of the aircraft.

Sec. 11. Minnesota Statutes 1982, section 398A.02, is amended to read:

398A.02 [PURPOSE.]

The purpose of the regional railroad authorities act is to provide a means whereby (COUNTIES) *one or more municipalities*, with state and federal aids as may be available, may provide for the preservation and improvement of local rail service for agriculture, industry, or passenger traffic when determined to be practicable and necessary for the public welfare, particularly in the case of abandonment of local rail lines.

Sec. 12. Minnesota Statutes 1982, section 398A.03, is amended to read:

398A.03 [ORGANIZATION OF AUTHORITY.]

Subdivision 1. [ORGANIZATION RESOLUTION.] A regional railroad authority may be organized by resolution or joint resolution adopted by the governing body or bodies of one or more counties (, PROVIDING AND STATING). *The governing body or bodies of a municipality or municipalities within a county or counties may request by resolution that the county or counties organize a railroad authority. If the county or counties do not organize an authority within 90 days of receipt of the request, the municipality or municipalities may organize an authority by resolution or joint resolution. A resolution organizing an authority must state:*

(a) That the authority is organized under the regional railroad authorities act as a political subdivision and local government unit of Minnesota, to exercise thereunder part of the sovereign power of the state;

(b) The name of the authority, including the words "regional railroad authority";

(c) The (COUNTY OR COUNTIES) *municipality or municipalities* adopting the organization resolution;

(d) The number of commissioners of the authority, not less than five; the number to be appointed by the governing body of each (COUNTY) *municipality*; and the names and addresses of the first board of commissioners;

(e) The (MUNICIPALITY) *city and county* in which the registered office of the authority is to be situated;

(f) That neither the state of Minnesota, the (COUNTY OR COUNTIES) *municipality or municipalities*, nor any other political subdivision is liable for obligations of the authority; and

(g) Any other provision for regulating the business of the authority determined by the governing body or bodies adopting the resolution.

Subd. 2. [HEARING.] Before final adoption of an organization resolution, the governing body of each (COUNTY) *municipality* named in it shall provide for a public hearing upon notice published in (THE OFFICIAL COUNTY) *a newspaper of general circulation in the municipality* (AND). *The notice of a hearing by the governing body of a county must be mailed to the governing body of each (MUNICIPALITY) city or town in the county, except cities and towns participating in the organization, at least 30 days before the hearing. The hearing may be adjourned from time to time, to a time and place publicly announced at the hearing, or to a time and place fixed by notice published in (THE OFFICIAL COUNTY) a newspaper of general circulation in the municipality at least ten days before the adjourned session. Joint hearing sessions may be held by the governing bodies of all (COUNTIES) municipalities named, at any convenient public place within any of the (COUNTIES) municipalities. The resolution may be amended by the governing body or bodies at or after any hearing session at which the amended resolution is proposed and made available to interested citizens. It shall not become effective until adopted in identical form by the governing bodies of all (COUNTIES) municipalities named in the resolution.*

Subd. 3. [CERTIFICATE OF INCORPORATION.] A copy of the organization resolution, certified by the recording officer of each (COUNTY) *municipality* adopting it, shall be filed with the secretary of state, who shall issue a certificate of incorporation if the resolution conforms to the requirements of this section, stating in the certificate the name of the authority and the date of its incorporation, which shall be the date of acceptance for filing. The certificate of incorporation shall be conclusive evidence of the valid organization and existence of the authority.

Subd. 4. [AMENDMENT.] The organization resolution may be amended by resolution or joint resolution of the governing bodies of all (COUNTIES) *municipalities* named in the resolution prior to amendment and the governing body of any additional (COUNTY) *municipality* named in the amendment. Each amendment shall be adopted at or after hearing upon notice as required for the organization resolution. No amendment releasing a (COUNTY) *municipality* from its obligations as a party named in the resolution shall be effective unless all covenants, agreements, mortgage liens, and other security given for bonds of the authority have been discharged and satisfied by payment or otherwise in accordance with their terms. All other amendments shall take effect upon filing with the secretary of state and issuance of an amended certificate of incorporation in the same manner as provided for the organization resolution.

Subd. 5. [BOARD OF COMMISSIONERS.] All powers granted to an authority shall be exercised by its board of commissioners. Commissioners shall be appointed and vacancies in their office shall be filled by the governing body of each (COUNTY) *municipality* named in the organization resolution, in accordance with the provisions of that resolution. The term of each commissioner shall be one year, or the remainder of the one year term for which a vacancy is filled, and until a successor is appointed. Commissioners shall receive no compensation for services but shall be reimbursed for necessary expenses incurred in the performance of their duties.

Subd. 6. [MEETINGS AND ACTIONS.] The board of commissioners shall by resolution establish the time and place or places of its regular meetings and the method and notice required for calling special meetings, all of which shall be open to the public. A majority of the commissioners being present at a meeting, any action may be taken by resolution or motion adopted by recorded vote of a majority of those present, unless a larger majority is required by bylaws adopted by the board.

Subd. 7. [OFFICERS AND EMPLOYEES.] The board of commissioners shall appoint a chairman, vice chairman, secretary, and treasurer from its members, each to serve for a term of one year and until a successor is appointed. The offices of secretary and treasurer may be combined, and deputies or assistants may be appointed for either office or the combined office, from members of the board or otherwise. The powers and duties of each office shall be determined by the board, which shall require and pay for a surety bond for each officer handling funds. The board shall provide for the keeping of a full and accurate record of all proceedings and of resolutions, regulations, and orders issued or adopted; the state auditor shall, as time and resources permit, annually audit the books of said regional railroad authority. The board may appoint an executive director and other officers, fix their compensation, and delegate to them the powers and duties, as it may determine. It may also employ, or authorize the executive director to employ, all other employees, consultants, and agents needed to perform its duties and exercise its powers. Chapter 353 shall apply to all salaried employees.

Sec. 13. Minnesota Statutes 1982, section 398A.04, subdivision 8, is amended to read:

Subd. 8. [TAXATION.] Before deciding to exercise the power to tax, the authority shall give six weeks published notice in all (COUNTIES) *municipalities* in the region. If a number of voters in the region equal to five percent of those who voted for candidates for governor at the last gubernatorial election present a petition within nine weeks of the first published notice to the secretary of state requesting that the matter be sub-

mitted to popular vote, it shall be submitted at the next general election. The question prepared shall be:

"Shall the regional rail authority have the power to impose a property tax?

Yes

No"

If a majority of those voting on the question approve or if no petition is presented within the prescribed time the authority may thereafter levy a tax at any annual rate not exceeding four mills on the assessed valuation of all taxable property situated within the (COUNTY OR COUNTIES) *municipality or municipalities* named in its organization resolution. Its recording officer shall file in the office of the county auditor of each county *in which territory under the jurisdiction of the authority is located* a certified copy of the board of commissioners' resolution levying the tax, and each county auditor shall assess and extend upon the tax rolls of *each municipality named in the organization resolution* the portion of the tax that bears the same ratio to the whole amount that the assessed valuation of taxable property in that (COUNTY) *municipality* bears to the assessed value of taxable property in all (COUNTIES) *municipalities* named in the organization resolution. Collections of the tax shall be remitted by each county treasurer to the treasurer of the authority.

Sec. 14. Minnesota Statutes 1982, section 398A.04, subdivision 9, is amended to read:

Subd. 9. [MUNICIPAL AGREEMENTS.] The authority may enter into agreements with the (COUNTY OR COUNTIES) *municipality or municipalities* named in the organization agreement, or with other municipalities situated in the counties *named in the resolution*, respecting the matters referred to in section 398A.06.

Sec. 15. Minnesota Statutes 1982, section 398A.07, subdivision 2, is amended to read:

Subd. 2. [SECURITY.] Bonds may be made payable exclusively from the revenues from one or more projects, or from one or more revenue producing contracts, or from the authority's revenues generally, *including but not limited to specified taxes which the authority may levy or which a particular municipality may agree to levy for a specified purpose*, and may be additionally secured by a pledge of any grant, subsidy, or contribution from any public agency, *including but not limited to a participating municipality*, or any income or revenues from any source. They may be secured by a mortgage or deed of trust of the whole or any part of the property of the authority. They shall

be payable solely from the revenues, funds, and property pledged or mortgaged for their payment. No commissioner, officer, employee, agent, or trustee of the authority shall be liable personally on its bonds or be subject to any personal liability or accountability by reason of their issuance. Neither the state nor a county or other municipality except the authority may pledge its faith and credit or taxing power or shall be obligated in any manner for the payment of the bonds or interest on them, *except as specifically provided by agreement under section 398A.06*; but nothing herein shall affect the obligation of the state or municipality to perform any contract made by it with the authority, and when the authority's rights under a contract with the state or a municipality are pledged by the authority for the security of its bonds, the holders or a bond trustee may enforce the rights as a third party beneficiary. All bonds shall be negotiable within the meaning and for the purposes of the uniform commercial code, subject only to any registration requirement.

Sec. 16. Laws 1980, chapter 610, section 1, as amended by Laws 1981, chapter 338, section 8, is amended to read:

Section 1. [RAILROAD ASSISTANCE; APPROPRIATION.]

The sum of \$13,500,000 is appropriated from the state transportation fund to the rail service improvement account in the special revenue fund to be expended by the commissioner of transportation for the (ACQUISITION AND BETTERMENT OF PUBLIC LAND AND BUILDINGS AND PUBLIC IMPROVEMENTS OF A CAPITAL NATURE DETERMINED TO BE NEEDED FOR PRESERVATION IN THE STATE RAIL BANK IN THE MANNER AND FOR THE) purposes specified in Minnesota Statutes, sections (222.50, SUBDIVISION 7, CLAUSE (C) AND 222.63) 222.49 to 222.63.

Sec. 17. [WASHINGTON COUNTY LIBRARY BONDS.]

Subdivision 1. The Washington county board may levy a tax of not more than three-fourths of a mill on taxable property within the county outside of any city in which is situated a free public city library, to acquire, better, and construct county library buildings and to pay principal and interest on bonds issued for that purpose. The tax shall be disregarded in the calculation of levies or limits on levies provided by Minnesota Statutes, sections 275.50 to 275.56, or other law.

Subd. 2. The Washington county board may, by resolution, issue and sell general obligation bonds of the county in the amount of \$1,500,000 in the manner provided in Minnesota Statutes, chapter 475, to acquire, better, and construct county library buildings. The bonds shall not be subject to the requirements of Minnesota Statutes, sections 475.57 to 475.59. The maturity

years and amounts and interest rates of each series of bonds shall be fixed so that the maximum amount of principal and interest to become due in any year, on the bonds of all outstanding series issued by the county pursuant to this section, shall not exceed an amount equal to three-fourths of a mill times the assessed value of all taxable property in the county, which was not taxed in 1981 by any city for the support of any free public city library, as last finally equalized before the issuance of the series. When the tax authorized by subdivision 1 is collected, it shall be appropriated and credited to a debt service fund for the bonds. The tax levy for the debt service fund under Minnesota Statutes, section 475.61, shall be reduced by the amount available or reasonably anticipated to be available in the fund to make payments otherwise payable from the levy pursuant to section 475.61.

Subd. 3. This section takes effect the day after the filing of a certificate of local approval by the Washington county board in compliance with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 18. [RESTRICTIONS ON CERTAIN AIRPORTS.]

The metropolitan airports commission shall conduct the public hearings on the draft master plan for the Anoka county-Blaine airport by July 1, 1983. By September 1, 1983, following such revisions as the commission deems appropriate, the commission shall submit the draft master plan to the metropolitan council for review and approval. The review procedure shall be conducted by the council and the commission in a manner consistent with the completion of the proceedings, including any modifications required by the council, and the approval by the council and adoption by the commission of a final master plan by December 1, 1983.

Sec. 19. [EFFECTIVE DATE.]

Sections 1, 2, and 4 to 18 are effective the day following final enactment. Section 3 is effective July 1, 1983, for aviation gasoline sold on and after that date."

Delete the title and insert:

"A bill for an act relating to public services; authorizing the commissioner to expend money for railroad acquisition by a regional railroad authority; changing the tax paid on aviation gasoline; modifying requirements for compliance with standards for zoning ordinances for municipal airports; modifying the regional railroad authority act to allow municipalities to form regional railroad authorities; allowing the expenditure of certain state funds for railroad improvement and acquisition; providing an aircraft base price for taxation purposes; authorizing Wash-

ington county library bonds; providing for a plan for the Anoka county-Blaine Airport; amending Minnesota Statutes 1982, sections 161.125, subdivision 1; 222.50, subdivision 7; 296.02, subdivision 2; 360.063, subdivisions 3, 4, and 6; 360.065, subdivision 2; 360.066, subdivision 1; 360.067, subdivision 1; 360.531, subdivision 4; 398A.02; 398A.03; 398A.04, subdivisions 8 and 9; 398A.07, subdivision 2; and Laws 1980, chapter 610, section 1, as amended."

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

House Conferees: GLEN H. ANDERSON, DANIEL J. KNUTH and WILLIAM SCHREIBER.

Senate Conferees: GARY M. DECramer and STEVEN G. NOVAK.

Anderson, G., moved that the report of the Conference Committee on H. F. No. 657 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 657, A bill for an act relating to transportation; authorizing the commissioner to expend money for railroad acquisition by a regional railroad authority; modifying requirements for compliance with standards for zoning ordinances for municipal airports; modifying the regional railroad authority act to allow municipalities to form regional railroad authorities; allowing the expenditure of certain state funds for railroad improvement and acquisition; providing an aircraft base price for taxation purposes; amending Minnesota Statutes 1982, sections 222.50, subdivision 7; 360.063, subdivisions 3, 4, and 6; 360.065, subdivision 2; 360.066, subdivision 1; 360.067, subdivision 1; 360.531, subdivision 4; 398A.02; 398A.03; 398A.04, subdivisions 8 and 9; 398A.07, subdivision 2; and Laws 1980, chapter 610, section 1, as amended.

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

The question was taken on the repassage of the bill and the roll was called. There were 117 yeas and 10 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Brandl	DenOuden	Gustafson	Kelly
Anderson, G.	Brinkman	Dimler	Gutknecht	Knickerbocker
Anderson, R.	Burger	Eken	Haukoos	Knuth
Battaglia	Carlson, D.	Ellingson	Heap	Kostohryz
Beard	Carlson, L.	Erickson	Heinritz	Krueger
Begich	Clark, J.	Evans	Himle	Kvam
Bennett	Clark, K.	Findlay	Hoffman	Larsen
Bergstrom	Clawson	Fjoslien	Jacobs	Levi
Berkelman	Cohen	Graba	Jensen	Long
Bishop	Coleman	Greenfield	Johnson	Mann
Blatz	Dempsey	Gruenes	Kalis	Marsh

McEachern	Osthoff	Rodosovich	Shea	Vanasek
McKasy	Otis	Rodriguez, C.	Sherman	Vellenga
Metzen	Pauly	Rodriguez, F.	Simoneau	Voss
Minne	Peterson	Rose	Skoglund	Waltman
Munger	Piepho	St. Onge	Solberg	Welch
Murphy	Piper	Sarna	Sparby	Welker
Nelson, K.	Price	Schafer	Stadum	Welle
Neuenschwander	Quinn	Scheid	Staten	Wenzel
Norton	Quist	Schoenfeld	Sviggum	Wynia
O'Connor	Redalen	Schreiber	Swanson	Speaker Sieben
Ogren	Reif	Seaberg	Tomlinson	
Omann	Rice	Segal	Uphus	
Onnen	Riveness	Shaver	Valan	

Those who voted in the negative were:

Forsythe	Hokr	Ludeman	Thiede	Wigley
Frerichs	Jennings	Olsen	Valento	Zaffke

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

The Speaker resumed the Chair.

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

RECESS

RECONVENED

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

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 559:

Schoenfeld, Dempsey and Vanasek.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 449:

Carlson, L.; Osthoff; Metzen; Minne and Kostohryz.

MESSAGES FROM THE SENATE, Continued

Mr. Speaker:

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

S. F. No. 1234.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee.

Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 1234

A bill for an act relating to the organization and operation of state government; appropriating money for welfare, corrections, health, and other purposes with certain conditions; providing appropriations for the departments of public welfare, economic security, corrections, health, sentencing guidelines commission, corrections ombudsman, and health related boards; providing an entitlement to certain child care services; increasing marriage license and dissolution fees; providing for distribution of federal maternal and child health block grant money; requiring cost increase limits and other cost containment measures in medical care programs; amending eligibility standards; changing general assistance to allow flat grants, employment through grant diversion and work registration requirements, and federal benefit application incentives; providing for job training for certain persons; amending Minnesota Statutes 1982, sections 129A.03; 144.653, subdivision 2; 144A.04, subdivision 5; 144A.10, subdivision 2; 145.882; 145.921, subdivision 1; 245.62; 245.66; 245.83; 245.84, subdivisions 1, 2, and 5; 245.85; 245.86; 245.87; 256.045, subdivision 3; 256.82, by adding a subdivision; 256.966, subdivision 1; 256.968; 256B.02, subdivision 8; 256B.04, subdivision 14, and by adding a subdivision; 256B.06, subdivision 1; 256B.07; 256B.14, subdivision 2; 256B.17, subdivision 4, and by adding subdivisions; 256B.27, subdivision 3; 256B.48, by adding a subdivision; 256D.01, subdivision 1; 256D.02, subdivision 4; 256D.03, subdivisions 3 and 4, and by adding subdivisions; 256D.05, subdivision 1a; 256D.06, subdivision 5; 256D.09, subdivision 2, and by adding a subdivision; 260.191, subdivision 2; 260.242, subdivision 2; 261.23; 357.021, subdivisions 2 and 2a; 401.14, by adding a subdivision; 401.15, subdivision 1; 517.08, subdivisions 1b and 1c; proposing new law coded in Minnesota Statutes, chapters 145; 252; 256; 256B; 256D; and 268; repealing Minnesota Statutes 1982, sections 256D.02, subdivision 14; 256D.05, subdivision 1a; 256D.06, subdivision 1a; 256D.22; and Laws 1981, chapter 360, article II, section 54, as amended.

May 23, 1983

The Honorable Jerome M. Hughes
President of the Senate

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

We, the undersigned conferees for S. F. No. 1234, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 1234 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. [WELFARE, CORRECTIONS, HEALTH; APPROPRIATIONS.]

The sums set forth in the columns designated "APPROPRIATIONS" are appropriated from the general fund, or any other fund designated, to the agencies and for the purposes specified in the following sections of this act, to be available for the fiscal years indicated for each purpose. The figures "1984," and "1985," wherever used in this act, mean that the appropriation or appropriations listed thereunder shall be available for the year ending June 30, 1984, or June 30, 1985, respectively.

SUMMARY BY FUND

	1984	1985	TOTAL
General	\$958,190,700	\$939,228,200	\$1,897,418,900
Trunk Highway	\$ 386,000	\$ 389,700	\$ 775,700
Total	\$958,576,700	\$939,617,900	\$1,898,194,600

APPROPRIATIONS Available for the Year Ending June 30,

	1984	1985
\$		\$

Sec. 2. COMMISSIONER OF PUBLIC WELFARE

Subdivision 1. Total Department Appropriation	738,072,000	807,888,100
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The amounts that may be expended from this appropriation for each program and activity are more specifically described in the following subdivisions of this section.

	1984	1985
	\$	\$

Positions and administrative money may be transferred within the department of public welfare as deemed necessary by the commissioner, upon the advance approval of the commissioner of finance.

Subd. 2. Welfare Management	1,334,000	1,342,800
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Estimated federal money to be deposited in the general fund that is earned by the various accounts of the department of public welfare is detailed on the worksheets of the conferees of the senate and house of representatives, a true copy of which is on file in the office of the commissioner of finance. If federal money anticipated is less than shown on the official worksheets, the commissioner of finance shall reduce the amount available from the specific appropriation by a like amount. The reductions shall be noted in the budget document submitted to the 74th legislature in addition to an estimate of similar federal money anticipated for the 1985-1987 biennium.

Subd. 3. Support Services	9,537,500	9,749,700
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The provisions of section 256D.22 are suspended for the biennium ending June 30, 1985.

Subd. 4. Social Services	67,233,400	70,341,300
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The amounts that may be expended from this appropriation for each activity are as follows:

Community Social Services Subsidies

\$ 54,862,200 \$ 57,775,100

Effective January 1, 1984, the commissioner of public welfare shall include in the community social service subsidies, the money authorized by this appropriation for purposes of providing semi-independent living services pursuant to

	1984	1985
	\$	\$

12 MCAR 2.023. In calendar years 1984 and 1985, the county board shall not reduce the funding provided in calendar year 1983 for community services for the mentally retarded as authorized in the official worksheets of the house and senate conference committee for Laws 1981, chapter 360, except the amount of money for mentally retarded persons eligible for medical assistance.

Notwithstanding the provisions of chapter 256E, a county board may delegate to a county welfare board established pursuant to Minnesota Statutes, chapter 393, authority to provide or approve contracts for the purchase of the kinds of community social services that were provided or contracted for by the county welfare boards prior to the enactment of Laws 1979, chapter 324. Designation of the method for providing citizen participation in the planning process, final approval of the community social services plan and the distribution of community social services money shall be the responsibility of the county board.

The payments for the community social services subsidy for each county shall be based upon the formula in effect for calendar year 1983. In addition the amount available for each county shall be increased by five percent on January 1, 1984 for calendar year 1984 and by five percent on January 1, 1985 for the first six months of 1985. No county shall receive less than the amount received in 1981; however, this appropriation shall be prorated if the amount is insufficient.

Aging, Blind, and Deaf Services

\$ 6,517,000 \$ 6,546,500

Social Services Support

\$ 5,854,200 \$ 6,019,700

	1984	1985
\$		\$

This appropriation includes the sum of \$30,000 in fiscal year 1984 for the purpose of providing a grant-in-aid to The Bridge for Runaway Youth, Inc. for expenses related to a program which offered support for teenage women who wish to stop their involvement in prostitution and short-term residence and support for teenage runaways.

This is the final and nonrecurring appropriation for The Bridge for Runaway Youths, Inc.

Subd. 5. Income Maintenance	484,668,800	552,503,000
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The amounts that may be expended from this appropriation for each activity are as follows:

Aid to Families with Dependent Children, General Assistance, Minnesota Supplemental Assistance

\$139,349,000	\$153,970,600
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If the appropriation for aid to families with dependent children, general assistance, and Minnesota supplemental assistance is insufficient for either year, the appropriation for the other year shall be available by direction of the governor after consulting with the legislative advisory commission.

During the biennium ending June 30, 1985, the commissioner of public welfare shall provide supplementary grants, not to exceed \$150,000 per year, for aid to families with dependent children and shall include the following costs in determining the amount of the supplementary grants: major home repairs, repair of major home appliances, utility recaps, supplementary dietary needs not covered by medical assistance, and replacement of essential household furnishings and essential major appliances.

1984

1985

\$

\$

In determining the amount of the aid to families with dependent children grants, the commissioner of public welfare shall effect a five percent increase on July 1, 1983, and a five percent increase on July 1, 1984, unless federal statute or regulation requires otherwise.

Medical Assistance, General Assistance Medical Care and Preadmission Screening

\$330,651,400 \$383,554,100

Notwithstanding any law requiring deposit of receipts in the general fund, all receipts from collection efforts for the state hospitals and state nursing homes shall be deposited in the medical assistance account and are appropriated for that purpose. The commissioner shall make changes in the departmental financial reporting systems and internal accounting procedures as necessary to ensure compliance with federal standards for reimbursement for program and administrative expenditures and to fulfill the purpose of this paragraph.

The maximum monthly payment for attendant care shall be adjusted to \$1,080 per month effective July 1, 1983.

If the appropriation for medical assistance and general assistance medical care is insufficient for either year, the appropriation for the other year shall be available by direction of the governor after consulting with the legislative advisory commission.

The catastrophic health expense protection program is suspended for the fiscal year ending June 30, 1984.

To determine eligibility for medical assistance the commissioner shall disregard: (1) from July 1 to December 31, 1983, 23 percent; (2) from January

	1984	1985
\$		\$

1 to December 31, 1984, 25 percent; and (3) from January 1 to June 30, 1985, 28 percent of the income from retired, survivor's, and disability insurance benefits, veterans' administration benefits, and railroad retirement benefits. If this disregard is disallowed by the federal government and the waiver application denied, the commissioner shall disregard the increase for social security and supplemental security income recipients as provided under Minnesota Statutes 1982, section 256B.06, subdivision 1, paragraph 10.

Income Maintenance Support

\$ 14,668,400	\$ 14,978,300
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For the child support enforcement activity, during the biennium ending June 30, 1985, sums received from the counties for providing data processing services shall be deposited in that activity's account. Those sums are appropriated to the commissioner of public welfare for the purposes of the child support enforcement activity.

In determining the income contribution of parents of children in out-of-home placement, the state agency shall use the standard set forth in 12 MCAR 2.027 until the promulgation of the rules required by section 256B.14, subdivision 2.

Subd. 6. Mental Health	175,298,300	173,951,300
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Any federal money received in excess of the estimates shown in the 1983 department of public welfare budget document shall reduce the state appropriation available by a like dollar amount, unless otherwise directed by the governor, after he has consulted with the legislative advisory commission.

	1984	1985
	\$	\$

The amounts that may be expended from this appropriation for each activity are as follows:

State Hospitals

Approved Complement—5447

Salaries

\$127,700,000 \$128,100,000

Of the 110 additional positions authorized under this appropriation, at least 55 shall be human services technician positions. Human services technician positions shall not be converted to other positions.

Current Expense

\$ 14,900,000 \$ 15,500,000

Repairs and Betterments

\$ 2,088,900

Special Equipment

\$ 639,800

Nursing Homes

Approved Complement

July 1, 1983 July 1, 1984

616.5 605.5

Salaries

\$ 13,900,000 \$ 13,664,900

This appropriation includes \$242,700 in fiscal year 1984 for the purpose of operating an experimental project for chronically chemically dependent people

1984

1985

\$

\$

at Ah Gwah Ching state nursing home. The commissioner of public welfare shall augment the program with federal money and any additional money provided through shared service agreements pursuant to Minnesota Statutes 1982, section 246.57, after the amount of the state appropriation has been recovered and deposited in the medical assistance account.

The commissioner shall maintain records of the operations of this project, evaluate the efficiency and effectiveness of the treatment program, and report back to the legislature during the 1984 session on the amount deposited to the medical assistance account from the shared service agreements and the necessity and viability of operating this project in the future.

Current Expense

\$ 1,950,000 \$ 2,050,000

Repairs and Betterments

\$ 224,100

Special Equipment

\$ 69,400

Mental Health Support

\$ 13,826,100 \$ 14,636,400

Any unexpended balance remaining in the first year for special equipment and repairs and betterments does not cancel but is available for the second year of the biennium.

If earnings under the various shared services agreements authorized are less than appropriated, the appropriation shall be reduced by a like dollar amount. If any shared service agreement is re-

	1984	1985
\$		\$

duced or terminated, the approved complement related to that shared service agreement shall be reduced accordingly.

Notwithstanding the provisions of sections 275.50 to 275.58 or any other law to the contrary, a county which transferred monies from its general revenue account to the public assistance administrative account prior to May 1, 1983, to cover 1983 expenditures, may transfer without penalty from the special levy accounts delineated in section 275.50, subdivision 5, clauses (c) and (d), to the account for public assistance administration, an amount not to exceed the total amount originally transferred from the general revenue account. The transfer of this sum may occur over a period of time to include calendar years 1983, 1984, and 1985.

Sec. 3. COMMISSIONER OF ECONOMIC SECURITY

Subdivision 1. Total Department Appropriation	113,835,400	25,205,200
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The amounts that may be expended from this appropriation for each program are more specifically described in the following subdivisions of this section.

Subd. 2. Jobs Program

\$ 70,000,000

Any unexpended balance remaining in the first year for the Minnesota emergency employment development program does not cancel but is available for the second year of the biennium. To the extent permissible under federal and state law, the commissioner shall use money available from the federal government and the private sector to fund the program.

	1984	1985
	\$	\$

Subd. 3. Special Allowances

\$ 19,000,000

Any unexpended balance remaining in the first year for special allowances does not cancel but is available for the second year of the biennium.

Subd. 4. Job Service

\$ 4,634,900 \$ 3,134,900

The commissioner may expend up to one percent of the appropriation for each fiscal year for the department's administrative costs and for program operators' administrative costs.

Of the money appropriated for the summer youth program for fiscal year 1984, \$750,000 is immediately available. If that amount is insufficient for the costs incurred, an additional amount may be transferred upon the advance approval of the commissioner of finance. Any unexpended balance of the immediately available money shall be available for the year in which it is appropriated. Contracts for the calendar year 1983 program shall be written for the entire period of the calendar year 1983 program.

Subd. 5. Vocational Rehabilitation Services

\$ 15,063,100 \$ 16,428,300

Money received from workers' compensation carriers for vocational rehabilitation services to injured workers shall be deposited in the general fund.

Long-term sheltered workshops that receive funding through the department of economic security for long-term sheltered work operations shall: (a) provide sheltered workers a grievance procedure

	1984	1985
\$		\$

having final and binding arbitration before a neutral third party mutually acceptable to the parties involved as the final step; (b) provide long-term sheltered workers with fundamental personnel benefits including, but not limited to, paid sick, vacation, and holiday leave; and (c) provide to workers wages certified pursuant to the sub-minimum wage provisions of the Fair Labor Standards Act, United States Code, title 29, sections 201 to 219, as amended through December 31, 1982, that are proportionately commensurate to prevailing wages in the vicinity for similar jobs. Beginning in January, 1984, the commissioner of economic security shall annually provide a report to the chairs of the house appropriations and senate finance committees on the operation of the long-term sheltered workshops including information on compliance with these requirements.

Subd. 6. Training and Community Services

\$ 4,587,400 \$ 5,642,000

If the appropriation for either year of the weatherization program is insufficient, the appropriation from the other year is available for the program.

Subd. 7. Program and Management Support

\$ 550,000

The appropriation for the displaced homemaker program includes money for the purpose of making grants to programs to provide employment, training, and support services to displaced homemakers.

This appropriation includes \$550,000 for article 6, for the biennium. Any unexpended balance remaining in the

	1984	1985
\$		\$

first year does not cancel, but is available for the second year.

Sec. 4. COMMISSIONER OF CORRECTIONS

Subdivision 1. Total Department Appropriation	78,253,200	79,205,900
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The amounts that may be expended from the appropriation for each program and activity are more specifically described in the following subdivisions of this section.

Positions and administrative money may be transferred within the department of corrections as deemed necessary by the commissioner, upon the advance approval of the commissioner of finance.

Subd. 2. Management Services	1,865,500	1,888,000
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No new positions eligible for county probation reimbursement under this activity shall be added by any county without the written approval of the commissioner of corrections.

When new positions are approved, the commissioner shall include the cost of those positions in calculating each county's share.

The commissioner of corrections, working with other appropriate state agencies and legislative staff, shall evaluate and study the feasibility of encouraging the private sector to construct a women's correctional facility at Shakopee to be leased by the state of Minnesota with an option to purchase after an agreed upon period of years. This report shall include a comparative study of the fiscal implications of a leased/purchased plan versus the traditional construction approach utilizing the bonding process. The commissioner may submit requests for proposals to develop

	1984	1985
	\$	\$

the necessary information required to make the comparative study. The new proposed facility must be designed to meet the program needs of the commissioner of corrections.

The commissioner shall report his findings to the chairs of the appropriate legislative committees in January, 1984.

Subd. 3. Policy and Planning	1,368,700	1,505,100
Subd. 4. Community Services	21,076,100	20,239,300

The amounts that may be expended from this appropriation for each activity are as follows:

Support

\$ 8,506,300 \$ 8,717,000

Community Corrections Act

\$ 12,569,800 \$ 11,522,300

Notwithstanding the provisions of chapter 401, no county or group of counties participating in the community corrections act shall be charged any per diem cost of confinement for adults sentenced to the commissioner of corrections for crimes committed on or after January 1, 1981.

The commissioner of corrections may authorize the use of a percentage of a grant for the operation of an emergency shelter or make a separate grant for the rehabilitation of any facility owned by the grantee and used as a shelter to bring the facility into compliance with state and local laws pertaining to health, fire, and safety and to provide security.

Subd. 5. Correctional Institutions	53,942,900	55,573,500
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	1984	1985
	\$	\$
Salaries		
	\$ 41,392,100	\$ 42,541,800
Current Expense		
	\$ 8,575,700	\$ 8,986,400
Repairs and Betterments		
	\$ 569,600	\$ 531,100
Special Equipment		
	\$ 171,200	\$ 180,100

Any unexpended balances in special equipment, and repairs and betterments, and industry remaining in the first year does not cancel but is available for the second year of the biennium.

Notwithstanding section 15.059, subdivisions 5 and 6 or any other law to the contrary, the advisory task force on battered women established under Minnesota Statutes 1982, section 241.64, and the advisory task force on the woman offender established under Minnesota Statutes 1982, section 241.71 are continued in effect for the biennium ending June 30, 1985.

The commissioner of corrections is authorized to enter into an agreement with the appropriate Wisconsin officials for housing Wisconsin prisoners in Minnesota correctional institutions. Money received from Wisconsin pursuant to the contract is appropriated to the commissioner of corrections for the purpose of operating MCF-Oak Park Heights and reimbursing MCF-Stillwater and MCF-St. Cloud for the cost of Wisconsin inmate care. Any unexpended balances within correctional institutions in current expense and salaries remaining in the first year does not cancel but is available for the second year of the

	1984	1985
	\$	\$

biennium if receipt projections in the first year show a deficit for the biennium.

Institution Support

\$ 3,234,300 \$ 3,334,100

Sec. 5. SENTENCING GUIDELINES COMMISSION

Salaries, Supplies, and Expense	154,000	145,000
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Sec. 6. CORRECTIONS OMBUDSMAN

Salaries, Supplies, and Expense	270,000	272,100
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Sec. 7. COMMISSIONER OF HEALTH

Subdivision 1. Total Department Appropriation	25,002,600	24,685,900
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Of this appropriation \$386,000 for fiscal year 1984 and \$389,700 for fiscal year 1985 are appropriated from the trunk highway fund for emergency medical services activities.

The amounts that may be expended from this appropriation for each program and activity are more specifically described in the following subdivisions of this section.

Positions and administrative money may be transferred within the department of health as deemed necessary by the commissioner, upon the advance approval of the commissioner of finance.

Notwithstanding the provisions of section 144.145, the commissioner of health may enter into an agreement with the city of Brainerd to provide an alternate dental health plan. If the com-

	1984	1985
\$	\$	

missioner, in consultation with the governor, approves the plan and the city provides the plan in accordance with the agreement, the city of Brainerd is exempt from the provisions of section 144.145 for the duration of the agreement.

Subd. 2. Preventive and Personal Health Services	8,827,200	9,205,100
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Notwithstanding any law to the contrary, the commissioner of health shall charge a fee of not less than \$5 for medical laboratory services.

The commissioner of health may charge a fee for voluntary certification of medical laboratories and environmental laboratories. The fee may be established without complying with chapter 14.

The commissioner of health may charge fees for environmental and medical laboratory services in amounts approximately equal to the costs of providing the services. The fees may be established without complying with chapter 14.

The commissioner of health shall conduct a study and evaluation of lead exposure and the health effects on children. The commissioner shall report the findings of the study to the legislature by February 1, 1984.

Subd. 3. Health Systems Quality Assurance	1,930,600	1,947,900
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The commissioner of health shall require a fee of \$1,000 prior to undertaking a study of a human service occupation under section 214.13.

The fee shall be imposed on an applicant group at the time the application is filed with the commissioner. The fee

	1984	1985
	\$	\$

shall be deposited to the general fund and if the application is accepted it is not refundable.

Subd. 4. Health Support Services	14,244,800	13,532,900
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The amounts that may be expended from this appropriation for each activity are as follows:

General Support

\$ 3,362,100	\$ 3,414,100
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Community Health Services Subsidy

\$ 10,882,700	\$ 10,118,800
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For the purposes of the community health services subsidy, the commissioner of finance may authorize the transfer of money to the community health services activity from the other programs in this section.

The payments for the community health services subsidy for each county shall be based upon the formula in effect in fiscal year 1983 except that the amount available for each county shall be increased by five percent each year of the biennium ending June 30, 1985, and be based upon the data used in arriving at the appropriation.

No county, city, group of cities, or group of counties shall receive less than the amount received in 1981; however, this appropriation shall be prorated if the amount is insufficient.

If the appropriation for community health services or services to children with handicaps is insufficient for either year, the appropriation for the other year shall be available by direction of the governor after consulting with the legislative advisory commission.

	1984	1985
	\$	\$

For the purposes of the community health services subsidy, the commissioner shall include public school swimming pool sanitation and safety within the definition of environmental health services.

Sec. 8. HEALTH RELATED BOARDS

Subdivision 1. Board of Chiropractic Examiners	87,900	89,400
Subd. 2. Board of Dentistry	256,700	263,500
Subd. 3. Board of Medical Examiners	421,300	414,300
Subd. 4. Board of Nursing	766,400	783,100
Subd. 5. Board of Examiners for Nursing Home Administrators	105,500	107,400
Subd. 6. Board of Optometry	48,300	49,600
Subd. 7. Board of Pharmacy	327,900	327,400
Subd. 8. Board of Podiatry	5,800	6,000
Subd. 9. Board of Psychology	104,000	107,200
Subd. 10. Board of Veterinary Medicine	65,700	67,800

The commissioner of finance shall not permit the allotment, encumbrance, or expenditure of any money appropriated in this section in excess of the anticipated biennial revenues from fees collected by the boards.

Neither this provision nor section 214.06 shall apply to transfers from the general contingent account, if the amount transferred does not exceed the amount of surplus revenue accumulated during the previous five years.

	1984	1985
\$		\$

Sec. 9. CONTINGENT FOR STATE INSTITUTIONS	500,000
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This appropriation shall be used for emergency purposes and for the purchase of food, clothing, drugs, utilities, and fuel for any of the institutions for which an appropriation is made in this act. No expenditure shall be made from this appropriation without the direction of the governor after consultation with the legislative advisory commission.

Any unexpended balance remaining in the first year does not cancel but is available for the second year of the biennium.

The allowance for food may be adjusted annually according to the United States department of labor, bureau of labor statistics publication wholesale price index, upon the approval of the governor. Adjustments shall be based on the June, 1983, wholesale food price index, but the adjustment shall be prorated if the wholesale food price index adjustment would require money in excess of this appropriation.

Sec. 10. SPECIAL CONTINGENT	300,000
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This appropriation is available for use by the commissioner of public welfare to match federal money from the home and community based waiver under United States Code, title 42, section 1396n(c), as amended through December 31, 1982, for costs to establish a client information system and for positions to administer the mental retardation program. This appropriation shall only be expended with the governor's approval after consultation with the legislative advisory commission under section 3.30. This money is not available to the commissioner if the home and community based waiver application is not approved by June 30, 1984.

Sec. 11. [FEDERAL RECEIPTS.]

For the (FISCAL) biennium ending June 30, 1985 federal receipts as shown in the biennial budget document or in working papers of the two appropriations committees to be used for financing activities, programs, and projects under the supervision and jurisdiction of the commissioner of public welfare as (APPROVED) indicated in Article 1, section 10 and Article 5, (SECTION) sections 9 and 12 shall be accredited to and become a part of the appropriations provided for in section 2.

Sec. 12. [PROVISIONS.]

