

STATE OF MINNESOTA

SEVENTY-THIRD SESSION - 1984

SIXTY-SIXTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, MARCH 21, 1984

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

Prayer was offered by Sister Frances Donnelly, Sister of Charity of the Blessed Virgin Mary, St. Paul, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Rodriguez, C., and Sherman were excused.

Erickson was excused until 3:00 p.m.

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

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 735, 1504, 1760, 1784, 1381, 1486, 1611, 1503, 1428, 1382, 1347, and 1257 and S. F. No. 214 have been placed in the members' files.

REPORTS OF STANDING COMMITTEES

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

H. F. No. 158, A bill for an act proposing an amendment to the Minnesota Constitution; repealing article XIII, section 5 which prohibits lotteries.

Reported the same back with the following amendments:

Page 1, line 10, delete everything after "*will*" and insert "*read as follows*:"

Sec. 5. The legislature shall not authorize any lottery or the sale of lottery tickets, *other than lotteries operated by the state, or by nonprofit organizations for charitable purposes as those terms are defined by law.*"

Page 1, line 14, delete "*repeal the*"

Page 1, delete line 15 and insert "*permit the legislature to authorize lotteries operated by the state, or by nonprofit organizations for charitable purposes as defined by law?*"

Amend the title as follows:

Page 1, line 2, delete the semicolon and insert a comma

Page 1, delete lines 3 and 4 and insert "article XIII, section 5; allowing the legislature to authorize certain lotteries."

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

The report was adopted.

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

H. F. No. 560, A bill for an act relating to Cook County; permitting the sale of certain land.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred :

H. F. No. 1373, A bill for an act relating to commerce; requiring state agencies to make prompt payment for the purchase or lease of goods and services; requiring agencies to pay interest penalties on late payments; requiring an annual report to the legislature on agency payment records; proposing new law coded in Minnesota Statutes, chapter 16.

Reported the same back with the following amendments :

Delete everything after the enacting clause and insert :

"Section 1. [16A.124] [PROMPT PAYMENT OF STATE AGENCY BILLS REQUIRED.]

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

(a) *"Commissioner" means the commissioner of finance.*

(b) *"State agency" has the meaning assigned to it in section 16.011.*

Subd. 2. [COMMISSIONER SUPERVISION.] The commissioner shall exercise constant supervision over state agencies to insure the prompt payment of vendor obligations.

Subd. 3. [PAYMENT REQUIRED.] State agencies must pay each valid vendor obligation so that the vendor receives payment within the vendor's early payment discount period. If there is no early payment discount period, the state agency must pay the vendor within 30 days following the receipt of the invoice for the completed delivery of the product or service.

Subd. 4. [INVOICE ERRORS.] If an invoice is incorrect, defective, or otherwise improper, the agency must notify the

vendor within ten days of discovering the error. Upon receiving a corrected invoice, the agency must pay the bill within the time limitation contained in subdivision 3.

Subd. 5. [PAYMENT OF INTEREST ON LATE PAYMENTS REQUIRED.] (a) A state agency shall pay interest to a vendor for undisputed billings when the agency has not paid the billing within 30 days following receipt of the invoice, merchandise, or service whichever is later. Before any interest payment is made, the vendor must invoice the state agency for such interest.

(b) The rate of interest paid by the agency on undisputed bills not paid within 30 days shall be one percent per month or any part thereof.

(c) All interest penalties and collection costs must be paid from the agency's current operating budget. No agency may seek to increase its appropriation for the purpose of obtaining funds to pay interest penalties or collection costs.

(d) Any vendor who prevails in a civil action to collect interest penalties from a state agency shall be awarded its costs and disbursements, including attorney's fees, incurred in bringing the actions.

(e) No interest penalties may accrue against an agency that delays payment of a bill due to a disagreement with the vendor; provided, that the dispute must be settled within 30 days after the bill became overdue. Upon the resolution of the dispute, the agency must pay the vendor accrued interest on all proper invoices for which payment was not received within the applicable time limit contained in subdivision 3.

(f) The minimum monthly interest penalty payment that a state agency shall pay to a vendor for any one overdue bill in excess of \$100 is \$10. For any monthly interest penalty payment that is less than \$10 for overdue bills in excess of \$100, the state agency shall be required to pay a monthly interest penalty payment of \$10.

Subd. 6. [AUTHORITY TO REDUCE AGENCY ALLOTMENT.] The commissioner shall have the authority to reduce the allotment of any state agency by the amount of any vendor obligations that are paid later than 30 days following the receipt of the invoice for completed delivery of the products or services.

Subd. 7. [REPORT TO LEGISLATURE.] The commissioner shall report to the legislature each year summarizing the state's payment record for the preceding year. The report shall include the number and dollar amount of late payments made by each agency, the amount of interest penalties and collection costs

paid, and the specific steps being taken to reduce the incidence of late payments in the future.

Subd. 8. [APPLICABILITY.] Subdivisions 1 to 7 apply to all agency purchases, leases, rentals, and contracts for services, including construction and remodeling contracts.

Sec. 2. Minnesota Statutes 1983 Supplement, 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 (34) 29 percent of the first \$50,000 of market value, 38 percent of the next \$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 (34) 29 and 38 percent assessment ratios, 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 (34) 29 and 38 percent assessment ratios.

(4) 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 273.1314, subdivision 9, paragraph (a).

Sec. 3. [273.1393] [REIMBURSEMENT; REDUCED COMMERCIAL-INDUSTRIAL ASSESSMENTS.]

Subdivision 1. [REIMBURSEMENT AMOUNT.] (a) Each taxing jurisdiction shall receive reimbursement for the

difference between the tax determined pursuant to clause (b) and the tax actually payable by the owner of commercial or industrial property which qualifies for assessment at less than 43 percent of market value pursuant to section 273.13, subdivision 9, clause (3).

(b) The county auditor shall calculate the tax on the property described in clause (a) in the same manner as the property would be assessed if it were assessed at 34 percent of the first \$50,000 of market value and 43 percent of the remainder.

(c) The difference between the amount calculated pursuant to clause (b) and the amount of tax payable by the owner on property described in clause (a) shall be certified by the county auditor and reported to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner by section 275.29. The commissioner shall make equal payments of the reimbursement amounts at the times specified by section 273.13, subdivision 15a.

(d) This section shall not apply to the assessed value of any property to the extent included in the captured assessed value of a tax increment financing district.

Subd. 2. [COMPUTATION OF MILL RATES.] When computing mill rates pursuant to sections 275.08 and 275.09, the county auditor shall regard property described in subdivision 1, clause (a), as if it were valued at the classification ratios specified in subdivision 1, clause (b).

Subd. 3. [APPROPRIATION.] An amount sufficient to make the payments required by this section is appropriated to the commissioner of revenue.

Sec. 4. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1984, and applies to all payments due on or after that date. Sections 2 and 3 are effective for taxes payable in 1985 and thereafter and shall provide for payment of reimbursements beginning in 1985."

Delete the title and insert:

"A bill for an act relating to commerce; requiring state agencies to make prompt payment for the purchase or lease of goods and services; requiring agencies to pay interest penalties on late payments; reducing the classification ratio for commercial-industrial property; providing reimbursement to local units of government; appropriating money; amending Minnesota Statutes 1983 Supplement, section 273.13, subdivision 9; proposing new law coded in Minnesota Statutes, chapters 16A and 273."

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

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 1376, A bill for an act establishing an agricultural resource loan guaranty program, board, and fund, and the terms of guaranties 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; 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.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [41A.01] [PURPOSE.]

Sections 1 to 6 provide a framework for an agricultural resource energy loan guaranty program, the purposes of which are to further the development of the state's agricultural resources, improve the market for its agricultural products, and increase the use of chemicals including fuel derived from renewable agricultural sources and having superior qualities for controlling pollution and conserving energy. Public debt is authorized by the constitution to be incurred for developing agricultural resources by extending credit on real estate security. The program contemplates the use of this power not to finance projects of the kind described herein, but to provide financial guaranties for a portion of the cost of viable projects to the extent necessary to enable qualified developers and operators to secure private financing which would not otherwise be available. All credit advanced pursuant to loan guaranty commitments is to be secured by subordination of the state to mortgage security and other security interests granted to the private lender, in proportion to the amount advanced by the state. A loan guaranty board is established to investigate the feasibility of each project, its conformity to the above policies and to environmental standards, the qualifications of the owners, operators, and lenders, and the nature and extent of the security, prior to commitment, and to secure maximum financial participation by private persons, not supported by the guaranty, to assure that in these respects each project satisfies and will continue to satisfy criteria which are adequate in the judgment of the board.

Sec. 2. [41A.02] [DEFINITIONS; ACTIONS BY THE STATE.]

Subdivision 1. [SCOPE.] The definition of each term given in this section applies whenever the term is used in sections 1 to 7.

Subd. 2. [AGRICULTURAL RESOURCE.] "Agricultural resource" means any organic matter which is available on a renewable basis from agricultural processes, including agricultural crop, animal, and wood production, waste, and residues.

Subd. 3. [AGRICULTURAL RESOURCE LOAN GUARANTY BOARD; BOARD.] "Agricultural resource loan guaranty board" or "board" means the commissioner of finance as chairman, the commissioner of agriculture, the commissioner of commerce, and the director of the pollution control agency.

Subd. 4. [AGRICULTURAL RESOURCE LOAN GUARANTY FUND; GUARANTY FUND.] "Agricultural resource loan guaranty fund" or "guaranty fund" means the fund created by section 5.

Subd. 5. [AGRICULTURAL RESOURCE LOAN GUARANTY PROGRAM; PROGRAM.] "Agricultural resource loan guaranty program" or "program" includes all projects and loan guaranties approved pursuant to sections 3 and 4.

Subd. 6. [AGRICULTURAL RESOURCE ENERGY PROJECT; PROJECT.] "Agricultural resource energy project" or "project" means any facility, or portion of a facility, located in the state which is operated or to be operated primarily for the production from agricultural resources of gaseous, liquid, or solid fuel and chemicals, or other marketable products. A project includes a facility or portion of a facility for mixing or producing substances to be mixed with other substances for use as a fuel or as a substitute for petroleum or petrochemical feedstocks.

Subd. 7. [APPLICANT.] "Applicant" means any rural development finance authority organized, or any county exercising the powers of such an authority, pursuant to chapter 362A, which applies to the state for approval of a guaranty of a loan to a borrower for a project.

Subd. 8. [BORROWER.] "Borrower" means any applicant or any private individual, company, cooperative, partnership, corporation, association, consortium, or other entity organized for a common business purpose, which is obligated or to be obligated to pay a guaranteed loan.

Subd. 9. [CONSTRUCTION.] "Construction" means construction of a new agricultural resource project, or conversion

of a facility to such a project, or expansion or improvement of a project to increase its capacity or efficiency. "Construction" includes acquisition of land, easements, buildings, structures, improvements, and equipment and machinery for use in or at the site of a project or on easements adjacent to the project site.

Subd. 10. [COST.] "Cost" of a project means the sum of all obligations paid or to be paid or incurred by the borrower which are reasonably required for the construction and completion of the project, including but not limited to (i) surveys, estimates, plans, specifications, supervision of construction, and other engineering and architectural service; (ii) payments under construction contracts and for payment and performance bonds; (iii) purchase and installation of equipment and machinery; (iv) recording, filing, permit, legal, financial, underwriting, placement, commitment, publication, advertising, and other charges, fees, and expenses incurred for establishing title, mortgage liens, and security interests with respect to the project, for securing permits for construction and approval of the loan guaranty, for establishing the terms of the loan and underlying security agreements, and for offering, selling, or placing with investors and printing and delivering the obligations evidencing the loan; and (v) interest, discount, fees, and expenses accruing with respect to the loan, and taxes and other government charges payable with respect to the project, during construction.

Subd. 11. [LENDER.] "Lender" means any holder or holders of bonds, notes, or other obligations evidencing a guaranteed loan, any trustee representing those holders, and any investment or commercial banking institution, savings and loan institution, insurance company, investment company, or other financial institution or institutional investor making, purchasing, or participating in a loan or any part of a loan.

Subd. 12. [LOAN.] "Loan" means any obligation to repay money borrowed to finance the construction of a project or to refund or refinance such an obligation.

Subd. 13. [LOAN AGREEMENT.] "Loan agreement" means a written agreement or agreements setting forth the terms and conditions of the obligation of the borrower to the lender and the pledges and covenants made and mortgage lien and other security interests granted for the security of the obligations, including a mortgage, note, indenture, or other agreement however designated.

Subd. 14. [LOAN GUARANTY.] "Loan guaranty" means a written agreement executed on behalf of the state that guarantees, in accordance with the terms and conditions contained in the agreement or in a loan agreement, the payment of sums of money owing by a borrower to a lender.

Subd. 15. [STATE.] "State" actions contemplated in sections 1 to 6 may be taken on behalf of the state by resolutions of the agricultural resource loan guaranty board, subject to approval by the governor if required by the governor, or by a member of the board or another state officer in the department headed by the member, pursuant to authority delegated by resolution of the board. Resolutions of the board are effective when approved by the vote of a majority of its members.

Sec. 3. [41A.03] [LOAN GUARANTIES.]

Subdivision 1. [AUTHORITY FOR AND LIMITATION OF GUARANTY.] Subject to the provisions of sections 1 to 6 and upon determination that a loan will serve the public purposes and satisfy the conditions set forth in sections 1 to 6, the state may guarantee and commit to guarantee against loss an amount not exceeding 90 percent, with accrued interest, of a loan for the construction of an agricultural resource project (or the refunding or refinancing of a loan). The loan must be secured by a first mortgage lien on and security interest in all real and personal property comprising the project and other collateral as provided in the loan agreement.

Subd. 2. [LIMITATION OF LOAN AMOUNT.] The total principal amount of any guaranteed loan may not exceed 80 percent of the total cost of the related project as estimated by the state at the time the commitment to guarantee is made or, in the case of a refunding or refinancing loan, 80 percent of the aggregate amount of principal and interest refunded or refinanced. If the actual cost exceeds the estimate the state may, upon request of the borrower and the lender, consent to an increase of the loan by a principal amount not greater than 80 percent of the excess cost, and may increase the guaranteed amount by not more than 90 percent of the increase in the principal amount, and accrued interest on that amount.

Subd. 3. [REQUIRED PROVISIONS.] A loan guaranty or loan agreement pertaining to any loan guaranteed by the state must provide that:

(a) Payments of principal and interest made by the borrower under the loan shall be applied by the lender to reduce the guaranteed and nonguaranteed portion of the loan on a proportionate basis, and the nonguaranteed portion shall not in any event receive preferential treatment over the guaranteed portion.

(b) A period of grace shall be allowed of not less than 60 days from a date a principal or interest payment is due, prior to the making of demand for payment pursuant to the loan guaranty, to permit adequate time for a decision on behalf of the state regarding principal and interest assistance in accordance with subdivision 4. Payment as required by the loan guaranty

shall be made within 60 days after receipt by the state of written demand complying with the terms and conditions of the guaranty.

(c) The lender may not accelerate repayment of the loan or exercise other remedies available to the lender if the borrower defaults, unless (i) the borrower fails to pay a required payment of principal or interest, or (ii) the state consents in writing, or (iii) as otherwise permitted in the loan guaranty. In the event of a default, the lender may not make demand for payment pursuant to the guaranty unless the state agrees in writing that such default has materially affected the rights or security of the parties, and finds that the lender should be entitled to receive payment pursuant to the loan guaranty.

(d) If a payment of principal or interest is made by the state upon default of the borrower, the state shall be subrogated to the rights of the lender with respect to the payment.

(e) The borrower shall have promptly prepared and delivered to the state annual audited financial statements of the project prepared according to generally accepted accounting principles.

(f) Duly authorized representatives of the state shall have access to the project site at reasonable times during construction and operation of the project.

(g) The borrower shall maintain adequate records and documents concerning the construction and operation of the project in order that representatives of the state may determine its technical and financial conditions and its compliance with environmental requirements. The records shall include the amounts of all sales and use taxes paid on personal property and services purchased for the construction and operation of the project, with tax receipts furnished by the sellers or other supporting documentation determined by the board to be satisfactory. The amounts of those taxes shall be reported to the board in the manner and at the times required by the board.

(h) The borrower shall protect and preserve at all times the project assets and other collateral securing the loan and shall assist in liquidation of collateral to minimize loss in the event of default.

(i) Orderly liquidation of assets of the project shall be provided for in the event of default, with an option on the part of the state to acquire from the lender the lender's interest in the assets pursuant to the nonguaranteed portion of the loan.

(j) The state shall be paid at or prior to the closing of the guaranteed loan a fee or fees for the loan guaranty or the com-

mitment to guarantee the loan. The aggregate fee may not exceed one percent of the total principal amount of the guaranteed portion of the loan.

(k) The lender shall perfect and maintain the mortgage lien on the real estate and the security interest in personal property and collateral granted as security for the loan, and shall cause all other loan servicing functions to be performed which are normally required or performed by a reasonable and prudent lender with respect to a loan without a guaranty.

(l) The state shall be notified in writing without delay of (i) the date and amount of and basis for each disbursement of loan proceeds; (ii) any nonpayment of principal or interest due (within ten days after the due date and with evidence of notification to the borrower); (iii) any failure to honor a commitment by any person of an intended source of capital for the project; and (iv) any significant adverse changes from original cash flow projections as evidenced by reports from the borrower, or any other known evidence that the borrower might be unable to meet a future scheduled payment of principal or interest.

(m) The loan agreement shall require the borrower to establish a reserve, from the proceeds of the loan or otherwise, to be maintained with the lender or with a trustee for the holders of the borrower's obligations in cash or securities of a specified market value not less than the annual amount which would be required to amortize the entire amount of the loan over the term (or at the rate of yield resulting from the interest rates) provided in the loan agreement.

Subd. 4. [PRINCIPAL AND INTEREST ASSISTANCE.]
The state may at any time enter into a written contract with the borrower to pay the lender, on behalf of the borrower, an amount not greater than the amount of principal and interest to become due on one or more subsequent dates, without acceleration, if the state determines that (i) the borrower is not in default in payment of principal or interest due more than 60 days prior to the date of the contract; (ii) the borrower is or may become unable to meet in full principal or interest payments, or both, which are due or to become due within a specified period; (iii) it is in the public interest to permit the borrower to continue to pursue the purposes of the project; (iv) the probable net financial loss to the state will be less than that which would result in the event of a default; (v) the borrower is obligated by the contract to reimburse the state for all principal or interest advanced, with interest on those amounts, upon terms and conditions satisfactory to the state; and (vi) funds are available for allocation to the account established for the project in the guaranty fund, and are continuously allocated to the account in accordance with the provisions of section 4, subdivision 3, in an amount equal to the amount of interest on the advances until actually reimbursed to the state by the borrower. All sums so

advanced and interest on those amounts shall be secured by the mortgage lien and security interest granted by the loan agreement, but none of the advances shall thereafter be repaid to the state until and unless all principal and interest currently due on the loan has been fully paid. In the event of subsequent default by the borrower, acceleration by the lender, and payment by the state of the full amount due under the loan guaranty, the state shall be subrogated to the rights of the lender with respect to the principal paid by it under the contract. Upon payment of the loan in full, with accrued interest, the remaining amount of the advances and interest on the advances may be paid to the state.

