

## STATE OF MINNESOTA

## SEVENTY-THIRD SESSION - 1984

## EIGHTY-SECOND DAY

SAINT PAUL, MINNESOTA, THURSDAY, APRIL 19, 1984

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

Prayer was offered by Pastor Marvin Sandness, Christ Lutheran Church, Capitol Hill, St. Paul, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Hoberg was excused.

Carlson, D., was excused until 12:10 p.m. Knickerbocker was excused until 2:30 p.m.

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

#### REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1559, 2289, 2312, 1291, 1800, 1977, 2099 and 1577 and S. F. Nos. 1858, 2167, 1683, 2164, 2165, 1561, 1842, 1903, 2046, 1298, 1879, 1880, 1736, 2138, 1884, 1441, 1243, 1940, 1813, 1614, 1407, 1776, 2072, 2178, 1943 and 1980 have been placed in the members' files.

S. F. No. 1903 and H. F. No. 2070, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Jacobs moved that S. F. No. 1903 be substituted for H. F. No. 2070 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2164 and H. F. No. 2276, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Minne moved that S. F. No. 2164 be substituted for H. F. No. 2276 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1683 and H. F. No. 2173, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

McEachern moved that S. F. No. 1683 be substituted for H. F. No. 2173 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1813 and H. F. No. 2113, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Peterson moved that S. F. No. 1813 be substituted for H. F. No. 2113 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1243 and H. F. No. 1303, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Greenfield moved that S. F. No. 1243 be substituted for H. F. No. 1303 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2165 and H. F. No. 2218, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

#### SUSPENSION OF RULES

Shea moved that the rules be so far suspended that S. F. No. 2165 be substituted for H. F. No. 2218 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1884 and H. F. No. 2068, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

#### SUSPENSION OF RULES

Greenfield moved that the rules be so far suspended that S. F. No. 1884 be substituted for H. F. No. 2068 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1776 and H. F. No. 2036, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

#### SUSPENSION OF RULES

Elioff moved that the rules be so far suspended that S. F. No. 1776 be substituted for H. F. No. 2036 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1407 and H. F. No. 1865, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

#### SUSPENSION OF RULES

Battaglia moved that the rules be so far suspend that S. F. No. 1407 be substituted for H. F. No. 1865 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1298 and H. F. No. 1302, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

#### SUSPENSION OF RULES

Clawson moved that the rules be so far suspended that S. F. No. 1298 be substituted for H. F. No. 1302 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1879 and H. F. No. 1910, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

#### SUSPENSION OF RULES

Nelson, K., moved that the rules be so far suspended that S. F. No. 1879 be substituted for H. F. No. 1910 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1880 and H. F. No. 2012, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

#### SUSPENSION OF RULES

Vanasek moved that the rules be so far suspended that S. F. No. 1880 be substituted for H. F. No. 2012 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2046 and H. F. No. 2161, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

#### SUSPENSION OF RULES

Vanasek moved that the rules be so far suspended that S. F. No. 2046 be substituted for H. F. No. 2161 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2138 and H. F. No. 2055, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

#### SUSPENSION OF RULES

Clark, J., moved that the rules be so far suspended that S. F. No. 2138 be substituted for H. F. No. 2055 and that the House File be indefinitely postponed. The motion prevailed.

#### SECOND READING OF SENATE BILLS

S. F. Nos. 1903, 2164, 1683, 1813, 1243, 2165, 1884, 1776, 1407, 1298, 1879, 1880, 2046 and 2138 were read for the second time.



## INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Metzen introduced:

H. F. No. 2339, A bill for an act relating to agriculture; changing procedures for weighing livestock; imposing a penalty; appropriating money; amending Minnesota Statutes 1982, sections 17A.03, by adding subdivisions; 17A.04, subdivisions 1, 6, 7, and 8; 17A.05; 17A.07; 17A.10; 17A.11; and 17A.12; Minnesota Statutes 1983 Supplement, section 17A.06, subdivision 3; proposing new law coded in Minnesota Statutes, chapter 17A.

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

Kvam; Brinkman; Begich; Carlson, D., and Jennings introduced:

H. F. No. 2340, A bill for an act proposing an amendment to the Minnesota Constitution, article IV, section 12; limiting the matters considered at an even-year session to tax, appropriation, and federal law conformance matters.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

## HOUSE ADVISORIES

The following House Advisories were introduced:

Rodosovich; Coleman; Blatz; Clark, J., and Knuth introduced:

H. A. No. 65, A proposal to study alternatives to licensure of family daycare homes.

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

Begich introduced:

H. A. No. 66, A proposal to study economic development.

The advisory was referred to the Committee on Commerce and Economic Development.

Begich introduced:

H. A. No. 67, A proposal to study enforcement of the minimum wage laws.

The advisory was referred to the Committee on Labor-Management Relations.

Clark, K.; Vellenga and Staten introduced:

H. A. No. 68, A proposal to study the sources and subsequent health effects of high concentrations of lead in children.

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

Kvam, Brandl, Wynia, Clawson and Carlson, D., introduced:

H. A. No. 69, A proposal for the study of the appropriate work for the legislature in even-numbered years.

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

Fjoslien and Evans introduced:

H. A. No. 70, A proposal to select and erect a suitable capitol mall memorial to Native Americans.

The advisory was referred to the Committee on Governmental Operations.

Sviggum, Rodosovich, Dimler and Carlson, D., introduced:

H. A. No. 71, A proposal to study the adequacy of protection of crops from deer and bear damage.

The advisory was referred to the Committee on Agriculture.

Vellenga, Kalis, Valan and Carlson, D., introduced:

H. A. No. 72, A proposal to study University of Minnesota programs to assist farmers with their financial problems.

The advisory was referred to the Committee on Agriculture.

Frerichs and Jensen introduced:

H. A. No. 73, A proposal to reevaluate the current distribution formula for the motor vehicle excise tax.

The advisory was referred to the Committee on Transportation.

Munger was excused between the hours of 11:15 a.m. and 12:30 p.m.

### MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 1402, A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1620, A bill for an act relating to rehabilitation services for blind and visually handicapped persons; authorizing adoption of rules; amending Minnesota Statutes 1982, section 248.07, by adding a subdivision.

H. F. No. 1771, A bill for an act relating to financial institutions; credit unions; providing for reciprocity between Minnesota credit unions and credit unions from states that have enacted similar laws; amending Minnesota Statutes 1982, section 52.03.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1216, A bill for an act relating to taxation; exempting petroleum products used in certain improvements to agri-

cultural land for purposes of the sales tax; prohibiting certain retroactive imposition of tax, penalty, and interest; amending Minnesota Statutes 1982, section 297A.25, subdivision 1.

H. F. No. 1481, A bill for an act relating to financial institutions; credit unions; authorizing credit unions to offer various classes of shares, share certificates, deposits, or deposit certificates; authorizing the board of directors to establish different classes of shares and place certain restrictions on one class of shares; allowing credit unions to designate the par value of shares; specifying certain components of the capital of a credit union; adding investment losses to the category of contingencies against which credit unions are required to reserve; permitting the board to pay no dividend; permitting the exclusion of one share of a member from the requirement for insurance; amending Minnesota Statutes 1982, sections 52.12; 52.17, subdivision 1; 52.18; and 52.24, by adding a subdivision; Minnesota Statutes 1983 Supplement, sections 52.01; 52.04, subdivision 1; 52.05; and 52.09, subdivision 2.

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.

H. F. No. 2141, A bill for an act relating to commerce; modifying the definition of "franchise" for purposes of franchise regulation; amending Minnesota Statutes 1982, section 80C.01, subdivision 4.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1107, A bill for an act relating to the Minnesota veterans home; clarifying the treatment of assets for purposes of calculating maintenance charges; amending Minnesota Statutes 1982, section 198.03.

H. F. No. 1507, A bill for an act relating to taxation; deed tax; exempting certain partitions; amending Minnesota Statutes 1982, section 287.22.

H. F. No. 1703, A bill for an act relating to local government; authorizing joint exercise of police powers; amending Minnesota Statutes 1982, section 471.59, by adding a subdivision.

H. F. No. 1950, A bill for an act relating to discrimination; authorizing a woman to use a current or former surname for purposes of credit or business; prohibiting discrimination on the basis of use of a current or former surname; amending Minnesota Statutes 1982, section 363.03, subdivision 8, and by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 325G.

H. F. No. 2081, A bill for an act relating to local government; 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1264, A bill for an act relating to commerce; regulating pipefitters and pipefitting; amending Minnesota Statutes 1982, sections 326.46; 326.47; 326.48; and 326.50; proposing new law coded in Minnesota Statutes, chapters 175 and 326; repealing Minnesota Statutes 1982, section 326.49.

H. F. No. 1853, A bill for an act relating to public welfare; providing for rulemaking authority for the Community Social Services Act; amending Minnesota Statutes 1982, section 256E.05, subdivision 1.

H. F. No. 2180, A resolution memorializing the President and Secretary of Transportation of the United States, the National Transportation Safety Board, and the Minnesota Congressional delegation to implement a program for the reflectorization of railroad rolling stock.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1753, A bill for an act relating to the city of St. Cloud; giving the city the powers of a port authority.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

Senate Concurrent Resolution No. 18, A Senate concurrent resolution requiring the establishment of an affirmative action plan for the legislature; requiring employment of an affirmative action officer.

PATRICK E. FLAHAVEN, Secretary of the Senate

SENATE CONCURRENT RESOLUTION NO. 18

A Senate concurrent resolution requiring the establishment of an affirmative action plan for the legislature; requiring employment of an affirmative action officer.

*Whereas*, the Minnesota Legislature has the responsibility to guarantee every individual equal employment opportunity in the legislative branch without reference to race, color, religion, sex, handicap, or national origin; and

*Whereas*, it is the intention of the Minnesota Legislature to remove any vestiges of discrimination that may impede full compliance with equal employment opportunity in the legislative branch of state government; *Now, Therefore*,

*Be it resolved* by the Senate of the State of Minnesota, the House of Representatives concurring, that:

(a) The Legislative Coordinating Commission shall employ or contract for the services of a legislative affirmative action officer. At the direction of the Legislative Coordinating Commission, the officer shall prepare an affirmative action program for the legislative branch that will assist in recruiting qualified members of minority groups for legislative branch staff positions, provide educational programs for legislators and legislative branch staff on the need for and proper response to affirmative action, and further equal employment opportunity in the legislative branch.

(b) The Legislative Coordinating Commission shall recommend the plan to the Senate and House of Representatives. The plan shall consist of:

(1) procedures, standards, and assumptions used by the Legislative Coordinating Commission in preparing the plan;

(2) objectives, goals, and policies;

(3) timetables for accomplishing the goals;

(4) a requirement for the periodic submission of affirmative action progress reports to the Legislative Coordinating Commission; and

(5) other relevant information.

(c) The Legislative Coordinating Commission shall periodically revise the plan, as necessary.

(d) All legislators and legislative branch staff shall facilitate the work of the affirmative action officer. Information shall be provided to the officer on each vacant position or new position established, and the affirmative officer may provide each hiring officer with a list of qualified applicants for these positions. Hiring officers shall advertise vacant or new positions and solicit applications in manners calculated to reach members of the minority community.

Staten moved to amend Senate Concurrent Resolution No. 18, as follows:

Page 1, line 21, delete "minority" and insert "protected"

The motion prevailed and the amendment was adopted.

Staten moved that Senate Concurrent Resolution No. 18, as amended, be now adopted.

The question was taken on Senate Concurrent Resolution No. 18, as amended, and the roll was called. There were 114 yeas and 2 nays as follows:

Those who voted in the affirmative were:

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

Staten	Tomlinson	Valento	Waltman	Wigley
Swiggum	Tunheim	Vanasek	Welch	Zaffke
Swanson	Uphus	Vellenga	Welle	Speaker Sieben
Thiede	Valan	Voss	Wenzel	

Those who voted in the negative were:

Schafer      Welker

The motion prevailed and Senate Concurrent Resolution No. 18, as amended, was adopted.

Mr. Speaker:

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

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

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Graba moved that the House concur in the Senate amendments to H. F. No. 1760 and that the bill be repassed as amended by the Senate. The motion prevailed.

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, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 121 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Clark, J.	Fjoslien	Hoffman	Long
Anderson, C.	Clark, K.	Forsythe	Hokr	Ludeman
Battaglia	Clawson	Frerichs	Jacobs	Mann
Beard	Coleman	Graba	Jennings	Marsh
Begich	Dempsey	Greenfield	Jensen	McDonald
Bennett	DenOuden	Gruenes	Johnson	McEachern
Bergstrom	Dimler	Gustafson	Kalis	McKasy
Bishop	Eken	Gutknecht	Kelly	Metzen
Blatz	Elioff	Halberg	Kostohryz	Minne
Boo	Ellingson	Haukoos	Krueger	Munger
Brinkman	Erickson	Heap	Kvam	Murphy
Burger	Evans	Heinitz	Larsen	Nelson, D.
Carlson, L.	Findlay	Himle	Levi	Nelson, K.



Neuenschwander	Piper	Schafer	Staten	Welch
Norton	Price	Scheid	Sviggum	Welker
O'Connor	Quinn	Schoenfeld	Swanson	Welle
Ogren	Quist	Seaberg	Thiede	Wenzel
Olsen	Reif	Segal	Tomlinson	Wigley
Omann	Riveness	Shaver	Tunheim	Wynia
Onnen	Rodosovich	Shea	Uphus	Zaffke
Osthoff	Rodriguez, C.	Sherman	Valento	Speaker Sieben
Otis	Rodriguez, F.	Simoneau	Vanasek	
Pauly	Rose	Skoglund	Vellenga	
Peterson	St. Onge	Solberg	Voss	
Piepho	Sarna	Sparby	Waltman	

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

Mr. Speaker:

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

H. F. No. 1850, A bill for an act relating to statutes; conforming various laws to judicial decisions of unconstitutionality; amending Minnesota Statutes 1982, sections 297A.25, subdivision 4; and 609.341, subdivision 11; repealing Minnesota Statutes 1982, section 238.07.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Bishop moved that the House concur in the Senate amendments to H. F. No. 1850 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1850, A bill for an act relating to statutes; conforming various laws to judicial decisions of unconstitutionality; amending Minnesota Statutes 1982, sections 125.12, subdivision 4; 297A.25, subdivision 4; and 609.341, subdivision 11; repealing Minnesota Statutes 1982, section 238.07.

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

The question was taken on the repassage of the bill and the roll was called. There were 121 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Beard	Bergstrom	Boo	Burger
Anderson, G.	Begich	Bishop	Brandl	Carlson, L.
Battaglia	Bennett	Blatz	Brinkman	Clark, J.

Clark, K.	Heap	Minne	Riveness	Thiede
Clawson	Heinitz	Munger	Rodosovich	Tomlinson
Coleman	Himle	Murphy	Rodriguez, F.	Tunheim
Dempsey	Hoffman	Nelson, D.	Rose	Uphus
DenOuden	Hokr	Nelson, K.	St. Onge	Valan
Dimler	Jacobs	Neuenschwander	Sarna	Valento
Eken	Jennings	Norton	Schafer	Vanasek
Elioff	Jensen	O'Connor	Scheid	Vellenga
Ellingson	Johnson	Ogren	Schoenfeld	Voss
Erickson	Kalis	Olsen	Seaberg	Waltman
Evans	Kelly	Omann	Segal	Welch
Findlay	Kostohryz	Onnen	Shaver	Welker
Fjoslien	Krueger	Osthoff	Shea	Welle
Forsythe	Kvam	Otis	Sherman	Wenzel
Frerichs	Larsen	Pauly	Simoneau	Wigley
Graba	Levi	Peterson	Skoglund	Wynia
Greenfield	Ludeman	Piepho	Solberg	Zaffke
Gruenes	Mann	Piper	Sparby	Speaker Sieben
Gustafson	Marsh	Price	Stadum	
Gutknecht	McDonald	Quinn	Staten	
Halberg	McEachern	Quist	Sviggum	
Haukoos	Metzen	Reif	Swanson	

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

Mr. Speaker:

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

H. F. No. 1806, A bill for an act relating to public welfare; amending the reporting of maltreatment of minors act; clarifying the roles of law enforcement and local welfare agencies; requiring law enforcement agencies to follow certain procedures when interviewing minors on school property; clarifying language; amending Minnesota Statutes 1982, section 626.556, subdivisions 3 and 11; amending Minnesota Statutes 1983 Supplement, section 626.556, subdivisions 1, 2, 4, and 10.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Elioff moved that the House concur in the Senate amendments to H. F. No. 1806 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1806, A bill for an act relating to public welfare; amending the reporting of maltreatment of minors act; clarifying the roles of law enforcement and local welfare agencies; clarifying language; amending Minnesota Statutes 1982, section 626.556, subdivisions 3 and 11; amending Minnesota Statutes 1983 Supplement, section 626.556, subdivisions 1, 2, 4, and 10.

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

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

Those who voted in the affirmative were:

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

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

Mr. Speaker:

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

H. F. No. 1911, A bill for an act relating to state lands; authorizing the sale of a certain lakeshore property in Kandiyohi County.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Welle moved that the House concur in the Senate amendments to H. F. No. 1911 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1911, A bill for an act relating to state lands; authorizing the sale of a certain lakeshore property in Kandiyohi County, and certain forest land in Fillmore County.

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

The question was taken on the repassage of the bill and the roll was called. There were 116 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

Mr. Speaker:

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

H. F. No. 1975, A bill for an act relating to transportation; allowing entire portions of former trunk highways to revert to counties under certain circumstances; discontinuing a trunk highway route; amending Minnesota Statutes 1982, section 161.16, subdivision 4.

PATRICK E. FLAHAVEN, Secretary of the Senate

## CONCURRENCE AND REPASSAGE

Mann moved that the House concur in the Senate amendments to H. F. No. 1975 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1975, A bill for an act relating to transportation; allowing entire portions of former trunk highways to revert to counties under certain circumstances; allowing town road funds to be used for gravel maintenance; discontinuing a trunk highway route; amending Minnesota Statutes 1982, section 161.16, subdivision 4; and Minnesota Statutes 1983 Supplement, section 162.081, subdivision 4.

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

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

Those who voted in the affirmative were:

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

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

Mr. Speaker:

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

H. F. No. 1915, A bill for an act relating to commerce; providing for the licensing of transient merchants by local units of governments; amending Minnesota Statutes 1982, sections 329.15; and 329.16.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Rodosovich moved that the House concur in the Senate amendments to H. F. No. 1915 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1915, A bill for an act relating to commerce; providing for the licensing of transient merchants by local units of governments; amending Minnesota Statutes 1982, sections 329.15; and 329.16.

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

The question was taken on the repassage of the bill and the roll was called. There were 119 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

Mr. Speaker:

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

H. F. No. 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, and 6; 221.121, subdivision 5; 221.131, subdivision 1; 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Jensen moved that the House concur in the Senate amendments to H. F. No. 1801 and that the bill be repassed as amended by the Senate. The motion prevailed.

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, and 6; 221.121, subdivision 5; 221.131, subdivision 1; 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.

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

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

Those who voted in the affirmative were:

Anderson, B.	Beard	Bergstrom	Boo	Carlson, L.
Anderson, G.	Begich	Bishop	Brandl	Clark, J.
Battaglia	Bennett	Blatz	Burger	Clark, K.

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

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

Mr. Speaker :

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

H. F. No. 322, A bill for an act relating to local government; prohibiting cities and counties from establishing residency requirements as a condition of employment; amending Minnesota Statutes 1982, section 415.16.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Piepho moved that the House concur in the Senate amendments to H. F. No. 322 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 322, A bill for an act relating to local government; prohibiting cities and counties from establishing residency requirements as a condition of employment; providing that the city of Hermantown may allow deferral of special assessment payments where payment would cause hardship; amending Minnesota Statutes 1982, section 415.16.

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

The question was taken on the repassage of the bill and the roll was called. There were 105 yeas and 13 nays as follows:



## Those who voted in the affirmative were:

Anderson, B.	Ellingson	Kostohryz	Peterson	Simoneau
Anderson, C.	Erickson	Krueger	Piepho	Skoglund
Battaglia	Findlay	Kvam	Piper	Solberg
Beard	Forsythe	Larsen	Price	Sparby
Begich	Greenfield	Levi	Quist	Stadum
Bennett	Gruenes	Long	Redalen	Staten
Bergstrom	Gustafson	Mann	Reif	Swanson
Bishop	Gutknecht	McDonald	Rodosovich	Tomlinson
Blatz	Halberg	McEachern	Rodriguez, C.	Tunheim
Boo	Heap	Metzen	Rodriguez, F.	Uphus
Brandl	Heinitz	Munger	Rose	Valan
Brinkman	Himle	Murphy	St. Onge	Valento
Burger	Hoffman	Nelson, D.	Sarna	Vellenga
Carlson, L.	Hokr	Nelson, K.	Scheid	Voss
Clark, J.	Jacobs	Neuenschwander	Schoenfeld	Waltman
Clark, K.	Jensen	O'Connor	Schreiber	Welch
Clawson	Johnson	Ogren	Seaberg	Welle
Cohen	Kahn	Omann	Segal	Wenzel
Coleman	Kalis	Onnen	Shaver	Wigley
Dimler	Kelly	Otis	Shea	Wynia
Elioff	Knuth	Pauly	Sherman	Speaker Sieben

## Those who voted in the negative were:

Dempsey	Fjoslien	Jennings	Swiggum	Welker
DenOuden	Frerichs	Ludeman	Thiede	Zaffke
Evans	Haukoos	Schafer		

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

## Mr. Speaker:

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

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

PATRICK E. FLAHAVEN, Secretary of the Senate

## CONCURRENCE AND REPASSAGE

Battaglia moved that the House concur in the Senate amendments to H. F. No. 560 and that the bill be repassed as amended by the Senate. The motion prevailed.

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

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

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

Those who voted in the affirmative were:

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

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

Mr. Speaker:

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

H. F. No. 1846, A bill for an act relating to taxation; authorizing use of proceeds of the taconite occupation tax for economic development loans to businesses; amending Minnesota Statutes 1982, section 298.17.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Neuenschwander moved that the House concur in the Senate amendments to H. F. No. 1846 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1846: A bill for an act relating to taxation; authorizing use of proceeds of the taconite occupation tax for economic

development loans and grants to businesses; amending Minnesota Statutes 1982, section 298.17.

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

The question was taken on the repassage of the bill and the roll was called. There were 100 yeas and 18 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dimler	Kalis	Ogren	Shea
Anderson, C.	Elioff	Kelly	Omamn	Sherman
Battaglia	Ellingson	Knuth	Onnen	Simoneau
Beard	Erickson	Kostohryz	Osthoiff	Skoglund
Begich	Evans	Krueger	Otis	Solberg
Bennett	Findlay	Kvam	Pauly	Sparby
Bergstrom	Forsythe	Larsen	Peterson	Staten
Bishop	Graba	Levi	Piepho	Swanson
Blatz	Greenfield	Long	Price	Tomlinson
Boo	Gruenes	Mann	Rice	Tunheim
Brandl	Gutknecht	Marsh	Rodosovich	Uphus
Brinkman	Halberg	McEachern	Rodriguez, C.	Valan
Burger	Heap	Metzen	Rodriguez, F.	Vellenga
Carlson, L.	Heinitz	Minne	Rose	Voss
Clark, J.	Hoffman	Munger	St. Onge	Waltman
Clark, K.	Hokr	Murphy	Sarna	Welch
Clawson	Jacobs	Nelson, D.	Schoenfeld	Welle
Cohen	Jensen	Nelson, K.	Schreiber	Wenzel
Coleman	Johnson	Neuenschwander	Segal	Wynia
Dempeey	Kahn	O'Connor	Shaver	Speaker Sieben

Those who voted in the negative were:

DenOuden	Himle	Quist	Stadum	Welker
Fjoslien	Jennings	Reif	Svigum	Wigley
Frerichs	Ludeman	Schafer	Valento	Zaffke
Haukoos	Olsen	Seaberg		

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

Mr. Speaker:

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

H. F. No. 2238, A bill for an act relating to natural resources; authorizing the commissioner of natural resources to sell certain lands in Koochiching County; appropriating money.

PATRICK E. FLAHAVEN, Secretary of the Senate

## CONCURRENCE AND REPASSAGE

Elioff moved that the House concur in the Senate amendments to H. F. No. 2238 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2238, A bill for an act relating to natural resources; authorizing the commissioner of natural resources to sell certain lands in Koochiching County; appropriating money.

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

The question was taken on the repassage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

Mr. Speaker:

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

H. F. No. 1502, A bill for an act relating to children; providing special foster care and adoption procedures for Indian children; proposing new law coded in Minnesota Statutes, chapter 257.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Clark, K., moved that the House concur in the Senate amendments to H. F. No. 1502 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1502, A bill for an act relating to children; providing special foster care and adoption procedures for Indian children; proposing new law coded in Minnesota Statutes, chapter 257.

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

The question was taken on the repassage of the bill and the roll was called. There were 46 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Boo	Gruenes	O'Connor	Scheid	Vanasek
Carlson, L.	Jensen	Ogren	Segal	Vellenga
Clark, J.	Kahn	Omann	Sherman	Voss
Clark, K.	Kelly	Otis	Simoneau	Wynia
Coleman	Knuth	Piper	Solberg	Zaffke
Dempsey	Kostohryz	Price	Staten	Speaker Sieben
Eken	Larsen	Riveness	Sviggum	
Ellingson	Long	Rodriguez, C.	Swanson	
Graba	Murphy	Rodriguez, F.	Tomlinson	
Greenfield	Norton	St. Onge	Tunheim	

Those who voted in the negative were:

Anderson, B.	Fjoslien	Krueger	Pauly	Skoglund
Battaglia	Forsythe	Kvam	Peterson	Sparby
Beard	Frerichs	Levi	Piepho	Stadum
Begich	Gustafson	Ludeman	Quinn	Thiede
Bennett	Gutknecht	Mann	Quist	Uphus
Bishop	Halberg	Marsh	Redalen	Valan
Blatz	Haukoos	McDonald	Reif	Valento
Brandl	Heap	McEachern	Rodosovich	Waltman
Brinkman	Heinitz	McKasy	Rose	Welch
Burger	Himle	Metzen	Sarna	Welker
Cohen	Hoffman	Minnie	Schafer	Welle
DenOuden	Hokr	Munger	Schoenfeld	Wigley
Elioff	Jacobs	Neuenschwander	Schreiber	
Erickson	Jennings	Olsen	Seaberg	
Evans	Johnson	Onnen	Shaver	
Findlay	Kalis	Osthoff	Shea	

The bill was not repassed, as amended by the Senate.

Mr. Speaker:

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

H. F. No. 1815, A bill for an act relating to taxation; property; eliminating obsolete language; making technical changes; and repealing obsolete provisions; amending Minnesota Statutes 1982, sections 272.02, subdivisions 2, 3, and 5; 272.20; 272.21; 272.32; 272.37; 272.64; 273.05, subdivision 1; 273.061, subdivision 2; 273.08; 273.1105, subdivision 5; 273.111, subdivisions 8 and 11; 273.115, subdivision 5; 273.116, subdivisions 1 and 5; 273.13, subdivisions 7a, 15a, and 19; 273.135, subdivision 3; 273.1391, subdivision 3; 273.22; 275.02; 275.49; 275.51, subdivisions 1 and 4; 360.037, subdivision 2; 373.31, subdivision 2; 375.167, subdivision 1; 473F.02, subdivision 3; 473H.10, subdivision 3; 475.53, subdivisions 1, 3, and 5; Minnesota Statutes 1983 Supplement, sections 272.02, subdivision 1; 273.115, subdivision 1; 273.13, subdivisions 6, 7, 7d, and 14a; 273.138, subdivision 6; 507.235, subdivision 2; repealing Minnesota Statutes 1982, sections 270.90; 272.34; 272.35; 272.36; 272.61; 272.62; 272.63; 272.66; 273.04; 273.111, subdivision 8a; 273.13, subdivision 14; 273.27; 273.56; 275.09; 275.091; 275.161; 275.23; 275.44; 275.45; 275.46; 275.47; 368.86; and 382.19.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Osthoff moved that the House concur in the Senate amendments to H. F. No. 1815 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1815, A bill for an act relating to taxation; property; eliminating obsolete language; making technical changes; and repealing obsolete provisions; amending Minnesota Statutes 1982, sections 272.02, subdivisions 2, 3, and 5; 272.03, subdivision 2; 272.20; 272.21; 272.32; 272.37; 272.64; 273.05, subdivision 1; 273.061, subdivision 2; 273.08; 273.1105, subdivision 5; 273.111, subdivisions 8 and 11; 273.115, subdivision 5; 273.116, subdivisions 1 and 5; 273.13, subdivisions 7a, 15a, and 19; 273.135, subdivision 3; 273.1391, subdivision 3; 273.22; 275.02; 275.49; 275.51, subdivisions 1 and 4; 360.037, subdivision 2; 373.31, subdivision 2; 375.167, subdivision 1; 473F.02, subdivision 3; 473H.10, subdivision 3; 475.53, subdivisions 1, 3, and 5; Minnesota Statutes 1983 Supplement, sections 272.02, subdivision 1; 272.03, subdivision 1; 273.115, subdivision 1; 273.13, subdivisions 6, 7, 7d, and 14a; 273.138, subdivision 6; 507.235, subdivision 2; repealing Minnesota Statutes 1982, sections 270.90; 272.34; 272.35; 272.36; 272.61; 272.62; 272.63; 272.66; 273.04; 273.111, subdivision 8a; 273.13, subdivision 14; 273.27; 273.56;

275.09; 275.091; 275.161; 275.23; 275.44; 275.45; 275.46; 275.47; 368.86; and 382.19.

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

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

Those who voted in the affirmative were:

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

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

Mr. Speaker:

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

H. F. No. 1032, A bill for an act relating to Washington county; permitting the county to assess for highway improvements within cities.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Hoffman moved that the House concur in the Senate amendments to H. F. No. 1032 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1032, A bill for an act relating to local improvements; permitting counties to assess for highway improvements within cities; amending Minnesota Statutes 1982, sections 429.-011, subdivision 2a; and 429.061, subdivision 1.

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

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

Those who voted in the affirmative were:

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

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

Mr. Speaker:

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

H. F. No. 1304, A bill for an act relating to crimes; providing a penalty for theft of a firearm; providing a penalty for possession of a stolen firearm; amending Minnesota Statutes 1982, section 609.53, subdivision 1; and Minnesota Statutes 1983 Supplement, section 609.52, subdivision 3.

PATRICK E. FLAHAVEN, Secretary of the Senate



## CONCURRENCE AND REPASSAGE

Clark, J., moved that the House concur in the Senate amendments to H. F. No. 1304 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1304, A bill for an act relating to crimes; providing a penalty for theft of a firearm; providing a penalty for possession of a stolen firearm; amending Minnesota Statutes 1982, section 609.53, subdivision 1; and Minnesota Statutes 1983 Supplement, section 609.52, subdivision 3.

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

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

Those who voted in the affirmative were:

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

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

Mr. Speaker:

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

H. F. No. 1404, A bill for an act relating to drainage; providing for correction of certain errors in county or judicial ditch benefits; amending Minnesota Statutes 1982, section 106.465.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Onnen moved that the House concur in the Senate amendments to H. F. No. 1404 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1404, A bill for an act relating to drainage; providing for correction of certain errors in county or judicial ditch benefits; changing the fee for mailing certain notices; amending Minnesota Statutes 1982, sections 106.465; and 106.531.

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

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

Those who voted in the affirmative were:

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

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

Mr. Speaker:

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

which amendment the concurrence of the House is respectfully requested:

H. F. No. 1946, A bill for an act relating to the governor; transferring the authority to make certain appointments to various commissioners; providing for filling a membership vacancy on a board reoccurring within three months after the vacancy has been filled; amending Minnesota Statutes 1982, sections 1.35; 15.0575, by adding a subdivision; 16.71, subdivision 1; 121.934, subdivision 1; 182.656, subdivision 1; and 326.33, subdivision 1; Minnesota Statutes 1983 Supplement, sections 16.911, subdivision 1; 116E.02, subdivision 1; and 299B.05, subdivision 1; repealing Minnesota Statutes 1982, section 116E.02, subdivision 2.

PATRICK E. FLAHAVEN; Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Knuth moved that the House concur in the Senate amendments to H. F. No. 1946 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1946, A bill for an act relating to the governor; transferring the authority to make certain appointments to various commissioners; providing for filling a membership vacancy on a board reoccurring within three months after the vacancy has been filled; amending Minnesota Statutes 1982, sections 1.35; 15.0575, by adding a subdivision; 16.71, subdivision 1; 182.656, subdivision 1; and 326.33, subdivision 1; Minnesota Statutes 1983 Supplement, sections 16.911, subdivision 1; 116E.02, subdivision 1; and 299B.05, subdivision 1; repealing Minnesota Statutes 1982, section 116E.02, subdivision 2.

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

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

Those who voted in the affirmative were:

Anderson, B.	Brinkman	Eken	Gruenes	Jennings
Anderson, C.	Burger	Ellioff	Gustafson	Jensen
Battaglia	Carlson, L.	Ellingson	Gutknecht	Johnson
Beard	Clark, J.	Erickson	Halberg	Kahn
Begich	Clark, K.	Evans	Haukoos	Kalis
Bennett	Clawson	Findlay	Heap	Kelly
Bergstrom	Cohen	Fjoslien	Heinitz	Knuth
Bishop	Coleman	Forsythe	Himle	Kostohryz
Blatz	Dempsey	Frerichs	Hoffman	Krueger
Boo	DonOuden	Graba	Hokr	Kvam
Brandl	Dimler	Greenfield	Jacobs	Larsen

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

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

The Speaker called Wynia to the Chair.

Mr. Speaker:

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

H. F. No. 1803, A bill for an act relating to Kandiyohi County; permitting the county to abate and cancel liens filed against property benefited by county ditches 10 and 46.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Welle moved that the House concur in the Senate amendments to H. F. No. 1803 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1803, A bill for an act relating to Kandiyohi County; authorizing the county to satisfy certain liens according to certain procedures.

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

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

Those who voted in the affirmative were:

Anderson, B.	Begich	Blatz	Burger	Clawson
Anderson, G.	Bennett	Boo	Carlson, L.	Cohen
Battaglia	Bergstrom	Brandl	Clark, J.	Coleman
Beard	Bishop	Brinkman	Clark, K.	Dempsey

DenOuden	Hoffman	Metzen	Rice	Staten
Dimaler	Hokr	Minne	Riveness	Swiggum
Eken	Jacobs	Munger	Rodosovich	Swanson
Etioff	Jennings	Murphy	Rodriguez, C.	Thiede
Ellingson	Jensen	Neuenschwander	Rodriguez, F.	Tomlinson
Erickson	Johnson	Norton	Rose	Tunheim
Evans	Kahn	Ogren	St. Onge	Uphus
Findlay	Kalis	Olsen	Sarna	Valan
Fjoslien	Kelly	Omann	Schafer	Valento
Forsythe	Knuth	Onnen	Scheid	Vanasek
Frerichs	Kostohryz	Osthoff	Schreiber	Vellenga
Graba	Krueger	Otis	Seaberg	Voss
Greenfield	Kvam	Pauly	Segal	Waltman
Gruenes	Larsen	Peterson	Shaver	Welch
Gustafson	Levi	Piepho	Shea	Welker
Gutknecht	Long	Piper	Sherman	Welle
Halberg	Ludeman	Price	Simoneau	Wenzel
Haukoos	Mann	Quinn	Skoglund	Wigley
Heap	Marsh	Quist	Solberg	Wynia
Heinitz	McEachern	Redalen	Sparby	Zaffke
Himle	McKasy	Reif	Stadum	Speaker Sieben

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

Mr. Speaker:

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

H. F. No. 1875, A bill for an act relating to certain counties; providing for changes in the administration of county nursing homes and the issuance of general obligation bonds for such homes; authorizing the establishment of facilities for the provision of supportive services; allowing for a change in the reporting year for municipal nursing homes; amending Minnesota Statutes 1982, sections 376.55; 376.56; 376.57; 376.58; 376.59; 376.60; and 471.696; repealing Minnesota Statutes 1982, sections 376.573; 376.61; 376.62; 376.63; 376.64; 376.65; and 376.66.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Graba moved that the House concur in the Senate amendments to H. F. No. 1875 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1875, A bill for an act relating to local government; providing for changes in the administration of county nursing homes and the issuance of general obligation bonds for such homes; authorizing the establishment of facilities for the provision of supportive services; allowing for a change in the report-

ing year for municipal nursing homes; amending Minnesota Statutes 1982, sections 376.55; 376.56; 376.57; 376.58; 376.59; 376.60; and 471.696; repealing Minnesota Statutes 1982, sections 376.573; 376.61; 376.62; 376.63; 376.64; 376.65; and 376.66.

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

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

Those who voted in the affirmative were:

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

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

Mr. Speaker:

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

H. F. No. 1382, A bill for an act relating to crimes; clarifying the definition of "inmate" and "term of imprisonment"; providing for the manner of modifying sentencing guidelines and resentencing affected inmates; amending Minnesota Statutes 1982, section 244.01, subdivisions 2 and 8; 244.09, subdivision 5, and by adding a subdivision; and Minnesota Statutes 1983 Supplement, section 244.09, subdivision 11.

PATRICK E. FLAHAVEN, Secretary of the Senate

## CONCURRENCE AND REPASSAGE

Bishop moved that the House concur in the Senate amendments to H. F. No. 1382 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1382, A bill for an act relating to crimes; clarifying the definition of "inmate" and "term of imprisonment"; providing for the manner of modifying sentencing guidelines and re-sentencing affected inmates; amending Minnesota Statutes 1982, section 244.01, subdivisions 2 and 8; 244.09, subdivision 5, and by adding subdivisions; and Minnesota Statutes 1983 Supplement, section 244.09, subdivision 11.

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

The question was taken on the repassage of the bill and the roll was called. There were 118 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

Mr. Speaker:

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

H. F. No. 1886, A bill for an act relating to the dissemination and collection of data; welfare data; providing for the release of information in emergencies; classifying investigative data not on individuals; classifying certain licensing data; establishing procedures for the handling of medical data; amending Minnesota Statutes 1982, section 13.46, subdivisions 3, 4, 5, and 6; and Minnesota Statutes 1983 Supplement, section 13.46, subdivision 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Brandl moved that the House concur in the Senate amendments to H. F. No. 1886 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1886, A bill for an act relating to the dissemination and collection of data; welfare data; providing for the release of information in emergencies; classifying investigative data not on individuals; classifying certain licensing data; establishing procedures for the handling of medical data; amending Minnesota Statutes 1982, section 13.46, subdivisions 3, 4, 5, and 6; and Minnesota Statutes 1983 Supplement, section 13.46, subdivision 2.

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

The question was taken on the repassage of the bill and the roll was called. There were 121 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Eken	Jensen	Ogren	Scheid
Anderson, G.	Elioff	Johnson	Olsen	Schoenfeld
Beard	Ellingson	Kahn	Omann	Schreiber
Begich	Erickson	Kalis	Onnen	Seaberg
Bennett	Evans	Kelly	Osthoff	Segal
Bergstrom	Findlay	Knuth	Otis	Shea
Bishop	Fjoslien	Kostohryz	Pauly	Sherman
Blatz	Forsythe	Krueger	Peterson	Simoneau
Boo	Frerichs	Kvam	Piepho	Skoglund
Brandl	Graba	Larsen	Piper	Solberg
Brinkman	Greenfield	Levi	Quinn	Sparby
Burger	Gruenes	Ludeman	Quist	Stadum
Carlson, D.	Gustafson	Mann	Redalen	Staten
Carlson, L.	Gutknecht	Marsh	Reif	Sviggum
Clark, J.	Halberg	McEachern	Riveness	Swanson
Clark, K.	Haukoos	McKasy	Rodosovich	Thiede
Clawson	Heap	Metzen	Rodriguez, C.	Tomlinson
Cohen	Heinitz	Minne	Rodriguez, F.	Tunheim
Coleman	Himle	Murphy	Rose	Uphus
Dempsey	Hokr	Nelson, D.	St. Onge	Valan
DenOuden	Jacobs	Neuenschwander	Sarna	Valento
Dimler	Jennings	Norton	Schafer	Vanasek



Vellenga  
Voss  
Waltman

Welch  
Welker

Welle  
Wenzel

Wigley  
Wynia

Zaffke  
Speaker Sieben

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

Mr. Speaker:

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

H. F. No. 1533, A bill for an act relating to health; authorizing the board of dentistry to adopt rules relating to special training and education of dentists; amending Minnesota Statutes 1982, section 150A.04, subdivision 5.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Skoglund moved that the House concur in the Senate amendments to H. F. No. 1533 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1533, A bill for an act relating to health; authorizing the board of dentistry to adopt rules relating to special training and education of dentists; amending Minnesota Statutes 1982, section 150A.04, subdivision 5.

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

The question was taken on the repassage of the bill and the roll was called. There were 120 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Clark, K.	Greenfield	Kalis	Minne
Battaglia	Cohen	Gruenes	Kelly	Munger
Beard	Coleman	Gustafson	Knuth	Murphy
Bogich	Demsey	Gutknecht	Kostohryz	Nelson, D.
Bennett	DenOuden	Halberg	Krueger	Nelson, K.
Bergstrom	Dimler	Haukoos	Kvam	Neuenschwander
Bishop	Eken	Heap	Larsen	Norton
Blatz	Elioff	Heinitz	Levi	O'Connor
Boo	Ellingson	Himle	Long	Ogren
Brandl	Evans	Hokr	Mann	Olsen
Brinkman	Findlay	Jacobs	Marsh	Omann
Burger	Fjoslien	Jennings	McEachern	Onnen
Carlson, L.	Forsythe	Jensen	McKasy	Osthoff
Clark, J.	Frerichs	Johnson	Metzen	Otis

Pauly	Rodosovich	Seaberg	Staten	Vellenga
Peterson	Rodriguez, C.	Segal	Sviggunn	Voss
Piepho	Rodriguez, F.	Shaver	Swanson	Waltman
Piper	Rose	Shea	Thiede	Welch
Quinn	St. Onge	Sherman	Tomlinson	Welle
Quist	Sarna	Simoneau	Tunheim	Wenzel
Redalen	Schafer	Skoglund	Uphus	Wigley
Reif	Scheid	Solberg	Valan	Wynia
Rice	Schoenfeld	Sparby	Valento	Zaffke
Riveness	Schreiber	Stadum	Vanasek	Speaker Sieber

Those who voted in the negative were:

Ludeman      Welker

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

Mr. Speaker:

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

H. F. No. 1920, A bill for an act relating to public welfare; establishing payments for respite care of children who are mentally retarded, have epilepsy, or are emotionally handicapped; establishing a statewide fee schedule for parental cost of care; amending Minnesota Statutes 1982, sections 246.511; 252.27, subdivisions 1 and 2; and Minnesota Statutes 1983 Supplement, section 256B.14, subdivision 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Brandl moved that the House concur in the Senate amendments to H. F. No. 1920 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1920, A bill for an act relating to public welfare; establishing payments for respite care of children who are mentally retarded, have epilepsy, or are emotionally handicapped; establishing a statewide fee schedule for parental cost of care; amending Minnesota Statutes 1982, sections 246.511; 252.27, subdivisions 1 and 2; and Minnesota Statutes 1983 Supplement, section 256B.14, subdivision 2.

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

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

## Those who voted in the affirmative were:

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

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

Mr. Speaker:

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

H. F. No. 1775, A bill for an act relating to energy and economic development; energy and economic development authority; adding definitions; clarifying duties and powers of the energy and economic development authority; correcting statutory references; amending Minnesota Statutes 1982, sections 116J.88, as amended; 116J.89, subdivision 4; 116J.90, by adding a subdivision; 116J.91, subdivisions 15, 17, 18, and by adding subdivisions; 474.01, subdivisions 7 and 7a; Minnesota Statutes 1983 Supplement, sections 116J.89, subdivisions 1, 1a, 1b, 1c, 2, 6, and 8; 116J.90, subdivisions 1, 2, 3, 5, and 6; 116J.91, subdivisions 1, 4, 11, 12, 16, 19, and 20; 116J.923, subdivision 7; 116J.924, subdivision 3; 116J.925, subdivisions 1 and 3; 275.125, subdivision 12a; Laws 1983, chapter 323, section 5, subdivision 2; proposing new law coded in Minnesota Statutes, chapter 116L; repealing Minnesota Statutes 1983 Supplement, sections 116J.922; 116J.923, subdivisions 2 and 12; and 116J.924, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

## CONCURRENCE AND REPASSAGE

Otis moved that the House concur in the Senate amendments to H. F. No. 1775 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1775, A bill for an act relating to energy and economic development; energy and economic development authority; adding definitions; clarifying duties and powers of the energy and economic development authority; correcting statutory references; amending Minnesota Statutes 1982, sections 116J.88, as amended; 116J.89, subdivision 4; 116J.90, by adding a subdivision; 116J.91, subdivisions 15, 17, 18, and by adding a subdivision; 474.01, subdivisions 7 and 7a; Minnesota Statutes 1983 Supplement, sections 116J.89, subdivisions 1, 1a, 1b, 1c, 2, 6, and 8; 116J.90, subdivisions 1, 2, 3, 5, and 6; 116J.91, subdivisions 1, 4, 11, 12, 16, 19, and 20; 116J.923, subdivision 7; 116J.924, subdivision 3; 116J.925, subdivisions 1 and 3; 275.125, subdivision 12a; Laws 1983, chapter 323, section 5, subdivision 2; proposing new law coded as Minnesota Statutes, chapter 116M; repealing Minnesota Statutes 1983 Supplement, sections 116J.922; 116J.923, subdivisions 2 and 12; and 116J.924, subdivision 1.

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

The question was taken on the repassage of the bill and the roll was called. There were 75 yeas and 48 nays as follows:

## Those who voted in the affirmative were:

Battaglia	Ellingson	Marsh	Peterson	Solberg
Beard	Greenfield	McEachern	Piper	Sparby
Begich	Gruenes	Metzen	Price	Staten
Bergstrom	Gustafson	Minne	Quinn	Swanson
Boo	Hoffman	Munger	Riveness	Tomlinson
Brandl	Jacobs	Murphy	Rodosovich	Tunheim
Brinkman	Jensen	Nelson, D.	Rodriguez, C.	Uphus
Carlson, L.	Kalis	Nelson, K.	Rodriguez, F.	Valan
Clark, J.	Kelly	Neuenschwander	St. Onge	Vanasek
Clark, K.	Knuth	Norton	Sarna	Vellenga
Cohen	Kostohryz	O'Connor	Scheid	Voss
Coleman	Krueger	Ogren	Schoenfeld	Welch
Dimler	Larsen	Omann	Segal	Welle
Eken	Long	Osthoff	Simoneau	Wynia
Elioff	Mann	Otis	Skoglund	Speaker Sieben

## Those who voted in the negative were:

Bennett	Erickson	Halberg	Johnson	Onnen
Bishop	Evans	Haukoos	Kvam	Pauly
Blatz	Findlay	Heap	Levi	Piepho
Burger	Fjoslien	Heinitz	Ludeman	Quist
Carlson, D.	Forsythe	Himle	McDonald	Redalen
Dempsey	Frerichs	Hokr	McKasy	Reif
DeaOuden	Gutknecht	Jennings	Olsen	Rose

Schafer  
Schreiber  
Seaberg

Shaver  
Sherman  
Sviggum

Thiede  
Valento  
Waltman

Welker  
Wenzel

Wigley  
Zaffke

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

Mr. Speaker:

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

H. F. No. 1524, A bill for an act relating to claims against the state; providing for claims arising out of the injury or death of an inmate conditionally released or a person performing work pursuant to a court order; amending Minnesota Statutes 1982, section 3.739, subdivisions 1, 2; and by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Ogren moved that the House concur in the Senate amendments to H. F. No. 1524 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1524, A bill for an act relating to claims against the state; providing for claims arising out of the injury or death of an inmate conditionally released or a person performing work pursuant to a court order; amending Minnesota Statutes 1982, section 3.739, subdivisions 1, 2, and by adding a subdivision.

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

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

Those who voted in the affirmative were:

Anderson, B.	Burger	Ellingson	Haukoos	Knuth
Anderson, G.	Carlson, D.	Erickson	Heap	Kostohryz
Anderson, R.	Carlson, L.	Evans	Heinitz	Krueger
Battaglia	Clark, J.	Findlay	Himle	Kvam
Beard	Clark, K.	Fjoslien	Hoffman	Larsen
Begich	Clawson	Forsythe	Hokr	Levi
Bennett	Cohen	Frerichs	Jacobs	Long
Bergstrom	Coleman	Graba	Jennings	Ludeman
Bishop	Dempsey	Greenfield	Jensen	Mann
Blatz	DenOuden	Gruenes	Johnson	Marsh
Boo	Dimler	Gustafson	Kahn	McEachern
Brandl	Eken	Gutknecht	Kalis	McKasy
Brinkman	Eloff	Halberg	Kelly	Metzen

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

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

Mr. Speaker:

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

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

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Skoglund moved that the House concur in the Senate amendments to H. F. No. 1352 and that the bill be repassed as amended by the Senate. The motion prevailed.

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

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

The question was taken on the repassage of the bill and the roll was called. There were 126 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Anderson, G.	Bennett	Brandl	Clark, J.	Dempsey
Anderson, R.	Bergstrom	Brinkman	Clark, K.	DenOuden
Battaglia	Bishop	Burger	Clawson	Dimler
Beard	Blatz	Carlson, D.	Cohen	Eken
Begich	Boo	Carlson, L.	Coleman	Elioff

Ellingson	Jensen	Nelson, D.	Rodriguez, C.	Thiede
Erickson	Johnson	Nelson, K.	Rodriguez, F.	Tomlinson
Evans	Kahn	Neuenschwander	Rose	Tunheim
Findlay	Kalis	Norton	St. Onge	Uphus
Fjoslien	Kelly	Ogren	Sarna	Valan
Forsythe	Knuth	Olsen	Schafer	Valento
Frerichs	Kostohryz	Omman	Scheid	Vanasek
Graba	Krueger	Onnen	Schoenfeld	Vellenga
Greenfield	Kvam	Osthoff	Schreiber	Waltman
Gruenes	Larsen	Otis	Seaberg	Welch
Gustafson	Levi	Pauly	Segal	Welker
Gutknecht	Long	Peterson	Shaver	Welle
Halberg	Ludeman	Piper	Sherman	Wenzel
Haukoos	Mann	Price	Simoneau	Wigley
Heap	Marsh	Quinn	Skoglund	Wynia
Heinitz	McEachern	Quist	Solberg	Zaffke
Himle	McKasy	Redalen	Sparby	Speaker Sieben
Hoffman	Metzen	Reif	Stadum	
Hokr	Minne	Rice	Staten	
Jacobs	Munger	Riveness	Sviggum	
Jennings	Murphy	Rodosovich	Swanson	

Those who voted in the negative were:

Anderson, B.

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

Mr. Speaker:

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

H. F. No. 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 1982, sections 116J.88, by adding a subdivision; 116J.90, by adding subdivisions; Minnesota Statutes 1983 Supplement, sections 116J.88, subdivisions 7 and 7a; and 116J.90, subdivision 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Kalis moved that the House concur in the Senate amendments to H. F. No. 2051 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2051, A bill for an act relating to agriculture; authorizing the energy and economic development authority to pur-

chase, make, or participate in farm loans and to issue bonds or notes for this purpose; authorizing a loan-to-lender program; allocating bonding authority pursuant to a federal limitation act; amending Minnesota Statutes 1982, sections 116J.88, by adding subdivisions; 116J.90, by adding subdivisions; Minnesota Statutes 1983 Supplement, sections 116J.88, subdivisions 7 and 7a; and 116J.90, subdivisions 1 and 3; proposing new law coded in Minnesota Statutes, chapter 474.

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

The question was taken on the repassage of the bill and the roll was called. There were 94 yeas and 17 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Kostohryz	Pauly	Sherman
Anderson, G.	Erickson	Krueger	Peterson	Simoneau
Anderson, R.	Evans	Kvam	Piper	Sköglund
Battaglia	Findlay	Larsen	Price	Sparby
Beard	Fjoslien	Long	Quinn	Staten
Begich	Forsythe	Mann	Redalen	Sviggum
Bergstrom	Frerichs	McEachern	Rice	Swanson
Bishop	Greenfield	Metzen	Riveness	Tomlinson
Blatz	Gustafson	Munger	Rodosovich	Tunheim
Boo	Heap	Murphy	Rodriguez, C.	Uphus
Brandl	Heinitz	Nelson, D.	Rodriguez, F.	Valan
Brinkman	Himle	Nelson, K.	Rose	Varasek
Carlson, L.	Hoffman	Neuenschwander	St. Onge	Vellenga
Clark, J.	Jensen	Norton	Sarna	Waltman
Clawson	Johnson	Ogren	Scheid	Welch
Coleman	Kahn	Olsen	Schoenfeld	Wenzel
Dempsey	Kalis	Omman	Seaberg	Wynia
Eken	Kelly	Onnen	Segal	Speaker Sieben
Elioff	Knuth	Otis	Shea	

Those who voted in the negative were:

Bennett	Cutknecht	Marsh	Schafer	Valento
Burger	Haukoos	Osthoff	Shaver	Welker
DenOuden	Jennings	Quist	Thiede	Zaffke
Cruenes	Ludeman			

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

Mr. Speaker:

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

H. F. No. 1678, A bill for an act relating to insurance; clarifying annual statement filing requirements; providing for the suspension of authority of self-insurance entities or self-insurers; modifying certain existing fees and providing certain new fees;



providing for the approval of certain life insurance policies by the commissioner; 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; clarifying continuing education reporting requirements; 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; clarifying policy form filing requirements; describing certain requirements for enrollment in the comprehensive health insurance plan; increasing the agents referral fee under the comprehensive health insurance plan; 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 non-renewal 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; clarifying the powers of the commissioner regarding audits of the compensation reinsurance association; making various technical changes; providing remedies; prescribing penalties; appropriating money; amending Minnesota Statutes 1982, sections 60A.13, subdivision 6, and 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, subdivisions 4 and 8; 60A.199; 60A.21, subdivision 2; 60A.23, subdivision 5; 61A.02; 61A.03, by adding a subdivision; 62A.025; 62E.14, subdivision 1; 62E.15, subdivision 3; 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; 67A.241, subdivision 2; 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; 79.39; 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, subdivision 12; 60A.17, subdivisions 1a, 1d, and 6c; 60A.1701, subdivisions 5, 10, and 11; 60A.198, subdivision 3; 65A.01, subdivision 3; 65B.17, subdivision 1; 69.011, subdivision 1; and 79.37; proposing new law coded in Minnesota Statutes, chapters 60A and 61A; repealing Minnesota Statutes 1982, sections 65B.15, subdivision 3; 65B.48, subdivision 8; and 69.031, subdivision 6.

PATRICK E. FLAHAVEN, Secretary of the Senate

## CONCURRENCE AND REPASSAGE

Skoglund moved that the House concur in the Senate amendments to H. F. No. 1678 and that the bill be repassed as amended by the Senate. The motion prevailed.

The Speaker resumed the Chair.

H. F. No. 1678, A bill for an act relating to commerce; clarifying identity between federal savings and loan associations and savings banks; clarifying annual statement filing requirements; providing for the suspension of authority of self-insurance entities or self-insurers; modifying certain existing fees and providing certain new fees; providing for the approval of certain life insurance policies by the commissioner; 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; clarifying continuing education reporting requirements; 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; clarifying policy form filing requirements; describing certain requirements for enrollment in the comprehensive health insurance plan; increasing the agents referral fee under the comprehensive health insurance plan; 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"; clarifying certain ambiguous provisions in the No-Fault Automobile Insurance Act; 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; clarifying the powers of the commissioner regarding audits of the compensation reinsurance association; making various technical changes; providing remedies; prescribing penalties; appropriating money; amending Minnesota Statutes 1982, sections 47.27, subdivision 4; 47.29; 47.31; 47.32; 47.49, subdivision 4; 60A.13, subdivision 6, and 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, subdivisions 4 and 8; 60A.199; 60A.21, subdivision 2; 60A.23, subdivision 5; 61A.02; 61A.03, by adding a subdivision; 62A.025; 62E.14, subdivision 1; 62E.15, subdivision 3; 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; 65B.55, subdivision 1; 67A.241, subdivision 2; 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; 79.39; 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, subdivision 12; 60A.17, subdivisions 1a, 1d, and 6c; 60A.1701, subdivisions 5, 10, and 11; 60A.198, subdivision 3; 65A.01, subdivision 3; 65B.17, subdivision 1; 69.011, subdivision 1; and 79.37; proposing new law coded in Minnesota Statutes, chapters 60A and 61A; repealing Minnesota Statutes 1982, sections 65B.15, subdivision 3; 65B.48, subdivision 8; and 69.031, subdivision 6.

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

The question was taken on the repassage of the bill and the roll was called. There were 107 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Kostohryz	Pauly	Sparby
Anderson, G.	Evans	Krueger	Peterson	Stadum
Anderson, R.	Findlay	Kvam	Piepho	Staten
Battaglia	Fjoslien	Levi	Piper	Sviggunm
Beard	Forsythe	Long	Price	Swanson
Begich	Frerichs	Ludeman	Quist	Tomlinson
Bergstrom	Greenfield	Mann	Rice	Uphus
Bishop	Gruenes	Marsh	Rodosovich	Valari
Blatz	Gustafson	McEachern	Rodriguez, F.	Valento
Boo	Gutknecht	McKasy	Sarna	Vanasek
Brandl	Haukoos	Metzen	Schafer	Vellenga
Brinkman	Heinitz	Munger	Scheid	Waltman
Burger	Himle	Murphy	Schoenfeld	Welch
Carlson, L.	Hoffman	Nelson, D.	Schreiber	Welker
Clark, J.	Jacobs	Nelson, K.	Seaberg	Welle
Clark, K.	Jennings	Neuenschwander	Segal	Wenzel
Clawson	Jensen	O'Connor	Shaver	Wynia
Cohen	Johnson	Ogren	Shea	Zaffke
Coleman	Kahn	Olsen	Sherman	Speaker Sieben
Dempsey	Kalis	Omann	Simoneau	
Eken	Kelly	Onnen	Skoglund	
Elioff	Knuth	Otis	Solberg	

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

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

#### REPORTS OF CHIEF CLERK

S. F. No. 1441 and H. F. No. 1667, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

## SUSPENSION OF RULES

Greenfield moved that the rules be so far suspended that S. F. No. 1441 be substituted for H. F. No. 1667 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1614 and H. F. No. 1708, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

## SUSPENSION OF RULES

Coleman moved that the rules be so far suspended that S.F. No. 1614 be substituted for H. F. No. 1708 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1736 and H. F. No. 1668, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

## SUSPENSION OF RULES

Kahn moved that the rules be so far suspended that S. F. No. 1736 be substituted for H. F. No. 1668 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1940 and H. F. No. 1750, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

## SUSPENSION OF RULES

Kahn moved that the rules be so far suspended that S. F. No. 1940 be substituted for H. F. No. 1750 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2072 and H. F. No. 2185, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

## SUSPENSION OF RULES

Schoenfeld moved that the rules be so far suspended that S. F. No. 2072 be substituted for H. F. No. 2185 and that the House File be indefinitely postponed. The motion prevailed.

## SECOND READING OF SENATE BILLS

S. F. Nos. 1441, 1614, 1736, 1940 and 2072 were read for the second time.

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

### MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 1831, A bill for an act relating to transportation; increasing special permit fees for vehicles exceeding weight limitations; amending Minnesota Statutes 1983 Supplement, section 169.86, subdivision 5.

H. F. No. 1977, A bill for an act relating to public welfare; clarifying the calculation of rates paid to health maintenance organizations; requiring the use of certain presentation materials; amending Minnesota Statutes 1982, sections 256.966, subdivision 2; and 256B.05, by adding a subdivision; Minnesota Statutes 1983 Supplement, section 256.871, subdivision 7.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 2314, A bill for an act relating to capital improvements; authorizing the acquisition and betterment of public land and buildings and other public improvements of a capital nature with certain conditions; reducing and canceling certain appropriations; authorizing issuance of state bonds; appropriating money; amending Minnesota Statutes 1982, sections 16.72, subdivision 7; 16A.54; 16A.66, as amended; 16A.671; 16A.675; 85A.04, subdivision 3; 115.03, subdivision 1; 116.16, subdivisions 2, 4, 5, 9, and by adding a subdivision; 116.18, as amended; 136.40, subdivision 6; 475A.03, subdivision 1; 475A.05, subdivision 1, and by adding a subdivision; 475A.06, subdivision 7; Minnesota Statutes 1983 Supplement, sections 16A.672; 116J.926, subdivision 3; Laws 1983, chapter 344, section 6, subdivision 8; proposing new law coded in Minnesota Statutes, chapter 16A; and repealing Minnesota Statutes 1982, sections 16A.63; 16A.64, as amended by Laws 1983, chapter 301, sections 94 and 95; 16A.65; and 116.16, subdivisions 6 and 7; and Laws 1981, chapter 275; Laws 1981, chapter 334, section 11, subdivision 4; Laws 1982, chapter 639, section 5.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. Nos. 2010 and 2133.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. No. 2108.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. No. 1821.

PATRICK E. FLAHAVEN, Secretary of the Senate

### FIRST READING OF SENATE BILLS

S. F. No. 2010, A bill for an act relating to Hubbard County; authorizing a special levy for park and recreation purposes; requiring a reverse referendum under certain circumstances.

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

S. F. No. 2133, A bill for an act relating to Hubbard County; authorizing county appropriations to the county agricultural society and an annual levy for that purpose; requiring a reverse referendum under certain circumstances.

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

S. F. No. 2108, A bill for an act relating to civil commitment; establishing procedures for passes for persons committed as mentally ill and dangerous; permitting respondents to be absent from hearings under certain conditions; clarifying the conditions under which a guardian may place a minor ward in certain treatment facilities; providing for status review of persons re-

siding in state facilities pursuant to an order of guardianship; amending Minnesota Statutes 1982, sections 253B.02, by adding subdivisions; 253B.08, subdivision 5; 253B.18, by adding subdivisions; and 526.10; Minnesota Statutes 1983 Supplement, sections 253B.07, subdivision 7; and 525.619; and Laws 1982, chapter 581, section 26, as amended.

The bill was read for the first time.

#### SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Clawson moved that the rule therein be suspended and an urgency be declared so that S. F. No. 2108 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Clawson moved that the rules of the House be so far suspended that S. F. No. 2108 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 2108 was read for the second time.

Clawson moved to amend S. F. No. 2108 as follows:

Page 3, line 32, after "notify" insert "*the designated agency,*"

Page 3, line 34, after "*petitioner,*" insert "*and*"

Page 3, line 34, after "*counsel*" delete "*and*"

Page 3, delete line 35

Page 3, line 36, delete "*of their family members who request notice in writing*"

Page 4, line 33, delete "*The notice to the county attorney shall*"

Page 4, delete line 34

Page 4, line 35, delete "*to believe may be potential victims of the patient.*"

Page 5, line 5, delete "*The*"

Page 5, delete lines 6 through 11

Page 5, line 12, delete "*petitioning the special review board.*"

The motion prevailed and the amendment was adopted.

S. F. No. 2108, A bill for an act relating to civil commitment; establishing procedures for passes for persons committed as mentally ill and dangerous; permitting respondents to be absent from hearings under certain conditions; clarifying the conditions under which a guardian may place a minor ward in certain treatment facilities; providing for status review of persons residing in state facilities pursuant to an order of guardianship; amending Minnesota Statutes 1982, sections 253B.02, by adding subdivisions; 253B.08, subdivision 5; 253B.18, by adding subdivisions; and 526.10; Minnesota Statutes 1983 Supplement, sections 253B.07, subdivision 7; and 525.619; and Laws 1982, chapter 581, section 26, as amended.

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

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

Those who voted in the affirmative were:

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

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

#### FIRST READING OF SENATE BILLS, Continued

S. F. No. 1821, A bill for an act relating to powers of attorney; providing procedures for granting powers of attorney; construing various specific powers; amending Minnesota Statutes 1982, sections 508.72; 508A.72; 528.15; proposing new law coded as Minnesota Statutes, chapter 523; repealing Minnesota Statutes 1982, sections 51A.25; 507.291; 507.292; 507.293; 507.294; 507.39; 524.5-501; 524.5-502; and 528.16.

The bill was read for the first time.



## SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Dempsey moved that the rule therein be suspended and an urgency be declared so that S. F. No. 1821 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Dempsey moved that the rules of the House be so far suspended that S. F. No. 1821 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 1821 was read for the second time.

S. F. No. 1821, A bill for an act relating to powers of attorney; providing procedures for granting powers of attorney; construing various specific powers; amending Minnesota Statutes 1982, sections 508.72; 508A.72; 528.15; proposing new law coded as Minnesota Statutes, chapter 523; repealing Minnesota Statutes 1982, sections 51A.25; 507.291; 507.292; 507.293; 507.294; 507.39; 524.5-501; 524.5-502; and 528.16.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

The following conference committee reports were received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1149

A bill for an act relating to liens; right of possession and liens on fabrication molds and patterns; providing a nonpossessory lien on personal property; lengthening the time limit for veterinary liens; amending Minnesota Statutes 1982, sections 514.18; 514.19; and 514.92, subdivision 1.

April 18, 1984

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

The Honorable Jerome M. Hughes  
President of the Senate

We, the undersigned conferees for H. F. No. 1149, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 1149 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 514.18, is amended to read:

514.18 [RETAINING.]

*Subdivision 1. [MECHANICS' LIEN ON PERSONAL PROPERTY; PROPERTY IN POSSESSION.]* Whoever, at the request of the owner or legal possessor of any personal property, shall store or care for or contribute in any of the modes mentioned in section 514.19 to its preservation, care, or to the enhancement of its value, shall have a lien upon such property for the price or value of such storage, care, or contribution, and for any legal charges against the same paid by such person to any other person, and the right to retain the property in his possession until such lien is lawfully discharged (; BUT A VOLUNTARY SURRENDER OF POSSESSION SHALL EXTINGUISH THE LIEN HEREIN GIVEN).

*Subd. 2. [NONPOSSESSORY LIEN; NOTICE.]* Notwithstanding the voluntary surrender or other loss of possession of the property on which the lien is claimed, the person entitled thereto may preserve the lien, if at any time within 60 days after the surrender or loss of possession he gives notice of his

lien by filing in the appropriate filing office under the uniform commercial code, Minnesota Statutes, section 336.9-401 a verified statement and notice of his intention to claim a lien. The statement shall contain a description of the property upon which the lien is claimed, the work performed or materials furnished and the amount due.