For the biennium ending June 30, 1985, money appropriated to the commissioner of corrections and the commissioner of public welfare under this act for the purchase of provisions within the item "current expense" shall be used solely for that purpose. Any money so provided and not used for purchase of provisions shall be canceled into the fund from which appropriated, except that money so provided and not used for the purchase of provisions because of population decreases may be transferred and used for the purchase of medical and hospital supplies with the approval of the governor after consulting with the legislative advisory commission.

Sec. 13. [TRANSFERS OF MONEY.]

Subdivision 1. [GOVERNOR'S APPROVAL REQUIRED.] For the biennium ending June 30, 1985, the commissioner of public welfare, the commissioner of corrections, the commissioner of economic security, and the commissioner of health shall not transfer any money to or from the object of expenditure personal services to or from the object of expenditure claims and grants, as shown on the official worksheets of the conferees of the senate and house of representatives, a true copy of which is on file in the office of the commissioner of finance, except as provided in article 8, section 16 and for services for the blind and for those transfers that have the written approval of the governor after consulting with the legislative advisory commission.

Subd. 2. [TRANSFERS OF UNOBLIGATED APPROPRIATIONS.] For the biennium ending June 30, 1985, the commissioners of public welfare, corrections, and health by direction of the governor after consulting with the legislative advisory commission may transfer unobligated appropriation balances and positions among all programs.

Sec. 14. [APPROVED COMPLEMENT.]

For the biennium ending June 30, 1985, the approved complements indicated in this act are full-time equivalent positions and

apply only to positions paid for with money appropriated by this act.

Additional employees over the number of the approved complement may be employed on the basis of public necessity or emergency with the written approval of the governor, but the governor shall not approve the additional personnel until he has consulted with the legislative advisory commission. Any requests for increases in the approved complement shall be forwarded to the appropriate committees on finance of the legislature not less than 30 days prior to the legislative advisory commission meeting.

Sec. 15. Minnesota Statutes 1982, section 129A.03, is amended to read:

129A.03 [POWERS AND DUTIES.]

The commissioner shall:

(a) Develop and administer the long-term sheltered workshops and work activity programs and perform the duties as specified in section 129A.08;

(b) Provide vocational rehabilitation services such as (, BUT NOT LIMITED TO,): diagnostic and related services incidental to (THE) determination of eligibility for services to be provided, (WHICH SERVICES MAY INCLUDE) *including* medical diagnosis and vocational diagnosis; vocational counseling, training and instruction, including personal adjustment training; physical restoration, including corrective surgery, therapeutic treatment, hospitalization and prosthetic devices, all of which shall be (SECURED) *obtained* from appropriate established agencies; transportation; occupational and business licenses or permits, customary tools and equipment, maintenance, books, supplies and training materials; initial stocks and supplies; placement; (THE) acquisition of vending stands or other equipment, initial stocks and supplies for small business enterprises; supervision and management of small business enterprises, merchandising programs or services rendered by severely disabled persons; (THE) establishment, improvement, maintenance or extension of public and other non-profit rehabilitation facilities, centers, workshops, demonstration projects and research. These services shall be provided for handicapped persons in the state whose capacity to earn a living has in any way been destroyed or impaired through industrial accident or otherwise (, PROVIDED THAT SUCH); *these* persons (SHALL BE) *are* entitled to free choice of vendor for any medical or dental services (THUS) *provided under this paragraph;*

(c) Formulate plans of cooperation with the commissioner of labor and industry (WITH REFERENCE TO) *for* providing

services to workers covered under the workers' compensation act. Those plans (SHALL BE) *are* effective only (WHEN) *if* approved by the governor;

(d) Maintain a contractual relationship with the United States as authorized by the act of congress approved September 1, 1954, known as the "Social Security Amendments of 1954," (BEING) Public Law 761, Section 221, and the act approved October 30, 1972, known as the Social Security Amendments of 1972. (BEING) Public Law 92-603, and subsequent amendments (THERETO, IN WHICH AGREEMENT). *Under the contract*, the state will undertake to make determinations referred to in those public laws with respect to all individuals in Minnesota, or with respect to (SUCH) *a* class or classes of individuals in this state (AS MAY BE) *that is* designated in the agreement at the state's request (, IT BEING). *It is* the purpose of this relationship to permit the citizens of this state to obtain all benefits available under federal law;

(e) Provide an in-service training program for department employees by paying for (THE) *its* direct costs (THEREOF) with state and federal funds;

(f) Conduct research and demonstration projects; provide training and instruction, including (THE) establishment and maintenance of research fellowships and traineeships, along with all necessary stipends and allowances; disseminate information to the handicapped and general public; and provide technical assistance relating to vocational rehabilitation;

(g) Receive and disburse pursuant to law (FUNDS) *money* and gifts available from governmental and private sources for the purpose of vocational rehabilitation;

(h) Design all state plans of vocational rehabilitation services required as a condition to the receipt and disbursement of any (FUNDS) *money* available from the federal government;

(i) Cooperate with other public or private agencies or organizations for the purpose of vocational rehabilitation. *Money received from school districts, governmental subdivisions, mental health centers or boards, and private nonprofit organizations is appropriated to the commissioner for conducting joint or co-operative vocational rehabilitation programs;*

(j) Enter into contractual arrangements with instrumentalities of federal, state, or local government and with private individuals, organizations, agencies or facilities with respect to providing vocational rehabilitation services;

(k) Take other actions required by state and federal legislation relating to vocational rehabilitation and disability determination programs.

(l) Hire (THE) staff and arrange (FOR THE PROVISION OF) services and facilities necessary to perform the duties and powers specified in this section; and

(m) Adopt, amend, suspend or repeal rules necessary to implement or make specific programs (WHICH) that the commissioner by sections 129A.01 to 129A.09 is empowered to administer.

Sec. 16. Minnesota Statutes 1982, section 144.653, subdivision 2, is amended to read:

Subd. 2. [PERIODIC INSPECTION.] All facilities required to be licensed under the provisions of sections 144.50 to 144.58 shall be periodically inspected by the state commissioner of health to (INSURE) ensure compliance with (ITS) rules (, REGULATIONS) and standards. Inspections shall occur at different times throughout the calendar year. The (STATE) commissioner of health may enter into agreements with political subdivisions providing for the inspection of such facilities by locally employed inspectors.

The commissioner of health shall conduct inspections and reinspections of facilities licensed under the provisions of sections 144.50 to 144.56 with a frequency and in a manner calculated to produce the greatest benefit to residents within the limits of the resources available to the commissioner. In performing this function, the commissioner may devote proportionately more resources to the inspection of those facilities in which conditions present the most serious concerns with respect to resident health, treatment, comfort, safety, and well-being.

These conditions include but are not limited to: change in ownership; frequent change in administration in excess of normal turnover rates; complaints about care, safety, or rights; where previous inspections or reinspections have resulted in correction orders related to care, safety, or rights; and, where persons involved in ownership or administration of the facility have been indicted for alleged criminal activity. Any health care facility that has none of the above conditions or any other condition established by the commissioner that poses a risk to resident care, safety, or rights shall be inspected once every two years.

Sec. 17. Minnesota Statutes 1982, section 144A.04, subdivision 5, is amended to read:

Subd. 5. [ADMINISTRATORS.] Except as otherwise provided by this subdivision, a nursing home must have a full time licensed nursing home administrator serving the facility. In any nursing home of less than 25 beds, the director of nursing services may also serve as the licensed nursing home administrator. Two nursing homes having a total of 100 beds or less and located

within 50 miles of each other may share the services of a licensed administrator if the administrator divides his full time work week between the two facilities in proportion to the number of beds in each facility. Every nursing home shall have a person-in-charge on the premises at all times in the absence of the licensed administrator. The name of the person in charge must be posted in a conspicuous place in the facility. The commissioner of health shall by rule promulgate minimum education and experience requirements for persons-in-charge, and may promulgate rules specifying the times of day during which a licensed administrator must be on the nursing home's premises. A nursing home may employ as its administrator the administrator of a hospital licensed pursuant to sections 144.50 to 144.56 if the individual is licensed as a nursing home administrator pursuant to section 144A.20 and the nursing home and hospital have a combined total of 150 beds or less and are located within one mile of each other. *A nonproprietary retirement home having fewer than 15 licensed nursing home beds may share the services of a licensed administrator with a nonproprietary nursing home, having fewer than 150 licensed nursing home beds, that is located within 25 miles of the retirement home.* A nursing home which is located in a facility licensed as a hospital pursuant to sections 144.50 to 144.56, may employ as its administrator the administrator of the hospital if the individual meets minimum education and long term care experience criteria set by rule of the commissioner of health.

Sec. 18. Minnesota Statutes 1982, section 144A.10, subdivision 2, is amended to read:

Subd. 2. [INSPECTIONS.] The commissioner of health shall (ANNUALLY) inspect each nursing home to (ASSURE) ensure compliance with sections 144A.01 to 144A.17 and the rules promulgated (THEREUNDER) to implement them. The (ANNUAL) inspection shall be a full inspection of the nursing home. If upon a reinspection provided for in subdivision 5 the representative of the commissioner of health finds one or more uncorrected violations, a second inspection of the facility shall be conducted. The second inspection need not be a full inspection. No prior notice shall be given of an inspection conducted pursuant to this subdivision. Any employee of the commissioner of health who willfully gives or causes to be given any advance notice of an inspection required or authorized by this subdivision shall be subject to suspension or dismissal in accordance with chapter 43A. An inspection required by a federal rule or statute may be conducted in conjunction with or subsequent to any other inspection. Any inspection required by this subdivision may be in addition to or in conjunction with the reinspections required by subdivision 5. Nothing in this subdivision shall be construed to prohibit the commissioner of health from making more than one unannounced inspection of any nursing home during its license year. The commissioner of health shall coordinate his inspections of nursing homes with inspections by other state and local agencies.

The commissioner shall conduct inspections and reinspections of health facilities with a frequency and in a manner calculated to produce the greatest benefit to residents within the limits of the resources available to the commissioner. In performing this function, the commissioner may devote proportionately more resources to the inspection of those facilities in which conditions present the most serious concerns with respect to resident health, treatment, comfort, safety, and well-being.

These conditions include but are not limited to: change in ownership; frequent change in administration in excess of normal turnover rates; complaints about care, safety, or rights; where previous inspections or reinspections have resulted in correction orders related to care, safety, or rights; and, where persons involved in ownership or administration of the facility have been indicted for alleged criminal activity. Any facility that has none of the above conditions or any other condition established by the commissioner that poses a risk to resident care, safety, or rights shall be inspected once every two years.

Sec. 19. Minnesota Statutes 1982, section 145.921, subdivision 1, is amended to read:

Subdivision 1. [PAYMENT.] When a city, county, or group of cities or counties meets the requirements prescribed in section 145.917, the state commissioner of health shall pay the amount of subsidy to the city or county in accordance with applicable rules and regulations from the funds appropriated for the purpose. (THE STATE COMMISSIONER OF HEALTH MAY MAKE AN ADVANCEMENT OF FUNDS ON A QUARTERLY BASIS.) *The commissioner of health shall make payments for community health services to each county in 12 installments per year. The commissioner shall ensure that the pertinent payment of the allotment for each month is made to each county on the first working day after the end of each month of the calendar year, except for the last month of the calendar year. The commissioner shall ensure that each county receives its payment of the allotment for that month no later than the last working day of that month. The payment described in this subdivision for services rendered during June, 1985 shall be made on the first working day of July, 1985.*

Sec. 20. Minnesota Statutes 1982, section 246.57, is amended by adding a subdivision to read:

Subd. 3. [LIMITED AGREEMENTS.] *Notwithstanding the provisions of subdivision 1, the commissioner of public welfare may authorize a state hospital or state nursing home to enter into agreements with other governmental or nonprofit organizations for participation in limited shared service agreements that would be of mutual benefit to the state, the organization involved, and the public.*

The duration of limited agreements may not exceed three calendar years and the total dollar amount attributable to a limited agreement may not exceed \$100,000. Consultation with the legislative advisory committee is not required for agreements made pursuant to this subdivision. The charges for services must be on an actual cost basis and receipts are dedicated for the operations of the state hospitals or state nursing homes that provide the service, and are appropriated for that purpose.

Sec. 21. Minnesota Statutes 1982, section 251.011, subdivision 6, is amended to read:

Subd. 6. [RULES (AND REGULATIONS).] The commissioner of public welfare (SHALL HAVE THE POWER TO MAKE) *may promulgate rules (AND REGULATIONS) for the operation of, for admission of residents in, and to establish charges for care in the state nursing homes at Ah-Gwah-Ching and Oak Terrace (AND FOR THE ADMISSION OF PATIENTS THERETO, AND TO FIX THE CHARGES TO BE MADE FOR CARE THEREIN). For the purposes of collecting from the federal government for the care of those residents in the state nursing homes eligible for medical care under the Social Security Act, "cost of care" shall be determined as set forth in the rules and regulations of the Department of Health and Human Services or its successor agency.*

Sec. 22. [252.32] [FAMILY SUBSIDY PROGRAM.]

Within the limits of appropriations, the commissioner of public welfare may provide subsidies to families with mentally retarded children in order to enable those families to continue caring for the children in their own homes. The commissioner may establish criteria for determining eligibility for a subsidy and subsidy amounts and conditions for use of subsidies.

Sec. 23. Minnesota Statutes 1982, section 256E.06, subdivision 2, is amended to read:

Subd. 2. [(MINIMUM FUNDING LEVEL; STATE AIDS) MAXIMUM FUNDING; ALLOCATION.] (NO COUNTY SHALL RECEIVE LESS IN STATE AIDS FOR COMMUNITY SOCIAL SERVICES UNDER SUBDIVISION 1 IN CALENDAR YEARS 1982 AND 1983 THAN 106 PERCENT OF THE STATE MONEY IT RECEIVED IN THE IMMEDIATELY PRECEDING CALENDAR YEAR PURSUANT TO SECTION 256E.06. FOR PURPOSES OF 1983, THE STATE MONEY THE COUNTY RECEIVED IN 1982 SHALL BE THE COMMUNITY SOCIAL SERVICE GRANT PLUS THE STATE MONEY IT RECEIVED FOR STATE FISCAL YEAR 1982 AS AUTHORIZED BY THE HEALTH, WELFARE, AND CORRECTIONS APPROPRIATIONS ACT FOR THE BIENNium ENDING JUNE 30, 1983 FOR THE FOLLOWING ACTIVITIES: COST OF CARE FOR MENTALLY RETARDED, EPI-

LEPTIC 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 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. 24. Minnesota Statutes 1982, section 401.14, is amended by adding a subdivision to read:

Subd. 3. [INSTALLMENT PAYMENTS.] The commissioner of corrections shall make payments for community corrections services to each county in 12 installments per year. The commissioner shall ensure that the pertinent payment of the allotment for each month is made to each county on the first working day after the end of each month of the calendar year, except for the last month of the calendar year. The commissioner shall ensure that each county receives its payment of the allotment for that month no later than the last working day of that month. The payment described in this subdivision for services rendered during June, 1985 shall be made on the first working day of July, 1985.

Sec. 25. Minnesota Statutes 1982, section 401.15, subdivision 1, is amended to read:

Subdivision 1. [CERTIFIED STATEMENTS; DETERMINATIONS; ADJUSTMENTS.] On or before the end of each calendar quarter, participating counties which have received the payments authorized by section 401.14 shall submit to the commissioner certified statements detailing the amounts expended and costs incurred in furnishing the correctional services provided in sections 401.01 to 401.16. Upon receipt of certified statements, the commissioner shall, in the manner provided in sections

401.10 and 401.12, determine the amount each participating county is entitled to receive, making any adjustments necessary to rectify any disparity between the amounts received pursuant to the estimate provided in section 401.14 and the amounts actually expended. If the amount received pursuant to the estimate is greater than the amount actually expended during the quarter, the commissioner may withhold the difference from any subsequent (QUARTERLY) *monthly* payments made pursuant to section 401.14. Upon certification by the commissioner of the amount a participating county is entitled to receive under the provisions of section 401.14 or of this subdivision the commissioner of finance shall thereupon issue a state warrant to the chief fiscal officer of each participating county for the amount due together with a copy of the certificate prepared by the commissioner.

Sec. 26. Laws 1982, chapter 614, section 13, is amended to read:

Sec. 13. [EFFECTIVE DATE.]

Sections 1, 3 to 7 and 11 are effective the day following enactment. Section 2 shall become effective for a specified provider group on March 1, 1983 if the commissioner of health certifies to the health and welfare committees of the house and senate that the voluntary efforts by the provider group to promote price competition and to implement the reporting requirements of section 2 have not made satisfactory progress. This certification shall take the form of a written report delivered to the chairmen of the house and senate committees by January 2, 1983. Notice of the date of the delivery shall be published in the state register. Sections 8 to 10 and 12 are effective (MARCH 15) *June 30, 1984.*

Sec. 27. [REPEALER.]

Laws 1981, chapter 323, section 4 and chapter 360, article II, section 54, as amended by Laws 1981, First Special Session chapter 4, article IV, section 22, are repealed. The section proposed to be coded as section 471.365 contained in a bill styled as H. F. No. 1290 during the 1983 regular legislative session is repealed.

Sec. 28. [EFFECTIVE DATE.]

Sections 19, 24, and 25 are effective July 1, 1984.

ARTICLE 2

CHILD CARE ENTITLEMENT

Section 1. Minnesota Statutes 1982, section 245.83, is amended to read:

245.83 [(GRANTS FOR) CHILD CARE SERVICES; DEFINITIONS.]

Subdivision 1. As used in sections 245.83 to 245.87 the words defined in this section shall have the meanings given them.

Subd. 2. "Child care services" means family day care homes, group day care centers, nursery schools, day nurseries, child day care centers, play groups, head start and parent cooperatives, as defined by rules of the commissioner, and in-home child care as defined in the Minnesota plan for social services to families and children.

Subd. 3. "Child" means any person 14 years of age or younger.

Subd. 4. "Commissioner" means the commissioner of public welfare.

Subd. 5. "Interim financing" means funds to carry out such activities as are necessary for family day care homes, group family day care homes and cooperative child care centers to receive and maintain state licensing, and operating funds for a period of six consecutive months following receipt of state licensing by a family day care home, group family day care home, or cooperative child care center.

Sec. 2. Minnesota Statutes 1982, section 245.84, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] The county board is authorized to *provide child care services, to make grants from the community social service fund or other sources to any municipality, corporation or combination thereof for the cost of providing technical assistance and child care services, or to contract for services with any licensed day care facility, as the board deems necessary or proper to carry out the purposes of sections 245.83 to 245.87.*

The board is further authorized to make grants to *or contract with any municipality, incorporated licensed child care facility, or corporation or combination thereof for any of the following purposes:*

(a) For creating new licensed day care facilities and expanding existing facilities including, but not limited to, supplies, equipment, and facility renovation and remodeling;

(b) For improving licensed day care facility programs, including, but not limited to, staff specialists, staff training, supplies, equipment, and facility renovation and remodeling;

(c) For supportive child development services including, but not limited to, inservice training, curriculum development, consulting specialist, resource centers, and program and resource materials;

(d) For carrying out programs including, but not limited to, staff, supplies, equipment, facility renovation, and training; and,

(e) For interim financing.

Sec. 3. Minnesota Statutes 1982, section 245.84, subdivision 2, is amended to read:

Subd. 2. [ALLOCATION, ELIGIBILITY, SLIDING FEE.]

(a) Within the limit of appropriations available and subject to the allocation requirements of section 245.87 the commissioner shall establish a program to (MAKE GRANTS) *allocate available appropriations* to counties for the purpose of reducing according to a sliding fee schedule the costs of child care for eligible families. The commissioner shall promulgate rules to govern the program in accordance with this subdivision. No later than April 1 of each odd-numbered year, the commissioner shall notify all county boards of the *allocation* procedures for (APPLYING FOR) *the sliding fee program* (GRANTS). No later than June 1 of each odd-numbered year, each county (WISHING TO PARTICIPATE IN THE SLIDING FEE PROGRAM) shall (APPLY TO) *inform* the commissioner (FOR A GRANT) *of the number of persons estimated to be entitled to child care services, the number of persons estimated to use the program, and the expected cost for the following two state fiscal years.* No later than July 1 of that year, the commissioner shall allocate to (ALL COUNTIES THAT APPLY AND AGREE TO COMPLY WITH THE PROVISIONS OF SECTIONS 245.84 to 245.87 GRANTS IN THE AMOUNTS DETERMINED BY RULE) *each county its proportionate share of the appropriation for that and the next fiscal year, determined according to the county's report. If the appropriation is insufficient to meet the needs in all counties, the amount shall be prorated among the counties.* The commissioner shall require collection of data and periodic reports as the commissioner deems necessary to demonstrate the effectiveness of the program in preventing and reducing dependence of participants on public assistance and in providing other benefits. The commissioner shall report to the legislature no later than January 15 of each odd-numbered year of the effectiveness of the program.

(b) In addition to payments from parents, contributions to the cost of the program shall be made by (GRANTEES) *counties* as follows: 5 percent in the first (GRANT) year, and 15 percent in the second and subsequent (GRANT) years, *that the county provides services under this subdivision.*

(THE COUNTY BOARD SHALL ESTABLISH THE INCOME RANGE FOR ELIGIBILITY OF FAMILIES FOR THE SLIDING FEE PROGRAM, WHICH SHALL BE NOT LESS THAN THE MINIMUM NOR MORE THAN THE MAXIMUM INCOME RANGE, AS FOLLOWS: (A) THE MINIMUM INCOME RANGE INCLUDES FAMILIES HAVING INCOME ABOVE 60 PERCENT BUT LESS THAN 70 PERCENT OF THE STATE MEDIAN INCOME FOR A FAMILY OF FOUR ADJUSTED FOR FAMILY SIZE; (B) THE MAXIMUM INCOME RANGE INCLUDES FAMILIES HAVING INCOME ABOVE 60 PERCENT BUT LESS THAN 90 PERCENT OF THE STATE MEDIAN INCOME FOR A FAMILY OF FOUR ADJUSTED FOR FAMILY SIZE. FAMILIES HAVING PARENTS DETERMINED BY THE COMMISSIONER, ACCORDING TO CRITERIA WHICH THE COMMISSIONER SHALL ESTABLISH, TO BE UNABLE TO CARE FOR THE CHILD BECAUSE OF EMPLOYMENT, SCHOOL ATTENDANCE OR OTHER CIRCUMSTANCES ARE ELIGIBLE FOR THE SLIDING FEE PROGRAM.)

(c) Families receiving child care services under this subdivision on July 1, 1983 are entitled to child care services under this paragraph (c). As money that is allowed or required to be used for providing child care becomes available to the county from federal, state, or local sources, the county board shall to the extent practical make child care services available to single parent families in which the parent needs child care services under this section to secure or retain employment, or to obtain the training or education necessary to secure employment, or for other circumstances, established by the commissioner, related to education, training, or employment, and, in the following order of priority:

(1) who are receiving aid to families with dependent children under sections 256.72 to 256.87. Child care services to these families shall be made available as in-kind services, to cover the difference between the actual cost and \$160 per month per child or the amount disregarded under rules for persons not employed full-time; then

(2) whose household income is within the income range established by the county board. Child care services to these families shall be made available on a sliding fee. The minimum income range a county board may establish is between the aid to families with dependent children eligibility limit and household income of less than 70 percent of the state median income for a family of four adjusted for family size, and the maximum income range is between the aid to families with dependent children eligibility limit and household income of less than 90 percent of the state median income for a family of four adjusted for family size.

(d) In setting the sliding fee schedule, the commissioner shall exclude from the amount of income used to determine eligibility

under the income range established by the county board an amount for federal and state income and social security taxes attributable to that income level according to federal and state standardized tax tables. The total fee charged for child care to any family shall not exceed 75 percent of the income so determined to be above the maximum allowable for fully subsidized child care.

(e) In each case where the (GRANTEE) *county* charges a fee that is less than the fee set by the commissioner for the same service, the state's payment shall be limited to the difference between the fee set by the commissioner and the charge for care.

In cases where the provider of the child care service charges in excess of 125 percent of the median charge for like care arrangements in the geographic area defined by the commissioner for the purposes of ascertaining (SUCH) *the* median charge, the state's payment shall be limited to the difference between 125 percent of the median charge for like care arrangements in the geographic area and the parents' fee.

(f) *The county board shall ensure that child care services are available to county residents entitled to them under paragraph (c), that the availability of services is well-advertised, and that all recipients of and applicants for aid to families with dependent children are informed of any availability of child care services under paragraph (c). The county board may accept any gifts, grants, bequests, devises, or offers of inclusion of services as employees' fringe benefits for use in providing services under sections 1 to 8.*

(g) The commissioner shall promulgate temporary and permanent rules in accordance with sections 14.05 to 14.36 to implement this section. No more than seven percent of any (GRANT) *allocation* shall be used for the (GRANTEE'S) *county's* administration expenses.

Sec. 4. Minnesota Statutes 1982, section 245.84, subdivision 5, is amended to read:

Subd. 5. [BIENNIAL PLAN.] The county board shall biennially develop a plan for the distribution of (FUNDS) *money* for child care services as part of the community social services plan prescribed in section 256E.09. All licensed child care programs shall be given written notice concerning the availability of (FUNDS) *money* and the application process.

Sec. 5. Minnesota Statutes 1982, section 245.85, is amended to read:

245.85 [(TERMINATION) SUPERVISION OF (ALL OR PART OF A GRANT) SERVICES.]

The county board shall supervise and coordinate all child care services and programs for which (A GRANT) money has been made *available* pursuant to sections 245.83 to 245.87, and shall endeavor insofar as possible to establish a set of program standards and uniform regulations to coordinate child care services and programs at the local level. The board shall, from time to time, review the budgets, expenditures and development of each child care service and program to which (A GRANT) money has been made *available* pursuant to sections 245.83 to 245.87.

Sec. 6. Minnesota Statutes 1982, section 245.86, is amended to read:

245.86 [AUTHORIZATION TO COUNTIES AND MUNICIPALITIES TO CONTRACT OR MAKE GRANTS.]

Any county or municipality may *contract for services or make grants* from special tax revenues or from its general fund to any organization, governmental or corporate, for the same purposes for which the commissioner is authorized to make (GRANTS) *allocations* by sections 245.83 to 245.87.

Sec. 7. Minnesota Statutes 1982, section 245.87, is amended to read:

245.87 [ALLOCATIONS.]

For the purposes of section 245.84, subdivision 2 (GRANTS SHALL BE DISTRIBUTED), *the commissioner shall allocate money appropriated* between the metropolitan area, comprising the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington, and the area outside the metropolitan area so that no more than 55 percent of the total fund goes to either area after excluding allocations for migrant day care services, administrative costs and statewide projects. At least ten percent of the total program allocation *under section 245.84, subdivision 1* shall be designated for interim financing. The commissioner is further instructed that the allocation in each area be based on a need and population basis.

Sec. 8. [DEADLINES.]

For state fiscal year 1984, counties shall inform the commissioner as required under section 3 no later than July 15, 1983, and the commissioner shall allocate money as required under section 3 no later than September 1, 1983.

Sec. 9. [SCHEDULE FOR PARTICIPATION.]

The commissioner of public welfare shall report to the legislature by January 1, 1984, with a schedule for requiring additional counties to provide child care services under section 3.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 9 are effective July 1, 1983.

ARTICLE 3

FEE INCREASES

Section 1. Minnesota Statutes 1982, section 357.021, subdivision 2, is amended to read:

Subd. 2. [FEE AMOUNTS.] The fees to be charged and collected by the clerk of district court shall be as follows:

(1) In every civil action or proceeding in said court, the plaintiff, petitioner, or other moving party shall pay, when the first paper on his part is filed in said action, a fee of \$20, except that in an action for marriage dissolution, (A) *the* fee (OF \$35) is \$55.

The defendant or other adverse or intervening party, or any one or more of several defendants or other adverse or intervening parties appearing separately from the others, shall pay, when the first paper on his or their part is filed in said action, a fee of \$15.

The party requesting a trial by jury shall pay \$15.

The fees above stated shall be the full trial fee chargeable to said parties irrespective of whether trial be to the court alone, to the court and jury, or disposed of without trial, and shall include the entry of judgment in the action, but does not include copies or certified copies of any papers so filed or proceedings under chapter 106, except the provisions therein as to appeals.

(2) Certified copy of any instrument from a civil or criminal proceeding \$5 and \$3.50 for an uncertified copy.

(3) Issuing a subpoena \$1 for each name.

(4) Issuing an execution and filing the return thereof; issuing a writ of attachment, injunction, habeas corpus, mandamus, quo warranto, certiorari, or other writs not specifically mentioned, \$5.

(5) Issuing a transcript of judgment, or for filing and docketing a transcript of judgment from another court, \$5.

(6) Filing and entering a satisfaction of judgment, partial satisfaction or assignment of judgment, \$5.

(7) Certificate as to existence or non-existence of judgments docketed, \$1 for each name certified to and \$1 for each judgment certified to.

(8) Filing and indexing trade name; or recording notary commission; or recording basic science certificate; or recording certificate of physicians, osteopaths, chiropractors, veterinarians or optometrists, \$5.

(9) For the filing of each partial, final, or annual account in all trusteeships, \$10.

(10) All other services required by law for which no fee is provided such fee as compares favorably with those herein provided, or such as may be fixed by rule or order of the court.

Sec. 2. Minnesota Statutes 1982, section 357.021, subdivision 2a, is amended to read:

Subd. 2a. [CERTAIN FEE PURPOSES.] Of the marriage dissolution fee collected pursuant to subdivision 1, the clerk shall pay (\$15) \$35 to the state treasurer to be deposited in the general fund *to be used as follows: \$15 for the purposes of funding grant programs for emergency shelter services and support services to battered women under sections 241.61 to 241.66 and for administering displaced homemaker programs established under section 4.40; and \$20 is appropriated to the commissioner of corrections for the purpose of funding emergency shelter services and support services to battered women, on a matching basis with local money for 20 percent of the costs and state money for 80 percent. Of the \$15 for the purposes of funding grant programs for emergency shelter services and support services to battered women under sections 241.61 to 241.66 and for administering displaced homemaker programs established under section 4.40, \$6.75 is appropriated to the commissioner of corrections and \$8.25 is appropriated to the commissioner of economic security.* The state treasurer shall identify and report to the commissioner of finance all amounts deposited in the general fund under this section.

Sec. 3. Minnesota Statutes 1982, section 517.08, subdivision 1b, is amended to read:

Subd. 1b. [TERM OF LICENSE; FEE.] The clerk shall examine upon oath the party applying for a license relative to the legality of the contemplated marriage. If at the expiration of a five-day period, he is satisfied that there is no legal impediment to it, he shall issue the license, containing the full names of the parties before and after marriage, and county and state of residence, with the district court seal attached, and make a record of the date of issuance. The license shall be valid for

a period of six months. In case of emergency or extraordinary circumstances, a judge of the county court or a judge of the district court of the county in which the application is made, may authorize the license to be issued at any time before the expiration of the five days. The clerk shall collect from the applicant a fee of (\$30) \$40 for administering the oath, issuing, recording, and filing all papers required, and preparing and transmitting to the state registrar of vital statistics the reports of marriage required by this section. If the license should not be used within the period of six months due to illness or other extenuating circumstances, it may be surrendered to the clerk for cancellation, and in that case a new license shall issue upon request of the parties of the original license without fee. A clerk who knowingly issues or signs a marriage license in any manner other than as provided in this section shall pay to the parties aggrieved an amount not to exceed \$1,000.

Sec. 4. Minnesota Statutes 1982, section 517.08, subdivision 1c, is amended to read:

Subd. 1c. [DISPOSITION OF LICENSE FEE.] Of the marriage license fee collected pursuant to subdivision 1b, the clerk shall pay (\$15) \$25 to the state treasurer to be deposited in the general fund *to be used as follows*: \$15 for the purposes of funding grant programs for emergency shelter services and support services to battered women under sections 241.61 to 241.66 and for administering displaced homemaker programs established by July 1, 1983, under section 4.40; and \$10 is *appropriated to the commissioner of economic security for the purpose of funding displaced homemaker programs established after July 1, 1983, under section 4.40 in areas of the state where those programs previously did not exist or adjunct programs that extend access to current programs in northeastern Minnesota, on a matching basis with local funds providing 20 percent of the costs and state funds providing 80 percent. Of the \$15 for the purposes of funding grant programs for emergency shelter services and support services to battered women under sections 241.61 to 241.66 and for administering displaced homemaker programs established by July 1, 1983, under section 4.40, \$6.75 is appropriated to the commissioner of corrections and \$8.25 is appropriated to the commissioner of economic security.*

The state treasurer shall identify and report to the commissioner of finance all amounts deposited in the general fund and *appropriated* under this section.

Sec. 5. [EFFECTIVE DATE.]

This article is effective July 1, 1983, and applies to all licenses issued and dissolution petitions filed on or after that date.

ARTICLE 4

MATERNAL AND CHILD HEALTH

Section 1. Minnesota Statutes 1982, section 145.881 is amended to read:

145.881 [MATERNAL AND CHILD HEALTH ADVISORY TASK FORCE.]

Subdivision 1. [COMPOSITION OF TASK FORCE.] The commissioner shall establish and appoint a maternal and child health advisory task force consisting of 15 members who will provide equal representation from:

- (1) professionals with expertise in maternal and child health services;
- (2) representatives of local health boards as defined in section 145.913; and
- (3) consumer representatives interested in the health of mothers and children.

No members shall be employees of the state department of health. Task force members shall be appointed and removed (AND TERMS SHALL EXPIRE) as provided in section 15.059, subdivision 6. *Notwithstanding section 15.059, subdivisions 5 and 6, the maternal and child health advisory task force shall terminate on June 30, 1987.*

Subd. 2. [DUTIES.] The advisory task force shall meet on a regular basis to perform the following duties:

- (a) Review and report on the health care needs of mothers and children throughout the state of Minnesota;
- (b) Review and report on the type, frequency and impact of maternal and child health care services provided to mothers and children under existing maternal and child health care programs, including programs administered by the commissioner of health;
- (c) Establish, review, and report to the commissioner a list of program guidelines and criteria which the advisory task force considers essential to providing an effective maternal and child health care program to low income () *populations and high risk (PATIENTS) persons* and fulfilling the purposes defined in section 145.88;

(d) Review staff recommendations of the department of health regarding maternal and child health grant awards before the awards are made;

(e) Make recommendations to the commissioner for the use of other federal and state funds available to meet maternal and child health needs;

(f) Make recommendations to the commissioner of health on priorities for funding the following maternal and child health services: (1) prenatal, delivery and postpartum care, (2) comprehensive health care for children, especially from birth through five years of age, (3) adolescent health services, (4) family planning services, (5) preventive dental care, (6) special services for chronically ill and handicapped children and (7) any other services which promote the health of mothers and children; and

(g) Make recommendations to the commissioner of health on (A) the process to distribute, award and administer the maternal and child health block grant funds (AFTER JULY 1, 1983 THAT WILL FULFILL THE PURPOSES OF SECTION 145.88).

Sec. 2. Minnesota Statutes 1982, section 145.882, is amended to read:

145.882 [MATERNAL AND CHILD HEALTH BLOCK GRANT DISTRIBUTION.]

(THE MATERNAL AND CHILD HEALTH CARE BLOCK GRANT SHALL BE DISTRIBUTED TO THE SAME RECIPIENTS THAT RECEIVED FUNDS DURING THE PREVIOUS YEAR UNTIL JULY 1, 1983. A REDUCTION IN FEDERAL FUNDING SHALL BE DISTRIBUTED TO REFLECT A PROPORTIONAL REDUCTION FOR EACH RECIPIENT.)

Recipients of maternal and child health grants for special projects in state fiscal year 1983 shall continue to be funded at the same level as in state fiscal year 1983 until September 30, 1985, if they comply with the provisions of sections 145.881, and 2 to 7. These recipients are also eligible to apply for state grants under sections 3 to 7. Any decrease in the amount of federal funding to the state for the maternal and child health block grant shall be apportioned to reflect a proportional decrease for each recipient until September 30, 1985. Any increase in the amount of federal funding to the state shall be distributed for services to children with handicaps and to special projects as provided in sections 3 to 7, except that an amount not to exceed ten percent may be retained by the commissioner of health to address cost of living increases and increases in supplies and services.

After September 30, 1985, the advisory task force shall review and recommend the proportion of maternal and child health block grant funds to be expended for indirect costs, direct services and special projects. The proportion of funds expended in direct services through special projects shall be maintained at not less than the level expended in state fiscal year 1984.

The commissioner shall prepare, with the advice of the advisory task force, an annual report to the legislature which details the distribution of maternal and child health block grant funds, including the amounts to be expended for indirect costs, direct services, and special projects. The report shall also identify the statewide needs of low income and high risk populations and the department of health's plans for meeting their needs. The legislature must receive the report no later than January of each year.

Sec. 3. [145.883] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of sections 145.881, 145.882, and 3 to 7, the terms defined in this section shall have the meanings given them.

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

Subd. 3. [QUALIFIED PROGRAM.] "Qualified program" means a program with professional maternal and child health care staff which is established for the purpose of providing one or more essential services in maternal and child health care to target populations of low income and high risk persons. Nothing in this subdivision shall imply that every person served must take a means test.

Subd. 4. [ESSENTIAL SERVICES.] "Essential services" means (a) prenatal, delivery, and post partum care; (b) comprehensive health care for children from birth through five years of age; (c) adolescent health services; (d) family planning services, as defined in section 145.912, subdivision 9; (e) preventive dental care; or (f) special services for chronically ill children and for handicapped children.

Subd. 5. [LOW INCOME.] "Low income" means an individual or family with an income determined to be at or below 175 percent of the income official poverty line defined by the office of management and budget and revised annually in accordance with United States Code, title 42, section 9902, as amended through December 31, 1982. With respect to an individual who is a high risk person, "low income" means that the income of the high risk person or the person's family is determined to be at or below 200 percent of the income official poverty line defined by the office of management and budget and revised annually in accordance with United States Code, title 42, section 9902, as

amended through December 31, 1982. The commissioner shall establish the low income level for eligibility for services to children with handicaps.

Subd. 6. [HIGH RISK PERSON.] "High risk person" means a mother or child with a condition which significantly increases the probability of disease, injury, death, or other adverse health-related problem. Determination that a condition results in high risk shall be based on well validated, scientific studies.

Subd. 7. [SPECIAL PROJECT.] "Special project" means a qualified program that receives maternal and child health block grant money and is administered by a public or private nonprofit agency other than the Minnesota department of health. A special project may not impose residency requirements, other than state residence, as a condition of receiving essential services. A special project that can demonstrate a need to reduce services as a result of high demand for these services from outside the project's proposed service area may apply for additional funds. Any special project providing statewide essential services may serve a population that is low income or high risk.

Subd. 8. [MATERNAL AND CHILD HEALTH BLOCK GRANT MONEY.] "Maternal and child health block grant money" means the money received by the state from the federal maternal and child health block grant. The commissioner shall carry forward from state fiscal year 1985, and succeeding years, only sufficient funds for qualified programs approved through the federal fiscal year.

Sec. 4. [145.884] [GRANTS TO QUALIFIED PROGRAMS.]

Subdivision 1. [RULES.] The commissioner shall, in the name of the state and within the limit of the federal maternal and child health block grant appropriation, make grants to public and private nonprofit agencies administering qualified programs of maternal and child health care services. The commissioner shall promulgate rules for the administration of grants authorized by this subdivision. The rules shall establish and contain as a minimum:

- (a) procedures for grant applications;*
- (b) conditions and procedures for the administration of grants;*
- (c) criteria of eligibility for grants; and*
- (d) other matters the commissioner finds necessary for the proper administration of the grant program.*

Subd. 2. [PRIORITY CRITERIA FOR GRANTS.] Any public or private nonprofit agency providing or planning to provide services in maternal and child health care to an identified low income and high risk population may apply to the commissioner for a maternal and child health care grant. The commissioner shall, when making grants, give priority to qualified programs that provide essential services in maternal and child health care to a target population of low income and high risk persons. In distributing any increase in federal funding to special projects, the commissioner shall give priority to grant applications for special projects located outside the metropolitan area for at least 50 percent of the increased funding.