Sec. 4. [41A.04] [APPLICATION AND APPROVAL.]

Subdivision 1. [REQUIREMENTS.] (a) Any rural development finance authority, or county exercising the powers of such an authority, may file a written application with the state commissioner of finance, to be considered by the agricultural resource energy loan guaranty board, for a guaranty by the state of a portion of a loan for an agricultural resource project. In general, the application must provide information similar to that required by an investment banking or other financial institution considering such a project for debt financing. Specifically, each application must include in brief but precise form the following information, as supplied by the applicant, the borrower, or the lender:

(1) a description of the scope, nature, extent, and location of the proposed project, including the identity of the borrower and a preliminary or conceptual design of the project;

(2) a description of the technology to be used in the project and the prior construction and operating experience of the borrower with such projects;

(3) a detailed estimate of the items comprising the total cost of the project, including escalation and contingencies, with explanation of the assumptions underlying the estimate;

(4) a general description of the financial plan for the project, including the mortgage and security interests to be granted for the security of the guaranteed loan, and all sources of equity, grants, or contributions or of borrowing the repayment of which is not to be secured by the mortgage and security interests, or, if so secured, is expressly subordinated to the guaranteed loan;

(5) an environmental report analyzing potential environmental effects of the project, any necessary or proposed mitigation measures, and other relevant data available to the applicant to enable the board to make an environmental assessment;

(6) a list of applications to be filed and estimated dates of approvals of permits required by federal, state, and local government agencies as conditions for construction and commencement of operation of the project;

(7) an estimated construction schedule;

(8) an analysis of the estimated cost of production of and market for the product, including economic factors justifying the analysis and proposed and actual marketing contracts, letters of intent, and contracts for the supply of feedstock;

(9) a description of the management experience of the borrower in organizing and undertaking similar projects;

(10) pro forma cash flow statements for the first five years of project operation including income statements and balance sheets;

(11) a description of the borrower's organization and, where applicable, a copy of its articles of incorporation or partnership agreement and bylaws;

(12) the estimated amount of the loan and percentage of guaranty requested, the proposed repayment schedule, and other terms and conditions and security provisions of the loan;

(13) an estimate of the amounts and times of receipt of guaranty fees, sales and use taxes, property tax increments, and any other governmental charges which may be available for the support of the state guaranty fund as a result of the construction of the project, with an analysis of the assumptions on which the estimate is based;

(14) a copy of any lending commitment issued by a lender to the borrower;

(15) a statement from the lender, if identified, as to its general experience in financing and servicing debt incurred for projects of the size and general type of the project, and its proposed servicing and monitoring plan; and

(16) additional information required by the board.

(b) The applicant shall pay upon filing of the application a fee equal to .25 percent of the amount of the loan guaranty requested. The fee shall be paid to the commissioner of finance and deposited in the general fund. If the board determines not to issue a commitment for the project, the fee shall be refunded to the applicant, less the board's cost of processing, reviewing, and evaluating the application. If the board issues a commitment for the project and the application fee exceeds the board's cost of

processing, reviewing, and evaluating the application, the balance shall be transferred from the general fund to the project account in the guaranty fund and credited against the amount of the commitment fee required in section 3, subdivision 3, clause (j). The county or rural development finance authority may require the proposed borrower under the project to pay the application fee.

Subd. 2. [ENVIRONMENTAL ASSESSMENT.] Notwithstanding any other law or rule, no environmental impact statement or environmental worksheet must be completed prior to the approval of an application and the issuance of a conditional commitment for the guaranty of a loan for an agricultural resource project, or the taking of any other action permitted by sections 1 to 7, including the issuance of bonds, which is considered necessary or desirable by the board to prepare for a final commitment and to make it effective. Environmental review, to the extent required by law, shall be made in conjunction with the issuance by state agencies of environmental permits for the project. Permits may be applied for prior to the issuance of a conditional commitment. Action shall be taken as expeditiously as possible on environmental review and all permits required. Environmental review shall be completed within 180 days after the initial filing of an application to the pollution control agency for the first permit. Final action shall be taken on permits within 90 days after completion of environmental review or, as to any permit requiring a public hearing, within 90 days after the receipt of the hearing examiner's report.

Subd. 3. [COMMITMENT.] The board shall determine as to each project for which an application is submitted whether it appears in the board's judgment to conform to the purposes and policies stated in section 1 to an extent measured by criteria which in the board's judgment are satisfactory. In evaluating applications the board shall consider the extent to which the public subsidies sought by the applicant under the program would provide the project with an unfair advantage in competing with other products produced or processed in Minnesota. It may but need not adopt rules setting forth criteria for evaluating applications for loan guaranties. Upon determination by the board that a project conforms to the purposes and policies in section 1, it may by resolution make on behalf of the state a conditional commitment to guarantee a portion of the proposed loan as it shall determine, not exceeding the limitations set forth in section 3. No action is allowable under section 116B.03, subdivision 1, with respect to acts of any person authorized or required in order to execute the resolution. The commitment is not binding upon the state until and unless the following conditions are satisfied.

(1) the board has created a project account for the project in the guaranty fund and has allocated to the account, from funds previously appropriated by the legislature or from the

proceeds of bonds issued or to be issued for purposes of the guaranty fund pursuant to authorization previously enacted by the legislature, and not previously allocated to any other project account, in an aggregate amount sufficient, with any other amount then on hand in the project account, to pay the entire guaranteed principal amount of the proposed loan, plus interest on that amount for one year. The bonds authorized by the legislature need not be issued until and unless the proceeds allocated to a project account must be deposited in the account to comply with clause (2) or (3).

(2) the board has deposited in the project account bond proceeds or other funds in an amount not less than the annual amount which would be required to amortize the guaranteed portion of the principal of the loan over the term and at the interest rate (or at the rate of yield resulting from the interest rates) provided in the loan agreement.

(3) the board has executed on behalf of the state a final loan guaranty instrument in conformity with section 3, which binds the state to offer state bonds for sale at the times and in the amounts required, with amounts on hand in the project account, to pay all amounts to become due and payable under the loan guaranty, within the authorization and allocation referred to in clause (1), and when sold, to issue the bonds and apply the proceeds to make these payments.

Subd. 4. [RULE MAKING AUTHORITY.] In order to effectuate the purposes of sections 1 to 7, the board may adopt rules which are not subject to the provisions of chapter 14.

Sec. 5. [41A.05] [MINNESOTA AGRICULTURAL RESOURCE LOAN GUARANTY FUND AND BONDS.]

Subdivision 1. [ESTABLISHMENT OF FUND.] For the purpose of developing the state's agricultural resources by extending credit on real estate security, the agricultural resource loan guaranty fund is established as a special and dedicated fund to be held and invested separately from all other funds of the state. All proceeds of state bonds authorized and issued for the purposes of the fund, and all guaranty fees, retail sales taxes, property tax increments, and other money from any source which may be credited to the fund pursuant to law or pursuant to the terms of grants, contributions, or contracts are appropriated and shall remain available for the purposes of the fund until those purposes have been fully accomplished. The fund may be used only for paying amounts due under loan guaranties and principal and interest assistance contracts entered into by the state, pursuant to the agricultural resource loan guaranty program.

Subd. 2. [ISSUANCE OF BONDS.] To provide money appropriated to the agricultural resource loan guaranty fund for the purposes of the program, when authorized by law and re-

quested by the board, the commissioner of finance shall issue and sell bonds of the state. The state irrevocably pledges the full faith, credit, and taxing powers of the state to the prompt and full payment of these bonds. The proceeds of the bonds when issued, except accrued interest and any premium received upon sale, shall be credited to the guaranty fund. All the bonds shall be sold and issued and shall be secured in the manner, upon the terms, and with the effect prescribed for state building bonds in chapter 16A, and with the security provisions set forth in chapter 16A and in article XI, sections 4 to 7 of the constitution.

Subd. 3. [COVENANT.] In fulfillment of the state's covenant with the beneficiary of each loan guaranty executed by the board on behalf of the state pursuant to the agricultural resource loan guaranty program, in accordance with section 4, subdivision 3, the state will not limit or alter the rights vested in the board to comply with the terms of the loan guaranties. The state agrees not to rescind or cancel any authorization of an amount of bonds, or the appropriation of the proceeds of bonds for the purposes of the program, which, with the sum of the amounts then held in each project account in the guaranty fund, would be required, in the event of an immediate default on each guaranteed loan, to pay the balance of the guaranteed portion of the principal of all guaranteed loans with interest accrued and to accrue thereon for one year.

Subd. 4. [INCOME TAX EXEMPTION.] In the issuance of state bonds and the making of loan guaranties for the purposes of the program, the commissioner of finance and the board may and shall make all provisions and do or cause to be done all acts and things, consistent with sections 1 to 6, which are or may be effective under federal laws and regulations to comply with conditions for the exemption of interest on such bonds from federal income taxation. However, if for any reason, whether existing at the date of issue of any bonds or the date of execution of any loan guaranty or thereafter, the interest on any such bonds shall be or become subject to federal income taxes, this shall not impair or affect the validity of the bonds or of any loan guaranty or the provisions made for the security thereof, and shall not impair or affect the covenant made by the state in subdivision 3. Nothing herein affects the federal or state income tax treatment of interest on obligations of a borrower other than the state, whether or not guaranteed by the state.

Sec. 6. [41A.06] [PROJECT TAXES AND OTHER CHARGES.]

Subdivision 1. [APPROPRIATION.] The payments, taxes, and governmental charges described in this section which are received as a consequence of the undertaking, completion, and operation of each agricultural resource loan project for which a loan guaranty is made by the state are appropriated to the loan guaranty fund. This appropriation shall not lapse at the close of

any fiscal year under the provisions of section 16A.28, and the receipts from the appropriation shall remain available as provided in section 5, subdivision 1. The state is not obligated, however, to continue the appropriation with respect to charges not yet collected, except to the extent determined to be necessary for compliance with the covenant contained in section 5, subdivision 3.

Subd. 2. [ALLOCATION TO PROJECT ACCOUNTS.] Receipts of charges related to a particular project shall be deposited and recorded in its project account in the guaranty fund; but the board may reallocate receipts in any project account which cause the amount held in the account to exceed the minimum balance established initially pursuant to section 4, subdivision 3, clause (2). The reallocation may be made to another project account for the purpose of maintaining the minimum balance in the account.

Subd. 3. [PAYMENTS BY BORROWERS.] Guaranty and commitment fees paid by borrowers pursuant to the loan guaranty provision required by section 3, subdivision 3, clause (j), and repayments by borrowers of amounts advanced by the state under contracts referred to in section 3, subdivision 4, shall be deposited in the project account for the borrower's project and shall not be disbursed or transferred for any purpose other than the fulfillment of the state's obligations under the loan guaranty for that project. Funds may be transferred out of the account if the minimum required balance in the project account is maintained and exceeds the aggregate amount of fees and payments previously received from the borrower plus interest received from the investment thereof.

Subd. 4. [SALES AND USE TAXES.] All collections of the excise taxes imposed by chapter 297A upon retail sales, and upon the privilege of use, storage, or consumption in Minnesota, of personal property and services purchased for the construction or operation of any project for which a loan guaranty has been made or conditionally committed, less any refunds required by law and a proportionate share of the cost of administration and enforcement of the assessment and collection of the taxes, are appropriated and shall be deposited from the general fund into the project account in the guaranty fund at least once each year from and after the date of the conditional commitment. The commissioner of finance shall secure from each borrower the amount of taxes so imposed and from the commissioner of revenue the amount of refunds or costs to be deducted from them.

Subd. 5. [PROPERTY TAX INCREMENTS.] The applicant for a loan guaranty for any project, and the county in which the project is situated, shall do all acts and things necessary for the computation and segregation of property tax increments resulting from the construction of the project in accordance with

the provisions of section 362A.05, and for the remittance to the commissioner of finance, for deposit in the loan guaranty fund, of all tax increments received from and after the date of the conditional commitment for the loan guaranty. The board may agree to accept a pledge of only a portion of the tax increment. If the project account contains the minimum balance required by section 4, subdivision 3, the board may annually return the excess tax increment to be distributed as provided by section 273.75, subdivision 2, clause (d), until the increment has been discharged under the agreement or section 11.

Sec. 7. [41A.06] [ADVISORY COMMISSION.]

The board may appoint an advisory commission, consisting of at least five members. The members of the commission shall include individuals with expertise in agricultural processing, commercial lending and financing of similar or related projects, agricultural economics, and engineering, chemistry, and other natural sciences related to the projects. The commission shall advise the board on establishing a workable program pursuant to sections 1 to 6 and may provide assistance in evaluating applications for loan guarantees. The terms and compensation of commission members shall be governed by section 15.059; except that subdivision 5 shall not apply.

Sec. 8. Minnesota Statutes 1982, section 297A.44, subdivision 1, is amended to read:

Subdivision 1. All revenues, including interest and penalties, derived from the excise and use taxes imposed by sections 297A.01 to 297A.44 shall be deposited by the commissioner in the state treasury and credited to the general fund. All excise and use taxes derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project, from and after the date on which a conditional commitment for a loan guaranty for the project is made pursuant to section 4, subdivision 3, shall be deposited in the agricultural resource loan guaranty fund. The commissioner of finance shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty fund shall be reduced by any refunds and by the costs incurred by the department of revenue to administer and enforce the assessment and collection of the taxes.

Sec. 9. Minnesota Statutes 1982, section 362A.01, subdivision 1, is amended to read:

Subdivision 1. Any county or combination of counties by resolution of the county board or boards may establish a rural development financing authority as a public nonprofit corporation with the same powers and duties as those conferred and imposed on a private nonprofit corporation by chapter 317, and all present and future laws amending or supplementing that

chapter, except as otherwise or additionally provided herein. No such authority shall transact any business or exercise any powers until a certified copy of the resolutions of each participating county board has been submitted to the secretary of state and a certificate of incorporation issued pursuant to section 317.10. *Alternatively, a county may determine by resolution of the county board (without such filing) to exercise the powers granted in this chapter to a rural development finance authority.*

Sec. 10. [362A.041] [APPLICATIONS FOR LOAN GUARANTIES.]

The authority, or a county exercising the powers of an authority pursuant to section 362A.01, may undertake or participate in undertaking a project deemed to further the policies and purposes of the agricultural resource loan guaranty program established and described in sections 1 to 6, by applying to the agricultural resource loan guaranty board for a guaranty by the state of a portion of a loan for the project to be secured by the applicant, or by another eligible borrower. For this purpose it may do all acts and things required of an applicant or of a borrower under the provisions of sections 1 to 6, including but not limited to the computation, segregation, and application of tax increments by deposit in the loan guaranty fund under the terms of the loan guaranty.

Sec. 11. Minnesota Statutes 1982, section 362A.05, is amended to read:

362A.05. [AGREEMENTS FOR RESERVATION OF TAX INCREMENTS.]

The authority may enter into an agreement with any county in which a project is to be situated, *or a county exercising the powers of an authority may adopt a resolution, under which the increment of taxable value of property (TO BE CREATED BY THE) constituting an agricultural resource project for which a conditional commitment for a loan guaranty has been made by the state as provided in section 4, subdivision 3, over and above the taxable value of the project site as last finally determined before the project was undertaken, may be excluded from the taxable value of property on which the mill rate of taxes is computed in every subsequent year, for so long as may be (AGREED) provided in the loan guaranty, but the aggregate mill rate of taxes levied by the county and all other taxing districts on other properties in each such year shall be spread also on the incremental taxable value of the project, and the tax resulting therefrom, when collected, shall be remitted to the authority (, AND MAY BE PLEDGED, TOGETHER WITH*

CHARGES OR SPECIAL ASSESSMENTS, TO PAY OR GUARANTEE THE PAYMENT OF ITS BONDS, OR MAY BE USED BY THE AUTHORITY FOR THE PURPOSES STATED IN SECTION 362A.01, SUBDIVISION 2) or to the county, as the case may be, for deposit and use in the loan guaranty fund of the state as provided in sections 1 to 6. The tax increment for an agricultural resource project shall be discharged when either of the following occurs: (a) the loan obligation has been satisfied; or (b) the amount in the project account equals the amount of the guaranteed portion of the outstanding principal and interest on the guaranteed loan. Every county shall have the power by resolution of the county board to do all acts and things necessary for the computation, segregation, and application of tax increments under (AGREEMENTS MADE WITH THE AUTHORITY) the loan guaranty in accordance with this section. (THIS SECTION SHALL NOT APPLY WITH RESPECT TO ANY PROJECT ESTABLISHED SUBSEQUENT TO AUGUST 1, 1979.)

Sec. 12. [AUTHORIZATION OF BONDS.]

To provide money in the state agricultural resource loan guaranty fund, for the purpose of the program for which this fund is appropriated and dedicated under the provisions of sections 1 to 6, the commissioner of finance may issue bonds of the state in the aggregate amount of \$40 million. Before the issuance of any series of the bonds the loan guaranty board shall determine by resolution that the amount to be issued will be needed to make payments due under one or more guaranties executed with respect to outstanding loans in the program, or is needed to maintain within the guaranty fund a balance sufficient in the judgment of the board to assure compliance by the state with its covenant contained in section 5, subdivision 3. The bonds shall be sold and issued in the manner, upon the terms, and with the effect prescribed by sections 1 to 6 and by the constitution, article XI, sections 4 to 7.

Sec. 13. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Amend the title as follows:

Page 1, line 8, delete "290.01, by adding a subdivision;"

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

The report was adopted.

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

H. F. No. 1405, A bill for an act relating to state monuments; adding the "Monument to the Living" in Ramsey County to the list of state monuments; amending Minnesota Statutes 1982, section 138.585, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, after line 15, insert:

"Sec. 2. [RELOCATION OF MONUMENT.]

Notwithstanding section 15.50, subdivision 2 or 138.68, the Monument to the Living shall be relocated in the Court of Honor of the Veterans Services Building and shall face the Capitol."

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

The report was adopted.

Tomlinson from the Committee on Taxes to which was referred:

H. F. No. 1459, A bill for an act relating to taxation; providing for the imposition of an aggregate material tax in Sibley County; amending Minnesota Statutes 1983 Supplement, section 298.75, subdivision 1.

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

The report was adopted.

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

H. F. No. 1460, A bill for an act relating to state lands; providing for the conveyance of certain land in International Falls.

Reported the same back with the following amendments:

Page 1, line 10, after the first "to" delete the remainder of the line and insert "*the city of*"

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

The report was adopted.

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

H. F. No. 1462, A bill for an act relating to elections; making the requirements for school election absentee ballots the same as those for the general election; amending Minnesota Statutes 1982, section 123.32, subdivision 24.

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

The report was adopted.