**Subd. 3. [PRIORITY; SECURITY; INTEREST; FORECLOSURE.]** The lien shall be valid against everyone except a purchaser or encumbrancer in good faith without notice and for value whose rights were acquired prior to the filing of the lien statement and who has filed a statement of his interest in the appropriate filing office. The lien shall be considered a security interest under the uniform commercial code and foreclosure thereon shall be in the manner prescribed for security interests under article 9 of the uniform commercial code.

**Subd. 4. [MOTOR VEHICLES EXCLUDED.]** Subdivisions 2 and 3 shall apply to machinery, implements and tools of all kinds but shall not apply to motor vehicles."

Delete the title and insert:

"A bill for an act relating to liens; providing a nonpossessory lien on personal property; amending Minnesota Statutes 1982, section 514.18."

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

House Conferees: JOHN T. CLAWSON, JOEL JACOBS and DOUGLAS W. CARLSON.

Senate Conferees: RANDOLPH W. PETERSON, MARILYN M. LANTRY and DONALD A. STORM.

Clawson moved that the report of the Conference Committee on H. F. No. 1149 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1149, A bill for an act relating to liens; right of possession and liens on fabrication molds and patterns; providing a nonpossessory lien on personal property; lengthening the time limit for veterinary liens; amending Minnesota Statutes 1982, sections 514.18; 514.19; and 514.92, subdivision 1.

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

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

**Those who voted in the affirmative were:**

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

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

**CONFERENCE COMMITTEE REPORT ON H. F. NO. 1939**

A bill for an act relating to commerce; removing preference for Minnesota made materials in state purchasing; clarifying definition of public contract for resident preference; amending Minnesota Statutes 1982, section 16.365; Minnesota Statutes 1983 Supplement, section 16.0721; repealing Minnesota Statutes 1982, section 16.073; Minnesota Statutes 1983 Supplement, section 16.072; and Laws 1983, chapter 336, section 3.

April 18, 1984

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

The Honorable Jerome M. Hughes  
President of the Senate

We, the undersigned conferees for H. F. No. 1939, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments.

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

House Conferees: PATRICK W. BEARD, DAVID T. BISHOP and VIRGIL J. JOHNSON.

Senate Conferees: FLORIAN CHMIELEWSKI, HOWARD A. KNUTSON and BOB LESSARD.

Beard moved that the report of the Conference Committee on H. F. No. 1939 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1939, A bill for an act relating to commerce; removing preference for Minnesota made materials in state purchasing; clarifying definition of public contract for resident preference; amending Minnesota Statutes 1982, section 16.365; Minnesota Statutes 1983 Supplement, section 16.0721; repealing Minnesota Statutes 1982, section 16.073; Minnesota Statutes 1983 Supplement, section 16.072; and Laws 1983, chapter 336, section 3.

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

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

Those who voted in the affirmative were:

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

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

Knuth was excused while in conference.

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

### MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

S. F. No. 1258.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

### CONFERENCE COMMITTEE REPORT ON S. F. NO. 1258

A bill for an act relating to the environment; requiring an agreement between the state and federal government prior to test drilling of geologic structures for disposal of high level radioactive waste and notification of results; regulating transportation of high level radioactive waste in the state; providing penalties; regulating nuclear fission electric generating plants in Minnesota; amending Minnesota Statutes 1982, section 116C.71, by adding subdivisions; and 116C.74; proposing new law coded in Minnesota Statutes, chapters 116C and 216B.

April 18, 1984

The Honorable Jerome M. Hughes  
President of the Senate

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

We, the undersigned conferees for S. F. No. 1258, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate concur in the House amendment.

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

Senate Conferees: GENE MERRIAM, DONALD M. MOE and JAMES ULLAND.

House Conferees: KAREN CLARK, RICK KRUEGER and ELTON R. REDALEN.

Clark, K., moved that the report of the Conference Committee on S. F. No. 1258 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1258, A bill for an act relating to the environment; requiring an agreement between the state and federal government prior to test drilling of geologic structures for disposal of high level radioactive waste and notification of results; regulating transportation of high level radioactive waste in the state; providing penalties; regulating nuclear fission electric generating plants in Minnesota; amending Minnesota Statutes 1982, section 116C.71, by adding subdivisions; and 116C.74; proposing new law coded in Minnesota Statutes, chapters 116C and 216B.

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

The question was taken on the repassage of the bill and the roll was called. There were 118 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

Mr. Speaker:

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

S. F. No. 1810.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 1810

A bill for an act relating to insurance; homeowner's; providing certain notice requirements upon policy nonrenewal, reduction in the limits of coverage, or elimination of coverage; authorizing the commissioner to adopt rules; amending Minnesota Statutes 1982, section 65A.29, by adding subdivisions; repealing Minnesota Statutes 1982, section 65A.29, subdivision 2.

April 17, 1984

The Honorable Jerome M. Hughes  
President of the Senate

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

We, the undersigned conferees for S. F. No. 1810, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 1810 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 61A.39, is amended to read:

61A.39 [COOPERATIVE LIFE AND CASUALTY COMPANIES.]

*Subdivision 1. [COOPERATIVE PLAN.]* Every corporation, society, or association which issues a certificate or policy or makes an agreement with its members by which, upon the decease of a member, any money is to be paid to, or benefit conferred upon, the legal representatives or designated beneficiaries of such member, or reaching a certain age, to pay any money or benefit to him, such money or benefit to be derived from voluntary donations, admission fees, dues, or assessments to be collected from its members or any class thereof, and which reserves the right to make any additional assessments, or without the consent of the certificate or policyholder to increase the premium named therein, shall be deemed to be engaged in the business of life insurance upon the cooperative or assessment plan. Every corporation which likewise agrees, in case of accident, sickness, or other physical disability, or reaching a certain



age, to pay money or confer benefits likewise derived and issuing certificates or policies with similar conditions with reference to the payment of dues or assessments, shall be deemed to be engaged in the business of casualty insurance upon the cooperative or assessment plan, and shall, except as herein otherwise specified, be subject to the provisions of sections 61A.39 to 61A.42 and 61A.44 to 61A.50.

*Subd. 2. [CONTINUED CORPORATE EXISTENCE.] Notwithstanding the repeal of Minnesota Statutes, sections 63.01, 63.011, and 63.02 to 63.35 pursuant to Laws 1983, chapter 104, section 1, any corporation, society or association formed or having existed under Laws 1933, chapter 241, whether or not it amended its articles of incorporation in accordance with Laws 1945, chapter 178, as amended by Laws 1951, chapter 257, and which has transformed itself into a cooperative life insurance company to engage in business under the cooperative plan, shall be and continue to exist as a corporation by virtue of the provisions hereof and may exercise and shall continue to have and to hold all the rights, privileges and powers which it had, prior to the repeal of such sections, including those derived under Laws 1945, chapter 178, section 1, as amended by Laws 1951, chapter 257, section 2.*

Sec. 2. Minnesota Statutes 1982, section 65A.29, is amended by adding a subdivision to read:

*Subd. 7. [RENEWAL; NOTICE REQUIREMENT.] No insurer shall refuse to renew, or reduce limits of coverage, or eliminate any coverage in a homeowner's insurance policy unless it mails or delivers to the insured, at the address shown in the policy, at least 60 days advance notice of its intention. The notice must contain the specific underwriting or other reason or reasons for the indicated action.*

Sec. 3. Minnesota Statutes 1982, section 65A.29, is amended by adding a subdivision to read:

*Subd. 8. [RULES.] The commissioner may adopt rules pursuant to chapter 14, to specify the grounds for nonrenewal, reduction in limits of coverage, or elimination of coverage of a homeowner's policy. The rules must limit the grounds to the following factors:*

*(a) reasons stated for cancellation in section 65A.01, subdivision 3a;*

*(b) reasons stated in section 72A.20, subdivision 13;*

*(c) insured's loss experience, not to include natural causes; and*

*(d) other factors deemed reasonable by the commissioner.*

*The rules may give consideration to the form and content of the termination notice to the insured, a statement as to what constitutes receipt of the termination notice, and the procedure by which the insured may appeal a termination notice.*

*The rules adopted under this subdivision may provide for imposition of a monetary penalty not greater than \$500 per occurrence upon insurers who are found to be in violation of the law or the rules.*

**Sec. 4.** Minnesota Statutes 1982, section 65A.29, is amended by adding a subdivision to read:

*Subd. 9. [NOTICE OF RIGHT TO COMPLAIN.] A named insured who believes a nonrenewal, reduction in the limits of coverage, elimination of coverage, or cancellation under section 65A.01, subdivision 3a, is in violation of the law or the rules may, within 30 days after receipt of the notice, file in writing an objection to the action with the commissioner.*

*Upon receipt of a written objection, the commissioner shall notify the insurer of receipt of the objection and of the right of the insurer to file a written response within ten days of receipt of the notification. Within 30 days of receipt of written objection by an insured, the commissioner shall approve or disapprove the insurer's action and shall notify the insured and insurer of his final decision. A decision which disapproves the insurer's action constitutes a charge that the insurer has violated the law or the rules. Either party may institute proceedings for judicial review of the commissioner's decision. The commissioner's decision is binding pending judicial review.*

**Sec. 5.** Minnesota Statutes 1982, section 65B.44, subdivision 5, is amended to read:

**Subd. 5. [REPLACEMENT SERVICE AND LOSS.]** Replacement service loss benefits shall reimburse all expenses reasonably incurred by or on behalf of the nonfatally injured person in obtaining usual and necessary substitute services in lieu of those that, had he not been injured, the injured person would have performed not for income but for the direct benefit of himself or his household; if the nonfatally injured person normally, as a full time responsibility, provides care and maintenance of a home with or without children, the benefit to be provided under this subdivision shall be the reasonable value of such care and maintenance or the reasonable expenses incurred in obtaining usual and necessary substitute care and maintenance of the home, whichever is greater. These benefits shall be subject to a maximum of (\$15) \$200 per (DAY) week. All replacement services loss sustained on the date of injury and the first seven days thereafter is excluded in calculating replacement services loss.

## Sec. 6. [REPEALER.]

*Minnesota Statutes 1982, section 65A.29, subdivision 2, is repealed."*

Delete the title and insert:

"A bill for an act relating to insurance; homeowner's; providing certain notice requirements upon policy nonrenewal, reduction in the limits of coverage, or elimination of coverage; authorizing the commissioner to adopt rules; increasing replacement service loss benefits in no-fault auto insurance; amending Minnesota Statutes 1982, sections 61A.39; 65A.29, by adding subdivisions; and 65B.44, subdivision 5; repealing Minnesota Statutes 1982, section 65A.29, subdivision 2."

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

Senate Conferees: DONNA C. PETERSON, ERIC D. PETTY and WILLIAM V. BELANGER, JR.

House Conferees: PHILLIP J. RIVENESS, JOE QUINN and GERALD C. KNICKERBOCKER.

Riveness moved that the report of the Conference Committee on S. F. No. 1810 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1810, A bill for an act relating to insurance; homeowner's; providing certain notice requirements upon policy nonrenewal, reduction in the limits of coverage, or elimination of coverage; authorizing the commissioner to adopt rules; amending Minnesota Statutes 1982, section 65A.29, by adding subdivisions; repealing Minnesota Statutes 1982, section 65A.29, subdivision 2.

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

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

Those who voted in the affirmative were:

Anderson, B.	Blatz	Clawson	Evans	Gutknecht
Anderson, G.	Boo	Coleman	Findlay	Halberg
Anderson, R.	Brandl	Dempsey	Fjoslien	Haukoos
Battaglia	Brinkman	DenOuden	Forsythe	Heap
Beard	Burger	Dimler	Frerichs	Heinitz
Begich	Carlson, D.	Eken	Graba	Himle
Bennett	Carlson, L.	Elioff	Greenfield	Hoffman
Bergstrom	Clark, J.	Ellingson	Gruenes	Hokr
Bishop	Clark, K.	Erickson	Gustafson	Jacobs

Jensen	McKasy	Piepho	Schreiber	Uphus
Johnson	Metzen	Piper	Seaberg	Valan
Kahn	Minne	Price	Segal	Valento
Kalis	Munger	Quinn	Shaver	Vanasek
Kelly	Murphy	Quist	Shea	Vellenga
Knuth	Nelson, D.	Reif	Sherman	Waltman
Kostohryz	Nelson, K.	Rice	Simoneau	Welch
Krueger	Neuenschwander	Riveness	Skoglund	Welker
Kvam	Norton	Rodosovich	Solberg	Welle
Larsen	O'Connor	Rodriguez, C.	Sparby	Wenzel
Levi	Ogren	Rodriguez, F.	Stadum	Wigley
Long	Omman	Rose	Staten	Wynia
Ludeman	Onnen	St. Onge	Sviggum	Zaffke
Mann	Osthoff	Sarna	Swanson	Speaker Sieben
Marsh	Otis	Schafer	Thiede	
McDonald	Pauly	Scheid	Tomlinson	
McEachern	Peterson	Schoenfeld	Tunheim	

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

Mr. Speaker:

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

S. F. No. 1511.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONFERENCE COMMITTEE REPORT ON S. F. NO. 1511

A bill for an act relating to taxation; property; modifying the exemption for property held by political subdivisions; amending Minnesota Statutes 1982, section 272.02, subdivision 5.

April 17, 1984

The Honorable Jerome M. Hughes  
President of the Senate

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

We, the undersigned conferees for S. F. No. 1511, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 1511 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1983 Supplement, section 272.02, subdivision 1, is amended to read:

Subdivision 1. Except as provided in other subdivisions of this section or in section 272.025 or section 273.13, subdivisions 17, 17b, 17c or 17d, all property described in this section to the extent herein limited shall be exempt from taxation:

- (1) All public burying grounds;
- (2) All public schoolhouses;
- (3) All public hospitals;
- (4) All academies, colleges, and universities, and all seminaries of learning;
- (5) All churches, church property, and houses of worship;
- (6) Institutions of purely public charity except property assessed pursuant to section 273.13, subdivisions 17, 17b, 17c or 17d;
- (7) All public property exclusively used for any public purpose;
- (8) (a) Class 2 property of every household of the value of \$100, maintained in the principal place of residence of the owner thereof. The county auditor shall deduct the exemption from the total valuation of the property as equalized by the commissioner of revenue assessed to the household, and extend the levy of taxes upon the remainder only. The term "household" as used in this section is defined to be a domestic establishment maintained either (1) by two or more persons living together within the same house or place of abode, subsisting in common and constituting a domestic or family relationship, or (2) by one person.  
  
(b) During the period of his active service and for six months after his discharge therefrom, no member of the armed forces of the United States shall lose status of a householder under paragraph (a) which he had immediately prior to becoming a member of the armed forces.

In case there is an assessment against more than one member of a household the \$100 exemption shall be divided among the members assessed in the proportion that the assessed value of the Class 2 property of each bears to the total assessed value of the Class 2 property of all the members assessed. The Class

2 property of each household claimed to be exempt shall be limited to property in one taxing district, except in cases where a single domestic establishment is maintained in two or more adjoining districts.

Bonds, certificates of indebtedness, or other obligations issued by the state of Minnesota, or by any county or city of the state, or any town, or any common or independent school district of the state, or any governmental board of the state are exempt from ad valorem property taxation; provided, that this subdivision shall not exempt the obligations or their interest from any excise or other tax levied on income, gross earnings, estates, inheritance, bequests, gifts, transfers, sales, or other transactions, other than an ad valorem property tax.

(9) Farm machinery manufactured prior to 1930, which is used only for display purposes as a collectors item;

(10) The taxpayer shall be exempted with respect to all agricultural products, inventories, stocks of merchandise of all sorts, all materials, parts and supplies, furniture and equipment, manufacturers material, manufactured articles including the inventories of manufacturers, wholesalers, retailers and contractors; and the furnishings of a room or apartment in a hotel, rooming house, tourist court, motel or trailer camp, tools and machinery which by law are considered as personal property, and the property described in section 272.03, subdivision 1, clause (c), except personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings and structures. Railroad docks and wharves which are part of the operating property of a railroad company as defined in section 270.80 are not exempt.

(11) Containers of a kind customarily in the possession of the consumer during the consumption of commodities, the sale of which are subject to tax under the provisions of the excise tax imposed by chapter 297A;

(12) All livestock, poultry, all horses, mules and other animals used exclusively for agricultural purposes;

(13) All agricultural tools, implements and machinery used by the owners in any agricultural pursuit.

(14) Real and personal property used primarily for the abatement and control of air, water, or land pollution to the extent that it is so used, other than real property used primarily as a solid waste disposal site.

Any taxpayer requesting exemption of all or a portion of any equipment or device, or part thereof, operated primarily for the control or abatement of air or water pollution shall file an application with the commissioner of revenue. The equipment or device shall meet standards, regulations or criteria prescribed by the Minnesota Pollution Control Agency, and must be installed or operated in accordance with a permit or order issued by that agency. The Minnesota Pollution Control Agency shall upon request of the commissioner furnish information or advice to the commissioner. If the commissioner determines that property qualifies for exemption, he shall issue an order exempting the property from taxation. The equipment or device shall continue to be exempt from taxation as long as the permit issued by the Minnesota Pollution Control Agency remains in effect.

(15) **Wetlands.** For purposes of this subdivision, "wetlands" means land which is mostly under water, produces little if any income, and has no use except for wildlife or water conservation purposes. "Wetlands" shall be land preserved in its natural condition, drainage of which would be legal, feasible, and economically practical for the production of livestock, dairy animals, poultry, fruit, vegetables, forage and grains, except wild rice. "Wetlands" shall include adjacent land which is not suitable for agricultural purposes due to the presence of the wetlands. "Wetlands" shall not include woody swamps containing shrubs or trees, wet meadows, meandered water, streams, rivers, and floodplains or river bottoms. Exemption of wetlands from taxation pursuant to this section shall not grant the public any additional or greater right of access to the wetlands or diminish any right of ownership to the wetlands.

(16) **Native prairie.** The commissioner of the department of natural resources shall determine lands in the state which are native prairie and shall notify the county assessor of each county in which the lands are located. Pasture land used for livestock grazing purposes shall not be considered native prairie for the purposes of this clause and section 273.116. Upon receipt of an application for the exemption and credit provided in this clause and section 273.116 for lands for which the assessor has no determination from the commissioner of natural resources, the assessor shall refer the application to the commissioner of natural resources who shall determine within 30 days whether the land is native prairie and notify the county assessor of his decision. Exemption of native prairie pursuant to this clause shall not grant the public any additional or greater right of access to the native prairie or diminish any right of ownership to it.

(17) **Property used in a continuous program to provide emergency shelter for victims of domestic abuse,** provided the organization that owns and sponsors the shelter is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1954, as amended through December 31, 1982, notwithstanding the fact that the sponsoring organiza-

tion receives funding under section 8 of the United States Housing Act of 1937, as amended.

(18) If approved by the governing body of the municipality in which the property is located, property not exceeding one acre which is owned and operated by any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation, and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders; provided the property is used primarily as a clubhouse, meeting facility or recreational facility by the group or association and the property is not used for residential purposes on either a temporary or permanent basis.

(19) To the extent provided by section 295.44, real and personal property used or to be used primarily for the production of hydroelectric or hydromechanical power on a site owned by the state or a local governmental unit which is developed and operated pursuant to the provisions of section 105.482, subdivisions 1, 8 and 9.

(20) If approved by the governing body of the municipality in which the property is located, a direct satellite broadcasting facility or fixed satellite regional or national program service facility, construction of which is commenced after June 30, 1983, for a period not to exceed five years. When the facility no longer qualifies for exemption, it shall be placed on the assessment rolls as provided in subdivision 4. As used in this clause, a "direct satellite broadcasting facility" is a facility operated by a corporation licensed by the federal communications commission to provide direct satellite broadcasting services using direct broadcast satellites operating in the 12-ghz. band and a "fixed satellite regional or national program service facility" is a facility operated by a corporation licensed by the federal communications commission to provide fixed satellite-transmitted regularly scheduled broadcasting services using satellites operating in the 6-ghz. band. Before approving a tax exemption pursuant to this paragraph, the governing body of the municipality shall provide an opportunity to the members of the county board of commissioners of the county in which the facility is proposed to be located and the members of the school board of the school district in which the facility is proposed to be located to meet with the governing body. The governing body shall present to the members of those boards its estimate of the fiscal impact of the proposed property tax exemption. The tax exemption shall not be approved by the governing body until the county board of commissioners has presented its written comment on the proposal to the governing body, or 30 days has passed from the date of the transmittal by the governing body to the board of the information on the fiscal impact, whichever occurs first.

(21) If approved by the governing body of the municipality in which the property is located, a facility construction of which



is commercial after June 30, 1983, at which a licensed Minnesota manufacturer produces distilled spirituous liquors, liqueurs, cordials, or liquors designated as specialties regardless of alcoholic content, but not including ethyl alcohol, distilled with a majority of the ingredients grown or produced in Minnesota, for a period not to exceed five years. When the facility no longer qualifies for exemption, it shall be placed on the assessment rolls as provided in subdivision 4. Before approving a tax exemption pursuant to this paragraph, the governing body of the municipality shall provide an opportunity to the members of the county board of commissioners of the county in which the facility is proposed to be located and the members of the school board of the school district in which the facility is proposed to be located to meet with the governing body. The governing body shall present to the members of those boards its estimate of the fiscal impact of the proposed property tax exemption. The tax exemption shall not be approved by the governing body until the county board of commissioners has presented its written comment on the proposal to the governing body, or 30 days has passed from the date of the transmittal by the governing body to the board of the information on the fiscal impact, whichever occurs first.

*(22) Real and personal property owned and operated by a private, nonprofit corporation exempt from federal income taxation pursuant to United States Code, title 26, section 501(c)(3), primarily used in the generation and distribution of hot water for heating buildings and structures.*

Sec. 2. Minnesota Statutes 1982, section 272.02, subdivision 5, is amended to read:

Subd. 5. The holding of property by a political subdivision of the state for later resale for economic development purposes shall be considered a public purpose in accordance with subdivision 1, clause (7) for a period not to exceed (THREE) eight years. *The holding of property by a political subdivision of the state for later resale (1) which is purchased or held for housing purposes, or (2) which meets the conditions described in section 273.73, subdivision 10, shall be considered a public purpose in accordance with subdivision 1, clause (7). The governing body of the political subdivision which acquires property which is subject to this subdivision shall after the purchase of the property certify to the city or county assessor whether the property is held for economic development purposes or housing purposes, or whether it meets the conditions of section 273.73, subdivision 10. If the property is acquired for economic development purposes and buildings or other improvements are constructed after acquisition of the property, and if more than one-half of the floor space of the buildings or improvements which is available for lease to or use by a private individual, corporation, or other entity is leased to or otherwise used by a private individual, corporation, or other entity the provisions of this subdivision shall not apply to the property. This subdivision shall not operate to*

create an exemption from sections 272.01, subdivision 2; 272.68; 273.19; or 462.575, subdivision 3; or other provision of law providing for the taxation of or for payments in lieu of taxes for publicly held property which is leased, loaned, or otherwise made available and used by a private person. (THIS SECTION IS EFFECTIVE FOR TAXES LEVIED IN 1979 AND THEREAFTER, AND PAYABLE IN 1980 AND THEREAFTER.)

Sec. 3. Minnesota Statutes 1983 Supplement, section 297A.25, subdivision 1, is amended to read:

Subdivision 1. The following are specifically exempted from the taxes imposed by sections 297A.01 to 297A.44:

(a) The gross receipts from the sale of food products including but not limited to cereal and cereal products, butter, cheese, milk and milk products, oleomargarine, meat and meat products, fish and fish products, eggs and egg products, vegetables and vegetable products, fruit and fruit products, spices and salt, sugar and sugar products, coffee and coffee substitutes, tea, cocoa and cocoa products, and food products which are not taxable pursuant to section 297A.01, subdivision 3, clause (c) and which are sold by a retailer, organized as a nonprofit corporation or association, within a place located on property owned by the state or an agency or instrumentality of the state, the entrance to which is subject to an admission charge. This exemption does not include the following:

(i) candy and candy products;

(ii) carbonated beverages, beverages commonly referred to as soft drinks containing less than 15 percent fruit juice, or bottled water other than noncarbonated and noneffervescent bottled water sold in individual containers of one-half gallon or more in size;

(b) The gross receipts from the sale of prescribed drugs and medicine intended for use, internal or external, in the cure, mitigation, treatment or prevention of illness or disease in human beings and products consumed by humans for the preservation of health, including prescription glasses, therapeutic and prosthetic devices, but not including cosmetics or toilet articles notwithstanding the presence of medicinal ingredients therein;

(c) The gross receipts from the sale of and the storage, use or other consumption in Minnesota of tangible personal property, tickets, or admissions, electricity, gas, or local exchange telephone service, which under the Constitution or laws of the United States or under the Constitution of Minnesota, the state of Minnesota is prohibited from taxing;

(d) The gross receipts from the sale of tangible personal property (i) which, without intermediate use, is shipped or transported outside Minnesota by the purchaser and thereafter used in a trade or business or is stored, processed, fabricated or manufactured into, attached to or incorporated into other tangible personal property transported or shipped outside Minnesota and thereafter used in a trade or business outside Minnesota, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce (storage shall not constitute intermediate use); provided that the property is not subject to tax in that state or country to which it is transported for storage or use, or, if subject to tax in that other state, that state allows a similar exemption for property purchased therein and transported to Minnesota for use in this state; except that sales of tangible personal property that is shipped or transported for use outside Minnesota shall be taxed at the rate of the use tax imposed by the state to which the property is shipped or transported, unless that state has no use tax, in which case the sale shall be taxed at the rate generally imposed by this state; and provided further that sales of tangible personal property to be used in other states or countries as part of a maintenance contract shall be specifically exempt; or (ii) which the seller delivers to a common carrier for delivery outside Minnesota, places in the United States mail or parcel post directed to the purchaser outside Minnesota, or delivers to the purchaser outside Minnesota by means of the seller's own delivery vehicles, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(e) The gross receipts from the sale of packing materials used to pack and ship household goods, the ultimate destination of which is outside the state of Minnesota and which are not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(f) The gross receipts from the sale of and storage, use or consumption of petroleum products upon which a tax has been imposed under the provisions of chapter 296, whether or not any part of said tax may be subsequently refunded;

(g) The gross receipts from the sale of clothing and wearing apparel except the following:

(i) all articles commonly or commercially known as jewelry, whether real or imitation; pearls, precious and semi-precious stones, and imitations thereof; articles made of, or ornamented, mounted or fitted with precious metals or imitations thereof; watches; clocks; cases and movements for watches and clocks; gold, gold-plated, silver, or sterling flatware or hollow ware and silver-plated hollow ware; opera glasses; lorgnettes; marine glasses; field glasses and binoculars.

(ii) articles made of fur on the hide or pelt, and articles of which such fur is the component material or chief value, but only if such value is more than three times the value of the next most valuable component material.

(iii) perfume, essences, extracts, toilet waters, cosmetics, petroleum jellies, hair oils, pomades, hair dressings, hair restoratives, hair dyes, aromatic cachous and toilet powders. The tax imposed by this act shall not apply to lotion, oil, powder, or other article intended to be used or applied only in the case of babies.

(iv) trunks, valises, traveling bags, suitcases, satchels, overnight bags, hat boxes for use by travelers, beach bags, bathing suit bags, brief cases made of leather or imitation leather, salesmen's sample and display cases, purses, handbags, pocketbooks, wallets, billfolds, card, pass, and key cases and toilet cases.

(h) The gross receipts from the sale of and the storage, use, or consumption of all materials, including chemicals, fuels, petroleum products, lubricants, packaging materials, including returnable containers used in packaging food and beverage products, feeds, seeds, fertilizers, electricity, gas and steam, used or consumed in agricultural or industrial production of personal property intended to be sold ultimately at retail, whether or not the item so used becomes an ingredient or constituent part of the property produced. Such production shall include, but is not limited to, research, development, design or production of any tangible personal property, manufacturing, processing (other than by restaurants and consumers) of agricultural products whether vegetable or animal, commercial fishing, refining, smelting, reducing, brewing, distilling, printing, mining, quarrying, lumbering, generating electricity and the production of road building materials. Such production shall not include painting, cleaning, repairing or similar processing of property except as part of the original manufacturing process. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures, used in such production and fuel, electricity, gas or steam used for space heating or lighting, are not included within this exemption; however, accessory tools, equipment and other short lived items, which are separate detachable units used in producing a direct effect upon the product, where such items have an ordinary useful life of less than 12 months, are included within the exemption provided herein;

(i) The gross receipts from the sale of and storage, use or other consumption in Minnesota of tangible personal property (except as provided in section 297A.14) which is used or consumed in producing any publication regularly issued at average intervals not exceeding three months, and any such publication. For purposes of this subsection, "publication" as used herein shall include, without limiting the foregoing, a legal newspaper as defined by Minnesota Statutes 1965, section 331.02, and any sup-

plements or enclosures with or part of said newspaper; and the gross receipts of any advertising contained therein or therewith shall be exempt. For this purpose, advertising in any such publication shall be deemed to be a service and not tangible personal property, and persons or their agents who publish or sell such newspapers shall be deemed to be engaging in a service with respect to gross receipts realized from such newsgathering or publishing activities by them, including the sale of advertising. The term "publication" shall not include magazines and periodicals sold over the counter. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures used in such publication and fuel, electricity, gas or steam used for space heating or lighting, are not exempt;

(j) The gross receipts from all sales, including sales in which title is retained by a seller or a vendor or is assigned to a third party under an installment sale or lease purchase agreement under section 465.71, of tangible personal property to, and all storage, use or consumption of such property by, the United States and its agencies and instrumentalities or a state and its agencies, instrumentalities and political subdivisions. Sales exempted by this clause include sales pursuant to section 297A.01, subdivision 3, clauses (d) and (f). This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities;

(k) The gross receipts from the isolated or occasional sale of tangible personal property in Minnesota not made in the normal course of business of selling that kind of property, and the storage, use, or consumption of property acquired as a result of such a sale. For purposes of this clause, sales by a nonprofit organization shall be deemed to be "isolated or occasional" if they occur at sale events that have a duration of three or fewer consecutive days. The granting of the privilege of admission to places of amusement and the privilege of use of amusement devices by a nonprofit organization at an isolated or occasional event conducted on property owned or leased for a continuous period of more than 30 days by the nonprofit organization are also exempt. The exemption provided for isolated sales of tangible personal property and of the granting of admissions or the privilege of use of amusement devices by nonprofit organizations pursuant to this clause shall be available only if the sum of the days on which the organization and any subsidiary nonprofit organization sponsored by it that does not have a separate sales tax exemption permit conduct sales of tangible personal property, plus the days with respect to which the organization charges for the

use of amusement devices or admission to places of amusement, does not exceed eight days in a calendar year. For purposes of this clause, a "nonprofit organization" means any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes, no part of the net earnings of which inures to the benefit of a private individual;

(l) The gross receipts from sales of rolling stock and the storage, use or other consumption of such property by railroads, freight line companies, sleeping car companies and express companies taxed on the gross earnings basis in lieu of ad valorem taxes. For purposes of this clause "rolling stock" is defined as the portable or moving apparatus and machinery of any such company which moves on the road, and includes, but is not limited to, engines, cars, tenders, coaches, sleeping cars and parts necessary for the repair and maintenance of such rolling stock.

(m) The gross receipts from sales of airflight equipment and the storage, use or other consumption of such property by airline companies taxed under the provisions of sections 270.071 to 270.079. For purposes of this clause, "airflight equipment" includes airplanes and parts necessary for the repair and maintenance of such airflight equipment, and flight simulators.

(n) The gross receipts from the sale of telephone central office telephone equipment used in furnishing intrastate and interstate telephone service to the public.

(o) The gross receipts from the sale of and the storage, use or other consumption by persons taxed under the in lieu provisions of chapter 298, of mill liners, grinding rods and grinding balls which are substantially consumed in the production of taconite, the material of which primarily is added to and becomes a part of the material being processed.

(p) The gross receipts from the sale of tangible personal property to, and the storage, use or other consumption of such property by, any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious or educational purposes if the property purchased is to be used in the performance of charitable, religious or educational functions, or any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders. Sales exempted by this clause include sales pursuant to section 297A.-01, subdivision 3, clauses (d) and (f). This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum

price covering both labor and materials for use in the construction, alteration or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities;

(q) The gross receipts from the sale of caskets and burial vaults;

(r) The gross receipts from the sale of an automobile or other conveyance if the purchaser is assisted by a grant from the United States in accordance with 38 United States Code, section 1901, as amended.

(s) The gross receipts from the sale to the licensed aircraft dealer of an aircraft for which a commercial use permit has been issued pursuant to section 360.654, if the aircraft is resold while the permit is in effect.

(t) The gross receipts from the sale of building materials to be used in the construction or remodeling of a residence when the construction or remodeling is financed in whole or in part by the United States in accordance with 38 United States Code, sections 801 to 805, as amended. This exemption shall not be effective at time of sale of the materials to contractors, subcontractors, builders or owners, but shall be applicable only upon a claim for refund to the commissioner of revenue filed by recipients of the benefits provided in title 38 United States Code, chapter 21, as amended. The commissioner shall provide by regulation for the refund of taxes paid on sales exempt in accordance with this paragraph.

(u) The gross receipts from the sale of textbooks which are prescribed for use in conjunction with a course of study in a public or private school, college, university and business or trade school to students who are regularly enrolled at such institutions. For purposes of this clause a "public school" is defined as one that furnishes course of study, enrollment and staff that meets standards of the state board of education and a private school is one which under the standards of the state board of education, provides an education substantially equivalent to that furnished at a public school. Business and trade schools shall mean such schools licensed pursuant to section 141.25.

(v) The gross receipts from the sale of and the storage of material designed to advertise and promote the sale of merchandise or services, which material is purchased and stored for the purpose of subsequently shipping or otherwise transferring outside the state by the purchaser for use thereafter solely outside the state of Minnesota.

(w) The gross receipt from the sale of residential heating fuels in the following manner:

(i) all fuel oil, coal, wood, steam, *hot water*, propane gas, and L.P. gas sold to residential customers for residential use;

(ii) natural gas sold for residential use to customers who are metered and billed as residential users and who use natural gas for their primary source of residential heat, for the billing months of November, December, January, February, March and April;

(iii) electricity sold for residential use to customers who are metered and billed as residential users and who use electricity for their primary source of residential heat, for the billing months of November, December, January, February, March and April.

(x) The gross receipts from the sale or use of tickets or admissions to the premises of or events sponsored by an association, corporation or other group of persons which provides an opportunity for citizens of the state to participate in the creation, performance or appreciation of the arts and which qualifies as a tax-exempt organization within the meaning of Minnesota Statutes 1980, section 290.05, subdivision 1, clause (i).

(y) The gross receipts from either the sales to or the storage, use or consumption of tangible personal property by an organization of military service veterans or an auxiliary unit of an organization of military service veterans, provided that:

(i) the organization or auxiliary unit is organized within the state of Minnesota and is exempt from federal taxation pursuant to section 501(c), clause (19), of the Internal Revenue Code as amended through December 31, 1982; and

(ii) the tangible personal property which is sold to or stored, used or consumed by the organization or auxiliary unit is for charitable, civic, educational, or nonprofit uses and not for social, recreational, pleasure or profit uses.

(z) The gross receipts from the sale of sanitary napkins, tampons, or similar items used for feminine hygiene.

Sec. 4. Minnesota Statutes 1982, section 429.021, subdivision 1, is amended to read:

Subdivision 1. [IMPROVEMENTS AUTHORIZED.] The council of a municipality shall have power to make the following improvements:



(1) To acquire, open, and widen any street, and to improve the same by constructing, reconstructing, and maintaining sidewalks, pavement, gutters, curbs, and vehicle parking strips of any material, or by grading, graveling, oiling, or otherwise improving the same, including the beautification thereof and including storm sewers or other street drainage and connections from sewer, water or similar mains to curb lines.

(2) To acquire, develop, construct, reconstruct, extend and maintain storm and sanitary sewers and systems, including outlets, holding areas and ponds, treatment plants, pumps, lift stations, service connections, and other appurtenances of a sewer system, within and without the corporate limits.

(3) To construct, reconstruct, extend and maintain steam heating mains.

(4) To install, replace, extend and maintain street lights and street lighting systems and special lighting systems.

(5) To acquire, improve, construct, reconstruct, extend and maintain water works systems, including mains, valves, hydrants, service connections, wells, pumps, reservoirs, tanks, treatment plants, and other appurtenances of a water works system, within and without the corporate limits.

(6) To acquire, improve and equip parks, open space areas, playgrounds and recreational facilities within or without the corporate limits.

(7) To plant trees on streets and provide for their trimming, care and removal.

(8) To abate nuisances and to drain swamps, marshes and ponds on public or private property and to fill the same.

(9) To construct, reconstruct, extend, and maintain dikes and other flood control works.

(10) To construct, reconstruct, extend and maintain retaining walls and area walls.

(11) To acquire, construct, reconstruct, improve, alter, extend, operate, maintain and promote a pedestrian skyway system. *Such improvement may be made upon a petition pursuant to section 429.031, subdivision 3.*

(12) To acquire, construct, reconstruct, extend, operate, maintain and promote underground pedestrian concourses.

(13) To acquire, construct, improve, alter, extend, operate, maintain and promote public malls, plazas or courtyards.

(14) To construct, reconstruct, extend, and maintain district heating systems.

(15) *To construct, reconstruct, alter, extend, operate, maintain and promote fire protection systems in existing buildings, but only upon a petition pursuant to section 429.031, subdivision 3.*

Sec. 5. Minnesota Statutes 1982, section 429.031, subdivision 3, is amended to read:

Subd. 3. [PETITION BY ALL OWNERS.] Whenever all owners of real property abutting upon any street named as the location of any improvement shall petition the council to construct the improvement and to assess the entire cost against their property, the council may, without a public hearing, adopt a resolution determining such fact and ordering the improvement. The validity of the resolution shall not be questioned by any taxpayer or property owner or the municipality unless an action for that purpose is commenced within 30 days after adoption of the resolution as provided in section 429.036. Nothing herein prevents any property owner from questioning the amount or validity of the special assessment against his property pursuant to section 429.081. *In the case of a petition for the installation of a fire protection or a pedestrian skyway system, the petition must contain or be accompanied by an undertaking satisfactory to the city by the petitioner that the petitioner will grant the municipality the necessary property interest in the building to permit the city to enter upon the property and the building to construct, maintain, and operate the fire protection or pedestrian skyway system. In the case of a petition for the installation of a fire protection or pedestrian skyway system which will be privately owned, the petition shall also contain the plans and specifications for the improvement, the estimated cost of the improvement and a statement indicating whether the city or the owner will contract for the construction of the improvement. If the owner is contracting for the construction of the improvement, the city shall not approve the petition until it has reviewed and approved the plans, specifications, and cost estimates contained in the petition. The construction cost financed under section 429.091 shall not exceed the amount of the cost estimate contained in the petition. In the case of a petition for the installation of a fire protection or a pedestrian skyway system, the petitioner may request abandonment of the improvement at any time after it has been ordered pursuant to subdivision 1 and before contracts have been awarded for the construction of the improvement under section 429.041, subdivision 2. If such a request is received, the city council shall abandon the proceedings but in such case the petitioner shall reimburse the city for any and all expenses incurred by the city in connection with the improvement.*

Sec. 6. Minnesota Statutes 1982, section 429.091, subdivision 2, is amended to read:

Subd. 2. [TYPES OF OBLIGATIONS PERMITTED.] The council may by resolution adopted prior to the sale of obligations pledge the full faith, credit, and taxing power of the municipality for the payment of the principal and interest. Such obligations shall be called improvement bonds and the council shall pay the principal and interest out of any fund of the municipality when the amount credited to the specified fund is insufficient for the purpose and shall each year levy a sufficient amount to take care of accumulated or anticipated deficiencies, which levy shall not be subject to any statutory or charter tax limitation. Obligations for the payment of which the full faith and credit of the municipality is not pledged shall be called improvement warrants *or, in the case of bonds for fire protection or pedestrian skyway systems, revenue bonds* and shall contain a promise to pay solely out of the proper special fund *or funds pledged to their payment*. It shall be the duty of the municipal treasurer to pay maturing principal and interest on warrants *or revenue bonds* out of funds on hand in the proper (SPECIAL FUND) *funds* and not otherwise.

Sec. 7. Minnesota Statutes 1982, section 429.101, subdivision 1, is amended to read:

Subdivision 1. [ORDINANCES.] In addition to any other method authorized by law or charter, the governing body of any municipality may provide for the collection of unpaid special charges for all or any part of the cost of

- (a) snow, ice, or rubbish removal from sidewalks,
- (b) weed elimination from streets or private property,
- (c) removal or elimination of public health or safety hazards from private property, excluding any structure included under the provisions of sections 463.15 to 463.26,
- (d) installation or repair of water service lines, street sprinkling or other dust treatment of streets,
- (e) the trimming and care of trees and the removal of unsound trees from any street,
- (f) the treatment and removal of insect infested or diseased trees on private property, the repair of sidewalks and alleys, (OR)
- (g) the operation of a street lighting system, *or*
- (h) *the operation and maintenance of a fire protection or a pedestrian skyway system,*

as a special assessment against the property benefited. The council may by ordinance adopt regulations consistent with this section to make this authority effective, including, at the option of the council, provisions for placing primary responsibility upon the property owner or occupant to do the work himself (except in the case of street sprinkling or other dust treatment, alley repair, tree trimming, care, and removal or the operation of a street lighting system) upon notice before the work is undertaken, and for collection from the property owner or other person served of the charges when due before unpaid charges are made a special assessment.

Sec. 8. Laws 1979, chapter 189, section 2, is amended to read:

Sec. 2. For the purposes of this act, "residential customer" means a customer classified by the public utility as a residential heating or residential non-heating customer of the public utility within the city of St. Paul and "gross operating revenue" means all sums received by the public utility from the sale of gas, hot water heating or electricity, excluding any amounts received which result from a surcharge on the public utility's rate schedule for the purpose of collecting the franchise fee.

Sec. 9. [EXEMPTION.]

*Notwithstanding the provisions of Minnesota Statutes, section 473.556, subdivision 6, or any other law, real property conveyed to the port authority of the city of Bloomington by the metropolitan sports facilities commission shall be exempt from taxation as provided in Minnesota Statutes, sections 473.556, subdivision 4; and 459.192, subdivision 2.*

Sec. 10. [EFFECTIVE DATE.]

*Section 1 is effective for taxes levied in 1983 and thereafter and payable in 1984 and thereafter. Section 2 is effective for taxes levied in 1979 and thereafter and for taxes payable in 1980 and thereafter. Section 9 is effective upon compliance by the governing body of the city of Bloomington with Minnesota Statutes, section 645.021, subdivision 3."*

Delete the title and insert:

"A bill for an act relating to public finance; modifying the tax exemption for property held by political subdivisions; providing a tax exemption for certain real and personal property; authorizing the levy of special assessments or service charges for fire protection and pedestrian skyway systems; amending Minnesota Statutes 1982, sections 272.02, subdivision 5; 429.021, subdivision 1; 429.031, subdivision 3; 429.091, subdivision 2; and 429.101, subdivision 1; and Minnesota Statutes 1983 Supplement,

sections 272.02, subdivision 1; and 297A.25, subdivision 1; and Laws 1979, chapter 189, section 2."

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

Senate Conferees: ERIC D. PETTY, MICHAEL O. FREEMAN and RANDY P. KAMRATH.

House Conferees: LINDA SCHEID, RANDY C. KELLY and TOM OSTHOFF.

Scheid moved that the report of the Conference Committee on S. F. No. 1511 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1511, A bill for an act relating to taxation; property; modifying the exemption for property held by political subdivisions; amending Minnesota Statutes 1982, section 272.02, subdivision 5.

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

The question was taken on the repassage of the bill and the roll was called. There were 108 yeas and 11 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Krueger	Otis	Shea
Anderson, G.	Evans	Larsen	Pauly	Sherman
Anderson, R.	Findlay	Levi	Peterson	Simoneau
Battaglia	Fjoslien	Long	Piepho	Skoglund
Beard	Forsythe	Mann	Piper	Solberg
Begich	Greenfield	Marsh	Price	Sparby
Bennett	Gruenes	McEachern	Quinn	Staten
Bergstrom	Gustafson	McKasy	Quist	Sviggum
Blatz	Gutknecht	Metzen	Reif	Swanson
Boo	Halberg	Minne	Rice	Tomlinson
Brandl	Heap	Munger	Riveness	Tunheim
Brinkman	Heinitz	Murphy	Rodosovich	Valan
Burger	Himle	Nelson, D.	Rodriguez, C.	Vanasek
Carlson, D.	Hoffman	Nelson, K.	Rodriguez, F.	Vellenga
Carlson, L.	Hokr	Neuenschwander	Rose	Waltman
Clark, J.	Jacobs	Norton	St. Onge	Welch
Cohen	Jensen	O'Connor	Sarna	Welle
Coleman	Johnson	Ogren	Scheid	Wenzel
Dempsey	Kahn	Olsen	Schoenfeld	Wynia
Dimler	Kalis	Omamn	Seaberg	Speaker Sieben
Eken	Knuth	Onnen	Segal	
Elioff	Kostohryz	Osthoff	Shaver	

Those who voted in the negative were:

DenOuden	Haukoos	Ludeman	Thiede	Welker
Erickson	Jennings	Schafer	Valento	Zaffke
Frerichs				

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

## SPECIAL ORDERS

S. F. No. 1469, A bill for an act relating to workers' compensation; providing coverage for certain employees of the University of Minnesota and for ambulance drivers and attendants; amending Minnesota Statutes 1983 Supplement, section 176.011, subdivision 9.

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 2 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Pauly                      Zaffke

The bill was passed and its title agreed to.

S. F. No. 1826, A bill for an act relating to state government; specifying authority of the governor; specifying powers and duties of the commissioner of the department of energy and economic development; providing services for small businesses; amending Minnesota Statutes 1982, sections 116J.67, subdivision 8; 116J.68; Minnesota Statutes 1983 Supplement, sections 116J.10; 116J.61; proposing new law coded in Minnesota Statutes, chapter 116J.

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

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

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Dimler	Ludeman	McDonald	Thiede	Welker
Frerichs				

The bill was passed and its title agreed to.

S. F. No. 1978 was reported to the House.

Knuth moved to amend S. F. No. 1978, as follows:

Page 2, line 29, before "The" insert "After conducting hearings in communities affected by airport noise,"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 24 yeas and 85 nays as follows:

Those who voted in the affirmative were:

Brandl	Kelly	Nelson, K.	Quinn	Tomlinson
Clark, J.	Knuth	Norton	Riveness	Voss
Clawson	Krueger	O'Connor	Seaberg	Welle
Ellingson	Larsen	Pauly	Skoglund	Wynia
Greenfield	Long	Price	Solberg	

Those who voted in the negative were:

Anderson, B.	Anderson, R.	Begich	Blatz	Brinkman
Anderson, G.	Battaglia	Bennett	Boo	Burger

Carlson, D.	Haukoos	McDonald	Redalen	Simoneau
Carlson, L.	Heap	McEachern	Reif	Sviggum
Coleman	Himle	McKasy	Rice	Swanson
Dempsey	Hokr	Metzen	Rodosovich	Thiede
DenOuden	Jacobs	Minne	Rodriguez, C.	Uphus
Dimler	Jennings	Munger	Rodriguez, F.	Valan
Eken	Jensen	Murphy	Rose	Valento
Elioff	Johnson	Neuenschwander	St. Onge	Vanasek
Evans	Kalis	Ogren	Sarna	Waltman
Findlay	Kostohryz	Olsen	Schafer	Welch
Fjoslien	Kvam	Omann	Schoenfeld	Welker
Forsythe	Levi	Onnen	Schreiber	Wenzel
Gruenes	Ludeman	Osthoff	Segal	Wigley
Gutknecht	Mann	Otis	Shea	Zaffke
Halberg	Marsh	Piepho	Sherman	Speaker Sieben

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

Knuth moved to amend S. F. No. 1978, as follows:

Page 1, line 21, after the period insert "*The legislative auditor may conduct program evaluations and financial audits of the commission.*"

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

Skoglund moved to amend S. F. No. 1978, as follows:

Page 1, line 11, after "plans" insert "*as defined by the council,*"

Page 2, line 8, strike "such"

Page 2, line 8, after "which" insert "*exceeds the amounts prescribed herein or which*"

Page 3, line 1, after "*legislature*" insert a period and delete the remainder of the line

Page 3, delete line 2

Page 3, line 4, after "1985" insert a period and delete the remainder of the line

Page 3, delete line 5

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 15 yeas and 98 nays as follows:



Those who voted in the affirmative were:

Brandl	Heinitz	Larsen	Quist	Skoglund
Clawson	Kahn	Long	Riveness	Voss
Greenfield	Knuth	Quinn	Schreiber	Zafike

Those who voted in the negative were:

Anderson, B.	Ellingson	Kelly	Olsen	Solberg
Anderson, G.	Erickson	Kostolryz	Omman	Sparby
Anderson, R.	Evans	Krueger	Osthoff	Staten
Battaglia	Findlay	Kvam	Otis	Sviggum
Beard	Fjoslien	Levi	Piepho	Swanson
Begich	Forsythe	Ludeman	Piper	Thiede
Bennett	Frerichs	Mann	Reif	Tomlinson
Bergstrom	Graba	Marsh	Rice	Tunheim
Blatz	Gruenes	McDonald	Rodosovich	Uphus
Boo	Gustafson	McEachern	Rodriguez, C.	Valan
Brinkman	Gutknecht	McKasy	Rodriguez, F.	Valento
Burger	Halberg	Metzen	Rose	Vanasek
Carlson, D.	Haukoos	Minne	St. Onge	Waltman
Carlson, L.	Himle	Murphy	Sarna	Welker
Coleman	Hoffman	Nelson, D.	Schafer	Welle
Dempsey	Hokr	Nelson, K.	Seaberg	Wenzel
DenOuden	Jacobs	Neuenschwander	Segal	Wigley
Dimler	Jennings	Norton	Shaver	Speaker Sieben
Eken	Johnson	O'Connor	Sherman	
Elioff	Kalis	Ogren	Simoneau	

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

Skoglund moved to amend S. F. No. 1978, as follows:

Page 2, lines 11 to 27, delete Section 4

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

Skoglund moved to amend S. F. No. 1978, as follows:

Page 2, line 5, delete "other"

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

S. F. No. 1978, A bill for an act relating to the metropolitan airports commission; defining its relationship to the legislature and the metropolitan council; amending Minnesota Statutes 1982, sections 473.611, subdivision 5; 473.621, subdivision 6, and by adding subdivisions.

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 101 yeas and 18 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Evans	Kostohryz	Onnen	Shaver
Anderson, G.	Findlay	Krueger	Osthoff	Sherman
Anderson, R.	Fjoslien	Kvam	Otis	Simoneau
Battaglia	Forsythe	Levi	Pauly	Solberg
Beard	Frerichs	Ludeman	Piepho	Sparby
Begich	Graba	Mann	Piper	Sviggum
Bennett	Gruenes	Marsh	Price	Swanson
Bergstrom	Gustafson	McDonald	Redalen	Thiede
Bishop	Gutknecht	McEachern	Rice	Tunheim
Blatz	Halberg	McKasy	Rodosovich	Uphus
Boo	Haukoos	Metzen	Rodriguez, C.	Valan
Brinkman	Heap	Minne	Rodriguez, F.	Valento
Burger	Heinitz	Munger	Rose	Waltman
Carlson, D.	Himle	Murphy	St. Onge	Welker
Carlson, L.	Hoffman	Nelson, D.	Sarna	Wenzel
Dempsey	Hokr	Neuenschwander	Schafer	Wigley
DenOuden	Jacobs	Norton	Scheid	Speaker Sieben
Dimler	Jennings	O'Connor	Schoenfeld	
Elioff	Jensen	Ogren	Schreiber	
Ellingson	Johnson	Olsen	Seaberg	
Erickson	Kalis	Omann	Segal	

Those who voted in the negative were:

Brandl	Greenfield	Long	Skoglund	Welch
Clark, J.	Kahn	Quinn	Tomlinson	Wynia
Clawson	Knuth	Quist	Voss	Zaffke
Coleman	Larsen	Riveness		

The bill was passed and its title agreed to.

H. F. No. 1686 was reported to the House.

Rose and Osthoff moved to amend H. F. No. 1686, the second engrossment, as follows:

Page 1, line 9 to page 3, line 17, delete Section 1 from the bill

Renumber the remaining section

Amend the title as follows:

Page 1, line 2, delete "disposition of stray animals;"

Page 1, line 3, delete "amending"

Page 1, delete line 4

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 93 yeas and 17 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Evans	Knickerbocker	Osthoff	Sparby
Battaglia	Findlay	Kostohryz	Otis	Stadum
Beard	Forsythe	Kvam	Piper	Swiggum
Begich	Frerichs	Larsen	Price	Swanson
Bennett	Graba	Levi	Quinn	Thiede
Bergstrom	Greenfield	Ludeman	Quist	Tunheim
Bishop	Gruenes	Marsh	Redalen	Uphus
Blatz	Gutknecht	McEachern	Reif	Valan
Boo	Halberg	McKasy	Rodriguez, F.	Valento
Brandl	Haukoos	Metzen	Rose	Vanasek
Brinkman	Heap	Minne	Sarna	Waltman
Burger	Himle	Nelson, D.	Schafer	Welker
Carlson, D.	Hokr	Nelson, K.	Scheid	Weinzel
Carlson, L.	Jacobs	Neuenschwander	Schoenfeld	Wigley
Clark, J.	Jennings	Norton	Schreiber	Wynia
Cohen	Jensen	O'Connor	Shea	Zaffke
DenOuden	Johnson	Ogren	Sherman	Speaker Sieben
Eken	Kahn	Olsen	Simoneau	
Erickson	Kalis	Omann	Solberg	

Those who voted in the negative were:

Clawson	Ellingson	Hoffman	Murphy	St. Onge
Coleman	Fjoslien	Kelly	Piepho	Tomlinson
Dempsey	Gustafson	Mann	Rodosovich	Welch
Elioff	Heinitz			

The motion prevailed and the amendment was adopted.

H. F. No. 1686, A bill for an act relating to animals; protecting leader dogs; imposing penalties; proposing new law coded in Minnesota Statutes 1982, chapter 347.

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

The question was taken on the passage of the bill and the roll was called: There were 121 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Anderson, B.	Clawson	Gruenes	Kostohryz	Norton
Anderson, C.	Cohen	Gustafson	Kvam	O'Connor
Anderson, R.	Coleman	Gutknecht	Larsen	Ogren
Battaglia	Dempsey	Halberg	Levi	Olsen
Beard	DenOuden	Haukoos	Long	Omann
Begich	Dimler	Heap	Ludeman	Onnen
Bennett	Eken	Heinitz	Mann	Osthoff
Bergstrom	Elioff	Himle	Marsh	Otis
Bishop	Ellingson	Hoffman	McEachern	Pauly
Blatz	Erickson	Hokr	McKasy	Peterson
Boo	Evans	Jacobs	Metzen	Piepho
Brinkman	Findlay	Jensen	Minne	Piper
Burger	Fjoslien	Johnson	Munger	Price
Carlson, D.	Forsythe	Kalis	Murphy	Quinn
Carlson, L.	Frerichs	Kelly	Nelson, D.	Quist
Clark, J.	Graba	Knickerbocker	Nelson, K.	Redalen
Clark, K.	Greenfield	Knuth	Neuenschwander	Reif

Rice	Schoenfeld	Sparby	Valento	Wigley
Rodosovich	Schreiber	Stadum	Vanasek	Wynia
Rodriguez, F.	Segal	Sviggum	Vellenga	Zaffke
Rose	Shaver	Swanson	Waltman	Speaker Sieben
St. Onge	Shea	Thiede	Welch	
Sarna	Sherman	Tunheim	Welker	
Schafer	Simoneau	Uphus	Welle	
Scheid	Solberg	Valan	Wenzel	

Those who voted in the negative were:

Brandl

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

H. F. No. 2154 was reported to the House.

Clawson moved that H. F. No. 2154 be returned to its author. The motion prevailed.

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

#### RECESS

#### RECONVENED

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

#### MESSAGES FROM THE SENATE, Continued

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 1257, A bill for an act relating to occupations and professions; regulating entertainment agencies; providing penalties; proposing new law coded as Minnesota Statutes, chapter 184A.

PATRICK E. FLAHAVEN, Secretary of the Senate

Rice moved that the House refuse to concur in the Senate amendments to H. F. No. 1257, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

The following conference committee report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2016

A bill for an act relating to taxation; repealing the income tax surtax; modifying the designation of enterprise zones; increasing the funding for enterprise zones; modifying the definition of political party under the political contribution credit; providing an income tax credit for conservation tillage farm equipment; eliminating racehorses from the farm loss modification; permitting certain net operating loss carrybacks; permitting deduction of certain foreign taxes paid; allowing deduction of foreign dividends and royalties; modifying the definition of apportionment factors; restricting tax exemptions for redevelopment companies; changing the computation of the school agricultural credit retroactive to taxes payable in 1984 in certain cases; modifying the maximum targeting credit for payable 1984; providing a targeting credit for payable 1985; changing computation of certain local government aid payments; directing the department of revenue to issue guidelines on certain topics; instructing the commissioner to determine production value ratio; authorizing certain additional levies in counties; modifying the use of the sales ratio study as evidence in court; changing the methodology of the sales ratio study; changing certain property tax appeal procedures; imposing requirements for disaster relief credits; increasing agricultural aid to certain property; modifying the homestead credit provisions for certain property and providing refunds; changing the classification ratio maximum value on commercial and industrial property; limiting the property tax exemption for certain projects; repealing the exemption for franchise and special taxes and fees for certain projects; modifying the property tax refund with respect to certain claims; repealing rent capitalization; changing the estate tax; allowing the commissioner more discretion in valuing railroad property; providing for equalization of railroad valuations; authorizing the Ramsey-Washington metro watershed district to establish a maintenance and repair fund and levy taxes; creating the Croft historical park board; authorizing the board to levy taxes; authorizing the city of Cloquet to levy taxes for certain transit expenses; authorizing the conveyance of certain land in St. Louis County; clarifying the application of the mortgage registry tax to revolving lines of credit; changing the procedures for refunds of the motor fuels tax; reducing the sales tax rate for purchases of capital equipment and manufactured housing; exempting agricultural electricity, residential hot water district heating, and used manufactured housing from the sales tax; exempting certain sales by nonprofit organizations from the sales tax; exempting residential district heating from the St. Paul franchise tax; repealing the accelerated payment of sales tax; transferring motor vehicle excise tax proceeds to the highway user and transit funds; providing for the priority of certain liens securing revolving lines of credit; increasing the interest rate on state tax refunds; appropriating money; amending Minnesota Statutes 1982, sections 10A.31, subdivisions 3a and 5; 124.2131, subdivi-

sion 1; 270.80, subdivision 4; 270.84, subdivision 1; 270.86; 270.-87; 270A.07, subdivision 5; 271.01, subdivision 5; 271.06, subdivision 6; 271.12; 273.123, by adding subdivisions; 273.13, subdivisions 9 and 19; 287.05, by adding subdivisions; 290.01, subdivision 20e; 290.06, by adding a subdivision; 290.19, subdivision 1a; 290.21, by adding a subdivision; 290.92, subdivision 11; 290.936; 290A.04, by adding a subdivision; 290A.07, subdivision 2a; 291.075; 291.09, subdivision 1a; 291.132, subdivision 2; 291.18; 291.215, subdivision 1; 294.09, subdivision 1; 296.18, subdivisions 3 and 8; 297A.01, by adding subdivisions; 297A.15, by adding a subdivision; 297B.035, subdivision 3; 298.09, subdivision 4; 299.05; 462.651, subdivision 1, and by adding a subdivision; and 477A.13; Minnesota Statutes 1983 Supplement, sections 16A.15, subdivision 6; 124.2137, subdivision 1; 273.11, subdivision 1; 273.13, subdivisions 6 and 21; 273.1314, subdivisions 6, 8, and 15; 278.01, subdivision 1; 278.05, subdivision 4; 290.06, subdivision 11; 290.09, subdivision 29; 290.18, subdivision 2; 290.21, subdivision 4; 290.50, subdivision 1; 290.92, subdivision 13; 290.93, subdivision 9; 290A.03, subdivisions 8 and 13; 290A.04, subdivision 2e, and by adding a subdivision; 290A.-05; 290A.07, subdivision 3; 291.005, subdivision 1; 291.03, subdivision 1; 291.09, subdivision 3a; 296.14, subdivision 4; 296.18, subdivision 1; 297A.02, subdivision 2, and by adding a subdivision; 297A.14; 297A.25, subdivision 1; 297A.27, subdivision 1; 297A.35, subdivision 1; 297B.09; and 477A.013, subdivision 1; Laws 1979, chapter 189, section 2; proposing new law coded in Minnesota Statutes, chapters 270, 507 and 508; repealing Minnesota Statutes 1982, sections 270.90; 291.015; 291.03, subdivisions 3, 4, 5, 6, and 7; 291.05; 291.051; 291.06; 291.065; 291.07; 291.-08; 291.09, subdivision 5; 291.111; and 462.651, subdivision 2; Minnesota Statutes 1983 Supplement, sections 273.11, subdivision 7; 290.06, subdivisions 2e and 13; 297A.275; and 462.651, subdivision 3; and Laws 1983, chapter 342, article 1, section 8.

April 19, 1984

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

The Honorable Jerome M. Hughes  
President of the Senate

We, the undersigned conferees for H. F. No. 2016, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 2016 be further amended as follows:

Delete everything after the enacting clause and insert:

## "ARTICLE 1

## BUDGET RESERVE

Section 1. Minnesota Statutes 1983 Supplement, section 16A.15, subdivision 6, is amended to read:

Subd. 6. [BUDGET RESERVE ACCOUNT.] *A budget reserve account is created in the general fund in the state treasury. The commissioner of finance on July 1, 1983, shall transfer \$250,000,000 to (A) the budget reserve account (IN THE GENERAL FUND IN THE STATE TREASURY). The commissioner of finance on July 1, 1984, shall transfer an additional \$125,000,000 to the budget reserve account in the general fund. The amounts transferred shall remain in the budget reserve account until expended under subdivision 1.*

## ARTICLE 2

## INCOME TAX

Section 1. Minnesota Statutes 1982, section 10A.31, subdivision 3a, is amended to read:

Subd. 3a. *A minor political party as defined in section 10A.01, subdivision 13 qualifies for inclusion on the income tax form and property tax refund return as provided in subdivision 3, provided that*

(1) (a) *If a petition is filed, it is filed by June 1 of the taxable year; or*

(b) *if the party ran a candidate for statewide office, that office must have been the office of governor and lieutenant governor, secretary of state, state auditor, state treasurer, or attorney general; and*

(2) *the secretary of state certifies to the commissioner of revenue by July 1, 1984, and by July 1 of every odd-numbered year thereafter the parties which qualify as minor political parties under this subdivision.*

*A minor party shall be certified only if the secretary of state determines that the party satisfies the following conditions:*

(a) *the party meets the requirements of section 10A.01, subdivision 13, and in the last applicable election ran a candidate for the statewide offices listed in clause (1)(b) of this subdivision;*

(b) *it is a political party, not a principal campaign committee;*

(c) *it has held a state convention in the last two years, adopted a state constitution, and elected state officers; and*

(d) *an officer of the party has filed with the secretary of state a certification that the party held a state convention in the last two years, adopted a state constitution, and elected state officers.*

Sec. 2. Minnesota Statutes 1982, section 10A.31, subdivision 5, is amended to read:

Subd. 5. In each calendar year the moneys in each party account and the general account shall be allocated to candidates as follows:

(1) 21 percent for the offices of governor and lieutenant governor together;

(2) 3.6 percent for the office of attorney general;

(3) 1.8 percent each for the offices of secretary of state, state auditor and state treasurer;

(4) In each calendar year during the period in which state senators serve a four year term,  $23\frac{1}{3}$  percent for the office of state senator and  $46\frac{2}{3}$  percent for the office of state representative;

(5) In each calendar year during the period in which state senators serve a two year term, 35 percent each for the offices of state senator and state representative;

(6) To assure that moneys will be returned to the counties from which they were collected, and to assure that the distribution of those moneys rationally relates to the support for particular parties or for particular candidates within legislative districts, moneys from the party accounts for legislative candidates shall be distributed as follows:

Each candidate for the state senate and state house of representatives whose name is to appear on the ballot in the general election shall receive moneys from his party account set aside for candidates of the state senate or state house of representatives, whichever applies, according to the following formula;

For each county within his district the candidate's share of the dollars allocated in that county to his party account and set aside for that office shall be:

(a) The sum of the votes cast in the last general election in that part of the county in his district for all candidates of his



party (i) whose names appeared on the ballot in each voting precinct of the state and (ii) for the state senate and state house of representatives, divided by

(b) The sum of the votes cast in that county in the last general election for all candidates of his party (i) whose names appeared on the ballot in each voting precinct in the state and (ii) for the state senate and state house of representatives, multiplied by

(c) The amount in his party account allocated in that county and set aside for the candidates for the office for which he is a candidate.

The sum of all the county shares calculated in the formula above is the candidate's share of his party account.

In a year in which an election for the state senate occurs, with respect to votes for candidates for the state senate only, "last general election" means the last general election in which an election for the state senate occurred.

For any party under whose name no candidate's name appeared on the ballot in each voting precinct in the state in the last general election, ("LAST GENERAL ELECTION" MEANS THE LAST GENERAL ELECTION IN WHICH THE NAME OF A CANDIDATE OF THAT PARTY APPEARED ON THE BALLOT IN EACH VOTING PRECINCT IN THE STATE) amounts in the party's account shall be allocated based on (a) the number of people voting in the last general election in that part of the county in his district, divided by (b) the number of the people voting in that county in the last general election, multiplied by (c) the amount in his party account allocated in that county and set aside for the candidates for the office for which he is a candidate.