Sec. 5. [145.885] [APPLICATION FOR A GRANT.]

An application for a grant shall be submitted to the commissioner at a time and in a form and manner as the commissioner prescribes. Department of health technical staff shall be available to provide technical assistance in development of grant applications. The application must contain:

(a) A complete description of the program and the manner in which the applicant intends to conduct the program;

(b) A budget and justification for the amount of grant funds requested;

(c) A description of the target population served by the qualified program and estimates of the number of low income or high risk patients the program is expected to serve;

(d) The name or names of the person or persons who shall have primary responsibility for the administration and delivery of services of the qualified program; and

(e) The reporting and accounting procedures to be followed by the qualified agency to enable the commissioner to evaluate the activities of the qualified program.

Sec. 6. [145.886] [GRANT REVIEW PROCESS.]

Primary review of all grant applications shall be conducted by the department of health technical staff. All technically completed applications will be forwarded for secondary review to a grants review panel established by the commissioner. A majority of the grants review panel must be professionals with expertise in maternal and child health care. No member of the panel may be an employee of a public or private nonprofit agency receiving or applying for maternal and child health block grant money. The advisory task force shall review the recommendations of the grants review panel for comment to the commissioner. The commissioner shall award grants under sections 5

and 6 only after receiving the comments and recommendation of the grants review panel and the advisory task force on completed grant applications.

Sec. 7. [145.888] [LIMITATIONS.]

Grants awarded to qualified programs under sections 5 to 7 shall not exceed 75 percent of the estimated annual cost of the qualified program for the fiscal year for which the grant is awarded.

Sec. 8. [RULES.]

The commissioner may adopt temporary and permanent rules for the efficient administration of sections 1 to 8. The temporary rules need not be adopted in compliance with chapter 14 and shall be effective for 360 days or until the permanent rules are adopted, whichever occurs first. The temporary rules shall be effective upon adoption by the commissioner and shall be published in the State Register as soon thereafter as possible.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 8 are effective the day following final enactment.

ARTICLE 5

MEDICAL ASSISTANCE AND
GENERAL ASSISTANCE MEDICAL CARE

Section 1. Minnesota Statutes 1982, section 245.62, is amended to read:

245.62 [COMMUNITY MENTAL HEALTH (PROGRAM;
TAX LEVY) CENTER.]

Subdivision 1. [ESTABLISHMENT.] Any city, county, town, (OR ANY) combination thereof, or private nonprofit corporation may establish a community mental health (SERVICES PROGRAM AND MAY ESTABLISH CLINICS AND STAFF SAME WITH PERSONS SPECIALLY TRAINED IN PSYCHIATRY AND RELATED FIELDS) center.

Subd. 2. [DEFINITION.] A community mental health center is a private nonprofit corporation or public agency approved under the temporary and permanent rules promulgated by the commissioner pursuant to subdivision 4.

Subd. 3. [CLINICAL DIRECTOR.] All community mental health center services shall be provided under the clinical direction of a licensed consulting psychologist licensed under sections 148.88 to 148.98, or a physician who is board certified or eligible

for board certification in psychiatry, and who is licensed under section 147.02.

Subd. 4. [RULES.] The commissioner shall promulgate temporary and permanent rules to establish standards for the designation of an agency as a community mental health center. These standards shall include, but are not limited to:

(a) provision of mental health services in the prevention, identification, treatment and aftercare of emotional disorders, chronic and acute mental illness, mental retardation and developmental disabilities, and alcohol and drug abuse and dependency, including the services listed in section 245.61 except detoxification services;

(b) establishment of a community mental health center board pursuant to section 245.66; and

(c) approval pursuant to section 245.69, subdivision 2.

Sec. 2. Minnesota Statutes 1982, section 245.66, is amended to read:

245.66 [COMMUNITY MENTAL HEALTH CENTER BOARDS.]

Every city, county, town, combination thereof or nonprofit corporation establishing a community mental health center (UNDER CONTRACT WITH A COUNTY BOARD OR HUMAN SERVICE BOARD SHALL, BEFORE IT MAY COME WITHIN THE PROVISIONS OF SECTIONS 245.61 TO 245.69 AND RECEIVE FUNDS FROM THE COUNTY BOARD OR HUMAN SERVICE BOARD,) shall establish a community mental health center board. The community mental health center (BOARDS) board may include county commissioner representatives from each participating county and shall be representative of (LOCAL HEALTH DEPARTMENTS, MEDICAL SOCIETIES, HOSPITAL BOARDS, LAY ASSOCIATIONS CONCERNED WITH MENTAL HEALTH, MENTAL RETARDATION AND CHEMICAL DEPENDENCY, LABOR, AGRICULTURE, BUSINESS, CIVIC AND PROFESSIONAL GROUPS AND THE GENERAL PUBLIC. MEMBERSHIP MAY INCLUDE A REPRESENTATIVE FROM ANY COUNTY WHICH PURCHASES SUBSTANTIAL SERVICES FROM THE COMMUNITY MENTAL HEALTH BOARD.) the local population, including at least health and human service professions and advocate associations, other fields of employment, and the general public. Each community mental health center board shall be responsible for the (GOVERNING) governance and performance of its center (AND SHALL BE RESPONSIBLE FOR THE PERFORMANCE OF THE CENTER UNDER ANY CONTRACTS ENTERED INTO WITH A COUNTY

BOARD OF COMMISSIONERS OR HUMAN SERVICES BOARD. THIS GOVERNING SHALL INCLUDE DETERMINATION OF THE SERVICES TO BE PROVIDED BY THE COMMUNITY MENTAL HEALTH CENTER, ESTABLISHMENT OF THE ANNUAL BUDGET, APPOINTMENT OF THE CENTER DIRECTOR, AND ESTABLISHMENT OF PERSONNEL STANDARDS AND COMPENSATION FOR EMPLOYEES OF THE CENTER).

Sec. 3. Minnesota Statutes 1982, section 256.01, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC POWERS.] Subject to the provisions of section 241.021, subdivision 2, the commissioner of public welfare shall:

(1) Administer and supervise all forms of public assistance provided for by state law and other welfare activities or services as may from time to time be vested in the commissioner.

(2) Administer and supervise all child welfare activities; promote the enforcement of laws protecting defective, illegitimate, dependent, neglected and delinquent children; license and supervise child-caring and child-placing agencies and institutions; supervise the care of children in boarding and foster homes or in private institutions; and generally perform all functions relating to the field of child welfare now vested in the state board of control.

(3) Administer and supervise all non-institutional service to handicapped persons, including the blind, the deaf, the tuberculous, the crippled, and otherwise handicapped persons. The authority and power conferred by this subdivision shall include the authority and power to provide and contract for the care and treatment of qualified indigent children in facilities other than those located and available at state hospitals when it is not feasible to provide the service in state hospitals.

(4) Assist and actively cooperate with other departments, agencies and institutions, local, state, and federal, by performing services in conformity with the purposes of Laws 1939, Chapter 431.

(5) Act as the agent of and cooperate with the federal government in matters of mutual concern relative to and in conformity with the provisions of Laws 1939, Chapter 431, including the administration of any federal funds granted to the state to aid in the performance of any functions of the commissioner as specified in Laws 1939, Chapter 431, and including the promulgation of rules making uniformly available medical care benefits to all recipients of public assistance, at such times as the federal government increases its participation in assistance expenditures for medical care to recipients of public assistance,

the cost thereof to be borne in the same proportion as are grants of aid to said recipients.

(6) Establish and maintain any administrative units reasonably necessary for the performance of administrative functions common to all divisions of the department.

(7) Administer and supervise any additional welfare activities and services as may, from time to time, hereafter be vested by law in the (STATE) department.

(8) The commissioner is hereby specifically constituted as guardian of both the estate and the person of all the wards of the state of Minnesota and other persons the guardianship of whom has been heretofore vested in the state board of control, whether by operation of law or by an order of court, without any further act or proceeding whatever, except as to persons committed as mentally retarded or epileptic. All of said guardianships, and the funds and property of the same, are hereby transferred to and vested in said commissioner, and said commissioner is hereby constituted a legal entity and is hereby empowered to act as guardian under any laws of this state heretofore conferring such powers upon the state board of control.

(9) Act as coordinating referral and informational center on requests for service for newly arrived immigrants coming to Minnesota.

(10) The specific enumeration of powers and duties as hereinabove set forth shall in no way be construed to be a limitation upon the general transfer of powers herein contained.

(11) Establish county, regional, or state-wide schedules of maximum fees and charges which may be paid by local agencies for medical, dental, surgical, hospital, nursing and nursing home care and medicine and medical supplies under all programs of medical care provided by the state and for congregate living care under the income maintenance programs.

(12) Have the authority to conduct and administer experimental projects to test methods and procedures of administering assistance and services to recipients or potential recipients of public welfare. To carry out such experimental projects, it is further provided that the commissioner of public welfare is authorized to waive the enforcement of existing specific statutory program requirements, regulations, and standards in one or more counties. The order establishing the waiver shall provide alternative methods and procedures of administration, shall not be in conflict with the basic purposes, coverage, or benefits provided by law, and in no event shall the duration of a project exceed two years. It is further provided that no order establishing an experimental project as authorized by the provisions of

this section shall become effective until the following conditions have been met:

(a) The proposed comprehensive plan including estimated project costs and the proposed order establishing the waiver shall be filed with the secretary of the senate and chief clerk of the house of representatives at least 60 days prior to its effective date.

(b) The secretary of health, education, and welfare of the United States has agreed, for the same project, to waive state plan requirements relative to state-wide uniformity.

(c) A comprehensive plan, including estimated project costs, shall be approved by the legislative advisory commission and filed with the commissioner of administration.

(13) In accordance with federal requirements establish procedures to be followed by local welfare boards in creating citizen advisory committees, including procedures for selection of committee members.

(14) (PROMULGATE, BY RULE, STANDARDS OF ADMINISTRATION TO BE APPLIED BY LOCAL WELFARE BOARDS ADMINISTERING STATE AND COUNTY FINANCED PROGRAMS OF MEDICAL ASSISTANCE PURSUANT TO CHAPTER 256B, GENERAL RELIEF MEDICAL CARE PURSUANT TO SECTION 256D.02, SUBDIVISION 4 AND MEDICAL, HOSPITAL, AND SURGICAL CARE FOR PERSONS ELIGIBLE FOR GENERAL ASSISTANCE PURSUANT TO CHAPTER 256D, OR FOR INDIGENT PERSONS WHOSE COSTS OF HOSPITALIZATION ARE PAID PURSUANT TO SECTIONS 261.21 TO 261.232. THE RULES SHALL SPECIFY A UNIFORM STANDARD OF PERFORMANCE AND A TOLERATED ERROR RATE, BUT SHALL NOT SPECIFY THE MINIMUM NUMBER OF PERSONNEL TO BE EMPLOYED BY A LOCAL AGENCY IF THE AGENCY OPERATES AT THE SPECIFIED STANDARD OF PERFORMANCE OR AT OR BELOW THE TOLERATED ERROR RATE. THE COMMISSIONER MAY DEDUCT FROM THE EARNED ADMINISTRATIVE REIMBURSEMENTS OF A COUNTY A PENALTY FOR THE COUNTY'S FAILURE TO COMPLY WITH THE STANDARDS OF ADMINISTRATION. THE PENALTY SHALL BE FIXED BY THE COMMISSIONER AS A PERCENTAGE OF THE OVEREXPENDITURE CAUSED BY IMPROPER ADMINISTRATION, BEYOND AN INITIAL TOLERATED AMOUNT OF OVEREXPENDITURE. IN THE EVENT THAT FISCAL SANCTIONS ARE IMPOSED BY THE FEDERAL GOVERNMENT BECAUSE OF IMPROPER ADMINISTRATION OF THE PROGRAMS, ONE HALF OF THE AMOUNT OF THE SANCTIONS ATTRIBUTABLE TO LOCAL AGENCY PERFORMANCE SHALL BE DEDUCTED FROM ADMINISTRATIVE

REIMBURSEMENT OTHERWISE DUE THE COUNTY) Allocate federal fiscal disallowances or sanctions which are based on quality control error rates for the aid to families with dependent children, medical assistance, or food stamp program in the following manner:

(a) One-half of the total amount of the disallowance shall be borne by the county boards responsible for administering the programs and shall be shared by each county board in the same proportion as that county's expenditures for the sanctioned program are to the total of all counties' expenditures for that program. Each county shall pay its share of the disallowance to the state of Minnesota. When a county fails to pay the amount due hereunder, the commissioner may deduct the amount from reimbursement otherwise due the county, or the attorney general, upon the request of the commissioner, may institute civil action to recover the amount due.

(b) Notwithstanding the provisions of paragraph (a), if the disallowance results from knowing noncompliance by one or more counties with a specific program instruction, and that knowing noncompliance is a matter of official county board record, the commissioner may require payment or recover from the county or counties, in the manner prescribed in paragraph (a), an amount equal to the portion of the total disallowance which resulted from the noncompliance, and may distribute the balance of the disallowance according to paragraph (a).

Sec. 4. Minnesota Statutes 1982, section 256.045, subdivision 3, is amended to read:

Subd. 3. [STATE AGENCY HEARINGS.] In counties in which the commissioner of welfare has not appointed a local welfare referee, any person applying for or receiving any of the forms of public assistance described in subdivision 2 whose application for assistance is denied, not acted upon with reasonable promptness, or whose assistance is suspended, reduced, or terminated by a local agency, or any patient or relative aggrieved by an order of the commissioner under section 252.27, may contest that action or decision before the state agency by submitting a written request for a hearing to the state agency within 30 days after receiving written notice of the action or decision, or within 90 days of such written notice if the applicant (OR), recipient, patient or relative shows good cause why the request was not submitted within the 30 day time limit. A local agency (OR), applicant (OR), recipient, patient or relative aggrieved by a ruling of a local welfare referee may appeal the ruling to the state agency by filing a notice of appeal with the state agency within 30 days after receiving the ruling of the local welfare referee. A state welfare referee shall conduct a hearing on the matter and shall recommend an order to the commissioner of public welfare. In appeals from rulings of local welfare ref-

erees, the hearing may be limited, upon stipulation of the parties, to a review of the record of the local welfare referee.

Sec. 5. Minnesota Statutes 1982, section 256.82, is amended by adding a subdivision to read:

Subd. 3. [SETTING FOSTER CARE STANDARD RATES.] The commissioner shall annually establish minimum standard maintenance payment rates for foster care maintenance for all children in foster care, and require county boards to establish difficulty of care payment rates for all children in foster care.

Sec. 6. Minnesota Statutes 1982, section 256.966, subdivision 1, is amended to read:

Subdivision 1. [IN GENERAL.] For the biennium ending June 30, (1983) 1985, the annual increase in the cost per service unit paid to any vendor under medical assistance and general assistance medical care shall not exceed (EIGHT) five percent (. THE PERIOD FOR MEASURING GROWTH SHALL BE THE STATE FISCAL YEAR.), except that the five percent annual increase limitation applied to vendors under this subdivision does not apply to nursing homes licensed under chapter 144A or boarding care homes licensed under sections 144.50 to 144.56. The estimated acquisition cost of prescription drug ingredients is not subject to the five percent increase limit, any general state payment reduction, or cost limitation described in this section, except as required under federal law or regulation. For vendors enrolled in the general assistance medical care program, the annual increase in cost per service unit allowable during state fiscal year 1984 shall not exceed five percent. The basis for measuring growth shall be the cost per service unit that would have been reimbursable in state fiscal year 1983 if payments had not been rateably reduced and if payments had been based on the 50th percentile of usual and customary billings for medical assistance in 1978. The increase in cost per service unit allowable for vendors in the general assistance medical care program during state fiscal year 1985 shall not exceed five percent. The basis for measuring growth shall be state fiscal year 1984.

Sec. 7. Minnesota Statutes 1982, section 256.967, is amended to read:

256.967 [MEDICAL CARE PAYMENTS; LIMITATIONS ON FEES.]

For the biennium ending June 30, 1985, all payments for vendors of medical care under general assistance medical care shall be based upon this standard: the 50th percentile of usual and customary fees based upon medical assistance billings during calendar year 1978. All payments for vendors of medical care

under medical assistance shall be limited to the 50th percentile of usual and customary fees based upon billings during calendar year 1979 for physician services, dental care, vision care, podiatric services, chiropractic care, physical therapy, occupational therapy, speech pathologists, audiologists, mental health centers, psychologists, public health clinics, and independent laboratory and x-ray services.

Sec. 8. Minnesota Statutes 1982, section 256.968, is amended to read:

256.968 [LIMITATION ON INPATIENT CHEMICAL DEPENDENCY TREATMENT.]

The commissioner of public welfare shall limit medical assistance and general assistance medical care reimbursement for treatment of alcoholism, chemical dependency or drug addiction which is rendered in a licensed hospital or certified nursing home to (10) 30 days unless need for extended care is certified by the attending physician and has received prior approval from the commissioner.

Sec. 9. [256.969] [INPATIENT HOSPITALS.]

Subdivision 1. [ANNUAL COST INDEX.] The commissioner of public welfare shall develop a prospective payment system for inpatient hospital service under the medical assistance and general assistance medical care programs. Rates paid to licensed hospitals for rate years beginning during the fiscal biennium ending June 30, 1985, shall not exceed an annual hospital cost index for the final rate allowed to the hospital for the preceding year not to exceed five percent in any event. The annual hospital cost index shall be obtained from an independent source representing a statewide average of inflation estimates determined for expense categories to include salaries, employee benefits, medical fees, raw food, medical supplies, pharmaceuticals, utilities, repairs and maintenance, insurance other than malpractice insurance, and other applicable expenses as determined by the commissioner. The index shall reflect the regional differences within the state and include a one percent increase to reflect changes in technology. The annual hospital cost index shall be published 30 days before the start of each calendar quarter and shall be applicable to all hospitals whose fiscal years start on or during the calendar quarter.

Subd. 2. [RATES FOR INPATIENT HOSPITALS.] Rates paid to inpatient hospitals shall be based on a rate per admission.

Subd. 3. [SPECIAL CONSIDERATIONS.] In determining the rate, the commissioner of public welfare will take into consideration whether the following circumstances exist:

- (a) *minimal medical assistance and general assistance medical care utilization;*
- (b) *unusual length of stay experience; and*
- (c) *disproportionate numbers of low income patients served.*

Subd. 4. [APPEALS BOARD.] An appeals board shall be established for purposes of hearing reports for changes in the rate per admission. The appeals board shall consist of two public representatives, two representatives of the hospital industry, and one representative of the business or consumer community. The appeals board shall advise the commissioner on adjustments to hospital rates under this section.

Subd. 5. [APPEAL RIGHTS.] Nothing in this section supersedes the contested case provisions of chapter 14, the Administrative Procedure Act.

Subd. 6. [RULES.] The commissioner of public welfare shall promulgate temporary and permanent rules to implement a system of prospective payment for inpatient hospital services pursuant to chapter 14, the Administrative Procedure Act.

Sec. 10. Minnesota Statutes 1982, section 256B.02, subdivision 8, is amended to read:

Subd. 8. "Medical assistance" or "medical care" means payment of part or all of the cost of the following care and services for eligible individuals whose income and resources are insufficient to meet all of such cost:

(1) Inpatient hospital services. A second medical opinion is required prior to reimbursement for elective surgeries. The commissioner shall publish in the State Register a proposed list of elective surgeries that require a second medical opinion prior to reimbursement. The list is not subject to the requirements of sections 14.01 to 14.70. The commissioner's decision whether a second medical opinion is required, made in accordance with rules governing that decision, is not subject to administrative appeal.

(2) Skilled nursing home services and services of intermediate care facilities.

(3) Physicians' services.

(4) Outpatient hospital or nonprofit community health clinic services or physician-directed clinic services. The physician-directed clinic staff shall include at least two physicians, one of whom is on the premises whenever the clinic is open, and all services shall be provided under the direct supervision of the physi-

cian who is on the premises. Hospital outpatient departments are subject to the same limitations and reimbursements as other enrolled vendors for all services, except initial triage, emergency services, and services not provided or immediately available in clinics, physicians' offices, or by other enrolled providers. "Emergency services" means those medical services required for the immediate diagnosis and treatment of medical conditions that, if not immediately diagnosed and treated, could lead to serious physical or mental disability or death or are necessary to alleviate severe pain. Neither the hospital, its employees, nor any physician or dentist, shall be liable in any action arising out of a determination not to render emergency services or care if reasonable care is exercised in determining the condition of the person, or in determining the appropriateness of the facilities, or the qualifications and availability of personnel to render these services consistent with this section.

(5) Community mental health center services, as defined in rules adopted by the commissioner pursuant to section 256B.04, subdivision 2, and provided by a community mental health center as defined in section 245.62, subdivision 2.

((5)) (6) Home health care services.

((6)) (7) Private duty nursing services.

((7)) (8) Physical therapy and related services.

((8)) (9) Dental services, excluding cast metal restorations.

((9)) (10) Laboratory and x-ray services.

((10)) (11) The following if prescribed by a licensed practitioner: drugs, eyeglasses, dentures, and prosthetic devices. The commissioner shall designate a formulary committee which shall advise the commissioner on the names of drugs for which payment shall be made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. The commissioner shall appoint the formulary committee members no later than 30 days following July 1, 1981. The formulary committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of public welfare, and a majority of whose practice is for persons paying privately or through health insurance, three of whom shall be pharmacists who are not employed by the department of public welfare, and a majority of whose practice is for persons paying privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve two year terms and shall serve without compensation. The commissioner may establish a drug formu-

lary. Its establishment and publication shall not be subject to the requirements of the administrative procedure act, but the formulary committee shall review and comment on the formulary contents. *Prior authorization may be required by the commissioner, with the consent of the drug formulary committee, before certain formulary drugs are eligible for payment.* The formulary shall not include: drugs or products for which there is no federal funding; over the counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, prenatal vitamins, and vitamins for children under the age of seven; or any other over the counter drug identified by the commissioner, in consultation with the appropriate professional consultants under contract with or employed by the state agency, as necessary, appropriate and cost effective for the treatment of certain specified chronic diseases, conditions or disorders, and this determination shall not be subject to the requirements of chapter 14, the Administrative Procedure Act; nutritional products, except for those products needed for treatment of phenylketonuria, hyperlysinemia, maple syrup urine disease, a combined allergy to human milk, cow milk, and soy formula, or any other childhood or adult diseases, conditions, or disorders identified by the commissioner as requiring a similarly necessary nutritional product; anorectics; and drugs for which medical value has not been established. Separate payment shall not be made for nutritional products for residents of long term care facilities; payment for dietary requirements is a component of the per diem rate paid to these facilities. Payment to drug vendors shall not be modified before the formulary is established except that the commissioner shall not permit payment for any drugs which may not by law be included in the formulary, and his determination shall not be subject to chapter 14, the Administrative Procedure Act. The commissioner (MAY PROMULGATE) shall publish conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

The basis for determining the amount of payment shall be the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. Establishment of this fee shall not be subject to the requirements of the administrative procedure act. Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, unless the prescriber specifically indicates "dispense as written" on the prescription as required by section 151.21, subdivision 2.

Notwithstanding the above provisions, implementation of any change in the fixed dispensing fee which has not been subject to the administrative procedure act shall be limited to not more than 180 days, unless, during that time, the commissioner shall have initiated rulemaking through the administrative procedure act.

((11)) (12) Diagnostic, screening, and preventive services.

((12)) (13) Health care pre-payment plan premiums and insurance premiums if paid directly to a vendor and supplementary medical insurance benefits under Title XVIII of the Social Security Act.

((13)) (14) Abortion services, but only if one of the following conditions is met:

(a) The abortion is a medical necessity. "Medical necessity" means (1) the signed written statement of two physicians indicating the abortion is medically necessary to prevent the death of the mother, and (2) the patient has given her consent to the abortion in writing unless the patient is physically or legally incapable of providing informed consent to the procedure, in which case consent will be given as otherwise provided by law;

(b) The pregnancy is the result of criminal sexual conduct as defined in section 609.342, clauses (c), (d), (e)(i), and (f), and the incident is reported within 48 hours after the incident occurs to a valid law enforcement agency for investigation, unless the victim is physically unable to report the criminal sexual conduct, in which case the report shall be made within 48 hours after the victim becomes physically able to report the criminal sexual conduct; or

(c) The pregnancy is the result of incest, but only if the incident and relative are reported to a valid law enforcement agency for investigation prior to the abortion.

((14)) (15) Transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by non-ambulatory persons in obtaining emergency or non-emergency medical care when paid directly to an ambulance company, common carrier, or other recognized providers of transportation services. For the purpose of this clause, a person who is incapable of transport by taxicab or bus shall be considered to be non-ambulatory.

((15)) (16) To the extent authorized by rule of the state agency, costs of bus or taxicab transportation incurred by any ambulatory eligible person for obtaining non-emergency medical care.

((16)) (17) *Personal care attendant services provided by an individual, not a relative, who is qualified to provide the services; where the services are prescribed by a physician in accordance with a plan of treatment and are supervised by a registered nurse. Payments to personal care attendants shall be adjusted annually to reflect changes in the cost of living or of providing services by the average annual adjustment granted to vendors such as nursing homes and home health agencies.*

((16)) (18) Any other medical or remedial care licensed and recognized under state law unless otherwise prohibited by law.

Sec. 11. Minnesota Statutes 1982, section 256B.04, subdivision 14, is amended to read:

Subd. 14. [COMPETITIVE BIDDING.] The commissioner shall utilize volume purchase through competitive bidding under the provisions of chapter 16, to provide the following items:

(1) Eyeglasses;

(2) *Oxygen. The commissioner shall provide for oxygen needed in an emergency situation on a short-term basis, until the vendor can obtain the necessary supply from the contract dealer;*

((2)) (3) Hearing aids and supplies; and

((3)) (4) Durable medical equipment, including but not limited to:

(a) hospital beds;

(b) commodes;

(c) glide-about chairs;

(d) patient lift apparatus;

(e) wheelchairs and accessories;

(f) oxygen administration equipment;

(g) respiratory therapy equipment; and

(h) electronic diagnostic, therapeutic and life support systems.

Sec. 12. Minnesota Statutes 1982, section 256B.04, is amended by adding a subdivision to read:

Subd. 16. [UTILIZATION REVIEW.] *Establish on a statewide basis a new program to safeguard against unnecessary or inappropriate use of medical assistance services, against excess payments, against unnecessary or inappropriate hospital admissions or lengths of stay, and against underutilization of services in pre-paid health plans, long term care facilities or any health care delivery system subject to fixed rate reimbursement. In implementing the program, the state agency shall utilize both*

pre-payment and post-payment review systems to determine if utilization is reasonable and necessary. The determination of whether services are reasonable and necessary shall be made by the commissioner in consultation with a professional services advisory group appointed by the commissioner. An aggrieved party may appeal the commissioner's determination pursuant to the contested case procedures of chapter 14.

Sec. 13. Minnesota Statutes 1982, section 256B.041, subdivision 2, is amended to read:

Subd. 2. [ACCOUNT.] An account is established in the state treasury from which medical assistance payments to vendors shall be made. Into (SUCH) *this* account there shall be deposited federal funds, state funds, *county funds*, and other moneys which are available and which may be paid to the state agency for medical assistance payments and reimbursements from counties or others for their share of such payments.

Sec. 14. Minnesota Statutes 1982, section 256B.041, subdivision 5, is amended to read:

Subd. 5. [PAYMENT BY COUNTY TO STATE TREASURER.] If required by federal law or rules promulgated thereunder, or by authorized regulation of the state agency, each county shall pay to the state treasurer the portion of medical assistance paid by the state for which it is responsible. The county's share of cost shall be ten percent of that portion not met by federal funds.

The county shall advance its portion of medical assistance costs, based upon estimates submitted by the state agency to the county agency, stating the estimated expenditures for the succeeding month. Upon the direction of the county agency, payment shall be made monthly by the county to the state for the estimated expenditures for each month. Adjustment of any overestimate or underestimate based on actual expenditures shall be made by the state agency by adjusting the estimate for any succeeding month.

Sec. 15. Minnesota Statutes 1982, section 256B.06, subdivision 1, is amended to read:

Subdivision 1. Medical assistance may be paid for any person:

(1) Who is a child eligible for or receiving adoption assistance payments under Title IV-E of the Social Security Act, 42 U.S.C. Sections 670 to 676; or

(2) Who is a child eligible for or receiving foster care maintenance payments under Title IV-E of the Social Security Act, 42 U.S.C. Sections 670 to 676; or

(1) Who is a child eligible for or receiving adoption assistance payments under Title IV-E of the Social Security Act, (42 U.S.C. SECTIONS 670 TO 676) *United States Code, title 42, sections 670 to 676*; or

(2) Who is a child eligible for or receiving foster care maintenance payments under Title IV-E of the Social Security Act, (42 U.S.C. SECTIONS 670 TO 676) *United States Code, title 42, sections 670 to 676*; or

(3) Who is eligible for or receiving public assistance, or a woman who is pregnant, as medically verified, and who would be eligible for assistance under the aid to families with dependent children program if the child had been born and living with the woman; or

(4) Who (IS ELIGIBLE FOR OR RECEIVING) *meets the categorical eligibility requirements of the supplemental security income (FOR THE AGED, BLIND AND DISABLED) program and the other eligibility requirements of this section*; or

(5) Who except for the amount of income or resources would qualify for supplemental security income for the aged, blind and disabled, or aid to families with dependent children and is in need of medical assistance; or

(6) Who is under 21 years of age and in need of medical care that neither he nor his relatives responsible under sections 256B.01 to 256B.26 are financially able to provide; or

(7) Who is residing in a hospital for treatment of mental disease or tuberculosis and is 65 years of age or older and without means sufficient to pay the per capita hospital charge; and

(8) Who resides in Minnesota, or, if absent from the state, is deemed to be a resident of Minnesota in accordance with the regulations of the state agency; and

(9) Who alone, or together with his spouse, does not own real property other than the homestead. For the purposes of this section, "homestead" means the house owned and occupied by the applicant as his dwelling place, together with the land upon which it is situated, and an area no greater than two contiguous lots in a platted or laid out city or town or 80 contiguous acres in unplatted land. Occupancy or exemption shall be determined as provided in chapter 510 and applicable law, including continuing exemption by filing notice under section 510.07. Real estate not used as a home may not be retained unless it produces net income

applicable to the family's needs or the family is making a continuing effort to sell it at a fair and reasonable price or unless sale of the real estate would net an insignificant amount of income applicable to the family's needs, or unless the commissioner determines that sale of the real estate would cause undue hardship; and

(10) Who individually does not own more than (\$2,000) \$3,000 in cash or liquid assets, or if a member of a household with two family members (husband and wife, or parent and child), does not own more than (\$4,000) \$6,000 in cash or liquid assets, plus \$200 for each additional legal dependent. *Cash and liquid assets may include a prepaid funeral contract and insurance policies with cash surrender value.* The value of the following shall not be included:

(a) the homestead, and (b) one motor vehicle licensed pursuant to chapter 168 and defined as: (1) passenger automobile, (2) station wagon, (3) motorcycle, (4) motorized bicycle or (5) truck of the weight found in categories A to E, of section 168.013, subdivision 1e; and

(11) Who has or anticipates receiving an annual income not in excess of \$2,600 for a single person, or \$3,250 for two family members (husband and wife, parent and child, or two siblings), plus \$625 for each additional legal dependent, or who has income in excess of these maxima and in the month of application, or during the three months prior to the month of application, incurs expenses for medical care that total more than one-half of the annual excess income in accordance with the regulations of the state agency. In computing income to determine eligibility of persons who are not residents of long term care facilities, the commissioner shall disregard increases in income (OF SOCIAL SECURITY OR SUPPLEMENTARY SECURITY INCOME RECIPIENTS DUE SOLELY TO INCREASES REQUIRED BY SECTIONS 215(1) AND 1617 OF THE SOCIAL SECURITY ACT, AND SHALL DISREGARD INCOME OF DISABLED PERSONS THAT IS ALSO DISREGARDED IN DETERMINING ELIGIBILITY FOR SUPPLEMENTAL AID UNDER SECTION 256D.37, SUBDIVISION 1,) *due solely to increases in federal retiree, survivor's, and disability insurance benefits, veterans administration benefits, and railroad retirement benefits in the percentage amount established in the biennial appropriations law unless prohibited by federal law or regulation.* If prohibited, the commissioner shall first seek a waiver. In excess income cases, eligibility shall be limited to a period of six months beginning with the first of the month in which these medical obligations are first incurred; and

(12) Who has continuing monthly expenses for medical care that are more than the amount of his excess income, computed on a monthly basis, in which case eligibility may be established be-

fore the total income obligation referred to in the preceding paragraph is incurred, and medical assistance payments may be made to cover the monthly unmet medical need. In licensed nursing home and state hospital cases, income over and above that required for justified needs, determined pursuant to a schedule of contributions established by the commissioner of public welfare, is to be applied to the cost of institutional care. The commissioner of public welfare may establish a schedule of contributions to be made by the spouse of a nursing home resident to the cost of care and shall seek a waiver from federal regulations which establish the amount required to be contributed by either spouse when one spouse is a nursing home resident; and

(13) Who has applied or agrees to apply all proceeds received or receivable by him or his spouse from automobile accident coverage and private health care coverage to the costs of medical care for himself, his spouse, and children. The state agency may require from any applicant or recipient of medical assistance the assignment of any rights accruing under private health care coverage. Any rights or amounts so assigned shall be applied against the cost of medical care paid for under this chapter. Any assignment shall not be effective as to benefits paid or provided under automobile accident coverage and private health care coverage prior to receipt of the assignment by the person or organization providing the benefits.

Sec. 16. Minnesota Statutes 1982, section 256B.061, is amended to read:

256B.061 [ELIGIBILITY.]

If any individual has been determined to be eligible for medical assistance, it will be made available to him for care and services included under the plan and furnished in or after the third month before the month in which he made application for such assistance, if such individual was, or upon application would have been, eligible for medical assistance at the time the care and services were furnished. *The commissioner may limit, restrict, or suspend the eligibility of an individual for up to one year upon that individual's conviction of a criminal offense related to his application for or receipt of medical assistance benefits.*

Sec. 17. Minnesota Statutes 1982, section 256B.064, subdivision 1a, is amended to read:

Subd. 1a. [GROUNDS FOR MONETARY RECOVERY AND SANCTIONS AGAINST VENDORS.] The commissioner may seek monetary recovery and impose sanctions against vendors of medical care for any of the following: fraud, theft, or abuse in connection with the provision of medical care to recipients of public assistance; a pattern of presentment of false

or duplicate claims or claims for services not medically necessary; a pattern of making false statements of material facts for the purpose of obtaining greater compensation than that to which the vendor is legally entitled; suspension or termination as a Medicare vendor; and refusal to grant the state agency access during regular business hours to examine all records necessary to disclose the extent of services provided to program recipients. No sanction may be imposed or monetary recovery obtained against any vendor of nursing home or convalescent care for providing services not medically necessary when the services provided were ordered by a licensed health professional not an employee of the vendor. The determination of (ABUSE OR) services not medically necessary shall be made by the commissioner in consultation with a (REVIEW ORGANIZATION AS DEFINED IN SECTION 145.61 OR OTHER) provider advisory (COMMITTEES AS) *committee* appointed by the commissioner on the recommendation of appropriate professional organizations.

Sec. 18. Minnesota Statutes 1982, section 256B.07, is amended to read:

256B.07 [EXCEPTIONS IN DETERMINING RESOURCES.]

A local agency may, within the scope of regulations set by the commissioner of public welfare, waive the requirement of liquidation of excess assets when the liquidation would cause undue hardship. Household goods and furniture in use in the home, wearing apparel, (INSURANCE POLICIES WITH CASH SURRENDER VALUE NOT IN EXCESS OF \$1,500 PER INSURED PERSON,) and personal property used as a regular abode by the applicant or recipient (, A PREPAID FUNERAL CONTRACT NOT IN EXCESS OF \$750 PER PERSON PLUS ACCRUED INTEREST OF NOT MORE THAN \$200,) and a lot in a burial plot shall not be considered as resources available to meet medical needs.

Sec. 19. 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. 20. Minnesota Statutes 1982, section 256B.17, subdivision 4, is amended to read:

Subd. 4. [PERIOD OF INELIGIBILITY.] (IN ANY CASE WHERE THE UNCOMPENSATED VALUE OF TRANSFERRED RESOURCES EXCEEDS \$12,000, THE COMMISSIONER SHALL REQUIRE A PERIOD OF INELIGIBILITY WHICH EXCEEDS 24 MONTHS, PROVIDED THAT THE PERIOD OF INELIGIBILITY BEARS A REASONABLE RELATIONSHIP TO THE EXCESS UNCOMPENSATED VALUE OF THE TRANSFERRED ASSET) *For any uncompensated transfer, the period of ineligibility shall be calculated by dividing the transferred amount by the statewide average monthly skilled nursing facility per diem for the previous calendar year to determine the number of months of ineligibility. The individual shall remain ineligible until this fixed ineligibility period has expired, subject to the exclusions contained in section 15.*

Sec. 21. Minnesota Statutes 1982, section 256B.17, is amended by adding a subdivision to read:

Subd. 5. [EXCLUSIONS FOR HOMESTEAD TRANSFERS.] *Notwithstanding subdivision 4, an individual shall not be ineligible if the transferred property is a homestead as defined by section 256B.06, subdivision 1, and one of the following conditions applies:*

(1) *a satisfactory showing is made that the individual can reasonably be expected to return to the homestead as a permanent residence;*

(2) title to the home was transferred to the individual's spouse, child who is under age 21, or blind or permanently and totally disabled child as defined in the supplemental security income program;

(3) a satisfactory showing is made that the individual intended to dispose of the home at fair market value or for other valuable consideration; or

(4) the local agency determines that denial of eligibility would cause undue hardship for the individual, based on imminent threat to the individual's health and well-being.

Sec. 22. Minnesota Statutes 1982, section 256B.17, is amended by adding a subdivision to read:

Subd. 6. [EXCEPTION FOR ASSET TRANSFERS.] Notwithstanding the provisions of subdivisions 1 through 5, an institutionalized spouse who applies for medical assistance on or after July 1, 1983, may transfer liquid assets to his or her noninstitutionalized spouse without loss of eligibility if all of the following conditions apply:

(a) The noninstitutionalized spouse is not applying for or receiving assistance;

(b) The noninstitutionalized spouse has less than \$10,000 in liquid assets, including assets singly owned and 50 percent of assets owned jointly with the institutionalized spouse;

(c) The amount transferred, together with the noninstitutionalized spouse's own assets, totals no more than \$10,000 in liquid assets; and

(d) The transfer may be effected only once, at the time of initial medical assistance application.

Sec. 23. Minnesota Statutes 1982, section 256B.17, is amended by adding a subdivision to read:

Subd. 7. [CONFORMANCE WITH FEDERAL LAW.] Notwithstanding the other provisions of this section, uncompensated property transfers shall be treated no more restrictively than allowed by federal law.

Sec. 24. Minnesota Statutes 1982, section 256B.17, is amended by adding a subdivision to read:

Subd. 8. [EFFECTIVE DATE.] Subdivisions 5, 6, and 7, and the changes in subdivision 4 made by section 20 apply to transfers made on or after the effective date of sections 20 to

23, regardless of the individual's status in relation to eligibility for medical assistance.