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

H. F. No. 1496, A bill for an act relating to state lands; providing for the conveyance of certain state land to the city of Pillager.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

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

H. F. No. 1522, A bill for an act relating to Mille Lacs county; permitting the sale of certain tax-forfeited land.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Tomlinson from the Committee on Taxes to which was referred:

H. F. No. 1528, A bill for an act relating to taxation; updating references to the internal revenue code; simplifying certain income tax and property tax refund provisions; making technical corrections and administrative changes to income tax and property tax refund provisions; amending Minnesota Statutes 1982, sections 10A.31, subdivision 1; 62E.11, subdivision 8; 271.19; 290.01, subdivision 20e; 290.05, subdivision 4; 290.06, subdivisions 3e, 3f, and 3g; 290.095, subdivision 11; 290.17, subdivision 1a; 290.19, subdivision 1a; 290.23, subdivision 3;

290.311, subdivision 1; 290.41, subdivision 2, and by adding a subdivision; 290.56, subdivisions 4 and 5; 290.61; 290.931, subdivision 1; 290A.03, subdivision 7; and 290A.07, subdivision 2a; Minnesota Statutes 1983 Supplement, sections 290.01, subdivisions 20, 20a, 20b, and 20f; 290.032, subdivision 2; 290.06, subdivisions 2c, 3d, 11, 13, and 14; 290.067, subdivisions 1 and 2; 290.077, subdivision 4; 290.089, subdivisions 2 and 3; 290.09, subdivisions 5 and 29; 290.091; 290.10; 290.17, subdivisions 1 and 2; 290.174; 290.175; 290.18, subdivision 1; 290.21, subdivision 3; 290.37, subdivision 1; 290.431; 290.45, subdivision 1; 290.46; 290.92, subdivision 26; 290.93, subdivision 10; 290.9726, subdivision 5; 290A.03, subdivisions 3, 6, 11, 12, and 14; 290A.04, subdivisions 1 and 2; 290A.07, subdivision 3; and 296.13, subdivision 1; repealing Minnesota Statutes 1982, sections 290.011; 290.012, subdivisions 1, 3, and 4; 290.101; 290.311, subdivision 2; Minnesota Statutes 1983 Supplement, sections 290.012, subdivision 2; and 290A.16; and Laws 1983, chapter 207, section 6.

Reported the same back with the following amendments:

Page 8, line 26, after "1954" insert " *, railroad retirement benefits as provided in section 72(r) of the Internal Revenue Code of 1954 and sick pay paid under the Railroad Unemployment Insurance Act as provided in section 105(i) of the Internal Revenue Code of 1954, provided that any amount subtracted under this clause may not be subtracted under clause (6)*"

Page 19, line 14, after the stricken "(7)" insert "(5)" and reinstate the remaining stricken language

Page 19, line 15, reinstate the stricken language

Page 19, line 16, delete "(5)" and insert "(6)"

Page 19, line 19, delete "(6)" and insert "(7)"

Page 19, line 24, delete "(7)" and insert "(8)"

Page 19, line 28, delete "(8)" and insert "(9)"

Page 20, line 1, delete "(9)" and insert "(10)"

Page 20, line 4, delete "(10)" and insert "(11)"

Page 20, line 17, after the stricken "(14)" insert "(12) *For an estate or trust*" and reinstate the balance of the line

Page 20, lines 18 and 19, reinstate the stricken language

Page 20, line 20, reinstate everything before the semicolon and after the stricken semicolon insert " *, and*"

Page 20, line 21, reinstate "To the extent deducted in computing the" and after the stricken "taxpayer's" insert "*estate or trust's*"

Page 20, line 22, reinstate "federal" and insert "*taxable*" and reinstate "income, interest, taxes and other"

Page 20, lines 23 and 24, reinstate the stricken language

Page 20, line 25, delete "(11)" and insert "(13)"

Page 20, line 27, delete "(12)" and insert "(14)"

Page 20, line 33, delete "(13)" and insert "(15)"

Page 21, line 5, delete "(14)" and insert "(16)"

Page 21, lines 26 to 28, reinstate the stricken language

Page 24, line 19, after the stricken "(15)" insert "(13) *For an estate or trust*" and reinstate the balance of the line

Page 24, line 20, reinstate the stricken language

Page 24, line 21, delete "(13)" and insert "(14)"

Page 25, line 9, delete "(14)" and insert "(15)"

Page 25, line 12, delete "(15)" and insert "(16)"

Page 25, line 16, delete "(14)" and insert "(16)"

Page 25, line 20, delete "(16)" and insert "(17)"

Page 25, line 22, strike "designated employee"

Page 25, line 24, delete "(13)" and insert "(15)"

Page 28, line 11, after the comma insert "*or, where the straight line method provided in section 168(b)(3) is used, the last taxable year in which an amount of allowable depreciation for that property under section 168 is obtained,*"

Page 28, line 30, delete "*, as amended through December 31,*"

Page 28, line 31, delete "1983,"

Page 30, line 20, reinstate "A claimant"

Page 30, line 21, reinstate everything before the stricken "may" and after the stricken "may" insert "*must*"

Page 30, line 21, reinstate "pay"; after the stricken "a" insert "*the*" and reinstate "tax computed under"

Page 30, line, 22, reinstate "subdivision 2c as"

Page 30, line 23, reinstate the stricken language and after "by" insert "*this credit and by*"

Page 30, line 24, after the stricken colon insert a period

Page 30, line 25, reinstate "(1) The" and after the stricken "zero" insert "*credit provided in this subdivision equals the tax liability*" and reinstate "for the following"

Page 30, lines 26 to 36, reinstate the stricken language

Page 31, lines 1 to 18, reinstate the stricken language

Page 31, delete lines 21 to 29

Page 32, lines 33 to 36, reinstate the stricken language

Page 33, lines 1 to 7, reinstate the stricken language and delete the new language

Page 33, lines 21 to 23, reinstate the stricken language and delete the new language

Page 34, lines 2 to 4, reinstate the stricken language and delete the new language

Page 34, lines 18 to 20, reinstate the stricken language and delete the new language

Page 35, lines 1 to 13, delete section 13

Page 47, line 13, strike "In the case of an individual,"

Page 47, after line 30, insert:

"(5) The term "regular tax" as defined in section 55(f)(2) of the Internal Revenue Code shall be increased by the amount of the credit allowable under section 38 of the Internal Revenue Code and it shall be computed before the limitation on tax provided in section 1301 of the Internal Revenue Code.

(6) Federal preference items which arise from a farm shall not be a preference item to the extent they exceed the loss allowed under section 290.09, subdivision 29, other than interest and taxes."

Page 57, line 32, delete "*provided*" and insert "*determined*"

Page 61, lines 9 to 12, delete the new language

Page 61, line 31, delete "(8), (9)" and insert "(9), (10)" and delete "(11)" and insert "(13)"

Page 63, lines 8 to 22, delete section 35

Page 65, line 6, delete "290.012,"

Page 65, line 7, delete "*subdivisions 1, 3, and 4; 290.101;*"

Page 65, delete line 8

Page 65, line 9, delete "*subdivision 2;*"

Page 65, line 11, delete "38" and insert "36"

Page 65, line 12, delete "20, 22 to 33, 37, and 39" and insert "19, 21 to 32, 35, and 37"

Page 65, line 14, delete "21" and insert "20"

Page 65, line 16, delete "*the day after final enactment*" and insert "*for taxable years beginning after December 31, 1982, and is intended to confirm the intent of the legislature that for the purposes of section 290.09, subdivision 29, the word "live-stock" always has included horses*"

Page 65, line 17, delete "34 to 36" and insert "33 and 34"

Renumber the sections in sequence

Pages 66 and 67, delete section 4

Page 68, line 10, after "*commissioner*" insert "*, on magnetic media to extent possible,*"

Page 68, line 28, after "*documents*" insert "*and information*"

Page 70, line 20, after "*programs*" insert "*and automated procedures*"

Page 71, line 36, delete "5, and 6" and insert "4, and 5"

Page 72, line 1, delete "*Section 4 is effective for taxable years*"

Page 72, line 2, delete "*beginning after December 31, 1983.*"

Page 72, line 2, delete "7, 8, and 9" and insert "6, 7, and 8"

Re-number the sections in sequence

Page 85, after line 9, insert:

"Sec. 16. Minnesota Statutes 1982, section 600.21, is amended to read:

600.21 [COPIES OF RECORD OF DEATH; RECORDATION.]

In all cases of joint tenancy in lands, and in all cases where any estate, title interest in, or lien upon, lands, has been or may be created, which estate, title interest, or lien was, or is, to continue only during the life of any person named or described in the instrument by which such estate, title, interest, or lien was created, a copy of the record of the death of any such joint tenant, or of the person upon whose life such estate, title, interest, or lien was, or is, limited, duly certified by any officer who is required by the law of the state or country in which such record is made, to keep a record of the death of persons occurring within the jurisdiction of such officer, may be recorded in the office of the county recorder of the county in which such lands are situated, and such certified copy or such record thereof in such office, or a duly certified copy of such last mentioned record, shall be prima facie evidence of the death of such person and the termination of such joint tenancy and of all such estate, title, interest, and lien as was, or is, limited upon the life of such person. When a certified copy of such death certificate is attached to an affidavit of survivorship (WHICH, FOR DECEDENTS DYING PRIOR TO JANUARY 1, 1980, HAS BEEN DULY CERTIFIED BY THE COMMISSIONER OF REVENUE, OR AN AFFIDAVIT OF SURVIVORSHIP FOR EXEMPT HOMESTEAD PROPERTY IN COMPLIANCE WITH THE PROVISIONS OF SECTION 291.14, SUBDIVISION 2, CLAUSE (4), FOR DECEDENTS DYING PRIOR TO JANUARY 1, 1980,) the same shall, prior to recordation in the office of the county recorder or registrar of titles, be presented to the county auditor of the county wherein such estate, title, interest, or lien is situated and such county auditor shall note the transfer on his books and shall inscribe upon the instrument over his official signature the words "Transfer entered." Until so presented and indication made thereon, said instrument shall not be entitled to record in the office of the county recorder or registrar of titles of said county.

Sec. 17. Laws 1980, chapter 439, section 36, is amended to read:

Sec. 36. [EFFECTIVE DATE.] Section 26 is effective the day after final enactment. *Section 34 is effective on and after*

December 31, 1983. The remainder of this act is effective for estates of decedents dying after December 31, 1979.

Sec. 18. [DUTIES ABOLISHED.]

Duties imposed upon a spouse or children of a decedent, the personal representative, or the county recorder or registrar of titles under Minnesota Statutes 1978, section 291.14, subdivision 2, clause (4), or subdivision 4, are abolished on and after December 31, 1983."

Page 85, line 17, after the period insert "Sections 16 to 18 are effective on and after December 31, 1983."

Renumber the sections in sequence

Page 85, after line 17, insert:

"ARTICLE 5

INTEREST RATE ON REFUNDS

Section 1. [270.76] [INTEREST ON REFUNDS.]

When any tax payable to the commissioner of revenue or to the department of revenue is overpaid and an amount is due the taxpayer as a refund of the overpayment, the overpayment shall bear interest from the date of payment of the tax until the date the refund is paid or credit is made, unless another period for computing interest is provided by law. The interest rate per annum on overpayments shall be 80 percent of the interest rate contained in section 270.75, the rate shall be adjusted annually and become effective as provided in section 270.75, subdivision 5, and the result of the adjustment in the rate shall be rounded to the nearest full percent. The determination of the commissioner pursuant to this subdivision shall not be considered a "rule" and shall not be subject to the Administrative Procedure Act contained in chapter 14.

Sec. 2. Minnesota Statutes 1982, section 270A.07, subdivision 5, is amended to read:

Subd. 5. [INTEREST ON REFUNDS.] Any refund wrongfully or incorrectly applied to a debt and transferred to a claimant agency shall be paid by the agency to the debtor. The sum wrongfully or incorrectly withheld shall bear interest at (SIX PERCENT PER YEAR) *the rate specified in section 270.76, computed from the date when the refund would begin to bear interest under section 290.92, subdivision 13, clause (1), regardless of whether the refund is payable under chapter 290 or 290A. If the claimant agency is a state agency, the payment shall be made out of the agency's appropriation.*

Sec. 3. Minnesota Statutes 1982, section 271.12, is amended to read:

271.12 [WHEN ORDER EFFECTIVE.]

No order for refundment by the commissioner of revenue, the appropriate unit of government, or the tax court shall take effect until the time for appeal therefrom or review thereof by all parties entitled thereto has expired. Otherwise every order of the commissioner, the appropriate unit of government, or the tax court shall take effect immediately upon the filing thereof, and no appeal therefrom or review thereof shall stay the execution thereof or extend the time for payment of any tax or other obligation unless otherwise expressly provided by law; provided, that in case an order which has been acted upon, in whole or in part, shall thereafter be set aside or modified upon appeal, the determination upon appeal or review shall supersede the order appealed from and be binding upon all parties affected thereby, and such adjustments as may be necessary to give effect thereto shall be made accordingly. If it be finally determined upon such appeal or review that any person is entitled to refundment of any amount which has been paid for a tax or other obligation, such amount, unless otherwise provided by law, shall be paid to him by the state treasurer, or other proper officer, out of funds derived from taxes of the same kind, if available for the purpose, or out of other available funds, if any, with interest at (SIX PERCENT) *the rate specified in section 270.76* from the date of payment of the tax, unless a different rate of interest is otherwise provided by law, in which case such other rate shall apply, upon certification by the commissioner of revenue, the appropriate unit of government, the tax court or the supreme court. If any tax, assessment, or other obligation be increased upon such appeal or review, the increase shall be added to the original amount, and may be enforced and collected therewith.

Sec. 4. Minnesota Statutes 1983 Supplement, section 290.50, subdivision 1, is amended to read:

Subdivision 1. [PROCEDURE, TIME LIMIT.] (a) A taxpayer who has paid or from whom there has been collected an amount of tax for any year in excess of the amount legally due for that year, may file with the commissioner a claim for a refund of such excess. Except as otherwise provided in this section, no claim or refund shall be allowed or made after three and one-half years from the date prescribed for filing the return (plus any extension of time granted for filing the return, but only if filed within the extended time) or after two years from the date of overpayment, whichever period is longer, unless before the expiration of the period a claim is filed by the taxpayer. For this purpose an income tax return or amended return claiming an overpayment shall constitute a claim for refund.

(b) If no claim was filed, the credit or refund shall not exceed the amount which would be allowable if a claim was filed on the date the credit or refund is allowed.

(c) If a claim relates to an overpayment on account of a failure to deduct a loss due to a bad debt or to a security becoming worthless, the claim shall be allowed if filed within seven years from the date prescribed in section 290.42 for the filing of the return, and the refund or credit shall be limited to the amount of overpayment attributable to the loss.

(d) For purposes of this section, the prepayment of tax made through the withholding of tax at the source, or payment of estimated tax, prior to the due date of the tax are considered as having been paid on the last day prescribed by law for the payment of the tax by the taxpayer. A return filed before the due date shall be considered as filed on the due date.

(e) Except as provided in sections 290.92, subdivision 13, 290.93, subdivision 9, and 290.936, interest on the overpayment refunded or credited to the taxpayer shall be allowed at the rate (OF SIX PERCENT PER ANNUM) *specified in section 270.76* computed from the date of payment of the tax until the date the refund is paid or credit is made to the taxpayer. However, to the extent that the basis for the refund is a net operating loss carryback or a capital loss carryback, interest shall be computed only from the end of the taxable year in which the loss occurs.

(f) If a taxpayer reports a change in his federal gross income, items of tax preference, deductions, credits, or a renegotiation, or files a copy of his amended federal return, within 90 days as provided by section 290.56, subdivision 2, a refund may be made of any overpayment within one year after such report or amended return is filed except as provided in subdivision 2.

(g) There is hereby appropriated from the general fund to the commissioner of revenue the amounts necessary to make payments of refunds allowed pursuant to this section.

Sec. 5. Minnesota Statutes 1982, section 290.92, subdivision 11, is amended to read:

Subd. 11. [REFUNDS.] Where there has been an overpayment of tax imposed by this section, refund of such overpayment or credit shall be made to the employer in accordance with regulations prescribed by the commissioner, but only to the extent that the amount of such overpayment was not deducted and withheld under subdivision 2a or subdivision 3 by the employer. Any overpayment which is refunded shall bear interest at the rate (OF SIX PERCENT PER ANNUM) *spec-*

ified in section 270.76, computed from the date of payment until the date the refund is paid to the employer. The commissioner of finance shall cause any such refund of tax and interest to be paid out of the general fund in accordance with the provisions of section 290.62 and so much of said fund as may be necessary is hereby appropriated for that purpose. Notwithstanding the provisions of section 290.50, written findings by the commissioner, notice by mail to the taxpayer, and certificate for refundment by the commissioner, shall not be necessary. The provisions of section 270.10, shall not be applicable.

Sec. 6. Minnesota Statutes 1983 Supplement, section 290.92, subdivision 13, is amended to read:

Subd. 13. [REFUNDS.] (1) Where the amount of the tax withheld at the source under subdivision 2a or subdivision 3 exceeds by \$1 or more the taxes (and any added penalties and interest) reported in the return of the employee taxpayer or imposed upon him by this chapter, the amount of such excess shall be refunded to the employee taxpayer. If the amount of such excess is less than \$1 the commissioner shall not be required to refund that amount. Where any amount of such excess to be refunded exceeds \$10, such amount on the original return shall bear interest at the rate (OF SIX PERCENT PER ANNUM) specified in section 270.76, computed from 90 days after (a) the due date of the return of the employee taxpayer or (b) the date on which his return is filed, whichever is later, to the date the refund is paid to the taxpayer. A return shall not be treated as filed until it is in processible form. A return is in processible form when it is filed on a permitted form containing the taxpayer's name, address, social security account number, the required signature, and sufficient required information (whether on the return or on required attachments) to permit the mathematical verification of tax liability shown on the return. Notwithstanding the provisions of section 290.50, written findings by the commissioner, notice by mail to the taxpayer, and certificate for refundment by the commissioner, shall not be necessary. The provisions of section 270.10, shall not be applicable.

(2) Any action of the commissioner in refunding the amount of such excess shall not constitute a determination of the correctness of the return of the employee taxpayer within the purview of section 290.46.

(3) The commissioner of finance shall cause any such refund of tax and interest, to be paid out of the general fund in accordance with the provisions of section 290.62, and so much of said fund as may be necessary is hereby appropriated for that purpose.

Sec. 7. Minnesota Statutes 1983 Supplement, section 290.93, subdivision 9, is amended to read:

Subd. 9. [OVERPAYMENT OF ESTIMATED TAX.] (1) Where the amount of an installment payment of estimated tax exceeds the amount determined to be the correct amount of such installment payment, the overpayment shall be credited against the unpaid installments, if any. Where the total amount of the estimated tax payments plus (a) the total amount of tax withheld at the source under section 290.92, subdivision 2a or subdivision 3 (if any) and (b) and other payments (if any) exceeds by \$1 or more the taxes (and any added penalties and interest) reported in the return of the taxpayer or imposed upon him by this chapter, the amount of such excess shall be refunded to the taxpayer. If the amount of such excess is less than \$1 the commissioner shall not be required to refund that amount. Where any amount of such excess to be refunded exceeds \$10, such amount on the original return shall bear interest at the rate (OF SIX PERCENT PER ANNUM) *specified in section 270.76*, computed from 90 days after (a) the due date of the return of the taxpayer or (b) the date on which his return is filed, whichever is later, until the date the refund is paid to the taxpayer. A return shall not be treated as filed until it is in processible form. A return is in processible form when the return is filed on a permitted form, and the return contains the taxpayer's name, address, social security account number, the required signature, and sufficient required information (whether on the return or on required attachments) to permit the mathematical verification of tax liability shown on the return. Notwithstanding the provisions of section 290.50, written findings by the commissioner, notice by mail to the taxpayer, and certificate for refundment by the commissioner, shall not be necessary. The provisions of section 270.10, shall not be applicable.