Sec. 3. Minnesota Statutes 1983 Supplement, section 290.01, subdivision 20a, is amended to read:

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

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

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

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

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

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

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

(7) Expenses and depreciation attributable to substandard buildings disallowed by section 290.101;

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

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

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

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

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

(13) To the extent not included in the taxpayer's federal adjusted gross income, the amount of any gain, from the sale

or other disposition of property having a lower adjusted basis for Minnesota income tax purposes than for federal income tax purposes. This modification shall not exceed the difference in basis. If the gain is considered a long term capital gain for federal income tax purposes, the modification shall be limited to 40 percent of the portion of the gain. This modification is limited to property that qualified for the equity investment credit contained in section 290.069, subdivision 4, and to property acquired in exchange for the release of the taxpayer's marital rights contained in section 290.14, clause (7);

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

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

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

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

(18) Expenses and depreciation attributable to property subject to Laws 1982, chapter 523, article 7, section 3 which has not been registered;

(19) The amount of contributions to an individual retirement account, including a qualified voluntary employee contribution, simplified employee pension plan, or self-employed retirement plan which is allowed under sections 311 and 312 of Public Law Number 97-34; section 238 of Public Law Number 97-248, and section 103(d)(1)(B) of Public Law Number 97-448 to the extent those contributions were not an allowable deduction prior to the enactment of that law; *provided that an individual on whose behalf stock worth less than \$300 is contributed during the taxable year to a tax credit employee stock ownership plan that satisfies the requirements of sections 44G and 409A of the Internal Revenue Code of 1954 shall not be required, as a consequence of that contribution, to include contributions to another plan or account in gross income under this clause to the extent the contributions do not exceed the difference between the value of the stock contributed during the taxable year and \$1,500; and*

(20) To the extent not included in the taxpayer's federal adjusted gross income, the amount of any contributions to a qualified pension plan, designated as employee contributions but

which the employing unit picks up and which are treated as employer contributions pursuant to section 414(h) (2) of the Internal Revenue Code of 1954, *provided that employee contributions to police and fire relief associations that previously were not included within gross income as contributions to organizations qualified under section 501(c) (4) of the Internal Revenue Code of 1954 shall not be included in gross income under this clause.*

Sec. 4. Minnesota Statutes 1983 Supplement, section 290.01, subdivision 20b, is amended to read:

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

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

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

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

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

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

(6) (TO THE EXTENT INCLUDED IN FEDERAL ADJUSTED GROSS INCOME, OR THE AMOUNT REFLECTED

AS THE ORDINARY INCOME PORTION OF A LUMP SUM DISTRIBUTION UNDER SECTION 402(E) OF THE INTERNAL REVENUE CODE OF 1954, NOTWITHSTANDING ANY OTHER LAW TO THE CONTRARY, THE AMOUNT RECEIVED BY ANY PERSON (I) FROM THE UNITED STATES, ITS AGENCIES OR INSTRUMENTALITIES, THE FEDERAL RESERVE BANK OR FROM THE STATE OF MINNESOTA OR ANY OF ITS POLITICAL OR GOVERNMENTAL SUBDIVISIONS OR FROM ANY OTHER STATE OR ITS POLITICAL OR GOVERNMENTAL SUBDIVISIONS, OR A MINNESOTA VOLUNTEER FIREFIGHTER'S RELIEF ASSOCIATION, BY WAY OF PAYMENT AS A PENSION, PUBLIC EMPLOYEE RETIREMENT BENEFIT, OR ANY COMBINATION THEREOF, (II) AS A RETIREMENT OR SURVIVOR'S BENEFIT MADE FROM A PLAN QUALIFYING UNDER SECTION 401, 403, 404, 405, 408, 409 OR 409A OF THE INTERNAL REVENUE CODE OF 1954, or (III) SEVERANCE PAY DISTRIBUTED TO AN INDIVIDUAL UPON DISCONTINUANCE OF THE INDIVIDUAL'S EMPLOYMENT DUE TO TERMINATION OF BUSINESS OPERATIONS BY THE INDIVIDUAL'S EMPLOYER, PROVIDED THAT THE TERMINATION IS REASONABLY LIKELY TO BE PERMANENT, INVOLVES THE DISCHARGE OF AT LEAST 75 PERCENT OF THE EMPLOYEES AT THAT SITE WITHIN A ONE-YEAR PERIOD, AND THE BUSINESS IS NOT ACQUIRED BY ANOTHER PERSON WHO CONTINUES OPERATIONS AT THAT SITE. THE MAXIMUM AMOUNT OF THIS SUBTRACTION SHALL BE \$11,000 LESS THE AMOUNT BY WHICH THE INDIVIDUAL'S FEDERAL ADJUSTED GROSS INCOME, PLUS THE ORDINARY INCOME PORTION OF A LUMP SUM DISTRIBUTION AS DEFINED IN SECTION 402(E) OF THE INTERNAL REVENUE CODE OF 1954, EXCEEDS \$17,000. FOR PURPOSES OF THIS CLAUSE, "SEVERANCE PAY" MEANS AN AMOUNT RECEIVED FOR CANCELLATION OF AN EMPLOYMENT CONTRACT OR A COLLECTIVELY BARGAINED TERMINATION PAYMENT MADE AS A SUBSTITUTE FOR INCOME WHICH WOULD HAVE BEEN EARNED FOR PERSONAL SERVICES TO BE RENDERED IN THE FUTURE. IN THE CASE OF A VOLUNTEER FIREFIGHTER WHO RECEIVES AN INVOLUNTARY LUMP SUM DISTRIBUTION OF HIS PENSION OR RETIREMENT BENEFITS, THE MAXIMUM AMOUNT OF THIS SUBTRACTION SHALL BE \$11,000; THIS SUBTRACTION SHALL NOT BE REDUCED BY THE AMOUNT OF THE INDIVIDUAL'S FEDERAL ADJUSTED GROSS INCOME IN EXCESS OF \$17,000) *Pension income as provided by section 7;*

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

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

(9) Interest, including payment adjustment to the extent that it is applied to interest, earned by the seller of the property on a family farm security loan executed before January 1, 1986 that is guaranteed by the commissioner of agriculture as provided in sections 41.51 to 41.60;

(10) The first \$3,000 of compensation for personal services in the armed forces of the United States or the United Nations, and the next \$2,000 of compensation for personal services in the armed forces of the United States or the United Nations wholly performed outside the state of Minnesota. This modification does not apply to compensation defined in subdivision 20b, clause (6);

(11) The amount of any income earned for personal services rendered outside of Minnesota prior to the date when the taxpayer became a resident of Minnesota. This modification does not apply to compensation defined in subdivision 20b, clause (6);

(12) In the case of wages or salaries paid or incurred on or after January 1, 1977, the amount of any credit for employment of certain new employees under sections 44B and 51 to 53 of the Internal Revenue Code of 1954 which is claimed as a credit against the taxpayer's federal tax liability, but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

(13) In the case of work incentive program expenses paid or incurred on or after January 1, 1979, the amount of any credit for expenses of work incentive programs under sections 40, 50A and 50B of the Internal Revenue Code of 1954 which is claimed as a credit against the taxpayer's federal tax liability, but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

(14) Unemployment compensation to the extent includible in gross income for federal income tax purposes under section 85 of the Internal Revenue Code of 1954;

(15) The amount of any income or gain which is not assignable to Minnesota under the provisions of section 290.17;

(16) Interest earned on a contract for deed entered into for the sale of property for agricultural use if the rate of interest set in the contract is no more than nine percent per year for the duration of the term of the contract. This exclusion shall be available only if (1) the purchaser is an individual who, together with his spouse and dependents, has a total net worth valued at less than \$150,000 and (2) the property sold under the contract is farm land as defined in section 41.52, subdivision 6 of no more than 1,000 acres that the purchaser intends to use for agricultural purposes. Compliance with these requirements shall be stated in an affidavit to be filed with the first income tax return on which the taxpayer claims the exclusion provided in this clause. Upon request accompanied by the information necessary to make the determination, the commissioner shall determine whether interest to be paid on a proposed transaction will qualify for this exclusion; the determination shall be provided within 30 days of receipt of the request, unless the commissioner finds it necessary to obtain additional information, or verification of the information provided, in which case the determination shall be provided within 30 days of receipt of the final item of information or verification. The exclusion provided in this clause shall apply to interest earned on contracts for deed entered into after December 31, 1981 and before July 1, 1983;

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

(18) To the extent included in federal adjusted gross income, distributions from a qualified governmental pension plan which represent a return of designated employee contributions to the plan and which contributions were included in gross income pursuant to subdivision 20a, clause (20); and

(19) To the extent included in federal adjusted gross income, distributions from an individual retirement account which represent a return of designated employee contributions if the contributions were included in gross income pursuant to subdivision 20a, clause (19). The distribution shall be allocated first to return of contributions included in gross income until the amount of the contributions has been exhausted.

Sec. 5. Minnesota Statutes 1983 Supplement, section 290.06, subdivision 11, is amended to read:

Subd. 11. [CONTRIBUTIONS TO POLITICAL PARTIES AND CANDIDATES.] A taxpayer may take a credit against the tax due under this chapter of 50 percent of his contributions to candidates for elective state or federal public office and to any political party. The maximum credit for an individual shall not exceed \$50 and, for a married couple filing jointly or filing a combined return, shall not exceed \$100. No credit shall be allowed under this subdivision for a contribution to any candi-

date, other than a candidate for elective judicial office or federal office, who has not signed an agreement to limit his campaign expenditures as provided in section 10A.32, subdivision 3b. For purposes of this subdivision, a political party means a major political party as defined in section 200.02, subdivision 7, or a minor political party qualifying for inclusion on the income tax or property tax refund form under section 10A.31, subdivision 3a. A major or minor party includes the aggregate of the party organization within each house of the legislature, the state party organization, and the party organization within congressional districts, counties, legislative districts, municipalities, and precincts. A "federal office" means the office of the president or vice president of the United States or the office of United States senator or congressman from Minnesota.

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

Sec. 6. Minnesota Statutes 1982, section 290.06, is amended by adding a subdivision to read:

*Subd. 16. [CONSERVATION TILLAGE FARM EQUIPMENT; CREDIT.] (a) A credit is allowed against the tax imposed by this chapter in an amount equal to ten percent of the net cost of conservation tillage planters.*

*(b) The credit for a taxable year may not exceed the liability for tax. "Liability for tax" means the tax imposed under this chapter for the taxable year reduced by the sum of any nonrefundable credits allowed under this chapter except the credit provided in section 290.068. The amount of any unused credit for a taxable year shall be a carryback to each of the preceding three taxable years and a carryover to each of the succeeding five taxable years. The entire amount of the credit shall be carried to the earliest of the taxable years to which it may be carried.*

*(c) For the purposes of sections 290.46 and 290.50, if the claim for refund relates to an overpayment attributable to a carryback under this subdivision, in lieu of the period of limitation prescribed in sections 290.46 and 290.50, the period of limitation shall be that period which ends with the expiration of the 15th day of the 46th month, or the 45th month, in the case of a corporation, following the end of the taxable year in which the credit arises which results in the carryback. With respect to any portion of a credit carryback from a taxable year attributable to a loss carryback from a subsequent taxable year, the period of limitations shall be that period which ends with the expiration of the 15th day of the 46th month, or, in the case of a corporation, the 45th month following the end of the subsequent taxable year. In any case in which a taxpayer is entitled to a refund in a carryback year due to the carryback, interest shall be computed only from the end of the taxable year*



in which the credit arises. With respect to any portion of a credit carryback from a taxable year attributable to a loss carryback from a subsequent taxable year, interest shall be computed from the end of the subsequent taxable year.

(d) For purposes of this subdivision, the following terms have the meanings given:

(1) "Conservation tillage planters" means planters or planting attachments designed and configured in a manner to plant row or small grain crops under a no-till, ridge-till, or strip-till method of conservation tillage.

(2) "No-till" means a conservation tillage system in which the soil is left undisturbed prior to planting and planting is completed in a narrow seedbed approximately one to three inches wide.

(3) "Ridge-till" means a conservation tillage system in which the soil is left undisturbed prior to planting and approximately one-third of the soil surface is tilled at planting with sweeps or row cleaners. Planting is completed on ridges several inches higher than the row middles.

(4) "Strip-till" means a conservation tillage system in which the soil is left undisturbed prior to planting and approximately one-third of the soil surface is tilled at planting using a rototiller, inrow chisel, row cleaner, or other similar conservation tillage equipment.

Sec. 7. Minnesota Statutes 1982, section 290.08, is amended by adding a subdivision to read:

Subd. 26. [PENSION INCOME.] (a) [EXCLUSION.] Gross income shall not include the taxpayer's pension income. The maximum amount of this exclusion is the greater of the following two amounts:

(1) \$11,000 reduced by the amount of the taxpayer's federal adjusted gross income in excess of \$17,000; or

(2) \$11,000 reduced by the sum of

(A) social security benefits,

(B) railroad retirement benefits, and

(C) the excess over \$23,000 of federal adjusted gross income, but excluding social security benefits and railroad retirement benefits to the extent included in federal adjusted gross income.

(3) Notwithstanding clauses (1) and (2), in the case of an involuntary lump sum distribution of pension or retirement benefits to volunteer firefighters, the maximum amount of the exclusion is \$11,000. This amount is not subject to reduction for other income of the taxpayer.

(4) Pension income consisting of severance pay qualifies only for the exclusion computed according to paragraph (a), clause (1).

(b) [DEFINITIONS.] For purposes of this subdivision the following terms have the meanings given:

(1) "Internal Revenue Code" means the Internal Revenue Code of 1954, as amended through December 31, 1983.

(2) "Federal adjusted gross income" is the federal adjusted gross income referred to in section 290.01, subdivision 20, for the current taxable year, and includes the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code.

(3) "Pension income" means to the extent included in the taxpayer's federal adjusted gross income the amount received by the taxpayer

(A) from the United States, its agencies or instrumentalities, the Federal Reserve Bank or from the state of Minnesota or any of its political or governmental subdivisions or from any other state or its political or governmental subdivisions, or a Minnesota volunteer firefighter's relief association, by way of payment as a pension, public employee retirement benefit, or any combination thereof,

(B) as a retirement or survivor's benefit made from a plan qualifying under section 401, 403, 404, 405, 408, 409, or 409A of the Internal Revenue Code, or

(C) severance pay distributed to an individual upon discontinuance of the individual's employment due to termination of business operations by the individual's employer, if the termination is reasonably likely to be permanent, involves the discharge of at least 75 percent of the employees at that site within a one-year period, and the business is not acquired by another person who continues operations at that site.

(4) "Severance pay" means an amount received for cancellation of an employment contract or a collectively bargained termination payment made as a substitute for income which would have been earned for personal services to be rendered in the future.

Sec. 8. Minnesota Statutes 1983 Supplement, section 290.089, subdivision 2, is amended to read:

Subd. 2. [ITEMIZED DEDUCTIONS.] Subject to the provisions of section 290.18, subdivision 1, an amount equal to the amount determined pursuant to section 63(f) of the Internal Revenue Code is allowed with the following adjustments:

(a) Add the amount paid to others not to exceed (\$500) \$650 for each dependent in grades K to 6 and (\$700) \$1,000 for each dependent in grades 7 to 12, for tuition, textbooks, and transportation of each dependent in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363. As used in this clause, "textbooks" includes books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs;

(b) Add the amount of Minnesota and other states' estate or inheritance taxes which were allowed as a deduction under section 290.077, subdivision 4, on income in respect of a decedent;

(c) Add the amount by which the deduction for the taxable year allowed pursuant to subdivision 4 exceeds the amount determined pursuant to section 222 of the Internal Revenue Code;

(d) Subtract income taxes paid or accrued within the taxable year under this chapter;

(e) Subtract income taxes paid to any other state or to any province or territory of Canada if a credit is allowed for the taxes under section 290.081;

(f) If the deduction computed under section 164 of the Internal Revenue Code is not reduced by the amount of the credit or refund allowed under chapter 290A, subtract that amount;

(g) Subtract the amount of interest on investment indebtedness paid or accrued in a taxable year beginning before January 1, 1981, which has been carried forward and is allowed as a deduction in the taxable year under section 163(d) of the Internal Revenue Code;

(h) Subtract the amount of charitable contributions deducted under section 170 of the Internal Revenue Code that (i) exceeds the following limitations: (A) an overall limit of 30 percent of the taxpayer's Minnesota gross income which, for purposes of this paragraph, shall include the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code; and (B) the aggregate of contributions to organizations described in section 290.21, subdivision 3, clause (c) shall not exceed 20 percent of the taxpayer's Minnesota gross income; or (ii) was deducted as a carryover under section 170(d) of the Internal Revenue Code.

Sec. 9. Minnesota Statutes 1983 Supplement, section 290.09, subdivision 29, is amended to read:

Subd. 29. [DEDUCTIONS ATTRIBUTABLE TO FARMING.] (a) [DEFINITIONS.] For purposes of this subdivision, income and gains and expenses and losses shall be considered as "arising from a farm" if such items are received or incurred in connection with cultivating the soil, or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of livestock, including horses for horse racing, bees, poultry, and fur-bearing animals and wildlife, and all operations incident thereto, including but not limited to the common use of "hedging."

(b) [DEDUCTIONS LIMITED.] Except as provided in this subdivision, expenses and losses, except for interest and taxes, arising from a farm shall not be allowed as deductions in excess of income and gains arising from a farm.

(c) [DEDUCTIONS ALLOWED; CARRYOVER DEDUCTIONS.] Expenses and losses arising from a farm or farms shall be allowed as deductions up to the amount of the income and gains arising from a farm or farms in any taxable year, plus the first \$30,000 of nonfarm gross income, or nonfarm taxable net income in the case of a corporation, provided however that in any case where nonfarm income exceeds \$30,000, the maximum allowable amount of \$30,000 shall be reduced by an amount equal to the nonfarm income in excess of \$30,000 multiplied by three. For this purpose and for the purpose of applying the limitation in the following paragraph regarding the application of any carryback or carryforward, the term gross income shall include the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code of 1954, as amended through December 31, 1981, and no deduction shall be allowed for two-earner married couples as provided in section 221 of the Internal Revenue Code of 1954, as amended through December 31, 1981. Any remaining balance of the deductions shall be carried back three years and carried forward five years, in chronological order, provided, however, that in any case in which any individual, estate or trust which

elects a net operating loss carryforward under section 172(b)(3)(C) of the Internal Revenue Code of 1954, as amended through December 31, 1981, such losses shall not be carried back but shall only be carried forward.

Current expenses and losses shall be utilized as deductions in any taxable year, to the extent herein allowable, prior to the application of any carryback or carryover deductions. In any event, the combined amounts of such current expenses and losses and carryback or carryover deductions shall be allowed as deductions up to the amount of the income and gains arising from a farm or farms in any taxable year, plus the first \$30,000 of nonfarm gross income, or nonfarm taxable net income in the case of a corporation, provided however that in any case where nonfarm income exceeds \$30,000, the maximum allowable amount of \$30,000 shall be reduced by an amount equal to the nonfarm income in excess of \$30,000 multiplied by three. *For taxable years beginning after December 31, 1984, the \$30,000 amount in this subdivision shall be adjusted for inflation in the manner provided in section 290.06, subdivision 2d. The commissioner shall round that amount to the nearest hundred dollar amount. When adjusting the amount for inflation, the commissioner shall use the actual dollar amount of the maximum allowable amount of nonfarm income prior to rounding. Carryback or carryover deductions will be subject to the maximum amount in effect for the year to which the deduction is carried.*

(d) [SHAREHOLDERS SEPARATE ENTITIES.] For purposes of this subdivision, individual shareholders of an S corporation shall be considered separate entities.

(e) [SPECIAL PERIOD OF LIMITATION WITH RESPECT TO FARM LOSS LIMITATION CARRYBACKS.] For the purposes of sections 290.46 and 290.50, if the claim for refund relates to an overpayment attributable to a farm loss limitation carryback under this subdivision, in lieu of the period of limitation prescribed in sections 290.46 and 290.50, the period of limitation shall be that period which ends with the expiration of the 15th day of the 46th month (or the 45th month, in the case of a corporation) following the end of the taxable year of the farm loss which results in the carryback. During this extended period, married individuals who elected to file separate returns or a combined return may change their election and file a joint return.

(f) [INTEREST ON CLAIMS.] In any case in which a taxpayer is entitled to a refund in a carryback year due to the carryback of a farm loss, interest shall be computed only from the end of the taxable year in which the loss occurs.

(g) [ORDER OF APPLICATION.] The application of this subdivision shall be made after applying any limitation to out of state losses contained in section 290.17.

Sec. 10. Minnesota Statutes 1983 Supplement, section 290.18, subdivision 2, is amended to read:

Subd. 2. [FEDERAL INCOME TAX PAYMENTS AND REFUNDS.] The adjusted gross income shall be computed by deducting from the gross income assignable to this state under section 290.17, the deduction for allowable federal income taxes determined under the provisions of sections (290.09, SUBDIVISION 4,) 290.10 (8), (9) or (10), and 290.18. *For purposes of the preceding sentence, federal income tax shall include the foreign tax credit allowed under section 33 of the Internal Revenue Code of 1954, as amended through December 31, 1983.*

This deduction shall be allowed to individuals, estates, or trusts (i) for taxable years beginning after December 31, 1980 in the taxable year to which the liability applies. Such liability includes the portion of self-employment tax allowed under section 290.10, clause (8). The self-employment tax must be deducted by the person who is deriving the income. When the federal tax liability is joint and several under the computation of a joint federal return of husband and wife, the federal tax liability must be split between the spouses in the same ratio that the federal adjusted gross income of that spouse bears to the total federal adjusted gross income. For purposes of the preceding sentence, "federal adjusted gross income" includes the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code of 1954, as amended through December 31, 1981.

(ii) Taxes paid for a taxable year beginning before January 1, 1981 shall be allowed as follows:

(1) Those taxes paid in a taxable year beginning before January 1, 1981, shall be claimed in the year in which the payment was made.

(2) Those paid in a taxable year beginning after December 31, 1980 but before January 1, 1983 shall be divided and deducted in equal installments reflected by the yearly periods beginning with the first day of the taxable year in which the payment was made and ending December 31, 1986. For an amount which remains to be deducted in a taxable year beginning after December 31, 1982, where the federal tax liability for the year in which the payment was made is joint and several under the computation of a joint federal return of husband and wife, the remaining amounts to be deducted shall be claimed by the same spouse and in the same dollar amount as the deduction was claimed in the first taxable year beginning after December 31, 1981.

(3) Those paid in a taxable year beginning after December 31, 1982 shall be claimed in the year in which the payment was made. This amount shall be apportioned between spouses as

provided in clause (i) and shall be allocated for exempt income under the provisions of section 290.10, clause (9) or (10) as though the payment was part of the federal tax liability for the year in which the payment was made.

(4) In the case of a person who was self employed during all or a portion of the taxable year, the federal income tax liability for purposes of this clause shall be increased by the self-employment tax allowed under section 290.10, clause (8). The self-employment tax shall be deducted in the year paid as provided in paragraph (1), (2), or (3). The self-employment tax must be deducted by the person who earned the income. Self-employment tax paid in a taxable year beginning after December 31, 1982 shall be allocated for exempt income as provided in paragraph (3).

(iii) If a taxpayer's federal tax liability is eventually not paid by reason of compromise, discharge, or court order, the deduction allowed pursuant to this subdivision shall be disallowed for the taxable year in which the liability was accrued.

(iv) In the event a federal tax liability for a taxable year commencing after December 31, 1980 is increased, decreased or modified, and such increase, decrease or modification has resulted in a change in the amount of Minnesota income tax in the year to which such increase, decrease or modification is attributable, the taxpayer's deduction under this subdivision shall be modified for such year.

(v) If the readjustments required in (iii) or (iv) are for taxes reflected in the transition rule described in (ii)(2), the readjustment shall be made equally to the remaining installments and if a reduction to such installments is required under this readjustment which exceeds the total of all remaining installments, the remaining installments will be reduced to zero and the excess included in income as a federal income tax refund.

(vi) Refunds which are not involved with any readjustments under the transition rule shall be included in income under Minnesota Statutes 1982, section 290.01, subdivision 20a, clause (6) if it is from a year beginning before January 1, 1981.

(vii) Refunds of taxes for years beginning after December 31, 1980, shall be used to adjust the deduction in the taxable year of the liability unless that year is closed by statute and no other adjustments are to be required or allowable in which case such refund shall be reportable in the year received.

Sec. 11. Minnesota Statutes 1982, section 290.19, subdivision 1a, is amended to read:

Subd. 1a. [DETERMINATION OF SALES MADE WITHIN THIS STATE.] For purposes of this section the following

rules shall apply in determining whether or not sales are made within this state.

Sales of tangible personal property are made within this state if the property is (DELIVERED OR SHIPPED TO) received by a purchaser at a point within this state, and the taxpayer is taxable in this state, regardless of the f.o.b. point (OR), other conditions of the sale, or the ultimate destination of the property. However, when intoxicating liquor, wine, fermented malt beverages, cigarettes, or tobacco products are sold to a purchaser who is licensed by a state or political subdivision to resell this property only within the state of ultimate destination, the sale is made in that state. Tangible personal property delivered to a common or contract carrier or foreign vessel for delivery to a purchaser in another state or nation is a sale in that state or nation, regardless of f.o.b. point or other conditions of the sale.

Sales made by or through a corporation which is qualified as a domestic international sales corporation under section 992 of the Internal Revenue Code of 1954, as amended through December 31, 1981, shall not be considered to have been made within this state.

Sec. 12. Minnesota Statutes 1982, section 290.61, is amended to read:

290.61 [PUBLICITY OF RETURNS, INFORMATION.]

It shall be unlawful for the commissioner or any other public official or employee to divulge or otherwise make known in any manner any particulars set forth or disclosed in any report or return required by this chapter, or any information concerning the taxpayer's affairs acquired from his or its records, officers, or employees while examining or auditing any taxpayer's liability for taxes imposed hereunder, except in connection with a proceeding involving taxes due under this chapter from the taxpayer making such return or to comply with the provisions of sections 290.612 and 302A.821. The commissioner may furnish a copy of any taxpayer's return to any official of the United States or of any state having duties to perform in respect to the assessment or collection of any tax imposed upon or measured by income, if such taxpayer is required by the laws of the United States or of such state to make a return therein. The commissioner may disclose information from withholding tax returns received from the taxpayer to the Minnesota department of economic security for purposes of auditing unemployment tax. Prior to the release of any information to any official of the United States or any other state or the department of economic security under the provisions of this section, the person to whom the information is to be released shall sign an agreement which provides that he will protect the confidentiality of the returns and information revealed thereby to the extent that it is protected



under the laws of the state of Minnesota. The commissioner and all other public officials and employees shall keep and maintain the same secrecy in respect to any information furnished by any department, commission, or official of the United States or of any other state in respect to the income of any person as is required by this section in respect to information concerning the affairs of taxpayers under this chapter. Nothing herein contained shall be construed to prohibit the commissioner from publishing statistics so classified as not to disclose the identity of particular returns or reports and the items thereof. Upon request of a majority of the members of the senate tax committee or of the house tax committee or the tax study commission, the commissioner shall furnish abstracted financial information to those committees for research purposes from returns or reports filed pursuant to this chapter, provided that he shall not disclose the name, address, social security number, business identification number or any other item of information associated with any return or report which the commissioner believes is likely to identify the taxpayer. The commissioner shall not furnish the actual return, or a portion thereof, or a reproduction or copy of any return or portion thereof. "Abstracted financial information" means only the dollar amounts set forth on each line on the form including the filing status.

Any person violating the provisions of this section shall be guilty of a gross misdemeanor.

In order to locate the named payee on state warrants issued pursuant to this chapter or chapter 290A and undeliverable by the United States postal service, the commissioner may publish in any English language newspaper of general circulation in this state a list of the name and last known address of the payee as shown on the reports or returns filed with the commissioner. The commissioner may exclude the names of payees whose refunds are in an amount which is less than a minimal amount to be determined by the commissioner. The published list shall not contain any particulars set forth on any report or return. The publication shall include instructions on claiming the warrants.

An employee of the department of revenue may, in connection with his official duties relating to any audit, collection activity, or civil or criminal tax investigation or any other offense under this chapter, disclose return information to the extent that such disclosure is necessary in obtaining information, which is not otherwise reasonably available, with respect to the correct determination of tax, liability for tax, or the amount to be collected or with respect to the enforcement of any other provision of this chapter.

In order to facilitate processing of returns and payments of taxes required by this chapter, the commissioner may contract with outside vendors and may disclose private and nonpublic

data to the vendor. The data disclosed will be administered by the vendor consistent with this section.

*Information from a tax return required under this chapter on a holder of a license issued by the Minnesota racing commission or an owner of a horse may be provided by the commissioner to the Minnesota racing commission.*

Sec. 13. Minnesota Statutes 1983 Supplement, section 290.92, subdivision 27, is amended to read:

Subd. 27. Any holder of a class A, B, or D license issued by the Minnesota (HORSE) racing commission (, WHO MAKES A PAYMENT OR PAYMENTS FOR WINNINGS ON A PARI-MUTUEL BETTING TICKET OR TICKETS IN AN AMOUNT OF \$200 OR MORE TO THE SAME INDIVIDUAL,) shall deduct (FROM THE PAYMENT OR PAYMENTS) and withhold (11) ten percent of (THE AMOUNT) the payment of winnings which are subject to withholding as Minnesota withholding tax. For purposes of this subdivision, (WINNINGS FROM A PARI-MUTUEL BETTING TICKET MUST BE DETERMINED BY REDUCING THE AMOUNT RECEIVED BY THE AMOUNT PAID FOR THE TICKET, AND PAYMENTS FOR WINNING ON A PARI-MUTUEL BETTING TICKET WHICH ARE NOT MONEY MUST BE TAKEN INTO ACCOUNT AT THEIR FAIR MARKET VALUE) the term "winnings which are subject to withholding" has the meaning given in section 3402 (q)(3) of the Internal Revenue Code of 1954, as amended through December 31, 1983. For purposes of the provisions of this section, a payment to any person of winnings which are subject to withholding must be treated as if the payment was a wage paid by an employer to an employee. Every individual who is to receive a payment of winnings which are subject to withholding shall furnish the license holder with a statement, made under the penalties of perjury, containing the name, address, and social security account number of the person receiving the payment and of each person entitled to any portion of such payment. The license holder is liable for the payment of the tax required to be withheld under this subdivision and subdivision 28 but is not liable to any person for the amount of the payment.

Sec. 14. Minnesota Statutes 1983 Supplement, section 290.92, subdivision 28, is amended to read:

Subd. 28. Any holder of a class A or B license issued by the Minnesota (HORSE) racing commission who makes a payment to a holder of a class C license issued by the commission, (OR WHO PAYS) except an amount paid as a purse, shall deduct from the payment and withhold seven percent of the amount as Minnesota withholding tax when the amount paid to that individual during the calendar year exceeds (\$200) \$600. For purposes of the provisions of this section, a payment to any person

which is subject to withholding under this subdivision must be treated as if the payment was a wage paid by an employer to an employee. Every individual who is to receive a payment which is subject to withholding under this subdivision shall furnish the license holder with a statement, made under the penalties of perjury, containing the name, address, and social security account number of the person receiving the payment. No withholding is required if the individual presents a signed certificate from his employer which states that the individual is an employee of that employer. A nonresident individual who holds a class C license must be treated as an athlete for purposes of applying the provisions of sections 290.17, subdivision 2(1)(b)(ii) and 290.92, subdivision 4a.

**Sec. 15. [TRANSITION PROVISION; UNITARY NET OPERATING LOSSES.]**

(a) *If for a taxable year a corporation is subject to the provisions of Minnesota Statutes, section 290.095, subdivision 3, clause (d), the corporation may elect to take a net operating loss carryback pursuant to this section. If the taxpayer elects to be covered by the provisions of this section, the carryback shall be subject to the provisions of Minnesota Statutes, section 290.095, subdivision 3, but excluding clause (d).*

(b) *If the corporation elects to be covered by this section, all members of the unitary group must file amended returns for the year to which the loss is carried back. The amended returns must reflect the income of the entire unitary business as provided in Minnesota Statutes, section 290.34, subdivision 2. The unitary group of corporations must calculate the sum of the separate tax liabilities prior to the amended returns and the sum of the tax liabilities after the amended returns are filed. (1) If the sum of the separate tax liabilities is more than the sum of the unitary tax liabilities per amended returns, no refund is allowed from the filing of the amended returns. (2) If the sum of the separate tax liabilities is less than the sum of the unitary tax liabilities per amended returns, the difference must be paid with the filing of the amended returns.*

(c) *After filing the amended returns required by clause (b), the corporation shall be allowed a net operating loss carryback pursuant to section 290.095, subdivision 3. The net operating loss carryback is allowable only to the extent of the tax liability on the amended returns. The time limit on the filing of the amended return allowed under this section shall be the same as the time limit on the filing of the return for the year from which the loss is carried back.*

(d) *This section is effective for taxable years beginning after June 1981 and is repealed for taxable years beginning after December 31, 1984.*

*If the taxpayer elects to be covered by this section, the extension of net operating loss carryovers provided by the last sentence of Minnesota Statutes, section 290.095, subdivision 3, clause (d), does not apply to any year to which a loss is carried back under this section.*

Sec. 16. Laws 1983, chapter 342, article 1, section 44, is amended to read:

Sec. 44. [REPEALER.]

Minnesota Statutes 1982, sections 290.01, subdivisions 23, 27, and 28; 290.032, subdivision 5; 290.06, subdivisions 9 and 9a; 290.077, subdivision 2; 290.08, subdivision 25; 290.09, subdivisions 10, 15, 22, and 27; 290.21, subdivision 3a; 290.501; and 352C.07; and Laws 1982, (CHAPTER 523, ARTICLE VII, SECTION 3, AND) Third Special Session chapter 1, article 5, section 4, are repealed.

Sec. 17. [REPEALER.]

*Minnesota Statutes 1983 Supplement, section 290.06, subdivision 2e, and Laws 1983, chapter 342, article 1, section 8, are repealed.*

Sec. 18. [EFFECTIVE DATE.]

*Sections 1, 5, 10, 11, 17, and the amendment to clause (19) in section 3 are effective for taxable years beginning after December 31, 1983, and, to the extent applicable, for property tax refund claims based on rent paid in 1984 and thereafter and property taxes payable in 1985 and thereafter. Sections 2 and 12 to 14 are effective the day following final enactment. Sections 4, 6, 7, and 8 are effective for taxable years beginning after December 31, 1984. In section 16, Laws 1982, chapter 523, article VII, section 3, is reenacted and effective the day following final enactment of this act for taxable years beginning after December 31, 1983. The amendment to clause (20) in section 3 is effective for taxable years beginning after December 31, 1982.*

## ARTICLE 3

### PROPERTY TAX

Section 1. Minnesota Statutes 1982, section 105.482, subdivision 8, is amended to read:

Subd. 8. [HYDROPOWER GENERATION POLICY; LEASING OF DAMS AND DAM SITES.] Consistent with laws relating to dams construction, reconstruction, repair, and mainte-

nance, the legislature finds that the public health, safety, and welfare of the state is also promoted by the use of state waters to produce hydroelectric or hydromechanical power. Further, the legislature finds that the leasing of existing dams and potential dam sites primarily for such power generation is a valid public purpose. A local governmental unit, or the commissioner of natural resources with the approval of the state executive council, may provide pursuant to a lease or development agreement for the development and operation of dams, dam sites, and hydroelectric or hydromechanical power generation plants owned by the respective government by an individual, a corporation, an organization, or other legal entity upon such terms and conditions as the local governmental unit or the commissioner may negotiate for a period not to exceed (50) 99 years. *For installations of 15,000 kilowatts or less at a dam site and reservoir that is not being used on January 1, 1984 in connection with the production of hydroelectric or hydromechanical power, the lease or development agreement negotiated by the local governmental unit and the developer shall constitute full payment by the lessee and may be in lieu of all real or personal property taxes that might otherwise be due to a local governmental unit.* If the dam, dam site, or power generation plant is located in or contiguous to a city or town, other than the lessor governmental unit, the lease or agreement shall not be effective unless it is approved by the governing body of (SUCH) the city or town. For purposes of this subdivision, city means a statutory or home rule charter city.

Sec. 2. Minnesota Statutes 1982, section 105.482, subdivision 9, is amended to read:

Subd. 9. [CONTENTS OF DEVELOPMENT AGREEMENT.] An agreement for the development or redevelopment of a hydropower site may contain, but need not be limited to, the following provisions:

(a) Length of the development agreement, subject to negotiations between the parties but not more than (50) 99 years, and conditions for extension, modification, or termination;

(b) Provisions for a performance bond on the developer, or, certification that the equipment and its installation have a design life at least as long as the lease;

(c) Provisions to assure adequate maintenance and safety in the impoundment structures, if any, and to assure access to recreational sites, if any.

Sec. 3. Minnesota Statutes 1983 Supplement, section 124.2137, subdivision 1, is amended to read:

Subdivision 1. [TAX REDUCTIONS.] The county auditor shall reduce the tax for school purposes on all property receiving

the homestead credit pursuant to section 273.13, subdivision 6, by an amount equal to (29) 33 percent of the tax levy imposed on up to 320 acres of land including the buildings and structures thereon but excluding the homestead dwelling and surrounding one acre of land. The county auditor shall reduce the tax for school purposes on the next 320 acres classified pursuant to section 273.13, subdivision 6 by an amount equal to (13) 15 percent of the tax levy imposed on the property. The tax on all other agricultural lands classified pursuant to section 273.13, subdivision 6 shall be reduced by an amount equal to ten percent of the tax levy imposed on the property. The tax on the first 320 acres of agricultural land classified pursuant to section 273.13, subdivision 4 *including buildings and structures thereon but excluding all dwellings and an acre of land for each dwelling* and all real estate devoted to temporary and seasonal residential occupancy for recreational purposes, but not devoted to commercial purposes, shall be reduced by an amount equal to (13) 15 percent of the tax imposed on the property. The tax on timber land classified pursuant to section 273.13, subdivision 8a and agricultural land in excess of 320 acres classified pursuant to section 273.13, subdivision 4 shall be reduced by an amount equal to ten percent of the tax levy imposed on the property. The amounts so computed by the county auditor shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under the provisions of section 275.29. Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner of revenue shall review the certifications to determine their accuracy. He may make changes in the certification as he may deem necessary or return a certification to the county auditor for corrections. The amount of the reduction provided under this subdivision which any taxpayer can receive on all qualifying property which he owns shall not exceed (\$2,000) \$4,000 in the case of agricultural property and shall not exceed \$100 in the case of seasonal residential recreational property. In the case of property owned by more than one person, the maximum amount of the reduction shall apply to the total of all the owners. For purposes of computing the credit pursuant to this subdivision, the "tax levy" shall be the tax levy reduced by the credits provided by sections 273.115, 273.116, 273.123, 273.42, subdivision 2, and 473H.10.

Sec. 4. Minnesota Statutes 1983 Supplement, section 272.02, subdivision 1, is amended to read:

Subdivision 1. Except as provided in other subdivisions of this section or in section 272.025 or section 273.13, subdivisions 17, 17b, 17c or 17d, all property described in this section to the extent herein limited shall be exempt from taxation:

- (1) All public burying grounds;
- (2) All public schoolhouses;

- (3) All public hospitals;
- (4) All academies, colleges, and universities, and all seminaries of learning;
- (5) All churches, church property, and houses of worship;
- (6) Institutions of purely public charity except *parcels of property containing structures and the structures* assessed pursuant to section 273.13, subdivisions 17, 17b, 17c or 17d;
- (7) All public property exclusively used for any public purpose;
- (8) (a) Class 2 property of every household of the value of \$100, maintained in the principal place of residence of the owner thereof. The county auditor shall deduct the exemption from the total valuation of the property as equalized by the commissioner of revenue assessed to the household, and extend the levy of taxes upon the remainder only. The term "household" as used in this section is defined to be a domestic establishment maintained either (1) by two or more persons living together within the same house or place of abode, subsisting in common and constituting a domestic or family relationship, or (2) by one person.  
  
(b) During the period of his active service and for six months after his discharge therefrom, no member of the armed forces of the United States shall lose status of a householder under paragraph (a) which he had immediately prior to becoming a member of the armed forces.

In case there is an assessment against more than one member of a household the \$100 exemption shall be divided among the members assessed in the proportion that the assessed value of the Class 2 property of each bears to the total assessed value of the Class 2 property of all the members assessed. The Class 2 property of each household claimed to be exempt shall be limited to property in one taxing district, except in cases where a single domestic establishment is maintained in two or more adjoining districts.

Bonds, certificates of indebtedness, or other obligations issued by the state of Minnesota, or by any county or city of the state, or any town, or any common or independent school district of the state, or any governmental board of the state are exempt from ad valorem property taxation; provided, that this subdivision shall not exempt the obligations or their interest from any excise or other tax levied on income, gross earnings, estates, inheritance, bequests, gifts, transfers, sales, or other transactions, other than an ad valorem property tax.

(9) Farm machinery manufactured prior to 1930, which is used only for display purposes as a collectors item;

(10) The taxpayer shall be exempted with respect to all agricultural products, inventories, stocks of merchandise of all sorts, all materials, parts and supplies, furniture and equipment, manufacturers material, manufactured articles including the inventories of manufacturers, wholesalers, retailers and contractors; and the furnishings of a room or apartment in a hotel, rooming house, tourist court, motel or trailer camp, tools and machinery which by law are considered as personal property, and the property described in section 272.03, subdivision 1, clause (c), except personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings and structures. Railroad docks and wharves which are part of the operating property of a railroad company as defined in section 270.80 are not exempt.

(11) Containers of a kind customarily in the possession of the consumer during the consumption of commodities, the sale of which are subject to tax under the provisions of the excise tax imposed by chapter 297A;

(12) All livestock, poultry, all horses, mules and other animals used exclusively for agricultural purposes;

(13) All agricultural tools, implements and machinery used by the owners in any agricultural pursuit.

(14) Real and personal property used primarily for the abatement and control of air, water, or land pollution to the extent that it is so used, other than real property used primarily as a solid waste disposal site.

Any taxpayer requesting exemption of all or a portion of any equipment or device, or part thereof, operated primarily for the control or abatement of air or water pollution shall file an application with the commissioner of revenue. The equipment or device shall meet standards, regulations or criteria prescribed by the Minnesota Pollution Control Agency, and must be installed or operated in accordance with a permit or order issued by that agency. The Minnesota Pollution Control Agency shall upon request of the commissioner furnish information or advice to the commissioner. If the commissioner determines that property qualifies for exemption, he shall issue an order exempting the property from taxation. The equipment or device shall continue to be exempt from taxation as long as the permit issued by the Minnesota Pollution Control Agency remains in effect.

(15) Wetlands. For purposes of this subdivision, "wetlands" means (1) land described in section 105.37, subdivision 15, or



(2) land which is mostly under water, produces little if any income, and has no use except for wildlife or water conservation purposes (. "WETLANDS" SHALL BE LAND), *provided it is preserved in its natural condition (,) and drainage of (WHICH) it would be legal, feasible, and economically practical for the production of livestock, dairy animals, poultry, fruit, vegetables, forage and grains, except wild rice.* "Wetlands" shall include adjacent land which is not suitable for agricultural purposes due to the presence of the wetlands. "Wetlands" shall not include woody swamps containing shrubs or trees, wet meadows, meandered water, streams, rivers, and floodplains or river bottoms. Exemption of wetlands from taxation pursuant to this section shall not grant the public any additional or greater right of access to the wetlands or diminish any right of ownership to the wetlands.

(16) Native prairie. The commissioner of the department of natural resources shall determine lands in the state which are native prairie and shall notify the county assessor of each county in which the lands are located. Pasture land used for livestock grazing purposes shall not be considered native prairie for the purposes of this clause and section 273.116. Upon receipt of an application for the exemption and credit provided in this clause and section 273.116 for lands for which the assessor has no determination from the commissioner of natural resources, the assessor shall refer the application to the commissioner of natural resources who shall determine within 30 days whether the land is native prairie and notify the county assessor of his decision. Exemption of native prairie pursuant to this clause shall not grant the public any additional or greater right of access to the native prairie or diminish any right of ownership to it.

(17) Property used in a continuous program to provide emergency shelter for victims of domestic abuse, provided the organization that owns and sponsors the shelter is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1954, as amended through December 31, 1982, notwithstanding the fact that the sponsoring organization receives funding under section 8 of the United States Housing Act of 1937, as amended.

(18) If approved by the governing body of the municipality in which the property is located, property not exceeding one acre which is owned and operated by any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation, and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders; provided the property is used primarily as a clubhouse, meeting facility or recreational facility by the group or association and the property is not used for residential purposes on either a temporary or permanent basis.

(19) To the extent provided by section 295.44, real and personal property used or to be used primarily for the production of hydroelectric or hydromechanical power on a site owned by the state or a local governmental unit which is developed and operated pursuant to the provisions of section 105.482, subdivisions 1, 8 and 9.

(20) If approved by the governing body of the municipality in which the property is located, a direct satellite broadcasting facility or fixed satellite regional or national program service facility, construction of which is commenced after June 30, 1983, for a period not to exceed five years. When the facility no longer qualifies for exemption, it shall be placed on the assessment rolls as provided in subdivision 4. As used in this clause, a "direct satellite broadcasting facility" is a facility operated by a corporation licensed by the federal communications commission to provide direct satellite broadcasting services using direct broadcast satellites operating in the 12-ghz. band and a "fixed satellite regional or national program service facility" is a facility operated by a corporation licensed by the federal communications commission to provide fixed satellite-transmitted regularly scheduled broadcasting services using satellites operating in the 6-ghz. band. Before approving a tax exemption pursuant to this paragraph, the governing body of the municipality shall provide an opportunity to the members of the county board of commissioners of the county in which the facility is proposed to be located and the members of the school board of the school district in which the facility is proposed to be located to meet with the governing body. The governing body shall present to the members of those boards its estimate of the fiscal impact of the proposed property tax exemption. The tax exemption shall not be approved by the governing body until the county board of commissioners has presented its written comment on the proposal to the governing body, or 30 days has passed from the date of the transmittal by the governing body to the board of the information on the fiscal impact, whichever occurs first.

(21) If approved by the governing body of the municipality in which the property is located, a facility construction of which is commercial after June 30, 1983, at which a licensed Minnesota manufacturer produces distilled spirituous liquors, liqueurs, cordials, or liquors designated as specialties regardless of alcoholic content, but not including ethyl alcohol, distilled with a majority of the ingredients grown or produced in Minnesota, for a period not to exceed five years. When the facility no longer qualifies for exemption, it shall be placed on the assessment rolls as provided in subdivision 4. Before approving a tax exemption pursuant to this paragraph, the governing body of the municipality shall provide an opportunity to the members of the county board of commissioners of the county in which the facility is proposed to be located and the members of the school board of the school district in which the facility is proposed to be located to meet with the governing body. The governing body shall

present to the members of those boards its estimate of the fiscal impact of the proposed property tax exemption. The tax exemption shall not be approved by the governing body until the county board of commissioners has presented its written comment on the proposal to the governing body, or 30 days has passed from the date of the transmittal by the governing body to the board of the information on the fiscal impact, whichever occurs first.

Sec. 5. Minnesota Statutes 1982, section 272.02, is amended by adding a subdivision to read:

*Subd. 6. Notwithstanding the provisions of subdivision 5, real and personal property used or to be used primarily for the production of hydroelectric or hydromechanical power and leased from the state or a local governmental unit pursuant to section 105.482, subdivisions 1, 8, and 9 may be exempt from taxation or payments in lieu of taxes.*

*The exemption from taxation or payments in lieu of taxes provided by this subdivision does not apply to hydroelectric or hydromechanical facilities operated at any time between January 1, 1980 and January 1, 1984.*

Sec. 6. Minnesota Statutes 1983 Supplement, section 273.11, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] Except as provided in subdivisions 6, (7,) 8, and 9 or section 273.17, subdivision 1, all property shall be valued at its market value. The market value as determined pursuant to this section shall be stated such that any amount under \$100 is rounded up to \$100 and any amount exceeding \$100 shall be rounded to the nearest \$100. In estimating and determining such value, the assessor shall not adopt a lower or different standard of value because the same is to serve as a basis of taxation, nor shall he adopt as a criterion of value the price for which such property would sell at a forced sale, or in the aggregate with all the property in the town or district; but he shall value each article or description of property by itself, and at such sum or price as he believes the same to be fairly worth in money. In assessing any tract or lot of real property, the value of the land, exclusive of structures and improvements, shall be determined, and also the value of all structures and improvements thereon, and the aggregate value of the property, including all structures and improvements, excluding the value of crops growing upon cultivated land. In valuing real property upon which there is a mine or quarry, it shall be valued at such price as such property, including the mine or quarry, would sell for a fair, voluntary sale, for cash. In valuing real property which is vacant, the fact that such property is platted shall not be taken into account. An individual lot of such platted property shall not be assessed in excess of the assessment of the land as it it were unplatted until the lot is improved

with a permanent improvement all or a portion of which is located upon the lot, or for a period of three years after final approval of said plat whichever is shorter. When a lot is sold or construction begun, the assessed value of that lot or any single contiguous lot fronting on the same street shall be eligible for reassessment. All property, or the use thereof, which is taxable under sections 272.01, subdivision 2, or 273.19, shall be valued at the market value of such property and not at the value of a leasehold estate in such property, or at some lesser value than its market value.

Sec. 7. Minnesota Statutes 1982, section 273.123, is amended by adding a subdivision to read:

*Subd. 2a. [APPLICATION REQUIREMENTS.] A request for property tax relief shall be considered by the executive council only if the following requirements are met by the local unit of government submitting the request:*

*(1) a completed disaster survey shall be included with the request;*

*(2) the average dollar amount of damage for the homes which are damaged and located within the geographic boundaries of the applicant shall be \$5,000 or more; and*

*(3) either (a) at least 25 homes located within the geographic boundaries of the applicant must have been damaged or destroyed; or (b) the total dollar amount of damage to all of the damaged homes located within the geographic boundaries of the applicant shall be equal to at least one percent of the total market value of all homestead property located within the geographic boundaries of the applicant.*

Sec. 8. Minnesota Statutes 1982, section 273.123, is amended by adding a subdivision to read:

*Subd. 7. [LOCAL OPTION.] The owner of homestead property not qualifying for an adjustment in valuation pursuant to subdivisions 1 to 5 may receive a reduction in the amount of taxes payable for the year in which the destruction occurs on the homestead portion if:*

*(a) 50 percent or more of the homestead dwelling, as established by the county assessor, is unintentionally or accidentally destroyed and the homestead is uninhabitable;*

*(b) the owner of the property makes written application to the county assessor as soon as practical after the damage has occurred; and*

(c) the owner of the property makes written application to the county board, upon completion of the restoration of the destroyed structure.

The county board may grant a reduction in the amount of property tax which the owner must pay on the qualifying home in the year of destruction. Any reduction in the amount of tax payable which is authorized by county board action shall be calculated based upon the number of months that the home is uninhabitable. The amount of net tax due from the taxpayer shall be multiplied by a fraction, the numerator of which is the number of months the dwelling was occupied by that taxpayer and the denominator of which is 12. For purposes of this subdivision, if a structure is occupied for a fraction of a month, it is considered a month. "Net tax" is defined as the amount of tax after the subtraction of all of the state paid property tax credits. If application is made following payment of all property taxes due for the year of destruction, the amount of the reduction granted by the county board shall be refunded to the taxpayer by the county treasurer as soon as practical.

Any reductions or refunds approved by the county board shall not be subject to approval by the commissioner of revenue.

The county board may levy in the following year the amount of tax dollars lost to the county government as a result of the reductions granted pursuant to this subdivision. Any amount levied for this purpose shall be exempt from the levy limit provisions of sections 275.50 to 275.56.

Sec. 9. 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) 28 percent of the first (\$50,000) \$60,000 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) 28 percent assessment, and in the case of other commercial or industrial property owned by one person or entity,

only one parcel in each county shall qualify for the (34) 28 percent assessment.

(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. 10. Minnesota Statutes 1983 Supplement, section 273.13, subdivision 17, is amended to read:

Subd. 17. [TITLE II OR STATE HOUSING FINANCE AGENCY PROPERTY USED FOR ELDERLY AND LOW AND MODERATE INCOME FAMILIES.] (a) Except as provided in clause (b), a structure situated on real property that is used for housing for the elderly or for low and moderate income families as defined by Title II of the National Housing Act or the Minnesota housing finance agency law of 1971 or regulations promulgated by the agency pursuant thereto and financed by a direct federal loan or federally insured loan or a loan made by the Minnesota housing finance agency pursuant to the provisions of either of those acts and acts amendatory thereof shall, for 15 years from the date of the completion of the original construction or substantial rehabilitation, or for the original term of the loan, be assessed at 20 percent of the market value thereof, provided that the fair market value as determined by the assessor is based on the normal approach to value using normal unrestricted rents.

(b) In the case of a structure described in clause (a) (WITH RESPECT TO WHICH CONSTRUCTION OR SUBSTANTIAL REHABILITATION HAD NOT BEEN COMMENCED PRIOR TO JANUARY 1, 1984), the 20 percent assessment ratio shall apply only to that portion of the structure that is occupied by elderly persons or low and moderate income families as defined above unless (1) construction or substantial rehabilitation of the structure had been commenced prior to January 1, 1984; or (2) the project had been approved by the governing body of the municipality in which it is located prior to June 30, 1983; or (3) financing of the project had been approved by a federal or state agency prior to June 30, 1983.

Sec. 11. Minnesota Statutes 1983 Supplement, section 273.13, subdivision 17b, is amended to read:

Subd. 17b. [VALUATION OF FARMERS HOME ADMINISTRATION PROPERTY IN MUNICIPALITIES OF UNDER 10,000.] (a) Notwithstanding any other provision of law, except as provided in clause (b), any structure

(1) situated on real property that is used for housing for the elderly or for low and moderate income families as defined by the farmers home administration,

(2) located in a municipality of less than 10,000 population,

(3) financed by a direct loan or insured loan from the farmers home administration, and

(4) which qualifies under subdivision 17a, shall, for 15 years from the date of the completion of the original construction or for the original term of the loan, be assessed at five percent of the market value thereof, provided that the fair market value as determined by the assessor is based on the normal approach to value using normal unrestricted rents.

(b) A structure described in clause (a) (WITH RESPECT TO WHICH CONSTRUCTION HAD NOT BEEN COMMENCED PRIOR TO JANUARY 1, 1984,) shall be assessed at 20 percent of its market value, but only in proportion to its occupancy by elderly persons or low and moderate income families as defined above *unless* (1) *construction of the structure had been commenced prior to January 1, 1984; or* (2) *the project had been approved by the governing body of the municipality in which it is located prior to June 30, 1983; or* (3) *financing of the project had been approved by a federal or state agency prior to June 30, 1983.*

Sec. 12. Minnesota Statutes 1983 Supplement, section 273.13, subdivision 17c, is amended to read:

Subd. 17c. [VALUATION OF LOWER INCOME HOUSING.] (a) Except as provided in clause (b), a structure which is

(1) situated upon real property that is used for housing lower income families or elderly or handicapped persons, as defined in section 8 of the United States Housing Act of 1937, as amended, and

(2) owned by an entity which has entered into a housing assistance payments contract under section 8 which provides assistance for 100 percent of the dwelling units in the structure,

other than dwelling units intended for management or maintenance personnel, shall, for the term of the housing assistance payments contract, including all renewals, or for the term of its permanent financing, whichever is shorter, be assessed at 20 percent of its market value. The market value determined by the assessor shall be based on the normal approach to value using normal unrestricted rents.

(b). In the case of a structure described in clause (a) (WITH RESPECT TO WHICH CONSTRUCTION HAD NOT BEEN COMMENCED PRIOR TO JANUARY 1, 1984), the 20 percent assessment ratio shall apply only to that portion of the structure that is occupied by lower income families or elderly or handicapped persons as defined above *unless* (1) *construction of the structure had been commenced prior to January 1, 1984; or* (2) *the project had been approved by the governing body of the municipality in which it is located prior to June 30, 1983; or* (3) *financing of the project had been approved by a federal or state agency prior to June 30, 1983.*

Sec. 13. Minnesota Statutes 1982, section 273.13, subdivision 19, is amended to read:

Subd. 19. [CLASS 3D, 3DD.] Residential real estate containing four or more units, other than seasonal residential, recreational and homesteads shall be classified as class 3d property and shall have a taxable value equal to (36 PERCENT OF MARKET VALUE FOR TAXES LEVIED IN 1981 AND) 34 percent of market value (FOR TAXES LEVIED IN 1982 AND THEREAFTER). Residential real estate containing three or less units, other than seasonal residential, recreational and homesteads, shall be classified as class 3dd property and shall have a taxable value equal to 28 percent of market value.

Residential real estate as used in this subdivision means real property used or held for use by the owner thereof, or by his tenants or lessees as a residence for rental periods of 30 days or more, but shall not include homesteads, or real estate devoted to temporary or seasonal residential occupancy for recreational purposes. Where a portion of a parcel of property qualified for class 3d or 3dd and a portion does not qualify for class 3d or 3dd the valuation shall be apportioned according to the respective uses.

Residential real estate containing less than (THREE) *four* units when entitled to homestead classification for one or more units shall be classed as 3b, 3c, or 3cc according to the provisions of subdivisions 6 and 7. *A single rented or leased dwelling unit located within or attached to a private garage or similar structure owned by the owner of a homestead and located on the premises of that homestead must be classified as 3b, 3c, or 3cc as part of the owner's homestead according to the provisions*



*of subdivisions 6 and 7. If more than one dwelling unit is attached to the structure, the units must be assessed as class 3d or 3dd property.*

Sec. 14. Minnesota Statutes 1983 Supplement, section 273.13, subdivision 21, is amended to read:

Subd. 21. [LIMITATION ON HOMESTEAD CLASSIFICATION.] *If the assessor has classified a property as both homestead and nonhomestead, (ONLY) the (VALUES) greater of the value attributable to the portion of the property classified as 3b, 3c, or 3cc or the value of the first tier of assessment percentages provided under those subdivisions shall be entitled to homestead treatment, except as provided in subdivision 19 for buildings containing fewer than four residential units and for a single rented or leased dwelling unit located within or attached to a private garage or similar structure owned by the owner of a homestead and located on the premises of that homestead.*

*If the assessor has classified a property as both homestead and nonhomestead, the homestead credit provided under subdivisions 6 and 7 and the reductions in tax provided under sections 273.135 and 273.1391, shall apply to the value of both the homestead and the nonhomestead portions of the property.*

(EXCEPT FOR BUILDINGS CONTAINING FEWER THAN THREE UNITS CLASSIFIED PURSUANT TO SECTION 273.13, SUBDIVISION 19, IF THE PORTION OF A BUILDING USED AS THE OWNER'S HOMESTEAD IS SEPARATE FROM OTHER DWELLING UNITS IN THE BUILDING, ONLY THE OWNER'S RESIDENCE PLUS THE LAND ATTRIBUTABLE TO THE RESIDENCE IS TO RECEIVE EITHER THE 3B, 3C, OR 3CC CLASSIFICATION.)

Sec. 15. Minnesota Statutes 1982, section 273.19, is amended by adding a subdivision to read:

Subd. 5. *Notwithstanding the provisions of subdivision 4, real and personal property used or to be used primarily for the production of hydroelectric or hydromechanical power and leased from the state or a local governmental unit pursuant to section 105.482, subdivisions 1, 8, and 9 may be exempt from taxation or payments in lieu of taxes.*

*The exemption from taxation or payments in lieu of taxes provided by this subdivision does not apply to hydroelectric or hydromechanical facilities operated at any time between January 1, 1980 and January 1, 1984.*

Sec. 16. Minnesota Statutes 1983 Supplement, section 276.04, is amended to read:

**276.04 [NOTICE OF RATES; PROPERTY TAX STATEMENTS.]**

On receiving the tax lists from the county auditor, the county treasurer shall, if directed by the county board, give three weeks' published notice in a newspaper specifying the rates of taxation for all general purposes and the amounts raised for each specific purpose. He shall, whether or not directed by the county board, cause to be printed on all tax statements, or on an attachment, a tabulated statement of the dollar amount due to each taxing authority (AND THE AMOUNT TO BE PAID TO THE STATE OF MINNESOTA) from the parcel of real property for which a particular tax statement is prepared. The dollar amounts due the (STATE,) county, township or municipality and school district shall be separately stated but the amounts due other taxing districts, if any, may be aggregated. The dollar amounts may be rounded to the nearest even whole dollar. For purposes of this section whole odd-numbered dollars may be adjusted to the next higher even-numbered dollar. *The statement shall include the following sentence, printed in upper case letters in bold face print: "THE STATE OF MINNESOTA DOES NOT RECEIVE ANY PROPERTY TAX REVENUES. THE STATE OF MINNESOTA REDUCES YOUR PROPERTY TAX BY PAYING CREDITS AND REIMBURSEMENTS TO LOCAL UNITS OF GOVERNMENT."* The property tax statements for class 2a property shall contain the same information that is required on the tax statements for real property. The county treasurer shall mail to taxpayers statements of their personal property taxes due, such statements to be mailed not later than February 15 (except in the case of Class 2a property), statements of the real property taxes due shall be mailed not later than January 31; provided, that the validity of the tax shall not be affected by failure of the treasurer to mail such statement. The taxpayer is defined as the owner who is responsible for the payment of the tax. Such real and personal property tax statements shall contain the market value, as defined in section 272.03, subdivision 8, used in determining the tax. The statement shall show the amount attributable to section 124.2137 as "state paid agricultural credit" and the amount attributable to section 273.13, subdivisions 6 and 7 as "state paid homestead credit." The statement shall show the reduction attributable to the aid given pursuant to section 273.139 and shall indicate that the reduction is paid by the state of Minnesota. If so directed by the county board, the treasurer shall visit places in the county as he deems expedient for the purpose of receiving taxes and the county board is authorized to pay the expenses of such visits and of preparing duplicate tax lists. Failure to mail the tax statement shall not be deemed a material defect to affect the validity of any judgment and sale for delinquent taxes.

Sec. 17. Minnesota Statutes 1983 Supplement, section 279.01, subdivision 1, is amended to read:

Subdivision 1. On May 16, of each year, with respect to property actually occupied and used as a homestead by the owner of the property, a penalty of three percent shall accrue and thereafter be charged upon all unpaid taxes on real estate on the current lists in the hands of the county treasurer, and a penalty of seven percent on nonhomestead property, *except that this penalty shall not accrue until June 1 of each year on commercial use real property used for seasonal residential recreational purposes and classified as class 3 or 3a, and on other commercial use real property classified as class 4c, provided that over 60 percent of the gross income earned by the enterprise on the class 4c property is earned during the months of May, June, July, and August. Any property owner of such class 4c property who pays the first half of the tax due on the property after May 15 and before June 1 shall attach an affidavit to his payment attesting to compliance with the income provision of this subdivision.* Thereafter, for both homestead and nonhomestead property, on the 16th day of each month, up to and including October 16 following, an additional penalty of one percent for each month shall accrue and be charged on all such unpaid taxes. When the taxes against any tract or lot exceed \$10, one-half thereof may be paid prior to May 16; and, if so paid, no penalty shall attach; the remaining one-half shall be paid at any time prior to October 16 following, without penalty; but, if not so paid, then a penalty of four percent shall accrue thereon for homestead property and a penalty of four percent on nonhomestead property. Thereafter, for homestead property, on the 16th day of each month up to and including December 16 following, an additional penalty of two percent for each month shall accrue and be charged on all such unpaid taxes. Thereafter, for nonhomestead property, on the 16th day of each month up to and including December 16 following, an additional penalty of four percent for each month shall accrue and be charged on all such unpaid taxes. If one-half of such taxes shall not be paid prior to May 16, the same may be paid at any time prior to October 16, with accrued penalties to the date of payment added, and thereupon no penalty shall attach to the remaining one-half until October 16 following; provided, also, that the same may be paid in installments as follows: One-fourth prior to March 16; one-fourth prior to May 16; one-fourth prior to August 16; and the remaining one-fourth prior to October 16, subject to the aforesaid penalties. Where the taxes delinquent after October 16 against any tract or parcel exceed \$40, they may be paid in installments of not less than 25 percent thereof, together with all accrued penalties and costs, up to the next tax judgment sale, and after such payment, penalties, interest, and costs shall accrue only on the sum remaining unpaid. Any county treasurer who shall make out and deliver or countersign any receipt for any such taxes without including all of the foregoing penalties therein, shall be liable to the county for the amount of such penalties.

Sec. 18. Minnesota Statutes 1982, section 279.37, subdivision 1, is amended to read:

Subdivision 1. [COMPOSITION INTO ONE ITEM.] Delinquent taxes upon any parcel of real estate which have been bid in for and are held by the state and not assigned by it, may be composed into one item or amount by confession of judgment at any time prior to the forfeiture of (SUCH) *the* parcel of land to the state for taxes, for the aggregate amount of all (SUCH) *the* taxes, costs, penalties, and interest accrued against (SAID) *the* parcel, as hereinafter provided; (PROVIDED) *except* that (ONLY) taxes upon property which, for the previous year's assessment, was classified as (HOMESTEAD PROPERTY PURSUANT TO SECTION 273.13, SUBDIVISIONS 6, 6a, 7, AND 14A) *vacant land, mineral property, employment property, or commercial or industrial property* shall not be eligible to be composed into any confession of judgment pursuant to this section.

Sec. 19. Minnesota Statutes 1982, section 279.37, subdivision 3, is amended to read:

Subd. 3. Upon the receipt of (SAID) *the* offer and payment of the (SUMS HEREIN) *sum* required, the (SAID) auditor shall *notify the county board of the offer. If the county board approves the offer, the auditor shall note (THE SAME) it* upon his records and shall (FORTHWITH) file (SAID) *the* offer and confession of judgment with the clerk of the district court of the county who is (HEREBY) directed to enter judgment in accordance with (SAID) *the* offer. *If the county board does not approve the offer within 30 days of its notification by the county auditor, confession of judgment will not be allowed for the property, and the amount remitted pursuant to subdivision 2 shall be returned to the payor.*

Sec. 20. [282.021] [NOTIFICATION OF SALE.]

*Thirty days before the sale of tax-forfeited land at public auction, the county auditor shall publish in a newspaper of general circulation the notice of sale and each parcel's appraised value or market value, whichever is higher, as determined by the county or local assessor who is responsible for valuing the property. The county auditor shall also mail notice to all owners of land adjoining each parcel to be sold and to all owners of platted or unplatted land whose boundaries are within 300 feet of the boundaries of each parcel to be sold.*

Sec. 21. Minnesota Statutes 1983 Supplement, section 290A.-04, subdivision 2e, is amended to read:

Subd. 2e. If the net property taxes payable on a homestead increase more than 20 percent over the net property taxes payable in the previous year on the same property, a claimant who is a homeowner shall be allowed an additional refund equal to

(50) 100 percent of the amount by which the increase exceeds 20 percent. This subdivision shall not apply to any increase in the net property taxes payable attributable to improvements made to the homestead. (THE REFUND SHALL NOT EXCEED \$200. THE MAXIMUM REFUND SHALL BE REDUCED BY \$20 FOR EACH \$1,000 OF THE CLAIMANT'S HOUSEHOLD INCOME IN EXCESS OF \$30,000. NO REFUND SHALL BE ALLOWED IF THE CLAIMANT'S HOUSEHOLD INCOME EXCEEDS \$40,000.) *The refund shall be reduced by one-tenth for each \$1,000 of claimant's household income in excess of \$40,000.*

*No refund pursuant to this subdivision shall be allowed if the claimant's household income exceeds \$50,000.*

For purposes of this subdivision, "net property taxes payable" means property taxes payable after reductions made pursuant to sections 124.2137; 273.13, subdivisions 6, 7, and 14a; 273.115, subdivision 1; 273.116, subdivision 1; 273.135; 273.1391; and 273.42, subdivision 2, and any other state paid property tax credits and after the deduction of tax refund amounts for which the claimant qualifies pursuant to subdivisions 2, 2a and 2b.