Sec. 25. Minnesota Statutes 1982, section 256B.27, subdivision 3, is amended to read:

Subd. 3. The commissioner of public welfare, with the written consent of the recipient, *on file with the local welfare agency*, shall be allowed access to all personal medical records of medical assistance recipients solely for the purposes of investigating whether or not: (a) a vendor of medical care has submitted a claim for reimbursement, a cost report or a rate application which the vendor knows to be false in whole or in part; or (b) the medical care was medically necessary. The vendor of medical care shall receive notification from the commissioner at least 24 hours before the commissioner gains access to such records. The determination of (ABUSE OR) provision of services not medically necessary shall be made by the commissioner in consultation with (A REVIEW ORGANIZATION AS DEFINED IN SECTION 145.61 OR OTHER) *an advisory (COMMITTEES) committee* of vendors as appointed by the commissioner on the recommendation of appropriate professional organizations. Notwithstanding any other law to the contrary, a vendor of medical care shall not be subject to any civil or criminal liability for providing access to medical records to the commissioner of public welfare pursuant to this section.

Sec. 26. Minnesota Statutes 1982, section 256B.27, subdivision 4, is amended to read:

Subd. 4. [AUTHORIZATION OF COMMISSIONER TO EXAMINE RECORDS.] (NO) A person (SHALL) *determined to be eligible for medical assistance (UNLESS HE HAS) shall be deemed to have* authorized the commissioner of public welfare in writing to examine all personal medical records developed while receiving medical assistance for the purpose of investigating whether or not a vendor has submitted a claim for reimbursement, a cost report or a rate application which the vendor knows to be false in whole or in part, or in order to determine whether or not the medical care provided was medically necessary. (A VENDOR OF MEDICAL CARE SHALL REQUIRE PRESENTATION OF THIS WRITTEN AUTHORIZATION BEFORE THE STATE AGENCY CAN OBTAIN ACCESS TO THE RECORDS UNLESS THE VENDOR ALREADY HAS RECEIVED WRITTEN AUTHORIZATION.)

Sec. 27. [256B.70] [PREPAYMENT DEMONSTRATION PROJECT.]

Subdivision 1. [PURPOSE.] The commissioner of public welfare shall establish a medical assistance demonstration project to determine whether prepayment combined with better man-

agement of health care services is an effective mechanism to ensure that all eligible individuals receive necessary health care in a coordinated fashion while containing costs. For the purposes of this project, waiver of certain statutory provisions is necessary in accordance with this section.

Subd. 2. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given.

(a) "Commissioner" means the commissioner of public welfare. For the remainder of this section, the commissioner's responsibilities for methods and policies for implementing the project will be proposed by the project advisory committees and approved by the commissioner.

(b) "Demonstration provider" means an individual, agency, organization, or group of these entities that participates in the demonstration project according to criteria, standards, methods, and other requirements established for the project and approved by the commissioner.

(c) "Eligible individuals" means those persons eligible for medical assistance benefits as defined in section 256B.06.

(d) "Limitation of choice" means suspending freedom of choice while allowing eligible individuals to choose among the demonstration providers.

Subd. 3. [GEOGRAPHIC AREA.] The commissioner shall designate the geographic areas in which eligible individuals may be included in the demonstration project. The geographic areas shall include one urban, one suburban, and at least one rural county. In order to encourage the participation of long-term care providers, the project area may be expanded beyond the designated counties for eligible individuals over age 65.

Subd. 4. [LIMITATION OF CHOICE.] The commissioner shall develop criteria to determine when limitation of choice may be implemented in the experimental counties. The criteria shall ensure that all eligible individuals in the county have continuing access to the full range of medical assistance services as specified in subdivision 6. Before limitation of choice is implemented, eligible individuals shall be notified and after notification, shall be allowed to choose only among demonstration providers. After initially choosing a provider, the recipient is allowed to change that choice only at specified times as allowed by the commissioner.

Subd. 5. [PROSPECTIVE PER CAPITA PAYMENT.] The project advisory committees with the commissioner shall establish the method and amount of payments for services. The commissioner shall annually contract with demonstration pro-

viders to provide services consistent with these established methods and amounts for payment. Notwithstanding section 62D.02, subdivision 1, payments for services rendered as part of the project may be made to providers that are not licensed health maintenance organizations on a risk-based, prepaid capitation basis.

If allowed by the commissioner, a demonstration provider may contract with an insurer, health care provider, nonprofit health service plan corporation, or the commissioner, to provide insurance or similar protection against the cost of care provided by the demonstration provider or to provide coverage against the risks incurred by demonstration providers under this section. The recipients enrolled with a demonstration provider are a permissible group under group insurance laws and chapter 62C, the Nonprofit Health Service Plan Corporations Act. Under this type of contract, the insurer or corporation may make benefit payments to a demonstration provider for services rendered or to be rendered to a recipient. Any insurer or nonprofit health service plan corporation licensed to do business in this state is authorized to provide this insurance or similar protection.

Payments to providers participating in the project are exempt from the requirements of sections 256.966 and 256B.03, subdivision 2. The commissioner shall complete development of capitation rates for payments before delivery of services under this section is begun.

Subd. 6. [SERVICE DELIVERY.] Each demonstration provider shall be responsible for the health care coordination for eligible individuals. Demonstration providers:

(a) Shall authorize and arrange for the provision of all needed health services including but not limited to the full range of services listed in section 256B.02, subdivision 8, in order to ensure appropriate health care is delivered to enrollees;

(b) Shall accept the prospective, per capita payment from the commissioner in return for the provision of comprehensive and coordinated health care services for eligible individuals enrolled in the program;

(c) May contract with other health care and social service practitioners to provide services to enrollees; and

(d) Shall institute recipient grievance procedures according to the method established by the project, utilizing applicable requirements of chapter 62D. Disputes not resolved through this process shall be appealable to the commissioner as provided in subdivision 11.

Subd. 7. [ENROLLEE BENEFITS.] All eligible individuals enrolled by demonstration providers shall receive all needed health care services as defined in subdivision 6.

All enrolled individuals have the right to appeal if necessary services are not being authorized as defined in subdivision 11.

Subd. 8. [PREADMISSION SCREENING WAIVER.] Except as applicable to the project's operation, the provisions of section 256B.091 are waived for the purposes of this section for recipients enrolled with demonstration providers.

Subd. 9. [REPORTING.] Each demonstration provider shall submit information as required by the commissioner, including data required for assessing client satisfaction, quality of care, cost, and utilization of services for purposes of project evaluation. Required information shall be specified before the commissioner contracts with a demonstration provider.

Subd. 10. [INFORMATION.] Notwithstanding any law or rule to the contrary, the commissioner may allow disclosure of the recipient's identity solely for the purposes of (a) allowing demonstration providers to provide the information to the recipient regarding services, access to services, and other provider characteristics, and (b) facilitating monitoring of recipient satisfaction and quality of care. The commissioner shall develop and implement measures to protect recipients from invasions of privacy and from harassment.

Subd. 11. [APPEALS.] A recipient may appeal to the commissioner a demonstration provider's delay or refusal to provide services. The commissioner shall appoint a panel of health practitioners, including social service practitioners, as necessary to determine the necessity of services provided or refused to a recipient. The deliberations and decisions of the panel replace the administrative review process otherwise available under chapter 256B. The panel shall follow the time requirements and other provisions of the Code of Federal Regulations, title 42, sections 431.200 to 431.246. The time requirements shall be expedited based on request by the individual who is appealing for emergency services. If a service is determined to be necessary and is included among the benefits for which a recipient is enrolled, the service must be provided by the demonstration provider as specified in subdivision 5. The panel's decision is a final agency action that may be appealed under the contested case provisions of chapter 14.

Sec. 28. [256B.71] [DEMONSTRATION PROJECT WAIVER.]

Each hospital that participates as a provider in a demonstration project, established by the commissioner of public welfare

to deliver medical assistance services on a prepaid, capitation basis, is exempt from the prospective payment system for in-patient hospital service during the period of its participation in that project.

Sec. 29. Minnesota Statutes 1982, section 256D.03, subdivision 3, is amended to read:

Subd. 3. [GENERAL ASSISTANCE MEDICAL CARE; ELIGIBILITY.] (STATE AID SHALL BE PAID TO LOCAL AGENCIES OR COUNTIES FOR 90 PERCENT OF THE COST OF GENERAL ASSISTANCE MEDICAL CARE PAID BY THE LOCAL AGENCY OR COUNTY PURSUANT TO SECTION 256D.02, SUBDIVISION 4A ON BEHALF OF PERSONS ELIGIBLE ACCORDING TO STANDARDS ESTABLISHED BY THE COMMISSIONER OF PUBLIC WELFARE IN ACCORDANCE WITH THE RATES ESTABLISHED BY RULE OF THE COMMISSIONER.) Persons eligible for benefits under sections 256D.01 to 256D.21 and persons not eligible for federal health care benefits whose nonexempt property, as determined according to medical assistance standards, has an equity value no greater than \$1,000 and whose income is not in excess of the medical assistance standards shall be eligible for general assistance medical care (AND HAVE FREE CHOICE IN THE SELECTION OF A VENDOR OF THE MEDICAL CARE. ANY LOCAL AGENCY OR COUNTY MAY, FROM ITS OWN RESOURCES, MAKE PAYMENTS FOR MEDICAL CARE FOR PERSONS NOT OTHERWISE ELIGIBLE FOR THE CARE PURSUANT TO STANDARDS ESTABLISHED BY THE COMMISSIONER). *Persons with excess income and resources may qualify for benefits under this subdivision by spending down. Treatment of income and resources in calculation of the spenddown shall be the same as in the medical assistance program pursuant to chapter 256B.*

(THE COMMISSIONER OF PUBLIC WELFARE SHALL PROMULGATE RULES TO ESTABLISH ADMINISTRATIVE AND FISCAL PROCEDURES FOR PAYMENT OF THE STATE SHARE OF THE MEDICAL COSTS INCURRED BY THE COUNTIES UNDER SECTION 256D.02, SUBDIVISION 4A. THE RULES MAY INCLUDE:)

((A) PROCEDURES BY WHICH STATE LIABILITY FOR THE COSTS OF MEDICAL CARE INCURRED PURSUANT TO SECTION 256D.02, SUBDIVISION 4A MAY BE DEDUCTED FROM COUNTY LIABILITY TO THE STATE UNDER ANY OTHER PUBLIC ASSISTANCE PROGRAM AUTHORIZED BY LAW;)

((B) PROCEDURES FOR PROCESSING CLAIMS OF COUNTIES FOR REIMBURSEMENT BY THE STATE FOR EXPENDITURES FOR MEDICAL CARE MADE BY THE

COUNTIES PURSUANT TO SECTION 256D.02, SUBDIVISION 4A;)

((C) PROCEDURES BY WHICH THE LOCAL AGENCIES MAY CONTRACT WITH THE COMMISSIONER OF PUBLIC WELFARE FOR STATE ADMINISTRATION OF GENERAL ASSISTANCE MEDICAL CARE PAYMENTS;)

((D) STANDARDS OF ELIGIBILITY, UTILIZATION OF SERVICES AND PAYMENT LEVELS WHICH SHALL CONFORM TO THOSE OF MEDICAL ASSISTANCE PURSUANT TO CHAPTER 256B; AND)

((E) GENERAL CRITERIA AND PROCEDURES FOR THE IDENTIFICATION AND PROMPT INVESTIGATION OF SUSPECTED FRAUD, THEFT, ABUSE, PRESENTMENT OF FALSE OR DUPLICATE CLAIMS, PRESENTMENT OF CLAIMS FOR SERVICES NOT MEDICALLY NECESSARY, OR FALSE STATEMENTS OR REPRESENTATIONS OF MATERIAL FACTS BY A VENDOR OF GENERAL ASSISTANCE MEDICAL CARE, AND FOR THE IMPOSITION OF SANCTIONS AGAINST SUCH VENDOR OF MEDICAL CARE. THE RULES RELATING TO SANCTIONS SHALL BE CONSISTENT WITH THE PROVISIONS OF SECTION 256B.064, SUBDIVISIONS 1A TO 2.)

Sec. 30. Minnesota Statutes 1982, section 256D.03, subdivision 4, is amended to read:

Subd. 4. [GENERAL ASSISTANCE MEDICAL CARE; SERVICES.] (a) (NOTWITHSTANDING THE PROVISIONS OF SECTIONS 256D.01 TO 256D.21 AND 261.23, OR ANY OTHER LAW TO THE CONTRARY, FOR THE BIENNIUM ENDING JUNE 30, 1983, STATE AID SHALL BE PAID TO LOCAL AGENCIES OR COUNTIES FOR 90 PERCENT OF GENERAL ASSISTANCE MEDICAL CARE PAID BY THE LOCAL AGENCY OR COUNTY ON BEHALF OF PERSONS ELIGIBLE FOR GENERAL ASSISTANCE OR PERSONS MEETING THE INCOME AND RESOURCE CRITERIA ESTABLISHED IN THE PROGRAM FOR AID TO FAMILIES WITH DEPENDENT CHILDREN. NOTHING IN THIS PROVISION SHALL BE CONSTRUED TO MODIFY THE SPENDDOWN REQUIRED IN APPROPRIATE CASES FOR GENERAL ASSISTANCE MEDICAL CARE.) Reimbursement (FOR MEDICAL CARE PROVIDED UNDER SECTIONS 256D.01 TO 256D.21 OR 261.23) *under the general assistance medical care program* shall be limited to the following categories of service (ONLY): inpatient hospital care, outpatient hospital care, *services provided by medicare certified rehabilitation agencies*, prescription drugs, *eyeglasses and eye examinations provided by a physician or optometrist*, physician's services, medical transportation, and dental care. In addition, payments of state aid shall be made for day treatment services

provided by a mental health center established under sections 245.61 to 245.69, subdivision 1, and funded through chapter 256E and for prescribed medications for persons who have been diagnosed as mentally ill as necessary to prevent more restrictive institutionalization.

(b) (AT THE OPTION OF) *In order to contain costs, the county board (AND) shall, with the approval of the commissioner of public welfare, (REIMBURSEMENT FOR INPATIENT HOSPITAL CARE, OUTPATIENT HOSPITAL CARE, AND PRESCRIPTION DRUGS MAY BE LIMITED TO DESIGNATED) select vendors of medical care (PROVIDERS) who can provide the most economical care consistent with high medical standards and may contract with organizations on a prepaid capitation basis to provide these services. The commissioner shall encourage county boards to submit proposals for demonstration projects designed to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. Payment for services provided pursuant to this subdivision shall be as provided to medical assistance vendors of these services under section 256B.02, subdivision 8, except that where counties enter into prepaid capitation agreements, payments shall be as provided in section 256.966, subdivision 2.*

(c) The commissioner of public welfare may reduce payments provided under sections 256D.01 to 256D.21 and 261.23 in order to remain within the amount appropriated for general assistance medical care, within the following restrictions. *For the period July 1, 1983 to June 30, 1984, reductions below the cost per service unit allowable under section 256.966, (SHALL BE) are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 45 percent; payments for all other inpatient hospital care may be reduced no more than 35 percent. Reductions below the payments allowable under section 256.967 for the remaining general assistance medical care services allowable under this (PROVISION) subdivision may be reduced no more than 25 percent. For the period July 1, 1984 to June 30, 1985, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 30 percent; payments for all other inpatient hospital care may be reduced no more than 20 percent. Reductions below the payments allowable under section 256.967 for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than ten percent. There shall be no copayment required of any recipient of benefits for any services provided under this subdivision.*

(d) (IF THE COMMISSIONER OR COUNTY REFUSES TO PAY ALL OR PART OF THE CHARGE FOR A HEALTH

SERVICE, THEY SHALL NOT BE LIABLE FOR THE UNPAID PORTION OF THE CHARGE.) Any county may, from its own resources, provide medical payments for which state payments are not made.

Sec. 31. Minnesota Statutes 1982, section 256D.03, is amended by adding a subdivision to read:

Subd. 5. [CERTAIN LOCAL AGENCIES TO PAY STATE FOR COUNTY SHARE.] The local agencies that contract with the commissioner of public welfare for state administration of general assistance medical care payments shall make payment to the state for the county share of those payments in the manner described for medical assistance advances in section 256B.041, subdivision 5.

Sec. 32. Minnesota Statutes 1982, section 256D.03, is amended by adding a subdivision to read:

Subd. 5. [DIVISION OF COSTS.] The state shall pay 90 percent of the cost of general assistance medical care paid by the local agency or county pursuant to this section. However, for counties who contract with health maintenance organizations or other providers to deliver services under a prepaid capitation agreement, the state shall pay 95 percent of the cost per person enrolled.

Sec. 33. Minnesota Statutes 1982, section 256D.03, is amended by adding a subdivision to read:

Subd. 6. [DUTIES OF THE COMMISSIONER.] The commissioner shall promulgate temporary and permanent rules as necessary to establish:

(a) standards of eligibility, utilization of services, and payment levels;

(b) standards for quality assurance, surveillance, and utilization review procedures that conform to those established for the medical assistance program pursuant to chapter 256B, including general criteria and procedures for the identification and prompt investigation of suspected fraud, theft, abuse, presentment of false or duplicate claims, presentment of claims for services not medically necessary, or false statements or representations of material facts by a vendor of general assistance medical care, and for the imposition of sanctions against such vendor of medical care. The rules relating to sanctions shall be consistent with the provisions of section 256B.064, subdivisions 1a and 2; and

(c) administrative and fiscal procedures for payment of the state share of the medical costs incurred by the counties under section 256D.02, subdivision 4a. Rules promulgated pursuant to

this clause may include: (1) procedures by which state liability for the costs of medical care incurred pursuant to section 256D.02, subdivision 4a may be deducted from county liability to the state under any other public assistance program authorized by law; (2) procedures for processing claims of counties for reimbursement by the state for expenditures for medical care made by the counties pursuant to section 256D.02, subdivision 4a; and (3) procedures by which the local agencies may contract with the commissioner of public welfare for state administration of general assistance medical care payments.

Sec. 34. Minnesota Statutes 1982, section 260.191, subdivision 2, is amended to read:

Subd. 2. [ORDER DURATION.] All orders under this section shall be for a specified length of time set by the court not to exceed one year. However, before the order has expired and upon its own motion or that of any interested party, the court (HAS CONTINUING JURISDICTION TO RENEW THE ORDER OR) *shall*, after notice to the parties and a hearing, *renew the order for another year or make some other disposition of the case, until the individual is no longer a minor. Any person to whom legal custody is transferred shall report to the court in writing at such periods as the court may direct.*

Sec. 35. Minnesota Statutes 1982, section 260.242, subdivision 2, is amended to read:

Subd. 2. [GUARDIAN'S RESPONSIBILITIES.] (a) A guardian appointed under the provisions of subdivision 1 has legal custody of his ward unless the court which appoints him gives legal custody to some other person. If the court awards custody to a person other than the guardian, the guardian nonetheless has the right and responsibility of reasonable visitation, except as limited by court order.

(b) The guardian may make major decisions affecting the person of his ward, including but not limited to giving consent (when consent is legally required) to the marriage, enlistment in the armed forces, medical, surgical, or psychiatric treatment, or adoption of the ward. When, pursuant to subdivision 1, clause (a), the commissioner of public welfare is appointed guardian, he may delegate to the welfare board of the county in which, after the appointment, the ward resides, the authority to act for him in decisions affecting the person of his ward, including but not limited to giving consent to the marriage, enlistment in the armed forces, medical, surgical, or psychiatric treatment of the ward.

(c) A guardianship created under the provisions of subdivision 1 shall not of itself include the guardianship of the estate of the ward.

(d) *If the ward is in foster care, the court shall, upon its own motion or that of the guardian, conduct a dispositional hearing within 18 months of the foster care placement and once every two years thereafter to determine the future status of the ward including, but not limited to, whether the child should be continued in foster care for a specified period, should be placed for adoption, or should, because of the child's special needs or circumstances, be continued in foster care on a permanent or long-term basis. When the court has determined that the special needs of the ward are met through a permanent or long-term foster care placement, no subsequent dispositional hearings are required.*

Sec. 36. Minnesota Statutes 1982, section 261.23, is amended to read:

261.23 [COSTS OF HOSPITALIZATION.]

The costs of hospitalization of such indigent persons exclusive of medical and surgical care and treatment shall not exceed in amount the full rates fixed and charged by the Minnesota general hospital under the provisions of sections 158.01 to 158.11 for the hospitalization of such indigent patients. For indigent persons hospitalized pursuant to sections 261.21 to 261.232, the state shall pay ninety percent of the cost (OF THE HOSPITALIZATION OF INDIGENT PERSONS UNDER THE PROVISIONS OF SECTIONS 261.21 TO 261.232 SHALL BE PAID BY THE STATE AND TEN PERCENT) allowable under the general assistance medical care program and ten percent of the allowable cost of hospitalization shall be paid by the county of the residence of (SUCH) the indigent persons at (SUCH) the times (AS MAY BE) provided for in (SUCH) the contract; and in case of an injury or emergency requiring immediate surgical or medical treatment, for a period not to exceed 72 hours, 90 percent of the cost allowable under the general assistance medical care program shall be paid by the state and ten percent of the cost shall be paid by the county from which (SUCH) the patient, if indigent, is certified. State payments for services rendered pursuant to this section shall be rateably reduced to the same extent and during the same time period as payments are reduced under section 256D.03, subdivision 4, paragraph (c). If the county of residence of the patient is not the county in which the patient has legal settlement for the purposes of poor relief, then the county of residence may seek reimbursement from the county in which the patient has settlement for the purposes of poor relief for all costs it has necessarily incurred and paid in connection with the hospitalization of said patient.

Sec. 37. [LEGISLATIVE AUDIT COMMISSION STUDY.]

The legislative audit commission shall consider an evaluation of the feasibility, costs, benefits, and related issues associated with the state assuming the powers, duties and responsibilities

of the fiscal intermediary for the medicare program under United States Code, title 42, sections 1395 to 1395xx. The commission shall make any recommendations it deems appropriate to the legislature and the governor no later than January 15, 1984.

Sec. 38. [RULES.]

The commissioner of public welfare may promulgate temporary and permanent rules as necessary to implement sections 5, 6, 8, 29, 30, 32, 33, and 36. The commissioner shall promulgate temporary and permanent rules to establish standards and criteria for deciding which medical assistance services require prior authorization and for deciding whether a second medical opinion is required for an elective surgery. The commissioner shall promulgate permanent and temporary rules as necessary to establish the methods and standards for determining inappropriate utilization of medical assistance services.

The commissioner of public welfare shall adopt temporary rules which meet the requirements of sections 14.29 to 14.36 for the medical assistance demonstration project. Notwithstanding the provisions of section 14.35, the temporary rules promulgated to implement section 27 shall be effective for 360 days and may be continued in effect for an additional 900 days if the commissioner gives notice by publishing a notice in the state register and mailing notice to all persons registered with the commissioner to receive notice of rulemaking proceedings in connection with the project. The temporary rules shall not be effective beyond December 31, 1986, without meeting the requirements of sections 14.13 to 14.20.

Sec. 39. [APPLICATION; MAXIMUM RATE INCREASE.]

The prospective payment system for inpatient hospital service shall be applied, beginning July 1, 1983, to hospitals with a fiscal year beginning on that date. Each remaining hospital shall continue to be paid on a cost per case basis, limited to a maximum increase of five percent per state fiscal year, until the first date of its first full fiscal year that begins after July 1, 1983; on and after that date it shall be paid through the prospective payment system.

Sec. 40. [REPEALER.]

Sections 27 and 28 are repealed effective July 1, 1985, if the project implementation phase has not begun by that date.

Sec. 41. [EFFECTIVE DATE.]

Sections 1 to 5, 8 to 12, 16, 17, 19 to 28, 34, 35, 37, and 38 are effective the day following final enactment. Sections 29, 32,

33, and 36 are effective October 1, 1983. Sections 13, 14, and 31 are effective July 1, 1984.

ARTICLE 6

JOB TRAINING

Section 1. [268.60] [PURPOSE.]

It is the purpose of sections 1 to 5 to provide financial assistance for comprehensive job training and related services for economically disadvantaged, unemployed, and underemployed individuals through opportunities industrialization centers.

Sec. 2. [268.61] [DEFINITIONS.]

Subdivision 1. [SCOPE.] When used in sections 1 to 5 the terms in this section have the meanings given them.

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

Subd. 3. [COUNCIL.] "Council" means the Minnesota state council of the opportunities industrialization centers of America.

Subd. 4. [ECONOMICALLY DISADVANTAGED.] "Economically disadvantaged" means an individual who meets the criteria for an economically disadvantaged person established by rule by the commissioner.

Subd. 5. [UNDEREMPLOYED.] "Underemployed" means an individual:

- (a) Working part-time but seeking full-time work; or*
- (b) Working full-time but receiving wages below the greater of:*
 - (1) the poverty level determined in accordance with criteria established by the department of economic security; or*
 - (2) 70 percent of the lower living standard income level as determined by the United States bureau of labor statistics.*

Subd. 6. [UNEMPLOYED.] "Unemployed" means an individual who is without a job, and who wants and is available for work.

Sec. 3. [268.62] [DISTRIBUTION AND USE OF STATE MONEY.]

The commissioner shall distribute the money appropriated for:

(a) comprehensive job training and related services or job opportunities programs for economically disadvantaged, unemployed, and underemployed individuals, including persons of limited English speaking ability, through opportunities industrialization centers; and

(b) the establishment and operation in Minnesota of these centers.

Comprehensive job training and related services include: recruitment, counseling, remediation, motivational pre-job training, vocational training, job development, job placement, and other appropriate services enabling individuals to secure and retain employment at their maximum capacity.

Sec. 4. [268.63] [CRITERIA FOR DISTRIBUTION OF MONEY.]

The commissioner, with the advice of the council, shall establish criteria for the distribution of state money for the purpose of section 3. The criteria shall include requirements that:

(a) the program receiving state assistance:

(1) involve residents in the area to be served by the program in the planning and operation of the program; and

(2) involve the business community in the area to be served by the program in its development and operation;

(b) the distribution of assistance among areas within the state be equitable, with priority being given to areas with high unemployment or underemployment;

(c) financial assistance under sections 1 to 5 to any program may not exceed 25 percent of the cost of the program including costs of administration; and

(d) a program receiving financial assistance has adequate internal administrative controls, accounting procedures, personnel standards, evaluation procedures, availability of in-service training and technical assistance programs, and other policies necessary to promote the effective use of state money.

The commissioner may make a distribution in excess of the limit prescribed in clause (c) if the commissioner determines that the excess distribution is necessary to further the objectives of sections 1 and 3.

Sec. 5. [268.64] [MONEY DISTRIBUTION.]

The commissioner may make a distribution of money directly to a program, or make a distribution subject to conditions that ensure use consistent with the distribution and utilization of money under federal legislation regarding job training and related services.

ARTICLE 7**EMERGENCY JOBS PROGRAM****Section 1. [268.60] [CITATION.]**

Sections 1 to 16 may be cited as the "Minnesota Emergency Employment Development (MEED) Act."

Sec. 2. [268.62] [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of sections 1 to 16, the following terms have the meanings given them.

Subd. 2. [COORDINATOR.] "Coordinator" means the Minnesota emergency employment development coordinator appointed under section 4.

Subd. 3. [ELIGIBLE BUSINESS.] "Eligible business" means a for-profit business.

Subd. 4. [ELIGIBLE EMPLOYER.] "Eligible employer" means an eligible government agency, an eligible nonprofit agency, or an eligible business.

Subd. 5. [ELIGIBLE GOVERNMENT AGENCY.] "Eligible government agency" means a county, municipality, school district, or other local governmental subdivision, a state agency, or a federal agency office in Minnesota.

Subd. 6. [ELIGIBLE JOB APPLICANT.] "Eligible job applicant" means a person who: (1) has been a resident of this state for at least one month, (2) is unemployed, (3) is not receiving and is not qualified to receive unemployment compensation or workers' compensation, and (4) is determined by the employment administrator to be likely to be available for employment by an eligible employer for the duration of the job.

Subd. 7. [ELIGIBLE NONPROFIT AGENCY.] "Eligible nonprofit agency" means an organization exempt from taxation under the Internal Revenue Code of 1954, section 501(c)(3), as amended through December 31, 1982.

Subd. 8. [EMPLOYMENT ADMINISTRATOR.] *"Employment administrator" means the administrative entity designated by the coordinator to administer the provisions of this act in each service delivery area. The coordinator may designate an administrative entity authorized under the Job Training Partnership Act or its predecessor administrative entity authorized under United States Code, title 29, section 801, et seq., or a job training or placement agency with proven effectiveness.*

Subd. 9. [HOUSEHOLD.] *"Household" means a group of persons living at the same residence consisting of, at a maximum, spouses and the minor children of each.*

Subd. 10. [JOB TRAINING PARTNERSHIP ACT.] *"Job Training Partnership Act" means the federal Job Training Partnership Act of 1982 (JTPA), Statutes at Large, volume 92, page 1322.*

Subd. 11. [PROGRAM.] *"Program" means the Minnesota emergency employment development program created by sections 1 to 16 consisting of temporary work relief projects in the government and nonprofit agencies and new job creation in the private sector.*

Subd. 12. [SERVICE DELIVERY AREA.] *"Service delivery area" means an area designated as a service delivery area by the coordinator.*

Sec. 3. [268.64] [MINNESOTA EMERGENCY EMPLOYMENT DEVELOPMENT COORDINATOR.]

Subdivision 1. [APPOINTMENT.] *The governor shall appoint a Minnesota emergency employment development coordinator to administer the provisions of sections 1 to 16. The coordinator shall be within the department of economic security, but shall be responsible directly to the governor. The coordinator shall have the powers necessary to carry out the purposes of the program.*

Subd. 2. [RESPONSIBILITIES.] *The coordinator shall:*

(a) Obtain an inventory of community needs from each local governmental subdivision and compile a statewide inventory of needs within 30 days after his appointment;

(b) Enter into a contract with one or more employment administrators in each service delivery area;

(c) Review the emergency employment development plan submitted by the employment administrator of each service delivery area and approve satisfactory plans. If an employment administrator submits an unsatisfactory plan, the coordinator

shall assist the employment administrator in developing a satisfactory one;

(d) Coordinate the program with other state agencies;

(e) Coordinate administration of the program with the general assistance program;

(f) Set policy regarding disbursement of program funds; and

(g) Perform general program marketing and monitoring functions.

Subd. 3. [DEPARTMENT OF ECONOMIC SECURITY.] The coordinator shall administer the program within the department of economic security. The commissioner of economic security shall provide administrative support services to the coordinator for the purposes of the program.

Subd. 4. [ENFORCEMENT.] (a) The coordinator shall ensure that all eligible employers and employment administrators comply with sections 1 to 16 and all other applicable state and federal laws, including those relating to: (1) affirmative action; (2) occupational health and safety standards; (3) environmental standards; and (4) fair labor practices.

(b) The coordinator may:

(1) make public or private investigations within or without this state necessary to determine whether any person has violated or is about to violate sections 1 to 16, a contract entered into under them, or any rule or order adopted under them, or to aid in the enforcement of sections 1 to 16 or in rules and forms adopted under them;

(2) require or permit any person to file a written statement under oath or otherwise, as the commissioner determines, as to all the facts and circumstances concerning the matter being investigated;

(3) publish information contained in any order issued by the coordinator;

(4) hold hearings, upon reasonable notice, on any matter arising out of the administration of sections 1 to 16; and

(5) conduct investigations and hold hearings for the purpose of compiling information with a view to recommending changes in sections 1 to 16 to the legislature.

(c) The attorney general shall assign from his staff one or more assistant attorneys general to the coordinator and shall conduct all proceedings involving the violation of sections 1 to 16 and all other enforcement proceedings.

(d) Whenever it appears to the coordinator that any person has violated a provision of sections 1 to 16, a contract entered into under them, or a rule or order adopted under them:

(1) He may issue and cause to be served upon the person an order requiring the person to cease and desist from the violation. The order must be calculated to give reasonable notice of the right of the person to request a hearing on it and must state the reasons for the entry of the order. A hearing must be held not later than seven days after a request for the hearing is received by the coordinator, after which and within 20 days of the date of the hearing the coordinator shall issue a further order vacating the cease and desist order or making it permanent as the facts require. If no hearing is requested within 30 days of service of the order, the order becomes final and remains in effect until it is modified or vacated by the coordinator. If the person to whom a cease and desist order is issued fails to appear at the hearing after being duly notified, the person shall be deemed in default, and the proceeding may be determined against him upon consideration of the cease and desist order, the allegations of which may be deemed to be true;

(2) He may bring an action in the district court of the appropriate county to enjoin the violation and to enforce compliance with the provisions of sections 1 to 16, a contract entered into under them, or any rule or order adopted under them, and he may refer the matter to the attorney general. Upon a proper showing, a permanent or temporary injunction, restraining order, or writ of mandamus shall be granted. The court may not require the coordinator to post a bond.

Any injunction proceeding under the provisions of sections 1 to 16 may be brought on for hearing and disposition upon an order to show cause returnable upon not more than eight days notice to the defendant. The case has precedence over other cases upon the court calendar and may not be continued without the consent of the state, except upon good cause shown to the court, and then only for a reasonable length of time necessary in the opinion of the court to protect the rights of the defendant.

Subd. 5. [REPORT TO GOVERNOR AND LEGISLATURE.] The coordinator shall report to the legislative advisory commission and the governor on a quarterly basis: (1) the number of persons employed; (2) the number and type of employers under the program; (3) the amount of money spent in each service delivery area for wages for each type of employment and each type of other expense; (4) the number of persons who have completed participation in the program and their

current employment, educational, or training status; and (5) any other information requested by the commission or the governor or deemed pertinent by the coordinator.

Subd. 6. [RULES.] *The commissioner of economic security may adopt rules necessary to implement this article. These rules are not subject to chapter 14, the Administrative Procedure Act.*

Sec. 4. [268.65] [MINNESOTA EMERGENCY EMPLOYMENT DEVELOPMENT TASK FORCE.]

Subdivision 1. [CREATION.] *There is created a Minnesota emergency employment development task force to advise the coordinator in the administration of sections 1 to 16.*

Subd. 2. [MEMBERSHIP.] *The task force shall consist of nine members as follows: the coordinator, the commissioner of economic security, the commissioner of energy and economic development, the commissioner of labor and industry, the commissioner of public welfare, a representative of labor, a representative of business, a representative of nonprofit employers, and an employment administrator. The coordinator shall be the chairman and shall appoint the noncommissioner members.*

Subd. 3. [TERMS; COMPENSATION; REMOVAL.] *The terms, compensation, and removal of the noncommissioner members are governed by section 15.059.*

Subd. 4. [MEETINGS.] *The task force shall meet at the call of the coordinator.*

Sec. 5. [268.66] [ALLOCATION OF FUNDS AMONG SERVICE DELIVERY AREAS.]

(a) *Ninety percent of the funds available for allocation to employment administrators for the program must be allocated among service delivery areas as follows: each service delivery area shall be eligible to receive that proportion of the funds available which equals the number of unemployed persons in the service delivery area divided by the total number of unemployed persons in the state for the 12-month period ending the most recent March 31.*

(b) *Ten percent of the funds available for allocation to employment administrators under the program must be allocated at the discretion of the coordinator to employment administrators:*

(1) *who will maximize the use of the funds through coordination with other programs and state, local, and federal agencies, through the use of matching funds or through the involvement of low-income constituent groups;*

(2) who have demonstrated need beyond the allocation available under clause (1); or

(3) who have demonstrated outstanding performance in job creation.

Sec. 6. [268.67] [ALLOCATION WITHIN SERVICE DELIVERY AREAS; PRIORITIES.]

Subdivision 1. [AMONG JOB APPLICANTS.] Allocation of funds among eligible job applicants within a service delivery area shall be determined by the employment administrator in each service delivery area. The employment administrator shall give priority to:

(1) applicants living in households with no other income source; and

(2) applicants who would otherwise be eligible to receive general assistance under Minnesota Statutes 1980, section 256D.-05.

Subd. 2. [AMONG EMPLOYERS.] Allocation of funds among eligible employers within a service area shall be determined by the employment administrator within each service delivery area according to the priorities in sections 10 and 11. The employment administrator shall give priority to funding private sector jobs to the extent that eligible businesses apply for funds. If possible, no more than 60 percent of the funds may be allocated for jobs with eligible government and nonprofit agencies during the biennium.

Subd. 3. [AMONG EMPLOYMENT ADMINISTRATORS.] If the coordinator designates more than one employment administrator in a service delivery, the coordinator shall determine the allocation of funds to be distributed by each employment administrator in the service delivery area.

Sec. 7. [268.68] [USE OF FUNDS.]

Funds appropriated for the purposes of sections 1 to 16 may be used as follows:

(a) To provide a state contribution for wages and fringe benefits for eligible job applicants for a maximum of 1,040 hours over a maximum period of 26 weeks per job applicant. For eligible job applicants participating in a job training program, the state contribution for wages may be used for a maximum period of 52 weeks per job applicant. The state contribution for wages shall be up to \$4 per hour for each eligible job applicant employed. The state contribution for fringe benefits may be up to \$1 per hour for each eligible job applicant employed. However,

the employer may use funds from other sources to provide increased wages to the applicants it employs. At least 75 percent of the funds appropriated for the program must be used to pay wages for eligible job applicants;

(b) To reimburse the commissioner of economic security in an amount not to exceed one percent of the funds appropriated for the actual cost of administering sections 1 to 16, and to reimburse the employment administrators in an amount not to exceed 4-1/2 percent of the funds appropriated for their actual cost of administering sections 1 to 16. The commissioner of economic security and the employment administrators shall reallocate funds from other sources to cover the administrative costs of this program whenever possible;

(c) To provide child care services or subsidies to applicants employed under sections 1 to 16;

(d) To provide workers' compensation coverage to applicants employed by government or nonprofit agencies under sections 1 to 16;

(e) To provide job search assistance, labor market orientation, job seeking skills, and referral for other services;

(f) To purchase supplies and materials for projects creating permanent improvements to public property in an amount not to exceed one percent of the funds appropriated.

The employment administrator of each service delivery area shall submit to the coordinator a spending plan establishing that funds allocated to the service delivery area will be used by October 1, 1984, in the manner required by sections 1 to 16. Any funds allocated to the service delivery area for which there is no spending plan approved by the coordinator shall cancel back to the Minnesota emergency employment development account and may be reallocated by the coordinator to other employment administrators.

Sec. 8. [268.69] [EMPLOYMENT ADMINISTRATORS; POWERS AND DUTIES.]

Subdivision 1. [IN GENERAL.] The employment administrator for each service delivery area has the powers and duties given in this section and any additional duties given by the coordinator.

Subd. 2. [EMPLOYMENT PLAN.] Each employment administrator shall develop an emergency employment development plan for his service delivery area under guidelines developed by the coordinator and submit it to the coordinator within the period allowed by the coordinator. To the extent feasible, the employ-

ment administrator shall seek input from potential eligible employers and the public.

Subd. 3. [OUTREACH.] Each employment administrator shall publicize the program within his service delivery area to seek maximum participation by eligible job applicants and employers.

Subd. 4. [CONTRACTS.] Each employment administrator shall enter into contracts with eligible employers setting forth the terms of their participation in the program as required by sections 1 to 16.

Subd. 5. [SCREENING AND COORDINATION.] Each employment administrator shall screen job applicants and employers to achieve the best possible placement of eligible job applicants with eligible employers.