(2) Any action of the commissioner in refunding the amount of such excess shall not constitute a determination of the correctness of the return of the taxpayer within the purview of section 290.46.

(3) The commissioner of finance shall cause any such refund of tax and interest to be paid out of the general fund in accordance with the provisions of section 290.62, and so much of said fund as may be necessary is hereby appropriated for that purpose.

Sec. 8. Minnesota Statutes 1982, section 290.936, is amended to read:

290.936 [OVERPAYMENT OF ESTIMATED TAX.]

(1) Where the amount of an installment payment of estimated tax exceeds the amount determined to be the correct amount of such installment payment, the overpayment shall be credited against the unpaid installments, if any. Where the total amount of the estimated tax payments and other payments, if any, exceeds by \$1 or more the taxes (and any added penalties

and interest) reported in the return of the taxpayer or imposed upon him by this chapter, the amount of such excess shall be refunded to the taxpayer. If the amount of such excess is less than \$1, the commissioner shall not be required to refund. Where any amount of such excess to be refunded exceeds \$10, such amount on the original return shall bear interest at the rate (OF SIX PERCENT PER ANNUM) *specified in section 270.76*, computed from 90 days after (a) the due date of the return of the taxpayer or (b) the date on which his return is filed, whichever is later, until the date the refund is paid to the taxpayer. Notwithstanding the provisions of section 290.50, written findings by the commissioner, notice by mail to the taxpayer, and certificate for refundment by the commissioner, shall not be necessary. The provisions of section 270.10, shall not be applicable.

(2) Any action of the commissioner in refunding the amount of such excess shall not constitute a determination of the correctness of the return of the taxpayer within the purview of section 290.46.

(3) The commissioner of finance shall cause any such refund of tax and interest to be paid out of the general fund in accordance with the provisions of section 290.62, and so much of said fund as may be necessary is hereby appropriated for that purpose.

Sec. 9. Minnesota Statutes 1982, section 290A.07, subdivision 2a, is amended to read:

Subd. 2a. A claimant who is a renter shall receive full payment prior to August 15 or 60 days after receipt of the application, whichever is later. Interest shall be added at (SIX PERCENT PER ANNUM) *the rate specified in section 270.76* from August 15 or 60 days after receipt of the application whichever is later.

Sec. 10. Minnesota Statutes 1983 Supplement, section 290A.07, subdivision 3, is amended to read:

Subd. 3. Any claimant not included in subdivision 2a shall receive full payment after August 31 and prior to September 15. Interest shall be added at (SIX PERCENT PER ANNUM) *the rate specified in section 270.76* from 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. 11. Minnesota Statutes 1982, section 291.18, is amended to read:

291.18 [OVERPAYMENT OF TAX; REFUNDS; APPROPRIATION.]

(1) When any tax or penalty and accrued interest thereon, imposed by this chapter shall have been paid or collected, in excess of the amount legally due, the person or corporation paying the same shall be entitled to a refundment of the amount of such taxes, penalty and interest overpaid, together with interest thereon at the rate (OF SIX PERCENT PER ANNUM) *specified in section 270.76* from the date of payment, or from the date beginning nine months after death of the decedent, whichever date occurs later, in the manner provided by section 291.32; provided that all applications for such refundment shall be made within two years from the date of final determination or adjustment of any part of such tax by the taxpayer and the commissioner, the probate court or the tax court, as the case may be.

(2) There is hereby appropriated to the persons entitled to such refund, from the fund or account in the state treasury to which the money was credited, an amount sufficient to make the refund and payment.

Sec. 12. Minnesota Statutes 1982, section 294.09, subdivision 1, is amended to read:

Subdivision 1. [PROCEDURES; TIME LIMIT.] A company, joint stock association, copartnership, corporation, or individual who has paid, voluntarily or otherwise, or from whom there has been collected (other than by proceedings instituted by the attorney general under sections 294.06 and 294.08, subdivision 3) an amount of gross earnings tax for any year in excess of the amount legally due for that year, may file with the commissioner of revenue a claim for a refund of such excess. Except as provided in subdivision 4, no such claim shall be entertained unless filed within two years after such tax was paid or collected, or within three and one-half years from the filing of the return, whichever period is the longer. Upon the filing of a claim the commissioner shall examine the same and shall make and file written findings thereon denying or allowing the claim in whole or in part and shall mail a notice thereof to such company, joint stock association, copartnership, corporation, or individual at the address stated upon the return. If such claim is allowed in whole or in part, the commissioner shall credit the amount of the allowance against any tax due the state from the claimant and for the balance of said allowance, if any, the commissioner shall issue his certificate for the refundment of the excess paid. The commissioner of finance shall cause such refund to be paid out of the proceeds of the gross earnings taxes imposed by Minnesota Statutes 1967, Chapters 294 and 295 as other state moneys are expended. So much of the proceeds as may be necessary are hereby appropriated for that purpose. Any allowance so made by the commissioner shall include interest at the rate (OF SIX PERCENT) *specified in section 270.76* computed from the date of payment or collection of the tax until the date the refund is paid to the claimant.

Sec. 13. Minnesota Statutes 1983 Supplement, section 297A.35, subdivision 1, is amended to read:

Subdivision 1. A person who has, pursuant to the provisions of this chapter, paid to the commissioner an amount of tax for any period in excess of the amount legally due for that period, may file with the commissioner a claim for a refund of such excess subject to the conditions specified in subdivision 5. Except as provided in subdivision 4 no such claim shall be entertained unless filed within two years after such tax was paid, or within three years from the filing of the return, whichever period is the longer. The commissioner shall examine the claim and make and file written findings thereon denying or allowing the claim in whole or in part and shall mail a notice thereof to such person at the address stated upon the claim. Any allowance shall include interest on the excess determined at a rate (OF SIX PERCENT PER ANNUM) *specified in section 270.76* from the date such excess was paid or collected until the date it is refunded or credited. If such claim is allowed in whole or in part, the commissioner shall credit the amount of the allowance against any taxes under sections 297A.01 to 297A.44 due from the claimant and for the balance of said allowance, if any, the commissioner shall issue his certificate for the refundment of the excess paid, and the commissioner of finance shall cause such refund to be paid out of the proceeds of the taxes imposed by sections 297A.01 to 297A.44, as other state moneys are expended. So much of the proceeds of such taxes as may be necessary are hereby appropriated for that purpose.

Sec. 14. Minnesota Statutes 1982, section 298.09, subdivision 4, is amended to read:

Subd. 4. If the amount of tax determined by the commissioner is subsequently found to be erroneous, the commissioner may, at any time within three years from the date the tax is certified as provided in section 298.10, redetermine the amount thereof. No such redetermination shall be made increasing the tax unless the person from whom the additional amount is due is given ten days written notice thereof and an opportunity to be heard thereon. If an order is made increasing the tax, the same proceedings shall be had as provided for occupation taxes originally determined and certified. Any person who has paid an occupation tax may apply to the commissioner within the time herein limited for a redetermination of the tax, and if the commissioner determines that the tax has been overpaid, he shall make and file an order determining the amount of such overpayment, and credit it against occupation taxes otherwise payable by the person who has overpaid the amount as so determined. If the tax is increased, interest at the rate specified in section 270.75 from the date payment should have been made shall be determined and paid; if the tax is reduced, interest at the rate (OF SIX PERCENT PER ANNUM) *specified in section 270.76* from the date of overpayment shall be allowed.

Sec. 15. Minnesota Statutes 1982, section 299.05, is amended to read:

299.05 [ASSESSMENT BY COMMISSIONER.]

Upon receipt of the report provided for in section 299.03, the commissioner of revenue shall determine, from information as may be possessed, or obtained, whether the report is correct, or incorrect; and, if found correct, the commissioner shall determine the amount of tax due from the person, enter the amount of the tax in department records, make assessment of taxes due from the person, and the amount that has been paid; and, on or before June 30, of each year, demand payment from the person. The commissioner of revenue shall have power, in case he shall deem the report incorrect, or in case the report is not made and filed with the commissioner as provided in section 299.03, to make findings as to the amount of taxes due after hearing upon notice to the person interested, and the findings shall have the same effect as the determination of the amount of such taxes upon a report made as hereinbefore provided.

A person subletting land for the use of which is received royalty shall be required to pay taxes only on the difference between the amount of royalty paid by him or her and the amount received.

If the amount of tax determined by the commissioner is subsequently found to be erroneous, the commissioner may, at any time within three years from the date allowed above for the original assessment, redetermine the amount of the tax. No redetermination shall be made increasing the tax unless the person from whom the additional amount is due is given ten days written notice of the proposed increase and the person's right to a hearing pursuant to chapter 14. Any person who has paid a royalty tax may apply to the commissioner within three years from the date allowed above for the original assessment for a redetermination of the tax and if the commissioner determines that the tax has been overpaid, he or she shall make and file an order determining the amount of the overpayment and credit the overpayment against the royalty taxes otherwise payable by the person who overpaid the tax. If the tax is increased, interest at the rate specified in section 270.75 from the date payment should have been made shall be determined and added to the tax. If the tax is reduced, interest at the rate (OF SIX PERCENT PER ANNUM) specified in section 270.76 from the date of the overpayment shall be allowed.

Sec. 16. [EFFECTIVE DATE.]

This article is effective for interest earned on overpayments after December 31, 1984."

Amend the title as follows:

Page 1, line 4, after "provisions;" insert "increasing the interest rate on refunds;"

Page 1, line 5, after "tax" insert ", inheritance tax,"

Page 1, line 8, after "8;" insert "270A.07, subdivision 5; 271.12;"

Page 1, line 9, after "3e," insert "and"; and after "3f" delete the comma

Page 1, line 10, delete "and 3g"

Page 1, line 11, delete "290.19, subdivision 1a;"

Page 1, line 14, after "290.61;" insert "290.92, subdivision 11;"

Page 1, line 14, delete "290A.03, subdivision"

Page 1, line 15, delete the first "7" and insert "290.936"

Page 1, line 15, before "Minnesota" insert "291.18; 294.09, subdivision 1; 298.09, subdivision 4; 299.05; and 600.21;"

Page 1, line 24, after "290.46;" insert "290.50, subdivision 1;"

Page 1, line 24, delete the second "subdivision" and insert "subdivisions 13 and"

Page 1, line 25, delete the first "subdivision" and insert "subdivisions 9 and"

Page 1, line 28, before "repealing" insert "297A.35, subdivision 1; and Laws 1980, chapter 439, section 36; proposing new law coded in Minnesota Statutes, chapter 270;"

Page 1, line 29, delete "290.012, subdivisions 1, 3,"

Page 1, line 30, delete "and 4; 290.101;"

Page 1, line 31, delete "sections 290.012,"

Page 1, line 32, delete "subdivision 2; and" and insert "section"

With the recommendation that when so amended the bill pass.

The report was adopted.

Begich from the Committee on Labor-Management Relations to which was referred:

H. F. No. 1557, A bill for an act relating to employment; providing job security for volunteer firefighters; proposing new law coded in Minnesota Statutes, chapter 181.

Reported the same back with the following amendments:

Page 1, line 9, before "An" insert "*Except for loss of pay for time not worked,*"

Page 1, line 10, delete "*, except for loss of pay for time not worked,*"

Page 1, line 12, after "*his*" insert "*or her*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Begich from the Committee on Labor-Management Relations to which was referred:

H. F. No. 1562, A bill for an act relating to labor; regulating the payment of wages when employment is terminated; amending Minnesota Statutes 1982, sections 181.13; and 181.14.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 181.13, is amended to read:

181.13 [PENALTY FOR FAILURE TO PAY WAGES PROMPTLY.]

When any person, firm, company, association, or corporation employing labor or a commission salesperson within this state (DISCHARGES A SERVANT OR) *terminates the services of an employee (FROM HIS EMPLOYMENT) or salesperson,* the wages or commissions actually earned and unpaid at the time of such (DISCHARGE) *termination shall become immediately due and payable upon demand of (SUCH EMPLOYEE) the terminated individual,* at the usual place of payment, and if not paid within 24 hours after such demand, whether such employment was by the day, hour, week, month, or piece or by commissions, (SUCH DISCHARGED EMPLOYEE) *the termi-*

nated individual may charge and collect the amount of his or her average daily earnings (AT THE RATE AGREED UPON IN THE CONTRACT OF EMPLOYMENT) for a full day's work, for (SUCH PERIOD) every day, not exceeding 15 days, after the expiration of the 24 hours, (AS) by which the employer is in default, until full payment or other settlement, satisfactory to the discharged employee or salesperson, is made.

Sec. 2. Minnesota Statutes 1982, section 181.14, is amended to read:

181.14 [NOTICE TO BE GIVEN; SETTLEMENT OF DISPUTES.]

When any such employee or commissioned salesperson, not having a contract for a definite period of service, quits or resigns his (EMPLOYMENT) or her position, the wages or commissions earned and unpaid at the time of such quitting or resignation shall become due and payable within five days thereafter, at the usual place of payment, and any such employer failing or refusing to pay such wages or commissions, after they so become due, upon the demand of such employee or salesperson, at such place of payment, shall be liable to such employee or salesperson from the date of such demand for an additional sum equal to the amount of his or her average daily earnings (PROVIDED IN THE CONTRACT OF EMPLOYMENT) for a full day's work, for every day, not exceeding 15 days in all, until such payment or other settlement satisfactory to the employee or salesperson is made; provided, that if any employee or salesperson having such a contract gives not less than five days' written notice to his or her employer of (HIS) the employee's or salesperson's intention to quit (SUCH EMPLOYMENT) his or her position, the wages or commissions of the employee or salesperson giving such notice shall become due at the usual place of payment 24 hours after (HE) the employee or salesperson so quits or resigns and payment thereof may be demanded accordingly, and the penalty herein provided shall apply in such case from the date of such demand; provided, that if the employer disputes the amount of wages or commissions claimed by such employee or salesperson under the provisions of this section or section 181.13, and the employer in such case makes a legal tender of the amount which (HE) the employer in good faith claims to be due, (HE) the employer shall not be liable for any sum greater than the amount so tendered and interest thereon at the legal rate, unless, in an action brought in a court having jurisdiction, such employee or salesperson recovers a greater sum than the amount so tendered with such interest thereon; and if, in such suit, the employee or salesperson fails to recover a greater sum than that so tendered, with interest as aforesaid, (HE) the employee or salesperson shall pay the cost of such suit, otherwise the cost thereof shall be paid by the employer; provided, that in cases where such discharged or quitting employee or salesperson was, during his or her employment, entrusted with the collection, disbursement, or handling of money or property, the employer shall

have ten secular days after the termination of the employment to audit and adjust the accounts of such employee or salesperson before his or her wages or commissions shall become due and payable, and the penalty herein provided shall apply in such case only from the date of demand made after the expiration of such period allowed for such audit and adjustment; and if, upon such audit and adjustment of the accounts of such employee or salesperson, it is found that any money or property entrusted to (HIM) the employee or salesperson by his or her employer has not been properly accounted for or paid over to the employer, as provided by the terms of the contract of employment, such employee or salesperson shall not be entitled to the benefit of sections 181.13 to 181.17, but the claim for unpaid wages or commissions of such employee or salesperson, if any, shall be disposed of as provided by existing law."

Delete the title and insert:

"A bill for an act relating to labor; adding commissioned salespersons to those covered by Minnesota's law on the prompt payment of wages when employment is terminated; amending Minnesota Statutes 1982, sections 181.13; and 181.14."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1621, A bill for an act relating to veterans; allowing the American Veterans organization to use space in the Veterans Service Building; amending Minnesota Statutes 1982, section 197.58.

Reported the same back with the following amendments:

Page 1, line 16, after "(Amvets)," insert "Vietnam Veterans of America,"

Amend the title as follows:

Page 1, line 2, delete "the American Veterans"

Page 1, line 3, delete "organization" and insert "certain veterans organizations"

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

The report was adopted.

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

H. F. No. 1655, A bill for an act relating to financial institutions; providing an expedited procedure for certain bank applications; providing a uniform examination cycle for all supervised institutions; providing a time period within which notices of the filing of applications for detached facilities must be published; providing prior notice to the commissioner of a change in the ownership of a state bank; bringing state law into conformity with federal law regarding limitations on loans to bank directors, officers, or employees; providing prior notification to the commissioner of the termination or cancellation of a fidelity bond to a bank; authorizing the commissioner, after notification, to order the bank to take action; clarifying the exclusion of bankers' acceptances from the restrictions upon total liabilities to a bank; extending the time period imposed on a bank for the filing of proof of publication of its quarterly report; modifying the definition of "demand deposits" in light of federal deregulation of interest rates; removing the photo identification requirement from the provisions regulating the opening of checking accounts; making various technical changes; amending Minnesota Statutes 1982, sections 46.04, subdivision 1; 48.03, subdivision 4; 48.08; 48.13; 48.14; 48.24, subdivision 6; 48.48, subdivisions 1 and 2; 48.51; 52.06, subdivision 1; 53.03, subdivision 4; 53.09, subdivision 1; Minnesota Statutes 1983 Supplement, sections 45.04; 47.54, subdivision 1; 48.512, subdivision 2; 52.203; 53.01; 53.03, subdivisions 1 and 5; and 168.67; repealing Minnesota Statutes 1982, sections 47.75, subdivision 2; and 51A.44, subdivision 3.

Reported the same back with the following amendments:

Page 4, after line 3, insert:

"Sec. 2. Minnesota Statutes 1982, section 45.071, is amended by adding a subdivision to read:

Subd. 2a. [CERTAIN TRUST COMPANIES; SECURED DEPOSIT EXCEPTIONS; VIOLATIONS.] The requirements of this section may be met by trust companies not exercising banking powers, with the exception of deposit activities as defined in this subdivision, provided the following conditions are met:

(a) the number of nonfiduciary deposit accounts does not exceed 35, and;

(b) the total amount held in nonfiduciary deposit accounts does not exceed five percent of the aggregate of the trust company's capital stock, surplus, and undivided profits, and;

(c) the nonfiduciary funds deposited with the trust company referred to in (a) and (b) shall be secured against loss by the assignment, transfer to, and deposit with the commissioner of commerce or his designee, of direct obligations of the United States government in an amount, based upon the securities market value, of not less than 110 percent of such deposited funds, with the right of the trust company to collect the income and to substitute other like securities of equal value, and;

(d) each account holder must be disclosed to in writing that the account is not insured by the federal or state governments or their agencies, and;

(e) the determination of the limitations in (a) and (b) shall be made by the trust company from the records of the trust company and based upon statement of financial condition at the close of each business day, and security deposit defined in (c) adjusted if needed within one business day thereafter, and;

(f) any violation of the requirements in (a) through (e) of this subdivision shall be grounds for action by the commissioner under sections 46.24 to 46.33."