In addition to the other proofs required by this chapter, each claimant under this subdivision shall file with the property tax refund return a copy of the property tax statement for taxes payable in the preceding year or other documents required by the commissioner.

(ON OR BEFORE DECEMBER 1, 1983, THE COMMISSIONER SHALL ESTIMATE THE COST OF MAKING THE PAYMENTS PROVIDED BY THIS SECTION. NOTWITHSTANDING THE OPEN APPROPRIATION PROVISION OF SECTION 290A.23, IF THE ESTIMATED TOTAL REFUND CLAIMS EXCEED \$11,000,000, THE COMMISSIONER SHALL ADJUST ACCORDINGLY THE PERCENTAGE INCREASE IN NET PROPERTY TAXES PAYABLE OVER THE PREVIOUS YEAR WHICH IS REQUIRED TO QUALIFY FOR THE CREDIT PROVIDED IN THIS SUBDIVISION.)

This subdivision is repealed effective for property taxes levied in 1984, payable in 1985.

Sec. 22. Minnesota Statutes 1983 Supplement, section 290A.04, subdivision 2f, is amended to read:

Subd. 2f. If the net property taxes payable in 1984 on a homestead increases more than ten percent over the net property taxes payable in 1983 on the same property, and if the effective tax rate of property tax paid in 1983 on that homestead as compared to the January 2, 1982, estimated market value exceeds 2.25 percent, and additional credit shall be paid by the commis-

sioner to the claimant. The additional credit shall be equal to 50 percent of the amount by which the increase exceeds ten percent (BUT IN NO CASE SHALL THE ADDITIONAL CREDIT EXCEED \$200). This subdivision shall not apply to any increase in the net property taxes payable attributable to improvements made to the homestead.

For purposes of this subdivision, "effective tax rate" means the net property tax paid by the claimant in 1983, divided by the assessor's 1982 estimated market value times 100.

For purposes of this subdivision, "net property taxes" means the gross tax less the homestead credit and any other state paid credit and after the deduction of tax refund amounts for which the claimant qualifies.

The city assessor, or the county assessor if the property is located in a taxing district which does not have a city assessor, shall notify all affected property owners of the availability of this credit and furnish the forms which the commissioner shall prescribe.

The additional refunds shall be paid at the same time as the commissioner pays other property tax refund claims.

Sec. 23. Minnesota Statutes 1982, section 290A.04, is amended by adding a subdivision to read:

*Subd. 2g. If the net property taxes payable on a homestead in 1985 increase more than 12.5 percent over the net property taxes payable in 1984 on the same property, a claimant who is a homeowner shall be allowed an additional refund equal to 50 percent of the amount by which the increase exceeds 12.5 percent. This subdivision shall not apply to any increase in the net property taxes payable attributable to improvements made to the homestead. The refund shall not exceed \$400.*

*For purposes of this subdivision, "net property taxes payable" means property taxes payable after reductions made pursuant to sections 124.2137; 273.13, subdivisions 6, 7, and 14a; 273.115, subdivision 1; 273.116, subdivision 1; 273.135; 273.1391; and 273.42, subdivision 2, and any other state paid property tax credits and after the deduction of tax refund amounts for which the claimant qualifies pursuant to subdivisions 2, 2a, and 2b.*

*In addition to the other proofs required by this chapter, each claimant under this subdivision shall file with the property tax refund return a copy of the property tax statement for taxes payable in the preceding year or other documents required by the commissioner.*

*This subdivision is repealed effective for property taxes levied in 1985, payable in 1986.*

Sec. 24. Minnesota Statutes 1982, section 295.44, subdivision 1, is amended to read:

Subdivision 1. [EXEMPTION.] Notwithstanding the provisions of sections 272.01, subdivision 2, 272.02, subdivision 5, and 273.19, subdivision 1, real or personal property used or to be used primarily for the production of hydroelectric or hydro-mechanical power on a site owned by the state or a local governmental unit and developed and operated pursuant to section 105.482, subdivisions 1, 8 and 9 (SHALL) *may* be exempt from property taxation for (THE FIVE CALENDAR YEARS SUCCEEDING THE YEAR IN WHICH THE DEVELOPMENT AGREEMENT IS EXECUTED) *all years during which the site is developed and operated under the terms of a lease or agreement authorized by section 105.482, subdivisions 1, 8, and 9.*

Sec. 25. Minnesota Statutes 1983 Supplement, section 473.446, subdivision 1, is amended to read:

Subdivision 1. [TAXATION WITHIN TRANSIT TAXING DISTRICT.] For the purposes of sections 473.401 to 473.451 and the metropolitan transit system, except as otherwise provided in this subdivision the metropolitan transit commission shall levy each year upon all taxable property within the metropolitan transit taxing district, defined in subdivision 2, a transit tax consisting of:

(a) An amount up to two mills times the assessed value of all such property, based upon the level of transit service provided for the property, the proceeds of which shall be used for payment of the expenses of operating transit and paratransit service;

(b) An additional amount, if any, as the commission determines to be necessary to provide for the full and timely payment of its certificates of indebtedness and other obligations outstanding on July 1, 1977, to which property taxes under this section have been pledged; and

(c) An additional amount necessary to provide full and timely payment of certificates of indebtedness, bonds, or other obligations issued or to be issued pursuant to section 473.436 for purposes of acquisition and betterment of property and other improvements of a capital nature and to which the commission has specifically pledged tax levies under this clause.

*The county auditor shall reduce the tax levied pursuant to this subdivision on all property within cities or towns that receive full peak service and limited off-peak service by an amount equal to the tax levy that would be produced by applying a rate of 0.5*

mills on the property. The county auditor shall reduce the tax levied pursuant to this subdivision on all property within cities or towns that receive limited peak service by an amount equal to the tax levy that would be produced by applying a rate of .075 mills on the property. The amounts so computed by the county auditor shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under section 275.29. Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner shall review the certifications to determine their accuracy. He may make changes in the certification as he may deem necessary or return a certification to the county auditor for corrections. The commissioner shall pay to the regional transit board the amounts certified by the county auditors on the dates provided in section 273.13, subdivision 15a, clause (3). There is annually appropriated from the general fund in the state treasury to the department of revenue the amounts necessary to make these payments in fiscal year 1985 and thereafter.

For the purposes of this subdivision, "full peak and limited off-peak service" means peak period service plus weekday mid-day service with a frequency of more than 60 minutes on the route with the greatest frequency; and "limited peak period service" means peak period service only.

Sec. 26. Minnesota Statutes 1982, section 477A.13, is amended to read:

477A.13 [TIME OF PAYMENT, DEDUCTIONS.]

Payments to the counties shall be made from the general fund during the month of July of the year next following certification. There shall be deducted from amounts paid any amounts paid to a county or township during the preceding year pursuant to sections (84A.51,) 89.036, 97.49, subdivision 3, and 272.68, subdivision 3 with respect to the lands certified pursuant to section 477A.12.

Payments under section 477A.12 must also be reduced by the following percentages of the amounts paid during the preceding year under section 84A.51:

- (1) for the payment made July 15, 1984, 75 percent;
- (2) for the payment made July 15, 1985, 50 percent;
- (3) for the payment made July 15, 1986, 25 percent; and
- (4) for the payment made thereafter, 0 percent.



**Sec. 27. [STATEMENT OF PURPOSE.]**

*The legislature finds that the method of valuing farm property on the basis of sales of comparable properties overstates the value of farm property. Further, the legislature finds that methods of determining the production value of farm property are not suitable as a basis for directly determining the value of individual parcels of farm property. Therefore, the legislature determines that market value should continue to be used as the basis for taxation but that that market value should be adjusted to reflect the production value of farm property.*

**Sec. 28. [DETERMINATION OF RATIO.]**

*The commissioner of revenue shall consider alternative methods of determining the production value of farm property and shall make a recommendation to the legislature by January 15, 1985, as to the percentage of market value to be used in determining the production value to be used for the 1985 assessment, taxes payable in 1986.*

**Sec. 29. [GUIDELINES TO COUNTY ASSESSORS.]**

*The department of revenue is directed by the legislature to prepare and issue guidelines to all county assessors by October 1984, on the following two topics:*

*(a) the proper assessment methods which should be used when valuing land which is irrigated or capable of being irrigated, and*

*(b) the proper method for adjusting sales price for financing terms and other conditions of a sale in determining true market value.*

*The guidelines are not rules subject to the Administrative Procedure Act of chapter 14.*

**Sec. 30. [COMPUTATION; REFUNDS.]**

*An additional credit shall be allowed to owners of all property subject to the \$2,000 agricultural aid credit maximum imposed by Laws 1983, chapter 342, article 2, section 1. The county auditor shall determine the amount of credit to be allowed by re-computing the property tax for taxes payable in 1984 on this property, reducing the tax by the rates set by Minnesota Statutes 1983 Supplement, section 124.2137, subdivision 1. The difference so computed, not to exceed \$2,000, shall be allowed as an additional credit against the property taxes payable in 1984. Amended statements shall be mailed to the affected taxpayers by May 11, 1984. The statements shall contain the information re-*

quired in Minnesota Statutes, section 276.04, except that a notice must be enclosed stating that the statement is amended pursuant to this section. The auditor shall certify the additional agricultural aid amounts pursuant to this section to the commissioner of revenue by the time and in the form determined by the commissioner. The auditor shall also list the number of property tax statements which were revised as a result of the change in the maximum \$4,000 agricultural aid limitation. The commissioner shall reimburse the county \$5 for each revised statement for the administrative expenses incurred as a result of the recomputations pursuant to this section. The commissioner of revenue shall review the certifications to determine their accuracy. He may make changes in the certification he deems necessary or return a certification to the county auditor for corrections.

If property taxes payable in 1984 have been paid in full without the adjustments required by this section, the taxpayer shall receive a refund equal to the difference between the taxes paid and the tax as recomputed. The county treasurer or auditor shall determine the amount of the refund and mail it to the taxpayer as soon as practical.

If property taxes payable in 1984 have been partially paid without the adjustments required by this section, the county treasurer or auditor shall reduce the remaining taxes due by the amount of the tax reduction required by this section, and refund any excess. He shall notify the affected taxpayer of the corrected tax.

Refunds paid under this section do not include interest.

If the county treasurer or auditor has settled and distributed funds under Minnesota Statutes, section 276.10 with respect to any amounts which have been refunded to taxpayers under this section, the amounts of those refunds must be deducted from the next settlement and distribution. Additional credits payable under this section may be designated as state school agriculture credit on the tax statements, but for distribution purposes, the credit shall be distributed to all taxing districts in the same manner and the same proportion as taxes paid by the taxpayer for the property.

#### Sec. 31. [PAYMENT; PENALTIES.]

Section 30 does not excuse timely payment of taxes as required in Minnesota Statutes, section 279.01. Penalties shall accrue as provided in Minnesota Statutes, section 279.01 only on the amount of the taxes as recomputed under section 30.

#### Sec. 32. [PROPERTY TAX REFUNDS.]

For purposes of Minnesota Statutes, section 290A.03, subdivision 13, "property taxes payable" means property taxes as re-

computed under section 30. Taxpayers who filed property tax refund returns utilizing the payable 1984 property taxes before the recomputation must file an amended return and attach an amended property tax statement to the amended return.

### Sec. 33. [APPROPRIATION.]

There is appropriated from the general fund to the commissioner of revenue the amount necessary to pay the county the amount by which the property taxes payable in 1984 as certified under section 30 are reduced and the fee for issuing the revised tax statements. Payment must be made not later than September 15, 1984.

### Sec. 34. [HOMESTEAD CREDIT ADJUSTMENTS.]

The commissioner of revenue shall by May 1, 1984, advise each county auditor to recompute the homestead credit to be applied against each parcel of property assessed by the county as both homestead and nonhomestead property. The homestead credit shall be applied against the entire parcel. The county auditor shall file an abatement with the county board listing each affected parcel and the additional homestead credit. The county board shall approve the abatement in the same manner as provided in Minnesota Statutes, section 375.192 and forward it to the commissioner. For purposes of this section, "homestead credit" means reductions paid pursuant to Minnesota Statutes, sections 273.13, subdivision 14a; 273.135; and 273.1391.

The county treasurer shall issue corrected property tax statements showing the corrected taxes. The additional homestead credit shall be a reduction against the second half taxes unless the county treasurer issues the corrected statements on or before May 11, 1984.

By July 1, 1984, each county auditor shall notify the commissioner in writing about the procedures used in the county to handle this process. The auditor shall also list the number of property tax statements which were revised as a result of the homestead credit adjustments. The commissioner shall reimburse the county \$5 for each revised statement for the administrative expenses incurred as a result of the recomputations pursuant to this section. There is appropriated from the general fund to the commissioner of revenue the amount necessary to make these payments to the county.

### Sec. 35. [LEVY LIMIT ADJUSTMENT.]

If a governmental unit subject to the levy limitation provisions of Minnesota Statutes, sections 275.50 to 275.56 realizes savings in the form of reduced employer contributions to public pension

*funds resulting from the enactment of S. F. No. 147 at the 1984 regular session, its levy limit base is permanently reduced, beginning with taxes payable in 1985, by twice the amount of savings realized during the period from July 1, 1984, to December 31, 1984, but only to the extent that the doubled amount exceeds the amount levied as a special levy pursuant to section 275.50, subdivision 5, clause (o), for taxes payable in 1984.*

#### Sec. 36. [REPEALER.]

*Minnesota Statutes 1982, section 295.44, subdivisions 2, 3, and 4 and Minnesota Statutes 1983 Supplement, section 273.11, subdivision 7, is repealed.*

#### Sec. 37. [EFFECTIVE DATE.]

*The increase in the agricultural aid maximum to \$4,000 in section 3 is effective for the 1983 assessment and thereafter, taxes payable 1984 and thereafter. The remainder of section 3 and sections 4, 6 to 14 and the portion of section 36 relating to Minnesota Statutes, section 273.11, subdivision 7, are effective for the 1984 assessment and thereafter, taxes payable in 1985 and thereafter. Sections 1, 2, 5, 15, 17 to 24, 26 to 34 and the portion of section 36 relating to Minnesota Statutes, section 295.44, subdivisions 2, 3, and 4 are effective the day after final enactment. Section 25 is effective in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington for taxes levied in 1985, payable in 1986, and thereafter, but is contingent upon the enactment of the reorganization of metropolitan transit governance in H. F. 2317.*

### ARTICLE 4

#### LOCAL GOVERNMENT AIDS

##### Section 1. [LOCAL GOVERNMENT AID RESTORATION.]

*Subdivision 1. [ELIGIBLE AMOUNT.] For each town, statutory city, and home rule charter city in the state, the commissioner of revenue shall certify a supplemental aid amount equal to the difference, if any, between (a) its certified distribution for 1984 pursuant to Minnesota Statutes, sections 477A.011 to 477A.03, and (b) the amount that would have been certified had not the limitations of Minnesota Statutes, sections 477A.-0131, subdivision 2, and 477A.03, subdivision 2, been in effect.*

*Subd. 2. [TIME OF PAYMENTS.] Aid amounts determined pursuant to this section shall be distributed to affected cities in calendar year 1984 according to the payment schedule provided in Minnesota Statutes, section 477A.015. However, if a city is subject to levy limitation pursuant to Minnesota Statutes,*

sections 275.50 to 275.56, and the amount distributed to it pursuant to this section exceeds the amount by which the city's levy limitation for taxes payable in 1984 exceeds its levy subject to limitation for taxes payable in 1984, the amount of that excess distribution shall be used to reduce the city's levy limitation for taxes payable in 1985 accordingly.

**Subd. 3. [SUBSEQUENT YEARS.]** For the purpose of aid distributions pursuant to Minnesota Statutes, sections 477A.011 to 477A.03 for 1985 and subsequent calendar years, aid amounts distributed according to the provisions of this section shall be considered as included in the definition of aids received in 1984 pursuant to Minnesota Statutes, sections 477A.011 to 477A.03.

## **Sec. 2. [HIGH-GROWTH ADJUSTMENT.]**

**Subdivision 1. [ELIGIBLE AMOUNT.]** For any statutory city (a) which incorporated in 1974 or thereafter, and (b) whose current population as determined for the calendar year 1979 local government aids distribution exceeded its 1970 census population by a factor of two or more, the commissioner of revenue shall determine the additional amount that the city would have been allocated in the 1984 aid distribution, had the full amount of its then current population been used in the formula calculation for 1979 aids, with aids in the intervening years recalculated using the 1979 adjusted figures.

**Subd. 2. [ADJUSTMENTS.]** For every qualifying city, the amount determined pursuant to subdivision 1 shall be permanently added to its adjusted local revenue base pursuant to Minnesota Statutes, section 477A.011, subdivision 7a, and its maximum aid amount pursuant to Minnesota Statutes, section 477A.011, subdivision 10, for aids payable in 1984. 1984 aid distributions for all affected cities shall be based upon formula factors as amended by this section.

This amount shall also be a permanent adjustment to each city's adjusted levy limit base for taxes payable in 1984, pursuant to Minnesota Statutes, section 275.51, subdivision 3h.

**Sec. 3. Minnesota Statutes 1983 supplement, section 477A.013, subdivision 1, is amended to read:**

**Subdivision 1. [TOWNS.] (IN EACH)** (a) In 1984, each town shall receive a distribution equal to 50 percent of the amount received in 1983 pursuant to Minnesota Statutes 1982, sections 273.138, 273.139, and 477A.011 to 477A.03.

(b) In 1985 and each succeeding calendar year, each town which (HAS AN AVERAGE EQUALIZED MILL RATE OF AT LEAST TWO MILLS) had levied for taxes payable in the previous year at least one mill on the dollar of the assessed value of the town shall receive a distribution equal to 50 percent of

the amount received in 1983 pursuant to Minnesota Statutes 1982, sections 273.138, 273.139, and 477A.011 to 477A.03.

Sec. 4. Minnesota Statutes 1983 Supplement, section 477A.-013, subdivision 2, is amended to read:

Subd. 2. [CITIES AND TOWNS.] In each calendar year, each statutory and home rule charter city shall receive a distribution equal to the amount obtained by subtracting ten mills multiplied by the municipality's equalized assessed value from the adjusted local revenue base.

An aid amount shall be computed in the same manner for all towns which (HAVE AN AVERAGE EQUALIZED MILL RATE OF AT LEAST TWO MILLS) *had levied for taxes payable in the previous year at least one mill on the dollar of the assessed value of the town.* A town's final aid amount shall be determined by either the subdivision 1 or the subdivision 2 calculation, whichever is greater.

Sec. 5. Minnesota Statutes 1983 Supplement, section 477A.-0131, subdivision 1, is amended to read:

Subdivision 1. (a) No home rule charter or statutory city shall receive a distribution in (ANY) calendar year 1985 pursuant to sections 477A.011 to 477A.03 that is less than the (SUM OF THE AMOUNTS) *amount certified in the previous calendar year pursuant to sections 477A.011 to 477A.03 (, SECTION 273.139, AND SECTION 273.138, BY MORE THAN AN AMOUNT EQUAL TO THREE-FOURTHS OF ONE MILL TIMES THE UNIT'S EQUALIZED ASSESSED VALUE).*

(b) *No home rule charter or statutory city shall receive a distribution in calendar year 1986 or any subsequent calendar year pursuant to sections 477A.011 to 477A.03 that is less than the amount certified in the previous calendar year pursuant to sections 477A.011 to 477A.03 by more than an amount equal to three-fourths of one mill times the city's equalized assessed value.*

Sec. 6. [LOCAL GOVERNMENT AIDS STUDY COMMISSION.]

*A local government aids study commission consisting of 18 members is created. Nine members of the commission shall be members of the senate and appointed by the committee on committees. Nine members of the commission shall be members of the house of representatives and appointed by the speaker. The study commission shall elect a chairman from among its members and meetings of the commission will be held at the call of the chairman.*

*The purpose of the commission is to study the current funding and distribution of state aid to local units of government including school districts. The commission may do all things necessary and reasonable to conduct the study including holding meetings and soliciting testimony and information. The commission shall make specific recommendations on changes in the present state aid formula and shall report to the legislature and the governor its conclusions and recommendations by January 15, 1985. The commission shall expire on February 1, 1985. Expenses of the commission including per diem and expenses of commission members will be provided by the appointing authority.*

#### Sec. 7. [APPROPRIATIONS.]

*Subdivision 1. An amount sufficient to carry out the provisions of sections 1 and 3 is appropriated from the general fund to the commissioner of revenue.*

*Subd. 2. The sum of \$120,000 is appropriated from the general fund to the commissioner of revenue for the purpose of providing increased local government aid distributions under section 2. If this appropriation is not sufficient, aid amounts determined pursuant to section 2 shall be proportionately reduced.*

#### Sec. 8. [REPEALER.]

*Minnesota Statutes 1983 Supplement, sections 477A.0131, subdivision 2, and 477A.03, subdivision 2, are repealed.*

#### Sec. 9. [EFFECTIVE DATE.]

*Sections 1 to 4 and 6 to 8 are effective the day following final enactment. Section 5 is effective for distributions beginning with calendar year 1985.*

### ARTICLE 5

#### ECONOMIC DEVELOPMENT

*Section 1. Minnesota Statutes 1983 Supplement, section 273.1312, subdivision 4, as amended by H. F. No. 1877, is amended to read:*

*Subd. 4. [ELIGIBILITY REQUIREMENTS.] An area is eligible for designation if the following requirements are met:*

*(a) The boundary of the zone or each subdivision of the zone is continuous and includes vacant or underutilized lands or buildings.*

*(b) The area of the zone is less than 400 acres. The total market value of the taxable property contained in the zone at the*

time of application is less than \$100,000 per acre or \$300,000 per acre for an area located wholly within a first class city. A zone which is located in a city of the third or fourth class may be divided into two to four separate subdivisions which need not be contiguous with each other. Each subdivision must contain not less than 100 acres. The restrictions provided by this paragraph shall not apply to areas designated pursuant to paragraph (c), clause (2) or (3).

(c) (1) The proposed zone is located within an economic hardship area, as established by meeting two or more of the following criteria:

(A) the number of residential housing units within the area which are substandard is 15 percent or greater under criteria prescribed by the commissioner using data collected by the bureau of the census or data submitted by the municipality and approved by the commissioner;

(B) the percentage of households within the area that fall below the poverty level, as determined by the United States census bureau, is 20 percent or greater;

(C) (i) the total market value of commercial and industrial property in the area has declined over three of the preceding five years, or (ii) the total market value of all property in the area has declined or it has increased less than (TEN) 10.5 percent over the preceding three-year period;

(D) for the last full year for which data is available, the per capita income in the area was 90 percent or less of the per capita income for the state, excluding standard metropolitan statistical areas, or for the standard metropolitan statistical area if the area is located in a standard metropolitan statistical area;

(E) (i) the current rate of unemployment in the area is 120 percent of the statewide average unemployment for the last 12-month period for which verifiable figures are available, or (ii) the total number of employment positions has declined by ten percent during the last 18 months; or

(2) The area is so designated under federal legislation providing for federal tax benefits to investors, employers or employees in enterprise zones; or

(3) The area consists of a statutory or home rule charter city with a contiguous border with a city in another state or with a contiguous border with a city in Minnesota which has a contiguous border with a city in another state and the area is determined by the commissioner to be economically or fiscally distressed.

For purposes of this subdivision, an economic hardship area must have a population under the most recent federal decennial census of at least (i) 4,000 if any of the area is located wholly or



partly within a standard metropolitan statistical area, or (ii) 2,500 for an area located outside of a standard metropolitan statistical area, or (iii) no minimum in the case of an area located in an Indian reservation; except that, in the case of two or more cities seeking designation of an enterprise zone under a joint exercise of power pursuant to section 471.59, the minimum population required by this provision shall not exceed the sum of the populations of those cities.

Sec. 2. Minnesota Statutes 1983 Supplement, section 273.1314, subdivision 6, is amended to read:

Subd. 6. [LOCAL CONTRIBUTION.] No area may be designated as an enterprise zone unless the municipality agrees to make a qualifying local contribution in the form of (a) a property tax reduction for employment property as provided by section 273.1313 for any business qualifying for a state tax reduction pursuant to this section, or (b) an equivalent local contribution or investment out of other municipal funds, but excluding any special federal grants or loans. *In concluding the agreement with the municipality the commissioner may require that the local contribution will be made in a specified ratio to the amount of the state credits authorized.* If the local contribution is to be used to fund additional reductions in state taxes, the commissioner and the governing body of the municipality shall enter an agreement for timely payment to the state to reimburse the state for the amount of tax revenue foregone as a result.

Sec. 3. Minnesota Statutes 1983 Supplement, section 273.1314, subdivision 8, is amended to read:

Subd. 8. [FUNDING LIMITATIONS.] The maximum amount of the tax reductions which may be authorized pursuant to designations of enterprise zones under section 273.1312 and this section is limited to (\$32,000,000) *\$35,600,000*. The maximum amount of this total which may be authorized by the commissioner for tax reductions pursuant to subdivision 9 that will reduce tax revenues which otherwise would have been received during fiscal years 1984 and 1985 is limited to (\$8,000,000) *\$9,000,000*. Of the total limitation and the 1984-1985 biennial limitation the commissioner shall allocate to enterprise zones designated under section 273.1312, subdivision 4, paragraph (c), clause (3), an amount equal to (\$10,000,000) *\$16,610,940* and (\$4,000,000) *\$5,000,000* respectively. These funds shall be allocated among such zones on a per capita basis *except that the maximum allocation to any one city is \$6,610,940 and no city's allocation shall exceed \$210 on a per capita basis.* An amount sufficient to fund the state funded property tax credits authorized pursuant to this section is appropriated to the commissioner of revenue. Upon designation of an enterprise zone the commissioner shall certify the total amount available for tax reductions in the zone for its duration. The amount certified shall reduce the amount available for tax reductions in other enterprise zones.

If subsequent estimates indicate or actual experience shows that the approved tax reductions will result in amounts of tax reductions in excess of the amount certified, the commissioner shall implement a plan to reduce the available tax reductions in the zone to an amount within the sum certified. If subsequent estimates indicate or actual experience shows that the approved tax reductions will result in amounts of tax reductions below the amount certified, the difference shall be available for certification in other zones or used in connection with an amended plan of tax reductions for the zone as the commissioner determines appropriate. If the tax reductions authorized result in reduced revenues for a dedicated fund, the commissioner of finance shall transfer equivalent amounts to the dedicated fund from the general fund as necessary.

Sec. 4. Minnesota Statutes 1983 Supplement, section 273.1314, subdivision 15, is amended to read:

Subd. 15. [REPORTING.] The commissioner shall require municipalities receiving enterprise zone designations pursuant to section 273.1312, subdivision 4, to supply information or otherwise report to the state regarding the economic activity which has occurred in the zone following the designation. This information shall include the number of jobs created in the zone, the number of economically disadvantaged individuals hired in the zone, the average wage level of the jobs created, and descriptions of any affirmative action programs undertaken by the municipality in connection with the zone. *The amount of the municipality's local contribution and the number of businesses qualifying for or directly benefiting from the local contribution must be reported annually to the commissioner.*

Sec. 5. Minnesota Statutes 1983 Supplement, section 290.069, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) "Small business assistance office" means a nonprofit corporation which is formed under chapter 317, is an exempt organization under section 501(c)(3) of the Internal Revenue Code, and satisfies the following conditions:

(1) The primary purpose of the corporation is to aid in the formation of new businesses which create jobs in the state by training or providing other direct assistance to entrepreneurs, managers, inventors, and other individuals in the development, financing, and operation of qualified small businesses.

(2) The corporation provides audited financial statements to all contributors and the commissioner of energy, planning, and development within 90 days following the close of the corporation's fiscal year.

(3) The corporation employs, at least, two full-time professional employees or the equivalent. *This clause is satisfied if the corporation employs one full-time professional employee and shares a professional employee with another organization engaged in related activities, including but not limited to providing development financing or other services to businesses.*

(4) The corporation is not engaged in providing financing or primarily engaged in arranging financing for businesses.

(5) The commissioner of energy (, PLANNING) and economic development certifies that the corporation satisfies the requirements of this paragraph for the calendar year.

(b) "Technology" means a proprietary process, formula, pattern, device, or compilation of scientific or technical information unless it

(1) is in the public domain; or

(2) cannot be accurately valued.

(c) "Controlled group of corporations" means the controlled group of corporations as defined in section 1563 of the Internal Revenue Code, and if the corporation is part of a unitary business, includes the corporations or entities constituting the unitary business which are not in the controlled group of corporations as defined in section 1563.

(d) An "innovation center public corporation" is a nonprofit public corporation located at a state university in Minnesota that has the purpose of assisting, encouraging, developing, and advancing the high technology small business prosperity and economic welfare of the state.

(e) The "Internal Revenue Code" means the Internal Revenue Code of 1954, as amended through January 15, 1983.

(f) "Qualified small business" means (A BUSINESS) an entity, whether organized as a corporation, partnership, or proprietorship, organized for profit (IF THE ENTITY:) that satisfies the following conditions.

(1) (HAS) The entity had 20 or fewer employees and (HAS) had less than \$1,000,000 in gross annual receipts (;) in each of its three previous taxable years. The number of employees for purposes of this clause and clause (2) shall be determined on an annualized full-time equivalent basis.

(2) The entity is not a subsidiary or an affiliate of (A BUSINESS) an entity which employs more than 20 employees or (HAS) which had total gross receipts for the previous year

of more than \$1,000,000, computed by aggregating all of the employees and gross receipts of the business entities affiliated with the business (;).

(3) *The entity has its commercial domicile in this state (;).*

(4) (DOES) *The entity did not derive more than 20 percent of its gross receipts from royalties, rents, dividends, interest, annuities, and sales or exchanges of stock or securities (;) in one or more of the three previous taxable years. Gross receipts from the sale of stock or securities shall be taken into account only to the extent of gains realized. If the business was not in operation for an entire year at the time of application for certification, this clause is not satisfied if the entity engages in or intends to engage in a trade or business producing or is likely to derive more than 20 percent of its gross receipts from rents, royalties, dividends, interest, annuities, and sales or exchanges of stock or securities. This clause does not apply to the first taxable year of the entity if the total amount of passive income for the year is less than \$3,000 or to a sole proprietor.*

(5) *The entity is not engaged in a trade or business, the primary purpose of which is described in section 103(b)(6)(O) of the Internal Revenue Code of 1954, as amended through January 15, 1983 (; AND).*

(6) (IS CERTIFIED BY) *The commissioner of energy (, PLANNING) and economic development certifies that (IT) the entity satisfies the requirements of clauses (1) to (5). An income tax return filed with the commissioner of energy and economic development in order to obtain a certification is nonpublic data or private data on individuals, whichever is applicable, as defined in section 13.02.*

*A qualified small business does not include an entity engaged primarily in providing licensed professional services.*

Sec. 6. Minnesota Statutes 1983 Supplement, section 290.069, subdivision 2, is amended to read:

Subd. 2. [TECHNOLOGY TRANSFER CREDIT.] A credit may be claimed against the taxes imposed by this chapter in an amount equal to 30 percent of the net value of the technology transferred to a qualified small business if the following conditions are satisfied:

(a) The commissioner certifies that the technology has the value claimed by the transferor taxpayer.

(b) The transferor taxpayer is the exclusive and undisputed owner of the technology at the time the transfer is made.

(c) Except as provided in paragraph (h), the transferor retains no proprietary or financial interest in the technology subsequent to its transfer to the qualified small business and no credit is claimed for the transfer of the technology in a prior or subsequent taxable year, except pursuant to the carryover provisions of subdivision 5.

(d) The credit shall apply only to the first \$1,000,000 of the net value of the technology transferred during the taxable year. The value of the technology shall not exceed the total qualified research expenses, as defined in section 290.068, subdivision 2, expended by the transferor to create or develop the technology. For purposes of this (CLAUSE) *paragraph*, "net value" means the total value of the technology less any payments received from the transferee and less the value of any equity interest in the transferee received by the transferor in exchange for the technology. For purposes of determining the value of the equity interest, the total value of the transferee shall be deemed to be not less than the value of the technology transferred, less any cash payment made to the transferor.

(e) The taxpayer has not deducted the value of the transferred property from income under any other provisions of this chapter, except that the costs of developing the technology may have been deducted as a business expense or depreciated or included in the computation of the research and experimental expenditure credit pursuant to section 290.068.

(f) The transferee business entity may not be a subsidiary or affiliate of the transferor taxpayer.

(g) The transferee makes a substantial investment in acquiring or developing the technology. The requirements of this clause are satisfied if *over a two-year period beginning not later than the date of the transfer* (1) the transferee pays the transferor an amount equal to 20 percent of the value of the technology in return for acquisition of the rights to the technology, or if (2) the transferee expends an equivalent amount for equipment, materials, wages, or other direct costs to develop, produce, or otherwise use the technology. The requirements of this paragraph may not be satisfied by granting the transferor an equity interest as provided by paragraph (h).

(h) The transferor may receive in exchange for the transfer of the technology an equity interest in the transferee, but this interest may not exceed 25 percent of the capital interest, if the transferee is a partnership, or 25 percent in value of the outstanding stock, if the transferee is a corporation. The transferor's basis in the equity interest shall be reduced by the amount of the credits received pursuant to this subdivision. The transferor may not deduct any loss realized on the sale or exchange of the equity interest.

(i) The maximum credit which is allowed for technology transferred during the taxable year is \$300,000. The maximum credit which is allowable for technology transferred during all taxable years to an entity or a related person to the transferee entity is \$300,000. A person is a related person to the entity if (i) the relationship would result in disallowance of losses under section 267 or 707(b) of the Internal Revenue Code or (ii) the person and the entity are members of the same controlled group or corporation.

The commissioner may require that the taxpayer obtain an appraisal of the value of the transferred technology by a reliable, expert third party. The disclosure to a third party appraiser of information necessary to make an appraisal shall not be subject to the provisions of section 290.61. The commissioner may promulgate administrative rules for appraising the value of transferred technology.

Sec. 7. Minnesota Statutes 1983 Supplement, section 290.069, is amended by adding a subdivision to read:

Subd. 2a. [RECAPTURE; TECHNOLOGY TRANSFER CREDIT.] (a) A corporation which receives a tax reduction pursuant to subdivision 2 shall repay to the commissioner an amount of the tax reduction as specified in paragraph (b) if any of the following conditions occur within a three-year period after the date of transfer of the technology.

- (1) The transferee ceases operations in Minnesota.
- (2) The transferee becomes a subsidiary or affiliate of the transferor.
- (3) The transferee sells, transfers, or otherwise disposes of the rights to technology.
- (4) The transferee fails to make the necessary payments or expenditures required by subdivision 2, paragraph (g).
- (5) The transferee grants an interest to the transferor in violation of subdivision 2, paragraph (h).

(b) The amount of the repayment is determined pursuant to the following schedule:

Occurrence of event causing recapture	Repayment portion
Less than six months	100 percent
Six months or more but less than 12 months	83-1/3 percent

12 months or more but less than 18 months	66-2/3 percent
18 months or more but less than 24 months	50 percent
24 months or more but less than 30 months	33-1/3 percent
30 months or more but less than 36 months	16-2/3 percent

Sec. 8. Minnesota Statutes 1983 Supplement, section 290.069, subdivision 4, is amended to read:

Subd. 4. [EQUITY INVESTMENT CREDIT.] (a) A credit shall be allowed against the tax imposed by this chapter for (THE TAXABLE YEAR IN AN AMOUNT EQUAL TO 30 PERCENT OF THE NET) investment (IN EXCESS OF \$25,000) in the equity stock of a qualified small business, *which is organized as a corporation.* (THE MAXIMUM AMOUNT OF THE CREDIT FOR A TAXABLE YEAR MAY NOT EXCEED \$75,000.) *The credit for the taxable year is the least of*

(1) \$75,000, or

(2) 30 percent of the sum of the following, computed for the investment in each qualified small business:

(A) *The net investment made by the taxpayer during the taxable year in the equity stock of the qualified small business, less*

(B) \$25,000; or

(3) 75 percent of the taxpayer's tax liability computed after subtraction of all nonrefundable credits.

(b) For purposes of this credit the following limitations apply:

(1) Equity stock means common or preferred stock in the qualified small business, and shall not include any security (WHICH PROVIDES FOR FIXED OR VARIABLE INTEREST PAYMENTS) which would be treated as debt under section 385 of the Internal Revenue Code.

(2) The taxpayer and any related persons may not own more than 49 percent of the value of any class of stock. For purposes of this (PARAGRAPH) clause, a person is a related person to another person if (i) the relationship between the persons would result in a disallowance of losses under section 267 or 707(b) of the Internal Revenue Code of 1954 or (ii) the persons are members of the same controlled group of corporations. (THE RESTRICTIONS PROVIDED BY THIS SUBDIVISION SHALL

APPLY FOR A THREE-YEAR PERIOD BEGINNING ON THE DATE THE STOCK IS PURCHASED. IF THE TAXPAYER OR A RELATED PERSON ACQUIRES MORE THAN 49 PERCENT OF THE VALUE OF ANY CLASS OF STOCK AFTER THE ALLOWANCE OF A CREDIT UNDER THIS SUBDIVISION AND PRIOR TO THE END OF THE THREE-YEAR PERIOD, THE TAXPAYER'S TAX FOR THE TAXABLE YEAR IN WHICH THE CREDIT WAS ALLOWED SHALL BE INCREASED BY THE AMOUNT OF THE CREDIT PREVIOUSLY CLAIMED.)

(3) (THE CREDIT SHALL NOT EXCEED 75 PERCENT OF THE TAXPAYER'S TAX LIABILITY COMPUTED AFTER THE SUBTRACTION OF ALL CREDITS; OTHER THAN THE CREDIT PROVIDED IN THIS SUBDIVISION.)

*"Net investment" is limited to cash or the fair market value of marketable securities which are transferred to the qualified small business in return for equity stock, less the value of any other property or other consideration received by the taxpayer. The amount of the net investment shall be reduced by any payments made by the qualified small business to redeem shares of its stock or to acquire the assets or stock of another business during a 24-month period beginning one year prior to the taxpayer's purchase of the stock in the qualified small business. Marketable securities are limited to (A) obligations of the United States government, (B) securities of a corporation or other entity the stock or other securities of which are listed by the New York or American Stock Exchange or by the National Association of Securities Dealers Automated Quotation System, or (C) state or local government obligations, other than industrial development bonds as defined in section 103(b) of the Internal Revenue Code. The transfer of the assets of an entity engaged in a trade or business as a corporation, partnership, association, or proprietorship to a corporation shall not qualify as a net investment for purposes of the credit, if the ownership of the transferee corporation is substantially the same as that of the entity. For purposes of the preceding sentence, any property owned by or used directly in the business, pledged as collateral, or used as working capital shall constitute assets of the business.*

((B)) (c) If the principal place of business of the qualified small business is located in an enterprise zone designated pursuant to section 273.1312, \$10,000 shall be substituted for \$25,000 and \$100,000 for \$75,000 in paragraph (a).

((C)) (d) The taxpayer's basis in the stock shall be reduced by the amount of the credit.

(e) In the case of an investment made by a small business corporation, having a valid election in effect under section 1362 of the Internal Revenue Code, or by a partnership, the credit shall be allocated among the shareholders or partners on a



*pro rata basis and the limitations contained in paragraphs (a) and (c) shall apply to the small business corporation or partnership. In no case shall a taxpayer be allowed a maximum credit in excess of that permitted by paragraph (a) or (c).*

Sec. 9. Minnesota Statutes 1983 Supplement, section 290.069, is amended by adding a subdivision to read:

*Subd. 4a. [RECAPTURE; EQUITY INVESTMENT CREDIT.] (a) A taxpayer who receives a tax reduction pursuant to subdivision 4 shall repay to the commissioner an amount of the tax reduction as specified in paragraph (b) if any of the following conditions occur within a four-year period after the date of the investment:*

*(1) The taxpayer transfers, sells, or otherwise disposes of the stock other than transfer by the estate of a taxpayer who died after acquiring the stock.*

*(2) The taxpayer or a related person acquires an interest in the qualified small business in excess of that permitted by subdivision 4, clause (b)(2).*

*(3) The transferee ceases operations in Minnesota.*

*(b) The amount of the repayment is determined pursuant to the following schedule:*

<i>Occurrence of event causing recapture</i>	<i>Repayment portion</i>
<i>Less than six months</i>	<i>100 percent</i>
<i>Six months or more but less than 12 months</i>	<i>87-1/2 percent</i>
<i>12 months or more but less than 18 months</i>	<i>75 percent</i>
<i>18 months or more but less than 24 months</i>	<i>62-1/2 percent</i>
<i>24 months or more but less than 30 months</i>	<i>50 percent</i>
<i>30 months or more but less than 36 months</i>	<i>37-1/2 percent</i>
<i>36 months or more but less than 42 months</i>	<i>25 percent</i>
<i>42 months or more but less than 48 months</i>	<i>12-1/2 percent</i>

*(c) If a credit was allowed for a qualified small business whose principal place of business was located in an enterprise zone and the business ceases operations in the zone within three years after the investment is made, the taxpayer shall file an*

*amended return claiming the credit without regard to subdivision 4, paragraph (c).*

Sec. 10. Minnesota Statutes 1983 Supplement, section 290.069, is amended by adding a subdivision to read:

*Subd. 4b. [MULTISTATE BUSINESSES.] If a qualified small business is engaged in a business partly within and partly without the state, the credit allowable pursuant to subdivision 2 or 4 for technology transferred to or a net investment made in the business must be apportioned. The credit determined pursuant to subdivision 2 or 4 must be multiplied by the arithmetical average of the qualified small business' property and payrolls, determined as provided by section 290.19, subdivision 1, clauses (2)(a)(2) and (2)(a)(3), using data from the most recently available year. After the technology is transferred or the investment made, the qualified small business shall certify to the transferor taxpayer its factors under section 290.19, subdivision 1, clauses (2)(a)(2) and (2)(a)(3) for each of the succeeding two tax years. If the factors for either of these years would result in at least a 25 percent change in the allowable credit, the taxpayer shall file an amended return repaying or claiming the difference in the credit. The preceding sentence does not apply if the qualified small business ceases operations in Minnesota and the recapture provisions of subdivision 2a or 4a apply.*

Sec. 11. Minnesota Statutes 1983 Supplement, section 290.069, subdivision 5, is amended to read:

**Subd. 5. [(LIMITATIONS) CARRYOVER; OTHER CONDITIONS.] (THE PROVISIONS OF SECTION 290.068, SUBDIVISIONS 3, CLAUSE (A); 4; AND 5 SHALL APPLY TO THE SUM OF THE CREDITS WHICH THIS SECTION ALLOWS, EXCEPT THAT NO CARRYBACK SHALL BE ALLOWED. THE CARRYOVER PROVISIONS OF SECTION 290.068, SUBDIVISION 3, CLAUSE (B), SHALL APPLY TO THE SUM OF THE CREDITS ALLOWED BY THIS SECTION EXCEPT THAT THE TERM "RESEARCH CREDIT" OR "RESEARCH AND EXPERIMENTAL EXPENDITURE CREDIT" SHALL INCLUDE THE CREDITS AUTHORIZED BY SUBDIVISIONS 2 AND 3 OF THIS SECTION.)** *If the amount of the allowable credit pursuant to subdivision 2 or 3 for the taxable year exceeds the taxpayer's tax liability or if the limitation contained in subdivision 4, clause (a)(3) applies, the unused credit for the taxable year is a carryover to each of the succeeding five taxable years. The entire amount of the unused credit must be carried to the earliest of the taxable years to which it may be carried. "Tax liability" means the tax imposed by this chapter reduced by the sum of the nonrefundable credits allowed under this chapter except the credit allowed by section 290.068. The credits allowed by subdivisions 2 and 3 shall only be available to corporations and banks whose tax is computed pursuant to section 290.06, subdivision 1.*

The maximum limitations on the amount of credits pursuant to subdivisions 2 (AND), 3, and 4 shall be determined by aggregating together the credits of all the corporations in the controlled group of corporations with the taxpayer. In order to facilitate compliance with and enforcement of this provision the commissioner may require the taxpayer to claim the credit on a combined report of the unitary business or to file a copy of the consolidated federal return with the state return or both.

Sec. 12. Minnesota Statutes 1983 Supplement, section 290.069, is amended by adding a subdivision to read:

*Subd. 7. [COMMISSIONER'S POWER TO DISALLOW CREDIT.] The commissioner may disallow a credit under subdivision 2 or 4 if he determines that the transaction giving rise to the credit was entered into by the parties primarily to reduce taxes and not primarily for an independent business or commercial purpose other than the reduction of taxes.*

**Sec. 13. [TRANSITION PROVISION; FARMS.]**

*An investment made on or before June 30, 1985, in a corporation primarily engaged in the business of farming does not qualify for the equity investment credit under Minnesota Statutes, section 290.069. The business of farming includes the activities enumerated in Minnesota Statutes, section 290.09, subdivision 29, paragraph (a). The commissioner of energy and economic development may not certify an entity primarily engaged in farming as a qualified small business under Minnesota Statutes, section 290.069, subdivision 1, prior to July 1, 1985.*

Sec. 14. Minnesota Statutes 1983 Supplement, section 290.21, subdivision 4, is amended to read:

**Subd. 4. (a)** 85 percent of dividends received by a corporation during the taxable year from another corporation, when the corporate stock with respect to which dividends are paid does not constitute the stock in trade of the taxpayer or would not be included in the inventory of the taxpayer, or does not constitute property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business, or when the trade or business of the taxpayer does not consist principally of the holding of the stocks and the collection of the income and gains therefrom. The remaining 15 percent shall be allowed if the recipient owns 80 percent or more of all the voting stock of (SUCH) the other corporation (, AND THE DIVIDENDS WERE PAID FROM INCOME ARISING OUT OF BUSINESS DONE IN THIS STATE BY THE CORPORATION PAYING SUCH DIVIDENDS; BUT IF THE INCOME OUT OF WHICH THE DIVIDENDS ARE DECLARED WAS DERIVED FROM BUSINESS DONE WITHIN AND WITHOUT THIS STATE, THEN SO MUCH OF THE REMAINDER SHALL BE AL-

LOWED AS A DEDUCTION AS THE AMOUNT OF THE TAXABLE NET INCOME OF THE CORPORATION PAYING THE DIVIDENDS ASSIGNABLE OR ALLOCABLE TO THIS STATE BEARS TO THE ENTIRE NET INCOME OF THE CORPORATION, SUCH RATE BEING DETERMINED BY THE RETURNS UNDER THIS CHAPTER OF THE CORPORATION PAYING SUCH DIVIDENDS FOR THE TAXABLE YEAR PRECEDING THE DISTRIBUTION THEREOF; THE BURDEN SHALL BE ON THE TAXPAYER OF SHOWING THAT THE AMOUNT OF REMAINDER CLAIMED AS A DEDUCTION HAS BEEN RECEIVED FROM INCOME ARISING OUT OF BUSINESS DONE IN THIS STATE).

(b) If the trade or business of the taxpayer consists principally of the holding of the stocks and the collection of the income and gains therefrom, dividends received by a corporation during the taxable year from another corporation, if the recipient owns 80 percent or more of all the voting stock of (SUCH) the other corporation, FROM INCOME ARISING OUT OF BUSINESS DONE IN THIS STATE BY THE CORPORATION PAYING SUCH DIVIDENDS; BUT, IF THE INCOME OUT OF WHICH THE DIVIDENDS ARE DECLARED WAS DERIVED FROM BUSINESS DONE WITHIN AND WITHOUT THIS STATE, THEN SO MUCH OF THE DIVIDENDS SHALL BE ALLOWED AS DEDUCTION AS THE AMOUNT OF THE TAXABLE NET INCOME OF THE CORPORATION PAYING THE DIVIDENDS ASSIGNABLE OR ALLOCABLE TO THIS STATE BEARS TO THE ENTIRE NET INCOME OF THE CORPORATION, SUCH RATE BEING DETERMINED BY THE RETURNS UNDER THIS CHAPTER OF THE CORPORATION PAYING SUCH DIVIDENDS FOR THE TAXABLE YEAR PRECEDING THE DISTRIBUTION THEREOF. THE BURDEN SHALL BE ON THE TAXPAYER OF SHOWING THAT THE AMOUNT OF DIVIDENDS CLAIMED AS A DEDUCTION HAS BEEN RECEIVED FROM INCOME ARISING OUT OF BUSINESS DONE IN THIS STATE).

(c) The dividend deduction provided in this subdivision shall be allowed only with respect to dividends that are included in a corporation's Minnesota taxable net income for the taxable year.

The dividend deduction provided in this subdivision does not apply to a dividend from a corporation which, for the taxable year of the corporation in which the distribution is made or for the next preceding taxable year of the corporation, is a corporation exempt from tax under section 501 of the Internal Revenue Code of 1954, as amended through December 31, 1982.

The dividend deduction provided in this subdivision applies to the amount of regulated investment company dividends only to

the extent determined under section 854(b) of the Internal Revenue Code of 1954, as amended through December 31, 1982.

(d) If dividends received by a corporation that does not have nexus with Minnesota under the provisions of Public Law 86-272 are included as income on the return of an affiliated corporation permitted or required to file a combined report under section 290.34, subdivision 2, then for purposes of this subdivision the determination as to whether the trade or business of the corporation consists principally of the holding of stocks and the collection of income and gains therefrom shall be made with reference to the trade or business of the affiliated corporation having a nexus with Minnesota.

(e) *Dividends received by a corporation from another corporation which is organized under the laws of a foreign country or a political subdivision of a foreign country, if the dividends are paid from income arising from sources without the United States, the commonwealth of Puerto Rico, and the possessions of the United States. The deduction provided by this clause does not apply if the corporate stock with respect to which dividends are paid constitutes the stock in trade of the taxpayer, or would be included in the inventory of the taxpayer, or constitutes property held by the taxpayer primarily for sale to customers in the ordinary course of the taxpayer's trade or business, or if the trade or business of the taxpayer consists principally of the holding of stocks and the collection of the income or gains therefrom. No dividend may be deducted under this clause if it is deducted under clause (a).*

Sec. 15. Minnesota Statutes 1982, section 290.21, is amended by adding a subdivision to read:

*Subd. 8. [FOREIGN SOURCE ROYALTIES.] (a) Rentals, fees, and royalties accrued or received from a foreign corporation for the use of or for the privilege of using outside of the United States patents, copyrights, secret processes and formulas, good will, know-how, trademarks, trade brands, franchises, and other like property. Rentals, fees, or royalties deducted under this subdivision shall not be included in the taxpayer's apportionment factors under section 290.19, subdivision 1, clause (1) (a) or (2)(a)(1). The preceding sentence shall not be construed to imply that nondeductible rentals, fees, and royalties from such properties are or were included in or excluded from the apportionment factors under any other provision of law.*

(b) *A corporation is allowed the deduction provided by this subdivision only if during the taxable year it received or accrued at least 80 percent of its gross income from sources as defined in clause (a) and from dividends received from foreign corporations. The corporation's gross income for purposes of this clause shall be computed without regard to the requirement of section*

290.34, subdivision 2, that a combined report be filed reflecting the entire income of the unitary business.

(c) For purposes of this subdivision, a foreign corporation is (i) a corporation organized under the laws of a foreign country or the political subdivision of a foreign country or (ii) a corporation which for the taxable year derives at least 80 percent of its gross income from sources without the United States, the commonwealth of Puerto Rico, and the possessions of the United States. A foreign corporation does not include a DISC as defined in section 992(a) of the Internal Revenue Code of 1954, as amended through December 31, 1983.

(d) The deduction provided in this subdivision is allowed only with respect to rentals, fees, and royalties that are included in a corporation's Minnesota taxable net income for the taxable year.

Sec. 16. Minnesota Statutes 1982, section 462.651, subdivision 1, is amended to read:

Subdivision 1. [GENERAL TAXES.] The governing body of a municipality in which any project of a redevelopment company is located may, (BY ORDINANCE OR RESOLUTION) after the local approval as provided in subdivision 5, exempt from all local taxes (SO MUCH) up to 50 percent of the value of the property included in that project (AS) which represents an increase over the assessed valuation of the property, both land and improvements, acquired for the project at the time of its original acquisition for redevelopment purposes. (SHOULD SUCH A) If the governing body (GRANT SUCH A TAX) grants an exemption, the project shall, to the extent of the municipal exemption and during the period thereof, be exempt from any and all (STATE,) county (,) and school district *ad valorem* property taxes. The tax exemption specified herein shall not operate for a period of more than (25) ten years, commencing in each instance from the date on which the benefits of such exemption first become available and effective. (THERE SHALL BE) No exemption may be granted from payment of special assessments or from the payment of inspection, supervision, and auditing fees of the commissioner of energy, planning and development or the authority.

Sec. 17. Minnesota Statutes 1982, section 462.651, is amended by adding a subdivision to read:

Subd. 5. [COMMENT BY COUNTY BOARD.] Before approving a tax exemption pursuant to this section, the governing body of the municipality must provide an opportunity to the members of the county board of commissioners of the county in which the project is proposed to be located and the members of the school board of the school district in which the project is proposed to be located to meet with the governing body. The govern-

ing body must present to the members of those boards its estimate of the fiscal impact of the proposed property tax exemption. The tax exemption may not be approved by the governing body until the county board of commissioners has presented its written comment on the proposal to the governing body, or 30 days have passed from the date of the transmittal by the governing body to the board of the information on the fiscal impact, whichever occurs first.

#### Sec. 18. [ALLOCATION TO DULUTH.]

The city of Duluth is allocated \$6,610,940 of the tax reductions permitted by section 273.1314, subdivision 8, pursuant to its designation under section 273.1312, subdivision 4, paragraph (c), clause (3).

#### Sec. 19. [PLANT CONSTRUCTION AND EXPANSION GRANTS.]

**Subdivision 1. [APPROPRIATION.]** The sum of \$3,400,000 is appropriated from the general fund to the commissioner of energy and economic development for the purpose of providing grants to industrial operations that are substantially renovating their facilities, providing that the renovation enables the operation to continue to provide a substantial portion of the industrial employment of the community in which it is located. The grant is intended to help meet the cost of property tax increases due to plant expansion or renovation and the cost of sales tax or equipment purchased to replace obsolete, inadequate, or inefficient equipment in the plant.

Of the sum appropriated, up to \$1,000,000 may be granted to a meat processing and packing facility that, at the time when renovation or expansion of the facility begins, provides over 20 percent of the industrial employment in the city. The entire amount of this grant may be paid on or after July 1, 1984.

Up to \$2,400,000 may be granted to a manufacturer of internal combustion engines, generators, electrical generating sets, and switchgear that, at the time when renovation or expansion of the facility begins, provides over ten percent of the industrial employment in the city. This grant is to be disbursed as follows. The recipient must annually certify to the commissioner the following amounts paid during the year: (a) the additional property taxes paid as a result of the expansion and (b) one-third of the sales tax paid on replacement capital equipment that does not qualify for the four percent sales tax rate under Minnesota Statutes, section 297A.02, subdivision 2. The commissioner shall pay the lesser of the amount certified for the year or \$480,000. If in a year the amount certified is less than \$480,000, the excess shall carryforward and may be paid in a succeeding year. The commissioner may not pay an amount in excess of that certified. The appropriation for this grant does not cancel.

*An additional sum of \$100,000 is appropriated to the commissioner of energy and economic development to provide a grant to a city which is selected as the site for a foreign manufacturing development facility. This grant is not subject to the limitations contained in the first paragraph of this subdivision. A foreign manufacturing development project is a production and office facility financed, in whole or part, by an agency of a foreign government or a foreign corporation for the purpose of testing and developing the expertise of foreign firms in manufacturing products in the United States. The city may use the grant moneys to provide assistance to the foreign manufacturing development facility in the manner it determines appropriate.*

*Designation of grant recipients is not subject to the provisions of chapter 14.*

*Subd. 2. [RECAPTURE.] A business that receives a grant pursuant to subdivision 1 shall repay to the commissioner of energy and economic development a portion of the grant if, within five years of the receipt of the grant, the commissioner determines that (1) the recipient has failed to renovate or expand its facility according to the schedule submitted pursuant to subdivision 1 and that the recipient is unlikely to resume the renovation or expansion activity according to a schedule that is reasonably similar in result to the original schedule, allowing for some extension of time, not to exceed 20 percent of the time originally scheduled, for accomplishment of the renovation or expansion, or (2) the recipient has ceased operation of the facility.*

*The amount of the repayment is determined according to the following schedule:*

<i>Occurrence of event causing recapture</i>	<i>Repayment portion</i>
<i>Less than one year</i>	<i>100 percent</i>
<i>One year or more but less than two years</i>	<i>80 percent</i>
<i>Two years or more but less than three years</i>	<i>60 percent</i>
<i>Three years or more but less than four years</i>	<i>40 percent</i>
<i>Four years or more but less than five years</i>	<i>20 percent</i>

**Sec. 20. [REPEALER.]**

*Minnesota Statutes 1982, section 462.651, subdivision 2, and Minnesota Statutes 1983 Supplement, section 462.651, subdivision 3 are repealed.*



## Sec. 21. [EFFECTIVE DATE; APPROPRIATION.]

*Sections 1 to 4 are effective the day following final enactment. Sections 5 to 13 are effective for taxable years beginning after December 31, 1983, except that they shall not apply to qualified small businesses that were certified by the commissioner of energy and economic development prior to April 10, 1984. Section 14 is effective for taxable years beginning after June 30, 1985. Section 15 is effective for taxable years beginning after December 31, 1984. Sections 16, 17, and 20 are effective for exemptions approved after July 1, 1984. Section 18 is effective July 1, 1984.*

## ARTICLE 6

## SALES

Section 1. Minnesota Statutes 1982, section 297A.01, subdivision 15, is amended to read:

Subd. 15. "Farm machinery" means new or used machinery, equipment, implements, accessories and contrivances used directly and principally in the production for sale, but not including the processing, of livestock, dairy animals, dairy products, poultry and poultry products, fruits, vegetables, forage, grains and bees and apiary products. "Farm machinery" shall include machinery for the preparation, seeding or cultivation of soil for growing agricultural crops, harvesting and threshing of agricultural products, and certain machinery for dairy, livestock and poultry farms, together with barn cleaners, milking systems, grain dryers, automatic feeding systems and similar installations. Irrigation equipment sold for exclusively agricultural use, including pumps, pipe fittings, valves, sprinklers and other equipment necessary to the operation of an irrigation system when sold as part of an irrigation system, except irrigation equipment which is situated below ground and considered to be a part of the real property, shall be included in the definition of farm machinery. *Logging equipment, except chain saws, shall be included in the definition of farm machinery.* Repair or replacement parts for farm machinery shall not be included in the definition of farm machinery.

Tools, shop equipment, grain bins, feed bunks, fencing material, communication equipment and other farm supplies shall not be considered to be farm machinery. "Farm machinery" does not include motor vehicles taxed under chapter 297B, snowmobiles, snow blowers, lawn mowers, garden-type tractors or garden tillers and the repair and replacement parts for those vehicles and machines.

Sec. 2. Minnesota Statutes 1982, section 297A.01, is amended by adding a subdivision to read:

*Subd. 16. [CAPITAL EQUIPMENT.] Capital equipment means machinery and equipment and the materials and supplies necessary to construct or install the machinery or equipment. To qualify under this definition the capital equipment must be used by the purchaser or lessee for manufacturing, fabricating, or refining a product to be sold at retail and must be used for the establishment of a new or the physical expansion of an existing manufacturing, fabricating, or refining facility in the state. Capital equipment does not include (1) machinery or equipment purchased or leased to replace machinery or equipment performing substantially the same function in an existing facility, (2) repair or replacement parts, or (3) machinery or equipment used to extract, receive, or store raw materials.*

Sec. 3. Minnesota Statutes 1982, section 297A.01, is amended by adding a subdivision to read:

*Subd. 17. [SPECIAL TOOLING.] Special tooling means tools, dies, jigs, patterns, gauges and other special tools which have value and use only for the buyer and for the use for which it is made. An item has use or value only to the buyer if the item is not standard enough to be stocked or ordered from a catalog or other sales literature, but must be produced in accordance with special requirements peculiar to the buyer and not common to someone else whose conditions for possible use of the material are reasonably similar to the buyer's.*

Sec. 4. Minnesota Statutes 1983 Supplement section 297A.02, subdivision 2, is amended to read:

*Subd. 2. [(FARM) MACHINERY AND EQUIPMENT.] Notwithstanding the provisions of subdivision 1, the rate of the excise tax imposed upon sales of farm machinery (SHALL BE), special tooling, and capital equipment is four percent.*

Sec. 5. Minnesota Statutes 1983 Supplement, section 297A.02, is amended by adding a subdivision to read:

*Subd. 4. [MANUFACTURED HOUSING.] Notwithstanding the provisions of subdivision 1, for sales at retail of manufactured homes used for residential purposes the excise tax is imposed upon 65 percent of the sales price of the home.*

Sec. 6. Minnesota Statutes 1983 Supplement, section 297A.14, is amended to read:

**297A.14 [USING, STORING OR CONSUMING TANGIBLE PERSONAL PROPERTY; ADMISSIONS; UTILITIES.]**

For the privilege of using, storing or consuming in Minnesota tangible personal property, tickets or admissions to places of amusement and athletic events, electricity, gas, and local ex-

change telephone service purchased for use, storage or consumption in this state, (THERE) a use tax is imposed on every person in this state (A USE TAX) at the rate of six percent of the sales price of sales at retail (OF ANY OF THE AFOREMENTIONED ITEMS) unless the tax imposed by section 297A.02 was paid on the sales price. Notwithstanding the provisions of (THIS PARAGRAPH) the preceding sentence, the rate of the use tax imposed upon the sales price of sales of farm machinery (SHALL BE), special tooling, and capital equipment is four percent.

A motor vehicle subject to tax under this section shall be taxed at its fair market value at the time of transport into Minnesota if the motor vehicle was acquired more than three months prior to its transport into this state.

Sec. 7. Minnesota Statutes 1982, section 297A.15, is amended by adding a subdivision to read:

Subd. 5. [REFUND; APPROPRIATION.] Notwithstanding the provisions of section 297A.02, subdivision 2, the tax on sales of capital equipment shall be imposed and collected as if the rate under section 297A.02, subdivision 1, applied. Upon application by the purchaser, on forms prescribed by the commissioner, a refund equal to the reduction in the tax due as a result of the application of the rates under section 297A.02, subdivision 2, shall be paid to the purchaser. The application shall include information necessary for the commissioner initially to verify that the purchases qualified as capital equipment under section 297A.02, subdivision 2. No more than two applications for refunds may be filed under this subdivision in a calendar year. Unless otherwise specifically provided by this subdivision, the provisions of section 297A.34 apply to the refunds payable under this subdivision. There is annually appropriated to the commissioner of revenue the amount required to make the refunds.

Sec. 8. Minnesota Statutes 1983 Supplement, section 297A.25, subdivision 1, is amended to read:

Subdivision 1. The following are specifically exempted from the taxes imposed by sections 297A.01 to 297A.44:

(a) The gross receipts from the sale of food products including but not limited to cereal and cereal products, butter, cheese, milk and milk products, oleomargarine, meat and meat products, fish and fish products, eggs and egg products, vegetables and vegetable products, fruit and fruit products, spices and salt, sugar and sugar products, coffee and coffee substitutes, tea, cocoa and cocoa products, and food products which are not taxable pursuant to section 297A.01, subdivision 3, clause (c) and which are sold by a retailer, organized as a nonprofit corporation or association, within a place located on property owned

by the state or an agency or instrumentality of the state, the entrance to which is subject to an admission charge. This exemption does not include the following:

(i) candy and candy products, *except when sold for fund-raising purposes by a nonprofit organization that provides educational and social activities for young people primarily aged 18 and under;*

(ii) carbonated beverages, beverages commonly referred to as soft drinks containing less than 15 percent fruit juice, or bottled water other than noncarbonated and noneffervescent bottled water sold in individual containers of one-half gallon or more in size;

(b) The gross receipts from the sale of prescribed drugs and medicine intended for use, internal or external, in the cure, mitigation, treatment or prevention of illness or disease in human beings and products consumed by humans for the preservation of health, including prescription glasses, therapeutic and prosthetic devices, but not including cosmetics or toilet articles notwithstanding the presence of medicinal ingredients therein;

(c) The gross receipts from the sale of and the storage, use or other consumption in Minnesota of tangible personal property, tickets, or admissions, electricity, gas, or local exchange telephone service, which under the Constitution or laws of the United States or under the Constitution of Minnesota, the state of Minnesota is prohibited from taxing;

(d) The gross receipts from the sale of tangible personal property (i) which, without intermediate use, is shipped or transported outside Minnesota by the purchaser and thereafter used in a trade or business or is stored, processed, fabricated or manufactured into, attached to or incorporated into other tangible personal property transported or shipped outside Minnesota and thereafter used in a trade or business outside Minnesota, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce (storage shall not constitute intermediate use); provided that the property is not subject to tax in that state or country to which it is transported for storage or use, or, if subject to tax in that other state, that state allows a similar exemption for property purchased therein and transported to Minnesota for use in this state; except that sales of tangible personal property that is shipped or transported for use outside Minnesota shall be taxed at the rate of the use tax imposed by the state to which the property is shipped or transported, unless that state has no use tax, in which case the sale shall be taxed at the rate generally imposed by this state; and provided further that sales of tangible personal property to be used in other states or countries as part of a maintenance contract shall be specifically ex-

empty; or (ii) which the seller delivers to a common carrier for delivery outside Minnesota, places in the United States mail or parcel post directed to the purchaser outside Minnesota, or delivers to the purchaser outside Minnesota by means of the seller's own delivery vehicles, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(e) The gross receipts from the sale of packing materials used to pack and ship household goods, the ultimate destination of which is outside the state of Minnesota and which are not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(f) The gross receipts from the sale of and storage, use or consumption of petroleum products upon which a tax has been imposed under the provisions of chapter 296, whether or not any part of said tax may be subsequently refunded;

(g) The gross receipts from the sale of clothing and wearing apparel except the following:

(i) all articles commonly or commercially known as jewelry, whether real or imitation; pearls, precious and semi-precious stones, and imitations thereof; articles made of, or ornamented, mounted or fitted with precious metals or imitations thereof; watches; clocks; cases and movements for watches and clocks; gold, gold-plated, silver, or sterling flatware or hollow ware and silver-plated hollow ware; opera glasses; lorgnettes; marine glasses; field glasses and binoculars.