Subd. 6. [ELIGIBLE JOB APPLICANT PRIORITY LISTS.] Each employment administrator shall maintain a list of eligible job applicants unable to secure employment under the program at the time of application. The list shall prioritize eligible job applicants and shall be used to fill jobs with eligible employers as they become available.

Subd. 7. [COORDINATION OF EDUCATION AND TRAINING PROGRAMS.] Each employment administrator shall cooperate with local educational and training institutions to coordinate and publicize the availability of their resources to assure that applicants may receive training needed before or while employed in jobs which are available under the program.

Subd. 8. [MATERIALS.] Each employment administrator may disburse funds not to exceed one percent of the amount allocated to his service delivery area for the purchase of supplies and materials for projects creating permanent improvements to public property.

Sec. 9. [268.70] [DUTIES OF OTHER AGENCIES.]

Subdivision 1. [ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY.] The energy and economic development authority shall publicize the Minnesota emergency employment development program and shall provide staff assistance as requested by employment administrators in the screening of businesses and the collection of data to the extent feasible under its existing budget and staff complement.

Subd. 2. [EDUCATION AGENCIES.] The state board for vocational education shall review its policies for post-secondary vocational education to ensure that the programs serve the training needs of economically disadvantaged persons. Education pro-

grams shall attempt to provide training that will help individuals to obtain and retain employment. The training may include customized short-term training, basic skills training, programs to develop work habits, and other services designed for eligible job applicants and persons employed under sections 1 to 16. Examples of education programs include, but are not limited to adult vocational programs, adult basic or continuing education, area vocational-technical institutes, colleges, secondary education programs, and private and proprietary schools.

Subd. 3. [DEPARTMENT OF PUBLIC WELFARE.] The commissioner of public welfare shall provide to each employment administrator lists of currently licensed local day care facilities, updated quarterly, to be available to all persons employed under sections 1 to 16.

Sec. 10. [268.71] [ELIGIBLE GOVERNMENT AND NON-PROFIT AGENCY EMPLOYMENT.]

A government or nonprofit agency is an eligible employer with respect to temporary work relief projects that are determined by the employment administrator to have long-term benefit to or are needed by the community including, but not limited to, jobs in permanent public improvement projects, residential or public building weatherization projects, reforestation projects, mine-land reclamation projects, planting or tree trimming projects, soil conservation projects, natural resource development projects, and community social service programs such as child care and home health care.

Sec. 11. [268.72] [BUSINESS EMPLOYMENT.]

Subdivision 1. [ELIGIBLE BUSINESSES.] A business employer is an eligible employer if it enters into a written contract, signed and subscribed to under oath, with the employment administrator in its service delivery area, containing assurances that:

(a) funds received by a business shall be used only as permitted under sections 1 to 16;

(b) the business has submitted a plan to the employment administrator (1) describing the duties and proposed compensation of each employee proposed to be hired under the program; and (2) demonstrating that, with the funds provided under sections 1 to 16, the business is likely to succeed and continue to employ persons hired under the program;

(c) the business will use funds exclusively for compensation and fringe benefits of eligible job applicants and will provide employees hired with these funds with fringe benefits and other terms and conditions of employment comparable to those pro-

vided to other employees of the business who do comparable work;

(d) the funds are necessary to allow the business to begin, or to employ additional people, but not to fill positions which would be filled even in the absence of funds from this program;

(e) the business will cooperate with the coordinator and the employment administrator in collecting data to assess the result of the program; and

(f) the business is in compliance with all applicable affirmative action, fair labor, health, safety, and environmental standards.

Subd. 2. [PRIORITIES.] In allocating funds among eligible businesses, the employment administrator shall give priority to businesses which best satisfy the following criteria:

(a) have a high potential for growth and long term job creation;

(b) are labor intensive;

(c) meet the definition of a small business as defined in section 645.445;

(d) make high use of local and Minnesota resources;

(e) are under ownership of women and minorities;

(f) make high use of new technology;

(g) produce energy conserving materials or services or are involved in development of renewable sources of energy; and

(h) have their primary place of business in Minnesota.

Subd. 3. [PAYBACK.] A business receiving funds under this program shall repay 70 percent of the amount initially received for each eligible job applicant employed, if the employee does not continue in the employment of the business beyond the six-month subsidized period. If the employee continues in the employment of the business for one year or longer after the six-month subsidized period, the business need not repay any of the funds received for that employee's wages. If the employee continues in the employment of the business for a period of less than one year after the expiration of the six-month subsidized period, the business shall receive a proportional reduction in the amount it must repay. If an employer dismisses an employee for good cause and works in good faith with the program administrator to employ and train another person referred by the employment

administrator, the payback formula shall apply as if the original person had continued in employment.

A repayment schedule shall be negotiated and agreed to by the employment administrator and the business prior to the disbursement of the funds and is subject to renegotiation. The employment administrator shall forward payments received under this subdivision to the coordinator on a monthly basis. The coordinator shall deposit these payments in the Minnesota emergency employment development account created by subdivision 4.

Subd. 4. [MINNESOTA EMERGENCY EMPLOYMENT DEVELOPMENT ACCOUNT.] The Minnesota emergency employment development account is created in the state treasury. All payments from businesses pursuant to subdivision 3 shall be deposited in this account, and all funds in the account are appropriated to the commissioner of economic security for the purpose of making disbursements pursuant to section 5.

Sec. 12. [268.73] [WORKER DISPLACEMENT PROHIBITED.]

Subdivision 1. [LAYOFFS; WORK REDUCTIONS.] An eligible employer may not terminate, lay off, or reduce the working hours of an employee for the purpose of hiring an individual with funds available under sections 1 to 16.

Subd. 2. [HIRING DURING LAYOFFS.] An eligible employer may not hire an individual with funds available under sections 1 to 16 if any other person is on layoff from the same or a substantially equivalent job.

Subd. 3. [EMPLOYER CERTIFICATION.] In order to qualify as an eligible employer, a government or nonprofit agency or business must certify to the employment administrator that each job created and funded under sections 1 to 16:

(a) will result in an increase in employment opportunities over those which would otherwise be available;

(b) will not result in the displacement of currently employed workers, including partial displacement such as reduction in hours of nonovertime work, wages, or employment benefits; and

(c) will not impair existing contracts for service or result in the substitution of program funds for other funds in connection with work that would otherwise be performed.

Sec. 13. [268.74] [WORK INCENTIVE DEMONSTRATION PROJECT.]

Subdivision 1. [AVAILABILITY OF PROGRAM.] In order to maximize the opportunity for recipients of aid to families with dependent children to take full advantage of the jobs created by sections 1 to 16, the commissioner of public welfare shall inform each applicant or recipient of the availability of this program.

Subd. 2. [CHANGES IN STATE PLAN AND RULES; WAIVERS.] The commissioner shall make changes in the state plan and rules, or seek any waivers or demonstration authority necessary to minimize the barriers to participation in the programs or to employment. Changes shall be sought in the following areas, including but not limited to: allowances, child care, work expenses, the amount and duration of earning incentives, medical care coverage, limitations on the hours of employment, and the diversion of payments to wage subsidies. The commissioner shall implement each change as soon as possible.

Subd. 3. [REFERRALS.] Persons required to register for the work incentive program under section 256.736 or to register with job services shall be referred to the program for the required orientation, appraisal, and job search activities.

Subd. 4. [MEDICAL ASSISTANCE.] Participants shall receive medical assistance and other benefits provided under the aid to families with dependent children program according to the applicable standards and any authority granted by the department of health and human services.

Subd. 5. [RULES.] The commissioner of public welfare may adopt rules, including temporary rules, for the implementation of this section.

Sec. 14. [268.75] [WORK INCENTIVE FUNDS.]

Funds made available to the commissioner of economic security for purposes of administration of the jobs program may be used in part, at the discretion of the commissioner, to ensure that persons eligible for or receiving income maintenance grants have access to work and training programs.

Sec. 15. [268.76] [TERMINATION; NOTIFICATION.]

The commissioner of economic security shall immediately terminate the Minnesota emergency employment development program if and when none of the money appropriated under article 1, section 3 remains. The commissioner of economic security shall immediately notify the commissioner of public welfare of the program's termination. The commissioner of public welfare shall immediately notify each local agency referring recipients

under article 8, section 11 of the program's termination and require the local agency to cease transferring recipients.

On the date the program is terminated, any balance remaining in the Minnesota emergency employment development account established under section 11, subdivision 4 shall cancel to the general fund. Any payments received under section 11, subdivisions 3 and 4 on or after that date shall be deposited in the general fund.

Sec. 16. [268.77] [SUNSET.]

Sections 1 to 18 are repealed June 30, 1985.

Sec. 17. Minnesota Statutes 1982, section 15.61, is amended to read:

15.61 [UNEMPLOYED AND UNDEREMPLOYED; EMPLOYMENT BY STATE AND OTHER GOVERNMENTAL UNITS.]

Subdivision 1. The state of Minnesota, its departments, agencies and instrumentalities, and any county, city, town, school district or other body corporate and politic, may employ unemployed and underemployed persons as defined in the federal Emergency Employment Act of 1971, as amended, (AND) Comprehensive Employment and Training Act of 1973, as amended, *and eligible job applicants under sections 1 to 16 pursuant to the terms of those acts.*

Subd. 2. The provisions of Minnesota Statutes 1969, Sections 197.455 to 197.48 and 43A.11 and any other law or ordinance relating to preference in employment and promotion of persons having served in the armed services, the provisions of any law, rule or regulation, the provisions of any city charter or any ordinance or resolution, or the provisions of any other law or statute in conflict with the provisions of the federal Emergency Employment Act of 1971, as amended, (AND) Comprehensive Employment and Training Act of 1973, as amended, *and eligible job applicants under sections 1 to 16 shall not be applicable to the employment of the persons specified in subdivision 1.*

Sec. 18. [SEVERABILITY.]

If the durational residency requirement authorized by section 2, subdivision 6 is found to be unconstitutional and void, the remaining provisions of the law shall remain valid.

Sec. 19. [EFFECTIVE DATE.]

Sections 1 to 18 are effective the day after final enactment.

ARTICLE 8

GENERAL ASSISTANCE: GRANTS AND ALLOWANCES

Section 1. Minnesota Statutes 1982, section 13.46, subdivision 2, is amended to read:

Subd. 2. [GENERAL.] Unless the data is summary data or a statute specifically provides a different classification, data on individuals collected, maintained, used or disseminated by the welfare system is private data on individuals, and shall not be disclosed except:

- (a) Pursuant to section 13.05;
- (b) Pursuant to a valid court order;
- (c) Pursuant to a statute specifically authorizing access to the private data;
- (d) To an agent of the welfare system, including appropriate law enforcement personnel, who are acting in the investigation, prosecution, criminal or civil proceeding relating to the administration of a program;
- (e) To personnel of the welfare system who require the data to determine eligibility, amount of assistance, and the need to provide services of additional programs to the individual;
- (f) To administer federal funds or programs; (OR)
- (g) Between personnel of the welfare system working in the same program; or
- (h) *To the Minnesota department of economic security for the purpose of monitoring the eligibility of the data subject for unemployment compensation or for any employment or training program administered by that agency, whether alone or in conjunction with the welfare system.*

Sec. 2. Minnesota Statutes 1982, section 268.12, subdivision 12, is amended to read:

Subd. 12. [INFORMATION.] Except as hereinafter otherwise provided, data gathered from any employing unit, employer or individual pursuant to the administration of sections 268.03 to 268.24, and from any determination as to the benefit rights of any individual shall be private data on individuals or nonpublic data not on individuals as defined in section 13.02, subdivisions 9 and 12 and shall not be disclosed except pursuant to this subdivision or pursuant to a valid court order. This private data may

be disseminated to and used by the following agencies without the consent of the subject of the data:

(a) State and federal agencies specifically authorized access to the data by state or federal law;

(b) Any agency of this or any other state; or any federal agency charged with the administration of an employment security law or the maintenance of a system of public employment offices;

(c) Local human rights groups within the state which have enforcement powers;

(d) The Minnesota department of revenue on an interchangeable basis with the department of economic security subject to the following restrictions and notwithstanding any law to the contrary:

(1) The department of revenue may have access to department of economic security data on individuals and employing units only to the extent necessary for proper enforcement of tax laws; and

(2) The department of economic security may have access to department of revenue data pertaining only to individuals who have claimed benefits under sections 268.03 to 268.24 and only if the individuals are the subject of investigations based on other information available to the department of economic security. The data provided by the department of revenue shall be limited to the amount of gross income earned by an individual, the total amount of earnings from each employer and the employers' names. Upon receipt of the data, the department of economic security may not disseminate the data to any individual or agency except in connection with a prosecution for violation of the provisions of sections 268.03 to 268.24. This clause shall not be construed to be a restriction on the exchange of information pertaining to corporations or other employing units to the extent necessary for the proper enforcement of this chapter;

(e) Public and private agencies responsible for administering publicly financed assistance programs for the purpose of monitoring the eligibility of the program's recipients;

(f) The department of labor and industry for the purpose of determining the eligibility of the data subject;

(g) Local and state welfare agencies for monitoring the eligibility of the data subject for assistance programs, or for any employment or training program administered by those agencies,

whether alone, in combination with another welfare agency, or in conjunction with the department of economic security; and

(h) Local, state and federal law enforcement agencies for the sole purpose of ascertaining the last known address and employment location of the data subject, provided the data subject is the subject of a criminal investigation.

Data on individuals, employers, and employing units which are collected, maintained, or used by the department in an investigation pursuant to section 268.18, subdivision 3 are confidential as to data on individuals and protected nonpublic data as defined in section 13.02, subdivisions 3 and 13 as to nonindividual employers and employing units, and shall not be disclosed except pursuant to statute or valid court order or to a party named in a criminal proceeding, administrative or judicial, for preparation of a defense.

Data on individuals, employers, and employing units which are collected, maintained, or used by the department in the adjudication of a separation or eligibility issue pursuant to the administration of section 268.10, subdivision 2 are confidential as to data on individuals and protected nonpublic data as to nonindividual employers and employing units as defined in section 13.02, subdivisions 3 and 13 and shall not be disclosed except pursuant to the administration of section 268.10, subdivisions 3 to 8 or pursuant to a valid court order.

Aggregate data about employers compiled from individual job orders placed with the department of economic security are nonpublic data as defined in section 13.02, subdivision 9 if the commissioner determines that divulging the data would result in disclosure of the identity of the employer. The general aptitude test battery and the nonverbal aptitude test battery as administered by the department are also classified as nonpublic data.

Data on individuals collected, maintained or created because an individual applies for benefits or services provided by the energy assistance and weatherization programs administered by the department of economic security is private data on individuals and shall not be disseminated except pursuant to section 13.05, subdivisions 3 and 4.

Data gathered by the department pursuant to the administration of sections 268.03 to 268.24 shall not be made the subject or the basis for any suit in any civil proceedings, administrative or judicial, unless the action is initiated by the department.

Sec. 3. Minnesota Statutes 1982, section 256D.01, subdivision 1, is amended to read:

Subdivision 1. [POLICY; STANDARDS OF ASSISTANCE.] The objectives of sections 256D.01 to 256D.21 are to provide a sound administrative structure for public assistance programs; to maximize the use of federal (FUNDS) *money* for public assistance purposes; and to provide an integrated public assistance program for (THOSE) *all* persons in the state (MEETING THE ELIGIBILITY CRITERIA CONTAINED IN THIS CHAPTER) *without adequate income or resources to maintain a subsistence reasonably compatible with decency and health.*

It is (HEREBY) declared to be the policy of this state that persons unable to provide for themselves and not otherwise provided for by law and who meet the eligibility requirements of sections 256D.01 to 256D.21 (SHALL BE) *are* entitled to receive (SUCH) grants of general assistance (, WITHIN THE TIME LIMITS SET FORTH IN THIS CHAPTER AS MAY BE) necessary to maintain a subsistence reasonably compatible with decency and health. (THE FURNISHING OF SUCH) *Providing this* assistance (AND SERVICES) is a matter of public concern and a necessity in promoting the public health and welfare.

A principal objective in providing general assistance (SHALL BE) *is* to provide for persons ineligible for federal programs who are unable to provide for themselves. To achieve these aims, the commissioner shall establish minimum standards of assistance for general assistance. The minimum standard (FOR CASH PAYMENTS TO RECIPIENTS SHALL BE: AS TO SHELTER AND UTILITIES, 100 PERCENT OF THE ACTUAL NEED OR STATE STANDARDS THEREFOR, SUBJECT TO THE MAXIMUM ESTABLISHED FOR SHELTER IN THE AID TO THE BLIND, AID TO THE DISABLED, AND OLD AGE ASSISTANCE PROGRAMS IN DECEMBER, 1973; AND AS TO OTHER BUDGETARY ITEMS, 50 PERCENT, OF THOSE ESTABLISHED FOR SAID ITEMS IN THE AID TO THE BLIND, AID TO THE DISABLED, AND OLD AGE ASSISTANCE PROGRAMS IN DECEMBER, 1973) *of assistance determines the total amount of the general assistance grant without separate standards for shelter, utilities, or other needs and shall not be less than the combined total of the minimum standards of assistance for shelter and basic needs in effect on February 1, 1983. The standards of assistance shall not be lower for a recipient sharing a residence with another person unless that person is a responsible relative of the recipient who is also eligible for general assistance.* The minimum standards of assistance shall authorize the payment of rates negotiated by local agencies for recipients living in a room and board arrangement. In order to maximize the use of federal funds, the commissioner shall (PROMULGATE REGULATIONS) *adopt rules, to the extent permitted by federal law for eligibility for the emergency assistance program under aid to families with dependent children, and under the terms of sections 256D.01 to 256D.21 for general assistance, to require (THE) use of the emergency program under aid to families with*

dependent children as the primary financial resource when available. The commissioner shall provide by (REGULATION) *rule* for (THE) eligibility for general assistance of persons with seasonal income, and may attribute seasonal income to other periods not in excess of one year from receipt by an applicant or recipient.

Sec. 4. Minnesota Statutes 1982, section 256D.02, subdivision 4, is amended to read:

Subd. 4. [GENERAL ASSISTANCE.] "General assistance" means cash payments to persons unable to provide themselves with a reasonable subsistence compatible with decency and health and who are not otherwise provided for under the laws of this state or the United States. (IT SHALL INCLUDE CASH PAYMENTS FOR GOODS, SHELTER, FUEL, FOOD, CLOTHING, LIGHT, NECESSARY HOUSEHOLD SUPPLIES, AND PERSONAL NEED ITEMS.) General assistance shall not include payments for foster care, child welfare services, or other social services. Vendor payments *and vouchers* may be (MADE) *issued* only as provided for in section 256D.09.

Sec. 5. Minnesota Statutes 1982, section 256D.02, is amended by adding a subdivision to read:

Subd. 8a. [JOBS PROGRAM ALLOWANCE.] An allowance received pursuant to section 13 is unearned income under subdivision 8.

Sec. 6. Minnesota Statutes 1982, section 256D.05, subdivision 1a, is amended to read:

Subd. 1a. [TEMPORARY STANDARDS.] Notwithstanding the provisions of subdivision 1, from March 24, 1982 (UNTIL JUNE 30) *to September 30, 1983*, each person or family whose income and resources are less than the standard of assistance established by the commissioner, and who is not eligible for the federally aided assistance programs of emergency assistance or aid to families with dependent children, or any successor to those programs, shall be eligible for and entitled to general assistance if the person or family is:

(a) A person who is suffering from a permanent or temporary illness, injury, or incapacity which is both medically certified and prevents the person from engaging in suitable employment, and who, if the medical certification establishes that the illness, injury, or incapacity is temporary and recommends a reasonable plan for rehabilitation, is following the plan;

(b) A person whose presence in the home on a substantially continuous basis is required because of the certified illness or incapacity of another member of the household;

(c) A person who has been placed in a licensed or certified facility for purposes of physical or mental health or rehabilitation, if the placement is based on illness or incapacity, and is pursuant to a plan developed or approved by the local agency through its director or designated representative;

(d) A person who resides in a shelter facility described in subdivision 3;

(e) A person who is or may be eligible for displaced homemaker services, programs, or assistance under section 4.40. In determining eligibility of the person for general assistance, income received as a stipend shall be disregarded as provided in section 4.40;

(f) A person who is unable to secure suitable employment due to inability to communicate in the English language, and who, if assigned to a language skills program by the local agency, is participating in that program;

(g) A person not described in clause (a) or (c) who is diagnosed by a licensed physician or licensed consulting psychologist as mentally ill or mentally retarded;

(h) A person who is unable to secure suitable employment due to a lack of marketable skills and who, if assigned to a vocational counseling, vocational rehabilitation, or work training program by the local agency, is participating in that program. Eligibility for general assistance under clause (h) is limited to five weeks per calendar year;

(i) A person who has an application pending for the program of supplemental security income for the aged, blind and disabled or has been terminated from that program and has an appeal from that termination pending, and who has executed an interim assistance authorization agreement pursuant to the provisions of section 256D.06, subdivision 5; or

(j) A person who is unable to secure suitable employment because his advanced age significantly affects his ability to engage in substantial work. (THIS CLAUSE IS EFFECTIVE JANUARY 1, 1983.)

The commissioner is authorized to adopt temporary rules as necessary to implement this subdivision.

This subdivision is repealed (JULY) October 1, 1983.

Sec. 7. Minnesota Statutes 1982, section 256D.06, subdivision 5, is amended to read:

Subd. 5. Any applicant, otherwise eligible for general assistance and possibly eligible for maintenance benefits from any other source shall (BE OBLIGATED TO) (a) make application for those benefits within 30 days of the general assistance application; and (b) execute an interim assistance authorization agreement on a form as directed by the commissioner. If found eligible for benefits from other sources, and a payment received from another source relates to the period during which general assistance was also being received, the recipient shall be required to reimburse the local agency for the interim assistance paid. Reimbursement shall not exceed the amount of general assistance paid during the time period to which the other maintenance benefits apply and shall not exceed the state standard applicable to that time period. *The commissioner shall adopt rules, and may adopt temporary rules, authorizing local agencies to retain from the amount recovered under an interim assistance agreement 25 percent plus actual reasonable fees, costs, and disbursements of appeals and litigation, of providing special assistance to the recipient in processing the recipient's claim for maintenance benefits from another source. The money retained under this section shall be from the state share of the recovery. The local agency may contract with qualified persons to provide the special assistance. The rules adopted by the commissioner shall include the methods by which local agencies shall identify, refer, and assist recipients who may be eligible for benefits under federal programs for the disabled. This (PROVISION) subdivision (SHALL) does not require repayment of per diem payments made to shelters for battered women pursuant to section 256D.05, subdivision 3.*

Sec. 8. Minnesota Statutes 1982, section 256D.09, subdivision 2, is amended to read:

Subd. 2. Notwithstanding the provisions of subdivision 1, the commissioner shall provide by rule (AND REGULATION), *and may adopt temporary rules*, for situations in which vouchers or vendor payments may be (MADE) *issued* by local agencies because of the inability of the recipient to manage his general assistance grant for his own or family's benefit.

Sec. 9. Minnesota Statutes 1982, section 256D.09, is amended by adding a subdivision to read:

Subd. 3. [EMPLOYMENT PAYMENTS BY GRANT DIVERSION.] Notwithstanding the provisions of subdivision 1, the commissioner may establish by rule or temporary rule a grant diversion program for payment of all or a part of a recipient's grant to a private, non-profit, or public employer who agrees to employ the recipient. The commissioner shall design the program to provide, to the extent possible, employment or employment-related training that will enable recipients to become self-supporting. A recipient shall be eligible for general assistance medical care during the term of the grant diversion

contract to the extent that medical care coverage is not provided by the employer. Any rule adopted by the commissioner:

(a) Shall require the local agencies to administer the grant diversion program directly or to delegate administration of the program to another unit of government;

(b) Shall require that grants paid to employers be paid pursuant to a written grant diversion contract;

(c) Shall determine the amount of the grant to be paid to the employer and the term of the grant diversion contract;

(d) Shall establish standards to ensure that recipients hired pursuant to grant diversion contracts do not displace other workers;

(e) Shall provide for the amount of the wage to be paid to the recipient, which shall not be less than the minimum wage for jobs with non-profit and public employers and the usual and customary wage for jobs with private employers;

(f) shall provide for the minimum number of hours per month the recipient must work, which shall be sufficient to provide a net monthly wage equal to or exceeding the difference between the amount of the grant retained by the recipient and 150 percent of the recipient's monthly grant; and

(g) May establish other terms and conditions for the operation of the grant diversion program.

Sec. 10. [256D.111] [REGISTRATION FOR WORK; DISQUALIFICATION.]

Subdivision 1. [REGISTRATION REQUIREMENT.] Unless exempt in accordance with the provisions of subdivision 2, an adult who is a recipient of general assistance and who is not employed is required to register for employment services with the department of economic security, be available for work and comply with reasonable reporting and job search requirements as established by the commissioner of economic security in permanent or temporary rule, and accept any offer of suitable employment.

Subd. 2. [EXEMPTIONS.] A recipient is not required to register for employment services with the department of economic security and comply with the other requirements of subdivision 1 if he is:

(a) a person who is suffering from a permanent or temporary illness, injury, or incapacity which is medically certified

and which prevents the person from obtaining or retaining employment;

(b) a person whose presence in the home on a substantially continuous basis is required because of the certified illness, injury, incapacity, or the age of another member of the household;

(c) a person who has been placed in a licensed or certified facility for purposes of physical or mental health or rehabilitation, or in an approved chemical dependency domiciliary facility, if the placement is based on illness or incapacity and is pursuant to a plan developed or approved by the local agency through its director or designated representative;

(d) a person who resides in a shelter facility described in section 256D.05, subdivision 3;

(e) a person who is or may be eligible for displaced homemaker services, programs, or assistance under section 4.40, but only if that person is enrolled as a full-time student;

(f) a person not described in clause (a) or (c) who is diagnosed by a licensed physician or licensed consulting psychologist as mentally retarded or mentally ill, and that condition prevents the person from obtaining or retaining employment;

(g) a person who has an application pending for the social security disability program or the program of supplemental security income for the aged, blind and disabled, or who has been terminated from either program and has an appeal from that termination pending;

(h) a person who is unable to obtain or retain employment because his advanced age significantly affects his ability to seek or engage in substantial work;

(i) a person who has been referred to, has applied for, or is in a work training, work experience, vocational rehabilitation, or other employment related educational program; but the period of time the person is exempted pursuant to this clause, while awaiting acceptance into the program, shall not exceed two months;

(j) an adult member of a household with children in which another adult is employed full time or has registered for employment services with the department of economic security or been accepted in a work training program; or

(k) a person who has been certified as unemployable by the commissioner of economic security.

Subd. 3. [RIGHT TO HEARING.] Any person required by the local agency to register in accordance with the provisions of subdivision 1 is entitled, prior to grant reduction, suspension, or termination, to a hearing pursuant to the provisions of section 256D.10 on the issue of whether the person comes within the exemptions contained in subdivision 2.

Subd. 4. [NOTICE OF NONCOMPLIANCE.] No notice of grant reduction, suspension, or termination on the ground that a recipient has failed to comply with the requirements of subdivision 1 shall be given by the local agency pursuant to section 256D.10 until the commissioner of economic security certifies in writing to the local agency that the recipient has been finally determined, in accordance with the notice, hearing, and appeal rights and procedures applicable to the work incentive program, as prescribed in section 256.736, subdivision 4, clause (4), to have failed to comply with the requirements of subdivision 1. A final determination, if made in accordance with these procedures, shall be binding upon the local agency and the recipient.

Subd. 5. [RULEMAKING.] The commissioner shall adopt rules and is authorized to adopt temporary rules:

(a) providing for a reasonable period of disqualification from the receipt of general assistance for a recipient who is not exempt pursuant to subdivision 2 and who has been finally determined pursuant to the procedure prescribed in subdivision 4 to have failed to comply with the requirements of subdivision 1, provided that the period of disqualification for the first failure to comply shall not exceed one month;

(b) providing for the use of vouchers or vendor payments with respect to the family of a recipient described in clause (a); and

(c) providing that at the time of the approval of an application for general assistance, the local agency gives to the recipient a written notice in plain and easily understood language describing the recipient's job registration, search, and acceptance obligations under this section, and the period of disqualification that will be imposed for a failure to comply with those obligations.

Sec. 11. [256D.112] [TEMPORARY AUTHORITY TO REFER CERTAIN RECIPIENTS TO COMMISSIONER OF ECONOMIC SECURITY.]

The local agency shall refer a recipient to the commissioner of economic security for services under the Minnesota Emergency Employment Development Act jobs program upon the payment to the recipient of a one-month grant. A referral shall be in writing; shall describe the jobs program for which the referral is being made; shall state the address of the office to which

the recipient is being referred; and shall state that if the recipient is not accepted for participation in the jobs program, the recipient should return to the local agency. Notwithstanding the provisions of section 10, subdivision 3, and section 256D.10, assistance to a general assistance recipient referred to the commissioner of economic security pursuant to this section shall be suspended at the time of the referral for a period of 30 days following the period for which a grant has been issued. If the recipient does not return to the local agency within the 30-day period, assistance shall be terminated. This section does not apply:

(1) to persons that the commissioner of economic security has determined, pursuant to section 12, are not eligible for the Minnesota Emergency Employment Development jobs program; are not likely to secure a job through the jobs program; or are not able to successfully perform a job available through the jobs program;

(2) to persons who are recipients of general assistance on October 1, 1983; and

(3) to persons whom the local agency has substantial reason to believe are covered by section 10, subdivision 2.

Nothing in this section shall be construed as prohibiting any recipient who has not been referred by the local agency from applying to the commissioner of economic security for services under the Minnesota emergency employment development jobs program. The local agency shall provide to all recipients a written description of the Minnesota emergency employment development jobs program.

Upon receipt of notice from the commissioner of public welfare that the Minnesota emergency employment development jobs program is terminated, this section is ineffective and the local agency shall not refer any recipient to the commissioner of economic security under this section.

Sec. 12. [268.80] [APPLICATION PROCESS; DETERMINATIONS.]

Any person may apply to the commissioner for services under the Minnesota emergency employment development jobs program. Upon receiving an application, the commissioner shall promptly determine the person's eligibility for services under the program; the person's ability to successfully perform a job available through the program; and, within three business days, the person's eligibility for an allowance pursuant to section 13. In determining the eligibility of a person for the allowance, the commissioner shall apply the eligibility standards set forth in sections 256D.01 to 256D.21. A person referred by a local agency

pursuant to the provisions of section 11 shall be deemed to be eligible for the allowance. If the commissioner finds at any time that a person is not eligible for services under the jobs program, or if the commissioner determines after a three-month period that the person is unlikely to secure a job through the jobs program, then the commissioner shall issue a written determination stating the findings and provide the person with a written referral to the appropriate local agency. If the commissioner finds at any time, pursuant to standards established by the commissioner by rule or temporary rule, that a person is not able to successfully perform a job available through the jobs program, the commissioner shall issue a written determination stating the findings and explaining the person's right to appeal pursuant to section 14, and shall provide the person with a written referral to the appropriate local agency. If the commissioner finds that a person is not eligible for an allowance pursuant to section 13, the commissioner shall advise the person in writing that the person may make an application for general assistance with the appropriate local agency.

Sec. 13. [268.81] [PAYMENT OF ALLOWANCE.]

A person accepted pursuant to section 12 for participation in the Minnesota emergency employment development jobs program and determined by the commissioner to satisfy the eligibility standards set forth in sections 256D.01 to 256D.21, shall be paid a cash allowance by the commissioner in an amount which is not less than the amount of the general assistance grant that the person would otherwise receive pursuant to sections 256D.01 to 256D.21. The commissioner shall adopt a permanent or temporary rule establishing the amounts of allowances to be paid pursuant to this section. The initial allowance shall be paid to the person as soon as administratively feasible. A person referred by a local agency pursuant to section 11 shall be paid the initial allowance upon the expiration of the period covered by the one-month grant received from the local agency. Thereafter, the allowance shall be paid at intervals as the commissioner shall prescribe by rule or temporary rule. Until June 30, 1985, a person receiving an allowance when the Minnesota emergency employment development jobs program is terminated under article 8, section 11, shall continue to be paid an allowance under this section if he continues to meet the eligibility standards set forth in sections 256D.01 to 256D.21.

Sec. 14. [268.82] [APPEAL PROCEDURE.]

A person aggrieved by a determination issued pursuant to section 12 that the person is not able to successfully perform a job available through the Minnesota emergency employment development jobs program may appeal that determination, in accordance with the time limits and procedures applicable to the work incentive program, as prescribed in section 256.736, subdivision 4, clause (4). If otherwise eligible under section 13, the

person shall receive the allowance prescribed by section 13 until a final decision on the appeal is rendered.

Sec. 15. [268.83] [SUITABLE EMPLOYMENT FOR PURPOSES OF GENERAL ASSISTANCE.]

For purposes of eligibility for general assistance pursuant to sections 256D.01 to 256D.21, a job provided through the Minnesota emergency employment development jobs program is "suitable employment," as that term is defined in section 256D.02, subdivision 13.

Sec. 16. [TRANSFER OF FUNDS.]

If the utilization of the Minnesota emergency employment development jobs program, the allowances program, and the general assistance program is significantly different from the projected utilization, then the commissioners of economic security and public welfare may, upon approval by the legislative advisory commission and the governor according to section 3.30, transfer money from the Minnesota emergency employment development (MEED) account to either (1) the special account established for the purpose of funding allowances paid pursuant to section 13; or (2) the general assistance account. Money may also be transferred pursuant to this section between the department of economic security special allowances account and the general assistance account in the department of public welfare.

Sec. 17. [REPEALER.]

Minnesota Statutes 1982, sections 256D.02, subdivision 14; and 256D.06, subdivision 1a, are repealed. Minnesota Statutes 1982, section 256D.05, subdivision 1a is repealed effective October 1, 1983.

Sec. 18. [268.84] [SUNSET PROVISION.]

Sections 5 and 11 to 16 of this article are repealed June 30, 1985.

Sec. 19. [EFFECTIVE DATE.]

Sections 6 to 9, 17, and 18 of this article are effective the day following final enactment. Sections 1 to 5, and 10 to 16 of this article are effective October 1, 1983.

ARTICLE 9

SERVICES FOR THE MENTALLY RETARDED

Section 1. Minnesota Statutes 1982, section 252.24, subdivision 1, is amended to read:

Subdivision 1. [SELECTION OF DEVELOPMENTAL ACHIEVEMENT CENTERS.] The county board shall administer developmental achievement services, *including training and habilitation services provided by licensed developmental achievement centers to residents of intermediate care facilities for the mentally retarded.* The county board shall ensure that transportation is provided for persons who fulfill the eligibility requirements of section 252.23, clause (1), utilizing the most efficient and reasonable means available. The county board may contract for developmental achievement services and transportation from a center which is licensed under the provisions of sections 245.781 to 245.813, 252.28, and 257.175, and in the board's opinion, best provides daytime developmental achievement services for mentally retarded and cerebral palsied persons within the appropriation and medical assistance resources made available for this purpose. Daytime developmental achievement services administered by the county board shall comply with standards established by the commissioner pursuant to subdivision 2 and applicable federal regulations.

Sec. 2. Minnesota Statutes 1982, section 252.28, is amended to read:

252.28 [COMMISSIONER OF PUBLIC WELFARE; DUTIES.]

Subdivision 1. [DETERMINATIONS; BIENNIAL REDETERMINATIONS.] The commissioner of public welfare (MAY) *shall determine, and shall redetermine biennially,* the need, location, *size,* and program of public and private residential and day care facilities and services for mentally retarded children and adults.

Subd. 2. [RULES; PROGRAM STANDARDS; LICENSES.] The commissioner of public welfare shall:

(1) Establish uniform rules, regulations and program standards for each type of residential and day facility or service for (MORE THAN FOUR) *mentally* retarded persons, including state institutions under control of the commissioner and serving mentally retarded persons, *and excluding mentally retarded persons residing with their families.*

(2) Grant licenses according to the provisions of Laws 1976, chapter 243, sections 2 to 13.

Subd. 3. [LICENSING DETERMINATIONS.] (1) No new license shall be granted pursuant to this section when the issuance of the license would substantially contribute to an excessive concentration of community residential facilities within any town, municipality or county of the state.

(2) In determining whether a license shall be issued pursuant to this subdivision, the commissioner of public welfare shall specifically consider the population, size, land use plan, availability of community services and the number and size of existing public and private community residential facilities in the town, municipality or county in which a licensee seeks to operate a residence. Under no circumstances may the commissioner newly license any facility pursuant to this section except as provided in section 245.812. The commissioner of public welfare shall establish uniform rules and regulations to implement the provisions of this subdivision.

(3) Licenses for community facilities and services shall be issued pursuant to section 245.821.

Subd. 4. [RULES; DECERTIFICATION OF BEDS.] The commissioner shall promulgate in rule criteria for decertification of beds in intermediate care facilities for the mentally retarded, and shall encourage providers in voluntary decertification efforts. The commissioner shall not recommend to the commissioner of health the involuntary decertification of an intermediate care facility for beds for the mentally retarded prior to the availability of appropriate services for those residents affected by the decertification. The commissioner of health shall decertify those intermediate care beds determined to be not needed by the commissioner of welfare.

Sec. 3. [252.291] [LIMITATION ON DETERMINATION OF NEED.]

Subdivision 1. [MORATORIUM.] Notwithstanding section 252.28, subdivision 1, or any other law or rule to the contrary, the commissioner of public welfare shall deny any request for a determination of need and refuse to grant a license pursuant to section 245.782 for any new intermediate care facility for mentally retarded persons or for an increase in the licensed capacity of an existing facility except as provided in subdivision 2. In no event shall the total of certified intermediate care beds for mentally retarded persons in community facilities and state hospitals exceed 7,500 beds as of July 1, 1983, and 7,000 beds as of July 1, 1986. "Certified bed" means an intermediate care bed for the mentally retarded certified by the commissioner of health for the purposes of the medical assistance program under United States Code, title 42, sections 1396 to 1396p, as amended through December 31, 1982.

Subd. 2. [EXCEPTIONS.] The commissioner of public welfare in coordination with the commissioner of health may approve a new intermediate care facility for mentally retarded persons only in the following circumstances:

(a) when the facility is developed in accordance with a request for proposal system established pursuant to subdivision 3, clause (b);

(b) when the facility is necessary to serve the needs of identifiable mentally retarded persons who are seriously behaviorally disordered or who are physically or sensorily impaired; or

(c) to license beds in new facilities where need was determined by the commissioner prior to the effective date of this section.

Subd. 3. [DUTIES OF COMMISSIONER OF PUBLIC WELFARE.] The commissioner shall:

(a) establish standard admission criteria for state hospitals and county utilization targets to limit and reduce the number of intermediate care beds in state hospitals and community facilities in accordance with approved waivers under United States Code, title 42, sections 1396 to 1396p, as amended through December 31, 1982, to assure that appropriate services are provided in the least restrictive setting;

(b) provide technical assistance so that county boards may establish a request for proposal system for meeting individual service plan objectives through home and community-based services; alternative community services; or, if no other alternative will meet the needs of identifiable individuals for whom the county is financially responsible, a new intermediate care facility for mentally retarded persons; and

(c) establish a client tracking and evaluation system as required under applicable federal waiver regulations, Code of Federal Regulations, title 42, sections 431, 435, 440, and 441, as amended through December 31, 1982.