Page 6, after line 7, insert:

"Sec. 4. Minnesota Statutes 1982, section 47.204, subdivision 1, is amended to read:

Subdivision 1. [NO USURY LIMITS.] Notwithstanding any law to the contrary, no limitation on the rate or amount of interest, discount points, finance charges or other charges shall apply to a loan, mortgage, credit sale or advance which would have been exempt from the laws of this state pursuant to Pub. L. 96-221, Title V, Part A, Section 501, as amended as of June 2, 1981, but for section 47.203 and which is made in this state after June 2, 1981 and before August 1, (1984) 1987.

Sec. 5. Minnesota Statutes 1983 Supplement, section 53.04, subdivision 3a, is amended to read:

Subd. 3a. (a) The right to make loans, secured or unsecured, at the rates and on the terms and other conditions permitted licensees under chapter 56. Loans made under the authority of chapter 56 must be in amounts in compliance with section 53.05, clause (3), or 56.131, subdivision 1, paragraph (a), whichever is less. The right to extend credit or lend money and to collect and receive charges therefor as provided by chapter 334, or in lieu thereof to charge, collect, and receive interest at the rate of 21.75 percent per annum. The provisions of sections 47.20 and 47.21 do not apply to loans made under this section, except as specifically provided in this subdivision. Nothing in this subdivision is deemed to supersede, repeal, or amend

any provision of section 53.05. A licensee making a loan under this chapter secured by a lien on real estate shall comply with the requirements of section 47.20, subdivision 8.

(b) Loans made under this section at a rate of interest not in excess of that provided for in paragraph (a) may be secured by real or personal property, or both. If the proceeds of a loan made after August 1, (1984) 1987 are used in whole or in part to satisfy the balance owed on a contract for deed, the rate of interest charged on the loan must not exceed the rate provided in section 47.20, subdivision 4a. If the proceeds of a loan secured by a first lien on the borrower's primary residence are used to finance the purchase of the borrower's primary residence, the loan must comply with the provisions of section 47.20.

(c) A loan made under this section that is secured by real estate and that is in a principal amount of \$7,500 or more and a maturity of 60 months or more may contain a provision permitting discount points, if the loan does not provide a loan yield in excess of the maximum rate of interest permitted by this subdivision. Loan yield means the annual rate of return obtained by a licensee computed as the annual percentage rate is computed under Federal Regulation Z. If the loan is prepaid in full, the licensee must make a refund to the borrower to the extent that the loan yield will exceed the maximum rate of interest provided by this subdivision when the prepayment is taken into account.

Sec. 6. Minnesota Statutes 1982, section 56.12, is amended to read:

56.12 [ADVERTISING; TAKING OF SECURITY; PLACE OF BUSINESS.]

No licensee shall advertise, print, display, publish, distribute, or broadcast, or cause or permit to be advertised, printed, displayed, published, distributed, or broadcast, in any manner any statement or representation with regard to the rates, terms, or conditions for the lending of money, credit, goods, or things in action which is false, misleading, or deceptive. The commissioner may order any licensee to desist from any conduct which he shall find to be a violation of the foregoing provisions.

The commissioner may require that rates of charge, if stated by a licensee, be stated fully and clearly in such manner as he may deem necessary to prevent misunderstanding thereof by prospective borrowers. A statement of rates of charge that meets the requirements of the federal Truth-in-Lending Act and regulations thereunder shall be deemed full compliance with this section.

A licensee may take a lien upon real estate as security for any loan exceeding \$2,700 in principal amount made under this chap-

ter. The provisions of sections 47.20 and 47.21 do not apply to loans made under this chapter, except as provided in this section. No loan secured by a first lien on a borrower's primary residence shall be made pursuant to this section if the proceeds of the loan are used to finance the purchase of the borrower's primary residence, unless:

(1) the proceeds of the loan are used to finance the purchase of a manufactured home; or

(2) the proceeds of the loan are used in whole or in part to satisfy the balance owed on a contract for deed. The rate of interest charged on such a loan made after August 1, (1984) 1987, shall not exceed the rate provided in section 47.20, subdivision 4a.

If the proceeds of the loan are used to finance the purchase of the borrower's primary residence, the licensee shall consent to the subsequent transfer of the real estate if the existing borrower continues after transfer to be obligated for repayment of the entire remaining indebtedness. The licensee shall release the existing borrower from all obligations under the loan instruments, if the transferee (1) meets the standards of credit worthiness normally used by persons in the business of making loans, including but not limited to the ability of the transferee to make the loan payments and satisfactorily maintain the property used as collateral, and (2) executes an agreement in writing with the licensee whereby the transferee assumes the obligations of the existing borrower under the loan instruments. Any such agreement shall not affect the priority, validity or enforceability of any loan instrument. A licensee may charge a fee not in excess of one-tenth of one percent of the remaining unpaid principal balance in the event the loan is assumed by the transferee and the existing borrower continues after the transfer to be obligated for repayment of the entire assumed indebtedness. A licensee may charge a fee not in excess of one percent of the remaining unpaid principal balance in the event the remaining indebtedness is assumed by the transferee and the existing borrower is released from all obligations under the loan instruments, but in no event shall the fee exceed \$150.

A licensee making a loan under this chapter secured by a lien on real estate shall comply with the requirements of section 47.20, subdivision 8.

No licensee shall conduct the business of making loans under this chapter within any office, room, or place of business in which any other business is solicited or engaged in, or in association or conjunction therewith, if the commissioner finds that the character of the other business is such that it would facilitate evasions of this chapter or of the rules and regulations lawfully made hereunder. The commissioner may promulgate rules dealing with such other businesses.

No licensee shall transact the business or make any loan provided for by this chapter under any other name or at any other place of business than that named in the license. No licensee shall take any confession of judgment or any power of attorney. No licensee shall take any note or promise to pay that does not accurately disclose the principal amount of the loan, the time for which it is made, and the agreed rate or amount of charge, nor any instrument in which blanks are left to be filled in after execution. Nothing herein is deemed to prohibit the making of loans by mail."

Page 7, line 32, before "\$25,000" insert "(a)" and before "five" insert "(b)"

Page 7, line 33, delete the first comma and after "less" insert a comma

Page 8, line 22, after "termination" insert "at the request of the underwriter"

Page 10, line 3, reinstate the stricken language

Page 10, line 4, after "signature" insert a period and "A valid Wisconsin driver's license without a photograph may be accepted in satisfaction of the requirement of this paragraph until January 1, 1985"

Page 20, after line 22, insert:

"Sec. 25. Minnesota Statutes 1982, section 51A.50, is amended to read:

51A.50 [FEDERAL SAVINGS ASSOCIATIONS AND SAVINGS BANKS.]

Federal savings associations, *federal savings banks*, or federal savings and loan associations, incorporated pursuant to the laws of the United States, as now or hereafter amended, are not foreign corporations or foreign associations. Unless federal laws or regulations provide otherwise, federal associations, *federal savings banks*, and the members or stockholders thereof shall possess all of the rights, powers, privileges, benefits, immunities, and exemptions that are now provided or that hereafter may be provided by the laws of this state for *savings* associations organized under the laws of this state and for the members or stockholders thereof. This provision is additional and supplemental to any provision which, by specific reference, is applicable to federal associations and the members or stockholders thereof. *Federal savings banks shall possess all of the rights, powers, privileges, benefits, immunities, liabilities, and exemptions that are now provided or that hereafter may be provided by the laws of this state for federal savings and loan associations.*

Sec. 26. Minnesota Statutes 1983 Supplement, section 332.50, subdivision 2, is amended to read:

Subd. 2. [ACTS CONSTITUTING.] Whoever issues any check that is dishonored and is not paid within 30 days after mailing a notice of dishonor and a copy of sections 332.50 and 609.535 in compliance with subdivision 3, is liable to the holder for the amount of the check plus a civil penalty of up to \$100, interest at the rate payable on judgments pursuant to section 549.09 on the face amount of the check from the date of dishonor, and reasonable attorney fees if the amount of the check is over \$1,250 (, AND).

A service charge not exceeding \$15 may be imposed immediately on any dishonored check, regardless of mailing a notice of dishonor, if written notice of the service charge was conspicuously displayed on the premises when the check was issued.

This subdivision prevails over any provision of law limiting, prohibiting, or otherwise regulating service charges authorized by this subdivision."

Page 20, line 27, delete "21" and insert "27"

Renumber the sections accordingly

Amend the title as follows:

Page 1, line 5, after the semicolon insert "extending the temporary removal of mortgage usury limits;"

Page 1, line 24, after the first semicolon insert "clarifying service charges on dishonored checks;"

Page 1, line 25, after "sections" insert "45.071, by adding a subdivision;"

Page 1, line 26, after "1;" insert "47.204, subdivision 1;"

Page 1, line 27, after "48.51;" insert "51A.50;"

Page 1, line 29, after "1;" insert "and 56.12;"

Page 1, line 32, after the first semicolon delete "and" and insert "53.04, subdivision 3a;" and before "repealing" insert "and 332.50, subdivision 2;"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1659, A bill for an act relating to commerce; prohibiting limited partnerships from interposing the defense of usury; amending Minnesota Statutes 1982, section 334.021.

Reported the same back with the following amendments:

Page 1, line 13, strike "and any" and insert a comma

Page 1, line 14, reinstate "association" and delete "*associations and any*" and insert a comma

Page 1, line 15, delete "332A" and insert "322A"

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

The report was adopted.

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

H. F. No. 1678, A bill for an act relating to insurance; providing for the suspension of authority of self-insurance entities or self-insurers; modifying certain existing fees and providing certain new fees; transferring certain duties of the commissioner of commerce to the commissioner of revenue; establishing certain taxation filing requirements; providing for agent license renewals; authorizing the issuance of orders to show cause relating to license revocations; modifying certain insurance licensing dates; providing for the service of process on foreign companies and unauthorized insurers; removing the countersignature requirement for certain bid bonds and insurance policies; removing an exemption from regulation for certain self-insurance plan administrators and vendors of risk management services; providing for the use of health insurance claim forms; providing for the use of fire insurance binders; modifying the definitions of "motorcycle," "motor vehicle," "policy," and "utility vehicle" for purposes of automobile insurance regulation; increasing certain liability coverage on automobile insurance plan policies; providing for the cancellation or nonrenewal of a policy; defining "plan of reparation security"; requiring certain premium reports to be filed with the commissioner; prohibiting discrimination based on sex or marital status; modifying the expiration date of adjuster's licenses; providing for the appointment of the board of the compensation reinsurance association; making various technical changes; providing remedies; prescribing penalties; appropriating money; amending Minnesota Statutes 1982, sections 60A.13, by adding a subdivision; 60A.15, subdivisions 1, 2, 2a, 6, 8, 9,

10, and by adding subdivisions; 60A.17, subdivisions 3, 5b, and by adding a subdivision; 60A.18, subdivision 3; 60A.19, subdivision 4; 60A.199; 60A.21, subdivision 2; 60A.23, subdivision 5; 62A.025; 65A.03; 65B.001, subdivision 4; 65B.06, subdivision 2; 65B.14, subdivisions 2 and 3; 65B.16; 65B.19; 65B.43, subdivisions 2, 13, and by adding a subdivision; 69.021, subdivisions 1, 2, 3, and by adding a subdivision; 69.58; 69.59; 72A.061, subdivision 2; 72A.07; 72A.20, by adding a subdivision; 72A.23, subdivision 1; 72B.04, subdivisions 7 and 10; 79.10; 176.181, subdivision 2, and by adding a subdivision; 271.01, subdivision 5; 299F.21; 299F.22; 299F.23; 299F.24; 299F.26, subdivisions 1 and 2; 424.165, subdivision 1; and 574.32; Minnesota Statutes 1983 Supplement, sections 60A.05; 60A.14, subdivision 1; 60A.15, subdivisions 11 and 12; 60A.17, subdivisions 1a, 1d, and 6c; 60A.1701, subdivision 5; 60A.198, subdivision 3; 60A.23, subdivision 8; 65A.01, subdivision 3; 65B.17, subdivision 1; 69.011, subdivision 1; and 79.37; proposing new law coded in Minnesota Statutes, chapter 60A; repealing Minnesota Statutes 1982, sections 65B.15, subdivision 3; and 65B.48, subdivision 8.

Reported the same back with the following amendments:

Page 3, after line 27, insert:

“Sec. 3. Minnesota Statutes 1982, section 60A.13, subdivision 6, is amended to read:

Subd. 6. [COMPANY OR AGENT CANNOT CONTINUE BUSINESS UNLESS STATEMENT IS FILED.] No company (OR AGENT THEREOF) shall transact any new business in this state after May thirty-first in any year unless it shall have previously transmitted (THE) *its annual* statement to the commissioner and filed (THE) *a copy of its* statement with the National Association of Insurance Commissioners (WITH THE REQUIRED FILING FEE). *The commissioner may annually require that each insurer pay the required fee to the National Association of Insurance Commissioners for the filing of annual statements.*”

Page 13, line 4, after “*commissioner*” insert “*of revenue*”

Page 29, after line 12, insert:

“Sec. 27. Minnesota Statutes 1983 Supplement, section 60A.1701, subdivision 10, is amended to read:

Subd. 10. [REPORTING.] (a) After completing the minimum education requirement, each person subject to this section shall file or cause to be filed a compliance report (ANNUALLY) in accordance with the procedures adopted by the commissioner.

(b) Each compliance report must be accompanied by an annual continuing education fee of \$5 payable to the state of Minnesota for deposit in the general fund.

(c) An institution offering an accredited course shall comply with the procedure for reporting compliance adopted by the commissioner.

(d) If a person subject to this section completes a non-accredited course, he may submit a written report to the advisory committee accompanied by a fee of not more than \$10 payable to the state of Minnesota for deposit in the general fund. This report must be accompanied by proof satisfactory to the commissioner that the person has completed the minimum education requirement for the annual period during which the non-accredited course was completed. Upon the recommendation of the advisory committee that the course satisfies the criteria for course accreditation, the commissioner may approve the non-accredited course and shall so inform the person. If the non-accredited course is approved by the commissioner, it may be used to satisfy the minimum education requirement for the person's next annual compliance period.

Sec. 28. Minnesota Statutes 1983 Supplement, section 60A.1701, subdivision 11, is amended to read:

Subd. 11. [ENFORCEMENT.] If a person subject to this section fails to complete the minimum education or reporting requirement or to pay the prescribed fees for any annual period, no license may be renewed or continued in force for that person for any class of insurance *beginning June 1 of the year due and that person may not act as an insurance agent until the person has demonstrated to the satisfaction of the commissioner that all requirements of this section have been complied with or that a waiver or extension has been obtained.*

(IF A PERSON SUBJECT TO THIS SECTION FAILS TO FILE A COMPLIANCE REQUEST OR A REQUEST FOR A WAIVER OR EXTENSION WITH THE COMMISSIONER WITHIN 30 DAYS OF THE DATE ON WHICH THE PERSON IS REQUIRED TO REPORT, THE COMMISSIONER MAY ISSUE AN ORDER SUMMARILY SUSPENDING THAT PERSON'S LICENSE. THE ORDER IS EFFECTIVE UPON SERVICE ON THE PERSON BY FIRST CLASS MAIL AT HIS LAST KNOWN ADDRESS ON FILE WITH THE COMMISSIONER. A PERSON WHOSE LICENSE HAS BEEN SUMMARILY SUSPENDED UNDER THIS SUBDIVISION MAY, WITHIN 15 DAYS OF THE DATE OF THE ORDER, REQUEST A HEARING TO BE CONDUCTED ACCORDING TO THE PROVISIONS OF CHAPTER 14. THE HEARING MUST BE HELD WITHIN 15 DAYS OF THE COMMISSIONER'S RECEIPT OF THE REQUEST, BUT THE PER-

SON MAY AGREE TO AN EXTENSION. THE SUMMARY SUSPENSION REMAINS IN EFFECT PENDING THE OUTCOME OF THE HEARING.)”

Pages 38 to 41, delete section 32 and insert:

“Sec. 35. Minnesota Statutes 1982, section 61A.03, is amended by adding a subdivision to read:

Subd. 2a. No life insurer subject to this section is required to file more than one policy with a policy loan provision providing for a fixed rate of interest.”

Page 48, line 17, after “*property*” insert “, *provided that a mortgagee or lender shall not be required to accept renewal or extension thereof*”

Page 48, line 21, delete “*evidence*” and insert “*evidenced*”

Page 59, line 19, strike “by shareholders or members”

Page 59, line 20, strike “of the company”

Page 74, line 11, delete everything after “*sections*” and insert “*2, 5 to 19, 31, 32, 52 to 55, 66 to 73, 75, and 77*”

Page 74, line 12, delete “74”

Page 74, line 14, delete “73” and insert “76”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon insert “clarifying annual statement filing requirements;”

Page 1, line 10, after the semicolon insert “clarifying continuing education reporting requirements;”

Page 1, line 14, delete “removing”

Page 1, delete lines 15 and 16

Page 1, line 17, delete “management services;” and insert “clarifying policy form filing requirements;”

Page 1, line 33, after “60A.13,” insert “subdivision 6, and”

Page 1, line 38, after “5;” insert “61A.03, by adding a subdivision;”

Page 2, line 6, delete "subdivision 5" and insert "subdivisions 5, 10, and 11"

Page 2, line 7, delete "60A.23, subdivision 8;"

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

The report was adopted.

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

H. F. No. 1699, A bill for an act relating to state lands; terminating a possible right of reversion to the state in certain real estate.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

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

H. F. No. 1711, A bill for an act relating to state lands; transferring to Renville county the picnic grounds area of Birch Coulee battlefield state historic site; appropriating money; amending Minnesota Statutes 1982, section 138.025, subdivision 11.

Reported the same back with the following amendments:

Page 1, line 18, after "*park*" insert "*without jeopardy to the historical integrity of the battlefield area*"

Page 2, line 9, strike "state park" and insert "*historic site*"

Page 2, line 11, strike "state park" and insert "*historic site*"

Page 2, line 17, strike "state park" and insert "*historic site*"

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

The report was adopted.

Tomlinson from the Committee on Taxes to which was referred:

H. F. No. 1761, A bill for an act relating to taxation; releasing certain counties from the requirement to impose an aggregate removal tax; amending Minnesota Statutes 1983 Supplement, section 298.75, subdivision 1.

Reported the same back with the following amendments:

Page 2, line 12, reinstate "Becker,"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1786, A bill for an act relating to the military; modifying the qualifications of the adjutant general; changing the appointment of assistant adjutant generals; mandating termination of an officer's commission when federal recognition is withdrawn; expanding the power of the adjutant general to sell an armory; and expanding the use of the proceeds from the sale of an armory; amending Minnesota Statutes 1982, sections 190.07; 190.08, subdivisions 1, 3, and 4; 190.09; 192.18, subdivision 1; and 193.36, subdivision 2; repealing Minnesota Statutes 1982, section 192A.345, subdivisions 1 and 3.

Reported the same back with the following amendments:

Amend the title as follows:

Page 1, line 4, delete "adjutant generals" and insert "adjutants general"

Page 1, line 11, delete "; repealing Minnesota"

Page 1, line 12, delete everything before the period

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

The report was adopted.