(ii) articles made of fur on the hide or pelt, and articles of which such fur is the component material or chief value, but only if such value is more than three times the value of the next most valuable component material.

(iii) perfume, essences, extracts, toilet waters, cosmetics, petroleum jellies, hair oils, pomades, hair dressings, hair restoratives, hair dyes, aromatic cachous and toilet powders. The tax imposed by this act shall not apply to lotion, oil, powder, or other article intended to be used or applied only in the case of babies.

(iv) trunks, valises, traveling bags, suitcases, satchels, overnight bags, hat boxes for use by travelers, beach bags, bathing suit bags, brief cases made of leather or imitation leather, salesmen's sample and display cases, purses, handbags, pocketbooks, wallets, billfolds, card, pass, and key cases and toilet cases.

(h) The gross receipts from the sale of and the storage, use, or consumption of all materials, including chemicals, fuels, petroleum products, lubricants, packaging materials, including

returnable containers used in packaging food and beverage products, feeds, seeds, fertilizers, electricity, gas and steam; used or consumed in agricultural or industrial production of personal property intended to be sold ultimately at retail, whether or not the item so used becomes an ingredient or constituent part of the property produced. Such production shall include, but is not limited to, research, development, design or production of any tangible personal property, manufacturing, processing (other than by restaurants and consumers) of agricultural products whether vegetable or animal, commercial fishing, refining, smelting, reducing, brewing, distilling, printing, mining, quarrying, lumbering, generating electricity and the production of road building materials. Such production shall not include painting, cleaning, repairing or similar processing of property except as part of the original manufacturing process. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures, used in such production and fuel, electricity, gas or steam used for space heating or lighting, are not included within this exemption; however, accessory tools, equipment and other short lived items, which are separate detachable units used in producing a direct effect upon the product, where such items have an ordinary useful life of less than 12 months, are included within the exemption provided herein;

(i) The gross receipts from the sale of and storage, use or other consumption in Minnesota of tangible personal property (except as provided in section 297A.14) which is used or consumed in producing any publication regularly issued at average intervals not exceeding three months, and any such publication. For purposes of this subsection, "publication" as used herein shall include, without limiting the foregoing, a legal newspaper as defined by Minnesota Statutes 1965, section 331.02, and any supplements or enclosures with or part of said newspaper; and the gross receipts of any advertising contained therein or therewith shall be exempt. For this purpose, advertising in any such publication shall be deemed to be a service and not tangible personal property, and persons or their agents who publish or sell such newspapers shall be deemed to be engaging in a service with respect to gross receipts realized from such newsgathering or publishing activities by them, including the sale of advertising. The term "publication" shall not include magazines and periodicals sold over the counter. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures used in such publication and fuel, electricity, gas or steam used for space heating or lighting, are not exempt;

(j) The gross receipts from all sales, including sales in which title is retained by a seller or a vendor or is assigned to a third party under an installment sale or lease purchase agreement under section 465.71, of tangible personal property to, and all storage, use or consumption of such property by, the United States and its agencies and instrumentalities or a state and its agencies, instrumentalities and political subdivisions. Sales

exempted by this clause include sales pursuant to section 297A.-01, subdivision 3, clauses (d) and (f). This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities;

(k) The gross receipts from the isolated or occasional sale of tangible personal property in Minnesota not made in the normal course of business of selling that kind of property, and the storage, use, or consumption of property acquired as a result of such a sale. For purposes of this clause, sales by a nonprofit organization shall be deemed to be "isolated or occasional" if they occur at sale events that have a duration of three or fewer consecutive days. The granting of the privilege of admission to places of amusement and the privilege of use of amusement devices by a nonprofit organization at an isolated or occasional event conducted on property owned or leased for a continuous period of more than 30 days by the nonprofit organization are also exempt. The exemption provided for isolated sales of tangible personal property and of the granting of admissions or the privilege of use of amusement devices by nonprofit organizations pursuant to this clause shall be available only if the sum of the days on which the organization and any subsidiary nonprofit organization sponsored by it that does not have a separate sales tax exemption permit conduct sales of tangible personal property, plus the days with respect to which the organization charges for the use of amusement devices or admission to places of amusement, does not exceed eight days in a calendar year. For purposes of this clause, a "nonprofit organization" means any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes, no part of the net earnings of which inures to the benefit of a private individual;

(l) The gross receipts from sales of rolling stock and the storage, use or other consumption of such property by railroads, freight line companies, sleeping car companies and express companies taxed on the gross earnings basis in lieu of ad valorem taxes. For purposes of this clause "rolling stock" is defined as the portable or moving apparatus and machinery of any such company which moves on the road, and includes, but is not limited to, engines, cars, tenders, coaches, sleeping cars and parts necessary for the repair and maintenance of such rolling stock.

(m) The gross receipts from sales of airflight equipment and the storage, use or other consumption of such property by airline companies taxed under the provisions of sections 270.071

to 270.079. For purposes of this clause, "airflight equipment" includes airplanes and parts necessary for the repair and maintenance of such airflight equipment, and flight simulators.

(n) The gross receipts from the sale of telephone central office telephone equipment used in furnishing intrastate and interstate telephone service to the public.

(o) The gross receipts from the sale of and the storage, use or other consumption by persons taxed under the in lieu provisions of chapter 298, of mill liners, grinding rods and grinding balls which are substantially consumed in the production of tacomite, the material of which primarily is added to and becomes a part of the material being processed.

(p) The gross receipts from the sale of tangible personal property to, and the storage, use or other consumption of such property by, any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious or educational purposes if the property purchased is to be used in the performance of charitable, religious or educational functions, or any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders. Sales exempted by this clause include sales pursuant to section 297A.01, subdivision 3, clauses (d) and (f). This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities;

(q) The gross receipts from the sale of caskets and burial vaults;

(r) The gross receipts from the sale of an automobile or other conveyance if the purchaser is assisted by a grant from the United States in accordance with 38 United States Code, section 1901, as amended.

(s) The gross receipts from the sale to the licensed aircraft dealer of an aircraft for which a commercial use permit has been issued pursuant to section 360.654, if the aircraft is resold while the permit is in effect.

(t) The gross receipts from the sale of building materials to be used in the construction or remodeling of a residence when



the construction or remodeling is financed in whole or in part by the United States in accordance with 38 United States Code, sections 801 to 805, as amended. This exemption shall not be effective at time of sale of the materials to contractors, sub-contractors, builders or owners, but shall be applicable only upon a claim for refund to the commissioner of revenue filed by recipients of the benefits provided in title 38 United States Code, chapter 21, as amended. The commissioner shall provide by regulation for the refund of taxes paid on sales exempt in accordance with this paragraph.

(u) The gross receipts from the sale of textbooks which are prescribed for use in conjunction with a course of study in a public or private school, college, university and business or trade school to students who are regularly enrolled at such institutions. For purposes of this clause a "public school" is defined as one that furnishes course of study, enrollment and staff that meets standards of the state board of education and a private school is one which under the standards of the state board of education, provides an education substantially equivalent to that furnished at a public school. Business and trade schools shall mean such schools licensed pursuant to section 141.25.

(v) The gross receipts from the sale of and the storage of material designed to advertise and promote the sale of merchandise or services, which material is purchased and stored for the purpose of subsequently shipping or otherwise transferring outside the state by the purchaser for use thereafter solely outside the state of Minnesota.

(w) The gross receipt from the sale of residential heating fuels in the following manner:

(i) all fuel oil, coal, wood, steam, *hot water*, propane gas, and L.P. gas sold to residential customers for residential use;

(ii) natural gas sold for residential use to customers who are metered and billed as residential users and who use natural gas for their primary source of residential heat, for the billing months of November, December, January, February, March and April;

(iii) electricity sold for residential use to customers who are metered and billed as residential users and who use electricity for their primary source of residential heat, for the billing months of November, December, January, February, March and April.

(x) The gross receipts from the sale or use of tickets or admissions to the premises of or events sponsored by an association, corporation or other group of persons which provides an opportunity for citizens of the state to participate in the crea-

tion, performance or appreciation of the arts and which qualifies as a tax-exempt organization within the meaning of Minnesota Statutes 1980, section 290.05, subdivision 1, clause (i).

(y) The gross receipts from either the sales to or the storage, use or consumption of tangible personal property by an organization of military service veterans or an auxiliary unit of an organization of military service veterans, provided that:

(i) the organization or auxiliary unit is organized within the state of Minnesota and is exempt from federal taxation pursuant to section 501(c), clause (19), of the Internal Revenue Code as amended through December 31, 1982; and

(ii) the tangible personal property which is sold to or stored, used or consumed by the organization or auxiliary unit is for charitable, civic, educational, or nonprofit uses and not for social, recreational, pleasure or profit uses.

(z) The gross receipts from the sale of sanitary napkins, tampons, or similar items used for feminine hygiene.

(aa) *The gross receipts from the sale of a manufactured home, as defined in section 327.31, subdivision 6, to be used by the purchaser for residential purposes, unless the sale is the first retail sale of the manufactured home in this state.*

Sec. 9. Minnesota Statutes 1983 Supplement, section 297B.-03, is amended to read:

297B.03 [EXEMPTIONS.]

There is specifically exempted from the provisions of this chapter and from computation of the amount of tax imposed by it the following:

(1) Purchase or use, including use under a lease purchase agreement or installment sales contract made pursuant to section 465.71, of any motor vehicle by any person described in and subject to the conditions provided in section 297A.25, subdivision 1, clauses (j), (p) and (r).

(2) Purchase or use of any motor vehicle by any person who was a resident of another state at the time of the purchase and who subsequently becomes a resident of Minnesota, provided the purchase occurred more than 60 days prior to the date such person moved his residence to the state of Minnesota.

(3) Purchase or use of any motor vehicle by any person making a valid election to be taxed under the provisions of section 297A.211.

(4) Purchase or use of any motor vehicle previously registered in the state of Minnesota by any corporation or partnership when such transfer constitutes a transfer within the meaning of sections 351 or 721 of the Internal Revenue Code of 1954, as amended through December 31, 1974.

(5) *Purchase or use of any vehicle owned by a resident of another state and leased to a Minnesota based private or for hire carrier for regular use in the transportation of persons or property in interstate commerce provided the vehicle is titled in the state of the owner or secured party, and that state does not impose a sales or motor vehicle excise tax on motor vehicles used in interstate commerce.*

Sec. 10. Minnesota Statutes 1982, section 297B.035, subdivision 3, is amended to read:

Subd. 3. Motor vehicles sold by a new motor vehicle dealer in contravention of section 168.27, subdivision 10, clause (1) (b) shall not be considered to have been acquired or purchased for resale in the ordinary or regular course of business for the purposes of this chapter, and the dealer shall be required to pay the excise tax due on the purchase of those vehicles. *The sale by a lessor of a new motor vehicle under lease within 120 days of the commencement of the lease is deemed a sale in contravention of section 168.27, subdivision 10, clause (1) (b) unless the lessor holds a valid contract or franchise with the manufacturer or distributor of the vehicle.*

#### Sec. 11. [EFFECTIVE DATE.]

*Section 5 and the provision in section 8, clause (aa), exempting certain sales of manufactured homes are effective January 1, 1985. Section 1, the rest of section 8, and section 10 are effective for sales after June 30, 1984. Sections 2 to 4, 6, and 7 are effective for sales made after June 30, 1984, and also apply to purchases of capital equipment and special tooling made after May 1, 1984, but not placed in service until after June 30, 1984.*

### ARTICLE 7

#### TACONITE

Section 1. Minnesota Statutes 1983 Supplement, section 273.13, subdivision 6, is amended to read:

Subd. 6. [CLASS 3B.] Agricultural land, except as provided by class 1 hereof, and which is used for the purposes of a homestead shall constitute class 3b and shall be valued and assessed as follows: the first \$60,000 of market value shall be valued and assessed at 14 percent; the remaining market value shall

be valued and assessed at 19 percent. The maximum amount of the market value of the homestead bracket subject to the 14 percent rate shall be adjusted by the commissioner of revenue as provided in section 273.1311. The property tax to be paid on class 3b property as otherwise determined by law less any reduction received pursuant to sections 124.2137, 273.123, (273.135,) and 473H.10 shall be reduced by 54 percent of the tax; provided that the amount of the reduction shall not exceed \$650. Noncontiguous land shall constitute class 3b only if the homestead is classified as class 3b and the detached land is located in the same township or city or not farther than two townships or cities or combination thereof from the homestead. The first \$12,000 market value of each tract of real estate which is rural in character and devoted or adaptable to rural but not necessarily agricultural use, used for the purpose of a homestead shall be exempt from taxation for state purposes; except as specifically provided otherwise by law.

Agricultural land as used herein, and in section 124.2137, shall mean contiguous acreage of ten acres or more, primarily used during the preceding year for agricultural purposes. Agricultural use may include pasture, timber, waste, unusable wild land and land included in federal farm programs.

Real estate of less than ten acres used principally for raising poultry, livestock, fruit, vegetables or other agricultural products, shall be considered as agricultural land, if it is not used primarily for residential purposes.

The assessor shall determine and list separately on his records the market value of the homestead dwelling and the one acre of land on which that dwelling is located. If any farm buildings or structures are located on this homesteaded acre of land, their market value shall not be included in this separate determination.

Sec. 2. Minnesota Statutes 1983 Supplement, section 273.13, subdivision 7, is amended to read:

Subd. 7. [CLASS 3C, 3CC.] All other real estate and class 2a property, except as provided by classes 1 and 3cc, which is used for the purposes of a homestead, shall constitute class 3c, and shall be valued and assessed as follows: the first \$30,000 of market value shall be valued and assessed at 17 percent; the next \$30,000 of market value shall be valued and assessed at 19 percent; and the remaining market value shall be valued and assessed at 30 percent. The maximum amounts of the market value of the homestead brackets subject to the 17 percent and 19 percent rates shall be adjusted by the commissioner of revenue as provided in section 273.1311. The property tax to be paid on class 3c property as otherwise determined by law, less any reduction received pursuant to sections 273.123 (, 273.135,) and 473H.10 shall be reduced by 54 percent of the tax imposed on

the first \$67,000 of market value; provided that the amount of the reduction shall not exceed \$650. The first \$12,000 market value of each tract of such real estate used for the purposes of a homestead shall be exempt from taxation for state purposes; except as specifically provided otherwise by law.

Class 3cc property shall include real estate or manufactured homes used for the purposes of a homestead by (a) any blind person, if the blind person is the owner thereof or if the blind person and his or her spouse are the sole owners thereof; or (b) any person (hereinafter referred to as veteran) who: (1) served in the active military or naval service of the United States and (2) is entitled to compensation under the laws and regulations of the United States for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude motion without the aid of braces, crutches, canes, or a wheelchair, and (3) with assistance by the administration of veterans affairs has acquired a special housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, or the surviving spouse of the deceased veteran for as long as the surviving spouse retains the special housing unit as his or her homestead; or (c) any person who: (1) is permanently and totally disabled and (2) receives 90 percent or more of his total income from (i) aid from any state as a result of that disability, or (ii) supplemental security income for the disabled, or (iii) workers' compensation based on a finding of total and permanent disability, or (iv) social security disability, including the amount of a disability insurance benefit which is converted to an old age insurance benefit and any subsequent cost of living increases, or (v) aid under the Federal Railroad Retirement Act of 1937, 45 United States Code Annotated, Section 228b(a)5, or (vi) a pension from any local government retirement fund located in the state of Minnesota as a result of that disability. Property shall be classified and assessed as class 3cc only if the commissioner of revenue certifies to the assessor that the owner of the property satisfies the requirements of this subdivision. Class 3cc property shall be valued and assessed as follows: in the case of agricultural land, including a manufactured home, used for a homestead, the first \$30,000 of market value shall be valued and assessed at five percent, the next \$30,000 of market value shall be valued and assessed at 14 percent, and the remaining market value shall be valued and assessed at 19 percent; and in the case of all other real estate and manufactured homes, the first \$30,000 of market value shall be valued and assessed at five percent, the next \$30,000 of market value shall be valued and assessed at 19 percent, and the remaining market value shall be valued and assessed at 30 percent. In the case of agricultural land including a manufactured home used for purposes of a homestead, the commissioner of revenue shall adjust, as provided in section 273.1311, the maximum amount of the market value of the homestead brackets subject to the five percent and 14 percent rates; and for all other real estate and manufactured homes, the

commissioner of revenue shall adjust, as provided in section 273.1311, the maximum amount of the market value of the homestead brackets subject to the five percent and 19 percent rates. Permanently and totally disabled for the purpose of this subdivision means a condition which is permanent in nature and totally incapacitates the person from working at an occupation which brings him an income. The property tax to be paid on class 3cc property as otherwise determined by law, (LESS ANY REDUCTION RECEIVED PURSUANT TO SECTION 273.135) shall be reduced by 54 percent of the tax imposed on the first \$67,000 of market value; provided that the amount of the reduction shall not exceed \$650.

For purposes of this subdivision, homestead property which qualifies for the classification ratios and credits provided in this subdivision shall include property which is used for purposes of the homestead but is separated from the homestead by a road, street, lot, waterway, or other similar intervening property. The term "used for purposes of the homestead" shall include but not be limited to uses for gardens, garages, or other outbuildings commonly associated with a homestead, but shall not include vacant land held primarily for future development. In order to receive homestead treatment for the noncontiguous property, the owner shall apply for it to the assessor by July 1 of 1983 or the year when the treatment is initially sought. After initial qualification for the homestead treatment, additional applications for subsequent years are not required.

Sec. 3. Minnesota Statutes 1982, section 273.135, subdivision 2, is amended to read:

Subd. 2. The amount of the reduction authorized by subdivision 1 shall be

(a) in the case of property located within the boundaries of a municipality which meets the qualifications prescribed in section 273.134, 66 percent of the (AMOUNT OF SUCH) *net tax up to the taconite breakpoint plus a percentage equal to the homestead credit equivalency percentage of the net tax in excess of the taconite breakpoint*, provided that the (AMOUNT OF SAID) reduction shall not exceed the maximum (AMOUNT) *amounts* specified in clause (c).

(b) in the case of property located within the boundaries of a school district which qualifies as a tax relief area but which is outside the boundaries of a municipality which meets the qualifications prescribed in section 273.134, 57 percent of the (AMOUNT OF SUCH) *net tax up to the taconite breakpoint plus a percentage equal to the homestead credit equivalency percentage of the net tax in excess of the taconite breakpoint*, provided that the (AMOUNT OF SAID) reduction shall not exceed the maximum (AMOUNT) *amounts* specified in clause (c).

(c) (1) The maximum reduction (FOR) of the net tax up to the taconite breakpoint is \$225.40 on property described in clause (a) (SHALL BE \$385) and (FOR) \$200.10 on property described in clause (b) (\$330), for taxes payable in (1978) 1985. These maximum amounts shall increase by \$15 times the quantity one minus the homestead credit equivalency percentage per year for taxes payable in (1979) 1986 and subsequent years.

(2) The total maximum reduction of the net tax on property described in clause (a) is \$490 for taxes payable in 1985. The total maximum reduction for the net tax on property described in clause (b) is \$435 for taxes payable in 1985. These maximum amounts shall increase by \$15 per year for taxes payable in 1986 and thereafter.

For the purposes of this subdivision, "net tax" means the tax on the property after deduction of any credit under section 273.13, subdivision 6, 7, or 14a, "taconite breakpoint" means the lowest possible net tax for a homestead qualifying for the maximum reduction pursuant to section 273.13, subdivision 7, rounded to the nearest whole dollar, and "homestead credit equivalency percentage" means a percentage equal to the percentage reduction authorized in section 273.13, subdivision 7.

Sec. 4. Minnesota Statutes 1982, section 273.135, subdivision 5, is amended to read:

Subd. 5. For the purposes of this section, the amount of property tax to be paid shall be determined (BEFORE) after the allowance of any reduction prescribed by section 273.13, and the reduction prescribed by this section shall be in addition to that prescribed by section 273.13.

Sec. 5. Minnesota Statutes 1982, section 273.1391, subdivision 2, is amended to read:

Subd. 2. The amount of the reduction authorized by subdivision 1 shall be:

(a) In the case of property located within a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a county with a population of less than 100,000 in which taconite is mined or quarried and wherein a school district is located which does meet the qualifications of a tax relief area, and provided that at least 90 percent of the area of the school district which does not meet the qualifications of section 273.134 lies within such county, 57 percent of the (AMOUNT OF THE) net tax up to the taconite breakpoint plus a percentage equal to the homestead credit equivalency percentage of the net tax in excess of the taconite breakpoint on qualified property located in the school district that does not meet the qualifications of section 273.134, provided that the

amount of said reduction shall not exceed the maximum (AMOUNT) amounts specified in clause (c). The reduction provided by this clause shall only be applicable to property located within the boundaries of the county described therein.

(b) In the case of property located within a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a school district in a county containing a city of the first class and a qualifying municipality, but not in a school district containing a city of the first class or adjacent to a school district containing a city of the first class unless the school district so adjacent contains a qualifying municipality, 57 percent of the (AMOUNT OF THE) net tax up to the taconite breakpoint plus a percentage equal to the homestead credit equivalency percentage of the net tax in excess of the taconite breakpoint, but not to exceed the (MAXIMUM) maximums specified in clause (c).

(c) (1) The maximum reduction (SHALL BE \$375) of the net tax up to the taconite breakpoint is \$200.10 for taxes payable in (1981) 1985. (THESE) This maximum (AMOUNTS) amount shall increase by \$15 multiplied by the quantity one minus the homestead credit equivalency percentage per year for taxes payable in (1982) 1986 and subsequent years.

(2) The total maximum reduction of the net tax is \$435 for taxes payable in 1985. This total maximum amount shall increase by \$15 per year for taxes payable in 1986 and thereafter.

For the purposes of this subdivision, "net tax" means the tax on the property after deduction of any credit under section 273.13, subdivision 6, 7, or 14a, "taconite breakpoint" means the lowest possible net tax for a homestead qualifying for the maximum reduction pursuant to section 273.13, subdivision 7, rounded to the nearest whole dollar, and "homestead credit equivalency percentage" means a percentage equal to the percentage reduction authorized in section 273.13, subdivision 7.

Sec. 6. Minnesota Statutes 1982, section 273.1391, subdivision 4, is amended to read:

Subd. 4. For the purposes of this section, the amount of property tax to be paid shall be determined (BEFORE) after the allowance of any reduction prescribed by section 273.13, and the reduction prescribed by this section shall be in addition to that prescribed by section 273.13.

Sec. 7. Minnesota Statutes 1983 Supplement, section 275.125, subdivision 11a, is amended to read:

Subd. 11a. [CAPITAL EXPENDITURE LEVY.] (a) Each year a school district may levy an amount not to exceed



the amount equal to \$90 per pupil unit, or \$95 per pupil unit in districts where the actual number of pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), has increased from the prior year. No levy under this clause shall exceed seven mills times the adjusted assessed valuation of the taxable property in the district for the preceding year.

(b) The proceeds of the tax may be used to acquire land, to equip and re-equip buildings and permanent attached fixtures, to rent or lease buildings for school purposes, to pay leasing fees for computer systems hardware and related proprietary software, and to pay leasing fees for photocopy machines and telecommunications equipment. The proceeds of the tax may also be used for capital improvement and repair of school sites, buildings and permanent attached fixtures, energy assessments, and for the payment of any special assessments levied against the property of the district authorized pursuant to section 435.19 or any other law or charter provision authorizing assessments against publicly owned property; provided that a district may not levy amounts to pay assessments for service charges, such as those described in section 429.101, whether levied pursuant to that section or pursuant to any other law or home rule provision. The proceeds of the tax may also be used for capital expenditures to reduce or eliminate barriers to or increase access to school facilities by handicapped individuals. The proceeds of the tax may also be used to make capital improvements to schoolhouses to be leased pursuant to section 123.36, subdivision 10. The proceeds of the tax may also be used to pay fees for capital outlay expenditures assessed and certified to each participating school district by the educational cooperative service unit board of directors. The proceeds of the tax may also be used to pay principal and interest on loans from the state authorized by (SECTION) *sections 116J.37 and 298.292 to 298.298.*

(c) Subject to the commissioner's approval, the tax proceeds may also be used to acquire or construct buildings. The state board shall promulgate rules establishing the criteria to be used by the commissioner in approving and disapproving district applications requesting the use of capital expenditure tax proceeds for the acquisition or construction of buildings. The approval criteria for purposes of building acquisition and construction shall include: the appropriateness of the proposal for the district's long term needs; the availability of adequate existing facilities; and the economic feasibility of bonding because of the proposed building's size or cost.

(d) The board shall establish a fund in which the proceeds of this tax shall be accumulated until expended.

(e) The proceeds of the tax shall not be used for custodial or other maintenance services.

(f) Each year, subject to the seven mill limitation of clause (a) of this subdivision, a school district which operates an ap-

proved secondary vocational education program or an approved senior secondary industrial arts program may levy an additional amount equal to \$5 per pupil unit for capital expenditures for equipment for these programs.

(g) For purposes of computing allowable levies under this subdivision and subdivisions 11b and 11c, pupil units shall include those units identified in section 124.17, subdivision 1, clauses (1) and (2), and 98.5 percent of the units identified in Minnesota Statutes 1980, section 124.17, subdivision 1, clauses (4) and (5) for 1980-1981.

Sec. 8. Minnesota Statutes 1983 Supplement, section 275.125, subdivision 11b, is amended to read:

Subd. 11b. [SPECIAL PURPOSE CAPITAL EXPENDITURE LEVY.] In addition to the levy authorized in subdivision 11a, each year a school district may levy an amount not to exceed the amount equal to \$25 per pupil unit. No levy under this clause shall exceed two mills times the adjusted assessed valuation of the property in the district for the preceding year. The proceeds of the tax shall be placed in the district's capital expenditure fund and may be used only for the following:

(a) for energy audits on district-owned buildings, and for funding those energy conservation and renewable energy measures which the energy audits indicate will reduce the use of non-renewable sources of energy to the extent that the projected energy cost savings will amortize the cost of the conservation measures within a period of ten years or less;

(b) for capital expenditures for the purpose of reducing or eliminating barriers to or increasing access to school facilities by handicapped persons;

(c) for capital expenditures to bring district facilities into compliance with the uniform fire code adopted pursuant to chapter 299F;

(d) for expenditures for the removal of asbestos from school buildings or property or for asbestos encapsulation;

(e) for expenditures for the cleanup and disposal of polychlorinated biphenyls; and

(f) to pay principal and interest on loans from the state authorized by (SECTION) sections 116J.37 and 298.292 to 298.298.

Sec. 9. Minnesota Statutes 1983 Supplement, section 275.125, subdivision 12a, is amended to read:

Subd. 12a. [ENERGY CONSERVATION LEVY.] The school district may levy, without the approval of a majority of the voters in the district, an amount equal to the actual costs of the energy conservation investments for the purposes of repaying the principal and interest of the law made pursuant to (SECTION) sections 116J.37 and 298.292 to 298.298.

Sec. 10. Minnesota Statutes 1982, section 298.01, is amended to read:

298.01 [MINING OR PRODUCING ORES.]

Subdivision 1. Every person engaged in the business of mining or producing iron ore or other ores in this state shall pay to the state of Minnesota an occupation tax equal to 15.5 percent of the valuation of all ores except taconite, semi-taconite and iron sulphides mined or produced after December 31, 1971 and iron ores mined or produced after December 31, 1984. Said tax shall be in addition to all other taxes provided for by law and shall be due and payable from such person on or before June 15 of the year next succeeding the calendar year covered by the report thereon to be filed as hereinafter provided.

Subd. 2. Every person engaged in the business of producing or mining taconite, semi-taconite and iron sulphides in this state shall pay to the state an occupation tax equal to 15 percent of the valuation of all taconite, semi-taconite and iron sulphides mined or produced after December 31, 1970 and of iron ores mined or produced after December 31, 1984. The tax shall be in addition to all other taxes provided for by law and shall be due and payable from such person on or before June 15 of the year next succeeding the calendar year covered by the report thereon to be filed as hereinafter provided.

Sec. 11. Minnesota Statutes 1982, section 298.02, subdivision 1, is amended to read:

Subdivision 1. [CREDIT.] For the purpose of increasing employment and the utilization of low-grade, underground, and high labor cost ores any taxpayer on whom a tax is imposed by reason of the provisions of section 298.01, subdivisions 1 and 2, shall be allowed a credit against the occupation tax as computed in (SAID SUBDIVISIONS) that section because of the mining or production of ore from any mine, in an amount calculated as follows:

(a) In the case of underground mines or that tonnage of merchantable ore produced in open pit mines in the year in question which tonnage has resulted from beneficiation at an ore beneficiation plant within the state by jigging, heavy media, spiral separation, cyclone process, roasting, drying by artificial heat, sintering, magnetic separation, flotation, agglomeration or

any process requiring fine grinding or any other iron ores mined after December 31, 1984, ten percent of that part of the cost of labor employed by (SAID) the mine or in the beneficiation of all ore mined or produced in (SAID) the calendar year in excess of 70 cents and not in excess of 90 cents per ton of the merchantable ore produced during the year at (SAID) that mine, and 15 percent of that part of the cost of such labor in excess of 90 cents per ton; in the case of any other tonnage produced at said mine or in the case of other mines, ten percent of the amount by which the average cost per ton of labor employed at (SAID) the mine, or in the beneficiation of (SUCH) the ore at or near the mine, exceeds 80 cents, but does not exceed \$1.05, plus 15 percent of the amount by which (SUCH) the average labor cost per ton exceeds \$1.05, multiplied by the number of tons of ore produced at (SAID) the mine, not exceeding 100,000 tons, but this 100,000 tons or less shall be first reduced by any tonnage described in the first part of this subparagraph; provided, however, that in no event shall the credit allowed hereunder be in excess of three-fourths of eleven percent, as applied to underground and taconite (OR), semi-taconite or other iron ore operations, and six-tenths of eleven percent as applied to all other operations, of the valuation of the ore used in computing the tax under the provisions of section 298.01. The (EXPRESSION) term "merchantable ore produced" as used herein means ores which as mined or as mined and beneficiated, are ready for shipment as a merchantable product. (THE PROVISIONS OF THIS SUBPARAGRAPH (A) SHALL BE APPLICABLE TO ALL ORES MINED OR PRODUCED SUBSEQUENT TO DECEMBER 31, 1956.)

(b) The aggregate amount of all credits allowed under this subdivision to all mines shall not exceed six and two-tenths percent of the aggregate amount of occupation taxes imposed under section 298.01, subdivision 1, assessed against all mines in the state for said year prior to the deduction of such credits, provided, that after December 31, 1954, labor credits to underground mines or taconite or semi-taconite operations shall not be subject to such percentage limitation and that, after December 31, 1984, labor credits to other iron ore operations shall not be subject to the percentage limitation and both the occupation taxes of such underground mines or taconite (OR), semi-taconite or other iron ore operations and the labor credits allowed thereto, shall be excluded in calculating such percentage limitations. At the time of his final determination of occupation tax pursuant to section 298.09, subdivision 3, the commissioner shall reduce the credit otherwise allowable to each mine hereunder by such equal percentage as will bring the total within such limitation. If an equal percentage reduction is made in the labor credits of mines pursuant to this subparagraph at the time of certification to the commissioner of (FINANCE) revenue as set forth in section 298.10, the same percentage will be used where changes are made pursuant to section 298.09, subdivision 4, subsequent to June 1. Also if no reduction is made at the time of certification (TO) by the commissioner of (FINANCE) revenue on or before

June 1, pursuant to this subdivision and section 298.10, no reduction will be made subsequent to June 1, due to changes made pursuant to section 298.09, subdivision 4. This subparagraph shall apply to occupation tax calculations in calendar years subsequent to December 31, 1952.

Sec. 12. Minnesota Statutes 1982, section 298.031, subdivision 2, is amended to read:

Subd. 2. [VALUE OF CERTAIN ORE; HOW ASCERTAINED.] (1) The taxpayer shall be given a credit in each taxable year upon the occupation tax assessed in such year under Minnesota Statutes 1957, Chapter 298, against a given mine after credit for labor credits has been given, in an amount equal to the occupation tax under said chapter 298 upon an amount produced by multiplying the number of tons of ore sold at a discount by the amount of such discount.

(2) The aggregate amount of all credits allowed under this section to all mines shall not exceed one percent of the aggregate amount of all occupation taxes imposed under section 298.01, subdivision 1, assessed against all mines in the state for said year prior to the deduction of the credit allowed by this section.

(3) The amount of the foregoing subtraction shall be ascertained and determined by the commissioner.

(4) *If ore stockpiled from previous years operations is sold at a discount, the discount credit shall be allowed against all ore currently being produced by the same company to the extent that the discount credit is available. Any unused credit may be carried forward and utilized with future years production of ore from the stockpiled property or other properties operated by the same company.*

Sec. 13. Minnesota Statutes 1982, section 298.225, is amended to read:

298.225 [APPROPRIATION.]

(IF A TACONITE PRODUCER CEASES BENEFICIATION OPERATIONS, EITHER TEMPORARILY OR PERMANENTLY, AND IF) *For distribution of taconite production tax in 1985 and thereafter with respect to production in 1984 and thereafter,* the recipients of the taconite production tax as provided in section 298.28, subdivision 1, clauses (1) to (4) and (5) (b) (TO), (7), and (8) (a), (WOULD) *shall receive (DECREASED DISTRIBUTIONS AS A RESULT THEREOF, THEN THE DISTRIBUTION TO THESE RECIPIENTS IN EACH OF THE TWO YEARS IMMEDIATELY FOLLOWING THE YEAR IN WHICH OPERATIONS CEASED SHALL BE EQUAL TO THE AMOUNT THEY RECEIVED IN THE LAST FULL YEAR BEFORE OPERA-*

TIONS CEASED) *distributions equal to the amount distributed to them pursuant to sections 298.225 and 298.28, subdivision 1, with respect to 1983 production if the production for the year prior to the distribution year is no less than 42,000,000 taxable tons. If the production is less than 42,000,000 taxable tons, the amount of the distributions shall be reduced by two percent for each 1,000,000 tons, or part of 1,000,000 tons by which the production is less than 42,000,000 tons. There is hereby appropriated to the commissioner of revenue from the taconite environmental protection fund and the corpus of the northeast Minnesota economic protection trust fund in equal proportions the amount needed to make the above payments.*

If a taconite producer ceases beneficiation operations permanently and is required by a special law to make bond payments for a school district, the northeast Minnesota economic protection trust fund shall assume the payments of the taconite producer if the producer ceases to make the needed payments. There is hereby appropriated from the corpus of the northeast Minnesota economic protection trust fund to the commissioner of revenue the amounts needed to make these school bond payments.

Sec. 14. Minnesota Statutes 1982, section 298.24, subdivision 1, is amended to read:

Subdivision 1. (a) There is hereby imposed upon taconite and iron sulphides, and upon the mining and quarrying thereof, and upon the production of iron ore concentrate therefrom, and upon the concentrate so produced, a tax of \$1.25 cents per gross ton of merchantable iron ore concentrate produced therefrom. The tax on concentrates produced in 1978 and subsequent years prior to 1985 shall be equal to \$1.25 multiplied by the steel mill products index during the production year, divided by the steel mill products index in 1977. The index stated in code number 1013, or any subsequent equivalent, as published by the United States Department of Labor, Bureau of Labor Statistics Wholesale Prices and Price Indexes for the month of January of the year in which the concentrate is produced shall be the index used in calculating the tax imposed herein. In no event shall the tax be less than \$1.25 per gross ton of merchantable iron ore concentrate. *The tax on concentrates produced in 1985 and 1986 shall be at the rate determined for 1984 production. For concentrates produced in 1987 and subsequent years, the tax shall be equal to the preceding year's tax plus an amount equal to the preceding year's tax multiplied by the percentage increase in the implicit price deflator from the fourth quarter of the second preceding year to the fourth quarter of the preceding year. "Implicit price deflator" means the implicit price deflator prepared by the bureau of economic analysis of the United States department of commerce.*

(b) *On concentrates produced in 1984, an additional tax is (HEREBY) imposed equal to (1.6) eight-tenths of one percent*

of the total tax imposed by clause (a) per gross ton for each one percent that the iron content of such product exceeds 62 percent, when dried at 212 degrees Fahrenheit.

(c) The tax imposed by this subdivision on concentrates produced in 1984 shall be computed on the production for the current year (OR). The tax on concentrates produced in 1985 shall be computed on the average of the production for the current year and the previous year. The tax on concentrates produced in 1986 and thereafter shall be the average of the production for the current year and the previous two years (, WHICHEVER IS HIGHER). This clause shall not apply in the case of the closing of a taconite facility if the property taxes on the facility would be higher if this clause and section 298.25 were not applicable.

(d) If the tax or any part of the tax imposed by this subdivision is held to be unconstitutional, a tax of \$1.25 per gross ton of merchantable iron ore concentrate produced shall be imposed.

Sec. 15. Minnesota Statutes 1982, section 298.24, is amended by adding a subdivision to read:

*Subd. 4. A credit shall be allowed against the tax imposed by subdivision 1, in the amount of \$250,000 per year to any taconite producer that builds a water filtration and treatment plant in 1984 at a cost in excess of \$1,000,000 in order to alleviate the contamination of water resulting from the disposal of taconite tailings on land. This credit shall be available against taxes paid in 1985, 1986, and 1987. The amount sufficient to pay these credits is appropriated from the taconite environmental protection fund created in section 298.223 to the commissioner of revenue.*

Sec. 16. Minnesota Statutes 1983 Supplement, section 298.28, subdivision 1, is amended to read:

Subdivision 1. [DISTRIBUTION FROM GENERAL FUND.] The proceeds of the taxes collected under section 298.24, except the tax collected under section 298.24, subdivision 2, shall, upon certificate of the commissioner of revenue to the general fund of the state, be paid by the commissioner of revenue as follows:

(1) 2.5 cents per gross ton of merchantable iron ore concentrate, hereinafter referred to as "taxable ton," to the city or town in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. If the mining, quarrying, and concentration, or different steps in either thereof are carried on in more than one taxing district, the commissioner shall apportion equitably the proceeds of the part of the tax going to cities and towns among such subdivi-

sions upon the basis of attributing 40 percent of the proceeds of the tax to the operation of mining or quarrying the taconite, and the remainder to the concentrating plant and to the processes of concentration, and with respect to each thereof giving due consideration to the relative extent of such operations performed in each such taxing district. His order making such apportionment shall be subject to review by the tax court at the instance of any of the interested taxing districts, in the same manner as other orders of the commissioner.

(2) 12.5 cents per taxable ton, less any amount distributed under clause (8), to the taconite municipal aid account in the apportionment fund of the state treasury, to be distributed as provided in section 298.282.

(3) 29 cents per taxable ton plus the increase provided in paragraph (c) to qualifying school districts to be distributed as follows:

(a) Six cents per taxable ton to the school districts in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. The commissioner shall follow the apportionment formula prescribed in clause (1).

(b) 23 cents per taxable ton, less any amount distributed under part (d), shall be distributed to a group of school districts comprised of those school districts wherein the taconite was mined or quarried or the concentrate produced or in which there is a qualifying municipality as defined by section 273.134 in direct proportion to school district tax levies as follows: each district shall receive that portion of the total distribution which its certified levy for the prior year, computed pursuant to section 275.125, comprises of the sum of certified levies for the prior year for all qualifying districts, computed pursuant to section 275.125. For purposes of distributions pursuant to this part, certified levies for the prior year computed pursuant to section 275.125 shall not include the amount of any increased levy authorized by referendum pursuant to section 275.125, subdivision 2d.

(c) On July 15, (1982 AND ON JULY 15 IN SUBSEQUENT YEARS) *in years prior to 1988*, an amount equal to the increase derived by increasing the amount determined by clause (3)(b) in the same proportion as the increase in the steel mill products index over the base year of 1977 as provided in section 298.24, subdivision 1, clause (a), shall be distributed to any school district described in clause (3)(b) where a levy increase pursuant to section 275.125, subdivision 2d, is authorized by referendum, according to the following formula. *On July 15, 1988 and subsequent years, the increase over the amount established for the prior year shall be determined according to the*



increase in the implicit price deflator as provided in section 298.24, subdivision 1, paragraph (a). Each district shall receive the product of:

(i) \$150 times the pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), enrolled in the previous school year, less the product of two mills times the district's taxable valuation in the second previous year; times

(ii) the lesser of:

(A) one, or

(B) the ratio of the amount certified pursuant to section 275.125, subdivision 2d, in the previous year, to the product of two mills times the district's taxable valuation in the second previous year.

If the total amount provided by clause (3)(c) is insufficient to make the payments herein required then the entitlement of \$150 per pupil unit shall be reduced uniformly so as not to exceed the funds available. Any amounts received by a qualifying school district in any fiscal year pursuant to clause (3)(c) shall not be applied to reduce foundation aids which the district is entitled to receive pursuant to sections 124.2121 to 124.2128 or the permissible levies of the district. Any amount remaining after the payments provided in this paragraph shall be paid to the commissioner of finance who shall deposit the same in the taconite environmental protection fund and the northeast Minnesota economic protection trust fund as provided in section 298.28, subdivision 1, clause 10.

(d) There shall be distributed to any school district the amount which the school district was entitled to receive under section 298.32 in 1975.

(4) 19.5 cents per taxable ton to counties to be distributed as follows:

(a) 15.5 cents per taxable ton shall be distributed to the county in which the taconite is mined or quarried or in which the concentrate is produced, less any amount which is to be distributed pursuant to part (b). The commissioner shall follow the apportionment formula prescribed in clause (1).

(b) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a county other than the county in which the mining and the concentrating processes are conducted, one cent per taxable ton of the tax distributed to the counties pursuant to part (a) and imposed on and collected from such

taxpayer shall be distributed by the commissioner of revenue to the county in which the power plant is located.

(c) Four cents per taxable ton shall be paid to the county from which the taconite was mined, quarried or concentrated to be deposited in the county road and bridge fund. If the mining, quarrying and concentrating, or separate steps in any of those processes are carried on in more than one county, the commissioner shall follow the apportionment formula prescribed in clause (1).

(5) (a) (25.75) 17.75 cents per taxable ton, less any amount required to be distributed under part (b), to the taconite property tax relief account in the apportionment fund in the state treasury, to be distributed as provided in sections 273.134 to 273.136.

(b) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a county other than the county in which the mining and the concentrating processes are conducted, .75 cent per taxable ton of the tax imposed and collected from such taxpayer shall be distributed by the commissioner of revenue to the county and school district in which the power plant is located as follows: 25 percent to the county and 75 percent to the school district.

(6) One cent per taxable ton to the state for the cost of administering the tax imposed by section 298.24.

(7) Three cents per taxable ton shall be deposited in the state treasury to the credit of the iron range resources and rehabilitation board account in the special revenue fund for the purposes of section 298.22. The amount determined in this clause shall be increased in 1981 and subsequent years *prior to 1988* in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1 *and shall be increased in 1988 and subsequent years according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1*. The amount distributed pursuant to this clause shall be expended within or for the benefit of a tax relief area defined in section 273.134. No part of the fund provided in this clause may be used to provide loans for the operation of private business unless the loan is approved by the governor and the legislative advisory commission.

(8) (a) .20 cent per taxable ton shall be paid (IN 1979 AND EACH YEAR THEREAFTER,) to the range association of municipalities and schools, for the purpose of providing an area wide approach to problems which demand coordinated and co-operative actions and which are common to those areas of north-east Minnesota affected by operations involved in mining iron ore and taconite and producing concentrate therefrom, and for

the purpose of promoting the general welfare and economic development of the cities, towns and school districts within the iron range area of northeast Minnesota.

*(b) 1.5 cents per taxable ton shall be paid to the northeast Minnesota economic protection trust fund.*

(9) the amounts determined under clauses (4)(a), (4)(c), (AND) (5), and (8)(b) shall be increased in 1979 and subsequent years prior to 1988 in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1. *Those amounts shall be increased in 1988 and subsequent years in the same proportion as the increase in the implicit price deflator as provided in section 298.24, subdivision 1.*

(10) the proceeds of the tax imposed by section 298.24 which remain after the distributions in clauses (1) to (9) and parts (a) and (b) of this clause have been made shall be divided between the taconite environmental protection fund created in section 298.223 and the northeast Minnesota economic protection trust fund created in section 298.292 as follows: (IN 1981 AND EACH YEAR THEREAFTER,) Two-thirds to the taconite environmental protection fund and one-third to the northeast Minnesota economic protection trust fund. The proceeds shall be placed in the respective special accounts in the general fund.

(a) (IN 1978 AND EACH YEAR THEREAFTER,) There shall be distributed to each city, town, school district, and county the amount that they received under section 294.26 in calendar year 1977; provided, however, that the amount distributed in 1981 to the unorganized territory number 2 of Lake County and the town of Beaver Bay based on the between-terminal trackage of Erie Mining Company will be distributed in 1982 and subsequent years to the unorganized territory number 2 of Lake County and the towns of Beaver Bay and Stony River based on the miles of track of Erie Mining Company in each taxing district.

(b) (IN 1978 AND EACH YEAR THEREAFTER,) There shall be distributed to the iron range resources and rehabilitation board the amounts it received in 1977 under section 298.22.

On or before October 10 of each calendar year each producer of taconite or iron sulphides subject to taxation under section 298.24 (hereinafter called "taxpayer") shall file with the commissioner of revenue and with the county auditor of each county in which such taxpayer operates, and with the chief clerical officer of each school district, city or town which is entitled to participate in the distribution of the tax, an estimate of the amount of tax which would be payable by such taxpayer under said law for such calendar year; provided such estimate shall be in an amount not less than the amount due on the mining and produc-

tion of concentrates up to September 30 of said year plus the amount becoming due because of probable production between September 30 and December 31 of said year, less any credit allowable as hereinafter provided. Such estimate shall list the taxing districts entitled to participate in the distribution of such tax, and the amount of the estimated tax which would be distributable to each such district in the next ensuing calendar year on the basis of the last percentage distribution certified by the commissioner of revenue. If there be no such prior certification, the taxpayer shall set forth its estimate of the proper distribution of such tax under the law, which estimate may be corrected by the commissioner if he deems it improper, notice of such correction being given by him to the taxpayer and the public officers receiving such estimate. The officers with whom such report is so filed shall use the amount so indicated as being distributable to each taxing district in computing the permissible tax levy of such county, city or school district in the year in which such estimate is made, and payable in the next ensuing calendar year, except that (IN 1978 AND 1979 TWO CENTS PER TAXABLE TON, AND IN 1980 AND THEREAFTER,) one cent per taxable ton of the amount distributed under clause (4) (c) shall not be deducted in calculating the permissible levy. Such taxpayer shall then pay, at the times payments are required to be made pursuant to section 298.27, as the amount of tax payable under section 298.24, the greater of (a) the amount shown by such estimate, or (b) the amount due under said section as finally determined by the commissioner of revenue pursuant to law. If, as a result of the payment of the amount of such estimate, the taxpayer has paid in any calendar year an amount of tax in excess of the amount due in such year under section 298.24, after application of credits for any excess payments made in previous years, all as determined by the commissioner of revenue, the taxpayer shall be given credit for such excess amount against any taxes which, under said section, may become due from the taxpayer in subsequent years. In any calendar year in which a general property tax levy subject to sections 275.125 or 275.50 to 275.59 has been made, if the taxes distributable to any such county, city or school district are greater than the amount estimated to be paid to any such county, city or school district in such year, the excess of such distribution shall be held in a special fund by the county, city or school district and shall not be expended until the succeeding calendar year, and shall be included in computing the permissible levies under sections 275.125 or 275.50 to 275.59, of such county, city or school district payable in such year. If the amounts distributable to any such county, city or school district, after final determination by the commissioner of revenue under this section are less than the amounts indicated by such estimates, such county, city or school district may issue certificates of indebtedness in the amount of the shortage, and may include in its next tax levy, in excess of the limitations of sections 275.125 or 275.50 to 275.59 an amount sufficient to pay such certificates of indebtedness and interest thereon, or, if no certificates were issued, an amount equal to such shortage.

amount not less than the amount due on the minimum tax

There is hereby annually appropriated to such taxing districts as are stated herein, to the taconite property tax relief account and to the taconite municipal aid account in the apportionment fund in the state treasury, to the department of revenue, to the iron range resources and rehabilitation board, to the range association of municipalities and schools, to the taconite environmental protection fund, and to the northeast Minnesota economic protection trust fund, from any fund or account in the state treasury to which the money was credited, an amount sufficient to make the payment or transfer. The payment of the amount appropriated to such taxing districts shall be made by the commissioner of revenue on or before May 15 annually.

Sec. 17. Minnesota Statutes 1982, section 298.40, is amended by adding a subdivision to read:

*Subd. 4. There is appropriated, effective July 1, 1985, to the commissioner of revenue from the general fund an amount equal to any credits due as a result of a recomputation of occupation taxes for production year 1977 and previous years based on the limitations prescribed in section 298.40, subdivision 1, and established by the commissioner as an account payable on or before March 25, 1984. The commissioner shall refund to the taxpayers the amount of overpayment plus six percent interest per annum from the date of the overpayment.*

Sec. 18. Minnesota Statutes 1982, section 299.012, subdivision 1, is amended to read:

Subdivision 1. For the purpose of increasing the utilization of low grade, underground, and high labor cost ores and taconites, the royalty tax levied by virtue of section 299.01, subdivisions 1 and 2, on royalty received because of the production of ores in any calendar year from land forming part of any mine which was in production during said year, shall be reduced by a credit in an amount which will make the net effective tax rate thereon equal to the net effective rate of the occupation tax imposed pursuant to section 298.01, because of the production of ores during such calendar year from the mine of which such land forms a part, after the application of the credits against such occupation tax allowed under section 298.02; provided, if such mine produced ore in such calendar year, but the ore produced had no valuation for occupation tax purposes because of the allowable deductions equaling or exceeding the value of the ore produced, the credit allowed hereunder shall be three-fourths of eleven percent, as applied to underground, taconite, (AND) semi-taconite and other iron ore operations, and six-tenths of eleven percent as applied to all other operations, of the royalty received. Any person making payments of royalty taxes in advance of the final determination of such taxes, may assume for the purposes of section 299.08, that the net rate of the tax for the calendar year in question shall be the last full year's net effective occupa-

tion tax rate known at the time of the first payment of royalty tax during the current calendar year.

Sec. 19. Laws 1982, Second Special Session, chapter 2, section 12, as amended by Laws 1983, chapter 5, section 1, is amended to read:

Sec. 12. [DISTRESSED AREA EMERGENCY JOBS AND RETRAINING PROGRAM.]

Subdivision 1. [APPROPRIATION.] Notwithstanding the provisions of Minnesota Statutes, sections 298.293 or 298.294, or any other law, there is appropriated to the commissioner of iron range resources and rehabilitation from the net interest, dividends, and other earnings of the northeast Minnesota economic protection trust fund the sum of \$2,500,000. This money shall be expended by the commissioner upon recommendation of the iron range resources and rehabilitation board for the creation of emergency jobs through public works projects submitted to the commissioner by cities, towns, and school districts that are tax relief areas as defined in Minnesota Statutes, section 273.134, by counties in which a tax relief area is located, or by state or federal agencies and for payment of training allowances to individuals who meet the qualifications established pursuant to subdivision 2 while they are participating in an employment retraining program. The money shall be expended only for projects or with respect to employment retraining programs located within a tax relief area. The projects shall be beneficial to the city, town, school districts, county, or the state and may include permanent improvements or maintenance of public property, residential weatherization programs, landscaping of public grounds or parks, planting or trimming trees, improving open space areas, playgrounds, and recreational facilities owned or operated by the sponsoring unit of government, mineland reclamation and reforestation. The sponsoring unit of government shall provide the administration, supervision, and supplies and materials for its project. All money appropriated for the projects under this section and section 14 shall be expended for wages and benefits and the cost of workers' compensation insurance for workers who qualify for employment pursuant to subdivision 2 and who are employed or who are being paid while participating in an employment retraining program pursuant to this act except that an amount not to exceed 3.5 percent of the amount expended under this section and section 14 shall be available to reimburse the department of economic security and iron range resources and rehabilitation board for its actual cost of administering this program. The appropriation under this section shall not lapse but shall remain available until (ENTIRELY DISBURSED) *the day following final enactment of this act. Any funds which are unexpended on the day following final enactment of this act are transferred and deposited in the special revenue fund established at section 298.28, subdivision 1, clause (7), for the purposes of section 298.22.*

Subd. 2. [QUALIFICATIONS FOR EMPLOYMENT.]  
The appropriations made under this section and section 14 shall be used only to employ needy unemployed persons who meet the qualifications which shall be established by the commissioner of iron range resources and rehabilitation and the commissioner of economic security. The criteria for employment may be established without compliance with any law or statutory provision relating to the promulgation of rules by departments, agencies or instrumentalities of the state.

Sec. 20. Laws 1982, Second Special Session, chapter 2, section 14, as amended by Laws 1983, chapters 5, section 2, and 46, section 7, is amended to read:

Sec. 14. [SUPPLEMENTAL APPROPRIATION.]

Notwithstanding the provisions of Minnesota Statutes, sections 298.293 or 298.294, or any other law there is appropriated to the iron range resources and rehabilitation board from the net interest, dividends, and other earnings of the northeast Minnesota economic protection trust fund the sum of \$5,000,000 for the purpose of continuing the emergency public works job and retraining program established in section 12. Expenditure of this money, or any portion thereof, is contingent upon approval by a majority of the members of the iron range resources and rehabilitation board. The determination of the board that money may be expended from this appropriation shall be approved by the governor prior to the expenditure of any money under this section, and the legislative advisory commission shall make a recommendation on the expenditure. The appropriation under this section shall not lapse but shall remain available until (ENTIRELY DISBURSED) the day following final enactment of this act. Any funds which are unexpended on the day following final enactment of this act are transferred and deposited in the special revenue fund established at section 298.28, subdivision 1, clause (7), for the purposes of section 298.22.

Sec. 21. [REFUNDS FROM PRODUCTION TAX CASE.]

*Any refunds due to taconite producers under the decision of the Minnesota Supreme Court in Erie Mining Co. v. Commissioner of Revenue, filed January 6, 1984, shall be credited against the production tax liability of each company in five equal annual installments. The refunds shall be credited against the distributions to the funds and accounts that received excessive distributions pursuant to Minnesota Statutes, section 298.28, subdivision 1, as a result of the improper computation of the tax that was rectified in that decision.*

Sec. 22. [EFFECTIVE DATE.]

*Subdivision 1. Sections 1 to 6 are effective for taxes levied in 1984, payable in 1985, and thereafter. Sections 7 to 9 and*

12 are effective the day following final enactment. Sections 10, 11, and 18 are effective for ores produced after December 31, 1984. Except as otherwise provided, section 14 is effective for concentrates produced in 1984 and thereafter. Section 16 is effective for distributions in 1985 and thereafter. Sections 19 and 20 are effective the day after final enactment.

Subd. 2. Section 14 shall not become effective unless the commissioner of revenue and all taconite producers with pending taconite production tax litigation execute an agreement to suspend the prosecution of currently pending taconite production tax litigation under terms and conditions satisfactory to the commissioner and the taconite producers before the governor approves this act.

## ARTICLE 8

### TAX AMNESTY

#### Section 1. [TAX AMNESTY.]

The commissioner of revenue shall establish a tax amnesty program. The amnesty program applies to taxes payable to the commissioner other than taxes collected by the commissioner on behalf of the cities of Minneapolis and Rochester and the metropolitan sports facilities commission and is only available to a taxpayer who either has an unpaid liability on the department of revenue's accounts receivable system as of February 1, 1984, or who has failed to file a return which, if filed on February 1, 1984, would be considered a delinquent return subject to penalty by law. For a taxpayer who has an existing liability as of February 1, 1984, the commissioner shall accept as full payment of the account a certified check, cashier's check, or money order in the amount of 80 percent of the balance due on February 1, 1984, plus any interest accruing on that account since February 1, 1984, plus any additional liabilities including tax, penalty, and interest established by the commissioner after February 1, 1984. All payments credited to a taxpayer's account after February 1, 1984, but prior to the taxpayer's application for amnesty, shall reduce the February 1 balance prior to computation of the 80 percent requirement. In no case may the reduction exceed \$2,000. Tax amnesty is not available to any taxpayer who has an account which includes a civil fraud penalty imposed by the commissioner. The amount of a penalty imposed pursuant to section 290.92, subdivision 15, clause (9), shall be deducted from the balance due before application of the 20 percent reduction. Payment must be received by the commissioner on or after August 1, 1984, but before November 1, 1984. For purposes of this section, "received" means actual receipt by the commissioner either at the St. Paul office or at any field office of the department of revenue on or before the final date allowed for payment under this program.



*In the case of a taxpayer who has failed to file returns which if filed on February 1, 1984, would be considered delinquent returns, the commissioner shall accept the delinquent returns along with payment of all tax and interest if payment is made by certified check, cashier's check, or money order and received by the commissioner on or after August 1, 1984, but before November 1, 1984. For delinquent returns filed pursuant to this program, the civil and criminal penalties imposed by law are waived unless the commissioner later finds that the tax as shown on any return was understated by 25 percent or more. In that case the civil and criminal penalties are reinstated, and the commissioner shall collect the civil penalties and may pursue the criminal penalties.*

*There will not be another tax amnesty before October 1, 1994.*

**Sec. 2. [270.72] [TAX CLEARANCE; ISSUANCE OF LICENSES.]**

*Subdivision 1. [TAX CLEARANCE REQUIRED.] The state or a political subdivision of the state may not issue or renew a license for the conduct of a profession, trade, or business, if the commissioner notifies the licensing authority that the applicant owes the state delinquent taxes, penalties, or interest. The commissioner may not notify the licensing authority unless the applicant taxpayer owes \$1,000 or more in delinquent taxes. A licensing authority that has received a notice from the commissioner may issue or renew the applicant's license only if (a) the commissioner issues a tax clearance certificate and (b) the commissioner or the applicant forwards a copy of the clearance to the authority. The commissioner may issue a clearance certificate only if the applicant does not owe the state any uncontested delinquent taxes, penalties, or interest.*

*Subd. 2. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given.*

*(a) "Taxes" are limited to withholding tax as provided in section 290.92, sales and use tax as provided in chapter 297A, and motor vehicle excise tax as provided in chapter 297B. Penalties and interest are limited to penalties and interest due on taxes included in this definition.*

*(b) "Delinquent taxes" do not include a tax liability if (i) an administrative or court action which contests the amount or validity of the liability has been filed or served, (ii) the appeal period to contest the tax liability has not expired, or (iii) the applicant has entered into a payment agreement and is current with the payments.*

*(c) "Applicant" means an individual if the license is issued to or in the name of an individual or the corporation or partnership if the license is issued to or in the name of a corporation or partnership.*

*Subd. 3. [NOTICE AND HEARING.] If the commissioner notifies a licensing authority pursuant to subdivision 1, he must send a copy of the notice to the applicant. In the case of the renewal of a license if the applicant requests, in writing, within 30 days of the receipt of the notice a hearing, a contested case hearing must be held. The hearing must be held within 45 days of the date the commissioner refers the case to the office of administrative hearings. The hearing must be held under the procedures provided by section 270A.09 and the administrative rules promulgated under chapter 270A.*

*Subd. 4. [LICENSING AUTHORITY; DUTIES.] All licensing authorities must require the applicant to provide his social security number and Minnesota business identification number on all license applications. Upon request of the commissioner, the licensing authority must provide the commissioner with a list of all applicants, including the name, address, business name and address, social security number, and business identification number of each applicant. The commissioner may request from a licensing authority a list of the applicants no more than once each calendar year.*

*Subd. 5. [REPEALER.] This section is repealed effective December 1, 1986.*

## ARTICLE 9

### RAILROADS

Section 1. Minnesota Statutes 1982, section 270.80, subdivision 4, is amended to read:

*Subd. 4. "Nonoperating property" means and includes all property other than property defined in subdivision 3. Nonoperating property shall include real property which is leased or rented or available for lease or rent to any person which is not a railroad company. Vacant land shall be presumed to be available for lease or rent if it has not been used as operating property for a period of one year preceding the valuation date. Nonoperating property also includes land which is not necessary and integral to the performance of railroad transportation services and which is not used on a regular and continual basis in the performance of these services. Nonoperating property also includes that portion of a general corporation office building and its proportionate share of land which is not used for railway operation or purpose.*

Sec. 2. Minnesota Statutes 1982, section 270.84, subdivision 1, is amended to read:

*Subdivision 1. The commissioner shall annually between April 30 and July 31 make a determination of the fair market*

value of the operating property of every railroad company doing business in this state as of January 2 of the year in which the valuation is made. (IN DETERMINING THE FAIR MARKET VALUE OF THE PORTION OF OPERATING PROPERTY WITHIN THIS STATE, THE COMMISSIONER SHALL VALUE THE OPERATING PROPERTY AS A UNIT, TAKING INTO CONSIDERATION THE VALUE OF THE OPERATING PROPERTY OF THE ENTIRE SYSTEM, AND SHALL ALLOCATE TO THIS STATE THAT PART THEREOF WHICH IS A FAIR AND REASONABLE PROPORTION OF SAID ENTIRE SYSTEM VALUATION. IF THE COMMISSIONER USES ORIGINAL COST AS A FACTOR IN DETERMINING THE UNIT VALUE OF OPERATING PROPERTY, NO DEPRECIATION OR OBSOLESCENCE ALLOWANCE SHALL BE PERMITTED. HOWEVER, IF THE COMMISSIONER USES REPLACEMENT COST AS A FACTOR IN DETERMINING THE UNIT VALUE OF OPERATING PROPERTY, THEN A REASONABLE DEPRECIATION AND OBSOLESCENCE ALLOWANCE MAY BE USED) *In making this determination, the commissioner shall employ generally accepted appraisal principles and practices which may include the unit method of determining value. The commissioner may promulgate temporary rules adopting valuation procedures under sections 14.29 to 14.36.*

The commissioner shall give a report to the legislature in February (1980) 1985 and in February (1981) 1986 on the formula which he has used to determine the (UNIT) value of railroad operating property pursuant to (LAWS 1979. CHAPTER 303) *this article*. This report shall also contain the valuation for payable (1980) 1985 and (1981) 1986 by company and the taxes payable in (1980) 1985 and (1981) 1986 by company based upon the valuation of operating property. The legislature may review the formula, the valuation, and the resulting taxes and may make changes in the formula that it deems necessary.

Sec. 3. Minnesota Statutes 1982, section 270.86, is amended to read:

**270.86 [APPORTIONMENT AND EQUALIZATION OF VALUATION.]**

**Subdivision 1. [APPORTIONMENT OF VALUE.]** Upon determination by the commissioner of the fair market value of the operating property of each railroad company, he shall apportion such value to the respective counties and to the taxing districts therein in conformity with fair and reasonable rules and standards to be established by the commissioner pursuant to notice and hearing, except as provided in section 270.81. In establishing such rules and standards the commissioner may consider (a) the physical situs of all station houses, depots, docks, wharves, and other buildings and structures with an original

cost in excess of \$10,000; (b) the proportion that the length and type of all the tracks used by the railroad in such county and taxing district bears to the length and type of all the track used in the state; and (c) other facts as will result in a fair and equitable apportionment of value.

*Subd. 2. [EQUALIZED VALUATION.] After making the apportionment provided in subdivision 1, the commissioner shall determine the equalized valuation of the operating property in each county by applying to the apportioned value an estimated current year median sales ratio for all commercial and industrial property in that county. If the commissioner decides there are insufficient sales to determine a median commercial-industrial sales ratio, an estimated current year countrywide median sales ratio for all property shall be applied to the apportioned value. No equalization shall be made to the market value of the operating property if the median sales ratio determine pursuant to this subdivision is within five percent of the assessment ratio of the railroad operating property.*

Sec. 4. Minnesota Statutes 1982, section 270.87, is amended to read:

#### 270.87 [CERTIFICATION TO COUNTY ASSESSORS.]

When the commissioner has made his annual determination of the equalized fair market value of the operating property of each company in each of the respective counties, and in the taxing districts therein, he shall certify the equalized fair market value to the county assessor, which shall constitute the equalized fair market value of the operating property of the railroad company in such county and the taxing districts therein upon which taxes shall be levied and collected in the same manner as on the commercial and industrial property of such county and the taxing districts therein.