(d) develop a state plan for the delivery and funding of residential day and support services to the mentally retarded in Minnesota and submit that plan to the clerk of each house of the Minnesota legislature on or before the 15th of January of each biennium beginning January 15, 1985. The biennial mental retardation plan shall include but not be limited to:

(1) county by county maximum intermediate care bed utilization quotas;

(2) plans for the development of the number and types of services alternative to intermediate care beds;

(3) procedures for the administration and management of the plan;

(4) *procedures for the evaluation of the implementation of the plan; and*

(5) *the number, type, and location of intermediate care beds targeted for decertification.*

The commissioner shall modify the plan to ensure conformance with the medical assistance home and community-based services waiver.

Subd. 4. [MONITORING.] The commissioner of public welfare, in coordination with the commissioner of health, shall implement mechanisms to monitor and analyze the effect of the bed moratorium in the different geographic areas of the state. The commissioner of public welfare shall submit to the legislature annually beginning January 15, 1984, an assessment of the impact of the moratorium by geographic areas.

Subd. 5. [RULEMAKING.] The commissioner of public welfare shall promulgate temporary and permanent rules pursuant to chapter 14, the Administrative Procedure Act, to implement this section.

Sec. 4. Minnesota Statutes 1982, section 256B.02, subdivision 8, is amended to read:

Subd. 8. [MEDICAL ASSISTANCE; MEDICAL CARE.] "Medical assistance" or "medical care" means payment of part or all of the cost of the following care and services for eligible individuals whose income and resources are insufficient to meet all of (SUCH) *this cost:*

(1) *inpatient hospital services (.);*

(2) *skilled nursing home services and services of intermediate care facilities (.), including training and habilitation services, as defined in section 256B.50, subdivision 1, for mentally retarded individuals residing in intermediate care facilities for the mentally retarded;*

(3) *physicians' services (.);*

(4) *outpatient hospital or clinic services (.);*

(5) *home health care services (.);*

(6) *private duty nursing services (.);*

(7) *physical therapy and related services (.);*

(8) *dental services, excluding cast metal restorations (.);*

(9) laboratory and x-ray services (.);

(10) the following if prescribed by a licensed practitioner: drugs, eyeglasses, dentures, and prosthetic devices. The commissioner shall designate a formulary committee which shall advise the commissioner on the names of drugs for which payment shall be made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. The commissioner shall appoint the formulary committee members no later than 30 days following July 1, 1981. The formulary committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of public welfare, and a majority of whose practice is for persons paying privately or through health insurance, three of whom shall be pharmacists who are not employed by the department of public welfare, and a majority of whose practice is for persons paying privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve two year terms and shall serve without compensation. The commissioner may establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the administrative procedure act, but the formulary committee shall review and comment on the formulary contents. The formulary shall not include: drugs for which there is no federal funding; over the counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, prenatal vitamins, and vitamins for children under the age of seven; nutritional products; anorectics; and drugs for which medical value has not been established. Payment to drug vendors shall not be modified before the formulary is established. The commissioner may promulgate conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

The basis for determining the amount of payment shall be the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. Establishment of this fee shall not be subject to the requirements of the administrative procedure act. Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, unless the prescriber specifically indicates "dispense as written" on the prescription as required by section 151.21, subdivision 2.

Notwithstanding the above provisions, implementation of any change in the fixed dispensing fee which has not been subject to the administrative procedure act shall be limited to not more than 180 days, unless, during that time, the commissioner shall have initiated rulemaking through the administrative procedure act (.);

(11) diagnostic, screening, and preventive services (.);

(12) health care pre-payment plan premiums and insurance premiums if paid directly to a vendor and supplementary medical insurance benefits under Title XVIII of the Social Security Act (.);

(13) abortion services, but only if one of the following conditions is met:

(a) The abortion is a medical necessity. "Medical necessity" means (1) the signed written statement of two physicians indicating the abortion is medically necessary to prevent the death of the mother, and (2) the patient has given her consent to the abortion in writing unless the patient is physically or legally incapable of providing informed consent to the procedure, in which case consent will be given as otherwise provided by law;

(b) The pregnancy is the result of criminal sexual conduct as defined in section 609.342, clauses (c), (d), (e)(i), and (f), and the incident is reported within 48 hours after the incident occurs to a valid law enforcement agency for investigation, unless the victim is physically unable to report the criminal sexual conduct, in which case the report shall be made within 48 hours after the victim becomes physically able to report the criminal sexual conduct; or

(c) The pregnancy is the result of incest, but only if the incident and relative are reported to a valid law enforcement agency for investigation prior to the abortion (.);

(14) transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by non-ambulatory persons in obtaining emergency or non-emergency medical care when paid directly to an ambulance company, common carrier, or other recognized providers of transportation services. For the purpose of this clause, a person who is incapable of transport by taxicab or bus shall be considered to be non-ambulatory (.);

(15) to the extent authorized by rule of the state agency, costs of bus or taxicab transportation incurred by any ambulatory eligible person for obtaining non-emergency medical care (.); and

(16) any other medical or remedial care licensed and recognized under state law unless otherwise prohibited by law.

Sec. 5. [256B.092] [CASE MANAGEMENT OF MENTALLY RETARDED PERSONS.]

Subdivision 1. [COUNTY OF FINANCIAL RESPONSIBILITY; DUTIES.] Before any services shall be rendered to mentally retarded persons in need of social service and medical assistance, the county of financial responsibility shall conduct a diagnostic evaluation in order to determine whether the person is or may be mentally retarded. If a client is diagnosed mentally retarded, that county must conduct a needs assessment, develop an individual service plan, and authorize placement for services. If the county of financial responsibility places a client in another county for services, the placement shall be made in cooperation with the host county of service, and arrangements shall be made between the two counties for ongoing social service, including annual reviews of the client's individual service plan. The host county may not make changes in the service plan without approval by the county of financial responsibility.

Subd. 2. [MEDICAL ASSISTANCE.] To assure quality case management to those county clients who are eligible for medical assistance, the commissioner shall: (a) provide consultation on the case management process; (b) assist county agencies in the screening and annual reviews of clients to assure that appropriate levels of service are provided; (c) provide consultation on service planning and development of services with appropriate options; (d) provide training and technical assistance to county case managers; and (e) authorize payment for medical assistance services.

Subd. 3. [TERMINATION OF SERVICES.] County agency case managers, under rules of the commissioner, shall authorize and terminate services of community and state hospital providers in accordance with individual service plans. Medical assistance services not needed shall not be authorized by county agencies nor funded by the commissioner.

Subd. 4. [ALTERNATIVE HOME AND COMMUNITY BASED SERVICES.] The commissioner shall make payments to county boards participating in the medical assistance program to pay costs of providing alternative home and community based services to medical assistance eligible mentally retarded persons screened under subdivision 7. Payment is available under this subdivision only for persons who, if not provided these services, would require the level of care provided in an intermediate care facility for mentally retarded persons.

Subd. 5. [FEDERAL WAIVERS.] The commissioner shall apply for any federal waivers necessary to secure, to the extent allowed by law, federal financial participation under United States Code, title 42, sections 1396 to 1396p, as amended through December 31, 1982, for the provision of services to persons who, in the absence of the services, would need the level of care provided in a state hospital or a community intermediate care facility for mentally retarded persons. The commissioner may seek amendments to the waivers or apply for additional waivers under

United States Code, title 42, sections 1396 to 1396p, as amended through December 31, 1982, to contain costs. The commissioner shall ensure that payment for the cost of providing home and community based alternative services under the federal waiver plan shall not exceed the cost of intermediate care services that would have been provided without the waived services.

Subd. 6. [RULES.] The commissioner shall adopt temporary and permanent rules to establish required controls, documentation, and reporting of services provided in order to assure proper administration of the approved waiver plan.

Subd. 7. [SCREENING TEAMS ESTABLISHED.] Each county agency shall establish a screening team which, under the direction of the county case manager, shall make an evaluation of need for home and community based services of persons who are entitled to the level of care provided by an intermediate care facility for mentally retarded persons or for whom there is a reasonable indication that they might need the services in the near future. The screening team shall make an evaluation of need within 15 working days of the request for service and within five working days of an emergency admission of an individual to an intermediate care facility for mentally retarded persons. The screening team shall consist of the case manager, the client, a parent or guardian, a qualified mental retardation professional, as defined in the code of Federal Regulations, title 42, section 442.401, as amended through December 31, 1982, assigned by the commissioner. The case manager shall consult with the client's physician or other persons as necessary to make this evaluation. Other persons may be invited to attend meetings of the screening team. No member of the screening team shall have any direct or indirect service provider interest in the case.

Subd. 8. [SCREENING TEAM DUTIES.] The screening team shall:

- (a) review diagnostic data;*
- (b) review health, social, and developmental assessment data using a uniform screening tool specified by the commissioner;*
- (c) identify the level of services needed to maintain the person in the most normal and least restrictive setting that is consistent with treatment needs;*
- (d) identify other noninstitutional public assistance or social service that may prevent or delay long-term residential placement;*
- (e) determine whether a client is in serious need of long-term residential care;*

(f) make recommendations to the county agency regarding placement and payment for: (1) social service or public assistance support to maintain a client in the client's own home or other place of residence; (2) training and habilitation service, vocational rehabilitation, and employment training activities; (3) community residential placement; (4) state hospital placement; or (5) a home and community based alternative to community residential placement or state hospital placement;

(g) make recommendations to a court as may be needed to assist the court in making commitments of mentally retarded persons; and

(h) inform clients that appeal may be made to the commissioner pursuant to section 256.045.

Subd. 9. [REIMBURSEMENT.] Payment shall not be provided to a service provider for any recipient placed in an intermediate care facility for the mentally retarded prior to the recipient being screened by the screening team. The commissioner shall not deny reimbursement for: (a) an individual admitted to an intermediate care facility for mentally retarded who is assessed to need long-term supportive services, if long-term supportive services other than intermediate care are not available in that community; (b) any individual admitted to an intermediate care facility for the mentally retarded under emergency circumstances; (c) any eligible individual placed in the intermediate care facility for the mentally retarded pending an appeal of the screening team's decision; or (d) any medical assistance recipient when, after full discussion of all appropriate alternatives including those that are expected to be less costly than intermediate care for mentally retarded, the individual or the individual's legal representative insists on intermediate care placement. The screening team shall provide documentation that the most cost effective alternatives available were offered to this individual or the individual's legal representative.

Sec. 6. Minnesota Statutes 1982, section 256B.19, is amended by adding a subdivision to read:

Subd. 3. [STUDY OF MEDICAL ASSISTANCE FINANCIAL PARTICIPATION.] The commissioner shall study the feasibility and outcomes of implementing a variable medical assistance county financial participation rate for long-term care services to mentally retarded persons in order to encourage the utilization of alternative services to long-term intermediate care for the mentally retarded. The commissioner shall submit his findings and recommendations to the legislature by January 20, 1984.

Sec. 7. [256B.50] [RATES FOR COMMUNITY-BASED SERVICES FOR THE MENTALLY RETARDED.]

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

(a) "Commissioner" means the commissioner of public welfare.

(b) "Facility" means a facility licensed as a mental retardation residential facility under section 252.28, licensed as a supervised living facility under chapter 144, and certified as an intermediate care facility for the mentally retarded.

(c) "Waivered service" means home or community-based service authorized under United States Code, title 42, section 1396n(c), as amended through December 31, 1982, and defined in the Minnesota state plan for the provision of medical assistance services. Waivered services include, at a minimum, case management, family training and support, developmental training homes, supervised living arrangements, semi-independent living services, respite care, and training and habilitation services.

(d) "Training and habilitation services" are those health and social services needed to ensure optimal functioning of persons who are mentally retarded or have related conditions. Training and habilitation services shall be provided to a client away from the residence unless medically contraindicated by an organization which does not have a direct or indirect financial interest in the organization which provides the person's residential services. This requirement shall not apply to any developmental achievement center which has applied for licensure prior to April 15, 1983.

Subd. 2. [AUTHORITY.] The commissioner shall establish procedures and rules for determining rates for care of residents of intermediate care facilities for the mentally retarded which qualify as vendors of medical assistance, waived services, and for provision of training and habilitation services. Approved rates shall be established on the basis of methods and standards that the commissioner finds adequate to provide for the costs that must be incurred for the quality care of residents in efficiently and economically operated facilities and services. The procedures shall specify the costs that are allowable for payment through medical assistance. The commissioner may use experts from outside the department in the establishment of the procedures.

Subd. 3. [RATES FOR INTERMEDIATE CARE FACILITIES FOR THE MENTALLY RETARDED.] The commissioner shall establish, by rule, procedures for determining rates for care of residents of intermediate care facilities for the mentally retarded. The procedures shall be based on methods and standards that the commissioner finds are adequate to provide for the costs that must be incurred for the care of residents in

efficiently and economically operated facilities. In developing the procedures, the commissioner shall include:

(a) cost containment measures that assure efficient and prudent management of capital assets and operating cost increases which do not exceed increases in other sections of the economy;

(b) limits on the amounts of reimbursement for property, general and administration, and new facilities;

(c) requirements to ensure that the accounting practices of the facilities conform to generally accepted accounting principles; and

(d) incentives to reward accumulation of equity.

In establishing rules and procedures for setting rates for care of residents in intermediate care facilities for mentally retarded persons, the commissioner shall consider the recommendations contained in the February 11, 1983, Report of the Legislative Auditor on Community Residential Programs for the Mentally Retarded and the recommendations contained in the 1982 Report of the Department of Public Welfare Rule 52 Task Force. Rates paid to supervised living facilities for rate years beginning during the fiscal biennium ending June 30, 1985, shall not exceed the final rate allowed the facility for the previous rate year by more than five percent.

Subd. 4. [WAIVERED SERVICES.] In establishing rates for waived services the commissioner shall consider the need for flexibility in the provision of those services to meet individual needs identified by the screening team.

Subd. 5. [TRAINING AND HABILITATION SERVICES.] (a) Except as provided in subdivision 6, rates for reimbursement under medical assistance for training and habilitation services provided by a developmental achievement center either as a waived service or to residents of an intermediate care facility for mentally retarded persons shall be established and paid in accordance with this subdivision effective January 1, 1984.

(b) Prior to August 1, 1983, the county board shall submit to the commissioner its contractual per diem rate and its maximum per client annual payment limitations, if any, for each developmental achievement center it administers pursuant to section 252.24, subdivision 1, for the period from July 1, 1983, through December 31, 1983, which shall be the medical assistance reimbursement rate established for that developmental achievement center for 1983. If the county rate is based on average daily attendance which is less than 93 percent of the developmental achievement center's average enrollment for the

period from July 1, 1983, to December 31, 1983, the commissioner shall adjust that rate based on 93 percent average daily attendance.

(c) The base per diem reimbursement rate established for 1983 may be increased by the commissioner in 1984 in an amount up to the projected percentage change in the average value of the consumer price index (all urban) for 1984 over 1983. In subsequent years, the increase in the per diem rate shall not exceed the projected percentage change in the average annual value of the consumer price index (all urban) for the same time period.

(d) The county board in which an intermediate care facility for mentally retarded persons is located shall contract annually with that facility and with the appropriate developmental achievement center or training and habilitation service provider for provision of training and habilitation services for each resident of the facility for whom the services are required by the resident's individual service plan. This contract shall specify the county payment rate or the medical assistance reimbursement rate, as appropriate; the training and habilitation services to be provided; and the performance standards for program provision and evaluation. A similar contract shall be entered into between the county and the developmental achievement center for persons receiving training and habilitation services from that center as a waived service.

(e) The commissioner shall reimburse under medical assistance up to 210 days of training and habilitation services at developmental achievement centers for those centers which provided less than or equal to 210 days of training and habilitation services in calendar year 1982. For developmental achievement centers providing more than 210 days of services in 1982, the commissioner shall not reimburse under medical assistance in excess of the number of days provided by those programs in 1982.

(f) Medical assistance payments for training and habilitation services shall be made directly to the training and habilitation provider after submission of invoices to the medical assistance program following procedures established by the medical assistance program.

(g) Nothing in this subdivision shall prohibit county boards from contracting for rates for services not reimbursed under medical assistance.

Subd. 6. [NEW DEVELOPMENTAL ACHIEVEMENT PROGRAMS; RATES.] The commissioner, upon the recommendation of the local county board, shall determine the medical assistance reimbursement rate for new developmental achievement programs. The payment rate shall not exceed 125 percent of the average payment rate in the region.

Subd. 7. [ALTERNATIVE RATES FOR TRAINING AND HABILITATION SERVICES.] *Alternative methods may be proposed by the counties or the commissioner for provision of training and habilitation services during daytime hours apart from a residential facility to persons for whom needs identified in their individual service plan are not met by the training and habilitation services provided at a developmental achievement center. The commissioner shall establish procedures for approval of the proposals and for medical assistance payment of rates which shall not exceed the average rate allowed in that county for training and habilitation services pursuant to subdivision 5. Nothing in this subdivision prohibits a county from contracting with a developmental achievement center for those purposes.*

Subd. 8. [PAYMENT FOR PERSONS WITH SPECIAL NEEDS.] *The commissioner shall establish by December 31, 1983, procedures to be followed by the counties to seek authorization from the commissioner for medical assistance reimbursement for waived services or training and habilitation services for very dependent persons with special needs in an amount in excess of the rates allowed pursuant to subdivisions 2, 4, 5, and 6, and procedures to be followed for rate limitation exemptions for intermediate care facilities for mentally retarded persons. No excess payment or limitation exemption shall be authorized unless the need for the service is documented in the individual service plan of the person or persons to be served, the type and duration of the services needed are stated, and there is a basis for estimated cost of the services.*

The commissioner shall evaluate the services provided pursuant to this subdivision through program and fiscal audits.

Subd. 9. [REPORTING REQUIREMENTS.] *The developmental achievement center shall submit to the county and the commissioner no later than March 1 of each year an annual report which includes the actual program revenues and expenditures, client information, and program information. The information shall be submitted on forms prescribed by the commissioner.*

Subd. 10. [RULES.] *To implement this section, the commissioner shall promulgate temporary and permanent rules in accordance with chapter 14. To implement subdivision 3, the commissioner shall promulgate temporary rules by October 1, 1983, and permanent rules in accordance with sections 14.01 to 14.38. Notwithstanding the provisions of section 14.35, the temporary rule promulgated to implement subdivision 3 shall be effective for up to 720 days.*

Sec. 8. [RULES.]

To implement sections 1 to 7, the commissioner shall promulgate temporary and permanent rules in accordance with sections 14.01 to 14.38.

Sec. 9. Minnesota Statutes 1982, section 256E.06, is amended by adding a subdivision to read:

Subd. 2a. [STATE TRANSFER OF FUNDS.] Notwithstanding subdivisions 1 and 2, for the purpose of funding training and habilitation services provided to residents of intermediate care facilities for mentally retarded persons as required under federal regulation, the commissioner is authorized to transfer on a quarterly basis to the medical assistance state account from each county's Community Social Services Act allocation an amount equal to the state share of medical assistance reimbursement for such services provided to clients for whom the county is financially responsible. Upon federal approval and state implementation of the state medical assistance plan, county boards will not be responsible for the funding of training and habilitation services as a social service to residents of intermediate care facilities for the mentally retarded. County board responsibility for training and habilitation services shall be assumed under section 256B.20. County boards continue to be responsible for funding developmental achievement center services not covered under the medical assistance program established by United States Code, title 42, sections 1396 to 1396p, as amended through December 31, 1982, and shall develop contractual agreements for these services under the authority of chapter 256E.

Sec. 10. [IMPLEMENTATION; USE OF APPROPRIATION.]

(a) Up to 15 line item positions are authorized for the implementation of provisions of the case management plan, the home and community based services waiver program, assisting county agencies in screening clients for medical assistance services, technical assistance in developing community-based alternatives, and management of the mental retardation medical assistance program.

(b) The contingent appropriation for development and implementation of this project shall be expended with the approval of the governor after consulting with the legislative advisory commission as provided in section 3.30. Release of these funds shall also be contingent upon submission of a plan prepared by the commissioner. The plan shall describe the following:

(1) the organization, development, and responsibilities of requested staff;

(2) specification of all the administrative costs associated with the program;

(3) how the information system will be integrated into the community services information system, the medicaid manage-

ment information system, and any other data processing operations of the department;

(4) the methods for implementing the system; and

(5) the projected costs for the maintenance and operation of the system.

The plan shall be submitted to the chairmen of the house appropriations and senate finance committees.

Sec. 11. [REPEALER.]

The provisions of sections 2, 3, 5, 7, subdivisions 1, 4, and 10 are repealed effective June 30, 1984, if a home and community based waiver under United States Code, title 42, section 1396n (c), as amended through December 31, 1982, is not approved by June 30, 1984.

Sec. 12. [EFFECTIVE DATE.]

Sections 1 to 11 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for welfare, corrections, health, and other purposes with certain conditions; providing appropriations for the departments of public welfare, economic security, corrections, health, sentencing guidelines commission, corrections ombudsman, and health related boards; providing an entitlement to certain child care services; increasing marriage license and dissolution fees; providing for distribution of federal maternal and child health block grant money; requiring cost increase limits and other cost containment measures in medical care programs; amending eligibility standards; changing general assistance to allow employment through grant diversion and work registration requirements, and federal benefit application incentives; providing for job training for certain persons; allowing for certain changes in the services for the mentally retarded; amending Minnesota Statutes 1982, sections 13.46, subdivision 2; 15.61; 129A.03; 144.653, subdivision 2; 144A.04, subdivision 5; 144A.10, subdivision 2; 145.881; 145.882; 145.921, subdivision 1; 245.62; 245.66; 245.83; 245.84, subdivisions 1, 2, and 5; 245.85; 245.86; 245.87; 246.57, by adding a subdivision; 251.011, subdivision 6; 252.24, subdivision 1; 252.28; 256.01, subdivision 2; 256.045, subdivision 3; 256.82, by adding a subdivision; 256.966, subdivision 1; 256.967; 256.968; 256B.02, subdivision 8; 256B.04, subdivision 14, and by adding a subdivision; 256B.041, subdivisions 2 and 5; 256B.06, subdivision 1; 256B.061; 256B.064, subdivision 1a; 256B.07;

256B.14, subdivision 2; 256B.17, subdivision 4, and by adding subdivisions; 256B.19, by adding a subdivision; 256B.27, subdivisions 3 and 4; 256D.01, subdivision 1; 256D.02, subdivision 4, and by adding a subdivision; 256D.03, subdivisions 3, 4, and by adding subdivisions; 256D.05, subdivision 1a; 256D.06, subdivision 5; 256D.09, subdivision 2, and by adding a subdivision; 256E.06, subdivision 2, and by adding a subdivision; 260.191, subdivision 2; 260.242, subdivision 2; 261.23; 268.12, subdivision 12; 357.021, subdivisions 2 and 2a; 401.14, by adding a subdivision; 401.15, subdivision 1; 517.08, subdivisions 1b and 1c; Laws 1982, chapter 614, section 13; proposing new law coded in Minnesota Statutes, chapters 145; 252; 256; 256B; 256D; and 268; repealing Minnesota Statutes 1982, sections 256D.02, subdivision 14; 256D.05, subdivision 1a; 256D.06, subdivision 1a; Laws 1981, chapter 323, section 4; chapter 360, article II, section 54, as amended; and the section proposed to be coded as section 471.365 contained in a bill styled as H. F. No. 1290 during the 1983 regular legislative session."

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

Senate Conferees: DON B. SAMUELSON, DEAN E. JOHNSON, ALLAN H. SPEAR and RONALD R. DICKLICH.

House Conferees: ANN WYNIA, LEE GREENFIELD, MARY MURPHY, RANDOLPH W. STATEN and DOUG ST. ONGE.

Wynia moved that the report of the Conference Committee on S. F. No. 1234 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

CALL OF THE HOUSE

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

Anderson, B.	DenOuden	Himle	Marsh	Pauly
Anderson, G.	Dimler	Hoffman	McDonald	Peterson
Battaglia	Eken	Hokr	McEachern	Piepho
Beard	Elioff	Jacobs	McKasy	Piper
Begich	Erickson	Jennings	Metzen	Price
Bennett	Evans	Jensen	Minne	Quinn
Bergstrom	Findlay	Johnson	Munger	Quist
Berkelman	Fjoslien	Kalis	Murphy	Redalen
Bishop	Forsythe	Kelly	Nelson, D.	Reif
Blatz	Frerichs	Knickerbocker	Nelson, K.	Riveness
Brandl	Graba	Knuth	Neuenschwander	Rodosovich
Brinkman	Greenfield	Kostohryz	Norton	Rodriguez, C.
Burger	Gruenes	Krueger	O'Connor	Rodriguez, F.
Carlson, D.	Gustafson	Kvam	Ogren	Rose
Carlson, L.	Gutknecht	Larsen	Olsen	St. Onge
Clark, J.	Halberg	Levi	Omann	Schafer
Cohen	Haukoos	Long	Onnen	Schoenfeld
Coleman	Heap	Ludeman	Osthoff	Schreiber
Dempsey	Heinitz	Mann	Otis	Seaberg

Segal
Shaver
Sherman
Simoneau
Skoglund
Solberg

Sparby
Stadum
Staten
Sviggum
Swanson
Thiede

Tomlinson
Tunheim
Uphus
Valento
Vellenga
Waltman

Welch
Welker
Welle
Wenzel
Wigley
Wynia

Zaffke
Speaker Sieben

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

S. F. No. 1234, A bill for an act relating to the organization and operation of state government; appropriating money for welfare, corrections, health, and other purposes with certain conditions; providing appropriations for the departments of public welfare, economic security, corrections, health, sentencing guidelines commission, corrections ombudsman, and health related boards; providing an entitlement to certain child care services; increasing marriage license and dissolution fees; providing for distribution of federal maternal and child health block grant money; requiring cost increase limits and other cost containment measures in medical care programs; amending eligibility standards; changing general assistance to allow flat grants, employment through grant diversion and work registration requirements, and federal benefit application incentives; providing for job training for certain persons; amending Minnesota Statutes 1982, sections 129A.03; 144.653, subdivision 2; 144A.04, subdivision 5; 144A.10, subdivision 2; 145.882; 145.921, subdivision 1; 245.62; 245.66; 245.83; 245.84, subdivisions 1, 2, and 5; 245.85; 245.86; 245.87; 256.045, subdivision 3; 256.82, by adding a subdivision; 256.966, subdivision 1; 256.968; 256B.02, subdivision 8; 256B.04, subdivision 14, and by adding a subdivision; 256B.06, subdivision 1; 256B.07; 256B.14, subdivision 2; 256B.17, subdivision 4, and by adding subdivisions; 256B.27, subdivision 3; 256B.48, by adding a subdivision; 256D.01, subdivision 1; 256D.02, subdivision 4; 256D.03, subdivisions 3 and 4, and by adding subdivisions; 256D.05, subdivision 1a; 256D.06, subdivision 5; 256D.09, subdivision 2, and by adding a subdivision; 260.191, subdivision 2; 260.242, subdivision 2; 261.23; 357.021, subdivisions 2 and 2a; 401.14, by adding a subdivision; 401.15, subdivision 1; 517.08, subdivisions 1b and 1c; proposing new law coded in Minnesota Statutes, chapters 145; 252; 256; 256B; 256D; and 268; repealing Minnesota Statutes 1982, sections 256D.02, subdivision 14; 256D.05, subdivision 1a; 256D.06, subdivision 1a; 256D.22; and Laws 1981, chapter 360, article II, section 5A, as amended.

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

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

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

There were 71 yeas and 58 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Eken	Long	Price	Staten
Anderson, G.	Elioff	Mann	Quinn	Swanson
Battaglia	Ellingson	Metzen	Rice	Tomlinson
Beard	Graba	Minne	Riveness	Tunheim
Begich	Greenfield	Munger	Rodosovich	Vanasek
Bergstrom	Gustafson	Murphy	Rodriguez, C.	Vellenga
Berkelman	Hoffman	Nelson, D.	Rodriguez, F.	Voss
Brandl	Jacobs	Nelson, K.	St. Onge	Welch
Brinkman	Jensen	Neuenschwander	Sarna	Wenzel
Carlson, D.	Kalis	Norton	Segal	Wynia
Carlson, L.	Kelly	O'Connor	Shea	Speaker Sieben
Clark, J.	Knuth	Ogren	Simoneau	
Clark, K.	Kostohryz	Otis	Skoglund	
Cohen	Krueger	Peterson	Solberg	
Coleman	Larsen	Piper	Sparby	

Those who voted in the negative were:

Anderson, R.	Fjoslien	Johnson	Piepho	Svigum
Bennett	Forsythe	Knickerbocker	Quist	Thiede
Bishop	Frerichs	Kvam	Redalen	Uphus
Blatz	Gruenes	Levi	Reif	Valan
Burger	Gutknecht	Ludeman	Rose	Valento
Clawson	Halberg	Marsh	Schafer	Waltman
Dempsey	Haukoos	McDonald	Schoenfeld	Welker
DenOuden	Heap	McKasy	Schreiber	Welle
Dimler	Heinitz	Olsen	Seaberg	Wigley
Erickson	Himle	Omann	Shaver	Zaffke
Evans	Hokr	Onnen	Sherman	
Findlay	Jennings	Pauly	Stadum	

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

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. 559, A bill for an act relating to courts; providing for interest rates on judgments; amending Minnesota Statutes 1982, section 549.09, subdivision 1.

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

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 575, A bill for an act relating to labor; providing for comprehensive reform of all aspects of workers' compensation; ratifying changes in the state employee bargaining unit composition schedule; ratifying state and University of Minnesota labor agreements, compensation plans, and plans for early retirement incentives; providing penalties; appropriating money; amending Minnesota Statutes 1982, sections 43A.23, by adding a subdivision; 79.071, subdivisions 1 and 1a; 79.211, subdivision 1; 79.251; 79.34, subdivisions 1, 2, and by adding a subdivision; 79.35; 79.37; 79.51, subdivisions 1 and 3; 79.52, by adding a subdivision; 175.006, subdivision 1; 175.007, subdivision 1; 175.08; 175.10; 175.101, subdivisions 1 and 2; 176.011, by adding subdivisions; 176.012; 176.021, subdivision 3; 176.041, subdivision 1; 176.061; 176.101, subdivisions 2, 3, 6, and by adding subdivisions; 176.102, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and by adding subdivisions; 176.105, by adding a subdivision; 176.111, subdivisions 6, 7, 8, and 18, and by adding a subdivision; 176.121; 176.131, subdivisions 1, 1a, 2, 3, 4, 5, 6, 7, and 8; 176.132, subdivision 1, and by adding a subdivision; 176.134, subdivision 4; 176.135, subdivisions 1 and 3; 176.136; 176.155, subdivisions 3 and 5; 176.179; 176.182; 176.183, subdivisions 1, 1a, and by adding subdivisions; 176.185, by adding a subdivision; 176.191, by adding subdivisions; 176.195, subdivision 2, and by adding subdivisions; 176.221; 176.225, subdivisions 1, 2, and 3; 176.231, subdivisions 3, 4, 5, 9, and 10; 176.241, subdivisions 2 and 4; 176.281; 176.285; 176.321, subdivision 1; 176.331; 176.341; 176.361; 176.371; 176.421, subdivisions 3, 4, 6, and 7; 176.442; 176.461; 176.521, subdivisions 2, 2a, and 3; 176.561; 176.571, subdivision 6; 176.645, subdivision 1; 176.66, by adding subdivisions; 179.741, subdivision 1, and by adding a subdivision; 268.08, subdivision 3; and 471.982, subdivision 2, and by adding a subdivision; Laws 1981, chapter 346, sections 145 and 146; proposing new law coded in Minnesota Statutes, chapters 79 and 176; repealing Minnesota Statutes 1982, sections 79.51, subdivision 2; 79.63; 175.07; 175.101, subdivision 3; 175.36; 176.102, subdivision 12; 176.131, subdivisions 9, 10, 11, and 12; 176.152; and 176.262.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Simoneau moved that the House concur in the Senate amendments to H. F. No. 575 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 575, A bill for an act relating to labor; providing for a competitive state insurance fund; ratifying changes in the state employee bargaining unit composition schedule; ratifying state and University of Minnesota labor agreements, compensation plans, and plans for early retirement incentives; appropriating money; amending Minnesota Statutes 1982, section 179.741, subdivision 1, and by adding a subdivision; proposing new law coded as Minnesota Statutes, chapter 176A.

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.

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

There were 69 yeas and 60 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Ellingson	Mann	Peterson	Solberg
Battaglia	Graba	McEachern	Piper	Sparby
Beard	Greenfield	Metzen	Price	Staten
Begich	Gustafson	Minne	Quinn	Swanson
Bergstrom	Hoffman	Munger	Rice	Tomlinson
Brandl	Jacobs	Murphy	Riveness	Tunheim
Carlson, L.	Jensen	Nelson, D.	Rodriguez, C.	Vanasek
Clark, J.	Kalis	Nelson, K.	Rodriguez, F.	Vellenga
Clark, K.	Kelly	Neuenschwander	St. Onge	Voss
Clawson	Knuth	Norton	Sarna	Welch
Cohen	Kostohryz	O'Connor	Scheid	Wenzel
Coleman	Krueger	Ogren	Segal	Wynia
Eken	Larsen	Osthoff	Simoneau	Speaker Sieben
Elioff	Long	Otis	Skoglund	

Those who voted in the negative were:

Anderson, B.	Evans	Hokr	Onnen	Shea
Anderson, R.	Findlay	Jennings	Pauly	Sherman
Bennett	Fjoslien	Johnson	Piepho	Stadum
Bishop	Forsythe	Knickerbocker	Quist	Sviggum
Blatz	Frerichs	Kvam	Redalen	Thiede
Brinkman	Gruenes	Levi	Reif	Uphus
Burger	Gutknecht	Ludeman	Rose	Valan
Carlson, D.	Halberg	Marsh	Schafer	Valento
Dempsey	Haukoos	McDonald	Schoenfeld	Waltman
DenOuden	Heap	McKasy	Schreiber	Welker
Dimler	Heinitz	Olsen	Seaberg	Wigley
Erickson	Himle	Omann	Shaver	Zaffke

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. 274, A bill for an act relating to the legislature; providing for the majority leader of the senate rather than the president of the senate to serve as chairman of the legislative coordinating commission; changing the term of the chairman of the commission from one year to two years; amending Minnesota Statutes 1982, section 3.303, subdivision 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Simoneau moved that the House concur in the Senate amendments to H. F. No. 274 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 274, A bill for an act relating to workers' compensation; providing for comprehensive reform of all aspects of workers' compensation; providing penalties; appropriating money; amending Minnesota Statutes 1982, sections 43A.23, by adding a subdivision; 79.071, subdivisions 1 and 1a; 79.211, subdivision 2; 79.251; 79.34, subdivisions 1, 2, and by adding a subdivision; 79.35; 79.37; 79.51, subdivision 3; 79.52, by adding a subdivision; 79.53; 147.02, by adding a subdivision; 175.006, subdivision 1; 175.007, subdivision 1; 175.08; 175.10; 175.101, subdivisions 1 and 2; 176.001; 176.011, subdivision 9, and by adding subdivisions; 176.012; 176.021, subdivisions 1a and 3; 176.041, subdivision 1; 176.061; 176.081, subdivisions 1, 2, 5, 6, 7, and by adding a subdivision; 176.101, subdivisions 1, 2, 6, and by adding subdivisions; 176.102, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and by adding subdivisions; 176.105, by adding a subdivision; 176.111, subdivisions 6, 7, 8, and 18, and by adding a subdivision; 176.121; 176.131, subdivisions 1, 1a, 2, 3, 4, 5, 6, 7, and 8; 176.132, subdivision 1, and by adding a subdivision; 176.134, subdivision 4; 176.135, subdivisions 1 and 3; 176.136; 176.155, subdivisions 3 and 5; 176.179; 176.181, by adding a subdivision; 176.182; 176.183, subdivisions 1, 1a, and by adding subdivisions; 176.185, subdivision 1, and by adding a subdivision; 176.191, by adding subdivisions; 176.195, subdivision 2, and by adding subdivisions; 176.221; 176.225, subdivisions 1, 2, and 3; 176.231, subdivisions 3, 4, 5, 9, and 10; 176.241, subdivisions 2 and 4; 176.281; 176.285; 176.321, subdivision 1; 176.331; 176.341; 176.361; 176.371; 176.421, subdivisions 3, 4, 6, and 7; 176.442; 176.461; 176.521, subdivisions 2, 2a, and 3; 176.561; 176.571, subdivision 6; 176.66, by adding subdivisions; 268.08, subdivision 3; and 471.982, subdivision 2, and by adding a subdivision; Laws 1981, chapter 346, sections 145 and 146; proposing new law coded in Minnesota Statutes, chapters 79; 148; and 176; proposing new law coded as Minnesota Statutes, chapter 176A; repealing Minnesota Statutes 1982, sections 8.31, subdivision 4; 79.51, subdivision 2; 79.63; 175.07; 175.101, subdivision 3; 175.36; 176.101, subdivision 3; 176.102, subdivision 12; 176.131, subdivisions 9, 10, 11, and 12; 176.152; and 176.262.

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:

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

There were 95 yeas and 35 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Erickson	Knickerbocker	Oonen	Simoneau
Anderson, G.	Evans	Kaath	Pauly	Sparby
Anderson, R.	Findlay	Krueger	Peterson	Stadum
Bennett	Fjoslien	Kvam	Piepho	Swiggum
Bergstrom	Forsythe	Larsen	Quist	Thiede
Berkelman	Frerichs	Levi	Redalen	Tunheim
Bishop	Graba	Long	Reif	Uphus
Blatz	Gruenes	Ludeman	Riveness	Valan
Brandl	Gutknecht	Mann	Rodosovich	Valento
Brinkman	Haukoos	Marsh	Rodriguez, C.	Vanasek
Burger	Heap	McDonald	Rose	Vellenga
Carlson, D.	Heinitz	McEachern	Schafer	Waltman
Clawson	Himle	McKasy	Schoenfeld	Welch
Cohen	Hoffman	Metzen	Schreiber	Welker
Coleman	Hokr	Nelson, D.	Seaberg	Welle
Dempsey	Jennings	Nelson, K.	Segal	Wenzel
DenOuden	Jensen	Neuenschwander	Shaver	Wigley
Dimler	Johnson	Olsen	Shea	Zaffke
Eken	Kalis	Omann	Sherman	Speaker Sieben

Those who voted in the negative were:

Battaglia	Ellingson	Munger	Piper	Skoglund
Beard	Greenfield	Murphy	Price	Solberg
Begich	Gustafson	Norton	Rice	Staten
Carlson, L.	Jacobs	O'Connor	Rodriguez, F.	Swanson
Clark, J.	Kelly	Ogren	St. Onge	Tomlinson
Clark, K.	Kostohryz	Osthoff	Sarna	Voss
Elioff	Minne	Otis	Scheid	Wynia

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

The following conference committee report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 549

A bill for an act relating to education; establishing a lending program to fund school energy conservation investments; authorizing the issuance of state bonds pursuant to article XI of the Minnesota Constitution; appropriating money; amending Minne-

sota Statutes 1982, section 275.125, subdivisions 11a, 11b, and by adding a subdivision; and proposing new law coded in Minnesota Statutes, chapter 116J.

May 23, 1983

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

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 549, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 549 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [116J.37] [ENERGY CONSERVATION INVESTMENT LOANS.]

Subdivision 1. [DEFINITIONS.] In this section:

(a) "Commissioner" means the commissioner of energy, planning and development. Upon passage of legislation creating a body known as the Minnesota energy authority, the duties assigned to the commissioner in this section are delegated to the authority.

(b) "Maxi-audit" has the meaning given in section 116J.06, subdivision 12.

(c) "Energy conservation investments" mean all capital expenditures that are associated with conservation measures identified in a maxi-audit and that have a ten-year or less pay back period.