Mann from the Committee on Transportation to which was referred:

H. F. No. 1801, A bill for an act relating to transportation; defining terms; regulating carriers; providing for the classification of explosives; amending Minnesota Statutes 1982, sections 221.011, subdivision 13; 221.296, subdivision 6; 299F.19, subdivisions 1 and 2; Minnesota Statutes 1983 Supplement, sections 221.011, subdivisions 3 and 21; 221.021; 221.025; 221.031, subdivisions 1, 2, 3, 5, and 6; 221.071, subdivision 1; 221.121, subdivisions 1 and 5; 221.185, subdivisions 1, 2, 3, 4, 5, and by adding subdivisions; 221.221, subdivision 4; 221.81, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 221; repealing Minnesota Statutes 1982, section 169.76; Minnesota Statutes 1983 Supplement, sections 221.031, subdivision 4; and 221.185, subdivisions 6, 7, and 8.

Reported the same back with the following amendments:

Page 2, line 28, delete "vehicles" and insert "a school bus"

Page 5, after line 28, insert:

"(c) The requirements as to driver qualifications and maximum hours of service for drivers do not apply to private carriers who are public utilities as defined in section 216B.02, subdivision 4, or cooperative electric associations organized under chapter 308."

Page 5, line 29, delete "(c)" and insert "(d)"

Page 6, delete section 9

Page 6, after line 29, insert:

"The vehicle identification rule of the commissioner must incorporate the marking requirements imposed on private carriers by the United States department of transportation under 49 C.F.R., section 397.21, clauses (b) and (c), and may not be more stringent than those requirements."

Pages 8 to 11, delete sections 12 and 13

Page 12, after line 22, insert:

"Sec. 13. Minnesota Statutes 1983 Supplement, section 221.131, subdivision 1, is amended to read:

Subdivision 1. [PERMIT RENEWAL.] Permits issued under section 221.121 are effective for a 12-month period. Each permit must be renewed annually and each permit holder shall have one annual renewal date encompassing all of the permits

held by him. (EXCEPT AS PROVIDED IN SECTION 221.185, THE BOARD SHALL CONSIDER A PETITION FOR REINSTATEMENT OF A REVOKED OR SUSPENDED PERMIT UPON THE SAME PROCEDURE REQUIRED FOR AN INITIAL PETITION.)”

Page 14, line 35, delete everything after the period

Page 14, delete line 36

Page 15, delete lines 1 and 2

Page 17, line 31, delete “28” and insert “26”

Renumber sections in sequence

Amend the title as follows:

Page 1, line 8, delete “5,”

Page 1, line 9, delete “221.071, subdivision 1;” and “subdivisions 1”

Page 1, line 10, delete the first “and” and insert “subdivision”

Page 1, line 10, after the semicolon, insert “221.131, subdivision 1;”

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1856, A bill for an act relating to charities; requiring disclosure from professional fund raisers; amending Minnesota Statutes 1982, section 309.556.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 560, 1405, 1459, 1460, 1462, 1496, 1522, 1528, 1557, 1562, 1621, 1655, 1659, 1699, 1761, 1786, 1801 and 1856 were read for the second time.

INTRODUCTION AND FIRST READING
OF HOUSE BILLS

The following House Files were introduced:

Dimler and Schreiber introduced:

H. F. No. 2007, A bill for an act relating to taxation; sales; providing a reduced rate for farm machinery and business equipment; amending Minnesota Statutes 1982, section 297A.01, subdivision 15, and by adding a subdivision; Minnesota Statutes 1983 Supplement, sections 297A.02, subdivision 2; and 297A.14.

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

Seaberg introduced:

H. F. No. 2008, A bill for an act relating to local government; authorizing county employees to make certain contracts; amending Minnesota Statutes 1982, section 382.18.

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

Kelly and Tomlinson introduced:

H. F. No. 2009, A bill for an act relating to taxation; modifying and clarifying the small business investment credits; amending Minnesota Statutes 1983 Supplement, section 290.069, subdivisions 1, 2, 4, 5, and by adding subdivisions.

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

Coleman introduced:

H. F. No. 2010, A bill for an act relating to education; requiring that public schools instruct senior high school pupils in parenting and family life; proposing new law coded in Minnesota Statutes, chapter 126.

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

Carlson, D., introduced :

H. F. No. 2011, A bill for an act relating to agriculture; providing for the control of pseudorabies in swine; appropriating money; amending Minnesota Statutes 1983 Supplement, section 35.255.

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

Ellingson; Rodriguez, C.; Anderson, G., and Hoffman introduced :

H. F. No. 2012, A bill for an act relating to local government; providing for financing of county and county regional jails; amending Minnesota Statutes 1982, sections 641.24; and 641.264, subdivision 1.

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

Bergstrom; Nelson, D.; Rose; Hoffman and Nelson, K., introduced :

H. F. No. 2013, A bill for an act relating to education; establishing three summer institutes for math and science; specifying application and selection procedures; appropriating money; proposing new law coded in Minnesota Statutes, chapter 121.

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

Clawson, Coleman, Simoneau, McEachern and Levi introduced :

H. F. No. 2014, A bill for an act relating to education; expanding the subject area in-service training program; requiring the commissioner to determine student needs; authorizing planning grants; appropriating money; amending Minnesota Statutes 1983 Supplement, section 121.601.

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

Coleman, Riveness, Simoneau, McEachern and Levi introduced:

H. F. No. 2015, A bill for an act relating to education; establishing a school management task force; appropriating money.

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

Tomlinson introduced:

H. F. No. 2016, A bill for an act relating to taxation; repealing the income tax surtax; appropriating money to the budget reserve account; amending Minnesota Statutes 1983 Supplement, section 16A.15, subdivision 6; repealing Minnesota Statutes 1983 Supplement, section 290.06, subdivision 2e; and Laws 1983, chapter 342, article 1, section 8.

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

Clawson, Greenfield, Brandl, Levi and McEachern introduced:

H. F. No. 2017, A bill for an act relating to commitment; defining provisional discharge; prohibiting the provisional release of a mentally ill and dangerous patient from secure confinement; amending Minnesota Statutes 1982, sections 253B.02, by adding a subdivision; and 253B.18, subdivision 7.

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

Tomlinson introduced:

H. F. No. 2018, A bill for an act relating to the Ramsey-Washington metro watershed district; providing for the establishment of a district water maintenance and repair fund; authorizing a tax levy for water maintenance and repair purposes.

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

Neuenschwander introduced :

H. F. No. 2019, A bill for an act relating to game and fish; regulating enforcement of the laws relating to wild animals; providing for reciprocity with other governments; amending Minnesota Statutes 1982, section 97.501.

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

Swanson and Gruenes introduced :

H. F. No. 2020, A bill for an act relating to health; changing certain hospital cost reporting requirements; adding reporting requirements for outpatient surgical centers; deleting hospital rate review requirements; adding provisions for fines; deleting obsolete language; amending Minnesota Statutes 1982, sections 144.695; 144.696; 144.698; 144.699; 144.701; 144.702; and 144.703; repealing Minnesota Statutes 1982, sections 144.7021; 144.704; and 144.705.

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

Wynia, Norton and Nelson, K., introduced :

H. F. No. 2021, A bill for an act relating to motor fuels; prohibiting lead compounds and EDB additives in gasoline; amending Minnesota Statutes 1982, section 296.05, by adding a subdivision.

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

Greenfield, Wynia and Rice introduced :

H. F. No. 2022, A bill for an act relating to economic security; clarifying the emergency employment development jobs program; regulating the payment of cash allowances; amending Minnesota Statutes 1983 Supplement, sections 256D.111, subdivision 2; 256D.112; 268.80; and 268.81.

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

Ellingson introduced:

H. F. No. 2023, A bill for an act relating to the office of the secretary of state; providing for the simplification of various filings with that office; eliminating or transferring certain filings; providing for uniform standards for the filing of names of limited partnerships, corporations, cooperatives, and assumed names and marks; eliminating the requirement of publication after incorporation; shifting the time of publication of certificate of assumed name; providing for the filing and enforcement of security interests; providing for the determination of eligibility for the indemnification of certain persons; prohibiting the modification in bylaws of a certain provision relating to the voting power of shares; providing a time limit on claims to shareholders; delaying the effective date of the corporate registration requirement; amending Minnesota Statutes 1982, sections 35.14; 62C.06, subdivision 3; 62G.08, subdivision 2; 66A.08, subdivision 4; 72A.43, subdivisions 1 and 2; 121.212, subdivision 3; 169.966, subdivision 7; 272.483; 297.04, subdivision 3; 302A.111, subdivisions 2 and 3; 302A.115, subdivision 1; 302A.131; 302A.445, subdivision 3; 302A.729, subdivisions 1 and 2; 302A.733, subdivision 2; 303.06, subdivision 1; 303.13, subdivisions 1 and 3; 303.17, subdivision 3; 315.15; 315.20, subdivisions 2 and 3; 315.23, subdivision 2; 315.32; 315.365, subdivision 2; 317.09, subdivision 2; 318.02, subdivision 1; 322A.02; 322A.86; 325D.67, subdivisions 5 and 6; 331.02, subdivision 1; 333.001, subdivisions 3 and 4; 333.01; 333.02; 333.035; 333.055, subdivision 1; 333.06; 333.19, subdivision 1; 333.21, subdivision 1; 336.9-402; 336.9-403; 336.9-404; 336.9-405; 336.9-406; 362A.01, subdivision 1; 365.46; 379.05; 507.10; 540.152; 543.08; Minnesota Statutes 1983 Supplement, sections 53.03, subdivisions 5 and 6; 300.083, subdivision 6; 302A.521, subdivision 6; 336.9-401; 507.09; and 648.39, subdivision 1; Laws 1981, chapter 270, section 144; repealing Minnesota Statutes 1982, sections 5.11; 51A.03, subdivision 5; 62C.06, subdivision 4; 308.15, subdivision 3; and 507.31, subdivision 2.

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

McKasy, Valento, Findlay and Dimler introduced:

H. F. No. 2024, A bill for an act relating to taxation; income; adopting federal income tax limitations on charitable contributions; amending Minnesota Statutes 1983 Supplement, section 290.089.

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

McKasy, Kelly, Schreiber, Dempsey and Vanasek introduced:

H. F. No. 2025, A bill for an act relating to taxation; income; allowing an itemized deduction for certain foreign taxes; amending Minnesota Statutes 1983 Supplement, section 290.089, subdivision 2.

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

McKasy, Findlay, Dimler and Valento introduced:

H. F. No. 2026, A bill for an act relating to taxation; income; conforming to federal law for treatment of contributions to individual retirement plans and other pension plans; amending Minnesota Statutes 1983 Supplement, section 290.01, subdivisions 20a and 20b.

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

Olsen and Piepho introduced:

H. F. No. 2027, A bill for an act relating to elections; requiring timely mailing of absentee ballots to certain voters; amending Minnesota Statutes 1982, section 203B.22.

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

Burger introduced:

H. F. No. 2028, A bill for an act relating to teachers; extending the deadline to gain the middle school experience necessary for a license to July 1, 1984.

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

Battaglia introduced:

H. F. No. 2029, A bill for an act relating to waters; restricting permits for charter houseboats on Lake Vermillion.

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

McDonald introduced:

H. F. No. 2030, A bill for an act relating to hazardous waste management; requiring a report to the legislature on compensation for damage resulting from the site selection process for commercial disposal facilities; amending Minnesota Statutes 1982, section 115A.08, by adding a subdivision.

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

McDonald introduced:

H. F. No. 2031, A bill for an act relating to metropolitan government; removing certain watersheds from the metropolitan surface water management program; amending Minnesota Statutes 1982, section 473.876, subdivision 7.

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

McDonald introduced:

H. F. No. 2032, A bill for an act relating to taxation; income; eliminating the income tax surtax; repealing Minnesota Statutes 1983 Supplement, section 290.06, subdivision 2e; and Laws 1983, chapter 342, article 1, section 8.

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

Price and Hoffman introduced:

H. F. No. 2033, A bill for an act relating to the city of Oakdale; providing a permanent increase in the levy limit base.

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

Jensen, Welle and Rodriguez, F., introduced:

H. F. No. 2034, A bill for an act relating to snowmobiles; requiring liability insurance coverage; proposing new law coded in Minnesota Statutes, chapter 84.

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

Kalis introduced:

H. F. No. 2035, A bill for an act relating to medical assistance; removing the age 65 limitation for medical assistance recovery from a decedent's estate; amending Minnesota Statutes 1982, section 256B.15.

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

Minne, Ellingson, Begich and Battaglia introduced:

H. F. No. 2036, A bill for an act relating to real property; providing that the mortgage and contract for deed moratorium become permanent law; applying moratorium to holders of any mortgage or contract for deed to homestead property; abolishing exclusionary provision; allowing mortgagor to petition for postponement of foreclosure sale for up to 12 months; allowing catastrophic medical expenses to be considered by a court when determining delay of foreclosure sale; providing that the equity in the property may be considered by a court; abolishing sunset provision; amending Minnesota Statutes 1983 Supplement, sections 47.20, subdivision 15; 559.21, subdivision 6; 580.031; 583.03; 583.04; 583.05; and 583.08; Laws 1983, chapter 215, section 16.

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

Staten introduced:

H. F. No. 2037, A bill for an act relating to commerce; requiring state agencies to make prompt payment for the purchase or lease of goods and services; requiring agencies to pay interest penalties on late payments; requiring an annual report to the legislature on agency payment records; proposing new law coded in Minnesota Statutes, chapter 16.

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

Clawson introduced:

H. F. No. 2038, A bill for an act relating to local government; providing procedures for making certain contracts; amending Minnesota Statutes 1983 Supplement, section 471.345, subdivision 5.

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

Ellingson, Vanasek, Forsythe and Bishop introduced :

H. F. No. 2039, A bill for an act relating to commerce; providing for the computation of interest on mechanics' lien claims; proposing new law coded in Minnesota Statutes, chapter 514.

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

Ludeman, Welker, Fjoslien, Ogren and Carlson, D., introduced :

H. F. No. 2040, A bill for an act relating to state lands; requiring the commissioner of natural resources to offer certain lands for homesteading; requiring improvements by homesteaders within a certain time period; proposing new law coded as Minnesota Statutes, chapter 92A.

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

Vellenga and Sarna introduced :

H. F. No. 2041, A bill for an act relating to eminent domain; providing for relocation benefits for persons displaced by acquisitions when federal funding is not provided; amending Minnesota Statutes 1982, section 117.52.

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

Ogren and Carlson, D., introduced :

H. F. No. 2042, A bill for an act relating to state departments and agencies; moving the state archaeologist from the historical society to the University of Minnesota; amending Minnesota Statutes 1982, sections 138.31, subdivisions 2, 5, 9, 10, and by adding a subdivision; 138.33; 138.34; 138.35; 138.36; 138.37, subdivision 2; 138.38; 138.39; 138.40; and 138.41; repealing Minnesota Statutes 1982, sections 138.31, subdivision 8; and 138.37, subdivision 3.

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

Norton, Quinn and Wynia introduced :

H. F. No. 2043, A bill for an act relating to banks and banking; authorizing interstate acquisition and formation of banks between this state and certain states on a reciprocal basis; 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.

Sparby and Eken introduced :

H. F. No. 2044, A bill for an act relating to education; allowing the higher education coordinating board to prorate the obligation to repay loans for doctors who serve part time in an area of need; amending Minnesota Statutes 1982, section 147.30.

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

Himle, Jennings, Osthoff, Begich and Schreiber introduced :

H. F. No. 2045, A bill for an act relating to outdoor recreation; repealing licensing requirements for cross country skiers; repealing Minnesota Statutes 1983 Supplement, sections 85.40; 85.41; 85.42; 85.43; 85.44; 85.45; and Laws 1983, chapter 325, section 8.

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

Evans and Anderson, R., introduced :

H. F. No. 2046, A bill for an act relating to financial institutions; requiring disclosure of the state and federal income tax treatment of individual retirement accounts; 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.

Anderson, B., introduced :

H. F. No. 2047, A bill for an act relating to transportation; authorizing the expenditure of county turnback account funds and state transportation bond funds for bridges ten feet or more in length following replacement; amending Minnesota Statutes 1982, section 174.50, subdivision 7; and Minnesota Statutes 1983 Supplement, section 161.082, subdivision 2a.

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

Greenfield, Staten and Clark, K., introduced :

H. F. No. 2048, A bill for an act relating to public welfare; increasing the personal needs allowance for residents of certain facilities; amending Minnesota Statutes 1982, section 256B.35, subdivision 1.

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

Greenfield; Rodriguez, C.; Murphy; Segal and Hokr introduced :

H. F. No. 2049, A bill for an act relating to vital statistics; providing for collection of statistical data concerning the dissolution or annulment of marriage; appropriating money; amending Minnesota Statutes 1982, section 144.224; proposing new law coded in Minnesota Statutes, chapter 518.

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

Greenfield, Staten and Reif introduced :

H. F. No. 2050, A bill for an act relating to public welfare; allowing reimbursement for certain services under the state general assistance medical care program; amending Minnesota Statutes 1983 Supplement, section 256D.03, subdivision 4.

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

Kalis, Eken, Valan and Anderson, G., introduced:

H. F. No. 2051, A bill for an act relating to agriculture; authorizing the energy and economic development authority to purchase, make, or participate in farm loans and to issue bonds or notes for this purpose; amending Minnesota Statutes 1983 Supplement, section 116J.88, subdivisions 7 and 7a; 116J.90, subdivisions 1 and 3; and proposing new law coded in Minnesota Statutes, chapter 116J.

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

Reif, Forsythe, Wynia and DenOuden introduced:

H. F. No. 2052, A bill for an act relating to public welfare; providing for the recoupment and set-off of overpayments in the general assistance program; extending the right of a welfare agency to reimbursement for medical assistance paid by other sources to a recipient of Minnesota supplemental aid; placing the primary reimbursement on the recipient; amending Minnesota Statutes 1982, section 256D.06, by adding a subdivision; Minnesota Statutes 1983 Supplement, section 256D.06, subdivision 5.

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

Nelson, D.; Nelson, K.; Tomlinson; Jennings and Kostohryz introduced:

H. F. No. 2053, A bill for an act relating to education; establishing a research and development program; authorizing preliminary studies and research grants; appropriating money; proposing new law coded in Minnesota Statutes, chapter 129B.

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

Greenfield; Clark, K., and Staten introduced:

H. F. No. 2054, A bill for an act relating to the medical assistance program; increasing the personal needs allowance; amending Minnesota Statutes 1982, section 256B.35, subdivision 1.

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

Ogren, Clark, J., and Vanasek introduced:

H. F. No. 2055, A bill for an act relating to sentencing; permitting courts to utilize a variety of noninstitutional sanctions as a condition of a stayed sentence; providing a preference for noninstitutional sanctions in certain cases; amending Minnesota Statutes 1982, section 609.135, by adding a subdivision; and Minnesota Statutes 1983 Supplement, section 609.135, subdivision 1.

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

Piepho, Skoglund, Wynia and Haukoos introduced:

H. F. No. 2056, A bill for an act relating to labor; creating an employees social responsibility act; providing penalties; proposing new law coded in Minnesota Statutes, chapter 181.

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

Piepho, Kvam, Findlay, Gruenes and Dempsey introduced:

H. F. No. 2057, A bill for an act relating to taxation; sales; exempting sales by certain organizations; amending Minnesota Statutes 1983 Supplement, section 297A.25, subdivision 1.