#### Sec. 5. [APPROPRIATION.]

*There is appropriated from the general fund to the commissioner of revenue the amounts necessary to make certain refunds of property taxes to railroads for assessment years 1981 and 1982 as a result of a change in the assessed valuation of railroad property. For purposes of this section, the term "property taxes" includes any interest which is required to be paid to the railroads.*

*The county auditor shall certify to the commissioner of revenue the dollar amount of the refunds paid to the railroads by the county and each city, town, school district, and special taxing district or portion thereof which is located within the county. The certification must be made on the forms and completed by the date prescribed by the commissioner. The commissioner of reve-*

*nue shall review the certification and make changes in the certification that he determines are necessary. The amounts of the abatements for a taxing district which is located in more than one county shall be aggregated. The commissioner shall determine the amount to be paid to each county, city, town, and special taxing district which shall be equal to the amount of the abatement in excess of 20 cents per capita for each county, city, town, and special taxing district. The commissioner shall determine the amount to be paid to each school district which shall be equal to the amount of the abatement in excess of one dollar per pupil unit for the school district. The 20 cents per capita and the one dollar per pupil unit shall relate to the combined abatement amount for all railroads for both 1981 and 1982 for each county, city, town, school district, and special taxing district. The commissioner shall pay each taxing district as soon as practicable after certification, but not before January 1, 1985.*

*This appropriation is available the day after final enactment until expended.*

*A county, city, town, school district, and special taxing district may include an additional amount in its property tax levy for taxes payable in 1985 equal to the difference between the amount of tax and interest refunded to a railroad company whose valuation was ordered reduced by the tax court and the amount reimbursed to the taxing district by the state pursuant to this section. Amounts levied for this purpose shall be considered outside of any levy limitations applicable to the taxing district. In the case of a school district, only the amount of abatement not reimbursed under this section may be considered in the computation of abatement aid under section 124.214, subdivision 2.*

#### Sec. 6. [EFFECTIVE DATE.]

*Section 5 is effective the day after final enactment. The remaining sections in this article are effective for the 1984 assessment and subsequent years, for taxes payable in 1985 and subsequent years.*

### ARTICLE 10

#### AGRIPROCESSING

##### Section 1. [41A:01] [PURPOSE.]

*Sections 1 to 6 provide a framework for an agricultural resource loan guaranty program, the purposes of which are to further the development of the state's agricultural resources and improve the market for its agricultural products. 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 proj-*

ects 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 subrogation 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, the commissioner of energy and economic development, 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 PROJECT; PROJECT.] "Agricultural resource 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 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 subject to section 16A.80 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 docu-

mentation 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 commitment 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 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 receipts 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 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 shall adopt rules which are subject to the provisions of chapter 14. The board may adopt temporary rules which may be effective until December 31, 1985.*

**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 ex-*

tending 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 requested 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.07] [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 \$12,000,000. 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 article is effective the day following final enactment.*

## ARTICLE 11

## SALES RATIOS

Section 1. Minnesota Statutes 1982, section 124.2131, subdivision 1, is amended to read:

Subdivision 1. [ADJUSTED ASSESSED VALUE.] (a) [COMPUTATION.] The equalization aid review committee, consisting of the commissioner of education, the commissioner of administration, the commissioner of agriculture, and the commissioner of revenue, is hereby continued and permanently established. The duty of this committee shall be to review the assessed valuation of the districts of the state. (WHEN SUCH REVIEWS DISCLOSE REASONABLE EVIDENCE THAT THE ASSESSED VALUATION OF ANY DISTRICT FURNISHED BY ANY COUNTY AUDITOR IS NOT BASED UPON THE MARKET VALUE OF TAXABLE PROPERTY IN SUCH DISTRICT, THEN SAID COMMITTEE SHALL CALL UPON THE DEPARTMENT OF REVENUE TO ASCERTAIN THE MARKET VALUE OF SUCH PROPERTY, AND ADJUST SUCH VALUES AS REQUIRED BY LAW TO DETERMINE THE ADJUSTED ASSESSED VALUATION) *The department of revenue shall annually conduct an assessment/sales ratio study of the taxable property in each school district in accordance with the procedures referenced in paragraphs (b) and (c). Based upon the results of this assessment/sales ratio study, the department of revenue shall determine an aggregate equalized assessed value for the various strata of taxable property in each school district, which value shall be designated as the adjusted assessed value. The department of revenue shall take such steps as are necessary in the performance of that duty and may incur such expense as is necessary therefor. The commissioner of revenue is authorized to reimburse any county or governmental official for services performed at his request in ascertaining such adjusted valuation. On or before March 15, annually, the department of revenue shall submit its report on the assessed values established by the previous year's assessment to said committee for approval or rejection and, if approved, such report shall be filed not later than the following July 1 with the commissioner of education and each county auditor for those school districts for which he has the responsibility for determination of mill rates. A copy of the adjusted assessed value so filed shall be forthwith mailed to the clerk of each district involved and to the county assessor or supervisor of assessments of the county or counties in which such district is located.*

(b) [METHODOLOGY.] *In making its annual assessment/sales ratio studies, the department of revenue shall use a meth-*

*odology consistent with the most recent Standard on Assessment Ratio Studies published by the assessment standards committee of the International Association of Assessing Officers. The commissioner of revenue shall supplement this general methodology with specific procedures necessary for proper execution of the study in accordance with other Minnesota laws impacting the assessment/sales ratio study. The commissioner shall document these specific procedures in writing and shall publish the procedures in the State Register, but these procedures will not be considered "rules" pursuant to the Minnesota Administrative Procedure Act. By January 15, 1985, the commissioner shall report to the chairmen of the house tax committee and the senate committee on taxes and tax laws the results of a study which the commissioner shall prepare comparing the 1983 sales ratio study based upon the original 1983 assessment/sales ratio study methodology with the new methodology as provided in clause (b). The 1984 adjusted assessed values which are certified to the commissioner of education shall be computed using the 1983 assessment/sales ratio study methodology unless the 1985 legislature directs otherwise.*

(c) [AGRICULTURAL LANDS.] For purposes of determining the adjusted assessed value of agricultural lands for the calculation of 1977 adjusted assessed values and thereafter, the market value of agricultural lands shall be the arithmetic average of (1) the price for which the property would sell in an arms length transaction, and (2) the income which could be derived from its free market gross rental rate capitalized at a rate of nine percent.

Sec. 2. Minnesota Statutes 1982, section 271.01, subdivision 5, is amended to read:

Subd. 5. [JURISDICTION.] The tax court shall have state-wide jurisdiction. Except for an appeal to the supreme court or any other appeal allowed under this subdivision, the tax court shall be the sole, exclusive, and final authority for the hearing and determination of all questions of law and fact arising under the tax laws of the state, as defined in this subdivision, in those cases that have been appealed to the tax court and in any case that has been transferred by the district court to the tax court. The tax court shall have no jurisdiction in any case that does not arise under the tax laws of the state or in any criminal case or in any case determining or granting title to real property or in any case that is under the jurisdiction of the probate court. The small claims division of the tax court shall have no jurisdiction in any case dealing with property valuation or assessment for property tax purposes until the taxpayer has appealed the valuation or assessment to the town or city board of equalization and to the county board of equalization, except for those taxpayers whose original assessments are determined by the commissioner of revenue. *A property owner, other than a public utility, mining*

*company, or railroad company for which the original assessments are determined by the commissioner of revenue, may not appear before the tax court unless a timely appearance in person, by counsel, or by written communication has been made before the county board of equalization as provided in section 274.13, to appeal the assessment of the property, or that he can establish that he did not receive notice of his market value at least ten days before the county board of review meeting. The tax court shall have no jurisdiction in any case involving an order of the state board of equalization unless a taxpayer contests the valuation of his property. Only the taxes, aids and related matters contained in chapters 60A, 124, 270, 272, 273, 274, 275, 276, 277, 278, 279, 285, 287, 288, 290, 290A, 291, 292, 293, 294, 295, 296, 297, 297A, 297B, 298, 299, 340, 473, 473F, and 477A shall be considered tax laws of this state subject to the jurisdiction of the tax court. This subdivision shall not be construed to prevent an appeal, as provided by law, to an administrative agency, board of equalization, or to the commissioner of revenue. Wherever used in chapter 271, the term commissioner shall mean the commissioner of revenue, unless otherwise specified.*

Sec. 3. Minnesota Statutes 1982, section 271.06, subdivision 6, is amended to read:

Subd. 6. [HEARINGS; DETERMINATION OF ISSUES; DEFAULT.] The tax court shall hear, consider, and determine without a jury every appeal de novo. A tax court judge may empanel an advisory jury upon his motion. The tax court shall hold a public hearing in every case. All such parties shall have an opportunity to offer evidence and arguments at the hearing; provided, that the order of the commissioner or the appropriate unit of government in every case shall be prima facie valid. When an appeal to the tax court has been taken from an order or determination of the commissioner or from the appropriate unit of government, the proceeding shall be an original proceeding in the nature of a suit to set aside or modify the order or determination. In case no appellant shall appear the tax court shall enter its order affirming the order of the commissioner of revenue or the appropriate unit of government from which the appeal was taken. *If the department of revenue's sales ratio study is introduced in tax court as evidence, the sales ratio data from the study shall be admissible as evidence only as provided in section 278.05, subdivision 4.*

Sec. 4. Minnesota Statutes 1983 Supplement, section 278.01, subdivision 1, is amended to read:

Subdivision 1. [DETERMINATION OF VALIDITY.] Any person having any estate, right, title, or interest in or lien upon any parcel of land, who claims that such property has been partially, unfairly, or unequally assessed in comparison with other property in the city or county, or that the parcel has been as-

essed at a valuation greater than its real or actual value, or that the tax levied against the same is illegal; in whole or in part, or has been paid, or that the property is exempt from the tax so levied, may have the validity of his claim, defense, or objection determined by the district court of the county in which the tax is levied or by the tax court by serving two copies of a petition for such determination upon the county auditor and one copy each on the county treasurer and the county attorney and filing the same, with proof of service, in the office of the clerk of the district court before the 16th day of May of the year in which the tax becomes payable. *A property owner, other than a public utility, mining company, or the railroad company for which the original assessments are determined by the commissioner of revenue, may not appear before the district court or tax court unless a timely appearance in person, by counsel, or by written communication has been made before the county board of equalization as provided in section 274.13, to appeal the assessment of the property, or that he can establish that he did not receive notice of his market value at least ten days before the county board of review meeting.* The county auditor shall immediately forward one copy of the petition to the appropriate governmental authority in a home rule charter or statutory city or town in which the property is located if that city or town employs its own certified assessor. A copy of the petition shall also be sent to the school board of the school district in which the property is located. A petition for determination under this section may be transferred by the district court to the tax court. An appeal may also be taken to the tax court under chapter 271 at any time following receipt of the valuation notice required by section 273.121 but prior to May 16 of the year in which the taxes are payable.

Sec. 5. Minnesota Statutes 1983 Supplement, section 278.05, subdivision 4, is amended to read:

Subd. 4. [SALES RATIO STUDIES AS EVIDENCE.] The sales ratio studies published by the department of revenue, or any part of the studies, or any copy of the studies or records accumulated to prepare the studies which is prepared by the commissioner of revenue for the equalization aid review committee for use in determining school aids shall be admissible in evidence as a public record without the laying of a foundation *if the sales prices used in the study are adjusted for the terms of the sale to reflect market value and are adjusted to reflect the difference in the date of sale compared to the assessment date.* Additional evidence relevant to the sales ratio study is also admissible. No sales ratio study received into evidence shall be conclusive or binding on the court and evidence of its reliability or unreliability may be introduced by any party including, but not limited to, evidence of inadequate adjustment of sale prices for terms of financing, *inadequate adjustment of sales prices to reflect the difference in the date of sale compared to the assessment date, and inadequate sample size.*

*No reduction in value on the grounds of discrimination shall be granted on the basis of a sales ratio study published by the department of revenue unless.*

*(a) the sales prices are adjusted for the terms of the sale to reflect market value,*

*(b) the sales prices are adjusted to reflect the difference in the date of sale compared to the assessment date,*

*(c) there is an adequate sample size, and*

*(d) the median ratio of the class of property of the subject property in the same county, city, or town of the subject property is lower than the assessment ratio of the subject property by at least ten percent.*

*If the above criteria are met and a reduction in value on the grounds of discrimination is granted based upon the sales ratio study, the reduction shall reflect only the difference between the assessment/sales ratio of the subject property and 110 percent of the median ratio of the class of property of the subject property.*

#### Sec. 6. [EFFECTIVE DATE.]

*Sections 2 and 4 are effective for the 1985 assessment and thereafter, payable 1986 and thereafter. Sections 1, 3, and 5 are effective the day following final enactment.*

## ARTICLE 12

### CHARITABLE GAMBLING

Section 1. Minnesota Statutes 1983 Supplement, section 340.14, subdivision 2, is amended to read:

Subd. 2. [RESTRICTIONS.] Every licensee shall be responsible for the conduct of his place of business and for conditions of sobriety and order therein. No licensee shall keep, possess, or operate, or permit the keeping, possession, or operation of, on the licensed premises, or in any room adjoining the licensed premises, any slot machine, dice, or any gambling device or apparatus, nor permit any gambling therein, nor permit the licensed premises or any room in the same, or in any adjoining building, directly or indirectly under its control to be used as a resort for prostitutes or other disorderly persons, except that gambling devices may be kept or operated and raffles conducted on licensed premises and adjoining rooms when such activities are licensed by the (LOCAL UNIT OF GOVERNMENT PURSUANT TO SECTION 349.26) *charitable gambling control board under sections 349.11 to 349.213*. No person under 18 years



of age shall be employed in any rooms constituting the place in which intoxicating liquors are sold at retail "on-sale," except that persons under 18 years of age may be employed as musicians or to perform the duties of a busboy or dishwashing services in places defined as a restaurant or hotel or motel serving food in rooms in which intoxicating liquors are sold at retail "on-sale." Persons under 18 years of age may be employed as waiters or waitresses in places defined as a restaurant, hotel or motel to serve food in rooms in which only wine is sold on-sale, provided they shall not be permitted to serve or sell wine.

Sec. 2. Minnesota Statutes 1982, section 349.11, is amended to read:

349.11 [PURPOSE.]

The purpose of sections 349.11 to (349.23) *349.22* is to (CLOSELY) regulate (AND CONTROL THE CONDUCT OF THE GAME OF BINGO AND TO PROHIBIT COMMERCIALIZATION OF BINGO) *legal forms of gambling to prevent their commercialization, to insure integrity of operations, and to provide for the use of net profits only for lawful purposes.*

Sec. 3. Minnesota Statutes 1982, section 349.12, is amended to read:

349.12 [DEFINITIONS.]

Subdivision 1. As used in sections 349.11 to (349.23) *349.22* the following terms have the meanings given them.

Subd. 2. "*Lawful gambling*" is the operation, conduct or sale of bingo, raffles, paddlewheels, tipboards, and pull-tabs.

Subd. 3. "Active member" means a member who has paid all his dues to the organization and has been a member of the organization for at least six months.

Subd. (3) 4. "Bingo" means a game where each player has a card or board for which a consideration has been paid containing five horizontal rows of spaces, with each row except the central one containing five figures. The central row has four figures with the word "free" marked in the center space thereof. *Bingo also includes games which are as described in this subdivision except for the use of cards where the figures are not preprinted but are filled in by the players.* A player wins a game of bingo by completing (ANY) a preannounced combination of spaces or, in the absence of a preannouncement of a combination of spaces, any combination of five spaces in a row, either vertical, horizontal or diagonal.

Subd. (4) 5. "Bingo occasion" means a single gathering or session at which a series of one or more successive bingo games is played.

Subd. (5) 6. "Checker" means a person who records the number of bingo cards purchased and played during each game and records the prizes awarded to the recorded cards, but does not collect the payment for the cards.

Subd. 7. "Paddlewheel" means a wheel marked off into sections containing one or more numbers, and which, after being turned or spun, uses a pointer or marker to indicate winning chances.

Subd. 8. "Tipboard" means a board, placard or other device marked off in a grid or columns, in which each section contains a hidden number or numbers, or other symbol, which determines the winning chances.

Subd. 9. "Raffle" means a game in which a participant buys a ticket for a chance at a prize with the winner determined by a random drawing to take place at a location and date printed upon the ticket.

Subd. 10. "Pull-tab" means a single folded or banded ticket or a card with a face covered to conceal one or more numbers or symbols, where one or more of each set of tickets or cards has been designated in advance as a winner. "Pull-tab" also includes a ticket sold in a gambling device known as a ticket jar.

Subd. (6) 11. "Lawful purpose" means one or more of the following: (a) benefiting persons by enhancing their opportunity for religious or educational advancement, by relieving or protecting them from disease, suffering or distress, by contributing to their physical well-being, by assisting them in establishing themselves in life as worthy and useful citizens, or by increasing their comprehension of and devotion to the principles upon which this nation was founded; (b) initiating, performing, or fostering worthy public works or enabling or furthering the erection or maintenance of public structures; (c) lessening the burdens borne by government or voluntarily supporting, augmenting or supplementing services which government would normally render to the people; or (d) the improving, expanding, maintaining or repairing real property owned or leased by an organization.

"Lawful purpose" does not include the erection or acquisition of any real property, unless the (LOCAL UNIT OF GOVERNMENT) board specifically authorizes the expenditures after finding that the property will be used exclusively for one or more of the purposes specified in this clause.

(SUBD. 7. "LOCAL UNIT OF GOVERNMENT" MEANS THE CITY OR TOWN IN WHICH BINGO IS PROPOSED TO BE PLAYED OR IS PLAYED OR, IF THERE IS NO CITY OR TOWN, THE COUNTY IN WHICH BINGO IS PROPOSED TO BE PLAYED OR IS PLAYED.)

Subd. (8) 12. "Organization" means any fraternal, religious, veterans, or other nonprofit organization.

Subd. (9) 13. "Profit" means the gross receipts collected from (ONE OR MORE BINGO OCCASIONS) lawful gambling, less reasonable sums necessarily and actually expended for (BINGO) gambling supplies and equipment, prizes, rent, and utilities used during the (BINGO) gambling occasions, (BINGO LICENSE FEES) compensation paid to members for conducting gambling, taxes (RELATED TO BINGO, AND OTHER EXPENSES PERMITTED BY LAWS 1976, CHAPTER 261) imposed by this chapter, and maintenance of devices used in lawful gambling.

(SUBD. 10. "BINGO MANAGER" MEANS A MEMBER WHO HAS PAID ALL HIS DUES TO THE ORGANIZATION AND HAS BEEN A MEMBER OF THE ORGANIZATION FOR AT LEAST TWO YEARS AND HAS BEEN DESIGNATED BY AN ORGANIZATION TO SUPERVISE BINGO OCCASIONS CONDUCTED BY IT.)

Subd. 14. "Gambling manager" means a person who has paid all dues to an organization and has been a member of the organization for at least two years and has been designated by the organization to supervise lawful gambling conducted by it.

Subd. 15. "Gambling equipment" means: bingo cards and devices for selecting bingo numbers, pull-tabs, ticket jars, paddlewheels, and tipboards.

Subd. 16. "Board" is the charitable gambling control board.

Subd. 17. "Distributor" is a person who sells gambling equipment he manufactures or purchases for resale.

Sec. 4. Minnesota Statutes 1982, section 349.13, is amended to read:

349.13 [NOT GAMBLING IF ORGANIZATION CONDUCTS BINGO.]

(BINGO SHALL) Lawful gambling is not (BE CONSTRUED AS) a lottery or (AS) gambling within the meaning of sections 609.75 to 609.76 if it is conducted (BY AN ORGANIZATION IN COMPLIANCE WITH LAWS 1976, CHAPTER 261) under this chapter.

Sec. 5. Minnesota Statutes 1982, section 349.14, is amended to read:

**349.14 [ORGANIZATION MAY CONDUCT BINGO; LICENSE.]**

An organization may conduct (BINGO OCCASIONS) *lawful gambling* if it has been in existence for at least three years, has at least 15 active members, has a license to conduct (BINGO) *lawful gambling* from the (LOCAL UNIT OF GOVERNMENT) *board* and complies with (SECTIONS 349.15 TO 349.21) *this chapter*.

Sec. 6. Minnesota Statutes 1982, section 349.15, is amended to read:

**349.15 [USE OF PROFITS.]**

Profits from (A BINGO OCCASION SHALL) *lawful gambling may* be expended only for lawful purposes as authorized at a regular meeting of the *conducting* organization.

Sec. 7. [349.151] [CHARITABLE GAMBLING CONTROL BOARD.]

*Subdivision 1. [BOARD CREATED.] The charitable gambling control board is created with the powers and duties established by subdivision 4.*

*Subd. 2. [MEMBERSHIP.] The board consists of 18 members appointed as follows:*

- (1) eleven persons appointed by the governor, at least four of whom must reside outside of the seven-county metropolitan area;*
- (2) the commissioner of public safety or his designee; and*
- (3) the attorney general or his designee.*

*A member serving on the board by appointment must have been a resident of Minnesota for at least five years. Of the appointees of the governor not more than six may belong to the same political party. A member appointed to the board may be removed at any time by the appointing authority. Vacancies on the board are filled in the same manner as the original appointment. Of the members appointed by the governor, three are for terms expiring June 30, 1985, four are for terms expiring June 30, 1986, and four are for terms expiring June 30, 1987. After*

*the expiration of the initial terms, appointments are for three years. The governor shall appoint the chairperson from among his appointees.*

**Subd. 3. [COMPENSATION.]** *The compensation of board members is \$35 per day spent on commission activities, when authorized by the board, plus expenses in the same manner and amount as provided in the commissioner's plan adopted according to section 43A.18, subdivision 2.*

**Subd. 4. [POWERS AND DUTIES.]** *The board has the following powers and duties:*

*(1) to issue, revoke, and suspend licenses to organizations and suppliers under sections 349.16 and 349.161;*

*(2) to collect and deposit license fees and taxes due under this chapter;*

*(3) to receive reports required by this chapter and inspect the records, books, and other documents of organizations and suppliers to insure compliance with all applicable laws and rules;*

*(4) to make rules, including temporary rules, required by this chapter;*

*(5) to register gambling equipment and issue registration stamps under section 349.162;*

*(6) to provide by rule for the mandatory posting by organizations conducting lawful gambling of rules of play and the odds and/or house percentage on each form of lawful gambling; and*

*(7) to report annually to the governor and legislature on its activities and on recommended changes in the laws governing charitable gambling.*

**Subd. 5. [EMPLOYEES.]** *The board shall employ an executive secretary in the unclassified service and such other employees in the classified service as are required to enable it to carry out its functions. One or more of the employees must be bingo inspectors.*

**Subd. 6. [ATTORNEY GENERAL.]** *The attorney general is the attorney for the board.*

**Sec. 8.** *Minnesota Statutes 1982, section 349.16, is amended to read:*

**349.16 [(LOCAL REGULATION) ORGANIZATION LICENSES.]**

**Subdivision 1. [ISSUANCE OF GAMBLING LICENSES.]**  
(NOTHING IN SECTIONS 349.11 TO 349.23 SHALL BE CONSTRUED TO PROHIBIT A LOCAL UNIT OF GOVERNMENT FROM ADOPTING ORDINANCES, RULES AND REGULATIONS CONCERNING THE CONDUCT OF BINGO WHICH ARE MORE RESTRICTIVE THAN STATE REGULATIONS, INCLUDING AN ORDINANCE TO BAN THE CONDUCT OF BINGO. PRIOR TO PROMULGATING BINGO REGULATIONS OR ISSUING A BINGO LICENSE, THE LOCAL UNIT OF GOVERNMENT SHALL CONSULT WITH THE LOCAL BUILDING INSPECTOR, IF ANY, AND THE FIRE AND POLICE AUTHORITIES. A LOCAL UNIT OF GOVERNMENT WHICH PERMITS BINGO BUT HAS NOT ADOPTED REGULATIONS SHALL BE DEEMED TO HAVE ADOPTED THE PROVISIONS OF LAWS 1976, CHAPTER 261 AS ITS REGULATIONS. A LOCAL UNIT OF GOVERNMENT MAY AMEND ITS REGULATIONS.)

(SUBD. 2. A LOCAL UNIT OF GOVERNMENT THAT PERMITS BINGO SHALL ESTABLISH A SYSTEM FOR LICENSING ORGANIZATIONS TO CONDUCT BINGO OCCASIONS, AND SHALL ACT ON A BINGO LICENSE APPLICATION WITHIN 180 DAYS FROM THE DATE OF APPLICATION, BUT SHALL NOT ISSUE A LICENSE UNTIL AT LEAST 30 DAYS AFTER THE DATE OF APPLICATION. A LICENSE SHALL BE VALID FOR ONE YEAR, AND MAY BE SUSPENDED OR REVOKED BY THE ISSUING AUTHORITY FOR VIOLATION OF LAWS 1976, CHAPTER 261 OR OF ANY LOCAL ORDINANCE RELATING TO BINGO.)

(SUBD. 3. EACH YEAR THE LOCAL UNIT OF GOVERNMENT SHALL ALLOCATE AN AMOUNT OF MONEY AT LEAST EQUAL TO THE LESSER OF \$25,000 OR 25 PERCENT OF THE AMOUNT IT COLLECTED AND RETAINED FROM BINGO FEES, BINGO LICENSES, AND BINGO TAXES IN THE PRECEDING YEAR FOR THE SUPERVISION, REGULATION AND INSPECTION OF THE CONDUCT OF BINGO) *Licenses authorizing organizations to conduct lawful gambling may be issued by the board to organizations meeting the qualifications of section 349.14, if the board determines that the license is consistent with the purpose of sections 349.11 to 349.22. Licenses issued under this section are valid for one year and may be suspended by the board for a violation of law or board rule or revoked for what the board determines to be a pattern of willful violations of law or board rule. A revocation or suspension is a contested case under sections 14.57 to 14.69 of the Administrative Procedure Act.*

*Subd. 2. [APPLICATION.] All applications for a license under this section must be on a form prescribed by the board. The board may require the applying organization to submit a copy of its articles of incorporation and other documents it deems necessary.*

*Subd. 3. [FEES.] The board shall by rule establish a schedule of fees for licenses under this section. The schedule must establish three classes of license, authorizing all forms of lawful gambling, all forms except bingo and bingo only.*

**Sec. 9. [349.161] [DISTRIBUTOR LICENSES.]**

*Subdivision 1. [PROHIBITED ACTS; LICENSES REQUIRED.] No person may:*

*(1) sell, offer for sale, or furnish gambling equipment for use within the state for gambling purposes, other than for bingo exempt from licensing under section 340.19, except to an organization licensed for lawful gambling; or*

*(2) sell, offer for sale, or furnish gambling equipment to an organization licensed for lawful gambling without having obtained a distributor license under this section.*

*No licensed organization may purchase gambling equipment from any person not licensed as a distributor under this section.*

*Subd. 2. [LICENSE APPLICATION.] The board may issue licenses for the sale of gambling equipment to persons who meet the qualifications of this section if the board determines that a license is consistent with the purpose of sections 349.11 to 349.22. Applications must be on a form the board prescribes.*

*Subd. 3. [QUALIFICATIONS.] A license may not be issued under this section to a person, or to a corporation, firm, or partnership which has as an officer, director, or other person in a supervisory or management position a person, who:*

*(1) has been convicted of a felony in a state or federal court within the past five years or who has a felony charge pending;*

*(2) has ever been convicted in a state or federal court of a gambling-related offense; or*

*(3) is or has ever been engaged in an illegal business.*

Subd. 4. [FEES.] *The annual fee for a suppliers license is \$1,500.*

Subd. 5. [PROHIBITION.] *No distributor may also be a wholesale distributor of liquor or alcoholic beverages.*

Subd. 6. [REVOCATION AND SUSPENSION.] *A license under this section may be suspended by the board for a violation of law or board rule or for failure to meet the qualifications in subdivision 3 at any time or revoked for what the board determines to be a pattern of willful violations of law or board rule. A revocation or suspension is a contested case under sections 14.57 to 14.69 of the Administrative Procedure Act.*

Subd. 7. [CRIMINAL HISTORY.] *The board may request the assistance of the bureau of criminal apprehension in investigating the background of an applicant for a supplier's license and may reimburse the bureau for the costs thereof. The board has access to all criminal history data compiled by the bureau on licensees and applicants.*

#### Sec. 10. [349.162] [EQUIPMENT REGISTERED.]

Subdivision 1. [STAMP REQUIRED.] *A distributor may not sell to an organization and an organization may not purchase from a distributor gambling equipment unless the equipment has been registered with the board and has a registration stamp affixed. The board may charge a fee of up to 25 cents for each stamp. Each stamp must bear a registration number assigned by the board.*

Subd. 2. [RECORDS REQUIRED.] *A distributor must maintain a record of all gambling equipment which it sells to organizations. The record must include:*

- (1) the identity of the person or firm from whom the equipment was purchased;*
- (2) the registration number of the equipment;*
- (3) the name and address of the organization to which the sale was made; and*
- (4) the date of the sale.*

*The record for each sale must be retained for at least three years after the sale is completed. For purposes of this section, a sale is completed when the gambling equipment is physically delivered to the purchaser.*

*Each distributor must report monthly to the board, on a form the board prescribes, its sales of each type of gambling equip-*



*ment. Employees of the board may inspect the books, records, and other documents of a distributor at any reasonable time without notice and without a search warrant.*

*Subd. 3. [SALES FROM FACILITIES.] All gambling equipment purchased by a licensed distributor for resale in Minnesota must prior to its resale be unloaded into a facility located in Minnesota which the distributor owns or leases.*

Sec. 11. Minnesota Statutes 1982, section 349.17, is amended to read:

**349.17 [CONDUCT OF BINGO.]**

Subdivision 1. [BINGO OCCASIONS.] (NO COMPENSATION SHALL BE PAID TO ANY PERSON IN CONNECTION WITH A BINGO OCCASION EXCEPT AN ACTIVE MEMBER OF THE ORGANIZATION, OR ITS AUXILIARY, OR THE SPOUSE OR SURVIVING SPOUSE OF AN ACTIVE MEMBER, CONDUCTING THE BINGO OCCASION NOR SHALL ANY PERSON NOT AN ACTIVE MEMBER OF THE ORGANIZATION OR ITS AUXILIARY OR THE SPOUSE OR SURVIVING SPOUSE OF AN ACTIVE MEMBER PARTICIPATE IN THE CONDUCT OF A BINGO OCCASION, EXCEPT BY RESOLUTION OF A MAJORITY OF THE MEMBERSHIP, RECORDED IN THE OFFICIAL MINUTES OF THE ORGANIZATION, NON-MANAGEMENT ASSISTANTS WHO ARE NOT ACTIVE MEMBERS OF THE ORGANIZATION, OR ITS AUXILIARY, OR THE SPOUSE OR SURVIVING SPOUSE OF AN ACTIVE MEMBER, MAY BE HIRED TO ASSIST MEMBERS IN CONDUCTING A BINGO OCCASION. COMPENSATION SHALL NOT EXCEED \$20 FOR A BINGO OCCASION.)

(SUBD. 2. NO) *Not more than 104 bingo occasions each year or two bingo occasions each week (SHALL) may be conducted by (ANY) an organization (, EXCEPT THAT THE LOCAL UNIT OF GOVERNMENT ISSUING THE LICENSE MAY PERMIT ADDITIONAL BINGO OCCASIONS TO BE CONDUCTED BY AN ORGANIZATION), except as provided in this subdivision. A bingo occasion (SHALL) may not continue for more than four consecutive hours.*

*The board may permit an organization to conduct more than two bingo occasions in a week and more than 104 bingo occasions in a year if the board determines that the additional occasions are consistent with the purpose of sections 349.11 to 349.22 and if the following procedures are followed:*

*(1). the organization applies for the additional occasions, stating the number of additional occasions applied for;*

(2) *the board notifies the governing body of the county or home rule or statutory city in which the applicant is located; and*

(3) *the governing body fails to adopt a resolution disapproving the additional occasions within 30 days of the notification.*

Subd. (3) 2. [BINGO ON LEASED PREMISES.] ((1) ANY) A person or corporation, other than an organization, which leases any premises that it owns to two or more organizations for purposes including the conduct of bingo occasions, (SHALL) *may not allow more than four bingo occasions to be conducted on the premises in any week. The board may waive this restriction and permit a person or corporation to allow a specified member of bingo occasions on the premises in excess of four per week if it finds that the waiver is consistent with the purpose of sections 349.11 to 349.22 and if the following procedures are followed:*

(1) *the person or corporation applies for the waiver, stating the number of additional occasions sought per week;*

(2) *the board notifies the governing body of the county or home rule or statutory city in which the premises are located; and*

(3) *the governing body fails to adopt a resolution disapproving the waiver within 30 days of the notification.*

((2) ANY ORGANIZATION WHICH LEASES ANY PREMISES TO ONE OR MORE OTHER ORGANIZATIONS FOR PURPOSES INCLUDING THE CONDUCT OF BINGO OCCASIONS SHALL USE THE PROCEEDS OF THE RENTAL, LESS REASONABLE SUMS FOR MAINTENANCE, FURNISHINGS AND OTHER NECESSARY EXPENSES, ONLY FOR LAWFUL PURPOSES AS DEFINED IN SECTION 349.12. NOT LESS THAN ONCE EACH YEAR THE ORGANIZATION SHALL REPORT TO THE LICENSING AUTHORITY THE DISPOSITION OF ALL RECEIPTS WHICH IT HAS RECEIVED DURING THE REPORTING PERIOD FROM THE RENTAL OF ITS FACILITIES TO OTHER ORGANIZATIONS FOR PURPOSES INCLUDING THE CONDUCT OF BINGO OCCASIONS.)

((3) NO ORGANIZATION SHALL CONDUCT BINGO ON ANY LEASED PREMISES WITHOUT A WRITTEN LEASE FOR A TERM AT LEAST EQUAL TO THE REMAINDER OF THE TERM OF THE BINGO LICENSE OF THE ORGANIZATION. LEASE PAYMENTS SHALL BE AT A FIXED MONTHLY RATE, OR RATE PER BINGO OCCASION, NOT

SUBJECT TO CHANGE DURING THE TERM OF THE LEASE. NO SUCH LEASE SHALL PROVIDE THAT RENTAL PAYMENTS BE BASED ON A PERCENTAGE OF RECEIPTS OR PROFITS FROM BINGO OCCASIONS.)

(SUBD. 4. PRIZES FOR A SINGLE BINGO GAME SHALL NOT EXCEED \$100 EXCEPT PRIZES FOR A GAME OF THE TYPE COMMONLY KNOWN AS A "COVER-ALL" GAME. "COVER-ALL" PRIZES MAY EXCEED \$100 PROVIDED THAT THE AGGREGATE VALUE OF SUCH PRIZES FOR A BINGO OCCASION SHALL NOT EXCEED \$500. THE AGGREGATE VALUE OF PRIZES FOR A BINGO OCCASION SHALL NOT EXCEED \$2,500 EXCEPT THAT IN THE CASE OF A BINGO OCCASION DURING WHICH A "COVER-ALL" GAME IS PLAYED FOR A MAXIMUM PRIZE OF MORE THAN \$100 BUT NOT MORE THAN \$500, THE AGGREGATE VALUE OF PRIZES FOR THE BINGO OCCASION SHALL NOT EXCEED \$3,000. MERCHANDISE PRIZES SHALL BE VALUED AT FAIR MARKET RETAIL VALUE.)

(SUBD. 5. NO EXPENSE SHALL BE INCURRED OR AMOUNTS PAID IN CONNECTION WITH THE CONDUCT OF BINGO, EXCEPT THOSE REASONABLY EXPENDED FOR BINGO SUPPLIES AND EQUIPMENT, PRIZES, RENT, OR UTILITIES USED DURING THE BINGO OCCASION, BINGO LICENSE FEES, TAXES RELATED TO BINGO, AND COMPENSATION TO ACTIVE MEMBERS WHO CONDUCT THE GAME.)

Subd. (6) 3. Each bingo winner (SHALL) *must* be determined and every prize shall be awarded and delivered the same day on which the bingo occasion is conducted.

(SUBD. 7. ALL BINGO OCCASIONS SHALL BE UNDER THE SUPERVISION OF A BINGO MANAGER DESIGNATED BY THE ORGANIZATION WHO SHALL BE RESPONSIBLE FOR GROSS RECEIPTS AND PROFITS FROM BINGO AND FOR THE CONDUCT OF THE BINGO OCCASION IN COMPLIANCE WITH ALL APPLICABLE LAWS AND ORDINANCES. THE BINGO MANAGER SHALL GIVE A FIDELITY BOND IN THE SUM OF \$10,000 IN FAVOR OF THE ORGANIZATION CONDITIONED ON THE FAITHFUL PERFORMANCE OF HIS DUTIES. TERMS OF THE BOND SHALL PROVIDE THAT NOTICE SHALL BE GIVEN IN WRITING TO THE LICENSING AUTHORITY NOT LESS THAN 30 DAYS PRIOR TO ITS CANCELLATION. THE GOVERNING BODY OF A LOCAL UNIT OF GOVERNMENT MAY WAIVE THIS BOND REQUIREMENT BY INCLUDING A WAIVER PROVISION IN THE BINGO LICENSE ISSUED TO AN ORGANIZATION, PROVIDED THAT A LICENSE CONTAINING SUCH A PROVISION SHALL BE GRANTED ONLY BY UNANIMOUS VOTE.)

(SUBD. 8. NO PERSON SHALL ACT AS A BINGO MANAGER FOR MORE THAN ONE ORGANIZATION.)

*Subd. 4. [CHECKERS.] One or more checkers must be engaged for each bingo occasion. The checker or checkers must record, on a form the board provides, the number of cards played in each game and the prizes awarded to recorded cards. The form must provide for the inclusion of the registration number of each card and must include a checker's certification that the figures recorded are correct to the best of the checker's knowledge.*

Sec. 12. Minnesota Statutes 1982, section 349.18, is amended to read:

349.18 [(RECORDS; PLAYERS, CARDS AND PRIZES) PREMISES USED FOR GAMBLING.]

(ONE OR MORE CHECKERS SHALL BE ENGAGED FOR EACH BINGO OCCASION. THE CHECKER OR CHECKERS SHALL RECORD THE NUMBER OF CARDS PLAYED IN EACH GAME PRIOR TO THE COMPLETION OF EACH GAME AND RECORD THE PRIZES AWARDED TO THE RECORDED CARDS. EACH CHECKER SHALL CERTIFY ALL FIGURES WHICH HE HAS RECORDED AS ACCURATE AND CORRECT TO THE BEST OF HIS KNOWLEDGE. A LOCAL UNIT OF GOVERNMENT MAY REQUIRE THE RECORDS TO BE ON FORMS WHICH IT PROVIDES.)

*Subdivision 1. [LEASE OR OWNERSHIP REQUIRED.] An organization may conduct lawful gambling only on premises it owns or leases. Leases must be for a period of at least one year and must be in writing. Copies of all leases must be made available to employees of the board on request. A lease may not provide for rental payments based on a percentage of receipts or profits from lawful gambling.*

*Subd. 2. [EXCEPTIONS.] (a) A licensed organization may conduct raffles on a premise it does not own or lease.*

*(b) A licensed organization may with the permission of the board, conduct bingo on premises it does not own or lease for up to six days in a calendar year, in connection with a county fair or civil celebration.*

*Subd. 3. [PROCEEDS FROM RENTAL.] A licensed organization which leases premises it owns to one or more other licensed organizations for purposes including the conduct of lawful gambling may expend the rental proceeds, less reasonable deductions for maintenance, furnishings, and utilities, only for lawful purposes. The rental proceeds must be recorded and reported as proceeds from gambling under section 349.19.*

Sec. 13. Minnesota Statutes 1982, section 349.19, is amended to read:

## 349.19. [(EXEMPTION) RECORDS AND REPORTS.]

(BINGO MAY BE CONDUCTED WITHOUT COMPLYING WITH THE REQUIREMENTS OF SECTIONS 349.14 AND 349.17, SUBDIVISIONS 2 AND 3, IF CONDUCTED: (A) IN CONNECTION WITH A COUNTY FAIR CONDUCTED BY A COUNTY AGRICULTURAL SOCIETY OR ASSOCIATION, THE STATE FAIR CONDUCTED BY THE STATE AGRICULTURAL SOCIETY OR A CIVIC CELEBRATION RECOGNIZED BY RESOLUTION OR OTHER SIMILAR OFFICIAL ACTION OF THE LOCAL GOVERNING BODY PROVIDED THAT THE BINGO IS CONDUCTED FOR NO MORE THAN 12 CONSECUTIVE DAYS IN ANY ONE CALENDAR YEAR; OR, (B) BY AN ORGANIZATION THAT CONDUCTS LESS THAN FIVE BINGO OCCASIONS IN ANY CALENDAR YEAR.)

*Subdivision 1. [REQUIRED RECORD OF RECEIPTS.]*

*A licensed organization must keep a record of each occasion on which it conducts gambling, including each bingo occasion and each day on which other forms of lawful gambling are conducted. The record must include gross receipts, quantities of free plays if any, expenses, and profits. The board may by rule provide for the methods by which expenses are documented. In the case of bingo, gross receipts must be compared to the checkers' records for the occasion by a person who did not sell cards for the occasion. Separate records must be kept for bingo and all other forms of lawful gambling.*

*Subd. 2. [ACCOUNTS.] Gross receipts from lawful gambling must be segregated from all other revenues of the conducting organization and placed in a separate account. The person who accounts for gambling gross receipts and profits may not be the same person who accounts for other revenues of the organization.*

*Subd. 3. [EXPENDITURES.] All expenditures of bingo profits must be itemized as to payee, purpose, amount, and date of payment.*

*Subd. 4. [DISCREPANCIES.] If at a bingo occasion a discrepancy of more than \$20 is found between the gross receipts as reported by the checkers and the gross receipts determined by adding the cash receipts, the discrepancy must be reported to the board within five days of the bingo occasion.*

*Subd. 5. [REPORTS.] A licensed organization must report to the board and to its membership monthly on its gross receipts, expenses, profits, and expenditure of profits from lawful gambling. If the organization conducts both bingo and other forms of lawful gambling, the figures for both must be reported separately. In addition, a licensed organization must report to the board monthly on its purchases of gambling equipment and must in-*

clude the type, quantity, and dollar amount from each supplier separately. The reports must be on a form the board prescribes.

Subd. 6. [PRESERVATION OF RECORDS.] *Records required to be kept by this section must be preserved for at least three years and may be inspected by employees of the board at any reasonable time without notice or a search warrant.*

Subd. 7. [TAX RECORDS.] *The board may by rule require each licensed organization to provide copies of forms it files with the United States department of the treasury which are required for organizations exempt from income tax.*

Sec. 14. Minnesota Statutes 1982, section 349.20, is amended to read:

349.20 [(RECORDS; RECEIPTS AND PROFITS) MANAGERS.]

(EACH ORGANIZATION SHALL KEEP RECORDS OF ITS GROSS RECEIPTS AND PROFITS FOR EACH BINGO OCCASION. GROSS RECEIPTS SHALL BE COMPARED TO THE CHECKER'S RECORDS FOR THE BINGO OCCASION BY A PERSON WHO DID NOT SELL CARDS FOR THE BINGO OCCASION. ALL DEDUCTIONS FROM GROSS RECEIPTS FROM A BINGO OCCASION SHALL BE DOCUMENTED WITH RECEIPTS OR OTHER RECORDS. THE DISTRIBUTION OF PROFITS SHALL BE ITEMIZED AS TO PAYEE, AMOUNT AND DATE OF PAYMENT.)

(BINGO GROSS RECEIPTS SHALL BE SEGREGATED FROM OTHER REVENUES OF AN ORGANIZATION AND PLACED IN A SEPARATE ACCOUNT. EACH ORGANIZATION SHALL MAINTAIN SEPARATE RECORDS OF ITS BINGO OPERATIONS. THE PERSON WHO ACCOUNTS FOR BINGO GROSS RECEIPTS AND PROFITS SHALL NOT BE THE SAME PERSON WHO ACCOUNTS FOR OTHER REVENUES OF THE ORGANIZATION. RECORDS REQUIRED BY LAWS 1976, CHAPTER 261 SHALL BE PRESERVED FOR THREE YEARS. THE LAW ENFORCEMENT AGENCY OF THE LICENSING AUTHORITY SHALL HAVE THE AUTHORITY TO INVESTIGATE THE BINGO RECORDS OF AN ORGANIZATION AT ANY REASONABLE TIME. ORGANIZATIONS SHALL MAKE AVAILABLE THEIR BINGO RECORDS FOR INVESTIGATION UPON PROPER NOTICE.)

*All lawful gambling conducted by a licensed organization must be under the supervision of one or more gambling managers. A gambling manager designated by an organization to supervise a gambling occasion is responsible for the gross receipts from the occasion and for its conduct in compliance with*

*all laws and rules. An organization may designate a different person to act as manager for each type of lawful gambling conducted. Each person designated as a gambling manager must give a fidelity bond in the sum of \$10,000 in favor of the organization conditioned on the faithful performance of the manager's duties, and the terms of the bond must provide that notice be given to the board in writing not less than 30 days before its cancellation.*

*A person may not act as a gambling manager for more than one organization.*

Sec. 15. Minnesota Statutes 1982, section 349.21, is amended to read:

349.21 [(REPORTS; DISCREPANCIES, REPORTING AGENCIES) COMPENSATION.]

(SUBDIVISION 1. IF ANY DISCREPANCY IS FOUND BETWEEN THE AMOUNT OF GROSS RECEIPTS FOR A BINGO OCCASION AS DETERMINED BY THE CHECKER'S RECORDS AND THE AMOUNT OF GROSS RECEIPTS AS DETERMINED BY TOTALING THE CASH RECEIPTS AND THE DISCREPANCY EXCEEDS \$20, THE DISCREPANCY SHALL BE REPORTED TO AND INVESTIGATED BY THE LICENSING AUTHORITY OF THE PLACE WHERE THE BINGO OCCASION WAS HELD.)

(SUBD. 2. AN ORGANIZATION SHALL REPORT MONTHLY TO ITS MEMBERSHIP ITS GROSS RECEIPTS FROM BINGO, ITS PROFITS FROM BINGO AND THE DISTRIBUTION OF THOSE PROFITS ITEMIZED AS REQUIRED BY SECTION 349.20.)

(SUBD. 3. AT LEAST 30 DAYS PRIOR TO CONDUCTING ITS FIRST BINGO OCCASION OF THE YEAR AND ON AN ANNUAL BASIS THEREAFTER, AN ORGANIZATION SHALL FILE WITH THE LOCAL GOVERNMENT UNIT WHICH REGULATES ITS CONDUCT COPIES OF THE FOLLOWING:)

((A) DEPARTMENT OF THE TREASURY, INTERNAL REVENUE SERVICE, "RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX," FORM 990, OR A COMPARABLE FORM IF THE ORGANIZATION IS REQUIRED TO FILE THE FORM WITH THE DEPARTMENT OF THE TREASURY;)

((B) DEPARTMENT OF THE TREASURY, INTERNAL REVENUE SERVICE, "EXEMPT ORGANIZATION BUSINESS INCOME TAX," FORM 990-T, OR A COMPARABLE FORM IF THE ORGANIZATION IS REQUIRED TO FILE

THE FORM WITH THE DEPARTMENT OF THE TREASURY;)

((C) A "STATEMENT OF BINGO OPERATIONS" IN THE FORM PRESCRIBED BY THE LOCAL GOVERNMENTAL UNIT. ALL INFORMATION CONTAINED IN THE STATEMENT SHALL BE TRUE, CORRECT, AND COMPLETE TO THE BEST OF THE KNOWLEDGE OF THE PERSON OR PERSONS SIGNING THE STATEMENT. ANY PERSON WHO SHALL KNOWINGLY MAKE A FALSE STATEMENT OR KNOWINGLY CONCEAL A MATERIAL FACT IN THE STATEMENT SHALL BE SUBJECT TO THE PENALTIES PROVIDED IN SECTION 349.22;)

((D) ANY LEASE AGREEMENTS REQUIRED BY LAWS 1976, CHAPTER 261, EXECUTED BY THE ORGANIZATION IN REGARD TO PREMISES LEASED FOR THE CONDUCT OF BINGO)

*Compensation to persons who participate in the conduct of lawful gambling may be paid only to active members of the conducting organization or its auxiliary, or the spouse or surviving spouse of an active member, except that nonmanagement assistants who are not active members or spouses may be hired to assist in the conduct of lawful gambling in nonmanagement positions if approved by a majority of the organization's members.*

*The amounts of compensation which may be paid under this section must be provided for in a schedule of compensation adopted by the board by rule. In adopting the schedule the board must consider the nature of the participation and the types of lawful gambling participated in.*

*A licensed organization may pay a percentage of the gross receipts from raffle ticket sales to a nonprofit organization which sells tickets for the licensed organization.*

#### Sec. 16. [349.211] [PRIZE LIMITS.]

*Subdivision 1. [BINGO.] Prizes for a single bingo game may not exceed \$100 except prizes for a cover-all game, which may exceed \$100 if the aggregate value of all cover-all prizes in a bingo occasion does not exceed \$500. Total prizes awarded at a bingo occasion may not exceed \$2,500, unless a cover-all game is played in which case the limit is \$3,000. For purposes of this subdivision, a cover-all game is one in which a player must cover all spaces except a single free space to win.*

*Subd. 2. [BINGO CUMULATIVE PRIZES.] A prize of up to \$1,000 may be awarded for a single bingo game if the prize is an accumulation of prizes not won in games in previous bingo*



occasions. The total amount awarded in cumulative prizes in any calendar year may not exceed \$12,000. For bingo occasions in which a cumulative prize is awarded the aggregate value of prizes which may be awarded for the occasion is increased by the amount of the cumulative prize so awarded less \$100.

**Subd. 3. [OTHER GAMBLING.]** The board by rule shall establish a schedule of prize limits for all other forms of gambling consistent with the purposes set out in section 349.11. The schedule may include daily and annual prize limits and prize limits for each game, raffle or operation of a gambling device.

**Subd. 4. [PRIZE VALUE.]** Merchandise prizes must be valued at their fair market value. For purposes of sections 349.11 to 349.22 "prizes" do not include free plays awarded.

#### **Sec. 17. [349.212] [TAX IMPOSED.]**

**Subdivision 1. [RATE.]** There is hereby imposed a tax on all lawful gambling conducted by licensed organizations at the rate specified in this subdivision. The tax imposed by this section is in lieu of the tax imposed by section 297A.02 and of all local taxes and license fees.

On all lawful gambling the tax is ten percent of the gross receipts of a licensed organization from lawful gambling less prizes actually paid out, payable by the organization.

**Subd. 2. [COLLECTION; DISPOSITION.]** The tax must be paid to the board at times and in a manner the board prescribes by rule. The proceeds, along with the revenue received from all license fees and other fees under sections 349.11 to 349.21 and sections 16, 17, and 18 of this article, must be paid to the state treasurer for deposit in the general fund.

**Subd. 3. [ANNUAL APPROPRIATION.]** At the end of each fiscal year, the commissioner of finance shall certify to the state treasurer the total revenues collected by the board from taxes and fees imposed by this article minus the amount appropriated by law from the general fund to the board for its expenses and operations. The net revenue so certified shall be expended by legislative appropriation to the department of education for expenditure, in consultation with the state arts board, as grants for programs, construction, maintenance, and operation of one or more schools for the arts located within the state, or the purposes recommended by the Minnesota school for the arts planning task force except that any part of the amount so certified which is not appropriated for the purposes set forth in this subdivision may be appropriated for any other purpose.

#### **Sec. 18. [349.213] [LOCAL AUTHORITY.]**

**Subdivision 1. [LOCAL REGULATION.]** A statutory or home rule city or county has the authority to adopt more stringent regulation of any form of lawful gambling within its jurisdiction, including the prohibition of any form of lawful gambling, and may require a permit for the conduct of gambling exempt from licensing under section 349.214. The authority granted by this subdivision does not include the authority to require a license or permit to conduct gambling by organizations licensed by the board.

**Subd. 2. [LOCAL APPROVAL.]** Before issuing or renewing an organization license, the board must notify the city council of the statutory or home rule city in which the organization's premises are located or, if the premises are located outside a city, by the county board of the county where the premises are located. If the city council or county board adopts a resolution disapproving the license and so informs the board within 30 days of receiving notice of the license, the license may not be issued or renewed.

**Sec. 19. [349.214] [EXEMPTIONS.]**

**Subdivision 1. [BINGO.]** Bingo may be conducted without a license and without complying with sections 349.17, subdivision 1, and 349.18 if it is conducted:

(1) in connection with a county fair, the state fair, or a civic celebration if it is not conducted for more than 12 consecutive days in a calendar year; or

(2) by an organization which conducts four or fewer bingo occasions in a calendar year.

**Subd. 2. [RAFFLES.]** Raffles may be conducted by an organization as defined in section 349.12, subdivision 13, without complying with sections 349.11 to 349.213 if the value of all raffle prizes awarded by the organization in a calendar year does not exceed \$750. Merchandise prizes must be valued at their fair market value.

**Subd. 3. [RAFFLES, CERTAIN ORGANIZATIONS.]** The provisions of sections 349.21 and 349.211, subdivision 3, and the membership requirements of sections 349.14 and 349.20 do not apply to raffles conducted by an organization which directly or under contract to the state or a political subdivision delivers health or social services and which is exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1954, as amended through December 31, 1983, if the prizes awarded in the raffles are real or personal property donated by an individual, firm, or other organization. The person who accounts for the gross receipts, expenses, and profits of the raffles may be the same person who accounts for other funds of the organization.

Sec. 20. Minnesota Statutes 1982, section 349.22, is amended to read:

**349.22 [PENALTY.]**

(VIOLATION OF ANY PROVISION OF LAWS 1976, CHAPTER 261 IS A GROSS MISDEMEANOR.)

*Subdivision 1. [GROSS MISDEMEANOR.] Any other violation of sections 349.11 to 349.214 is a gross misdemeanor.*

*Subd. 2. [OTHER ACTION.] This section (SHALL) does not preclude civil or criminal actions under other applicable law or preclude any agency of government from investigating or prosecuting violations of the provisions of (LAWS 1976, CHAPTER 261) sections 349.11 to 349.214. County attorneys have primary responsibility for prosecuting violations of sections 349.11 to 349.214, but the attorney general may prosecute any violation of those sections.*

Sec. 21. Minnesota Statutes 1982, section 349.31, subdivision 1, is amended to read:

Subdivision 1. [INTENTIONAL POSSESSION; WILFUL KEEPING.] The intentional possession or wilful keeping of a gambling device (UPON ANY) on a licensed premises is cause for the revocation of any license under which the licensed business is carried on upon the premises where the gambling device is found, provided that possession of gambling (DEVICES COMMONLY KNOWN AS "PADDLEWHEELS" OR "TIP-BOARDS" OR "PULL-TABS" (OR "TICKET JARS") OR APPARATUS USED IN CONDUCTING RAFFLES ON THE PREMISES OF A NONPROFIT ORGANIZATION AND OPERATED BY ORGANIZATIONS LICENSED FOR SUCH OPERATION PURSUANT TO SECTION 349.26) equipment as defined in section 349.12, subdivision 17, which is used for gambling licensed by the charitable gambling control board and the manufacture of gambling devices for use in jurisdictions where use of the gambling device is legal as provided for by section 349.40 shall not be cause for revocation of a license.

Sec. 22. Minnesota Statutes 1983 Supplement, section 609.75, subdivision 3, is amended to read:

Subd. 3. [WHAT ARE NOT BETS.] The following are not bets:

(1) A contract to insure, indemnify, guarantee or otherwise compensate another for a harm or loss sustained, even though the loss depends upon chance.

(2) A contract for the purchase or sale at a future date of securities or other commodities.

(3) Offers of purses, prizes or premiums to the actual contestants in any bona fide contest for the determination of skill, speed, strength, endurance, or quality or to the bona fide owners of animals or other property entered in such a contest.

(4) The game of bingo when conducted in compliance with sections 349.11 to 349.23.

(5) A private social bet not part of or incidental to organized, commercialized, or systematic gambling.

(6) The operation of (A GAMBLING DEVICE) *equipment* or the conduct of a raffle (AS DEFINED IN SECTION 349.26) *under sections 349.11 to 349.22*, by an organization licensed (FOR SUCH OPERATION BY A LOCAL UNIT OF GOVERNMENT PURSUANT TO SECTION 349.26) *by the charitable gambling control board*.

(7) Pari-mutuel betting on horse racing when the betting is conducted under chapter 240.

Sec. 23. Minnesota Statutes 1983 Supplement, section 609.761, is amended to read:

#### 609.761 [OPERATIONS PERMITTED.]

Notwithstanding sections 609.755 and 609.76, (A FRATERNAL, RELIGIOUS, VETERANS OR OTHER NONPROFIT) *an organization may (SET UP OR OPERATE A GAMBLING DEVICE OR CONDUCT A RAFFLE) conduct lawful gambling* as defined in section (349.26) *349.12*, if licensed by the (LOCAL UNIT OF GOVERNMENT) *charitable gambling control board* and conducted under (SECTION 349.26) *sections 349.11 to 349.22*, and a person may manufacture, sell or offer for sale a gambling device to the organization, and pari-mutuel betting on horse racing may be conducted under chapter 240.

#### Sec. 24. [APPROPRIATION.]

*There is appropriated from the general fund to the charitable gambling control board for the period beginning the day following final enactment of this article and ending June 30, 1985, the sum of \$556,000, or so much thereof as is necessary to carry out the purposes of this article.*

#### Sec. 25. [REPEALER.]

*Minnesota Statutes 1982, section 349.26, is repealed.*

**Sec. 26. [EFFECTIVE DATE.]**

*Sections 7 and 24 are effective the day following final enactment. All other sections of this article are effective March 1, 1985. All licenses issued by local units of government under Minnesota Statutes 1982, sections 349.16 and 349.26 expire on February 28, 1985.*

**ARTICLE 13****LOCAL PROVISIONS**

Section 1. Minnesota Statutes 1982, section 458.14, is amended to read:

**458.14 [RIGHT TO LEVY TAXES OR ASSESSMENTS FORBIDDEN.]**

*Subdivision 1. [TAX LEVY BY CITY.] The port authority shall have no right or authority to levy any tax or special assessment, nor to pledge the credit of the state, or any other subdivision or municipal corporation thereof; nor to incur any obligation enforceable upon any property, either within or without the port district, other than property owned by the port authority. Annually, at such time as may be fixed by charter, resolution, or ordinance of the city in and for which any such port authority is created, the port authority shall transmit to the council of such city a detailed estimate, in writing, of the amount of money which in its opinion will be required for the business and proper conduct of its affairs during the next ensuing fiscal year, in excess of any expected receipts from the conduct of its business, or other sources, and any such city, in addition to all other powers now possessed thereby, and in addition to, and in excess of any limitation upon the amount it is otherwise permitted by law to levy as taxes, (IS HEREBY GRANTED THE POWER AND AUTHORITY, IN ITS DISCRETION, TO) shall, at the request of the port authority, levy taxes for the benefit of, and for expenditure by, such port authority, not exceeding in any one year an amount equal to a tax of (FIVE ONE-HUNDREDTHS OF ONE MILL) .75 mill upon the dollar of the assessed valuation thereof, upon all the taxable property in such city, excluding money and credits, and any amount so levied for such purposes shall be paid over by the city treasurer to the treasurer of the port authority, for expenditure by it, as above provided. The fiscal year of such port authority shall be identical with the fiscal year of such city; provided that any seaway port authority may, by resolution, adopt a fiscal year based on the international shipping season through the St. Lawrence Seaway, independent of the fiscal year of the city in which the seaway port authority is located. The board of county commissioners of any county in which any such city is located, is also hereby authorized to appropriate for the use of such port authority, and to include therefor*

in its levy for general revenue purposes, such amount as it may deem proper; provided, that the total amount permitted by law to be levied by any county for general revenue purposes shall not be deemed increased by this provision; the board of county commissioners in any county entitled to appoint members of a seaway port authority, may annually, upon receipt of a budget as specified above from such port authority, in its discretion levy a tax sufficient to produce a sum not exceeding \$50,000 for the benefit of and for expenditure by such port authority to defray the costs of its current operations in the next ensuing fiscal year which levy shall not be included in computing the amount of levies subject to tax limitations under chapter 275 or any other provision of law. The appropriation to a port authority of moneys derived from any of the county taxes herein authorized shall not be subject to any budgetary law applicable to said county. Any amounts so appropriated or levied by the county shall be paid over by the county treasurer to the port authority for expenditure by it as herein provided, at such times and in such manner as the county board may provide. When any city entitled to appoint members of a seaway port authority has secured the approval of two-thirds of the members of the city council of such city to issue its general obligation bonds, the proceeds of which are to be appropriated to such seaway port authority, the board of county commissioners of any county entitled to appoint members of such seaway port authority may by five-sevenths vote issue general obligation bonds of the county in an amount not to exceed \$4,000,000, and appropriate the proceeds thereof to be used by such port authority for any or all of the purposes specified in section 458.15, if the county board by resolution determines that the conservation, development, reclamation, protection and improvement of lands under the jurisdiction of such port authority and the construction of port facilities thereon will promote the public welfare of the county at large and the economic well-being of its people, industries and commerce, and is an essential governmental function of the county, and can best be performed through the medium of such port authority. Any such bonds shall be issued, sold and secured as provided in sections 475.60 to 475.753; an election shall not be necessary to the validity of such bonds.

*Subd. 2. [REVERSE REFERENDUM.] If a city proposes to increase the levy of the city for port authority purposes pursuant to subdivision 1, it shall pass a resolution stating the amount by which the levy limit base is proposed to be increased. Thereafter, the resolution shall be published for two successive weeks in the official newspaper of the city or if there is no official newspaper, in a newspaper of general circulation in the city, together with a notice fixing a date for a public hearing on the proposed increase. The hearing shall be held not less than two weeks nor more than four weeks after the first publication of the resolution. Following the public hearing, the city may determine to take no further action or, in the alternative, adopt a resolution authorizing the increase as originally proposed or approving an increase in the lesser amount it determines. The*

*resolution authorizing an increase shall be published in the official newspaper of the city if there is no official newspaper, in a newspaper of general circulation in the city. If within 30 days thereafter a petition signed by voters equal in number to five percent of the votes cast in the city in the last general election requesting a referendum on the proposed resolution is filed with the clerk the resolution shall not be effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the referendum. The referendum must be held at a special or general election prior to October 1 of the year for which the levy increase is proposed.*

Sec. 2. Laws 1979, chapter 189, section 2, is amended to read:

Sec. 2. For the purposes of this act, "residential customer" means a customer classified by the public utility as a residential heating or residential non-heating customer of the public utility within the city of St. Paul and "gross operating revenue" means all sums received by the public utility from the sale of gas, hot water heating or electricity, excluding any amounts received which result from a surcharge on the public utility's rate schedule for the purpose of collecting the franchise fee.

Sec. 3. [RAMSEY-WASHINGTON METRO WATERSHED DISTRICT; WATER MAINTENANCE AND REPAIR FUND; CREATION OF FUNDS; TAX LEVY.]

*The Ramsey-Washington metro watershed district may, in addition to its other powers, establish a water maintenance and repair fund which shall be kept distinct from all other funds of the district. The fund shall be maintained by an annual ad valorem tax levy on each dollar of assessed valuation of all taxable property within the Ramsey-Washington metro watershed district sufficient to raise not more than \$30,000 in 1985, and in subsequent years not more than \$15,000. The board of managers of the district shall adopt each year, by resolution, the amount to be raised by mill levy for the fund for the ensuing year, which shall be levied, collected, and distributed to the district in accordance with Minnesota Statutes, section 112.611, in addition to any other money levied, collected, and distributed to the district.*

Sec. 4. [PURPOSE OF FUND.]

*The water maintenance and repair fund may be used for any maintenance, repair, restoration, upkeep, and rehabilitation of any public ditch, drain, dams, sewer, river, stream, watercourse,*

and waterbody, natural or artificial, lying wholly or partly within the district. Works performed in accordance with the purposes of sections 3 to 5 may include, but are not limited to, stream and watercourse clean up and maintenance and stream and watercourse bank and bed repair and stabilization.

#### Sec. 5. [WORKS; MUNICIPALITIES.]

Any works to be undertaken and paid for from the water maintenance and repair fund shall be ordered by the board of managers of the district. Before the commencement of any works ordered, any affected municipality shall be notified in writing by the district about the proposed works and estimated costs. Within 30 days following receipt of the written notice, any affected municipality may notify the district in writing that it will perform the works ordered by the district. If the municipality undertakes the works, it shall be paid as previously prescribed by the district from the water maintenance and repair fund. If any affected municipality fails to perform any works ordered by the board of managers, the district may have the works performed in any other manner authorized by law.

#### Sec. 6. [CROFT HISTORICAL PARK TAX.]

The Croft Historical Park Board, hereafter referred to in sections 6 and 7 as the "board," is created. The Croft Historical Park District, hereafter referred to in sections 6 and 7 as the "district", consists of the cities of Crosby, Cuyuna, Deerwood, Ironton, Riverton, and Trommald and the towns of Deerwood, Irondale, Rabbit Lake and Wolford. All of the cities and towns are located in Crow Wing county. The board shall consist of three members who are residents of the district, each of whom shall be elected at large in the district. The county board shall make arrangements for the holding of a special election within the district. For the initial election, the terms of the board members shall be as follows: one two year term, one three year term and one four year term. Thereafter, each board member shall be elected for a four year term.

If approved by referendum as provided in section 7, the board may levy a tax not to exceed 1.0 mills on the taxable value of all real and personal property located within the district. The amount of tax levied is in addition to all other taxes on the property and must be disregarded in the calculation of all other mill rate or per capita levy limitations imposed by law or charter upon the cities or towns located within the district. The tax shall be collected by the Crow Wing county treasurer and paid directly to the board. The proceeds of the tax levy shall be used by the board in conjunction with money received from the Iron Range Resources and Rehabilitation Board for operation of the Croft Historical Park.



## Sec. 7. [REFERENDUM.]

*The board shall make special arrangements with the Crow Wing county auditor for a referendum. The board shall submit the proposed levy to the eligible voters in the district at a general or special election. The date of the referendum shall be determined by the board. The question submitted shall read substantially as follows:*

*"Shall the Croft Historical Park Board be allowed to impose an annual levy of up to one mill upon all taxable property located within the boundaries of the district?"*

Yes

No "

*If a majority of those voting on the question approve the proposed levy, the board may certify a levy to the Crow Wing county auditor as soon as practical following the referendum and in each subsequent year thereafter.*

## Sec. 8. [CLOQUET; PUBLIC TRANSPORTATION.]

*Upon conditions mutually agreed, the city of Cloquet may contract with a privately owned public transportation system to provide transportation services to the people of the city. The city may disburse money to discharge the terms of the contract. The city may annually levy a property tax not to exceed one mill for the purpose of discharging the contract obligations. The amount of tax levied is in addition to all others permitted by law and must be disregarded in the calculation of statutory or other limitations on property tax levies.*

## Sec. 9. [ST. LOUIS COUNTY LAND CONVEYANCE.]

*The state of Minnesota shall convey to Laila A. Furchner, Box 161, Makinen, Minnesota 55763, land in St. Louis County which forfeited for unpaid property taxes on February 4, 1980, and which is identified by parcel code number 676-10-2220 and legal description SE 1/4 or NW 1/4, Section 12, Township 56, Range 16, (Government Lot 3). The attorney general shall prepare an appropriate instrument of conveyance. The price for the land shall be the same as that provided for a redemption under Minnesota Statutes, section 281.02.*

## Sec. 10. [CITY OF BREEZY POINT; LEVY LIMIT INCREASE.]

*Subdivision 1. [AUTHORIZATION.] The limitation imposed upon the levy of the city of Breezy Point by Minnesota*

*Statutes, section 275.11, is increased by \$125,000 for taxes levied in 1984 and thereafter.*

Subd. 2. [REVERSE REFERENDUM.] *If the Breezy Point city council proposes to increase the levy limit base of the city pursuant to subdivision 1, it shall pass a resolution stating the amount by which the levy limit base is proposed to be increased. Thereafter, the resolution shall be published for two successive weeks in the official newspaper of the city or if there is no official newspaper, in a newspaper of general circulation in the city, together with a notice fixing a date for a public hearing on the proposed increase. The hearing shall be held not less than two weeks nor more than four weeks after the first publication of the resolution. Following the public hearing, the city may determine to take no further action or, in the alternative, adopt a resolution authorizing the increase as originally proposed or approving an increase in the lesser amount it determines. The resolution authorizing an increase shall be published in the official newspaper of the city or if there is no official newspaper, in a newspaper of general circulation in the city. If within 30 days thereafter a petition signed by voters equal in number to five percent of the votes cast in the city in the last general election requesting a referendum on the proposed resolution is filed with the clerk the resolution shall not be effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the referendum. The referendum must be held at a special or general election prior to October 1, 1984.*

#### Sec. 11. [APPLICABILITY.]

*On its effective date, section 10 applies to the city of Breezy Point.*

#### Sec. 12. [CITY OF OAKDALE; LEVY LIMIT INCREASE.]

*The limitation imposed upon the levy of the city of Oakdale by Minnesota Statutes, sections 275.50 to 275.56 is increased by \$100,000 for taxes levied in 1984, 1985, and 1986. This amount is not subject to the penalty provisions of section 275.51, subdivision 4. In computing the levy limit base for taxes levied in 1987, \$100,000 shall be subtracted from the adjusted levy limit base for taxes levied in 1986.*

#### Sec. 13. [REVERSE REFERENDUM.]

*If the Oakdale city council proposes to increase the levy limit base of the city pursuant to section 12, it shall pass a resolution stating the amount by which the levy limit base is proposed to be increased. Thereafter, the resolution shall be published for*

two successive weeks in the official newspaper of the city or if there is no official newspaper, in a newspaper of general circulation in the city, together with a notice fixing a date for a public hearing on the proposed increase. The hearing shall be held not less than two weeks nor more than four weeks after the first publication of the resolution. Following the public hearing, the city may determine to take no further action or, in the alternative, adopt a resolution authorizing the increase as originally proposed or approving an increase in the lesser amount it determines. The resolution authorizing an increase shall be published in the official newspaper of the city or if there is no official newspaper, in a newspaper of general circulation in the city. If within 30 days thereafter a petition signed by voters equal in number to ten percent of the votes cast in the city in the last general election requesting a referendum on the proposed resolution is filed with the clerk the resolution shall not be effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the referendum. The referendum must be held at a special or general election prior to October 1, 1984.