Subd. 2. [ELIGIBILITY.] The commissioner shall approve loans to school districts for energy conservation investments. A loan may be made to a school district that has demonstrated that it has complied with all the appropriate provisions of this section and has made adequate provisions to assure proper and efficient operation of the school facilities after improvements and modifications are completed.

Subd. 3. [APPLICATION.] Application for a loan to be made pursuant to this section shall be made by a school district to the commissioner on a form the commissioner prescribes by

rule. The commissioner shall review each application to determine:

- (a) whether or not the district's proposal is complete;
- (b) whether the project is eligible for a loan;
- (c) the amount of the loan for which the project is eligible; and
- (d) the means by which the district proposes to finance the project including:
 - (1) a loan authorized by this section;
 - (2) a grant of money appropriated by state law;
 - (3) a grant to the district by an agency of the federal government within the amount of money then appropriated to that agency; or
 - (4) the appropriation of other money of the district to an account for the construction of the project.

Subd. 4. [LOANS.] The commissioner shall approve loans to school districts on the following conditions:

(a) A district must demonstrate that all audit activities for a given building or project have been completed, that the project is economically feasible, and that it has made adequate provisions to assure proper and efficient operation of the facility once the project is completed.

(b) A loan made pursuant to this section is repayable over a period of not more than ten years from the date the loan is made. Interest shall accrue from the date the loan is made, but the first payment of interest or principal shall not be due until one year after the loan was made. The principal shall be amortized in equal periodic payments over the remainder of the term of the loan. The accrued interest on the balance of the loan principal shall be due with each payment. Interest attributable to the first year of deferred payment shall be paid in the same manner as principal.

Subd. 5. [PAYMENT; OBLIGATION.] The commissioner shall not approve payment to a school district pursuant to an approved loan until he or she has determined that financing of the project is assured by an irrevocable undertaking, by resolution of the school board, to annually levy or otherwise collect an amount of money sufficient to pay the principal and interest due on the loan as well as any of the commissioner of finance's administrative expenses according to the terms of the loan.

Subd. 6. [RECEIPTS; APPROPRIATION.] The commissioner of finance shall deposit in the state treasury all principal and interest payments received in repayment of the loans authorized by this section. These payments shall be credited to the state building fund and are appropriated to the commissioner of finance for the purposes of that account.

Subd. 7. [RULES.] The commissioner shall adopt rules necessary to implement this section. The commissioner shall adopt temporary rules pursuant to sections 14.29 to 14.36, meeting the requirements of this section. The rules shall contain as a minimum:

- (a) procedures for application by districts;*
- (b) criteria for reviewing loan applications; and*
- (c) procedures and guidelines for program monitoring, closeout, and evaluation.*

Sec. 2. Minnesota Statutes 1982, section 275.125, subdivision 11a, is amended to read:

Subd. 11a. [CAPITAL EXPENDITURE LEVY.] (a) Each year a school district may levy an amount not to exceed the amount equal to \$90 per pupil unit, or \$95 per pupil unit in districts where the actual number of pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), has increased from the prior year. No levy under this clause shall exceed seven mills times the adjusted assessed valuation of the taxable property in the district for the preceding year.

(b) The proceeds of the tax may be used to acquire land, to equip and re-equip buildings and permanent attached fixtures, to rent or lease buildings for school purposes, to pay leasing fees for computer systems hardware and related proprietary software, and to pay leasing fees for photocopy machines and telecommunications equipment. The proceeds of the tax may also be used for capital improvement and repair of school sites, buildings and permanent attached fixtures, energy assessments (AS REQUIRED PURSUANT TO SECTION 116J.24), and for the payment of any special assessments levied against the property of the district authorized pursuant to section 435.19 or any other law or charter provision authorizing assessments against publicly owned property; provided that a district may not levy amounts to pay assessments for service charges, such as those described in section 429.101, whether levied pursuant to that section or pursuant to any other law or home rule provision. The proceeds of the tax may also be used for capital expenditures to reduce or eliminate barriers to or increase access to school facilities by handicapped individuals. The proceeds of the tax may also be used to make capital improvements to schoolhouses

to be leased pursuant to section 123.36, subdivision 10. The proceeds of the tax may also be used to pay fees for capital outlay expenditures assessed and certified to each participating school district by the educational cooperative service unit board of directors. *The proceeds of the tax may also be used to pay principal and interest on loans from the state authorized by section 1.*

(c) Subject to the commissioner's approval, the tax proceeds may also be used to acquire or construct buildings. The state board shall promulgate rules establishing the criteria to be used by the commissioner in approving and disapproving district applications requesting the use of capital expenditure tax proceeds for the acquisition or construction of buildings. The approval criteria for purposes of building acquisition and construction shall include: the appropriateness of the proposal for the district's long term needs; the availability of adequate existing facilities; and the economic feasibility of bonding because of the proposed building's size or cost.

(d) The board shall establish a fund in which the proceeds of this tax shall be accumulated until expended.

(e) The proceeds of the tax shall not be used for custodial or other maintenance services.

(f) Each year, subject to the seven mill limitation of clause (a) of this subdivision, a school district which operates an approved secondary vocational education program or an approved senior secondary industrial arts program may levy an additional amount equal to \$5 per pupil unit for capital expenditures for equipment for these programs.

(g) For purposes of computing allowable levies under this subdivision and subdivision 11b, pupil units shall include those units identified in section 124.17, subdivision 1, clauses (1) and (2), and 98.5 percent of the units identified in Minnesota Statutes 1980, Section 124.17, Subdivision 1, Clauses (4) and (5) for 1980-1981.

Sec. 3. Minnesota Statutes 1982, section 275.125, subdivision 11b, is amended to read:

Subd. 11b. [SPECIAL PURPOSE CAPITAL EXPENDITURE LEVY.] In 1981 and each year thereafter, in addition to the levy authorized in subdivision 11a, a school district may levy an amount not to exceed the amount equal to \$25 per pupil unit. No levy under this clause shall exceed two mills times the adjusted assessed valuation of the property in the district for the preceding year. The proceeds of the tax shall be placed in the district's capital expenditure fund and may be used only for the following:

(a) for energy audits on district owned buildings (CONDUCTED PURSUANT TO CHAPTER 116H), and for funding those energy conservation and renewable energy measures which the energy audits indicate will reduce the use of nonrenewable sources of energy to the extent that the projected energy cost savings will amortize the cost of the conservation measures within a period of ten years or less;

(b) for capital expenditures for the purpose of reducing or eliminating barriers to or increasing access to school facilities by handicapped persons;

(c) for capital expenditures to bring district facilities into compliance with the uniform fire code adopted pursuant to chapter 299F; and

(d) to pay principal and interest on loans from the state authorized by section 1.

Sec. 4. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

Subd. 12a. [ENERGY CONSERVATION LEVY.] The school district may levy, without the approval of a majority of the voters in the district, an amount equal to the actual costs of the energy conservation investments for the purposes of repaying the principal and interest of the law made pursuant to section 1.

Sec. 5. [APPROPRIATIONS.]

Subdivision 1. The sum of \$30,000,000 is appropriated from the state building fund to the commissioner of finance for the purpose of making loans to school districts for energy conservation investments pursuant to section 1. Any expense incidental to the sale, printing, execution, and delivery of the bonds, including the costs of the commissioner of finance, shall be paid from the proceeds of the bond sales authorized in section 6 and the amounts necessary for these expenses are hereby appropriated. To reduce the amount of taxes otherwise required to be levied, there is also appropriated from the general fund, on November 1 in each year, a sum of money sufficient in amount, when added to other funds appropriated for the bonds, to pay all bonds and interest on them due and to become due to and including July 1 in the second ensuing year.

Subd. 2. None of the appropriations made in this section shall lapse until the purpose for which it is made has been accomplished or abandoned. The amount of each loan approved for disbursement shall be and remain appropriated for that purpose until the loan is fully disbursed or part or all of it is revoked by the energy division.

Subd. 3. [ADMINISTRATION COSTS.] The sum of \$259,300 in fiscal year 1984 and \$320,000 in fiscal year 1985 is appropriated from the general fund to the commissioner of energy, planning and development to administer section 1. The complement of the department of energy, planning and development is increased by 11 positions. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 4. [AUDIT EXPENSES.] The sum of \$200,000 in fiscal year 1984 and \$300,000 in fiscal year 1985 is appropriated to the commissioner of energy, planning and development for the purpose of providing cost-share audit revision services for previously audited buildings in an amount not to exceed \$2,000 per building and to provide cost-share audit services for non-audited buildings in an amount not to exceed \$5,000 per building to eligible institutions applying for loans authorized in section 1. The commissioner of energy, planning and development shall contract for provision of audit services, and determine the amount, if any, of audit revision and audit services for which the institution is eligible. Any unencumbered balance remaining in the first year shall not cancel but is available in the second year.

Sec. 6. [BOND SALE.]

To provide the money appropriated from the state building fund by section 5, subdivision 1, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$30,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.63 to 16A.66, and by the Minnesota Constitution, article XI, sections 4 to 7.

Sec. 7. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

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

House Conferees: TODD OTIS, KEN NELSON and SALLY OLSEN.

Senate Conferees: TOM A. NELSON, JOHN BERNHAGEN and CONRAD M. VEGA.

Otis moved that the report of the Conference Committee on H. F. No. 549 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 549, A bill for an act relating to education; establishing a lending program to fund school energy conservation investments; authorizing the issuance of state bonds pursuant to article XI of the Minnesota Constitution; appropriating

money; amending Minnesota Statutes 1982, section 275.125, subdivisions 11a, 11b, and by adding a subdivision; and proposing new law coded in Minnesota Statutes, chapter 116J.

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

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

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

There were 81 yeas and 47 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Ellingson	Long	Piper	Sparby
Anderson, R.	Findlay	Mann	Price	Staten
Battaglia	Fjoslien	McEachern	Quinn	Swanson
Beard	Forsythe	Minne	Reif	Tomlinson
Begich	Graba	Munger	Rice	Tunheim
Bergstrom	Greenfield	Murphy	Riveness	Vanasek
Blatz	Gustafson	Nelson, D.	Rodosovich	Vellenga
Brandl	Himle	Nelson, K.	Rodriguez, C.	Voss
Brinkman	Hoffman	Neuenschwander	Rodriguez, F.	Welch
Carlson, L.	Jacobs	Norton	St. Onge	Welle
Clark, J.	Jensen	O'Connor	Sarna	Wenzel
Clark, K.	Kelly	Ogren	Scheid	Wynia
Clawson	Knickerbocker	Olsen	Schoenfeld	Speaker Sieben
Cohen	Knuth	Omann	Segal	
Coleman	Kostohryz	Osthoff	Simoneau	
Eken	Krueger	Otis	Skoglund	
Elioff	Larsen	Peterson	Solberg	

Those who voted in the negative were:

Anderson, B.	Frerichs	Kalis	Quist	Uphus
Bennett	Gruenes	Kvam	Redalen	Valan
Berkelman	Gutknecht	Levi	Schafer	Valento
Bishop	Halberg	Ludeman	Schreiber	Waltman
Burger	Haukoos	Marsh	Seaberg	Welker
Dempsey	Heap	McDonald	Shaver	Wigley
DenOuden	Heinitz	McKasy	Sherman	Zaffke
Dimler	Hokr	Onnen	Stadum	
Erickson	Jennings	Pauly	Sviggum	
Evans	Johnson	Piepho	Thiede	

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

MESSAGES FROM THE SENATE, Continued

Mr. Speaker:

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

which amendment the concurrence of the House is respectfully requested:

H. F. No. 916, A bill for an act relating to economic development; creating a preference for Minnesota residents in the awarding of public contracts; creating a preference for Minnesota labor and materials; proposing new law coded in Minnesota Statutes, chapter 16.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Beard moved that the House concur in the Senate amendments to H. F. No. 916 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 916, A bill for an act relating to economic development; creating a preference for Minnesota residents in the awarding of public contracts; creating a preference for Minnesota labor and materials; proposing new law coded in Minnesota Statutes, chapter 16.

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.

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

There were 92 yeas and 31 nays as follows:

Those who voted in the affirmative were:

Anderson, C.	Elioff	Kvam	Otis	Stadum
Anderson, R.	Ellingson	Larsen	Peterson	Staten
Battaglia	Evans	Long	Piper	Sviggum
Beard	Findlay	Mann	Price	Swanson
Begich	Fjoslien	Marsh	Quinn	Tomlinson
Bennett	Graba	McEachern	Reif	Tunheim
Bergstrom	Greenfield	Metzen	Rice	Uphus
Berkelman	Gustafson	Minne	Riveness	Valan
Blatz	Halberg	Munger	Rodosovich	Vanasek
Brandl	Haukoos	Murphy	Rodriguez, F.	Vellenga
Brinkman	Hoffman	Nelson, D.	St. Onge	Voss
Burger	Hokr	Nelson, K.	Sarna	Waltman
Carlson, L.	Jacobs	Neuenschwander	Schoenfeld	Welch
Clark, J.	Jensen	O'Connor	Seaberg	Welle
Clark, K.	Kelly	Ogren	Segal	Wenzel
Clawson	Knickerbocker	Olsen	Simoneau	Speaker Sieben
Cohen	Knuth	Omann	Skoglund	
Coleman	Kostohryz	Onnen	Solberg	
Eken	Krueger	Osthoff	Sparby	

Those who voted in the negative were:

Bishop	Gutknecht	Levi	Redalen	Welker
Dempsey	Heap	Ludeman	Schafer	Wigley
DenOuden	Heinitz	McDonald	Schreiber	Zaffke
Dimler	Himle	Norton	Shaver	
Erickson	Jennings	Pauly	Sherman	
Forsythe	Johnson	Piepho	Thiede	
Frerichs	Kalis	Quist	Valento	

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

CALL OF THE HOUSE LIFTED

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

Mr. Speaker:

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

S. F. No. 61.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee.

Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 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.

May 23, 1983

The Honorable Jerome M. Hughes
President of the Senate

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

We, the undersigned conferees for S. F. No. 61, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and S. F. No. 61 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 65B.44, subdivision 3, is amended to read:

Subd. 3. [DISABILITY AND INCOME LOSS BENEFITS.] Disability and income loss benefits shall provide compensation for 85 percent of the injured person's loss of present and future gross income from inability to work proximately caused by the nonfatal injury subject to a maximum of \$200 per week. Loss of income includes the costs incurred by a self-employed person to hire substitute employees to perform tasks which are necessary to maintain his income, which he normally performs himself, and which he cannot perform because of his injury.

If the injured person is unemployed at the time of injury and is receiving or is eligible to receive unemployment benefits under chapter 268, but the injured person loses his eligibility for those benefits because of inability to work caused by the injury, disability and income loss benefits shall provide compensation for the lost benefits in an amount equal to the unemployment benefits which otherwise would have been payable, subject to a maximum of \$200 per week.

Compensation under this subdivision shall be reduced by any income from substitute work actually performed by the injured person or by income the injured person would have earned in available appropriate substitute work which he was capable of performing but unreasonably failed to undertake.

For the purposes of this section "inability to work" means disability which prevents the injured person from engaging in any substantial gainful occupation or employment on a regular basis, for wage or profit, for which he is or may by training become reasonably qualified. If the injured person returns to his employment and is unable by reason of his injury to work continuously, compensation for lost income shall be reduced by the income received while he is actually able to work. *The weekly maximums may not be prorated to arrive at a daily maximum, even if the injured person does not incur loss of income for a full week.*

Sec. 2. Minnesota Statutes 1982, section 169.09, subdivision 1, is amended to read:

Subdivision 1. [DRIVER TO STOP.] The driver of any vehicle involved in an accident resulting in *bodily* injury to or death of any person shall immediately stop the vehicle at the scene of the accident, or as close (THERETO) *to the scene* as possible, but shall then return to and in every event, shall remain

at, the scene of the accident until he has fulfilled the requirements of this chapter as to the giving of information. The stop shall be made without unnecessarily obstructing traffic.

Sec. 3. Minnesota Statutes 1982, section 169.09, subdivision 3, is amended to read:

Subd. 3. [DRIVER TO GIVE INFORMATION.] (a) The driver of any vehicle involved in an accident resulting in *bodily* injury to or death of any person, or damage to any vehicle which is driven or attended by any person, shall stop and give his name, address, date of birth and the registration number of the vehicle he is driving, and shall, upon request and if available, exhibit his driver's license or permit to drive to the person struck or the driver or occupant of or person attending any vehicle collided with (, AND). *The driver also shall give (SUCH) the information and upon request exhibit (SUCH) the license or permit to any police officer at the scene of the accident or who is investigating the accident (, AND). The driver shall render reasonable assistance to any person injured in (SUCH) the accident.*

(b) If not given at the scene of the accident, the driver, within 72 hours thereafter, shall give upon request to any person involved in the accident *or to a peace officer investigating the accident* the name and address of the insurer providing automobile liability insurance coverage, and the local insurance agent for the insurer. (A DRIVER WHO FAILS TO PROVIDE THE INFORMATION REQUESTED PURSUANT TO THIS CLAUSE IS GUILTY OF A PETTY MISDEMEANOR.)

Sec. 4. Minnesota Statutes 1982, section 169.09, subdivision 6, is amended to read:

Subd. 6. [NOTIFY POLICE OF PERSONAL INJURY.] The driver of a vehicle involved in an accident resulting in *bodily* injury to or death of any person shall, after compliance with the provisions of this section, by the quickest means of communication, give notice of (SUCH) *the accident* to the local police department, if the accident occurs within a municipality, or to a state patrol officer if the accident occurs on a trunk highway, or to the office of the sheriff of the county.

Sec. 5. Minnesota Statutes 1982, section 169.09, subdivision 7, is amended to read:

Subd. 7. [ACCIDENT REPORT TO COMMISSIONER.] The driver of a vehicle involved in an accident resulting in *bodily* injury to or death of any person or total property damage to an apparent extent of \$500 or more, shall forward a written report of the accident to the commissioner of public safety within ten days thereof. If, in the opinion of the commissioner of public safety, the original report of any driver of a vehicle in-

volved in an accident of which report must be made as provided in this section is insufficient he may require the driver to file supplementary reports.

Sec. 6. Minnesota Statutes 1982, section 169.09, subdivision 14, is amended to read:

Subd. 14. [(PENALTY) *PENALTIES.*] (EXCEPT AS PROVIDED IN SUBDIVISION 3, CLAUSE (B), ANY PERSON FAILING TO COMPLY WITH ANY OF THE REQUIREMENTS OF THIS SECTION, UNDER THE CIRCUMSTANCES SPECIFIED, SHALL BE GUILTY OF A MISDEMEANOR.)

(a) *The driver of any vehicle who violates subdivision 1 or 6 and who caused the accident is punishable as follows:*

(1) *If the accident results in the death of any person, the driver is guilty of a felony and may be sentenced to imprisonment for not more than five years, or to payment of a fine of not more than \$5,000, or both; or*

(2) *If the accident results in substantial bodily injury to any person, as defined in section 609.02, subdivision 8, the driver is guilty of a felony and may be sentenced to imprisonment for not more than three years, or to payment of a fine of not more than \$3,000, or both.*

(b) *The driver of any vehicle who violates subdivision 1 or 6 and who did not cause the accident or who violates subdivision 2 is guilty of a gross misdemeanor, and may be sentenced to imprisonment for not more than one year, or to payment of a fine of not more than \$1,000, or both.*

(c) *Any person who violates subdivision 3, clause (b) is guilty of a petty misdemeanor.*

(d) *Any person who violates subdivision 3, clause (a), or subdivision 4, 5, 7, 8, 10, 11, or 12 is guilty of a misdemeanor.*

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

Sec. 7. Minnesota Statutes 1982, section 169.09, is amended by adding a subdivision to read:

Subd. 15. [DEFENSE.] *It is an affirmative defense to prosecution under subdivisions 1, 2, and 6 that the driver left the scene of the accident to take any persons suffering substantial bodily injury in the accident to receive emergency medical*

care if the driver of the involved vehicle gives notice to a law enforcement agency as required by subdivision 6 as soon as reasonably feasible after the emergency medical care has been undertaken.

Sec. 8. Minnesota Statutes 1982, section 169.974, subdivision 5, is amended to read:

Subd. 5. [DRIVING RULES.] (a) An operator of a motorcycle shall ride only upon a permanent and regular seat which is attached to the vehicle for (SUCH) *that* purpose. No other person shall ride on a motorcycle; except that passengers may ride upon a permanent and regular operator's seat if designed for two persons, or upon additional seats attached to the vehicle to the rear of the operator's seat, or in a sidecar attached to the vehicle; provided, however, that the operator of a motorcycle shall not carry passengers in a number in excess of the designed capacity of the motorcycle or sidecar attached to it. No passenger shall be carried in a position that will interfere with the safe operation of the motorcycle or the view of the operator.

(b) No person shall ride upon (ANY) *a* motorcycle as a passenger unless, when sitting astride (HIS) *the* seat, (HE) *the* person can reach the foot rests with both feet.

(c) No person, except passengers of sidecars or drivers and passengers of three-wheeled motorcycles, shall operate or ride upon a motorcycle except while sitting astride the seat, facing forward, with one leg on either side of the motorcycle.

(d) No person shall operate a motorcycle while carrying *animals*, packages, bundles, or (ARTICLES) *other cargo* which prevent (HIM) *the person* from keeping both hands on the handlebars.

(e) No person shall operate a motorcycle between lanes of moving or stationary vehicles headed in the same direction, nor shall any person drive a motorcycle abreast of or overtake or pass another vehicle within the same traffic lane, except that motorcycles may, with the consent of both drivers, be operated not more than two abreast in a single traffic lane.

(f) (ALL) Motor vehicles including motorcycles are entitled to the full use of a traffic lane and no motor vehicle (SHALL) *may* be driven or operated in (SUCH) a manner so as to deprive (ANY) *a* motorcycle of the full use of a traffic lane.

(g) (EVERY) A person operating a motorcycle upon a roadway (SHALL) *must* be granted (ALL OF) the rights and (SHALL BE) *is* subject to (ALL OF) the duties applicable to a motor vehicle as provided by law, except as to those provisions which by their nature can have no application.

(h) Clause (e) of this subdivision (SHALL) *does not* apply to police officers in the performance of their official duties.

(i) No person shall operate a motorcycle on a street or highway unless the headlight or headlights are lighted at all times the motorcycle is so operated.

Sec. 9. Minnesota Statutes 1982, section 388.051, as amended by Laws 1983, chapter 177, section 5, is amended to read:

388.051 [DUTIES.]

Subdivision 1. [GENERAL PROVISIONS.] The county attorney shall:

- (a) Appear in all cases in which the county is a party;
- (b) Give opinions and advice, upon the request of the county board or any county officer, upon all matters in which the county is or may be interested, or in relation to the official duties of the board or officer;
- (c) Prosecute felonies, including the drawing of indictments found by the grand jury, and, to the extent prescribed by law, gross misdemeanors, misdemeanors, petty misdemeanors, and violations of municipal ordinances, charter provisions and rules or regulations;
- (d) Attend before the grand jury, give them legal advice and examine witnesses in their presence;
- (e) Request the clerk of court to issue subpoenas to bring witnesses before the grand jury or any judge or judicial officer before whom he is conducting a criminal hearing;
- (f) Attend any inquest at the request of the coroner; and
- (g) Appear, when requested by the attorney general, for the state in any case instituted by the attorney general in his county or before the United States land office in case of application to preempt or locate any public lands claimed by the state and assist in the preparation and trial.

Subd. 2. [SPECIAL PROVISION; GROSS MISDEMEANORS.] *In Anoka, Carver, Dakota, Hennepin, Scott, and Washington counties, the county attorney shall only prosecute gross misdemeanor violations of sections 290.53, subdivisions 4 and 8; 290.92, subdivision 15; 290A.11, subdivision 2; 297A.08; 297A.39, subdivisions 4 and 8; 297B.10; 609.255, subdivision 3; 609.377; 609.378; and 609.41.*

Sec. 10. Minnesota Statutes 1982, section 388.18, subdivision 5, as amended by Laws 1983, chapter 177, section 7, is amended to read:

Subd. 5. [BUDGET FOR OFFICE.] The county board by resolution shall provide the budget for (1) the salary of the county attorney, any assistant county attorneys and employees in the county attorney's office; (2) the salary or other fees of any attorneys or firms of attorneys employed or engaged to prosecute misdemeanors, petty misdemeanors, *gross misdemeanors*, municipal ordinance violations, or municipal charter, rule or regulation violations, if any; (3) other expenses necessary in the performance of the duties of the office; and (4) the payment of premiums of any bonds required of the county attorney and any assistant county attorney or employee in the county attorney's office. The board is authorized to appropriate funds for those purposes.

Sec. 11. Minnesota Statutes 1982, section 487.25, subdivision 10, as amended by Laws 1983, chapter 177, section 9, is amended to read:

Subd. 10. [PROSECUTING ATTORNEYS.] Except as otherwise provided by law, violations of state law which are petty misdemeanors, misdemeanors, or violations of a municipal ordinance, charter provision, rule or regulation shall be prosecuted by the attorney of the municipality where the violation is alleged to have occurred. The municipality may enter into an agreement with the county board and the county attorney to provide prosecution services for any criminal offense. All other offenses shall be prosecuted by the county attorney of the county in which the alleged violation occurred.

In the counties of Anoka, Carver, Dakota, Scott, and Washington, violations of state law which are petty misdemeanors, misdemeanors, or gross misdemeanors *except as provided in section 388.051, subdivision 2*, or violations of a municipal ordinance, charter provision, rule, or regulation shall be prosecuted by the attorney of the municipality where the violation is alleged to have occurred. The municipality may enter into an agreement with the county board and the county attorney to provide prosecution services for any criminal offense. All other offenses shall be prosecuted by the county attorney of the county in which the alleged violation occurred.

Sec. 12. Minnesota Statutes 1982, section 488A.10, subdivision 11, as amended by Laws 1983, chapter 177, section 14, is amended to read:

Subd. 11. [PROSECUTING ATTORNEYS.] Except as otherwise provided in this subdivision *and section 388.051, subdivision 2*, the attorney of the municipality in which the violation

is alleged to have occurred has charge of the prosecution of all violations of the state laws, including violations which are gross misdemeanors, and municipal charter provisions, ordinances, rules and regulations triable in the municipal court and shall prepare complaints for the violations. The county attorney has charge of the prosecution of a violation triable in municipal court and shall prepare a complaint for the violation:

(a) if he is specifically designated by law as the prosecutor for the particular violation charged; or

(b) if the alleged violation is of state law and is alleged to have occurred in a municipality or other subdivision of government whose population according to the most recent federal census is less than 2500 and whose governing body, or the town board in the case of a town, has accepted this paragraph by majority vote, and if the defendant is cited or arrested by a member of the staff of the sheriff of Hennepin county or by a member of the state patrol.

Paragraph (b) shall not apply to a municipality or other subdivision of government whose population according to the most recent federal decennial census is 2500 or more, regardless of whether or not it has previously accepted the paragraph.

Sec. 13. Minnesota Statutes 1982, section 626.556, subdivision 1, is amended to read:

Subdivision 1. [PUBLIC POLICY.] The legislature hereby declares that the public policy of this state is to protect children whose health or welfare may be jeopardized through physical abuse, neglect or sexual abuse; to strengthen the family and make the home, *school, and community* safe for children (THROUGH IMPROVEMENT OF PARENTAL AND GUARDIAN CAPACITY FOR) *by promoting* responsible child care *in all settings*; and to provide, *when necessary*, a safe temporary or permanent home environment for physically or sexually abused children.

In addition, it is the policy of this state to require the reporting of suspected neglect, physical or sexual abuse of children *in the home, school, and community settings*; to provide for the voluntary reporting of abuse or neglect of children; to require the investigation of (SUCH) *the* reports; and to provide protective and counseling services in appropriate cases.

Sec. 14. Minnesota Statutes 1982, section 626.556, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] As used in this section, the following terms have the meanings given them unless the specific content indicates otherwise:

(a) "Sexual abuse" means the subjection by (THE CHILD'S PARENTS, GUARDIAN, OR) a person responsible for the child's care, to any act which constitutes a violation of sections 609.342, 609.343, 609.344, or 609.345, or sections 609.364 to 609.3644. Sexual abuse also includes any act which involves a minor which constitutes a violation of sections 609.321 to 609.324 or 617.246.

(b) "Person responsible for the child's care" means a parent, guardian, teacher, school administrator, or other lawful custodian of a child having either full-time or short-term care responsibilities including, but not limited to, day care, baby sitting, counseling, teaching, and coaching.

((B)) (c) "Neglect" means failure by a (PARENT, GUARDIAN OR OTHER) person responsible for a child's care to supply a child with necessary food, clothing, shelter or medical care when reasonably able to do so or failure to protect a child from conditions or actions which imminently and seriously endanger the child's physical or mental health when reasonably able to do so. Nothing in this section shall be construed to (i) mean that a child is neglected solely because the child's parent, guardian or other person responsible for his care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child, or (ii) impose upon persons, not otherwise legally responsible for providing a child with necessary food, clothing, shelter or medical care, a duty to provide that care.

((C)) (d) "Physical abuse" means:

(i) Any physical injury inflicted by a (PARENT, GUARDIAN OR OTHER) person responsible for the child's care on a child other than by accidental means; or

(ii) Any physical injury that cannot reasonably be explained by the child's history of injuries (PROVIDED BY A PARENT, GUARDIAN OR OTHER PERSON RESPONSIBLE FOR THE CHILD'S CARE).

((D)) (e) "Report" means any report received by the local welfare agency, police department or county sheriff pursuant to this section.

((E)) (f) "Facility" means a day care facility (OR A), residential facility (AS DEFINED IN SECTION 245.782), agency, hospital, sanatorium, or other facility or institution required to be licensed pursuant to sections 144.50 to 144.58, 241.021, or 245.781 to 245.812.

((F)) (g) "Operator" means an operator or agency as defined in section 245.782.

(h) "Commissioner" means the commissioner of public welfare.

Sec. 15. Minnesota Statutes 1982, section 626.556, subdivision 4, is amended to read:

Subd. 4. [IMMUNITY FROM LIABILITY.] Any person, including those voluntarily making reports and those required to make reports under subdivision 3, participating in good faith and exercising due care in the making of a report pursuant to this section (SHALL HAVE) has immunity from any liability, civil or criminal, that otherwise might result by reason of his action.

Any public or private school, facility as defined in subdivision 2, or the employee of any public or private school or facility who permits access by a local welfare agency and assists in good faith in an investigation pursuant to subdivision 10 has immunity from any liability, civil or criminal, that otherwise might result by reason of that action.

This subdivision does not provide immunity to any person for failure to make a required report or for committing neglect, physical abuse, or sexual abuse of a child.

Sec. 16. Minnesota Statutes 1982, section 626.556, subdivision 7, is amended to read:

Subd. 7. [REPORT.] An oral report shall be made immediately by telephone or otherwise. An oral report made by a person required under subdivision 3 to report shall be followed as soon as possible by a report in writing to the appropriate police department, the county sheriff or local welfare agency. Any report shall be of sufficient content to identify the child, (THE PARENT, GUARDIAN, OR OTHER) any person believed to be responsible for (HIS CARE) the abuse or neglect of the child if the person is known, the nature and extent of the (CHILD'S INJURIES) abuse or neglect and the name and address of the reporter. Written reports received by a police department or the county sheriff shall be forwarded immediately to the local welfare agency. The police department or the county sheriff may keep copies of reports received by them. Copies of written reports received by a local welfare department shall be forwarded immediately to the local police department or the county sheriff.

A written copy of a report maintained by personnel of agencies, other than welfare or law enforcement agencies, which are subject to chapter 13 shall be confidential. An individual subject

of the report may obtain access to the original report as provided by subdivision 11.

Sec. 17. Minnesota Statutes 1982, section 626.556, subdivision 10, is amended to read:

Subd. 10. [DUTIES OF LOCAL WELFARE AGENCY UPON RECEIPT OF A REPORT.] (a) *If the report alleges neglect, physical abuse, or sexual abuse by a parent, guardian, or individual functioning within the family unit as a person responsible for the child's care, the local welfare agency shall immediately investigate and offer protective social services for purposes of preventing further abuses, safeguarding and enhancing the welfare of the abused or neglected minor, and preserving family life whenever possible. When necessary the local welfare agency shall seek authority to remove the child from the custody of his parent, guardian or adult with whom he is living. In performing any of these duties, the local welfare agency shall maintain appropriate records.*

(b) *Authority of the local welfare agency responsible for investigating the child abuse report includes, but is not limited to, authority to interview, without parental consent, the alleged victim and any other minors who currently reside with or who have resided with the alleged perpetrator. The interview may take place at school or any facility or other place where the alleged victim or other minors might be found and may take place outside the presence of the perpetrator or parent, legal custodian, or guardian. Except as provided in this clause, the parent, legal custodian, or guardian shall be notified, no later than the conclusion of the investigation, that this interview has occurred. Notwithstanding rule 49.02 of the Minnesota Rules of Procedure for Juvenile Courts, the juvenile court may, after hearing on an ex parte motion by the local welfare agency, order that, where reasonable cause exists, notification of this interview be withheld from the parent, legal custodian, or guardian.*

(c) *When the local welfare agency determines that an interview should take place on school property, written notification must be received by school officials prior to the interview. The notification shall include the name of the child to be interviewed, the purpose of the interview, and a reference to the statutory authority to conduct an interview on school property. The notification shall be signed by the chairman of the county welfare board or his designee. The time, place, and manner of the interview on school premises shall be within the discretion of school officials. The conditions as to time, place, and manner of the interview set by the school officials shall be reasonable and the interview shall be conducted not more than 24 hours after the receipt of the notification unless another time is deemed necessary by agreement between the school officials and the local welfare agency. School officials shall not disclose to the parent, legal custodian, guardian, or perpetrator that a request to interview*

the child has been made until after the abuse investigation has been concluded. Every effort shall be made to reduce the disruption of the educational program of the child, other students, or school staff when an interview is conducted on school premises.

(d) Where the perpetrator or a person responsible for the care of the alleged victim or other minor prevents access to the victim or other minor by the local welfare agency, the juvenile court may order the parents, legal custodian, or guardian to produce the alleged victim or other minor for questioning by the local welfare agency outside the presence of the perpetrator or any person responsible for the child's care at reasonable places and times as specified by court order.

(e) Before making an order under paragraph (d), the court shall issue an order to show cause, either upon its own motion or upon a verified petition, specifying the basis for the requested interviews and fixing the time and place of the hearing. The order to show cause shall be served personally and shall be heard in the same manner as provided in other cases in the juvenile court. The court shall consider the need for appointment of a guardian ad litem to protect the best interests of the child. If a guardian ad litem is appointed, he shall be present at the hearing on the order to show cause.

(f) The commissioner and the local welfare agencies responsible for investigating reports have the right to enter facilities as defined in subdivision 2 and to inspect and copy the facility's records as part of the investigation. Notwithstanding the provisions of chapter 13, they also have the right to inform the facility under investigation that they are conducting an investigation, to disclose to the facility the names of the individuals under investigation for abusing or neglecting a child, and to provide the facility with a copy of the report and the investigative findings.

Sec. 18. Minnesota Statutes 1982, section 626.556, is amended by adding a subdivision to read:

Subd. 10a. [ABUSE OUTSIDE THE FAMILY UNIT.] *If the report alleges neglect, physical abuse, or sexual abuse by a person responsible for the child's care functioning outside the family unit in a setting other than a facility as defined in subdivision 2, the local welfare agency shall immediately notify the appropriate law enforcement agency and shall offer appropriate social services for the purpose of safeguarding and enhancing the welfare of the abused or neglected minor.*

Sec. 19. Minnesota Statutes 1982, section 626.556, is amended by adding a subdivision to read:

Subd. 10b. [DUTIES OF COMMISSIONER; NEGLECT OR ABUSE IN A FACILITY.] *If the report alleges that a*

child in the care of a facility as defined in subdivision 2 is neglected, physically abused, or sexually abused by an individual in that facility, the commissioner shall immediately investigate. The commissioner shall arrange for the transmittal to him of reports received by local agencies and may delegate to a local welfare agency the duty to investigate reports. In conducting an investigation under this section, the commissioner has the powers and duties specified for local welfare agencies under this section.

Sec. 20. [EFFECTIVE DATE.]

Section 1 is effective upon final enactment. Sections 9 to 12 are effective January 1, 1984. Sections 2 to 8 are effective August 1, 1983, and apply to violations committed on or after that date. The remaining sections of this act are effective August 1, 1983."

Delete the title and insert:

"A bill for an act relating to public safety and welfare; prohibiting reparation obligors from prorating the disability and income loss benefits on a daily basis; prohibiting unsafe operation of motorcycles; increasing penalties for failure to stop at the scene of certain accidents; defining persons responsible for a child's care under the child abuse reporting law; clarifying investigative authority of welfare agencies in making mandated investigations of physical or sexual abuse and neglect; changing the definition of facility; clarifying the prosecutorial responsibility for certain crimes; amending Minnesota Statutes 1982, sections 65B.44, subdivision 3; 169.09, subdivisions 1, 3, 6, 7, and 14, and by adding a subdivision; 169.974, subdivision 5; 388.051, as amended; 388.18, subdivision 5, as amended; 487.25, subdivision 10, as amended; 488A.10, subdivision 11, as amended; and 626.556, subdivisions 1, 2, 4, 7, and 10, and by adding subdivisions."

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

Senate Conferees: WILLIAM P. LUTHER, LAWRENCE J. POGEMILLER and FRITZ KNAAK.

House Conferees: JOHN E. BRANDL, ROBERT E. VANASEK and DAVID T. BISHOP.

Brandl moved that the report of the Conference Committee on S. F. No. 61 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 Min-

nesota Statutes 1982, sections 65B.67, by adding a subdivision; and 169.09, subdivisions 1, 3, 6, 7, and 14.

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

The question was taken on the repassage of the bill and the roll was called. There were 110 yeas and 13 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	DenOuden	Kelly	Omann	Sherman
Anderson, G.	Eken	Knickerbocker	Onnen	Simoneau
Anderson, R.	Elioff	Knuth	Osthoff	Skoglund
Battaglia	Ellingson	Kostohryz	Otis	Solberg
Beard	Erickson	Krueger	Pauly	Sparby
Begich	Evans	Kvam	Peterson	Stadum
Bennett	Findlay	Larsen	Piepho	Staten
Bergstrom	Fjoslien	Levi	Piper	Swiggum
Berkelman	Forsythe	Long	Price	Swanson
Bishop	Frerichs	Ludeman	Redalen	Thiede
Blatz	Greenfield	Mann	Reif	Tomlinson
Brandl	Gruenes	Marsh	Rice	Tunheim
Brinkman	Gustafson	Minne	Riveness	Valan
Burger	Haukoos	Munger	Rodosovich	Valento
Carlson, D.	Heap	Murphy	Rodriguez, C.	Vanasek
Carlson, L.	Heinitz	Nelson, D.	Rodriguez, F.	Vellenga
Clark, J.	Himle	Nelson, K.	St. Onge	Voss
Clark, K.	Hoffman	Neuenschwander	Sarna	Welch
Clawson	Jacobs	Norton	Scheid	Welle
Cohen	Jennings	O'Connor	Schreiber	Wenzel
Coleman	Jensen	Ogren	Shaver	Wynia
Dempsey	Johnson	Olsen	Shea	Speaker Sieben

Those who voted in the negative were:

Dimler	McDonald	Rose	Uphus	Zaffke
Gutknecht	Quinn	Schafer	Welker	
Halberg	Quist	Seaberg	Wigley	

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

Mr. Speaker:

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

S. F. No. 320.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee.

Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 320

A bill for an act relating to agriculture; making certain changes in the law relating to a fertilizer inspection fund; prescribing penalties; amending Minnesota Statutes 1982, sections 17.713, subdivision 7; 17.714, subdivision 1; 17.715, subdivision 1; 17.717, subdivision 1; 17.718, subdivision 1; 17.725, subdivisions 1 and 2; and 17.728, subdivision 4; repealing Minnesota Statutes 1982, section 17.717, subdivisions 3, 4, and 5.