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

Staten, Skoglund and Ogren introduced:

H. F. No. 2058, A bill for an act relating to licenses; regulating athlete agencies; providing penalties; proposing new law coded as Minnesota Statutes, chapter 342.

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

Begich, Sarna, Battaglia, Ogren and Elioff introduced:

H. F. No. 2059, A bill for an act relating to commerce; requiring motor vehicle manufacturers to reimburse vehicle owners for rental car expenses incurred under certain circumstances; amending Minnesota Statutes 1983 Supplement, section 325F.665, subdivision 2.

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

Greenfield, St. Onge, Reif and Murphy introduced:

H. F. No. 2060, A bill for an act relating to public welfare; requiring county boards to provide services to mentally ill persons; specifying duties of the commissioner; authorizing rule-making; proposing new law coded as Minnesota Statutes, chapter 253C.

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

Coleman introduced:

H. F. No. 2061, A bill for an act relating to education; requiring that public schools instruct senior high school pupils in parenting and family life; providing categorical aid; appropriating money; proposing new law coded in Minnesota Statutes, chapters 124 and 126.

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

Coleman introduced:

H. F. No. 2062, A bill for an act relating to state departments; providing statutory changes requested by commissioner of administration required by reorganization orders; amending Minnesota Statutes 1982, sections 60A.15, subdivisions 1, 2, 8, 9, 10, and by adding a subdivision; 69.021, subdivision 2; 69.031, subdivision 6; 116C.03, subdivision 4; 116J.64, subdivisions 5 and 7; and 161.20, subdivision 4; Minnesota Statutes 1983 Supplement, sections 60A.15, subdivision 12; 116C.03, subdivision 2; 116J.01, subdivision 3; 116J.42, subdivisions 4 and 9; 161.465; and 299A.-

04; Laws 1983, chapter 289, section 115, subdivision 2; proposing new law coded in Minnesota Statutes, chapter 116J; repealing Minnesota Statutes 1982, section 116C.04, subdivisions 5 and 6.

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

Anderson, G.; Sieben and Schreiber introduced:

H. F. No. 2063, A bill for an act relating to the metropolitan airports commission; defining its relationship to the legislature and the metropolitan council; proposing new law coded in Minnesota Statutes, chapter 473; repealing Minnesota Statutes 1982, sections 473.611, subdivision 5; and 473:621, subdivision 6.

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

Fjoslien; Carlson, D.; Uphus and Battaglia introduced:

H. F. No. 2064, A bill for an act relating to taxation; sales; exempting taxidermy; amending Minnesota Statutes 1983 Supplement, section 297A.25, subdivision 1.

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

Metzen introduced:

H. F. No. 2065, A bill for an act relating to Independent School District No. 196; authorizing it to establish and operate a non-profit corporation for the benefit of students; requiring local approval.

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

Simoneau introduced:

H. F. No. 2066, A bill for an act relating to state government; providing for the express rejection of the recommended salary plans for constitutional officers, legislators, justices of the supreme court, and judges of the court of appeals, district court, county court, and county municipal court.

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

Greenfield; Wynia; Rodriguez, C.; Kahn and Coleman introduced:

H. F. No. 2067, A bill for an act relating to occupations and professions; prohibiting the boards of medical examiners and psychology from using evidence of the previous sexual conduct of a patient or client in board proceedings concerning unprofessional conduct; proposing new law coded in Minnesota Statutes, chapters 147 and 148.

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

Greenfield, Wynia, Kahn and Coleman introduced:

H. F. No. 2068, A bill for an act relating to occupations and professions; establishing a task force on sexual exploitation by psychotherapists.

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

Graba, Krueger and Rodosovich introduced:

H. F. No. 2069, A bill for an act relating to taxation; income; providing that certain social security and railroad retirement benefits are not included in gross income; amending Minnesota Statutes 1982, section 290.08, by adding a subdivision.

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

Jacobs introduced:

H. F. No. 2070, A bill for an act relating to communications; deregulating radio common carriers; amending Minnesota Statutes 1982, section 237.01, subdivision 2, and by adding a subdivision.

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

Vanasek introduced:

H. F. No. 2071, A bill for an act relating to real property; clarifying when the right of possession passes after a sale on execution or judgment or mortgage foreclosure; amending Minnesota Statutes 1982, section 566.03, subdivision 1.

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

Rodriguez, F.; Metzen and Clawson introduced:

H. F. No. 2072, A bill for an act relating to retirement; allowing certain St. Paul bureau of health employees to revoke options previously exercised.

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

Kalis, Haukoos and Kelly introduced:

H. F. No. 2073, A bill for an act relating to taxation; providing temporary property tax and sales tax exemptions for certain meat processing plants; amending Minnesota Statutes 1983 Supplement, section 272.02, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 297A.

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

Long introduced:

H. F. No. 2074, A bill for an act relating to municipal housing; letting of contracts; increasing the amount of expenditures for construction and other work that requires an award by contract; amending Minnesota Statutes 1982, section 462.461, subdivisions 1, 2, and 3.

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

Sparby and Tunheim introduced:

H. F. No. 2075, A bill for an act relating to taxation; extending the disaster credit to certain agricultural homesteads; amending Minnesota Statutes 1982, section 273.123.

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

Sarna, Battaglia, Beard, Rose and Kelly introduced:

H. F. No. 2076, A bill for an act relating to game and fish; restrictions on power of commissioner; amending Minnesota Statutes 1982, section 97.48, subdivision 1.

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

Cohen introduced:

H. F. No. 2077, A bill for an act relating to probate; providing for the transmission of documents to foreign consuls by the office of the secretary of state; amending Minnesota Statutes 1982, section 524.3-403.

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

Otis introduced:

H. F. No. 2078, A bill for an act relating to landlords and tenants; increasing the interest rate paid by landlords on rental deposits; amending Minnesota Statutes 1982, section 504.20, subdivision 2.

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

Segal, Piper, Voss and Otis introduced:

H. F. No. 2079, A bill for an act relating to energy; authorizing the adoption of rules for insulation quality standards; appropriating money; amending Minnesota Statutes 1982, section 325F.20, subdivision 1.

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

Schreiber, Scheid, Pauly, McKasy and Clawson introduced:

H. F. No. 2080, A bill for an act relating to real property; making the recording of certain documents permissive; amending Minnesota Statutes 1982, section 462.3595, subdivision 4; and Minnesota Statutes 1983 Supplement, section 462.36, subdivision 1.

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

Shea introduced:

H. F. No. 2081, A bill for an act relating to agriculture; changing the authority for licensing and inspecting vending machines; amending Minnesota Statutes 1982, sections 145.031, subdivision 1; 145.55, subdivision 1; 145.918, subdivision 2; 366.01, subdivision 2; and Minnesota Statutes 1983 Supplement, section 28A.09, subdivision 1; repealing Minnesota Statutes 1982, sections 144.075; 375.193; and 461.02.

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

Begich, Battaglia, Elioff, Minne and Solberg introduced:

H. F. No. 2082, A bill for an act relating to the iron range resources and rehabilitation board; allowing school districts to levy taxes to repay loans made by the northeast Minnesota economic protection trust; clarifying that the board may lease personal property; removing certain dates; providing that earnings from the investment of funds in the iron range resources and rehabilitation board account are credited to the account; clarifying the limitation on administrative costs; transferring certain unexpended funds to the northeast Minnesota economic protection trust; amending Minnesota Statutes 1982, sections 298.22, subdivision 5; 298.223; Minnesota Statutes 1983 Supplement, sections 275.125, subdivisions 11a, 11b, and 12a; 298.28, subdivision 1; 298.296, subdivision 2; Laws 1982, Second Special Session chapter 2, sections 12, as amended; and 14, as amended.

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

Voss introduced:

H. F. No. 2083, A bill for an act relating to real estate; providing for the regulation of real estate loan brokers; giving certain powers and duties to the commissioner of commerce; defining terms; providing for rulemaking; amending Minnesota Statutes 1982, section 82.17, subdivisions 4, 7, and 8, and by adding a subdivision; 82.24, subdivision 7; 82.29; and 82.30, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 82.

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

Riveness; Ogren; Carlson, D.; Sarna and Vanasek introduced:

H. F. No. 2084, A bill for an act relating to economic development; providing for economic development grants to local units of government; appropriating money.

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

Eken, Price, Knickerbocker, Riveness and Hoffman introduced:

H. F. No. 2085, A bill for an act relating to economic development; clarifying provisions relating to the export finance authority; amending Minnesota Statutes 1983 Supplement, sections 17.104, by adding a subdivision; and 17.105, subdivisions 1, 3, 4, and 7.

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

Segal and Sarna introduced:

H. F. No. 2086, A bill for an act relating to consumer protection; requiring nonprofit organizations to meet the same personal solicitation disclosure requirements as other sellers; amending Minnesota Statutes 1982, section 325G.13.

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

Swanson introduced:

H. F. No. 2087, A bill for an act relating to health; requiring disclosure of certain medical data or medical information for the purpose of a lawful investigation; amending Minnesota Statutes 1982, sections 13.42, subdivision 2; 144.335; and 254A.-09.

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

Nelson, D., introduced:

H. F. No. 2088, A bill for an act relating to real property; changing the manner of serving notice to register title to real estate; amending Minnesota Statutes 1982, sections 508.16, subdivision 1; 508.39; and 508A.39; Minnesota Statutes 1983 Supplement, section 508.29.

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

Osthoff, Scheid, Levi, Knickerbocker and Greenfield introduced:

H. F. No. 2089, A bill for an act relating to taxation; authorizing certain additional levies in counties; amending Minnesota Statutes 1982, section 275.48.

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

O'Connor and Begich introduced:

H. F. No. 2090, A bill for an act relating to traffic regulations; providing penalties for certain traffic violations; amending Minnesota Statutes 1982, section 169.141, subdivision 2, and by adding a subdivision.

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

St. Onge and Clawson introduced:

H. F. No. 2091, A bill for an act relating to public welfare; authorizing the commissioner of public welfare to establish a special revenue account; expanding the commissioner's duties; appropriating money; amending Minnesota Statutes 1983 Supplement, section 256.01, subdivision 2.

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

Murphy introduced:

H. F. No. 2092, A bill for an act relating to labor; providing for an exemption from wage requirements for certain domestic service employees; amending Minnesota Statutes 1983 Supplement, section 177.23, subdivision 7.

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

Scheid and Norton introduced:

H. F. No. 2093, A bill for an act relating to tax court judges; permitting retired tax judges to serve on the tax court; amending Minnesota Statutes 1982, section 271.01, by adding a subdivision.

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

Carlson, D., introduced:

H. F. No. 2094, A bill for an act relating to natural resources; authorizing the commissioner of natural resources to sell lands and interests in land acquired for trail purposes which are no longer needed for trail purposes and which are located in certain cities.

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

Haukoos and Levi introduced:

H. F. No. 2095, A bill for an act relating to taxation; income; eliminating the income tax surtax; repealing Minnesota Statutes 1983 Supplement, section 290.06, subdivision 2e; and Laws 1983, chapter 342, article 1, section 8.

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

Anderson, G., and Rice introduced:

H. F. No. 2096, A bill for an act relating to state government; establishing the world trade center board and fixing its duties; transferring functions from the department of agriculture; amending Minnesota Statutes 1982, section 17.03, by adding a subdivision; proposing new law coded as Minnesota Statutes, chapter 44A; repealing Minnesota Statutes 1983 Supplement, section 17.106.

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

Clark, J., introduced:

H. F. No. 2097, A bill for an act relating to persons handicapped in communication; requiring the arresting officer to immediately obtain a qualified interpreter for a person handicapped in communication who has been arrested; amending Minnesota Statutes 1982, section 611.32.

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

Clawson, Swanson and Wynia introduced:

H. F. No. 2098, A bill for an act relating to public welfare; revising procedures for determining operating cost payment rates for nursing homes; amending Minnesota Statutes 1982, section 144.072; Minnesota Statutes 1983 Supplement, sections 144A.31, subdivision 4; 256B.421, subdivision 2; 256B.431, subdivisions 1, 2, 4, 5, and by adding a subdivision; 256B.50; proposing new law coded in Minnesota Statutes, chapter 144.

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

Wynia, Skoglund, Quinn and Long introduced:

H. F. No. 2099, A bill for an act relating to insurance; no-fault auto; providing uninsured and underinsured motorist coverages; defining terms; amending Minnesota Statutes 1982, sections 65B.43, by adding subdivisions; and 65B.49, subdivision 4.

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

O'Connor, Scheid, Kelly and Dempsey introduced:

H. F. No. 2100, A bill for an act relating to taxation; income; adopting federal income tax treatment of certain retirement plans; amending Minnesota Statutes 1982, section 290.01, subdivisions 20a, as amended and 20b, as amended.

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

HOUSE ADVISORIES

The following House Advisories were introduced:

Voss introduced:

H. A. No. 53, A proposal to include Vietnam Veterans under The Civil Rights Act (363.03).

The advisory was referred to the Committee on Judiciary.

Wigley introduced:

H. A. No. 54, A proposal to study the use of farm tractors and trailers on trunk highways.

The advisory was referred to the Committee on Transportation.

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 Senate Files, herewith transmitted:

S. F. Nos. 311, 1418, 1454 and 1455.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. Nos. 868, 1235, 1349, 1396, 1453 and 1475.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. Nos. 1476 and 1563.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 311, A bill for an act relating to public welfare; requiring licensure for adult day care facilities; amending Minnesota Statutes 1982, sections 245.782, subdivisions 2, 5, and by adding a subdivision; 245.783, by adding a subdivision; 245.791; 245.802, by adding a subdivision.

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

S. F. No. 1418, A bill for an act relating to public welfare; authorizing the alcohol and drug abuse section of the department of public welfare to collect certain information; establishing an American Indian advisory council relating to chemical dependency policies; clarifying the evaluation functions of the commissioner of public welfare with respect to chemical dependency policies; amending Minnesota Statutes 1982, sections 254A.03; 254A.05, subdivision 1; 254A.07; 254A.16, subdivisions 1 and 2; and proposing new law coded in Minnesota Statutes, chapter 254A.

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

S. F. No. 1454, A bill for an act relating to public welfare; authorizing the commissioner to enter into interstate adoption compacts; establishing procedures for interstate assistance payments; amending Minnesota Statutes 1983 Supplement, section 256B.06, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 259.

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

S. F. No. 1455, A bill for an act relating to health; exempting schools from license fee requirements of the department of health; exempting certain places of lodging from licensing requirements of the department; amending Minnesota Statutes 1982, sections 157.03 and 157.14.

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

S. F. No. 868, A bill for an act relating to natural resources; designating the morel as the official state mushroom; proposing new law coded in Minnesota Statutes, chapter 1.

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

S. F. No. 1235, A bill for an act relating to labor; providing for an exemption from wage requirements for certain domestic service employees; amending Minnesota Statutes 1983 Supplement, section 177.23, subdivision 7.

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

S. F. No. 1349, A bill for an act relating to liquor; abolishing prohibition on furnishing liquor to certain persons and exclusion of certain persons from liquor establishments after notice; amending Minnesota Statutes 1982, section 340.601; repealing Minnesota Statutes 1982, sections 340.73, subdivision 2; 340.78; and 340.81.

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

S. F. No. 1396, A bill for an act relating to local government; requiring the county board of adjustment to take the town board's recommendation into consideration when making certain decisions; amending Minnesota Statutes 1982, section 394.27, subdivision 5.

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

S. F. No. 1453, A bill for an act relating to public welfare; making county of residence financially responsible for detoxification services provided to chemical dependency facility clients; amending Minnesota Statutes 1983 Supplement, section 256E.08, subdivision 7.

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

S. F. No. 1475, A bill for an act relating to communications; permitting a municipality to be represented by its designee on a joint cable communication commission; amending Minnesota Statutes 1982, section 238.08, subdivision 5.

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

S. F. No. 1476, A bill for an act relating to elections; making the requirements for school election absentee ballots the same as those for the general election; amending Minnesota Statutes 1982, section 123.32, subdivision 24.

The bill was read for the first time.

Carlson, L., moved that S. F. No. 1476 and H. F. No. 1462, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1563, A bill for an act relating to labor; extending the statute of limitation on certain actions to recover wages or overtime; clarifying child labor penalties; amending Minnesota Statutes 1982, section 541.07; Minnesota Statutes 1983 Supplement, section 181A.12, subdivision 1.

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

CONSENT CALENDAR

H. F. No. 1381, A bill for an act relating to the city of Caledonia; providing for the appointment of members to the library board; authorizing terms of service.

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 117 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Swanson

The bill was passed and its title agreed to.

H. F. No. 1486, A bill for an act relating to courts; providing for the appeal of various matters to the court of appeals; amending Minnesota Statutes 1983 Supplement, sections 299D.-03, subdivision 11; 412.861, subdivision 3; 625.09; 625.11; 625.-14; and 629.62.

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 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 1760, A bill for an act relating to natural resources; authorizing a private sale of certain state fisheries land.

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

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

Those who voted in the affirmative were:

Anderson, B.	Eken	Jennings	Munger	Rice
Anderson, C.	Elioff	Jensen	Murphy	Riveness
Anderson, R.	Ellingson	Johnson	Nelson, D.	Rodosovich
Battaglia	Evans	Kalis	Nelson, K.	Rodriguez, F.
Beard	Findlay	Kelly	Neuenschwander	Rose
Begich	Fjoslien	Knickerbocker	O'Connor	St. Onge
Bennett	Forsythe	Knuth	Ogren	Sarna
Bergstrom	Frerichs	Kostohryz	Olsen	Schafer
Bishop	Graba	Krueger	Omann	Scheid
Blatz	Greenfield	Kvam	Onnen	Schoenfeld
Boo	Gruenes	Larsen	Osthoff	Schreiber
Brinkman	Gustafson	Levi	Otis	Seaberg
Burger	Gutknecht	Long	Pauly	Segal
Carlson, D.	Halberg	Ludeman	Peterson	Shaver
Carlson, L.	Haukoos	Mann	Piepho	Shea
Clark, J.	Heinitz	Marsh	Piper	Simoneau
Clark, K.	Himle	McDonald	Price	Skoglund
Clawson	Hoberg	McEachern	Quinn	Solberg
Coleman	Hoffman	McKasy	Quist	Sparby
Dempsey	Hokr	Metzen	Redalen	Stadum
Dimler	Jacobs	Minne	Reif	Staten

Swiggun	Tunheim	Vanasek	Welch	Wigley
Swanson	Uphus	Vellenga	Welker	Wynia
Thiede	Valan	Voss	Welle	Zaffke
Tomlinson	Valento	Waltman	Wenzel	Speaker Sieben

The bill was passed and its title agreed to.

CALENDAR

Bishop was excused between the hours of 2:05 p.m. and 2:15 p.m.

H. F. No. 404, A bill for an act relating to taxation; increasing the deduction from gross income for amounts paid for dependent tuition, textbooks, and transportation expenses; amending Minnesota Statutes 1983 Supplement, section 290.089, subdivision 2.