#### Sec. 14. [APPLICABILITY.]

*On its effective date, sections 12 and 13 apply to the city of Oakdale.*

#### Sec. 15. [MORRISON COUNTY LAND CONVEYANCE.]

*The state of Minnesota shall convey to Richard T. Peterson, Route #6, Little Falls, 56345, any land in Morrison County owned by him in 1977 which became forfeited for unpaid property taxes after 1977. The attorney general shall prepare appropriate instruments of conveyance with a precise description of all land subject to this section. The price for the land shall be the same as that provided for a redemption under Minnesota Statutes, section 281.02.*

#### Sec. 16. [EFFECTIVE DATE.]

*Section 2 is effective for sales after June 30, 1984. Sections 3 to 5 are effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the board of managers of the Ramsey-Washington metro watershed district. Sections 6 and 7 are effective May 1, 1984. Section 8 is effective upon the day after the filing of its approval by the governing body of the city of Cloquet in accordance with Minnesota Statutes, section 645.021, subdivision 3. Pursuant to Minnesota Statutes, section 645.023, subdivision 1, clause (a), sections 10 and 11 are effective without local approval the day after final enactment. Pursuant to Minnesota Statutes, section 645.023, subdivision 1,*

clause (a), sections 12, 13, and 14 are effective without local approval the day after final enactment.

## ARTICLE 14

### MISCELLANEOUS

#### 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. A negotiated contract or agreement between a vendor and a state agency which requires an audit by the state agency prior to acceptance and payment of the vendor's invoice shall not be considered past due until 30 days after the completion of the audit by the state agency. 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 a vendor for the unpaid balance for any one overdue bill equal to or in excess of \$100 is \$10. For unpaid balances of less than \$100, the state agency shall pay the actual penalty due to the vendor.

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 240.18, is amended to read:

**240.18 [BREEDERS FUND.]**

The commission shall establish a Minnesota breeders fund with the money paid to it under section 240.15, subdivision 1. The commission, after paying the current costs of administering the fund, shall distribute the available net proceeds as follows:

(1) Twenty percent of the (REMAINING) *available* money in the fund must be expended as grants for equine research and related education at public institutions of post-secondary learning within the state.

(2) After deducting the amount for (1), the balance of the (FUND) *available proceeds* shall be apportioned into categories corresponding with the various breeds of horses which (RACED) *are racing* at licensed Minnesota racetracks (IN THE PREVIOUS YEAR), in proportion to each category's contribution to the fund. The *available* funds in each category may be expended by the commission to:

(a) supplement purses for races held exclusively for Minnesota-bred, Minnesota-foaled or Minnesota-owned horses until January 1, (1986) 1988, and for Minnesota-bred and Minnesota-foaled horses after that date;

(b) pay breeders or owners awards to the breeders or owners of Minnesota-bred horses which win money at licensed racetracks in the state; and

(c) provide other financial incentives to encourage the horse breeding industry in Minnesota.

The commission shall adopt rules governing the distribution of the fund. The commission may establish advisory committees to advise it on the distribution of money under this section, provided that the members of an advisory committee shall serve without compensation.

Sec. 3. Minnesota Statutes 1982, section 270A.03, subdivision 5, is amended to read:

Subd. 5. "Debt" means a legal obligation of a natural person to pay a fixed and certain amount of money, which equals or exceeds \$25 and which is due and payable to a claimant agency. The term includes criminal fines imposed under section 609.10. A debt may arise under a contractual or statutory obligation, a court order, or other legal obligation, but need not have been reduced to judgment. A debt does not include (1) any legal obligation of a current recipient of assistance which is based on overpayment of an assistance grant, or (2) *any legal obligation to pay a claimant agency for medical care, including hospitalization if the debtor qualified for a low income credit equal to tax liability pursuant to section 290.06, subdivision 3d, clause (1), at the time when the medical care was rendered.*

Sec. 4. Minnesota Statutes 1982, section 270A.04, subdivision 2, is amended to read:

Subd. 2. Any debt owed to a claimant agency shall be submitted by the agency for collection under the procedure established by sections 270A.01 to 270A.12 unless (a) an alternative means of collection is pending and believed to be adequate, (b) the collection attempt would result in a loss of federal funds, or (c) the agency is unable to supply the department with the necessary identifying information required by subdivision 3 or rules promulgated by the commissioner, or (d) *the debt is barred by section 541.05.*

Sec. 5. Minnesota Statutes 1982, section 270A.08, subdivision 1, is amended to read:

Subdivision 1. Not later than five days after the claimant agency has sent notification to the department pursuant to section 270A.07, subdivision 1, the claimant agency shall send a written notification to the debtor asserting the right of the claimant agency to the refund or any part thereof. *If the notice is returned to the claimant agency as undeliverable, or the claimant agency has reason to believe the debtor did not receive the notice, the claimant agency shall obtain the current address of the debtor from the commissioner and resend the corrected notice.*

Sec. 6. Minnesota Statutes 1982, section 270A.08, subdivision 2, is amended to read:

Subd. 2. (a) This written notice shall clearly and with specificity set forth the basis for the claim to the refund *including the name of the benefit program involved if the debt arises from a public assistance grant and the dates on which the debt was incurred* and, further, shall advise the debtor of the claimant agency's intention to request set-off of the refund against the debt.

(b) The notice will also advise the debtor of his right to contest the validity of the claim at a hearing. The debtor must assert this right by written request to the claimant agency, which request the agency must receive within 45 days of the mailing date of the original notice *or of the corrected notice*, as required by subdivision 1. *If the debtor has not received the notice, the 45 days shall not commence until the debtor has received actual notice. The debtor shall have the burden of showing no notice and shall be entitled to a hearing on the issue of notice as well as on the merits.*

Sec. 7. Minnesota Statutes 1982, section 287.05, is amended by adding a subdivision to read:

Subd. 3. *When a mortgage secures a revolving line of credit under which advances, payments, and readvances may be made from time to time, the tax imposed under subdivision 1 shall be*

*paid on the maximum amount of the line of credit which may be secured at any one time, as expressed in the mortgage, regardless of the time or amount of advances, payments, or readvances.*

Sec. 8. Minnesota Statutes 1982, section 287.05, is amended by adding a subdivision to read:

*Subd. 4. No tax under subdivision 1 shall be paid on the indeterminate amount which may be advanced by the mortgagee in protection of the mortgaged premises or the mortgage, including taxes, assessments, charges, claims, fines, impositions, insurance premiums, amounts due upon prior or superior mortgages and other prior or superior liens, encumbrances and interests, and legal expenses and attorneys' fees.*

Sec. 9. Minnesota Statutes 1982, section 287.05, is amended by adding a subdivision to read:

*Subd. 5. When a mortgage secures an indeterminate amount other than those described in subdivision 3 or 4, no tax shall be paid at the time the mortgage is recorded or registered, but the tax must be paid at the time of recording or filing an affidavit stating the amount and time of the actual advance.*

Sec. 10. Minnesota Statutes 1983 Supplement, section 296.14, subdivision 4, is amended to read:

Subd. 4. [PAYMENT AND TRANSFER OF TAX ON GASOLINE SOLD FOR STORAGE IN ON-FARM BULK STORAGE AND ETHYL ALCOHOL FOR PERSONAL USE.] Notwithstanding the provisions of this section, the producer of ethyl alcohol which is produced for personal use and not for sale in the usual course of business and a farmer who uses gasoline on which a tax has not been paid shall report and pay the tax on all ethyl alcohol or gasoline delivered into the supply tank of a licensed motor vehicle during the preceding calendar year. The tax shall be reported and paid together with (THE INCOME TAX RETURN OF) any refund claim filed by the taxpayer under section 296.18. If no refund claim is filed, the tax shall be reported and paid annually by March 15 or more frequently, as the commissioner may prescribe. (THE COMMISSIONER OF REVENUE SHALL TRANSFER THE AMOUNT COLLECTED IN EACH CALENDAR YEAR TO THE HIGHWAY USER TAX DISTRIBUTION FUND BY MARCH 30 OF THE FOLLOWING TAXABLE YEAR.) Any producer, qualifying under this subdivision, shall be exempt from the licensing requirements contained in section 296.01, subdivision 1.

Sec. 11. Minnesota Statutes 1983 Supplement, section 296.18, subdivision 1, is amended to read:

Subdivision 1. [GASOLINE OR SPECIAL FUEL USED IN OTHER THAN MOTOR VEHICLES.] Any person who shall



buy and use gasoline for (ANY) a *qualifying* purpose other than use in motor vehicles, snowmobiles, or motorboats, or special fuel for (ANY) a *qualifying* purpose other than use in licensed motor vehicles, and who shall have paid the Minnesota excise tax directly or indirectly through the amount of the tax being included in the price of the gasoline or special fuel, or otherwise, shall be (ELIGIBLE TO RECEIVE THE CREDIT PROVIDED IN SECTION 290.06, SUBDIVISION 13, IN) *reimbursed and repaid* the amount of the tax paid by him upon filing with the commissioner a signed claim in writing in the form and containing the information the commissioner shall require and accompanied by the original invoice thereof. (THE TAXPAYER CLAIMING THIS CREDIT SHALL INCLUDE WITH HIS INCOME TAX RETURN INFORMATION INCLUDING) *By signing any such claim which is false or fraudulent, the applicant shall be subject to the penalties provided in this section for knowingly making a false claim. The claim shall set forth the total amount of the gasoline so purchased and used by him other than in motor vehicles, or special fuel so purchased and used by him other than in licensed motor vehicles, and shall state when and for what purpose it was used. When a claim contains an error in computation or preparation, the commissioner is authorized to adjust the claim in accordance with the evidence shown on the claim or other information available to him. If the commissioner is satisfied that the claimant is entitled to the payments, he shall approve the claim and transmit it to the commissioner of finance. No repayment shall be made unless the claim and invoice shall be filed with the commissioner within one year from the date of the purchase. The postmark on the envelope in which the claim is mailed shall determine the date of filing. The words "gasoline" or "special fuel" as used in this subdivision do not include aviation gasoline or special fuel for aircraft. Gasoline or special fuel bought and used for a "qualifying purpose" means:*

(1) Gasoline or special fuel used in carrying on a trade or business, used on a farm situated in Minnesota, and used for a farming purpose. "Farm" and "farming purpose" have the meanings given them in section 6420(c) (2), (3), and (4) of the Internal Revenue Code of 1954, as amended through December 31, 1983.

(2) Gasoline or special fuel used for off-highway business use. "Off-highway business use" means any use by a person in that person's trade, business, or activity for the production of income. "Off-highway business use" does not include use as a fuel in a motor vehicle which, at the time of use, is registered or is required to be registered for highway use under the laws of any state or foreign country.

Sec. 12. Minnesota Statutes 1982, section 296.18, subdivision 3, is amended to read:

Subd. 3. [PENALTIES FOR FILING FALSE CLAIMS.] Every person who shall make any false statement in any claim

or invoice filed with the commissioner, or knowingly file with the commissioner any claim or invoice containing any false statement or collect or cause to be paid to him or to any other person a refund without being entitled thereto, when acting pursuant to the provisions of subdivision 1 or 2, clause 3, shall forfeit the full amount of the claim and be guilty of a misdemeanor. Every person who is convicted under the provisions of this subdivision shall be prohibited from filing with the commissioner any claim for refund upon gasoline purchased within six months after such conviction.

Sec. 13. Minnesota Statutes 1982, section 296.18, subdivision 8, is amended to read:

Subd. 8. [APPROPRIATION.] There is hereby appropriated to the persons entitled to such refund under this section, from the fund or account in the state treasury to which the money was credited, an amount sufficient to make the refund and payment. (THERE IS ANNUALLY APPROPRIATED FROM THE HIGHWAY USER TAX DISTRIBUTION FUND TO THE GENERAL FUND THE AMOUNT REQUIRED TO MAKE THE REFUNDS REQUIRED TO BE PAID AS INCOME TAX CREDITS PURSUANT TO SECTIONS 290.06, SUBDIVISION 13 AND 296.18, SUBDIVISION 1.)

Sec. 14. Minnesota Statutes 1982, section 341.05, is amended to read:

#### 341.05 [DUTIES.]

Subdivision 1. The board of boxing shall have charge and supervision of all boxing and sparring exhibitions held in the state and have power:

(1) To promulgate rules governing the conduct of boxing and sparring exhibitions and the time and place thereof;

(2) To issue licenses to individuals or organizations desiring to promote or conduct boxing or sparring exhibitions, and to suspend or revoke the licenses at its pleasure; every application for a license shall designate the territory in which the individual or organization intends to operate, and the license granted shall entitle the licensee to conduct the exhibitions in that territory and in no other.

(THE COMMISSIONER OF REVENUE SHALL COLLECT FIVE PERCENT OF THE GROSS RECEIPTS FROM ADMISSION TO EVERY BOXING AND SPARRING EXHIBITION OTHER THAN AN AMATEUR BOXING AND SPARRING EXHIBITION HELD WITHIN THE STATE, AND FIVE PERCENT OF THE GROSS RECEIPTS FROM THE LEASE

OR SALE OF RADIO, MOTION PICTURE AND TELEVISION RIGHTS THEREIN.)

(ALL COMPLIMENTARY TICKETS FOR A BOXING AND SPARRING EXHIBITION OTHER THAN AN AMATEUR BOXING AND SPARRING EXHIBITION PRESENTED AT ANY ENTRANCE GATE SHALL LIKEWISE BE ASSESSED FOR THE TAX HEREIN PROVIDED FIVE PERCENT OF THE VALUE THEREOF. ALL MONEYS SO COLLECTED SHALL BE PAID INTO THE STATE TREASURY.)

Subd. 2. The board of boxing shall issue a license to a person or organization holding, showing, or exhibiting a simultaneous telecast of any live, current, or spontaneous boxing or sparring match, exhibition, or performance on a closed circuit telecast or subscription television program viewed within the state, whether originating in this state or elsewhere, and for which a charge is made. Each such person or organization shall apply for such a license in advance of each showing (AND SHALL WITHIN 24 HOURS AFTER THE TERMINATION OF SUCH SHOWING FURNISH THE COMMISSIONER OF REVENUE A WRITTEN REPORT, DULY VERIFIED BY AN AUTHORIZED PERSON, SHOWING THE NUMBER OF TICKETS SOLD FOR SUCH SHOWING, THE AMOUNT OF THE GROSS PROCEEDS THEREOF, AND SUCH OTHER MATTERS AS THE COMMISSIONER OF REVENUE MAY PRESCRIBE; AND SHALL ALSO, WITHIN 24 HOURS AFTER THE TERMINATION OF SUCH SHOWING, PAY TO THE COMMISSIONER OF REVENUE FIVE PERCENT OF THE GROSS RECEIPTS FROM THE SALE OF TICKETS OF ADMISSION OR MONEYS RECEIVED FROM SUBSCRIPTION FOR THE SHOWING OR EXHIBITING OF SAID BOXING OR SPARRING MATCH, EXHIBITION, OR PERFORMANCE. IF THE BOXING OR SPARRING MATCH, EXHIBITION, OR PERFORMANCE IS WHOLLY AMATEUR NO PAYMENT IS DUE).

Whoever violates the provisions of this subdivision is guilty of a misdemeanor and may be punished therefor as provided by law. The penalty herein provided is in addition to any other penalty for violation of this subdivision as may be otherwise fixed in this chapter.

Sec. 15. Minnesota Statutes 1982, section 473.595, subdivision 1, is amended to read:

Subdivision 1. [ADMISSION TAX.] Effective January 1, 1978, the commission shall by resolution impose a three percent admission tax upon the granting, sale, or distribution, by any private or public person, association, or corporation, of the privilege of admission to activities; except for those activities sponsored at the indoor public assembly facility at the metro-

politan sports area known as the metropolitan sports center. Commencing with the operation of sports facilities constructed or remodeled by the commission pursuant to sections 473.551 to 473.595, the commission shall impose an additional seven percent admission tax upon activities conducted at such sports facilities. Effective January 1, 1978, no other tax, except the taxes imposed by chapter 297A, may be levied by any other unit of government upon any such sale or distribution. The admission tax shall be stated and charged separately from the sales price so far as practicable and shall be collected by the grantor, seller, or distributor from the person admitted and shall be a debt from that person to the grantor, seller, or distributor, and the tax required to be collected shall constitute a debt owed by the grantor, seller, or distributor to the commission, which shall be recoverable at law in the same manner as other debts. Every person granting, selling, or distributing tickets for such admissions may be required, as provided in resolutions of the commission, to secure a permit, to file returns, to deposit security for the payment of the tax, and to pay such penalties for nonpayment and interest on late payments, as shall be deemed necessary or expedient to assure the prompt and uniform collection of the tax.

*Notwithstanding any other provisions of this subdivision, the imposition of an admission tax upon a national superbowl football game conducted at the commission's facilities is discretionary with the commission.*

**Sec. 16. [507.325] [MORTGAGE SECURING REVOLVING LINE OF CREDIT; NOTICE.]**

*A mortgage securing a revolving line of credit under which advances, payments, and readvances may be made from time to time, and which states the maximum amount of the line of credit which may be secured at any one time, is effective as notice to parties from the time the mortgage is recorded as to all advances and readvances secured thereby, regardless of the time or amount of advances, payments, or readvances and whether or not the advances or readvances are obligatory.*

**Sec. 17. [508.555] [MORTGAGE SECURING REVOLVING LINE OF CREDIT; NOTICE.]**

*A mortgage securing a revolving line of credit under which advances, payments, and readvances may be made from time to time, and which states the maximum amount of the line of credit which may be secured at any one time, is effective as notice to parties from the time the mortgage is filed and registered as to all advances and readvances secured thereby, regardless of the time or amount of advances, payments, or readvances and whether or not the advances or readvances are obligatory.*

**Sec. 18. [APPROPRIATION.]**

*There is appropriated from the general fund to the finance department for fiscal year 1985 the sum of \$240,000 for the operating expenses of the tax study commission. The approved complement of the tax study commission for fiscal year 1985 is seven. This appropriation is available until February 28, 1985.*

Sec. 19. H. F. No. 1393, article 9, section 9, if enacted during the 1984 regular session, is amended to read:

**Sec. 9. [EDUCATION AIDS INCREASE ACCOUNT.]**

**Subdivision 1. [ESTABLISHMENT.]** There is established an education aids increase account in the general fund of the state treasury for the deposit of funds to insure adequate funding for increases in aids to school districts for the biennium beginning July 1, 1985.

**Subd. 2. [INITIAL TRANSFER.]** The commissioner of finance shall transfer (\$23,000,000) \$21,700,000 to the education aids increase account on July 1, 1984.

**Subd. 3. [CONTINGENT TRANSFERS.]** If forecasts of general fund revenues and expenditures prepared by the commissioner of finance pursuant to chapter 16A prior to December 1, 1984, indicate a projected general fund balance for the biennium ending June 30, 1985, the commissioner shall transfer the amount of the balance to the education aids increase account; however, in no case shall the cumulative total of all transfers according to this subdivision exceed (\$27,000,000) \$28,300,000. Transfers to the education aids increase account shall remain in the account until expended.

**Subd. 4. [EXPIRATION OF ACCOUNT.]** The education aids increase account shall expire on June 30, 1987. Any unexpended moneys in the education aids increase account on June 30, 1987, shall be transferred to the general fund.

**Sec. 20. [REPEALER.]**

(a) *Minnesota Statutes 1982, section 290.06, subdivision 13, is repealed.*

(b) *Minnesota Statutes 1982, section 270.051, is repealed.*

**Sec. 21. [EFFECTIVE DATE.]**

*Section 1 is effective July 1, 1984, and applies to all payments due on or after that date. Section 3 is effective for amounts*

*remitted or transferred to a claimant agency after the day of final enactment. Sections 10 to 13 and 20, paragraph (a), are effective for taxable years beginning after December 31, 1984. Sections 14 and 20, paragraph (b), are effective July 1, 1984. Section 19 is effective the day after final enactment."*

Delete the title and insert:

"A bill for an act relating to financing and operation of government in this state; increasing the budget reserve account; repealing the income tax surtax; providing a tax amnesty; increasing the school agricultural credit; providing for distribution of proceeds from Minnesota breeders fund; changing notice provisions and qualifying debts under the revenue recapture capture act; clarifying the application of the mortgage registry tax to revolving lines of credit; changing refund procedure of motor fuels tax; abolishing the excise tax on boxing; changing the maximum property tax levy of Duluth port authority; exempting hot water heating from St. Paul franchise tax; giving certain powers to the Ramsey-Washington metro watershed district; creating the Croft Historical Park board; giving the city of Cloquet power to contract and levy for public transportation; providing for the conveyance of certain lands in St. Louis County and Morrison County; authorizing levy limit increases for the cities of Breezy Point and Oakdale; abolishing rent capitalization and providing for study by the department of revenue; imposing requirements for disaster relief property tax credits; changing certain assessment ratios; changing eligibility for certain assessment ratios; changing homestead classification treatment; changing property tax statement requirements; delaying imposition of a property tax penalty; providing for notice of sale of certain tax forfeited lands; changing computation of payments in lieu; requiring tax clearance prior to issuance of certain licenses; restoring local government aid payments for 1984; modifying the computation formula for local government aids; providing for a local government aids study commission; changing designation and funding for enterprise zones; changing procedures and eligibility for certain business income tax credits; allowing or increasing income tax deductions for certain dividends and royalties; restricting tax exemptions for redevelopment companies; providing grants for plant expansions; adjusting the computation of taxes on taconite and iron ore and authorizing certain refunds and credits; modifying distributions from the proceeds of the taconite tax; changing computation of agricultural, homestead, and taconite homestead credits; allowing taxing districts to levy for certain purposes; changing the definition of political party for purposes of the political contribution credit; changing the income tax pension exclusion; altering certain gross income modifications; increasing the tuition deduction; providing for the adjustment of income under the farm loss modification; providing for the determination of sales within the state for income tax purposes; changing or eliminating withholding on parimutuel winnings

and purses; reenacting rental registration provisions; establishing an agricultural resource loan guaranty program; regulating charitable gambling; requiring prompt payment by state agencies; providing that certain admission taxes are discretionary with the metropolitan sports facilities commission; changing certain transfers to the education aids increase account; exempting sales of candy by nonprofit youth organizations from the sales tax; changing certain provisions relating to sales ratios and property tax appeals; including logging equipment in the definition of farm machinery; providing a reduced sales tax rate on capital equipment and special tooling; exempting hot water and certain manufactured homes from the sales tax; exempting certain vehicles used in interstate commerce; providing that sales of certain leased vehicles are not exempt; simplifying hydropower lease procedures; clarifying certain exempt land; modifying the definition of wetlands; extending availability of confession of judgment procedures to certain nonhomestead property; modifying and extending the targeting credit for certain years; providing property tax reimbursement for certain transit levies; changing certain procedures for valuing railroad property; providing certain refunds for railroad abatements; appropriating money; amending Minnesota Statutes 1982, sections 10A.31, subdivisions 3a and 5; 105.482, subdivisions 8 and 9; 124.2131, subdivision 1; 270.04, subdivision 2; 270.80, subdivision 4; 270.84, subdivision 1; 270.86; 270.87; 270A.03, subdivision 5; 270A.08, subdivisions 1 and 2; 271.01, subdivision 5; 271.06, subdivision 6; 272.02, by adding a subdivision; 273.123, by adding subdivisions; 273.13, subdivision 19; 273.135, subdivisions 2 and 5; 273.1391, subdivisions 2 and 4; 273.19, by adding a subdivision; 279.37, subdivisions 1 and 3; 287.05, by adding subdivisions; 290.06, by adding a subdivision; 290.08, by adding a subdivision; 290.19, subdivision 1a; 290.21, by adding a subdivision; 290.61; 290A.04, by adding a subdivision; 295.44, subdivision 1; 296.18, subdivisions 3 and 8; 297A.01, subdivision 15, and by adding subdivisions; 297A.15, by adding a subdivision; 297A.44, subdivision 1; 297B.035, subdivision 3; 298.01; 298.02, subdivision 1; 298.031, subdivision 2; 298.225; 298.24, subdivision 1, and by adding a subdivision; 298.40, by adding a subdivision; 299.012, subdivision 1; 341.05; 349.11; 349.12; 349.13; 349.14; 349.15; 349.16; 349.17; 349.18; 349.19; 349.20; 349.21; 349.22; 349.31, subdivision 1; 362A.01, subdivision 1; 362A.05; 458.14; 462.651, subdivision 1, and by adding a subdivision; 473.595, subdivision 1; 477A.13; Minnesota Statutes 1983 Supplement, sections 16A.15, subdivision 6; 124.2137, subdivision 1; 240.18; 272.02, subdivision 1; 273.11, subdivision 1; 273.13, subdivisions 6, 7, 9, 17, 17b, 17c, and 21; 273.1312, subdivision 4; 273.1314, subdivisions 6, 8, and 15; 275.125, subdivisions 11a, 11b, and 12a; 276.04; 278.01, subdivision 1; 278.05, subdivision 4; 279.01, subdivision 1; 290.01, subdivisions 20a and 20b; 290.06, subdivision 11; 290.069, subdivisions 1, 2, 4, 5, and by adding subdivisions; 290.089, subdivision 2; 290.09, subdivision 29; 290.18, subdivision 2; 290.21, subdivision 4; 290.92, subdivisions 27 and 28; 290A.04, subdivisions 2e and 2f; 296.14,

subdivision 4; 296.18, subdivision 1; 297A.02, subdivision 2, and by adding a subdivision; 297A.14; 297A.25, subdivision 1; 297B.03; 298.28, subdivision 1; 340.14, subdivision 2; 473.446, subdivision 1; 477A.013, subdivisions 1 and 2; 477A.0131, subdivision 1; 609.75, subdivision 3; 609.761; amending Laws 1979, chapter 189, section 2; Laws 1982, Second Special Session, chapter 2, sections 12, as amended, and 14, as amended; Laws 1983, chapter 342, article 1, section 44; 1984 Regular Session, H. F. No. 1393, article 9, section 9; proposing new law coded as Minnesota Statutes, chapter 41A; proposing new law coded in Minnesota Statutes, chapters 16A; 270; 282; 349; 362A; 507; 508; repealing Minnesota Statutes 1982, sections 270.051; 290.06, subdivision 13; 295.44, subdivisions 2, 3, and 4; 349.26; 462.651, subdivision 2; Minnesota Statutes 1983 Supplement, sections 273.11, subdivision 7; 290.06, subdivision 2e; 462.651, subdivision 3; 477A.0131, subdivision 2; and 477A.03, subdivision 2; Laws 1983, chapter 342, article 1, section 8."

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

House Conferees: JOHN D. TOMLINSON, RANDY C. KELLY, WILLIS EKEN, ELTON R. REDALEN and HARRY A. SIEBEN, JR.

Senate Conferees: DOUGLAS J. JOHNSON, COLLIN C. PETERSON, LINDA BERGLIN, STEVEN G. NOVAK and JOHN BERNHAGEN.

Tomlinson moved that the report of the Conference Committee on H. F. No. 2016 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2016, A bill for an act relating to taxation; repealing the income tax surtax; modifying the designation of enterprise zones; increasing the funding for enterprise zones; modifying the definition of political party under the political contribution credit; providing an income tax credit for conservation tillage farm equipment; eliminating racehorses from the farm loss modification; permitting certain net operating loss carrybacks; permitting deduction of certain foreign taxes paid; allowing deduction of foreign dividends and royalties; modifying the definition of apportionment factors; restricting tax exemptions for redevelopment companies; changing the computation of the school agricultural credit retroactive to taxes payable in 1984 in certain cases; modifying the maximum targeting credit for payable 1984; providing a targeting credit for payable 1985; changing computation of certain local government aid payments; directing the department of revenue to issue guidelines on certain topics; instructing the commissioner to determine production value ratio; authorizing certain additional levies in counties; modifying the use of the sales ratio study as evidence in court; changing the methodology of the sales ratio study; changing certain property tax appeal procedures; imposing requirements for disaster relief credits; increasing agricultural aid to certain property; modifying the homestead credit provisions for certain property and providing refunds; changing the classifica-



tion ratio maximum value on commercial and industrial property; limiting the property tax exemption for certain projects; repealing the exemption for franchise and special taxes and fees for certain projects; modifying the property tax refund with respect to certain claims; repealing rent capitalization; changing the estate tax; allowing the commissioner more discretion in valuing railroad property; providing for equalization of railroad valuations; authorizing the Ramsey-Washington metro watershed district to establish a maintenance and repair fund and levy taxes; creating the Croft historical park board; authorizing the board to levy taxes; authorizing the city of Cloquet to levy taxes for certain transit expenses; authorizing the conveyance of certain land in St. Louis County; clarifying the application of the mortgage registry tax to revolving lines of credit; changing the procedures for refunds of the motor fuels tax; reducing the sales tax rate for purchases of capital equipment and manufactured housing; exempting agricultural electricity, residential hot water district heating, and used manufactured housing from the sales tax; exempting certain sales by nonprofit organizations from the sales tax; exempting residential district heating from the St. Paul franchise tax; repealing the accelerated payment of sales tax; transferring motor vehicle excise tax proceeds to the highway user and transit funds; providing for the priority of certain liens securing revolving lines of credit; increasing the interest rate on state tax refunds; appropriating money; amending Minnesota Statutes 1982, sections 10A.31, subdivisions 3a and 5; 124.2131, subdivision 1; 270.80, subdivision 4; 270.84, subdivision 1; 270.86; 270.87; 270A.07, subdivision 5; 271.01, subdivision 5; 271.06, subdivision 6; 271.12; 273.123, by adding subdivisions; 273.13, subdivisions 9 and 19; 287.05, by adding subdivisions; 290.01, subdivision 20e; 290.06, by adding a subdivision; 290.19, subdivision 1a; 290.21, by adding a subdivision; 290.92, subdivision 11; 290.936; 290A.04, by adding a subdivision; 290A.07, subdivision 2a; 291.075; 291.09, subdivision 1a; 291.132, subdivision 2; 291.18; 291.215, subdivision 1; 294.09, subdivision 1; 296.18, subdivisions 3 and 8; 297A.01, by adding subdivisions; 297A.15, by adding a subdivision; 297B.035, subdivision 3; 298.09, subdivision 4; 299.05; 462.651, subdivision 1, and by adding a subdivision; and 477A.13; Minnesota Statutes 1983 Supplement, sections 16A.15, subdivision 6; 124.2137, subdivision 1; 273.11, subdivision 1; 273.13, subdivisions 6 and 21; 273.1314, subdivisions 6, 8, and 15; 278.01, subdivision 1; 278.05, subdivision 4; 290.06, subdivision 11; 290.09, subdivision 29; 290.18, subdivision 2; 290.21, subdivision 4; 290.50, subdivision 1; 290.92, subdivision 13; 290.93, subdivision 9; 290A.03, subdivisions 8 and 13; 290A.04, subdivision 2e, and by adding a subdivision; 290A.05; 290A.07, subdivision 3; 291.005, subdivision 1; 291.03, subdivision 1; 291.09, subdivision 3a; 296.14, subdivision 4; 296.18, subdivision 1; 297A.02, subdivision 2, and by adding a subdivision; 297A.14; 297.25, subdivision 1; 297A.27, subdivision 1; 297A.35, subdivision 1; 297B.09; and 477A.013, subdivision 1; Laws 1979, chapter 189, section 2; proposing new law coded in Minnesota Statutes, chapters 270, 507 and 508; repealing Minnesota Statutes 1982, sections 270.90; 291.015;

291.03, subdivisions 3, 4, 5, 6, and 7; 291.05; 291.051; 291.06; 291.065; 291.07; 291.08; 291.09, subdivision 5; 291.111; and 462.651, subdivision 2; Minnesota Statutes 1983 Supplement, sections 273.11, subdivision 7; 290.06, subdivisions 2e and 13; 297A.275; and 462.651, subdivision 3; and Laws 1983, chapter 342, article 1, section 8.

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

The question was taken on the repassage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

#### ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1257:

Rice, Jacobs and Jennings.

REPORT FROM THE COMMITTEE ON RULES AND  
LEGISLATIVE ADMINISTRATION

Eken, from the Committee on Rules and Legislative Administration, pursuant to rule 1.9, designated the following bill as a Special Order to be acted upon immediately:

S. F. No. 1048.

The following bills were designated as Special Orders to be added to Special Orders pending for today, Thursday, April 19, 1984:

S. F. Nos. 1736, 1435, 1520, 1235, 1974, 1492 and 2016; H. F. No. 2020; S. F. Nos. 1864, 1575, 1628, 1007, 1842 and 1862; H. F. No. 1994; S. F. No. 1883; H. F. No. 2207; S. F. Nos. 1418, 1455, 1572, 1365, 1702, 1466, 1498, 1337, 1683, 1790, 1789, 595, 1451, 1408, 1914, 1668, 282, 881, 2030, 1905 and 992; H. F. No. 2263; S. F. No. 234; H. F. No. 347; S. F. Nos. 120, 924, 1560, 1561 and 1442; H. F. Nos. 1665 and 1935; S. F. No. 1330; H. F. No. 1900; S. F. No. 1452; H. F. No. 2021; S. F. Nos. 2102, 1562 and 2043; H. F. No. 288; S. F. Nos. 1441, 1614, 1940, 1884, 1813 and 1243; H. F. No. 2134; S. F. Nos. 2109, 531 and 2083; and H. F. Nos. 2289 and 2312.

## SPECIAL ORDERS

S. F. No. 1048 was reported to the House.

The Speaker called Wynia to the Chair.

Battaglia moved to amend S. F. No. 1048, the unofficial engrossment, as follows:

Page 10, after line 12, insert:

"Sec. 14. Minnesota Statutes 1983 Supplement, section 102.26, subdivision 3d, is amended to read:

Subd. 3d. In 1984 and any subsequent year an existing licensee may transfer the walleye quota allocated to him under subdivision 3a or 3b to any other existing licensee or, after July 1, 1985, he may sell the quota to the state. If a licensee sells the quota to the state, he must sell the quota for all years remaining in the quota schedule as provided in subdivision 3a or 3b. A sale to the state shall be at the present wholesale value of the quota as determined by (APPLYING THE STANDARD FORMULA FOR COMPUTING PRESENT VALUE) assuming the following: (a) an allocation to the licensee of the same proportion of the total remaining walleye quota as allocated in the year of sale; (b) (AN INTEREST RATE OF EIGHT PERCENT; AND (C)) a walleye wholesale price in the round of \$1.15 per pound. A licensee may elect to receive payment for a sale to the state in a lump sum or in up to four annual installments. Any quota sold to the state shall cancel and is not available for reallocation to any

other licensee. When a walleye quota is sold to the state and canceled, the gill net license of the licensee shall be canceled."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "eliminating the discount on walleye buyouts;"

Page 1, line 8, delete "and" and after "5" insert "; and 102.26, subdivision 3d"

The motion prevailed and the amendment was adopted.

Osthoff was excused between the hours of 4:05 p.m. and 5:50 p.m.

Solberg and Carlson, D., moved to amend S. F. No. 1048, the unofficial engrossment, as amended, as follows:

Page 6, delete lines 13 to 36, and insert:

"Sec. 9. [MILLE LACS LAKE ANGLING SEASON IN 1984.]

*Notwithstanding section 97.48, subdivision 1, the commissioner of natural resources may open the 1984 season for angling for northern pike or pickerel on Mille Lacs Lake at the same time as the opening of the angling season for walleye. The commissioner is not required to reduce the 1984 angling season for northern pike or pickerel on Mille Lacs Lake in proportion to any previous reduction of the spearing season for northern pike or pickerel."*

Amend the title as follows:

Page 1, line 6, delete "97.48, subdivision 1;"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 78 yeas and 39 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Boo	Clark, K.	Elioff	Gruenes
Anderson, R.	Brinkman	Clawson	Ellingson	Gustafson
Beard	Burger	Cohen	Erickson	Halberg
Begich	Carlson, D.	Coleman	Evans	Heap
Bergstrom	Carlson, L.	DenOuden	Fjoslien	Heinitz
Bishop	Clark, J.	Eken	Graba	Himle

Hoffman	Marsh	Onnen	Schoenfeld	Valan
Hokr	Minne	Otis	Segal	Vanasek
Johnson	Munger	Pauly	Sherman	Voss
Knickerbocker	Murphy	Peterson	Simoneau	Waltman
Kostohryz	Nelson, D.	Piper	Skoglund	Welch
Krueger	Nelson, K.	Price	Solberg	Welle
Kvam	Neuenschwander	Quist	Sparby	Wenzel
Larsen	Ogren	Rodosovich	Staten	Zaffke
Levi	Olsen	St. Onge	Tomlinson	
Mann	Omann	Scheid	Tunheim	

Those who voted in the negative were:

Battaglia	Greenfield	Ludeman	Quinn	Swiggum
Bennett	Gutknecht	McDonald	Redalen	Swanson
Brandl	Haukoos	McEachern	Rodriguez, C.	Thiede
Dempsey	Jacobs	McKasy	Rodriguez, F.	Uphus
Dimler	Kahn	Metzen	Rose	Valento
Findlay	Kalis	Norton	Sarna	Welker
Forsythe	Kelly	O'Connor	Schafer	Wynia
Frerichs	Long	Piepho	Shea	

The motion prevailed and the amendment was adopted.

S. F. No. 1048, A bill for an act relating to natural resources; strengthening certain laws regarding the transportation of wild animals; including conservation officer in the definition of peace officer for purpose of laws relating to fleeing a peace officer; amending Minnesota Statutes 1982, sections 65B.605, subdivision 2; 97.45, subdivisions 1, 3, 4, 6, 7, and 12, and by adding a subdivision; and 609.487, subdivision 2; repealing Minnesota Statutes 1982, section 97.45, subdivision 5.

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

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

Those who voted in the affirmative were:

Anderson, B.	Coleman	Haukoos	Long	Onnen
Anderson, G.	Dempsey	Heap	Ludeman	Otis
Anderson, R.	DenOuden	Himle	Mann	Pauly
Battaglia	Dimler	Hoffman	Marsh	Peterson
Beard	Eken	Hokr	McDonald	Piepho
Begich	Elioff	Jacobs	McEachern	Piper
Bennett	Ellingson	Jennings	McKasy	Price
Bergstrom	Erickson	Jensen	Metzen	Quinn
Bishop	Evans	Johnson	Minne	Quist
Blatz	Findlay	Kahn	Munger	Redalen
Boo	Fjoslien	Kalis	Murphy	Reif
Brandl	Forsythe	Kelly	Nelson, D.	Rice
Brinkman	Frerichs	Knickerbocker	Nelson, K.	Riveness
Burger	Graba	Knuth	Neuenschwander	Rodosovich
Carlson, D.	Greenfield	Kostohryz	Norton	Rodriguez, C.
Carlson, L.	Gruenes	Krueger	O'Connor	Rodriguez, F.
Clark, J.	Gustafson	Kvam	Ogren	Rose
Clawson	Gutknecht	Larsen	Olsen	St. Onge
Cohen	Halberg	Levi	Omann	Sarna

Schafer	Shea	Sviggum	Vanasek	Wenzel
Scheid	Sherman	Swanson	Vellenga	Wigley
Schoenfeld	Simoneau	Thiede	Voss	Wynia
Schreiber	Skoglund	Tomlinson	Waltman	Zaffke
Seaberg	Solberg	Tunheim	Welch	Speaker Sieben
Segal	Sparby	Uphus	Welker	
Shaver	Staten	Valento	Welle	

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

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

### MESSAGES FROM THE SENATE, Continued

The following messages were received from the Senate:

Mr. Speaker:

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

S. F. No. 1762, A bill for an act relating to the human rights department; prohibiting waiver of legal rights; changing the statute of limitations; providing sanctions for intentional delays; permitting award of attorney fees in administrative hearings; changing damage awards; amending Minnesota Statutes 1982, sections 363.06, subdivision 3; 363.071, by adding a subdivision; 363.116; 363.14, subdivisions 1 and 2; Minnesota Statutes 1983 Supplement, sections 363.06, subdivision 4; 363.071, subdivision 2; and 363.072, subdivision 1; proposing new law coded in chapter 363.

And the Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Ms. Reichgott and Messrs. Freeman and Storm.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Clark, K., moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1762. The motion prevailed.

Mr. Speaker:

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

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.

And the Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Mr. Spear, Mrs. Lantry, Messrs. Dieterich, Novak and Storm.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Norton moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1349. The motion prevailed.

Mr. Speaker:

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

S. F. No. 1336, A bill for an act relating to crime; providing for criminal penalties and a one year driver's license revocation upon refusal by a driver suspected of driving under the influence of alcohol or a controlled substance to take a test; authorizing testing of a suspect who is unconscious or in a condition rendering the suspect incapable of refusal; restricting issuance of limited licenses for work purposes; clarifying provisions of the hit and run law; clarifying penalties imposed on certain persons convicted of driving while under the influence of alcohol or a controlled substance; clarifying provisions of the driving after revocation, suspension, or cancellation law; prescribing penalties for causing death or injury of another while operating a vehicle in a certain manner; providing for admission into evidence of certain convictions for driving offenses for impeachment purposes; authorizing issuance of limited licenses in certain circumstances; amending Minnesota Statutes 1982, sections 169.09, subdivision 4; 169.123, subdivisions 4, 5a, and 9, and by adding a subdivision; 171.24; and 171.30, subdivision 1; and Minnesota Statutes 1983 Supplement, sections 169.09, subdivisions 1, 14, and 15; 169.121, subdivision 3; 169.123, subdivisions 2 and 6; and 609.21, subdivisions 1 and 2; proposing new law coded in Minnesota Statutes, chapters 171 and 634; repealing Minnesota Statutes 1982, section 169.123, subdivision 9.

And the Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Messrs. Pogemiller, Spear, Ramstad, Purfeerst and Freeman.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Vellenga moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1336. The motion prevailed.

Mr. Speaker:

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

H. F. No. 1427, A bill for an act relating to retirement; altering the investment authority for police and firefighter's relief associations; making various changes in the benefits for various retirement funds and plans; making conforming changes in benefit calculations; amending Minnesota Statutes 1982, sections 3.082; 69.775; 352.113, subdivision 3; 352.95, subdivision 1a; 353.34, by adding a subdivision; 354.62, subdivision 2; 422A.18, subdivision 3; 424.24, subdivision 2; and 490.129; Minnesota Statutes 1983 Supplement, sections 69.77, subdivision 2; 352.113, subdivision 2; 352.115, subdivision 8; and 356.61; Laws 1947, chapter 43, section 23, as amended; Laws 1963, chapter 643, section 20; Laws 1973, chapters 359, section 5, subdivision 2; and 432, section 4; Laws 1977, chapter 275, section 1; and Laws 1981, chapter 68, section 43; proposing new law coded in Minnesota Statutes, chapter 423A; repealing Laws 1971, chapter 184; Laws 1973, chapter 283; Laws 1978, chapter 617; Laws 1981, chapter 224, sections 255 and 256; Laws 1982, chapter 578, article II, section 1, subdivision 7, and section 3.

The Senate has appointed as such committee Messrs. Frank; Moe, D. M., and Renneke.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on



the amendments adopted by the Senate to the following House File:

H. F. No. 756, A bill for an act relating to notarial acts; providing that matters to be verified by oath or affirmation can be certified under penalty of perjury; authorizing appointment of out-of-state notaries; requiring designation of the clerk of district court of the county in which appointment is sought as agent for out-of-state notaries; changing the term of office for notaries public; increasing the bond amount; providing for transfer of notary public commissions; prescribing penalties; amending Minnesota Statutes 1982, sections 359.01; 359.02; and 609.48, subdivision 1, and by adding a subdivision; proposing new law coded in Minnesota Statutes, chapters 358 and 359.

The Senate has appointed as such committee Messrs. Jude, Spear and Sieloff.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1532, A bill for an act relating to agriculture; designating milk as the official state drink; proposing new law coded in Minnesota Statutes, chapter 1.

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

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

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

The Senate has appointed as such committee Messrs. Chmielewski, Schmitz and Mehrkens.

Said House file is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1347, A bill for an act relating to crimes; prohibiting the concealing, obtaining, or retaining of a child in violation of the parental, custodial, or visitation rights of another; imposing penalties; providing for notification in custody or visitation orders of the child abduction laws; requiring violations of the child abduction law to be reported under the child abuse reporting law; amending Minnesota Statutes 1982, section 609.26; proposing new law coded in Minnesota Statutes, chapter 518.

The Senate has appointed as such committee Mr. Pogemiller, Ms. Reichgott and Mr. Sieloff.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the Senate has acceded to the request of the House for the appointment of a new Conference Committee on the following House File:

H. F. No. 449, A bill for an act relating to elections; limiting campaign expenditures by congressional candidates who choose to receive a public subsidy for their campaigns; redefining certain terms in relation to congressional candidates; limiting the applicability of certain provisions of law to state constitutional and state legislative candidates; providing for the transfer of debts and funds of a principal campaign committee under certain circumstances; limiting certain lobbyist contributions; providing for filing of campaign reports by certain congressional candidates; proposing expenditure limits for congressional candidates who choose to receive a public subsidy; providing a penalty for exceeding campaign expenditure limits by congressional candidates; changing the designated amount of certain income tax payments; providing for the allocation of party accounts and the general account to certain state and congressional candidates; providing estimates of minimum amounts of public

subsidy to be received by certain congressional candidates; requiring signed agreements by congressional candidates who choose to receive a public subsidy; specifying when congressional candidates who accept a public subsidy must return all or part thereof; providing for the return of money from the state elections campaign fund to the general fund; making certain technical amendments; imposing penalties; amending Minnesota Statutes 1982, sections 10A.01; 10A.24; 10A.25; 10A.255; 10A.27; 10A.275; 10A.28; 10A.30; 10A.31; 10A.33; 10A.335; and 290.06, subdivision 11; proposing new law coded in Minnesota Statutes, chapter 10A; repealing Minnesota Statutes 1982, section 10A.32.

The Senate has appointed as such committee Mr. Luther; Ms. Peterson, D. C., and Mr. Pogemiller.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 432, A bill for an act relating to soil and water conservation; prohibiting in certain counties practices which cause accelerated erosion or sedimentation; prescribing penalties; proposing new law coded in Minnesota Statutes, chapter 40.

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

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### SPECIAL ORDERS, Continued

H. F. No. 2192 was reported to the House.

There being no objection H. F. No. 2192 was temporarily laid over on Special Orders.

H. F. No. 1578 was reported to the House.

Solberg moved that H. F. No. 1578 be returned to General Orders. The motion prevailed.

S. F. No. 1407 was reported to the House.

## SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Battaglia moved that the rule therein be suspended and an urgency be declared so that S. F. No. 1407 be given its third reading and be placed upon its final passage. The motion prevailed.

Battaglia moved that the rules of the House be so far suspended that S. F. No. 1407 be given its third reading and be placed upon its final passage. The motion prevailed.

Battaglia moved to amend S. F. No. 1407, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 88.065, is amended to read:

88.065 [EQUIPMENT FURNISHED.]

Subject to applicable provisions of state laws respecting purchases, the commissioner of natural resources may purchase for and furnish to any governmental subdivisions of the state authorized to engage in forest fire prevention or suppression materials or equipment therefor, and *may repair and renovate forest fire prevention and suppression materials and equipment for governmental subdivisions of the state. The commissioner may use (FOR THAT PURPOSE) any funds available for the purchase of forest fire prevention or suppression equipment or for its repair and renovation under federal grants, if permitted by the terms thereof, or under state appropriations, unless otherwise expressly provided. Except as otherwise authorized or permitted by federal or state laws or regulations, the governmental subdivision receiving any such materials or equipment or repair or renovation services shall reimburse the state for the cost (THEREOF). All moneys received in (SUCH) reimbursement shall be credited to the fund from which the purchase, repair, or renovation was made, and are hereby reappropriated annually and shall be available for the same purpose as the original appropriation.*

Sec. 2. Minnesota Statutes 1982, section 90.031, subdivision 3, is amended to read:

Subd. 3. The executive council may compromise and settle, with the approval of the attorney general, upon (SUCH) terms as it may deem just, any claim of the state for casual and involuntary trespass upon state lands or timber where the full (STUMPAGE) value of such timber *or other materials* so taken in trespass (WOULD NOT EXCEED \$1,000) *exceeds \$5,000;*

provided, that no (SUCH) claim shall be settled (IN ANY CASE) for less than the full (STUMPAGE) value of all timber (SO) or other materials taken in casual trespass or the full amount of all actual damage or loss suffered by the state as a result (THEREOF). The executive council may make settlement for not less than the full (STUMPAGE) value of any timber cut by lessees of state lands holding under section 92.50.

Sec. 3. Minnesota Statutes 1982, section 90.041, subdivision 2, is amended to read:

Subd. 2. *The commissioner may compromise and settle, with the approval of the attorney general, upon terms the commissioner deems just, any claim of the state for casual and involuntary trespass upon state lands or timber where the full value of the timber or other materials taken in trespass is \$5,000 or less; provided that no claim shall be settled for less than the full value of all timber or other materials taken in casual trespass or the full amount of all actual damage or loss suffered by the state as a result. The commissioner shall advise the executive council of any information acquired by him concerning any trespass on state lands, giving all details and names of witnesses and all compromises and settlements made under this subdivision.*

Sec. 4. [90.193] [EXTENSION OF TIMBER PERMITS.]

*The commissioner may, in the case of an exceptional circumstance beyond the control of the timber permit holder which makes it unreasonable, impractical, and not feasible to complete cutting and removal under the permit within the time allowed, grant an extension of one year in addition to those provided in sections 90.121, 90.151, and 90.191. A request for the extension must be received by the commissioner 15 days before the permit expires. The request must state the reason the extension is necessary and be signed by the permit holder. The value of the timber remaining to be cut will be recalculated using current stumpage rates. Any timber cut during the period of extension or remaining uncut at the expiration of the extension shall be billed for at the stumpage rates determined at the time of extension provided that in no event shall stumpage rates be less than those in effect at the time of the original sale. Interest will be charged as provided in section 90.151 for the period of extension.*

Sec. 5. Minnesota Statutes 1982, section 90.251, subdivision 1, is amended to read:

Subdivision 1. The commissioner shall institute (SUCH) scaling and check scaling procedures for state timber (AS WILL) sufficient to protect the interest of the state. This will include the assignment of a trained timber scaling specialist in the classified service to be responsible for check scaling and to develop scaling and check scaling techniques and standards.

(SUCH) *The* scaling and check scaling techniques and standards shall be approved by the commissioner. Check scaling shall also be accomplished by other forestry supervisors with (SUCH) reports forwarded to the timber scaling specialist. The timber scaling specialist shall report any scaling deficiencies or trespass to the commissioner. Any (SUCH) deficiencies requiring the attention of the attorney general or state executive council will be forwarded to these offices by the commissioner. All timber cut on lands in the charge of the commissioner, except as expressly provided otherwise by the commissioner shall be scaled. No timber may be scaled until (SUCH TIMBER) *it* is first marked with M I N or as otherwise properly identified as specified in the permit. All scaling shall be done upon the land from which the timber was cut; provided that the state appraiser, subject to the approval of the commissioner, may designate in writing to a permit holder another location where such timber may be scaled, counted or measured; all logs individually scaled shall be numbered consecutively, and the number of each entered upon the minutes of the scaler; (SUCH) allowance shall be made for defects (THEREIN AS WILL) *to* make (SUCH) *the* timber equivalent to merchantable timber. No state timber shall be removed from the land where it was cut until it has been so scaled or counted except as herein provided. Any person removing (ANY SUCH) timber from the land where it was cut, or from the place designated, before it has been so scaled or counted shall be guilty of (A GROSS MISDEMEANOR) *theft under section 609.52.*

Sec. 6. Minnesota Statutes 1982, section 90.301, is amended by adding a subdivision to read:

*Subd. 6. [TICKET FOR THEFT VIOLATIONS.] The commissioner may design and issue a ticket in the form, and having the effect, of a summons and complaint, for use in cases of theft of state timber or other state property, where the value of the property is within the limits established by section 609.52, subdivision 3, clause (5). The ticket shall provide for the name and address of the person charged with the violation, the offense charged, the time and place the person is to appear before a court, and any other necessary information.*

Sec. 7. [CERTAIN LAWS MADE RETROACTIVE.]

*Laws 1983, chapter 301, section 88, is retroactive to July 1, 1982. The commissioner of finance shall adjust the amount of receipts credited to the state forest suspense account during fiscal year 1983 and the total costs incurred by the state for forest management purposes during fiscal year 1983 to reflect this retroactivity.*

Sec. 8. Laws 1981, chapter 305, section 11, as amended by Laws 1982, chapter 511, section 35, and Laws 1983, chapter 111, section 1, is amended to read:

**Sec. 11. [EXTENSION OF CERTAIN TIMBER PERMITS.]**

The commissioner of natural resources may extend for an additional period of not to exceed one year any timber permit issued pursuant to Minnesota Statutes, chapter 90, which expires between January 1, (1982) 1984 and (DECEMBER 31, 1983) June 30, 1984. This extension shall be in addition to any extension previously granted pursuant to chapter 90 or pursuant to this section; shall be made without additional charge, and shall otherwise be subject to the requirements of chapter 90.

**Sec. 9. [EFFECTIVE DATE.]**

*Sections 1 to 6 are effective July 1, 1984. Sections 7 and 8 are effective the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to natural resources; making changes in certain forestry laws; amending Minnesota Statutes 1982, sections 88.065; 90.031, subdivision 3; 90.041, subdivision 2; 90.251, subdivision 1; and 90.301, by adding a subdivision; Laws 1981, chapter 305, section 11, as amended; proposing new law coded in Minnesota Statutes, chapter 90."

The motion prevailed and the amendment was adopted.

S. F. No. 1407, A bill for an act relating to natural resources; making changes in certain forestry laws; amending Minnesota Statutes 1982, sections 88.065; 90.031, subdivision 3; 90.041, subdivision 2; 90.251, subdivision 1; and 90.301, by adding a subdivision.

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

The question was taken on the passage of the bill and the roll was called. There were 119 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Carlson, D.	Evans	Hoffman	Kvam
Anderson, G.	Carlson, L.	Findlay	Hokr	Larsen
Battaglia	Clark, J.	Fjoslien	Jacobs	Levi
Beard	Clark, K.	Forsythe	Jennings	Long
Begich	Clawson	Graba	Jensen	Ludeman
Bennett	Cohen	Greenfield	Johnson	Mann
Bergstrom	Coleman	Gruenes	Kahn	Marsh
Bishop	DenOuden	Gustafson	Kalis	McEachern
Blatz	Dimler	Gutknecht	Kelly	McKasy
Boo	Eken	Halberg	Knickerbocker	Metzen
Brandl	Elioff	Haukoos	Knuth	Minne
Brinkman	Ellingson	Heap	Kostohryz	Munger
Burger	Erickson	Heinitz	Krueger	Murphy

Nelson, D.	Piper	St. Onge	Sparhy	Vellenga
Nelson, K.	Price	Sarna	Stadum	Waltman
Neuenschwander	Quist	Schafer	Staten	Welch
O'Connor	Redalen	Scheid	Sviggum	Welker
Ogren	Reif	Schoenfeld	Swanson	Welle
Olsen	Rice	Schreiber	Thiede	Wenzel
Omann	Riveness	Seaberg	Tomlinson	Wigley
Onnen	Rodosovich	Shaver	Uphus	Wynia
Otis	Rodriguez, C.	Sherman	Valan	Zaffke
Pauly	Rodriguez, F.	Simoneau	Valento	Speaker Sieben
Peterson	Rose	Solberg	Vanasek	

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

H. F. No. 2186 was reported to the House.

Scheid moved to amend H. F. No. 2186, the first engrossment, as follows:

Page 2, line 1, before the comma insert "*of at least \$20,000,000 per year*"

Page 2, line 1, delete the first "*and*"

Page 2, line 3, before the semicolon insert "*, and (iii) the iron range resources and rehabilitation commissioner of at least \$25,000,000 per year*"

The motion prevailed and the amendment was adopted.

H. F. No. 2186, A bill for an act relating to public finance; providing for allocation of federal authority to issue certain state and local obligations; amending Minnesota Statutes 1982, sections 116J.42, by adding a subdivision; 273.77; 429.091, by adding a subdivision; 430.12; and 472.09, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapters 458; 459; 462; 474; and 475.

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

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Bergstrom	Carlson, D.	Dempsey	Evans
Anderson, G.	Bishop	Carlson, L.	DenOuden	Findlay
Anderson, R.	Blatz	Clark, J.	Dimler	Fjoslien
Battaglia	Boo	Clark, K.	Eken	Forsythe
Beard	Brandl	Clawson	Elioff	Graba
Begich	Brinkman	Cohen	Ellingson	Greenfield
Bennett	Burger	Coleman	Erickson	Gruenes



Gustafson	Krueger	Olsen	St. Onge	Thiede
Cutknecht	Kvam	Omamn	Sarna	Tomlinson
Halberg	Larsen	Onnen	Schafer	Tunheim
Haukoos	Levi	Otis	Scheid	Uphus
Heap	Long	Pauly	Schoenfeld	Valan
Heinitz	Mann	Peterson	Schreiber	Valento
Himle	Marsh	Piepho	Seaberg	Vanasek
Hoffman	McDonald	Piper	Segal	Vellenga
Hokr	McKasy	Price	Shaver	Voss
Jacobs	Metzen	Quinn	Shea	Waltman
Jennings	Minne	Quist	Sherman	Welch
Jensen	Munger	Redalen	Simoneau	Welker
Johnson	Murphy	Reif	Skoglund	Welle
Kahn	Nelson, D.	Rice	Solberg	Wenzel
Kalis	Nelson, K.	Riveness	Sparby	Wigley
Kelly	Neuenschwander	Rodosovich	Stadium	Wynia
Knickerbocker	Norton	Rodriguez, C.	Staten	Zaffke
Knuth	O'Connor	Rodriguez, F.	Sviggum	Speaker Sieben
Kostohryz	Ogren	Rose	Swanson	

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

S. F. No. 887, A bill for an act relating to transportation; providing for the inclusion of former municipal state-aid streets in the county state-aid highway system; amending Minnesota Statutes 1982, section 162.02, subdivision 1, and by adding a subdivision.

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

The question was taken on the passage of the bill and the roll was called. There were 117 yeas and 3 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, G.      DenOuden      Welker

The bill was passed and its title agreed to.

S. F. No. 1776 was reported to the House.

#### SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Elioff moved that the rule therein be suspended and an urgency be declared so that S. F. No. 1776 be given its third reading and be placed upon its final passage. The motion prevailed.

Elioff moved that the rules of the House be so far suspended that S. F. No. 1776 be given its third reading and be placed upon its final passage. The motion prevailed.

S. F. No. 1776, A bill for an act relating to real property; providing that the mortgage and contract for deed moratorium shall not be repealed until May 1, 1985; 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; amending Minnesota Statutes 1983 Supplement, sections 47.20, subdivision 15; 559.21, subdivision 6; 580.031; 583.03; 583.05; and 583.08; Laws 1983, chapter 215, section 16.

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 93 yeas and 24 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Clark, K.	Kahn	Nelson, K.	Rodriguez, C.
Anderson, G.	Clawson	Kalis	Neuenschwander	Rodriguez, F.
Anderson, R.	Coleman	Kelly	Norton	St. Onge
Battaglia	Eken	Knuth	O'Connor	Sarna
Beard	Elioff	Kostohryz	Ogren	Scheid
Begich	Ellingson	Krueger	Olsen	Schoenfeld
Bennett	Erickson	Kvam	Omman	Schreiber
Bergstrom	Evans	Larsen	Onnen	Seaberg
Bishop	Graba	Mann	Otis	Segal
Boo	Greenfield	Marsh	Peterson	Shaver
Brandl	Gustafson	McEachern	Piper	Shea
Brinkman	Heap	Metzen	Price	Sherman
Burger	Hoffman	Minne	Quinn	Simoneau
Carlson, D.	Jacobs	Munger	Redalen	Skoglund
Carlson, L.	Jensen	Murphy	Reif	Solberg
Clark, J.	Johnson	Nelson, D.	Rivenness	Sparby

Swanson  
Tunheim  
Uphus

Valan  
Valento  
Vanasek

Vellenga  
Voss  
Welch

Welle  
Wenzel

Wynia  
Speaker Sieben

Those who voted in the negative were:

Blatz  
Dempsey  
DenOuden  
Dimler  
Findlay

Fjoslien  
Forsythe  
Frerichs  
Gruenes  
Gutknecht

Himle  
Jennings  
Levi  
McDonald  
Quist

Rodosovich  
Rose  
Schafer  
Stadum  
Sviggum

Thiede  
Waltman  
Welker  
Zaffke

The bill was passed and its title agreed to.

S. F. No. 2138 was reported to the House.

#### SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Ogren moved that the rule therein be suspended and an urgency be declared so that S. F. No. 2138 be given its third reading and be placed upon its final passage. The motion prevailed.

Ogren moved that the rules of the House be so far suspended that S. F. No. 2138 be given its third reading and be placed upon its final passage. The motion prevailed.

Ogren moved to amend S. F. No. 2138, as follows:

Page 1, after line 11, insert:

"Section 1. Minnesota Statutes 1982, section 609.10, is amended to read:

609.10 [SENTENCES AVAILABLE.]

Upon conviction of a felony and compliance with the other provisions of this chapter the court, if it imposes sentence, may sentence the defendant to the extent authorized by law as follows:

- (1) To life imprisonment; or
- (2) To imprisonment for a fixed term of years set by the court; or
- (3) To both imprisonment for a fixed term of years and payment of a fine; or
- (4) To payment of a fine without imprisonment or to imprisonment for a fixed term of years if the fine is not paid; or

(5) *To payment of court-ordered restitution in addition to either imprisonment or payment of a fine, or both.*

Sec. 2. Minnesota Statutes 1982, section 609.125, is amended to read:

**609.125. [SENTENCE FOR MISDEMEANOR OR GROSS MISDEMEANOR.]**

Upon conviction of a misdemeanor or gross misdemeanor the court, if sentence is imposed, may, to the extent authorized by law, sentence the defendant:

- (1) To imprisonment for a definite term; or
- (2) To payment of a fine, or to imprisonment for a specified term if the fine is not paid; or
- (3) To both imprisonment for a definite term and payment of a fine; or
- (4) *To payment of court-ordered restitution in addition to either imprisonment or payment of a fine, or both.*

Page 3, line 1, delete "1 and 2" and insert "3 and 4"

Renumber the sections

Amend the title as follows:

Page 1, line 4, after "sentence" insert "and order restitution when sentence is executed"

Page 1, line 6, after "sections" insert "609.10; 609.125;"

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

S. F. No. 2138, 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, sections 609.135, by adding a subdivision; 609.14, subdivisions 1 and 3; and Minnesota Statutes 1983 Supplement, section 609.135, subdivision 1.

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

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

Those who voted in the affirmative were:

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

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

H. F. No. 1766 was reported to the House.

Riveness moved to amend H. F. No. 1766, the first engrossment, as follows:

Page 2, line 36, delete *"in the classified civil"*

Page 3, line 1, delete everything before *"bear"*

Page 3, line 4, after *"the"* insert *"employer's work force"* and delete *"classified civil"*

Page 3, line 5, delete everything before *"bear"*

Page 4, after line 19, insert:

"Sec. 9. [471.9975] [SUITS BARRED.]

*No cause of action arises before August 1, 1987 for failure to comply with the requirements of this act."*

Renumber subsequent sections

Page 5, delete lines 12 to 18 and insert *"commissioner of employee relations shall report to the legislature by January 1, 1986 on the information gathered from political subdivisions."*

Page 5, line 19, delete *"subdivisions."*

The motion prevailed and the amendment was adopted.

H. F. No. 1766, A bill for an act relating to local government; requiring every political subdivision to establish equitable compensation relationships among its employees; proposing new law coded in Minnesota Statutes, chapter 471.

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

The question was taken on the passage of the bill and the roll was called. There were 109 yeas and 16 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Dempsey	Frerichs	Ludeman	Stadum	Welker
DenOuden	Gutknecht	McDonald	Sviggun	Wigley
Dimler	Jennings	Schafer	Thiede	Zaffke
Findlay				

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

S. F. No. 2164 was reported to the House.

#### SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Minne moved that the rule therein be suspended and an urgency be declared so that S. F. No. 2164 be given its third reading and be placed upon its final passage. The motion prevailed.

Minne moved that the rules of the House be so far suspended that S. F. No. 2164 be given its third reading and be placed upon its final passage. The motion prevailed.