May 22, 1983

The Honorable Jerome M. Hughes
President of the Senate

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

We, the undersigned conferees for S. F. No. 320, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 320 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 17.713, subdivision 7, is amended to read:

Subd. 7. [GRADE.] "Grade" means the percentage of total nitrogen, available phosphorus or phosphoric acid, and soluble potassium or soluble potash stated in whole numbers in the same terms, order and percentages as in the guaranteed analysis; provided, however, that fertilizer materials, bone meals, manures, and similar raw materials may be guaranteed in fractional units, *and specialty fertilizers may be guaranteed in fractional units of less than one percent of total nitrogen, available phosphorus or phosphoric acid, and soluble potassium or soluble potash.*

Sec. 2. Minnesota Statutes 1982, section 17.714, subdivision 1, is amended to read:

Subdivision 1. [REGISTRATION FEE; CERTAIN ITEMS.] Fertilizer brands and grades sold only as small package items or represented and labeled as specialty fertilizer; and soil and plant amendments sold with recommendations for commercial agricultural use, shall be registered (AT THE FEE SET FORTH IN) *and a fee paid pursuant to section 17.717 (, SUBDIVISIONS 3 AND 4).* Fees paid for registration made in this manner shall be in lieu of any other license or tonnage fees.

Sec. 3. Minnesota Statutes 1982, section 17.715, subdivision 1, is amended to read:

Subdivision 1. [LICENSED PERSONS.] A person who manufactures, blends, mixes, or otherwise manipulates commercial fertilizer material *and a person who stores or distributes bulk fertilizer for resale* shall obtain a license from the commissioner for each fixed location within the state where these operations are performed.

Sec. 4. Minnesota Statutes 1982, section 17.718, subdivision 1, is amended to read:

Subdivision 1. [SEMIANNUAL STATEMENT.] Each licensed distributor of commercial fertilizer (UNDER SECTION 17.717, SUBDIVISION 1,) and each registrant of a commercial fertilizer, soil amendment, or plant amendment (UNDER SECTION 17.717, SUBDIVISIONS 3 AND 4,) shall file with the commissioner on forms furnished by the commissioner, a semi-annual statement for the periods ending December 31 and June 30 setting forth the number of net tons of each grade of commercial fertilizer, soil amendment, or plant amendment distributed in this state during the reporting period. The report (SHALL BE) is due on or before the 30th of the month following the close of each reporting period of each calendar year. The inspection fee at the rate stated in section 17.717, subdivision 5 shall accompany the statement. For the tonnage report that is not filed or the payment of inspection fees that is not made within 30 days after the end of the reporting period, a penalty of ten percent of the amount due, with a minimum penalty of \$10, shall be assessed against the licensee or registrant, and the total amount of fees due, plus penalty, shall constitute a debt and may be recovered in a civil action against the licensee or registrant. The assessment of this penalty shall not prevent the department from taking other actions as provided in this chapter. The commissioner may by regulation require additional reports for the purpose of gathering statistical data relating to fertilizer, soil amendments, and plant amendments distribution in the state.

Sec. 5. Minnesota Statutes 1982, section 17.725, subdivision 1, is amended to read:

Subdivision 1. [FOR ADMINISTRATION.] The commissioner may (PRESCRIBE AND, AFTER PUBLIC HEARING FOLLOWING DUE PUBLIC NOTICE,) adopt *temporary or permanent* rules (RELATING TO THE MANUFACTURE, SALE, DISTRIBUTION, TONNAGE REPORTING, LABELING, STORAGE, AND HANDLING OF COMMERCIAL FERTILIZERS AND SOIL AMENDMENTS AND PLANT AMENDMENTS OR OTHER SOIL ADDITIVES) necessary to carry into effect (THE FULL INTENT AND MEANING OF) sections 17.711 to 17.729.

Sec. 6. Minnesota Statutes 1982, section 17.725, subdivision 2, is amended to read:

Subd. 2. [LIMING MATERIALS.] The commissioner may (MAKE AND PUBLISH) *adopt* rules governing the labeling, registration, and distribution of liming materials (AS ARE) sold for agricultural purposes, including (:) limestone (carbonates), sulfates, slags (silicates), burned lime (oxides), and hydrated lime (hydroxides). Such products shall not (, HOWEVER, BE DEEMED FERTILIZERS, SOIL AMENDMENTS OR PLANT AMENDMENTS) *be* subject to (THE REGISTRATION AND) *any* tonnage fees (STATED IN SECTIONS 17.711 TO 17.729) *under section 17.717, subdivision 4. No registration fee may be imposed on any distributor who sells liming materials only at retail to customers.*

Sec. 7. Minnesota Statutes 1982, section 17.728, subdivision 4, is amended to read:

Subd. 4. [PENALTY.] Any person convicted of violating a provision of sections 17.711 to 17.729 or any rule adopted under section 17.725, is guilty of a misdemeanor. *Any person convicted of another violation of the same provision or rule upon a subsequent prosecution within one year of the original conviction is guilty of a gross misdemeanor."*

Delete the title and insert:

"A bill for an act relating to agriculture; making certain changes in the law relating to fertilizer inspection, registration, and labeling; prescribing penalties; amending Minnesota Statutes 1982, sections 17.713, subdivision 7; 17.714, subdivision 1; 17.715, subdivision 1; 17.718, subdivision 1; 17.725, subdivisions 1 and 2; and 17.728, subdivision 4."

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

Senate Conferees: DARRIL WEGSCHEID, LEROY A. STUMPF and JOHN BERNHAGEN.

House Conferees: WALLY SPARBY, HENRY J. KALIS and STEPHEN G. WENZEL.

Sparby moved that the report of the Conference Committee on S. F. No. 320 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 320, A bill for an act relating to agriculture; making certain changes in the law relating to a fertilizer inspection fund; prescribing penalties; amending Minnesota Statutes 1982, sections 17.713, subdivision 7; 17.714, subdivision 1; 17.715, subdivision 1; 17.717, subdivision 1; 17.718, subdivision 1; 17.-

725, subdivisions 1 and 2; and 17.728, subdivision 4; repealing Minnesota Statutes 1982, section 17.717, subdivisions 3, 4, and 5.

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

The question was taken on the repassage of the bill and the roll was called. There were 119 yeas and 10 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Findlay	Ludeman	Schafer	Valento	Wigley
Frerichs	McDonald	Svigum	Welker	Zaffke

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

Mr. Speaker:

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

H. F. No. 242, A bill for an act relating to labor; providing for occupational safety and health; defining "hazardous substance" and "harmful physical agent"; requiring manufacturers of hazardous substances or harmful physical agents to provide certain information; creating a right to refuse to work under conditions violating the state occupational safety and health act; creating a

right to refuse to work with a hazardous substance or harmful physical agent under certain conditions; requiring employers using hazardous substances and harmful physical agents to provide employees with certain training and information; requiring that hazardous substances and harmful physical agents be labeled under certain circumstances; requiring inservice training for hospital and lab employees; prohibiting waiver of any employee rights under the state occupational safety and health act; clarifying relation of bargaining agreements to safety laws; providing protection for trade secrets; providing penalties; appropriating money; amending Minnesota Statutes 1982, sections 182.651, by adding subdivisions; 182.653, by adding subdivisions; 182.654, subdivision 7, and by adding subdivisions; 182.655, subdivisions 4, 10, 11, and by adding a subdivision; 182.658; 182.66, subdivision 1; 182.663, subdivision 3; 182.666, by adding a subdivision; and 182.668; proposing new law coded in Minnesota Statutes, chapter 182.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Clark, K., moved that the House concur in the Senate amendments to H. F. No. 242 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 242, A bill for an act relating to labor; providing for occupational safety and health; defining "hazardous substance" and "harmful physical agent"; requiring manufacturers of hazardous substances or harmful physical agents to provide certain information; creating a right to refuse to work under conditions violating the state occupational safety and health act; creating a right to refuse to work with a hazardous substance or harmful physical agent under certain conditions; requiring employers using hazardous substances and harmful physical agents to provide employees with certain training and information; requiring that hazardous substances and harmful physical agents be labeled under certain circumstances; requiring training of hospital employees; prohibiting waiver of any employee rights under the state occupational safety and health act; clarifying relation of bargaining agreements to safety laws; providing protection for trade secrets; providing penalties; appropriating money; amending Minnesota Statutes 1982, sections 182.651, by adding subdivisions; 182.653, by adding subdivisions; 182.654, subdivision 7, and by adding subdivisions; 182.655, subdivisions 4, 10, 11, and by adding a subdivision; 182.658; 182.66, subdivision 1; 182.663, subdivision 3; 182.666, by adding a subdivision; and 182.668; proposing new law coded in Minnesota Statutes, chapter 182.

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 82 yeas and 43 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Elioff	Minne	Reif	Staten
Anderson, R.	Ellingson	Munger	Rice	Sviggum
Battaglia	Graba	Murphy	Riveness	Swanson
Beard	Greenfield	Nelson, D.	Rodosovich	Tomlinson
Begich	Gustafson	Nelson, K.	Rodriguez, C.	Tunheim
Bergstrom	Heinitz	Neuenschwander	Rodriguez, F.	Vanasek
Berkelman	Hoffman	Norton	St. Onge	Vellenga
Blatz	Jacobs	O'Connor	Sarna	Voss
Brandl	Jensen	Ogren	Scheid	Welch
Burger	Kelly	Omman	Schoenfeld	Welle
Carlson, L.	Knuth	Osthoff	Seaberg	Wenzel
Clark, J.	Kostohryz	Otis	Segal	Wynia
Clark, K.	Krueger	Peterson	Shea	Zaffke
Clawson	Larsen	Piper	Simoneau	Speaker Sieben
Cohen	Long	Price	Skoglund	
Coleman	Mann	Quinn	Solberg	
Eken	Marsh	Quist	Sparby	

Those who voted in the negative were:

Anderson, B.	Findlay	Jennings	Pauly	Thiede
Bennett	Fjoslien	Johnson	Piepho	Uphus
Bishop	Forsythe	Kalis	Redalen	Valan
Brinkman	Frerichs	Knickerbocker	Rose	Valento
Dempsey	Gutknecht	Kvam	Schafer	Waltman
DenOuden	Halberg	Ludeman	Schreiber	Welker
Dimler	Haukoos	McDonald	Shaver	Wigley
Erickson	Heap	Olsen	Sherman	
Evans	Himle	Onnen	Stadum	

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

The following conference committee report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 559

A bill for an act relating to courts; providing for interest rates on judgments; amending Minnesota Statutes 1982, section 549.-09, subdivision 1.

May 23, 1983

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

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 559, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 559 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 549.09, subdivision 1, is amended to read:

Subdivision 1. [WHEN OWED; RATE.] (a) When the judgment is for the recovery of money, including a judgment for the recovery of taxes, interest from the time of the verdict or report until judgment is finally entered shall be computed by the clerk as provided in (THIS SECTION) clause (c) and added to the judgment. (b) *Except as otherwise provided by contract or allowed by law, pre-verdict or pre-report interest on pecuniary damages shall be computed as provided in clause (c) from the time of the commencement of the action, except as provided herein. If either party serves a written offer of settlement, the other party may serve a written acceptance or a written counter-offer within 60 days. After that time interest on the judgment shall be calculated by the judge in the following manner. The prevailing party shall receive interest on any judgment from the time the action was commenced or as to special damages from the time when special damages were incurred, if later than commencement of the action, until the time of verdict or report only if the amount of its offer is closer to the judgment than the amount of the opposing party's offer. If the amount of the losing party's offer was closer to the judgment than the prevailing party's offer, the prevailing party shall receive interest only on the amount of the settlement offer or the judgment, whichever is less, and only from the time the action was commenced or as to special damages from when the special damages were incurred if later than commencement of the action until the time the settlement offer was made. Except as otherwise provided by contract or allowed by law, pre-verdict or pre-report interest shall not be awarded on the following:*

(1) judgments, awards, or benefits in workers' compensation cases, but not including third-party actions;

(2) judgments, decrees, or orders in dissolution, annulment, or legal separation actions;

(3) punitive damages, fines, or other damages that are non-compensatory in nature;

(4) judgments not in excess of the amount specified in section 487.30; and

(5) that portion of any verdict or report which is founded upon interest, or costs, disbursements, attorney fees, or other similar items added by the court. (c) The interest shall be com-

puted as simple interest per annum. The rate of interest shall be based on the secondary market yield of one year United States treasury bills, calculated on a bank discount basis as provided in this section.

On or before the 20th day of December of each year the state court administrator shall determine the rate from the secondary market yield on one year United States treasury bills for the most recent calendar month, reported on a monthly basis in the latest statistical release of the board of governors of the federal reserve system. This yield, rounded to the nearest one percent, shall be the annual interest rate during the succeeding calendar year; provided, however, that in no event shall the rate of interest be less than eight percent per annum. The state court administrator shall communicate the interest rate to the clerks of court for their use in computing the interest on verdicts.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1983, and interest shall begin to accrue as of that date on any pending claims or causes of action."

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

House Conferees: JERRY SCHOENFELD, TERRY DEMPSEY and ROBERT E. VANASEK.

Senate Conferees: WILLIAM P. LUTHER, JIM RAMSTAD and MICHAEL O. FREEMAN.

Schoenfeld moved that the report of the Conference Committee on H. F. No. 559 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 559, A bill for an act relating to courts; providing for interest rates on judgments; amending Minnesota Statutes 1982, section 549.09, subdivision 1.

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

The question was taken on the repassage of the bill and the roll was called. There were 106 yeas and 10 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Berkelman	Clark, K.	Eken	Forsythe
Anderson, R.	Blatz	Clawson	Ellingson	Frerichs
Battaglia	Brandl	Cohen	Erickson	Graba
Beard	Brinkman	Coleman	Evans	Greenfield
Bennett	Carlson, L.	Dempsey	Findlay	Gustafson
Bergstrom	Clark, J.	DenOuden	Fjoslien	Gutknecht

Halberg	Levi	Olsen	Sarna	Tomlinson
Heap	Long	Osthoff	Schoenfeld	Tunheim
Heinitz	Ludeman	Otis	Schreiber	Valan
Himle	Mann	Peterson	Segal	Valento
Hoffman	Marsh	Piepho	Shaver	Vanasek
Jacobs	McDonald	Piper	Shea	Voss
Jennings	McEachern	Quinn	Sherman	Waltman
Jensen	Metzen	Quist	Simoneau	Welch
Johnson	Minne	Redalen	Skoglund	Welle
Kalis	Munger	Rice	Solberg	Wenzel
Kelly	Murphy	Riveness	Sparby	Wynia
Knuth	Nelson, D.	Rodosovich	Stadum	Speaker Sieben
Kostohryz	Nelson, K.	Rodriguez, C.	Staten	
Krueger	Neuenschwander	Rodriguez, F.	Sviggum	
Kvam	Norton	Rose	Swanson	
Larsen	O'Connor	St. Onge	Thiede	

Those who voted in the negative were:

Begich	Elioff	Hankoos	Knickerbocker	Seaberg
Bishop	Gruenes	Hokr	Ogren	Wigley

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

MESSAGES FROM THE SENATE, Continued

Mr. Speaker:

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

S. F. No. 950.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee.

Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 950

A bill for an act relating to agriculture; requiring pseudo-rabies testing and imposing quarantine and restricted movement requirements for swine; appropriating money; proposing new law coded in Minnesota Statutes 1982, chapter 35.

May 21, 1983

The Honorable Jerome M. Hughes
President of the Senate

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

We, the undersigned conferees for S. F. No. 950, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 950 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [35.255] [PSEUDORABIES PROGRAM; RULES.] *The board of animal health shall adopt rules to implement a program to control pseudorabies in swine, including pseudorabies testing of breeding swine and restricted movement of feeder pigs.*

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Amend the title as follows:

Page 1, line 2, after "requiring" insert "the board of animal health to adopt rules for"

Page 1, line 3, delete "imposing quarantine and"

Page 1, line 4, delete "requirements for" and insert "of" and delete "appropriating money;"

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

Senate Conferees: CHARLES R. DAVIS, DENNIS R. FREDERICKSON and GARY M. DECramer.

House Conferees: JERRY SCHOENFELD, HENRY J. KALIS and WENDELL O. ERICKSON.

Schoenfeld moved that the report of the Conference Committee on S. F. No. 950 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 950, A bill for an act relating to agriculture; requiring pseudorabies testing and imposing quarantine and restricted movement requirements for swine; appropriating money; proposing new law coded in Minnesota Statutes 1982, chapter 35.

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

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

Those who voted in the affirmative were:

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

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

Mr. Speaker:

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

S. F. No. 911.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee.

Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 911

A bill for an act relating to utilities; specifying the commission's authority over the availability of submetering; amending Minnesota Statutes 1982, section 216B.02, subdivision 4, and by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 216B.

May 23, 1983

The Honorable Jerome M. Hughes
President of the Senate

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

We, the undersigned conferees for S. F. No. 911, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 911 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 216B.02, subdivision 4, is amended to read:

Subd. 4. "Public utility" means persons, corporations or other legal entities, their lessees, trustees, and receivers, now or hereafter operating, maintaining, or controlling in this state equipment or facilities for furnishing at retail natural, manufactured or mixed gas or electric service to or for the public or engaged in the production and retail sale thereof but does not include a municipality or a cooperative electric association, organized under the provisions of chapter 308 producing or furnishing natural, manufactured or mixed gas or electric service. Except as otherwise provided, the provisions of this chapter shall not be applicable to any sale of natural, manufactured or mixed gas or electricity by a public utility to another public utility for resale. In addition, the provisions of this chapter shall not apply to a public utility whose total natural gas business consists of supplying natural, manufactured or mixed gas to not more than 650 customers within a city pursuant to a franchise granted by the city, provided a resolution of the city council requesting exemption from regulation is filed with the commission. The city council may rescind the resolution requesting exemption at any time, and, upon the filing of the rescinding resolution with the commission, the provisions of this chapter shall apply to the public utility. No person shall be deemed to be a public utility if it (PRESENTLY) furnishes its services only to tenants or cooperative or condominium owners in buildings owned, leased or operated by such person. No person shall be deemed to be a public utility if it (PRESENTLY) furnishes service to occupants of a manufactured home or trailer park owned, leased, or operated by such person. No person shall be deemed to be a public utility if it (PRESENTLY) produces or furnishes service to less than 25 persons.

Sec. 2. Minnesota Statutes 1982, section 216B.02, is amended by adding a subdivision to read:

Subd. 6a. "Submetering" means measuring, by a building's owner, through mechanical or electronic devices, the use of electricity by occupants in multiple-unit residential or commercial buildings to fairly apportion the entire electrical costs for the building among its occupants.

Sec. 3. [216B.022] [SUBMETERING.]

Nothing in this chapter grants the commission or a public utility the authority to limit the availability of submetering to a building occupant when the building is served by a public utility's master meter which measures the total electric energy delivered to the building."

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

Senate Conferees: DON FRANK, RONALD R. DICKLICH and PHYLLIS W. MCQUAID.

House Conferees: RICH O'CONNOR, JOEL JACOBS and ELTON R. REDALEN.

O'Connor moved that the report of the Conference Committee on S. F. No. 911 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 911, A bill for an act relating to utilities; specifying the commission's authority over the availability of submetering; amending Minnesota Statutes 1982, section 216B.02, subdivision 4, and by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 216B.

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

The question was taken on the repassage of the bill and the roll was called. There were 99 yeas and 22 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Brinkman	Fjoslien	Hoffman	Larsen
Anderson, R.	Burger	Forsythe	Hokr	Long
Battaglia	Carlson, L.	Graba	Jacobs	Mann
Beard	Clark, J.	Greenfield	Jensen	Marsh
Begich	Clark, K.	Gruenes	Johnson	McEachern
Bennett	Clawson	Gustafson	Kalis	McKasy
Bergstrom	Coleman	Gutknecht	Kelly	Metzen
Berkelman	Eken	Halberg	Knickerbocker	Munger
Bishop	Elioff	Heap	Knuth	Murphy
Blatz	Ellingson	Heinitz	Kostohryz	Nelson, D.
Brandl	Evans	Himle	Krueger	Nelson, K.

Neuenschwander	Peterson	Rodriguez, C.	Shea	Vanasek
Norton	Piper	Rodriguez, F.	Sherman	Vellenga
O'Connor	Price	Rose	Simoneau	Voss
Ogren	Quinn	St. Onge	Skoglund	Welch
Olsen	Redalen	Sarna	Solberg	Welle
Omann	Reif	Schoenfeld	Staten	Wenzel
Osthoff	Rice	Seaberg	Swanson	Wynia
Otis	Riveness	Segal	Tomlinson	Speaker Sieben
Pauly	Rodosovich	Shaver	Tunheim	

Those who voted in the negative were:

Dempsey	Frerichs	Ludeman	Schreiber	Wigley
DenOuden	Haukoos	McDonald	Sviggum	Zaffke
Dimler	Jennings	Onnen	Thiede	
Erickson	Kvam	Quist	Waltman	
Findlay	Levi	Schafer	Welker	

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

Mr. Speaker:

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

H. F. No. 995, A bill for an act relating to intoxicating liquor; authorizing Clearwater County to issue an off-sale license in Itasca Township; authorizing St. Louis County to issue an off-sale license in Angora Township; authorizing the city of St. Paul to permit the sale of liquor at certain park club houses.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Eken moved that the House concur in the Senate amendments to H. F. No. 995 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 995, A bill for an act relating to intoxicating liquor and certain entertainers' contracts; authorizing Clearwater County to issue an off-sale license in Itasca Township; regulating contracts between the state agricultural society and entertainers performing at the state fair; authorizing Hennepin County to issue one-day on-sale liquor licenses for events at the Government Center; authorizing St. Louis County to issue a liquor license; amending Minnesota Statutes 1982, section 37.19.

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 96 yeas and 25 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Elioff	Krueger	Piepho	Solberg
Anderson, G.	Ellingson	Larsen	Piper	Sparby
Anderson, R.	Evans	Levi	Price	Stadum
Battaglia	Forsythe	Mann	Quinn	Staten
Beard	Graba	Marsh	Redalen	Swanson
Begich	Greenfield	McKasy	Reif	Tomlinson
Bennett	Gruenes	Metzen	Riveness	Tunheim
Bergstrom	Gustafson	Minne	Rodosovich	Valan
Berkelman	Halberg	Munger	Rodriguez, F.	Vanasek
Blatz	Heap	Murphy	Rose	Voss
Brandl	Himle	Nelson, D.	St. Onge	Welch
Brinkman	Hoffman	Nelson, K.	Sarna	Welle
Carlson, L.	Jacobs	Neuenschwander	Scheid	Wenzel
Clark, J.	Jennings	Norton	Schoenfeld	Wigley
Clark, K.	Jensen	O'Connor	Schreiber	Wynia
Clawson	Johnson	Ogren	Seaberg	Speaker Sieben
Coleman	Kalis	Omann	Segal	
Dempsey	Kelly	Osthoff	Shaver	
Dimler	Knuth	Otis	Simoneau	
Eken	Kostohryz	Peterson	Skoglund	

Those who voted in the negative were:

Bishop	Fjoslien	Knickerbocker	Olsen	Thiede
Burger	Frerichs	Kvam	Quist	Valento
DenOuden	Gutknecht	Ludeman	Schafer	Waltman
Erickson	Haukoos	McDonald	Sherman	Welker
Findlay	Heinitz	McEachern	Sviggun	Zaffke

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

There being no objection the order of business reverted to Introduction and First Reading of House Bills.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Erickson, Brinkman and Redalen introduced:

H. F. No. 1367, A bill for an act relating to agriculture; providing a superior security interest in livestock to certain suppliers; proposing new law coded in Minnesota Statutes, chapter 514.

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

Erickson introduced:

H. F. No. 1368, A bill for an act relating to agriculture; providing a superior security interest in crops to certain suppliers; proposing new law coded in Minnesota Statutes, chapter 514.

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

Segal, Coleman, Simoneau and Pauly introduced:

H. F. No. 1369, A bill for an act relating to crimes; requiring peace officer training in responding to intrafamilial crimes; proposing new law coded in Minnesota Statutes, chapter 626.

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

HOUSE ADVISORIES

The following House Advisory was introduced:

Kelly, Tomlinson, Eken, Ogren and Begich introduced:

H. A. No. 44, A proposal to review state taxation of state and national banks.

The advisory was referred to the Committee on Taxes.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

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

S. F. No. 596.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 596, A bill for an act establishing an agricultural resource loan guaranty program, board, and fund, and the terms of guarantees by the state of project loans in the program; appropriating money, taxes, tax increments, and other governmental charges; authorizing the issuance of state bonds; amending Minnesota Statutes 1982, sections 290.01, by adding a subdivision; 297A.44, subdivision 1; and 362A.01, subdivision 1; and 362A.05; proposing new law coded as Minnesota Statutes, chapter

41A; proposing new law coded in Minnesota Statutes, chapter 362A.

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

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

REPORTS OF STANDING COMMITTEES

Eken from the Committee on Rules and Legislative Administration to which was referred:

S. F. No. 645, A resolution memorializing the President and Congress to authorize the issuance of qualified mortgage bonds beyond the current expiration date of December 31, 1983.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

SECOND READING OF SENATE BILLS

S. F. No. 645 was read for the second time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Vellenga moved that the rule therein be suspended and an urgency be declared so that S. F. No. 645 be given its third reading and be placed upon its final passage. The motion prevailed.

Vellenga moved that the rules of the House be so far suspended that S. F. No. 645 be given its third reading and be placed upon its final passage. The motion prevailed.

S. F. No. 645, A resolution memorializing the President and Congress to authorize the issuance of qualified mortgage bonds beyond the current expiration date of December 31, 1983.

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 107 yeas and 13 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Krueger	Peterson	Simoneau
Anderson, G.	Evans	Kvam	Piepho	Skoglund
Anderson, R.	Findlay	Larsen	Piper	Solberg
Battaglia	Fjoslien	Long	Price	Sparby
Beard	Forsythe	Mann	Quinn	Stadum
Begich	Graba	McDonald	Quist	Staten
Bennett	Greenfield	McKasy	Reif	Swanson
Bergstrom	Gruenes	Metzen	Rice	Tomlinson
Berkelman	Gustafson	Minne	Riveness	Tunheim
Bishop	Halberg	Munger	Rodosovich	Uphus
Blatz	Haukoos	Murphy	Rodriguez, C.	Valan
Brandl	Heap	Nelson, D.	Rodriguez, F.	Vanasek
Brinkman	Heinitz	Nelson, K.	Rose	Vellenga
Carlson, L.	Himle	Neuenschwander	St. Onge	Voss
Clark, J.	Hoffman	Norton	Sarna	Welch
Clark, K.	Jacobs	O'Connor	Scheid	Welle
Clawson	Jensen	Ogren	Schoenfeld	Wenzel
Cohen	Johnson	Olsen	Schreiber	Wynia
Coleman	Kalis	Omann	Seaberg	Speaker Sieben
Dimler	Knickerbocker	Osthoff	Segal	
Eken	Knuth	Otis	Shaver	
Elioff	Kostohryz	Pauly	Shea	

Those who voted in the negative were:

Burger	Frerichs	Onnen	Thiede	Wigley
Dempsey	Gutknecht	Redalen	Waltman	Zaffke
Erickson	Jennings	Schafer		

The bill was passed and its title agreed to.

There being no objection the order of business reverted to Second Reading of House Bills.

SECOND READING OF HOUSE BILLS

H. F. Nos. 727, 805 and 1211 were read for the second time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, McDonald moved that the rule therein be suspended and an urgency be declared so that H. F. No. 1211 be given its second and third reading and be placed upon its final passage. The motion did not prevail.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

which amendment the concurrence of the House is respectfully requested:

H. F. No. 1124, A bill for an act relating to Minnesota Statutes; correcting erroneous, ambiguous, omitted, and obsolete references and text; eliminating certain redundant, conflicting, and superseded provisions; providing instructions to the revisor; amending Minnesota Statutes 1982, sections 10A.275; 10A.31, subdivision 2; 10A.32, subdivision 3b; 10A.335; 11A.24, subdivision 6; 15.06, subdivision 1; 16.861, subdivision 3; 17A.06, subdivision 3; 32.212; 32.213; 35.251; 43A.18, subdivision 5; 45.16, subdivision 2; 48.605, subdivision 1; 60A.07, subdivision 8; 60A.17, subdivision 7a; 93.20, subdivision 9; 98.46, subdivision 16; 100.27, subdivision 9; 112.85, subdivision 2; 116D.05; 116G.03, subdivision 5; 116J.70, subdivision 2a; 120.80, subdivision 1; 120.81, subdivision 1; 121.904, subdivision 11b; 168.021, subdivision 2; 169.451; 169.974, subdivision 2; 169.974, subdivision 6; 169.99, subdivision 1; 171.131, subdivision 2; 179.70, subdivision 1; 238.04, subdivision 2; 244.09, subdivision 1; 252A.13, subdivision 2; 253B.19, subdivision 5; 256.871, subdivision 7; 256.976, subdivision 4; 260.185, subdivision 1; 260.193, subdivision 6; 268.18, subdivision 2; 273.13, subdivisions 6 and 7d; 275.125, subdivision 1; 282.38, subdivisions 1 and 2; 290.012, subdivision 2; 297.02, subdivision 5; 298.28, subdivision 1; 326.241, subdivision 1; 327B.01, subdivisions 11 and 14; 327B.04, subdivision 4; 327B.05, subdivision 1; 327B.09, subdivision 1; 340.069; 354.532, subdivision 4; 363.03, subdivision 10; 367.41, subdivisions 1 and 5; 367.42, subdivision 1; 375B.01; 381.12, subdivision 2; 383A.35; 398A.01, subdivision 8; 462.355, subdivision 4; 462.36, subdivision 1; 462.445, subdivision 14; 462C.04, subdivision 2; 474.03; 508A.46; 515A.1-102; 518.24; and 525.619; amending Laws 1982, chapter 581, section 18, subdivision 4; and Laws 1982, Third Special Session chapter 1, article II, section 7; repealing Minnesota Statutes 1982, section 609.01, subdivision 2; repealing Laws 1976, chapters 2, section 62; and 173, section 53; Laws 1981, chapter 224, section 18; Laws 1982, chapters 416, section 1; 424, sections 3 and 8; and 642, section 8.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Cohen moved that the House concur in the Senate amendments to H. F. No. 1124 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1124, A bill for an act relating to Minnesota Statutes; correcting erroneous, ambiguous, omitted, and obsolete references and text; eliminating certain redundant, conflicting, and superseded provisions; providing instructions to the revisor; correcting miscellaneous oversights, inconsistencies, ambiguities, unintended results, and errors of a noncontroversial nature in the 1983 regular session; amending Minnesota Statutes 1982, sections 10A.275; 10A.31, subdivision 2; 10A.32, subdivision 3b;

10A.335; 11A.24, subdivision 6; 15.06, subdivision 1; 16.861, subdivision 3; 17A.06, subdivision 3; 18.041; 32.212; 32.213; 35.251; 43A.18, subdivision 5; 45.16, subdivision 2; 48.605, subdivision 1; 60A.07, subdivision 8; 60A.17, subdivision 7a; 93.20, subdivision 9; 98.46, subdivision 16; 100.27, subdivision 9; 112.85, subdivision 2; 116D.05; 116G.03, subdivision 5; 116J.70, subdivision 2a; 116J.89, subdivision 1b, as added; 120.80, subdivision 1; 120.81, subdivision 1; 121.904, subdivision 11b; 124.2137, subdivision 1, as amended; 168.021, subdivision 2; 169.451; 169.974, subdivision 2; 169.974, subdivision 6; 169.99, subdivision 1; 171.131, subdivision 2; 179.63, subdivision 7, as amended; 179.70, subdivision 1; 204D.11, subdivision 1, as amended; 238.04, subdivision 2; 244.09, subdivision 1; 252A.13, subdivision 2; 253B.19, subdivision 5; 256.482, subdivision 1, as amended; 256.871, subdivision 7; 256.976, subdivision 4; 260.185, subdivision 1; 260.193, subdivision 6; 268.18, subdivision 2; 273.13, subdivisions 6 and 7d; 275.125, subdivision 1; 282.38, subdivisions 1 and 2; 290.012, subdivision 2; 290.06, subdivision 2dd as added; 297.02, subdivision 5; 298.28, subdivision 1; 325G.30, subdivision 3, as amended; 326.241, subdivision 1; 327B.01, subdivisions 11 and 14; 327B.04, subdivision 4; 327B.05, subdivision 1; 327B.09, subdivision 1; 340.069; 354.532, subdivision 4; 363.03, subdivision 10; 367.41, subdivisions 1 and 5; 367.42, subdivision 1; 375B.01; 381.12, subdivision 2; 383A.35; 398A.01, subdivision 8; 462.355, subdivision 4; 462.36, subdivision 1; 462.445, subdivision 14; 462C.04, subdivision 2; 474.03; 508A.46; 515A.1-102; 518.24; and 525.619; 586.11, as amended; 609.75, subdivision 3, as amended; amending Laws 1983, chapters 13, section 4; 25, section 3; 62, section 12; 136, by adding a section; 149, section 2, subdivision 4; Laws 1982, chapter 581, section 18, subdivision 4; and Laws 1982, Third Special Session chapter 1, article II, section 7; Laws enacted at the 1983 regular session styled as S.F. Nos. 682, section 2, subdivision 1; 695, section 17, subdivision 5; 1233, section 2, subdivision 1; 1234, article 8, section 13; H. F. Nos. 77, sections 9, subdivision 1, and 25, subdivision 1; 1259, article 1, section 45; 1283, section 2, subdivision 4; 1290, sections 1, 16, and 37; repealing Minnesota Statutes 1982, section 609.01, subdivision 2; repealing Laws 1976, chapters 2, section 62; and 173, section 53; Laws 1981, chapter 224, section 18; Laws 1982, chapters 416, section 1; 424, sections 3 and 8; 642, section 8; a law enacted at the 1983 regular session styled as H. F. No. 300, section 75.

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 96 yeas and 24 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Begich	Brandl	Clawson	Elioff
Anderson, C.	Bennett	Brinkman	Cohen	Ellingson
Anderson, R.	Bergstrom	Carlson, L.	Coleman	Erickson
Battaglia	Berkelman	Clark, J.	Dempsey	Evans
Beard	Blatz	Clark, K.	Eken	Findlay

Fjoslien	Kostohryz	Norton	St. Onge	Tunheim
Forsythe	Krueger	O'Connor	Sarna	Uphus
Frerichs	Larsen	Ogren	Schafer	Vanasek
Graba	Levi	Otis	Scheid	Vellenga
Greenfield	Long	Peterson	Segal	Voss
Gruenes	Mann	Piper	Shaver	Waltman
Gustafson	Marsh	Price	Shea	Weich
Himle	McEachern	Quinn	Sherman	Welle
Hoffman	Metzen	Redalen	Simoneau	Wenzel
Jacobs	Minne	Reif	Skoglund	Wynia
Jensen	Munger	Rice	Solberg	Speaker Sieben
Kalis	Murphy	Riveness	Sparby	
Kelly	Nelson, D.	Rodosovich	Staten	
Knickerbocker	Nelson, K.	Rodriguez, C.	Swanson	
Knuth	Neuenschwander	Rodriguez, F.	Tomlinson	

Those who voted in the negative were:

Burger	Heap	Ludeman	Quist	Valento
DenOuden	Heinitz	McDonald	Rose	Welker
Gutknecht	Jennings	Omann	Schoenfeld	Wigley
Halberg	Johnson	Onnen	Schreiber	Zaffke
Haukoos	Kvam	Osthoff	Thiede	

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 Files, herewith returned:

H. F. No. 1081, A resolution memorializing the President and Congress of the United States to provide service-connected disability compensation for former members of the military forces who were exposed in Vietnam to toxic herbicides, chemicals, medications, and other environmental hazards and conditions.

H. F. No. 1269, A resolution memorializing the governments of the United States and the Republic of China that the State of Minnesota adopts the Province of Taiwan as a sister state.

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. 409, A bill for an act relating to liquor restrictions upon joint purchases and volume discounts at wholesale; extending the date for requiring dram shop insurance; requiring an assigned risk plan and specifying rule making authority of the commissioner of insurance in regard thereto; amending Minnesota Statutes 1982, sections 340.11, subdivision 21, and by adding a subdivision; 340.353, subdivision 8; 340.408; and 340.983 and Laws 1982, chapter 528, section 9.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 722, A bill for an act relating to cable communications; authorizing cable communications companies to use public roads for certain purposes; defining terms; requiring access by cable communications companies; providing residences with freedom of choice of cable communications services; imposing conditions of access; limiting certain actions of property owners; allowing appeal; specifying the measure of damages under a subsequent condemnation; specifying certain prohibitions; authorizing cable communications companies to use existing utility easements; amending Minnesota Statutes 1982, sections 222.37, subdivision 1; and 238.02, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 238.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 657, A bill for an act relating to public services; authorizing the commissioner to expend money for railroad acquisition by a regional railroad authority; changing the tax paid on aviation gasoline; modifying requirements for compliance with standards for zoning ordinances for municipal airports; modifying the regional railroad authority act to allow municipalities to form regional railroad authorities; allowing the expenditure of certain state funds for railroad improvement and acquisition; providing an aircraft base price for taxation purposes; authorizing Washington county library bonds; providing for a plan for the Anoka county-Blaine Airport; amending Minnesota Statutes 1982, sections 161.125, subdivision 1; 222.50, subdivision 7; 296.02, subdivision 2; 360.063, subdivisions 3, 4, and 6; 360.065, subdivision 2; 360.066, subdivision 1; 360.067, subdivision 1; 360.531, subdivision 4; 398A.02; 398A.03; 398A.-04, subdivisions 8 and 9; 398A.07, subdivision 2; and Laws 1980, chapter 610, section 1, as amended.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 549, A bill for an act relating to education; establishing a lending program to fund school energy conservation investments; authorizing the issuance of state bonds pursuant to article XI of the Minnesota Constitution; appropriating money; amending Minnesota Statutes 1982, section 275.125, subdivisions 11a, 11b, and by adding a subdivision; and proposing new law coded in Minnesota Statutes, chapter 116J.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 851, A bill for an act relating to agriculture; making certain changes in the family farm security loan program; amending Minnesota Statutes 1982, sections 15.38, by adding a subdivision; 16.02, subdivision 14; 41.52, by adding a subdivision; 41.53, subdivision 2; 41.54, subdivision 2; 41.55; 41.56, subdivisions 4, 5, and by adding subdivisions; 41.57, subdivision 2; 41.58, subdivision 1; 41.59, subdivisions 1, 2, and 3; 41.61, subdivision 1.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate 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. 449, 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 the transfer of debts and funds of a principal campaign committee under certain circumstances; limiting certain lobbyist contributions; 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 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 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.24; 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.

The Senate has appointed as such committee Messrs. Luther, Freeman, Pogemiller, Ms. Peterson, D. C. and Mr. Dahl.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

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

MOTIONS AND RESOLUTIONS

Nelson, D., moved that the name of Onnen be added as an author on H. F. No. 1361. The motion prevailed.

Clark, J., moved that the name of Clark, K., be added as an author on H. F. No. 1349. The motion prevailed.

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 12:00 noon, Tuesday, March 6, 1984. The motion prevailed.