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

The question was taken on the passage of the bill and the roll was called. There were 84 yeas and 34 nays as follows:

Those who voted in the affirmative were:

Beard	Graba	Levi	Piper	Stadum
Begich	Greenfield	Mann	Quist	Staten
Bennett	Gruenes	Marsh	Reif	Swanson
Blatz	Gutknecht	McDonald	Rice	Tomlinson
Boo	Halberg	McEachern	Rodosovich	Tunheim
Brandl	Heinitz	McKasy	Rodriguez, F.	Uphus
Brinkman	Himle	Metzen	Rose	Valan
Cohen	Jennings	Munger	St. Onge	Valento
Coleman	Jensen	Nelson, K.	Sarna	Vanasek
Dempsey	Johnson	Neuenschwander	Schafer	Vellenga
DenOuden	Kalis	O'Connor	Schoenfeld	Voss
Dimler	Kelly	Ogren	Schreiber	Waltman
Evans	Knickerbocker	Omann	Seaberg	Welker
Findlay	Kostohryz	Onnen	Shaver	Wenzel
Fjoslien	Krueger	Osthoff	Simoneau	Wynia
Forsythe	Kvam	Pauly	Solberg	Speaker Sieben
Frerichs	Larsen	Piepho	Sparby	

Those who voted in the negative were:

Anderson, B.	Carlson, L.	Haukoos	Minne	Scheid
Anderson, G.	Clark, J.	Hoffman	Nelson, D.	Shea
Anderson, R.	Clark, K.	Jacobs	Otis	Skoglund
Battaglia	Clawson	Kahn	Peterson	Swiggun
Bergstrom	Eken	Knuth	Price	Welle
Burger	Ellingson	Long	Redalen	Zaffke
Carlson, D.	Gustafson	Ludeman	Riveness	

The bill was passed and its title agreed to.

S. F. No. 214 was reported to the House.

There being no objection S. F. No. 214 was continued one day.

Otis was excused at 3:15 p.m. Hoberg was excused at 3:35 p.m.

GENERAL ORDERS

Pursuant to rules of the House, the House resolved itself into the Committee of the Whole with Sieben in the Chair for the consideration of bills pending on General Orders of the Day. Wynia presided during a portion of the meeting of the Committee of the Whole. After some time spent therein the Committee arose.

REPORT OF THE COMMITTEE OF THE WHOLE

The Speaker resumed the Chair, whereupon the following proceedings of the Committee as kept by the Chief Clerk were reported to the House:

H. F. Nos. 1279, 1408, 1377, 1481, 1516, 1654, 1257, 1428 and 1611 which it recommended to pass.

H. F. Nos. 950, 735, 1347, 1503 and 1504 which it recommended progress.

H. F. No. 432 which it recommended progress retaining its place on General Orders.

H. F. No. 1587 which it recommended to pass with the following amendments:

Offered by Sviggum:

Page 3, after line 18, insert:

“Sec. 4. [FUNDING.]

No state funds, other than those appropriated in 1983, shall be used to fund compensation increases ratified in section 1.”

Page 3, line 19, delete “4” and insert “5”

Page 3, line 20, delete “3” and insert “4”

Offered by Sviggum:

Page 2, line 15, after “*ratified*” delete the period and insert “*except that, effective May 1, 1984, the following salaries shall be substituted for those approved by the commission:*”

66th Day]	WEDNESDAY, MARCH 21, 1984	6613
<i>Commissioner of Finance</i>		\$57,500
<i>Commissioner of Education</i>		57,500
<i>Commissioner of Transportation</i>		63,750
<i>Commissioner of Public Welfare</i>		57,500
<i>Chancellor of Community College</i>		63,250
<i>Chancellor of State University</i>		66,000
<i>Director Votech Ed Board</i>		57,500
<i>State Board of Investment</i>		65,000
<i>Commissioner of Administration</i>		50,000
<i>Commissioner of Agriculture</i>		50,000
<i>Commissioner of Commerce</i>		50,000
<i>Commissioner of Corrections</i>		55,000
<i>Commissioner of Economic Security</i>		55,000
<i>Commissioner of Employee Relations</i>		50,000
<i>Commissioner of Energy & Economic Development</i>		50,000
<i>Commissioner of Health</i>		50,950
<i>Commissioner of Labor & Industry</i>		50,000
<i>Commissioner of Natural Resources</i>		55,000
<i>Commissioner of Revenue</i>		55,000
<i>Commissioner of Public Safety</i>		55,000
<i>Chief Hearing Examiner</i>		55,000
<i>Director Pollution Control Agency</i>		50,000
<i>Higher Education Coordinating Board</i>		50,000
<i>Director of State Planning</i>		50,000
<i>Housing Finance Agency</i>		50,000

<i>Teachers Retirement Association</i>	55,000
<i>Minnesota State Retirement Association</i>	55,000
<i>Commissioner of Human Rights</i>	40,000
<i>Director of Public Service</i>	40,000
<i>Commissioner of Veteran's Affairs</i>	40,000
<i>Executive Director Minnesota Educational Computing Consortium</i>	46,700
<i>Executive Director Environmental Quality Board</i>	41,750
<i>Director of Mediation Services</i>	40,000
<i>Public Utilities Commissioner</i>	40,000
<i>Transportation Regulation Board</i>	40,000
<i>Chairman, Waste Management Board</i>	46,800
<i>Director of Minnesota Zoo</i>	40,000

Notwithstanding section 43A.17, subdivision 1, the plans and agreements ratified in this act are modified so that the salary of the agency head established in this subdivision is the upper limit of compensation in the agency. However, the salary of the commissioner of labor and industry remains the upper limit for employees in the bureau of mediation services."

H. F. No. 1382 which it recommended to pass with the following amendment offered by Bishop:

Page 2, line 33, delete "*June 1, 1985*" insert "*January 1, 1986*"

H. F. No. 1784 which it recommended to pass with the following amendment offered by Welker:

Page 2, line 33, restore the stricken "(AND)"

Page 2, delete the new language in lines 34, 35 and 36

On the motion of Eken the report of the Committee of the Whole was adopted.

ROLL CALLS IN COMMITTEE OF THE WHOLE

Pursuant to rule 1.6, the following roll calls were taken in the Committee of the Whole:

Sviggum moved to amend H. F. No. 1587, the first engrossment, as amended, as follows:

Page 3, after line 18, insert:

"Sec. 5. [REPORT.]

If the amounts appropriated for salary supplements in 1983 are insufficient to pay the compensation increases ratified in section 1, the head of each state agency shall report to the legislature, by March 1, 1985, on what steps are being taken in the agency to make up the funding deficiency. These reports shall include data on vacancies which were not filled, program reductions, layoffs, and any other steps taken."

Page 3, line 19, delete "5" and insert "6"

Page 3, line 20, delete "4" and insert "5"

The question was taken on the Sviggum amendment and the roll was called. There were 55 yeas and 60 nays as follows:

Those who voted in the affirmative were:

Bennett	Evans	Jennings	Pauly	Sviggum
Bishop	Findlay	Johnson	Piepho	Thiede
Blatz	Forsythe	Kvam	Quist	Tunheim
Boo	Frerichs	Levi	Redalen	Uphus
Brinkman	Gutknecht	Ludeman	Reif	Valan
Burger	Halberg	Marsh	Rose	Valento
Cohen	Haukoos	McDonald	Schafer	Waltman
Dempsey	Heap	McKasy	Schreiber	Welker
DenOuden	Heinitz	Olsen	Seaberg	Wenzel
Dimler	Hoberg	Omann	Shaver	Wigley
Erickson	Hokr	Ounnen	Stadum	Zaffke

Those who voted in the negative were:

Anderson, B.	Ellingson	Larsen	Otis	Shea
Anderson, G.	Elioff	Long	Peterson	Simoneau
Anderson, R.	Fjoslien	Mann	Piper	Skoglund
Battaglia	Greenfield	Minne	Price	Staten
Beard	Gustafson	Munger	Quinn	Swanson
Begich	Hoffman	Murphy	Rice	Tomlinson
Brandl	Jacobs	Nelson, D.	Riveness	Vanasek
Carlson, D.	Jensen	Nelson, K.	Rodosovich	Voss
Carlson, L.	Kahn	Norton	Rodriguez, F.	Welch
Clark, J.	Kelly	O'Connor	St. Onge	Welle
Clark, K.	Knuth	Ogren	Scheid	Wynia
Coleman	Kostohryz	Osthoff	Schoenfeld	Speaker Sieben

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

Sviggum moved to amend H. F. No. 1587, the first engrossment, as amended, as follows:

Page 2, line 15, after "ratified" delete the period and insert "except that, effective May 1, 1984, the following salaries shall be substituted for those approved by the commission:

<i>Commissioner of Finance</i>	\$57,500
<i>Commissioner of Education</i>	57,500
<i>Commissioner of Transportation</i>	63,750
<i>Commissioner of Public Welfare</i>	57,500
<i>Chancellor of Community College</i>	63,250
<i>Chancellor of State University</i>	66,000
<i>Director Votech Ed Board</i>	57,500
<i>State Board of Investment</i>	65,000
<i>Commissioner of Administration</i>	50,000
<i>Commissioner of Agriculture</i>	50,000
<i>Commissioner of Commerce</i>	50,000
<i>Commissioner of Corrections</i>	55,000
<i>Commissioner of Economic Security</i>	55,000
<i>Commissioner of Employee Relations</i>	50,000
<i>Commissioner of Energy & Economic Development</i>	50,000
<i>Commissioner of Health</i>	50,950
<i>Commissioner of Labor & Industry</i>	50,000
<i>Commissioner of Natural Resources</i>	55,000
<i>Commissioner of Revenue</i>	55,000
<i>Commissioner of Public Safety</i>	55,000
<i>Chief Hearing Examiner</i>	55,000

<i>Director Pollution Control Agency</i>	50,000
<i>Higher Education Coordinating Board</i>	50,000
<i>Director of State Planning</i>	50,000
<i>Housing Finance Agency</i>	50,000
<i>Teachers Retirement Association</i>	55,000
<i>Minnesota State Retirement Association</i>	55,000
<i>Commissioner of Human Rights</i>	40,000
<i>Director of Public Service</i>	40,000
<i>Commissioner of Veteran's Affairs</i>	40,000
<i>Executive Director Minnesota Educational Computing Consortium</i>	46,700
<i>Executive Director Environmental Quality Board</i>	41,750
<i>Director of Mediation Services</i>	40,000
<i>Public Utilities Commissioner</i>	40,000
<i>Transportation Regulation Board</i>	40,000
<i>Chairman, Waste Management Board</i>	46,800
<i>Director of Minnesota Zoo</i>	40,000

Notwithstanding section 43A.17, subdivision 1, the plans and agreements ratified in this act are modified so that the salary of the agency head established in this subdivision is the upper limit of compensation in the agency. However, the salary of the commissioner of labor and industry remains the upper limit for employees in the bureau of mediation services."

The question was taken on the Sviggum amendment and the roll was called. There were 70 yeas and 58 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Boo	Dimler	Forsythe	Heap
Battaglia	Burger	Elioff	Frerichs	Heintz
Begich	Carlson, D.	Erickson	Gruenes	Himle
Bennett	Cohen	Evans	Gutknecht	Hoffman
Bishop	Dempsey	Findlay	Halberg	Hokr
Blatz	DenOuden	Fjoslien	Haukoos	Jennings

Johnson	McDonald	Piepho	Schreiber	Valan
Kalis	McKasy	Quist	Seaberg	Valento
Knickerbocker	Minne	Redalen	Shaver	Waltman
Krueger	Neuenschwander	Keif	Solberg	Welker
Kvam	Olsen	Riveness	Stadum	Welle
Levi	Omman	Rose	Sviggum	Wenzel
Ludeman	Onnen	Schafer	Thiede	Wigley
Marsh	Pauly	Schoenfeld	Uphus	Zaffke

Those who voted in the negative were:

Anderson, B.	Graba	McEachern	Quinn	Staten
Anderson, G.	Greenfield	Metzen	Rice	Swanson
Beard	Gustafson	Munger	Rodosovich	Tomlinson
Bergstrom	Jacobs	Murphy	Rodriguez, F.	Tunheim
Brandl	Jensen	Nelson, K.	St. Onge	Vanasek
Brinkman	Kahn	Norton	Sarna	Vellienga
Carlson, L.	Kelly	O'Connor	Scheid	Voss
Clark, J.	Knuth	Ogren	Segal	Welch
Clawson	Kostohryz	Osthoff	Shea	Wynia
Coleman	Larsen	Peterson	Simoneau	Speaker Sieben
Eken	Long	Piper	Skoglund	
Ellingson	Mann	Price	Sparby	

The motion prevailed and the amendment was adopted.

MOTIONS AND RESOLUTIONS

Wenzel, Sieben, Mann, Kalis and Erickson introduced:

House Resolution No. 19, A house resolution proclaiming March 21, 1984, to be "Agriculture Day" in Minnesota.

SUSPENSION OF RULES

Wenzel moved that the rules be so far suspended that House Resolution No. 19 be now considered and be placed upon its adoption. The motion prevailed.

HOUSE RESOLUTION NO. 19

A house resolution proclaiming March 21, 1984, to be "Agriculture Day" in Minnesota.

Whereas, Minnesota is among the nation's leading states in agricultural production and cash receipts from agricultural products and livestock; and

Whereas, agriculture and its related industries provide approximately one-third of the state's employment opportunities and 40 percent of the gross state product; and

Whereas, the value of Minnesota farm production last year exceeded 7.5 billion dollars, with more than double that amount generated due to related marketing, processing, packaging, and distribution; and

Whereas, Minnesota ranks among the nation's top five states in agricultural cash receipts, crop marketing, and the production of oats, sweet corn, wild rice, turkeys, wheat, sugar beets, dairy products, and livestock; and

Whereas, the future of Minnesota's farms and agricultural industries remains the key to the future of the state economy as a whole; *Now, Therefore*,

Be It Resolved by the House of Representatives of the State of Minnesota that March 21 is proclaimed to be Agriculture Day in Minnesota. The House of Representatives recognizes the critical nature of the agricultural economy and the challenging and complex problems being faced by our state farmers and agribusinesses and reaffirms its commitment to maintaining and improving the vitality of agriculture in our state.

Be It Further Resolved that the Chief Clerk of the House of Representatives is directed to enroll a copy of this resolution, to be authenticated by his signature and that of the Speaker and that it be presented to representatives of the appropriate agricultural organizations and industries.

Wenzel moved that House Resolution No. 19 be now adopted. The motion prevailed and House Resolution No. 19 was adopted.

Forsythe and Pauly introduced:

House Resolution No. 20, A house resolution congratulating the Hornets Hockey team from Edina High School for winning the 1984 State High School Hockey Championship.

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

Forsythe and Pauly introduced:

House Resolution No. 21, A house resolution congratulating the swimming and diving team from Edina High School for winning the 1984 Boys State High School Swimming and Diving Championship.

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

Wenzel introduced:

House Resolution No. 22, A house resolution congratulating Cy Carpenter on his election as President of the National Farmers Union.

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

Gustafson moved that H. F. No. 29 be recalled from the Committee on Rules and Legislative Administration and be re-referred to the Committee on General Legislation and Veterans Affairs. The motion prevailed.

O'Connor moved that H. F. No. 1888 be recalled from the Committee on Judiciary and be re-referred to the Committee on Transportation. The motion prevailed.

Rice moved that H. F. No. 1903 be recalled from the Committee on Environment and Natural Resources and be re-referred to the Committee on Local and Urban Affairs. The motion prevailed.

Swiggum moved that the names of Osthoff, Minne and Welle be added as authors on H. F. No. 427. The motion prevailed.

Osthoff moved that the name of Knuth be added as an author on H. F. No. 700. The motion prevailed.

Jennings moved that the name of Jennings be shown as second author and the name of Clawson be shown as chief author on H. F. No. 1180. The motion prevailed.

Jennings moved that the name of Findlay be added as an author on H. F. No. 1255. The motion prevailed.

Skoglund moved that the name of Berkelman be stricken and the name of Skoglund be shown as chief author on H. F. No. 1352. The motion prevailed.

Krueger moved that the names of Wenzel, Uphus and Redalen be added as authors on H. F. No. 1425. The motion prevailed.

Sparby moved that the name of Valan be added as an author on H. F. No. 1449. The motion prevailed.

Seaberg moved that the name of Riveness be added as an author on H. F. No. 1609. The motion prevailed.

Gutknecht moved that the name of Shea be added as an author on H. F. No. 1802. The motion prevailed.

Simoneau moved that the name of Hoffman be added as an author on H. F. No. 1833. The motion prevailed.

Rose moved that the names of Clawson and Schreiber be added as authors on H. F. No. 1840. The motion prevailed.

Olsen moved that the name of Rodriguez, F., be added as an author on H. F. No. 1869. The motion prevailed.

Kostohryz moved that the names of Osthoff, Rose, Levi and Valento be added as authors on H. F. No. 1954. The motion prevailed.

Rodriguez, C., moved that the name of DenOuden be added as an author on H. F. No. 1962. The motion prevailed.

Dimler moved that the names of Brinkman and McKasy be added as authors on H. F. No. 2007. The motion prevailed.

Kelly moved that the name of Segal be added as an author on H. F. No. 2009. The motion prevailed.

Olsen moved that the name of Dimler be added as an author on H. F. No. 2027. The motion prevailed.

Minne moved that the name of Elioff be shown as chief author and the name of Minne be shown as second author on H. F. No. 2036. The motion prevailed.

Staten moved that the name of Segal be added as an author on H. F. No. 2037. The motion prevailed.

Ogren moved that the name of Vellenga be added as an author on H. F. No. 2042. The motion prevailed.

Sparby moved that the name of Segal be added as an author on H. F. No. 2044. The motion prevailed.

Greenfield moved that the name of Elioff be added as an author on H. F. No. 2048. The motion prevailed.

Coleman moved that the name of Staten be added as an author on H. F. No. 2061. The motion prevailed.

Greenfield moved that the name of Vellenga be added as an author on H. F. No. 2068. The motion prevailed.

Rodriguez, F., moved that the name of Wigley be added as an author on H. F. No. 2072. The motion prevailed.

Segal moved that the name of Staten be added as an author on H. F. No. 2079. The motion prevailed.

O'Connor moved that the name of Ogren be added as an author on H. F. No. 2090. The motion prevailed.

Coleman moved that the name of Hoffman be added as an author on H. F. No. 2010. The motion prevailed.

Jennings moved that H. F. No. 1986 be returned to its author. The motion prevailed.

Graba moved that H. F. No. 1593 be returned to its author. The motion prevailed.

PENDING POINT OF ORDER

The pending point of order relating to H. F. No. 1593 and raised by Jennings on Thursday, March 15, 1984, pursuant to section 491, paragraph 3 of "Mason's Manual of Legislative Procedure" and printed in the Journal of the House on page 6522 for the 64th Legislative Day was reported to the House. The Speaker ruled the Jennings point of order well taken and the Eken motion to lay the Jennings motion on the table out of order.

The Speaker ruled the Jennings motion was not now in order because H. F. No. 1593 was returned to its author by motion earlier today.

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 2:00 p.m., Monday, March 26, 1984. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Monday, March 26, 1984.

EDWARD A. BURDICK, Chief Clerk, House of Representatives