S. F. No. 2164, A resolution memorializing Congress to enact H. R. 5081, the Fair Trade in Steel Act of 1984.

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 89 yeas and 28 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Elioff	Larsen	Peterson	Simoneau
Anderson, R.	Ellingson	Mann	Piper	Skoglund
Battaglia	Evans	Marsh	Price	Solberg
Beard	Fjoslien	McEachern	Quinn	Sparby
Begich	Frerichs	Metzen	Redalen	Staten
Bennett	Greenfield	Minne	Reif	Swanson
Bergstrom	Gustafson	Munger	Rice	Tomlinson
Blatz	Gutknecht	Murphy	Rodosovich	Tunheim
Boo	Haukoos	Nelson, D.	Rodriguez, C.	Uphus
Brinkman	Heap	Nelson, K.	Rodriguez, F.	Vanasek
Carlson, D.	Himle	Neuenschwander	St. Onge	Voss
Carlson, L.	Hoffman	Norton	Sarna	Waltman
Clark, J.	Jacobs	O'Connor	Schafer	Welch
Clark, K.	Jensen	Ogren	Scheid	Welle
Clawson	Kalis	Omann	Schoenfeld	Wenzel
Cohen	Kelly	Onnen	Seaberg	Wynia
Coleman	Kostohryz	Osthoff	Segal	Speaker Sieben
Eken	Krueger	Otis	Sherman	

Those who voted in the negative were:

Anderson, G.	Dimler	Heinitz	Pauly	Vellenga
Bishop	Erickson	Jennings	Piepho	Welker
Brandl	Findlay	Kahn	Quist	Wigley
Burger	Forsythe	Knickerbocker	Schreiber	Zaffke
Dempsey	Gruenes	Kvam	Shaver	
DenOuden	Halberg	Levi	Stadum	

The bill was passed and its title agreed to.

#### ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1336:

Vellenga, Vanasek, Staten, McKasy and Bishop.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1762:

Clark, K.; Dempsey and Cohen.

### SPECIAL ORDERS, Continued

S. F. No. 2072 was reported to the House.

### SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Schoenfeld moved that the rule therein be suspended and an urgency be declared so that S. F. No. 2072 be given its third reading and be placed upon its final passage. The motion prevailed.

Schoenfeld moved that the rules of the House be so far suspended that S. F. No. 2072 be given its third reading and be placed upon its final passage. The motion prevailed.

S. F. No. 2072, A bill for an act relating to local government; providing for the conduct of the business of towns; providing for certain town debt; revising various other town laws; providing penalties; amending Minnesota Statutes 1982, sections 6.54, as amended; 6.55; 117.011; 160.02, subdivision 6; 160.05, subdivision 1; 160.17, subdivisions 1 and 2; 164.06; 164.11; 164.14, by adding a subdivision; 340.14, subdivision 5; 365.10; 365.15; 365.37; 365.53; 366.01, subdivisions 2, 3, 4, 7, and by adding subdivisions; 366.015; 366.07; 367.02; 367.05, subdivision 1; 367.10; 367.15; 367.19; 367.23; 367.24; 367.30, subdivision 2; 367.31, subdivision 6; 368.01, subdivisions 1, 1a, 21, 22, and 26; 368.121; 450.19; and 624.51; Minnesota Statutes 1983 Supplement, sections 365.52; 366.20; and 367.11; proposing new law coded in Minnesota Statutes, chapters 365; 366; and 368; repealing Minnesota Statutes 1982, sections 365.105; 365.106; 365.12; 366.06; 367.035; 367.05, subdivision 2; 368.01, subdivisions 17 and 28; 368.02; 368.03; 368.04; 368.05; 368.06; 368.07; 368.08; 368.09; 368.10; 368.11; and 368.86.

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

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

Those who voted in the affirmative were:

Anderson, B.	Begich	Boo	Clark, J.	Dempsey
Anderson, G.	Bennett	Brinkman	Clark, K.	DenOuden
Anderson, R.	Bergstrom	Burger	Clawson	Dimler
Battaglia	Bishop	Carlson, D.	Cohen	Eken
Beard	Blatz	Carlson, L.	Coleman	Elioff



Ellingson	Jensen	Munger	Rodriguez, C.	Thiede
Erickson	Johnson	Murphy	Rodriguez, F.	Tomlinson
Evans	Kahn	Nelson, K.	Rose	Tunheim
Findlay	Kallis	Neuenschwander	St. Onge	Uphus
Fjoslien	Kelly	Norton	Sarna	Valan
Forsythe	Knickerbocker	O'Connor	Schafer	Valento
Frerichs	Knuth	Ogren	Schoenfeld	Vanasek
Graba	Kostohryz	Olsen	Schreiber	Voss
Greenfield	Krueger	Omann	Seaberg	Waltman
Gruenes	Kvam	Onnen	Segal	Welch
Gustafson	Larsen	Osthoff	Shaver	Welker
Gutknecht	Levi	Otis	Shea	Welle
Halberg	Long	Pauly	Sherman	Wenzel
Haukoos	Ludeman	Piepho	Simoneau	Wigley
Heap	Mann	Piper	Skoglund	Wynia
Heinitz	Marsh	Price	Solberg	Zaffke
Himle	McDonald	Quinn	Sparby	Speaker Sieben
Hoffman	McEachern	Quist	Stadum	
Hokr	McKasy	Redalen	Staten	
Jacobs	Metzen	Rice	Sviggum	
Jennings	Minne	Rodosovich	Swanson	

The bill was passed and its title agreed to.

S. F. No. 2165 was reported to the House.

#### SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Shea moved that the rule therein be suspended and an urgency be declared so that S. F. No. 2165 be given its third reading and be placed upon its final passage. The motion prevailed.

Shea moved that the rules of the House be so far suspended that S. F. No. 2165 be given its third reading and be placed upon its final passage. The motion prevailed.

S. F. No. 2165, A bill for an act relating to public finance; authorizing additional investment alternatives; providing for the delivery of municipal obligations in certificated or uncertificated form; providing restrictions on the use of certain data; providing a formula for determining limitations on interest rates on municipal obligations; providing an alternative procedure for conducting a public sale of municipal obligations; amending Minnesota Statutes 1982, sections 471.56, by adding a subdivision; 475.55, subdivisions 1, 4, and by adding a subdivision; 475.60, subdivision 3, and by adding a subdivision; repealing Minnesota Statutes 1982, sections 475.71; and 475.76, subdivision 5.

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

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 1976 was reported to the House.

Jacobs moved to amend S. F. No. 1976, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 473.581, subdivision 3, is amended to read:

Subd. 3. [LIMITATIONS.] The principal amount of the bonds issued pursuant to subdivision 1, clause (a), shall not exceed the amounts hereinafter authorized. If the commission's proposal and the construction contracts referred to in clause (g) of this subdivision provide for the construction of a covered multipurpose sports facility, the total cost of constructing the facility under the construction contracts, not including costs paid from funds provided by others, and the principal amount of bonds issued pursuant to subdivision 1, clause (a), shall be limited to \$55,000,000. If the commission's proposal and the construction contracts do not provide for the construction of a cover on a proposed multipurpose sports facility and the commission does not otherwise contract for the construction or acquisition of a cover for the sports facility, the principal amount shall be limited to \$42,000,000. If the commission's proposal and

the construction contracts provide for the construction of a new sports facility for football and soccer and for remodeling the existing metropolitan stadium for baseball, the principal amount shall be limited to \$37,500,000. If the commission's proposal and the construction contracts provide for the reconstruction and remodeling of the existing metropolitan stadium as an uncovered multipurpose sports facility, the principal amount shall be limited to \$25,000,000. The bonds issued pursuant to subdivision 1, clause (a), shall bear an average annual rate of interest, including discount, not in excess of 7-1/2 percent. The proceeds of the bonds issued pursuant to subdivision 1, clause (a), shall be used only for the acquisition and betterment of sports facilities suitable for baseball, football and soccer, with a seating capacity for football and soccer of approximately 65,000 persons. The council shall issue its bonds and construction of sports facilities may commence when the council has made the following determinations:

(a) The commission has executed agreements with major league professional baseball and football organizations to use its sports facilities for all scheduled regular season home games and play-off home games and, in the case of the football organization, for at least one-half of its exhibition games played each season. The agreements shall be for a period of not more than 30 years nor less than the term of the longest term bonds that in the council's judgment it may find it necessary to issue to finance the acquisition and betterment of the commission's sports facilities. The agreements may contain provisions negotiated between the organizations and the commission which provide for termination upon conditions related and limited to the bankruptcy, insolvency, or financial capability of the organization. The agreements shall provide that, in the event of breach of the agreements, the defaulting organization shall pay damages annually to the commission. The annual payment shall be in an amount equal to the annual average of all revenue derived by the commission from attendance at events and activities of the defaulting organization during the years prior to default, provided that the damages shall not exceed in any year an amount sufficient, with other revenues of the commission but excluding proceeds of the taxes under section 473.592, to pay all expenses of operation, maintenance, administration, and debt service for the facilities used by the defaulting organization during the same year. The damages shall be payable during the period from the occurrence of the default to the date on which another major league professional baseball or football organization, replacing the defaulting organization, enters into a use agreement with the commission for not less than the then remaining term of the original agreement. The agreements with the teams shall provide that no closed circuit or pay television broadcasting of events in the sports facility may be allowed without the approval of the commission. The agreements shall include provisions protecting the commission and the council in the event of change in ownership of the professional teams.

(b) The commission has executed agreements with professional baseball and football major leagues which guarantee the continuance of franchises in the metropolitan area for the period of the agreements referred to in clause (a).

(c) The proceeds of bonds provided for in this subdivision will be sufficient, together with other capital funds that may be available to the commission, to construct or remodel and to furnish the sports facilities proposed by the commission, including the appropriate professional fees and charges but excluding, except as otherwise provided in this subdivision, the acquisition, clearance, relocation, and legal costs referred to in clauses (d) and (e).

(d) The commission has acquired, without cost to the commission or the council except as provided in this subdivision, title to all real property including all easements and other appurtenances needed for the construction and operation of any proposed sports facilities or has received a grant of funds or has entered into an agreement or agreements sufficient in the judgment of the council to assure the receipt of funds, at the time and in the amount required, to make any payment upon which the commission's acquisition of title and possession of the real property is conditioned.

(e) The commission has received a grant of funds or entered into an agreement or agreements sufficient in the judgment of the council to assure the receipt of funds, at the time and in the amount required, to pay all costs, except as provided in this subdivision, of clearing the real property needed for the construction and operation of any proposed sports facilities of all buildings, railroad tracks and other structures, including without limitation all relocation costs, all utility relocation costs, and all legal costs.

(f) The commission has executed agreements with appropriate labor organizations and construction contractors which provide that no labor strike or management lockout will halt, delay or impede construction.

(g) The commission has executed agreements which will provide for the construction of its sports facilities for a certified construction price and completion date and which include performance bonds in an amount at least equal to 100 percent of the certified price to cover any costs which may be incurred over and above the certified price, including but not limited to costs incurred by the commission or loss of revenues resulting from incomplete construction on the completion date.

(h) The environmental impact statement for the sports facility or facilities has been accepted by the environmental quality board, and the pollution control agency and any other de-

partment, agency, or unit of government have taken the actions necessary to permit the construction of the sports facility or facilities.

(i) At least 50 percent of the private boxes provided for in the commission's proposal for the sports facility or facilities are sold or leased for at least five years.

(j) The anticipated revenue from the operation of the sports facility or facilities plus any additional available revenue of the commission and the revenue from the taxes under section 473.592 will be an amount sufficient to pay when due all debt service plus all administration, operating and maintenance expense.

(k) The commission has studied and considered the needs of the University of Minnesota for athletic facilities for a prospective 20 year period.

(l) The municipality where the facility is to be constructed has entered into an agreement as contemplated in section 473.592.

(m) The commission has entered into an agreement or agreements with a purchaser or purchasers of tickets of admission for a period of not less than 20 years which will assure that (, IF THE PROFESSIONAL FOOTBALL ORGANIZATION CAN NOT COMPLY WITH THE PROVISIONS OF SECTION 473.568.) whenever more than 90 and less than 100 percent of the tickets of admission for seats at any professional football game, which were available for purchase by the general public 120 hours or more before the scheduled beginning time of the game either at the sports facility where the game is to be played or at the box office closest to the sports facility, have been purchased 72 hours or more before the beginning time of the game, then all of such tickets which remain unsold will be purchased in sufficient time to permit the telecast to areas within the state which otherwise would not receive the telecast because of the terms of an agreement in which the professional football league has sold or otherwise transferred all or part of the rights of the league's member organizations in the sponsored telecasting of games of the organizations. The party or parties agreeing to the purchase of such unsold tickets shall be obligated for a period of at least 20 years in an amount determined by the council to be sufficient to assure the purchase of all such unsold tickets. (AN AGREEMENT OR AGREEMENTS SATISFYING THE REQUIREMENTS OF THIS CLAUSE SHALL FREE THE PROFESSIONAL FOOTBALL ORGANIZATION FROM THE PROHIBITION OTHERWISE IMPOSED ON IT BY SECTION 473.568.)

(n) The council has entered into an agreement with the brokerage firm or brokerage firms to be used in connection with the issuance and sale of the bonds guaranteeing that fees and charges payable to the brokerage firm or firms in connection

therewith, including any underwriting discounts, shall not exceed fees and charges customarily payable in connection with the issuance and sale of bonds secured by the pledge of the full faith and credit of the municipality in which any new sports facility is to be located.

The validity of any bonds issued under subdivision 1, clause (a), and the obligations of the council and commission related thereto, shall not be conditioned upon or impaired by the council's determinations made pursuant to this subdivision. For purposes of issuing the bonds the determinations made by the council shall be deemed conclusive, and the council shall be and remain obligated for the security and payment of the bonds irrespective of determinations which may be erroneous, inaccurate, or otherwise mistaken.

## Sec. 2. [REPEALER.]

*Minnesota Statutes 1982, section 473.568, is repealed. This repeal is based solely upon the continued effectiveness of the agreement or agreements entered into by the Metropolitan Sports Facilities Commission and the purchaser or purchasers of tickets of admission as provided for by Laws 1979, chapter 203, section 8. Such agreements shall remain in effect throughout their terms and the commission shall have no authority to terminate or modify such agreements.*

## Sec. 3. [EFFECTIVE DATE.]

*Sections 1 and 2 are effective July 1, 1987."*

The motion prevailed and the amendment was adopted.

Jacobs moved to amend S. F. No. 1976, as amended, as follows:

Page 6, delete lines 27 and 28.

The motion prevailed and the amendment was adopted.

S. F. No. 1976, A bill for an act relating to regulated industries; changing conditions that regulate the telecast of games at metropolitan sports facilities; amending Minnesota Statutes 1982, section 473.581, subdivision 3; repealing Minnesota Statutes 1982, section 473.568.

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

The question was taken on the passage of the bill and the roll was called. There were 117 yeas and 8 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Cohen	Greenfield	Reif	Skoglund	Zaffke
DenOuden	Kahn	Schoenfeld		

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

S. F. No. 1879 was reported to the House.

#### SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Nelson, K., moved that the rule therein be suspended and an urgency be declared so that S. F. No. 1879 be given its third reading and be placed upon its final passage. The motion prevailed.

Nelson, K., moved that the rules of the House be so far suspended that S. F. No. 1879 be given its third reading and be placed upon its final passage. The motion prevailed.

S. F. No. 1879, A bill for an act relating to agriculture; regulating the bulk sale of food; proposing new law coded in Minnesota Statutes, chapter 31.

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

The question was taken on the passage of the bill and the roll was called. There were 108 yeas and 16 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Battaglia	Frerichs	Omann	Swiggum	Valento
Carlson, D.	Gutknecht	Schafer	Thiede	Welker
Dimler	McDonald	Solberg	Uphus	Zaffke
Fjoslien				

The bill was passed and its title agreed to.

S. F. No. 2046 was reported to the House.

#### SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Ellingson moved that the rule therein be suspended and an urgency be declared so that S. F. No. 2046 be given its third reading and be placed upon its final passage. The motion prevailed.

Ellingson moved that the rules of the House be so far suspended that S. F. No. 2046 be given its third reading and be placed upon its final passage. The motion prevailed.

Ellingson moved to amend S. F. No. 2046, as follows:

Page 53, line 10, after "used" insert "except that no public hearing may be held"

Page 53, line 10, delete "No" and strike "public hearing," and delete "is required if"



Page 53, line 11, restore "(THE)" and "(MUST STATE)" and delete "says" and insert "that"

Page 53, line 12, delete "*The noncontroversial*" and insert "*This*"

The motion prevailed and the amendment was adopted.

S. F. No. 2046, A bill for an act relating to statutes; revising the text of certain laws to remove redundant and obsolete language, to simplify grammar and syntax, and to improve the style of language without causing changes in the meaning of the laws affected; requiring the revisor of statutes to editorially change criminal fines in a manner consistent with 1983 regular session changes made in maximum authorized fines; amending Minnesota Statutes 1982, chapters 1, as amended; 16A, as amended; 177, as amended; and 300, as amended; and Minnesota Statutes 1982, sections 10.39; 15.375; 80A.22, subdivision 1; 152.15, subdivision 1; 609.20; Minnesota Statutes 1983 Supplement, sections 609.21; 609.52, subdivision 3; 609.582; 617.246, subdivisions 2, 3, and 4; repealing Minnesota Statutes 1982, sections 10.02; 10.03; 16A.02; 16A.04, subdivisions 2 and 3; 16A.07; 16A.08; 16A.125, subdivision 6; 16A.132; 16A.52; 16A.55; 16A.65, subdivision 3; and Minnesota Statutes 1983 Supplement, section 609.0341, subdivision 3.

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

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

Those who voted in the affirmative were:

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

Uphus  
Valan  
Valento

Vanasek  
Vellenga  
Voss

Waltman  
Welch  
Welker

Welle  
Wenzel  
Wynia

Zaffke  
Speaker Sieben

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

S. F. No. 1298 was reported to the House.

#### SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Clawson moved that the rule therein be suspended and an urgency be declared so that S. F. No. 1298 be given its third reading and be placed upon its final passage. The motion prevailed.

Clawson moved that the rules of the House be so far suspended that S. F. No. 1298 be given its third reading and be placed upon its final passage. The motion prevailed.

Clawson moved to amend S. F. No. 1298, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 3.21, is amended to read:

#### 3.21 [NOTICE.]

At least four months preceding the election, the attorney general shall furnish to the secretary of state a statement of the purpose and effect of all amendments proposed showing clearly the form of the existing sections, and of the same as they will read if amended, except that when any section to which an amendment is proposed exceeds 150 words in length, the statement shall show that part of the section in which a change is proposed, both in its existing form and as it will read when amended, together with portions of the context as the attorney general deems necessary to an understanding of the proposed amendment. In the month of October prior to the election, the secretary of state shall give two weeks published notice of the statement in all (LEGAL) *qualified* newspapers of the state. The secretary of state shall furnish the statement to the newspapers in reproducible form approved by the secretary of state, set in 7-1/2 point type on an eight point body. The maximum rate for publication shall be (17 CENTS PER STANDARD LINE IN 1979 AND 18 CENTS PER STANDARD LINE THEREAFTER) *as provided in section 25* for the two publications. If any newspaper shall refuse the publication of the amendments, this refusal and failure of the publication shall have no effect on the validity of the amendments. The secretary of state shall also forward to each county auditor copies of the

statement, in poster form, in quantities sufficient to supply each election district of his county with two copies thereof. The auditor shall cause two copies to be conspicuously posted at or near each polling place on election day. Wilful or negligent failure by any official named to perform any duty imposed upon him by this section shall be deemed a misdemeanor.

Sec. 2. Minnesota Statutes 1982, section 48.48, subdivision 1, is amended to read:

Subdivision 1. [SUBMISSION AND PUBLICATION.] At least four times in each year, and at any other time when so requested by the commissioner, every bank or trust company shall, within 30 days of the date of notice, make and transmit to the commissioner, in a form he prescribes, a report, verified by its president or vice-president and by its cashier or treasurer, and attested by at least two of its directors, stating in detail, under appropriate heads, as required by the commissioner, its assets and liabilities at the close of business on the day specified in the request. The commissioner may accept a report made to a federal authority having supervision of banks or trust companies in fulfilling this requirement. This statement shall be published once at the expense of the bank or trust company in a newspaper serving the municipality or town in which the bank or trust company is located. The newspaper shall be published in the county in which the bank or trust company is located or in an adjoining county. Proof of publication shall be filed with the commissioner immediately after publication of the report. (FOR THE PURPOSES OF THIS SUBDIVISION A NEWSPAPER SERVES A MUNICIPALITY OR TOWN IF IT MEETS THE QUALIFICATIONS OF SECTION 331.02, SUBDIVISION 1, CLAUSE (4).)

Sec. 3. Minnesota Statutes 1982, section 88.48, subdivision 2, is amended to read:

Subd. 2. [NOTICE.] The county auditor shall, upon receipt of the application and prior to the meeting of the county board at which it is presented, (PUBLISH ONCE IN THE OFFICIAL NEWSPAPER OF THE COUNTY NOTICE OF THE PRESENTATION AT THE EXPENSE OF THE APPLICANT AND) mail (A COPY OF THE) notice to the clerk of the town in which lies the land therein described.

Sec. 4. Minnesota Statutes 1982, section 94.10, subdivision 1, is amended to read:

Subdivision 1. Before offering any surplus state owned lands for sale, the commissioner of administration may survey such lands, and if the value thereof is estimated to be \$20,000 or less, may have such lands appraised. He shall have the lands appraised if the estimated value is in excess of \$20,000. The

appraisal shall be made by not less than three appraisers, at least two of whom shall be residents of the county in which the lands are situated. Each appraiser shall before entering upon the duties of his office take and subscribe an oath that he will faithfully and impartially discharge his duties as appraiser according to the best of his ability and that he is not interested directly or indirectly in any of the lands to be appraised or the timber or improvements thereon or in the purchase thereof and has entered into no agreement or combination to purchase the same or any part thereof, which oath shall be attached to the report of such appraisal. Before offering such surplus state owned lands for public sale, such lands shall first be offered to the city, county, town, school district, or other public body corporate or politic in which the lands are situated for public purposes and they may be sold for such public purposes for not less than the appraised value thereof. To determine whether a public body desires to purchase the surplus land, the commissioner of administration (SHALL PUBLISH NOTICE DESCRIBING THE LAND ON THE SAME DAY OF AT LEAST TWO SUCCESSIVE WEEKS IN A NEWSPAPER OF GENERAL CIRCULATION IN THE COUNTY IN WHICH THE LAND IS LOCATED; HOWEVER, THE COMMISSIONER) shall give a written notice to the governing body of each political subdivision whose jurisdictional boundaries include or are adjacent to the surplus land. If a public body desires to purchase the surplus land it shall submit a written offer to the commissioner not later than two weeks after (THE LAST PUBLISHED) receipt of notice setting forth in detail its reasons for desiring to acquire and its intended use of the land. In the event that more than one public body tenders an offer, the commissioner shall determine which party shall receive the property, and he shall submit written findings regarding his decision. If lands are offered for sale for such public purposes, and if a public body notifies the commissioner of administration of its desire to acquire such lands, the public body may have not to exceed two years from the date of the accepted offer to commence payment for the lands in the manner provided by law.

Sec. 5. Minnesota Statutes 1982, section 94.344, subdivision 7, is amended to read:

Subd. 7. Before giving final approval to any exchange of Class B land, the county board shall hold a public hearing thereon. At least two weeks before the hearing the county auditor shall post in his office a notice thereof, containing a description of the lands affected (, AND SHALL CAUSE A COPY OF THE NOTICE TO BE PUBLISHED IN THE NEWSPAPER DESIGNATED FOR PUBLICATION OF THE OFFICIAL PROCEEDINGS OF THE COUNTY BOARD).

Sec. 6. Minnesota Statutes 1982, section 123.33, subdivision 11, is amended to read:

Subd. 11. The board shall cause its official proceedings to be published once in the official newspaper of the district. Such publication shall be made within 30 days of the meeting at which such proceedings occurred. *If the board determines that publication of a summary of the proceedings would adequately inform the public of the substance of the proceedings, the board may direct that only a summary be published, conforming to the requirements of section 20, subdivision 10.*

Sec. 7. Minnesota Statutes 1982, section 123.71, subdivision 1, is amended to read:

Subdivision 1. Every school board shall, no later than September 1 publish the revenue and expenditure budgets submitted to the commissioner of education in accordance with section 121.908, subdivision 4, for the current year and the actual revenues, expenditures, fund balances for the prior year and projected fund balances for the current year in a form prescribed by the state board of education after consultation with the advisory council on uniform financial accounting and reporting standards. The forms prescribed shall be designed so that year to year comparisons of revenue, expenditures and fund balances can be made. These budgets, reports of revenue, expenditures and fund balances shall be published in a (NEWSPAPER OF GENERAL CIRCULATION AND HOLDING A U.S. POST OFFICE DEPARTMENT SECOND CLASS MAILING PERMIT OR A LEGAL NEWSPAPER LOCATED IN THE DISTRICT, OR IF THERE BE NO SUCH NEWSPAPER WITHIN THE DISTRICT THEN IN THE LEGAL NEWSPAPER OUTSIDE THE DISTRICT WHICH HAS A GENERAL CIRCULATION IN THE DISTRICT) *qualified newspaper of general circulation in the district.*

Sec. 8. Minnesota Statutes 1982, section 206.17, subdivision 2, is amended to read:

Subd. 2. Where electronic voting systems are used, within five days prior to the election day, the election officer in charge shall have the automatic tabulating equipment tested to ascertain that the equipment will correctly count the votes cast for all offices and on all measures. Public notice of the time and place of the test shall be given at least two days prior thereto (BY PUBLICATION ONCE IN OFFICIAL NEWSPAPERS). The test shall be observed by at least two election judges, who shall not be of the same major political party, and shall be open to representatives of the major political parties, candidates, the press and the public. The test shall be conducted by processing a preaudited group of ballots so punched or marked as to record a predetermined number of valid votes for each candidate and on each measure, and shall include for each office one or more ballots which have votes in excess of the number allowed by law in order to test the ability of the automatic tabulating equipment to reject such votes. If any error is de-

tected, the cause therefor shall be ascertained and corrected and an errorless count shall be made before the automatic tabulating equipment is approved. The test shall be repeated immediately before the start of the official count of the ballots, in the same manner as set forth above. After the completion of the count, the programs used and ballots shall be sealed, retained, and disposed of as provided for paper ballots.

Sec. 9. Minnesota Statutes 1982, section 279.07, is amended to read:

279.07 [PUBLICATION, BIDS.]

Prior to the day on which the county board designates a newspaper for the publication of the notice and list, any publisher or proprietor of a legal newspaper, as defined by law, may file with the county auditor and offer to publish such notice and list in such paper, stating the rate at which he will make such publication (, WHICH SHALL NOT EXCEED THE AMOUNTS PROVIDED FOR IN SECTION 331.08). The board may in its discretion receive offers presented to it at any time prior to the time when designation is made.

Sec. 10. Minnesota Statutes 1982, section 279.08, is amended to read:

279.08 [NEWSPAPER, DESIGNATION.]

At their annual meeting in January, and prior to the designation, the county board shall open, examine, and consider all offers for publication filed or presented as provided in section 279.07, and shall thereupon award the publication of the notice and list to the publisher or proprietor of the newspaper whose offer is found to be the lowest (, AND DOES NOT EXCEED THE AMOUNTS PROVIDED FOR IN SECTION 331.08). The board may reject any offer, if in its judgment the public interest so requires, and thereupon designate a newspaper without regard to any rejected offer. In counties now or hereafter having a population of 450,000 or more, the board shall designate a daily newspaper of general circulation throughout such county. If no such daily newspaper submits a bid at the rate herein provided, the board may designate a weekly newspaper of general circulation throughout the county. In any county in which there is no legal newspaper, the board shall designate any such newspaper printed in the judicial district in which the county is situated, and circulating in the county. Every such designation shall be by resolution, which shall be substantially in the following form:

"Resolved, that (here state the name of the newspaper) is hereby designated by the county board of the county of as the newspaper in which the notice and list of

the real estate remaining delinquent on the first Monday of January, 19 , shall be published."

A copy of the resolution certified by the auditor shall be filed with the clerk of the district court. If, for any reason, the board fails to designate a newspaper, or the proprietor of the newspaper fails to give the required bond, the auditor shall thereupon designate the same in writing and immediately file such writing in his office and a certified copy thereof with such clerk.

Sec. 11. Minnesota Statutes 1982, section 300.13, subdivision 4, is amended to read:

Subd. 4. [RESOLUTION TO ENLARGE EFFECT.] Except in the case of a nonprofit cooperative association, or a religious corporation formed under Minnesota Statutes 1949, Chapter 315, the resolution to enlarge the period of corporate existence does not become effective until a duly certified copy of the resolution has been filed (,) and recorded (, AND PUBLISHED) in the same manner as its original articles or certificate of incorporation. (A NONPROFIT COOPERATIVE ASSOCIATION AND A RELIGIOUS CORPORATION FORMED UNDER MINNESOTA STATUTES 1949, CHAPTER 315, NEED NOT PUBLISH THE RESOLUTION.)

Sec. 12. Minnesota Statutes 1982, section 302A.727, subdivision 1, is amended to read:

Subdivision 1. [WHEN PERMITTED; HOW GIVEN.] When a notice of intent to dissolve has been filed with the secretary of state, the corporation may give notice of the filing to each known creditor of and claimant against the corporation at the last known address of each known present, future, or contingent creditor and claimant. The corporation may give published notice to known creditors or claimants whose address is unknown and to unknown present, future, or contingent creditors and claimants, by publishing the notice once each week for four successive weeks in a legal newspaper (AS DEFINED IN SECTION 331.02) in the county or counties where the registered office and the principal executive office of the corporation are located.

Sec. 13. Minnesota Statutes 1982, section 306.023, subdivision 2, is amended to read:

Subd. 2. To accomplish such transfer, the board of trustees of such cemetery association shall adopt a resolution to that effect by an unanimous vote of the board of trustees, and thereupon the chairman or president of the board of trustees and the secretary shall be authorized to execute the proper instruments and a deed in the name of the association to evidence the transfer; provided, however, that such transfer must first have been authorized by a

majority vote of all members of the association, present and voting, at any regular meeting or at any special meeting called for that purpose, *written* notice of which meeting shall have been given (BY PUBLICATION, FOR THREE SUCCESSIVE WEEKS, ONCE EACH WEEK, IN A DAILY OR WEEKLY NEWSPAPER PUBLISHED IN THE COUNTY WHERE SUCH CEMETERY IS SITUATED, SUBSCRIBED BY THE CHAIRMAN, PRESIDENT, OR SECRETARY OF THE BOARD OF TRUSTEES, AND) *to the members* specifying the time, place and purpose of such meeting.

In the event said association shall be an unincorporated association, a deed executed in the name of such association by the chairman or president and the secretary or treasurer of the board of trustees shall be deemed a valid conveyance of the lands of the association.

Sec. 14. Minnesota Statutes 1982, section 306.111, subdivision 2, is amended to read:

Subd. 2. Any three or more lot owners in such cemetery may (ISSUE A) *mail* notice (SIGNED BY THEM) *to all the lot owners known to them or whose addresses appear in the cemetery records* that a meeting of the lot owners will be held *not less than 14 days after the mailing* at a time and place to be fixed by them and designated in the notice, in the county wherein the cemetery is situated, for the purpose of filling the vacancies among the associates. (SUCH NOTICE SHALL BE PUBLISHED AT LEAST TWICE IN A LEGAL NEWSPAPER PUBLISHED IN THE COUNTY WHERE THE MEETING IS TO BE HELD, AND THE TIME OF THE MEETING SHALL BE NOT LESS THAN TEN DAYS AFTER THE SECOND PUBLICATION THEREOF.)

Sec. 15. Minnesota Statutes 1982, section 306.16, subdivision 2, is amended to read:

Subd. 2. (IF THE OWNER OF SUCH CEMETERY LOT BE A RESIDENT OF THE COUNTY WHEREIN SUCH CEMETERY IS LOCATED, THEN SUCH) *The* association or any municipally-owned cemetery may cause to be served upon (SUCH OWNER) *the owner of the lot*, in the manner prescribed by law for the service of a summons in a civil action, a notice specifying the amount unpaid for lot care upon such lot, and specifying a time within which the same must be paid to the secretary of such association or the proper officer of the municipally-owned cemetery, which time shall not be less than 30 days from the date of the service of the notice, and further specifying that, upon the failure of the owner of the lot to pay the amount specified in the notice within the time of aforesaid, the association or municipally-owned cemetery will take the necessary steps to reinvest itself with the title to the portion of such cemetery



lot not actually used for burial purposes. Upon the failure of the owner of the lot to pay the amount within the time specified in the notice, the board of trustees of any such cemetery may, by resolution duly adopted at any regular meeting of the board of trustees, set forth the failure to pay the charges for lot care, the service of the notice prescribed herein, and declare such portion of the lot unused for burial purposes, describing the same by metes and bounds in such resolution, to be the property of the association or such municipally-owned cemetery.

Sec. 16. Minnesota Statutes 1982, section 306.21, subdivision 1, is amended to read:

**Subdivision 1. [LOTS CONVEYED AND ABANDONED.]**  
In all cases where a duly incorporated association has owned a site for a cemetery for more than 40 years and has during that period sold lots and parcels for burial purposes, and has, conveyed cemetery lots or parcels by deed of conveyance with or without restrictions contained therein and the grantee therein, or parties claiming through such grantee, (a) for more than 75 years in counties having a population over 50,000 according to the 1960 federal decennial census, and 50 years in all other counties, have not used portions of such lots or parcels for the purposes of burial and during said time have not made provision for care of said lots beyond that provided uniformly to all lots within the cemetery, and during said time have not given to said corporation a written notice of claim or interest in such lots or parcels, or (b) have not used portions of such lots or parcels for the purposes of burial and have not kept such lots or plots free of weeds or brush but have allowed the same to remain entirely unimproved for more than 20 years, and such lots or parcels are situate in such portion of the cemetery that they adjoin or are adjacent to improved parts of such cemetery and by reason of their unimproved condition detract from the appearance of such cemetery and interfere with its harmonious improvement and furnish a place for the propagation of growth of weeds and brush, such corporation may, by resolution of its governing board, demand of such owners or holders (a) that they file with the corporation a written notice of claim or interest in and to said lots or parcels supported by satisfactory evidence thereof within 60 days after the service of a copy of such resolution of demand, or (b) that they keep the premises clear of weeds and in a condition in harmony with other plots adjoining, and serve a copy of such resolution upon such party or parties (, IF THEY CAN BE FOUND IN SUCH COUNTY, AND IF THE SHERIFF OF THE COUNTY MAKE RETURN UPON SUCH RESOLUTION THAT SUCH PARTIES, OR ANY OF THEM, CANNOT BE FOUND IN THIS COUNTY, THEN THE RESOLUTION MAY BE SERVED UPON THE PARTIES SO ABSENT FROM THE COUNTY BY PUBLICATION THEREOF FOR THREE SUCCESSIVE WEEKS IN A LEGAL NEWSPAPER PUBLISHED IN THE COUNTY AND MAILING A COPY THEREOF WITHIN 14 DAYS

AFTER THE THIRD PUBLICATION TO THE LAST KNOWN ADDRESS OF EACH SUCH PARTY AS THE SAME APPEARS ON THE RECORDS OF THE CORPORATION) *in the same manner as a complaint in a civil action.*

Sec. 17. Minnesota Statutes 1982, section 307.06, is amended to read:

**307.06 [TRANSFER TO ASSOCIATION; HOW EFFECTED.]**

Any private cemetery established, platted, and recorded under the laws of this state may consolidate with and transfer its property, for cemetery purposes only, to any cemetery association or corporation organized under the laws of this state which is contiguous to, or adjacent to, such cemetery corporation.

To so consolidate and transfer its property it shall be necessary:

(1) that a resolution be passed by a two-thirds vote of the lot owners and members of such private cemetery, represented, present, and voting at a special meeting called for that purpose, which resolution shall recite with what cemetery corporation or association it is proposed to consolidate with and transfer its property to, and the terms and conditions thereof; and 30 days' notice of such meeting shall be previously given *by mail* to each lot owner of such private cemetery *whose address can be determined using reasonable diligence* of the time and place when such meeting is to be held, reciting the purpose thereof, which notice shall be signed by at least five lot owners (, AND SHALL BE SERVED BY PUBLICATION, BY PUBLISHING FOR THREE SUCCESSIVE WEEKS, ONCE IN EACH WEEK, IN SOME DAILY OR WEEKLY NEWSPAPER PUBLISHED IN THE COUNTY WHERE SUCH PRIVATE CEMETERY IS SITUATED); and

(2) that the resolution shall be signed and acknowledged by the presiding officer and secretary of such meeting and shall be filed with the county recorder of the county in which the private cemetery is situated.

Sec. 18. Minnesota Statutes 1982, section 315.25, is amended to read:

**315.25 [ANNUAL MEETING, NOTICE OF, PLACE.]**

Any such corporation, the membership of which in part resides in other states, may hold its annual meetings at such points outside the state as it may, from time to time, designate at a previous annual meeting, or it may authorize its president to

designate such place. At least three months before the time of such annual meeting notice of such time and place shall be given by publication in the recognized organ of such corporation, if it has one; otherwise, by (PUBLICATION IN AT LEAST TWO PAPERS OF GENERAL CIRCULATION PUBLISHED AT THE CAPITAL OF THE STATE) *other notice appropriate to inform the membership.*

Sec. 19. Minnesota Statutes 1982, section 326.18, is amended to read:

**326.18 [BOARD, DUTIES, OFFICERS, EXAMINATIONS.]**

A majority of the board constitutes a quorum. The board shall elect one of its number as chairman, another as vice-chairman, and another as secretary and treasurer, who shall hold their respective offices for a term of one year and until their successors are elected. The affirmative vote of a majority of members of the board is considered the action of the board. The board shall enforce the standard of general education; the standard of special education in the science and art of accounting; the standard of good character and general public experience, as prescribed in sections 326.165 to 326.23, in all examinations conducted thereunder. The board shall make rules for the conduct of applicants' examinations and the character and scope of the examinations, the method and time of filing applications for examinations and their form and contents, and all other rules and regulations proper to carry into effect the purposes of sections 326.165 to 326.23. The board may make use of all or any part of the uniform certified public accountant examination and advisory grading service provided by the American Institute of Certified Public Accountants if it deems it appropriate to assist it in performing its duties. These examinations shall be conducted by the board of accountancy. (THE TIME AND PLACE OF HOLDING EXAMINATIONS SHALL BE ADVERTISED FOR NOT LESS THAN THREE CONSECUTIVE DAYS IN ONE DAILY NEWSPAPER PUBLISHED IN EACH OF THE COUNTIES WHERE THE EXAMINATIONS ARE TO BE HELD, AND NOT LESS THAN 60 DAYS PRIOR TO THE DATE OF EACH EXAMINATION.) The examinations shall take place as often as may be convenient in the opinion of the board. The board may make rules necessary to implement and enforce sections 326.165 to 326.23, and 214.12, including but not limited to rules of professional conduct, pertaining to individuals, partnerships and corporations practicing public accounting which it deems consistent with or required by the public welfare and rules of continuing education to be met by persons licensed under sections 326.165 to 326.23.

The board shall keep records of its proceedings, an accurate list of all applications made, licenses and certificates issued, and licenses and certificates revoked, and shall keep proper financial

records in which there shall be entered a complete statement of the cash receipts and disbursements. The board shall issue to each person who satisfies the examination requirements of section 326.19, subdivision 1, a certified public accountant certificate and shall maintain a record of that issuance. The board shall issue a license as a certified public accountant to each holder of a certified accountant certificate who satisfies the experience requirements for a license as a certified public accountant or to a person who has been issued a certified public accountant certificate under section 326.19, subdivision 3. The board shall maintain a record of the issuance. It shall adopt and provide itself with a seal with a band inscribed "Certified Public Accountant, State of Minnesota," with the coat of arms of Minnesota in the center, which seal shall be affixed to each certificate of certified public accountant issued under sections 326.17 to 326.23. The board shall issue to each person who qualifies for a license under sections 326.17 to 326.23 as a licensed public accountant a certificate as a licensed public accountant and shall maintain a record of that issuance. It shall adopt and provide itself with a seal with a band inscribed "Licensed Public Accountant, State of Minnesota," with the coat of arms of Minnesota in the center, which seal shall be affixed to each certificate of the licensed public accountant, issued under sections 326.17 to 326.23. All records of the board shall be open to the inspection of the public at the office of its secretary.

## Sec. 20. [331A.01] [DEFINITIONS.]

*Subdivision 1. As used in sections 20 to 30, the terms defined have the meanings given them except as otherwise expressly provided or indicated by the context.*

*Subd. 2. "Known office of issue" means the principal office maintained by the publisher or managing officer during a newspaper's regular business hours to gather news and sell advertisements and subscriptions, whether or not printing or any other operations of the newspaper are conducted at or from the office, and devoted primarily to business related to the newspaper. A newspaper may have only one known office of issue.*

*Subd. 3. "Local public corporation" means a county, municipality, school district, or any other local political subdivision or local or area district, commission, board, or authority.*

*Subd. 4. "Municipality" means a home rule charter or statutory city or town.*

*Subd. 5. "Newspaper" means a publication issued regularly by the same person, corporation, or his or its successor, whether the name of the publication is the same or different.*

*Subd. 6. "Proceedings" means the substance of all official actions taken by the governing body of a local public corporation*

at any regular or special meeting, and at minimum includes the subject matter of a motion, the persons making and seconding a motion, the roll call vote on a motion, the character of resolutions or ordinances offered, including a brief description of their subject matter, and whether defeated or adopted.

Subd. 7. "Public notice" means every notice required or authorized by law or by order of a court to be published by a qualified newspaper, and includes:

(a) every publication of laws, ordinances, resolutions, financial information, and proceedings intended to give notice in a particular area;

(b) every notice and certificate of election, facsimile ballot, notice of referendum, notice of public hearing before a governmental body, and notice of meetings of private and public bodies required by law; and

(c) every summons, order, citation, notice of sale or other notice which is intended to inform a person that he may or shall do an act or exercise a right within a designated period or upon or by a designated date.

(d) this subdivision contains no independent requirement for the publication of any public notice.

Subd. 8. "Qualified newspaper" means a newspaper which complies with all of the provisions of section 21. The following terms, when found in laws referring to the publication of a public notice, shall be taken to mean a qualified newspaper: "qualified legal newspaper," "legal newspaper," "official newspaper," "newspaper," and "medium of official and legal publication."

Subd. 9. "Secondary office" means an office established by a newspaper in a community other than that in which its known office of issue is located, in the same or an adjoining county, to enhance its coverage of and service to that community, open on a regular basis to gather news and sell advertisements and subscriptions, whether or not printing or any other operations of the newspaper are conducted at or from the office, and devoted primarily to business related to the newspaper.

Subd. 10. "Summary" means an accurate and intelligible abstract or synopsis of the essential elements of proceedings, ordinances, resolutions, and other official actions. It shall be written in a clear and coherent manner, and shall, to the extent possible, avoid the use of technical or legal terms not generally familiar to the public. When a summary is published, the publication shall clearly indicate that the published material is only a summary and that the full text is available for public

inspection at a designated location. A summary published in conformity with this section shall be deemed to fulfill all legal publication requirements as completely as if the entire matter which was summarized had been published. No liability shall be asserted against the local public corporation in connection with the publication of a summary or agenda.

Sec. 21. [331A.02] [REQUIREMENTS FOR A QUALIFIED NEWSPAPER.]

*Subdivision 1. [QUALIFICATION.] No newspaper in this state shall be entitled to any compensation or fee for publishing any public notice unless it is qualified as a medium of official and legal publication. To be qualified as a medium of official and legal publication, a newspaper shall:*

*(a) Be printed in the English language in newspaper format and in column and sheet form equivalent in printed space to at least 1,000 square inches;*

*(b) If a daily, be distributed at least five days each week, or if not a daily, be distributed at least once each week, for 50 weeks each year. In any week in which a legal holiday is included, not more than four issues of a daily paper are necessary;*

*(c) In at least half of its issues each year, have no more than 75 percent of its printed space comprised of advertising material and paid public notices. In all of its issues each year, have 25 percent, if published more often than weekly, or 50 percent, if weekly, of its news columns devoted to news of local interest to the community which it purports to serve. Not more than 25 percent of its total nonadvertising column inches in any issue may wholly duplicate any other publication unless the duplicated material is from recognized general news services;*

*(d) Be circulated in the local public corporation which it purports to serve, have at least 500 copies regularly delivered to paying subscribers and either have entry as second class matter in its local post office or have at least 500 copies regularly distributed without charge to local residents;*

*(e) Have its known office of issue established in either the county in which lies, in whole or in part, the local public corporation which the newspaper purports to serve, or in an adjoining county;*

*(f) File a copy of each issue immediately with the state historical society;*

*(g) Be made available at single or subscription prices to any person, corporation, partnership, or other unincorporated*

association requesting the newspaper and making the applicable payment, or be distributed without charge to local residents;

(h) Have complied with all the foregoing conditions of this subdivision for at least one year immediately preceding the date of the notice publication;

(i) The newspaper must before January 1 of each year publish and submit to the secretary of state a sworn United States Post Office second-class statement of ownership and circulation or a statement of ownership and circulation verified by a recognized independent circulation auditing agency.

**Subd. 2. [EARLIER QUALIFICATION.]** Newspapers which have been qualified, on May 20, 1965, as mediums of official and legal publication shall remain qualified only if they meet the requirements of subdivision 1, except as follows:

(a) If on May 20, 1965, any newspaper is a qualified medium of official and legal publication but is printed in a foreign language, or in English and a foreign language, and otherwise qualifies as a medium of official and legal publication pursuant to the requirements of subdivision 1, it shall be a medium of official and legal publication so long as it otherwise qualifies pursuant to the requirements of subdivision 1.

(b) If on May 20, 1965, any newspaper has been circulated in and near the municipality which it purports to serve to the extent of at least 240 but less than 500 copies regularly delivered to paying subscribers and otherwise qualifies as a medium of official and legal publication pursuant to the requirements of subdivision 1, it shall be a medium of official and legal publication so long as at least 240 copies are regularly so circulated and delivered and it otherwise qualifies pursuant to the requirements of subdivision 1.

**Subd. 3. [PUBLICATION; SUSPENSION; CHANGES.]** The following circumstances shall not affect the qualification of a newspaper, invalidate an otherwise valid publication, or invalidate a designation as official newspaper for publication of county board proceedings.

(a) Suspension of publication for a period of not more than three consecutive months resulting from the destruction of its known office of issue, equipment, or other facility by the elements, unforeseen accident, or acts of God or by reason of a labor dispute.

(b) The consolidation of one newspaper with another published in the same county, or a change in its name or ownership, or a temporary change in its known office of issue.

(c) *Change of the day of publication, the frequency of publication, or the change of the known office of issue from one place to another within the same county. Except as provided in this subdivision, suspension of publication, or a change of known office of issue from one county to another, or failure to maintain its known office of issue in the county, shall deprive a newspaper of its standing as a medium of official and legal publication until the newspaper again becomes qualified pursuant to subdivision 1.*

**Subd. 4. [DECLARATORY JUDGMENT OF LEGALITY.]**

*Any person interested in the standing as a medium of official and legal publication of a newspaper, may petition the district court in the county in which the newspaper has its known office of issue for a declaratory judgment whether the newspaper is qualified as a medium of official and legal publication. Unless filed by the publisher, the petition and summons shall be served on the publisher as in other civil actions. Service in other cases shall be made by publication of the petition and summons once each week for three successive weeks in the newspaper or newspapers the court may order and upon the persons as the court may direct. Publications made in a newspaper after a judgment that it is qualified but before the judgment is vacated or set aside shall be valid. Except as provided in this subdivision, the uniform declaratory judgments act and the rules of civil procedure shall apply to the action.*

**Sec. 22. [331A.03] [WHERE NOTICE PUBLISHED.]**

*A public notice shall be published in a qualified newspaper, and except as otherwise provided by law, in one that is likely to give notice in the affected area or to whom it is directed. When a statute or other law requires publication in a newspaper located in a designated municipality or area and no qualified newspaper is located there, publication shall be made in a qualified newspaper likely to give notice unless the particular statute or law expressly provides otherwise. If no qualified newspaper exists, then publication is not required.*

**Sec. 23. [331A.04] [DESIGNATION OF A NEWSPAPER FOR OFFICIAL PUBLICATIONS.]**

*Subdivision 1. The governing body of any local public corporation, when authorized or required by statute or charter to designate a newspaper for publication of its official proceedings and public notices, shall designate a newspaper which is a qualified medium of official and legal publication in the following priority.*

*Subd. 2. If there are one or more qualified newspapers, the known office of issue of which are located within the local public corporation, one of them shall be designated.*



*Subd. 3. When no qualified newspaper has a known office of issue located in the local public corporation, but one or more qualified newspapers maintain a secondary office there, one of them shall be designated.*

*Subd. 4. When no qualified newspaper has its known office of issue or a secondary office located within the local public corporation, then a qualified newspaper of general circulation there shall be designated.*

*Subd. 5. If a local public corporation is without an official newspaper, or if the publisher refuses to publish a particular public notice, matters required to be published shall be published in a newspaper designated as provided in subdivision 4. The governing body of a local public corporation with territory in two or more counties may, if deemed in the public interest, designate a separate qualified newspaper for each county.*

**Sec. 24. [331A.05] [FORM OF PUBLIC NOTICES.]**

*Subdivision 1. All public notices shall be printed or otherwise disseminated in the English language.*

*Subd. 2. Unless otherwise specified by a particular statute, or by order of a court, publication of a public notice shall be as follows:*

*(a) the notice shall be published once;*

*(b) if the notice is intended to inform the public about a future event, the last publication shall occur not more than 14 days and not less than seven days before the event;*

*(c) if the notice is intended to inform the public about a past action or event, the last publication shall occur not more than 45 days after occurrence of the action or event.*

*Subd. 3. Except as otherwise directed by a particular statute requiring publication of a public notice, a public notice shall be printed in a type face no smaller than six point with a lower case alphabet of 90 point. Larger type faces may be used.*

*Subd. 4. Every public notice shall include a title or caption in a body type no smaller than brevier or eight point referring to the content of the notice. Larger type faces may be used.*

*Subd. 5. The governing body of a local public corporation may, to better inform the public, increase the frequency of publication of a public notice beyond the minimum required by a particular statute. It may use forms and styles for the notice as it deems appropriate, including the use of display advertisements*

and graphics. It may publish or disseminate the notice in other newspapers in addition to the newspaper required to be designated under section 23. Regardless of whether a particular statute specifies "legal notice," "public notice," "notice," or uses similar terms, the governing body may use whatever form for the published notice that it deems appropriate in order to adequately inform the public, subject to the requirements of sections 20 to 30. Nothing in the foregoing provisions of this subdivision shall require the governing body of a local public corporation to use the options described.

Subd. 6. Nothing in this section shall invalidate or affect any statutory or charter provision imposing additional or special qualifications for publication of particular notices or proceedings.

#### Sec. 25. [331A.06] [FEES FOR PUBLICATION.]

Subdivision 1. The maximum rate charged for publication of a public notice shall not exceed the lowest classified rate paid by commercial users for comparable space in the newspapers in which the public notice appears, and shall include all cash discounts, multiple insertion discounts, and similar benefits extended to the newspaper's regular customers.

Subd. 2. Notwithstanding subdivision 1, no newspaper may increase its rates for publication of public notices by more than ten percent per year over the maximum rate actually charged by the newspaper in 1984 for publication of public notices, and in any case the new rate shall not exceed the rate described in subdivision 1 of this section. Nothing in this section shall be interpreted to mean that such an increase is required.

Subd. 3. When the governing board of a local public corporation awards a contract for the publication of public notices based on competitive bidding, the rate established by the competitive bidding shall be the rate charged for publication of the public notices.

Subd. 4. When a statute refers to publication of a public notice at the legal rate or at the rate provided in section 331.08, the maximum rate shall be as provided in this section.

#### Sec. 26. [331A.07] [AFFIDAVIT OF PUBLICATION.]

No compensation shall be recoverable for publishing legal or official matter in any newspaper not qualified, until there is filed with the county auditor the affidavit of a person having knowledge of the facts, showing the name and location of the newspaper and the existence of conditions constituting its qualifications as a qualified newspaper as set forth in section 21. If the matter published relates to proceedings in another

county, a like affidavit must be filed with its auditor. The affidavit, if it states the required facts, shall be prima facie evidence of them and of the qualification. No compensation shall be recoverable for publishing legal or official matter in any newspaper unless the bill is accompanied by an affidavit of the publisher, or printer in charge, of the newspaper having knowledge of the facts, setting forth the fact that the newspaper has complied with all the requirements to constitute a legal newspaper. The affidavit must set forth the dates of the month and year and the day of the week upon which the legal or official matter was published in the newspaper.

**Sec. 27. [331A.08] [COMPUTATION OF TIME.]**

*Subdivision 1. The time for publication of public notices shall be computed to exclude the first day of publication and include the day on which the act or event, of which notice is given, is to happen or which completes the full period required for publication.*

*Subd. 2. The time within which an act is to be done or proceeding had or taken, as prescribed by the rules of procedure, shall be computed by excluding the first day and including the last. If the last day is Sunday or a legal holiday the party shall have the next secular day in which to do the act or take the proceeding.*

**Sec. 28. [331A.09] [PUBLICATION ON SUNDAY.]**

*Any public notice may be printed in a newspaper published on Sunday, and the publication is a lawful publication and a full compliance with the order of the court or officer ordering the publication. Any notice that, by law or the order of any court, is required to be published for any given number of weeks may be published on any day in each week or the term, and if published as many weeks and as many times in each week as required by the law or order, it is a lawful publication.*

**Sec. 29. [331A.10] [CHANGE OF NAME OR DISCONTINUANCE OF NEWSPAPER.]**

*Subdivision 1. When a legal notice is required or ordered to be published in a particular newspaper and the name of the newspaper is changed before the publication is completed, the publication shall be made or continued in the newspaper under its new name with the same effect as if the name had not been changed. The proof of the publication, in addition to other requirements, shall state the change of name and specify the period of publication in the newspaper under each name.*

*Subd. 2. When a newspaper ceases to be published before the publication of a public notice is commenced, or when com-*

menced ceases before the publication is completed, the order for publication, when one is required in the first instance, may be amended by order of the court or judge, to designate another newspaper, as may be necessary. If no order is required in the first instance, publication may be made or completed in any other qualified newspaper. Any time during which the notice is published in the first newspaper shall be calculated as a part of the time required for the publication, proof of which may be made by affidavit of any person acquainted with the facts.

Sec. 30. [331A.11] [APPLICATION.]

*Subdivision 1. Sections 20 to 30 apply to all municipalities and local public corporations.*

*Subd. 2. Sections 20 to 30 do not apply to notices required by private agreements or local laws to be published in newspapers, unless they refer to sections 20 to 30, or particular provisions of sections 20 to 30.*

Sec. 31. Minnesota Statutes 1982, section 346.02, is amended to read:

346.02 [FINDER TO GIVE NOTICE; PENALTY.]

Every finder of an estray, within seven days thereafter, shall notify the owner thereof, if to him known, and request him to pay all reasonable charges and take such estray away; but, if such owner be to him unknown, he shall within ten days file a notice with the town clerk. The clerk shall transmit a copy thereof to the county recorder, who shall record the same in a book designated "estrays book." (IF THE ESTRAY IS OF LESS VALUE THAN \$5.) The finder shall give posted notice (THEREOF) of the finding of the estray in said town (, BUT, IF THE VALUE EXCEEDS \$5, HE SHALL GIVE FOUR WEEKS' PUBLISHED NOTICE THEREOF). The notice shall briefly describe the estray, giving its marks, natural and artificial, as nearly as practicable, naming the residence of the finder, and specifying the town, section, and time when taken up. For failure to give such notice, the finder shall be liable to the owner of the estray in double the amount of damages sustained by him thereby.

Sec. 32. Minnesota Statutes 1982, section 370.04, is amended to read:

370.04 [RECORD PETITION; PUBLISH NOTICE.]

Upon issuance of the proclamation, the secretary of state shall record the petitions, affidavits, and proclamation, and

(SHALL CAUSE THREE WEEKS' PUBLISHED NOTICE OF THE PROCLAMATION TO BE GIVEN AT THE COUNTY-SEAT OF EACH COUNTY WHOSE TERRITORY WILL BE AFFECTED BY THE PROPOSED CHANGE, AND SHALL ALSO) transmit a certified copy of the proclamation, by mail, to the auditor of each county.

Sec. 33. Minnesota Statutes 1982, section 370.07, is amended to read:

**370.07 [CANVASS; PROCLAMATION; SECRETARY OF STATE; AUDITOR; NOTICE TO COUNTY COMMISSIONERS.]**

The state canvassing board shall canvass such returns at the time of canvassing the votes cast for state officers, and in the same manner; and it may resort to the returns received from the election judges for the correction of errors in the returns of the county canvassing board, and for supplying omissions therein. When the canvass is completed, the board shall make and file with the secretary of state its certificate declaring the result of the vote; and, if the certificate shows that the proposition has received a majority of the votes cast thereon in each county to be affected thereby, and also has received a majority of the votes cast thereon in the territory forming the proposed new county, if the proposition was for the establishment of a new county, the governor, within ten days thereafter, shall issue his proclamation declaring the same adopted. The secretary of state shall record the certificate and proclamation in his office, and transmit a certified copy of the proclamation to the auditor of each county whose territory is affected thereby. The auditor shall (CAUSE THREE WEEKS' PUBLISHED NOTICE THEREOF TO BE GIVEN, AND), if the proposition was for the establishment of a new county, (SHALL) serve a certified copy (THEREOF) on each of the persons elected as county commissioners of the new county. The proclamation shall also be published with the general laws enacted at the next session of the legislature thereafter.

Sec. 34. Minnesota Statutes 1982, section 371.04, is amended to read:

**371.04 [NOTICE OF PROCLAMATION.]**

Upon the issuing of the proclamation the secretary of state shall record the petitions, affidavits, and proclamation, and (SHALL CAUSE THREE WEEKS' PUBLISHED NOTICE OF THE PROCLAMATION TO BE GIVEN IN THE COUNTY-SEAT OF EACH COUNTY AFFECTED THEREBY, AND SHALL) transmit a certified copy of the proclamation, by mail, to the auditor of each county.

Sec. 35. Minnesota Statutes 1982, section 372.02, is amended to read:

372.02. [FORM OF NOTICE.]

When the order is filed the auditor shall forthwith make, seal, subscribe, and file in his office a notice substantially in the following form: "To the legal voters of the county of (here name the county), Minnesota: Notice is hereby given that a petition is on file in my office, signed by legal voters of the county to the number of (here state number as shown by the petition and affidavits), praying that the county-seat of the county be changed to (here designate the place), and that a special meeting of the county board will be held at (name the place of meeting), on the (state time), to consider the petition, at which time and place any legal voter of the county may appear, in person or by counsel, and be heard." The auditor shall cause (TWO WEEKS' PUBLISHED NOTICE OF THE MEETING TO BE GIVEN IN ALL THE NEWSPAPERS OF THE COUNTY AND) ten days' posted notice (THEREOF) *of the meeting to be given* in each town therein. Proof of (PUBLICATION AND) posting may be by the affidavit of any person having personal knowledge thereof, which affidavit shall be filed in the office of the auditor, and thereafter be prima facie evidence of the truth of the facts therein set forth. Two weeks' (PUBLISHED) *posted* notice of the intention to circulate such petition shall be given (IN ONE OR MORE NEWSPAPERS OF THE COUNTY, AND TWO WEEKS' POSTED NOTICE OF SUCH INTENTION SHALL BE GIVEN) at the county-seat. Proof of the (PUBLICATION AND) posting shall be made in like manner as in the case of notice of the special meeting of the board.

Sec. 36. Minnesota Statutes 1982, section 372.08, is amended to read:

372.08 [CANVASS; CERTIFICATE OF CANVASSING BOARD.]

When the canvass is completed the canvassing board shall forthwith make, subscribe, and file with the auditor a certificate setting forth the total number of votes cast at the election, the number cast in each election district in favor of and against the change, and the majority in each for or against the same, the number cast in favor of and against the change in the county, and the majority therein for or against the same. If 55 percent of all the votes cast at the election shall be in favor of the change, the board shall (GIVE TWO WEEKS' PUBLISHED NOTICE OF THE RESULT IN ALL THE NEWSPAPERS OF THE COUNTY. THE NOTICE SHALL STATE THAT FROM AND AFTER A DATE SPECIFIED THEREIN, WHICH SHALL BE) *set a date* not less than 60 nor more than

90 days after the election (,) *after which* the place so chosen shall be the county-seat.

Sec. 37. Minnesota Statutes 1982, section 374.13, is amended to read:

374.13 [TO ADVERTISE FOR BIDS.]

Upon the completion of such plans and specifications and their approval or adoption by the city council and the board of county commissioners, the commission shall (PROCEED TO ADVERTISE FOR), *after notice appropriate to inform possible bidders, obtain bids or proposals for all or any portion of the work or materials, or both, to be done, performed, or furnished in the construction of the building.* (THE ADVERTISEMENT FOR BIDS OR PROPOSALS SHALL BE PUBLISHED IN THE OFFICIAL NEWSPAPER OF SUCH CITY, IF THERE BE ONE, AND, IF NOT, IN ANY NEWSPAPER PUBLISHED IN SUCH COUNTY TO BE SELECTED BY THE COMMISSION, AND MAY BE PUBLISHED IN SUCH OTHER NEWSPAPERS OR PUBLICATIONS, EITHER WITHIN OR WITHOUT THE STATE, AS THE COMMISSION MAY DEEM ADVISABLE, AND SHALL BE PUBLISHED FOR SUCH LENGTH OF TIME AS THE COMMISSION MAY DETERMINE.) All bids or proposals shall be sealed by the bidders or proposers and shall be filed with the commission at or before the time specified (IN SUCH ADVERTISING) for the opening of bids or proposals. At the time and place specified (IN THE ADVERTISEMENT) for the opening of bids or proposals, the commission shall meet, open the bids or proposals, and tabulate the same, and shall thereupon award the contract or contracts to the responsible bidder whose bid or proposal is the most favorable to the city or county, or reject all bids and proposals. In the event all bids or proposals are rejected, the commission may (READVERTISE FOR), *after similar notice, obtain more bids or proposals or may modify or change the plans and specifications and submit such modified plans and specifications to the city council and the board of county commissioners for approval, and when such modified or changed plans and specifications are satisfactory to both the city council and the board of county commissioners, the plans and specifications shall be returned to the commission and the commission shall proceed to again (ADVERTISE FOR), after similar notice, obtain bids or proposals (IN THE MANNER HEREINBEFORE PROVIDED).* Any such contract awarded by the commission shall be subject to approval by the city council and the board of county commissioners.

Sec. 38. Minnesota Statutes 1982, section 374.34, is amended to read:

374.34 [ADVERTISEMENT FOR BIDS.]

Upon the completion of such plans and specifications and their approval or adoption by the commission, the commission shall (PROCEED TO ADVERTISE FOR), *after notice appropriate to inform possible bidders, obtain bids or proposals for all or any portion of the work or materials, or both, to be done, performed or furnished in the construction of the building. (THE ADVERTISEMENT FOR BIDS OR PROPOSALS SHALL BE PUBLISHED IN THE OFFICIAL NEWSPAPER OF SUCH CITY, IF THERE BE ONE, AND IN THE OFFICIAL NEWSPAPER OF SUCH COUNTY, AND MAY BE PUBLISHED IN SUCH OTHER NEWSPAPERS OR PUBLICATIONS, EITHER WITHIN OR WITHOUT THE STATE, AS THE COMMISSION MAY DEEM ADVISABLE, AND SHALL BE PUBLISHED FOR SUCH LENGTH OF TIME AS THE COMMISSION MAY DETERMINE.)* All bids or proposals shall be sealed by the bidders or proposers and shall be filed with the commission at or before the time specified (IN SUCH ADVERTISING) for the opening of bids or proposals, at which time the commission shall meet, open the bids or proposals and tabulate the same, and shall thereupon award the contract or contracts to the responsible bidder whose bid or proposal is the most favorable, or reject all bids and proposals. In the event all bids or proposals are rejected, the commission may (RE-ADVERTISE FOR), *after similar notice, obtain more bids or proposals or may modify or change the specifications, and shall (PROCEED TO) again (ADVERTISE FOR), after similar notice, obtain more bids or proposals in the manner hereinbefore provided.*

Sec. 39. Minnesota Statutes 1982, section 375.025, subdivision 4, is amended to read:

Subd. 4. [REDISTRICTING PLAN; ELECTION FOLLOWING REDISTRICTING.] A redistricting plan whether prepared by the county board or the redistricting commission shall be filed in the office of the county auditor. (NOTICE THAT THE PLAN IS ON FILE SHALL BE PUBLISHED IN THE NEWSPAPER HAVING THE CONTRACT FOR PUBLISHING THE COMMISSIONERS' PROCEEDINGS FOR THE CURRENT YEAR.) A redistricting plan shall be effective on the 31st day after (PUBLICATION OF THE NOTICE) *filing* unless a later effective date is specified; provided, no redistricting plan shall be effective as to the next election of county commissioners unless the plan shall have been filed with the county auditor not less than 30 days before the first date candidates may file for the office of county commissioner. One commissioner shall be elected in each district who, at the time of the election, shall be a resident thereof and the person so elected shall be entitled to hold the office only while he remains a resident of the commissioner district. The county board or the redistricting commission as appropriate shall determine the number of members of the county board who shall be elected for two year terms and for four year terms in order to provide for staggered terms on the county board. Thereafter, all commissioners shall be



elected for four years. When a county is redistricted, there shall be a new election of commissioners in all the districts of the county at the next general election except that where the change made in the boundaries of a district is less than 10 percent of the average of all districts of the county, the commissioner in office at the time of the redistricting shall serve for the full period for which he was elected.

Sec. 40. Minnesota Statutes 1982, section 375.12, is amended to read:

**375.12 [PUBLICATION OF PROCEEDINGS.]**

Subdivision 1. The county board shall cause the official proceedings of its sessions to be published in (SOME) a qualified newspaper (PRODUCED AND PUBLISHED IN ITS) of general circulation in the county, which publications shall be let annually by contract to the lowest bidder, at the first regular session of the board in January each year. (THE BOARD MAY ELECT TO PUBLISH ALL OR ANY PART OF THE OFFICIAL PROCEEDINGS; PROVIDED THAT IN THE CASE OF PARTIAL PUBLICATION, THE PUBLISHED PROCEEDINGS SHALL INDICATE IN WHAT RESPECT THEY ARE INCOMPLETE.) *If the county board determines that publication of a summary of the proceedings would adequately inform the public of the substance of the proceedings, the county board may direct that only a summary be published, conforming to the requirements of section 20, subdivision 10.* In each county whose population exceeds 600,000, the proceedings shall be published in a daily newspaper. The board may reject any offer if, in its judgment, the public interests so require, and may thereupon designate a newspaper without regard to any rejected offer. In any county whose population exceeds 50,000, and is less than 250,000, the proceedings may be published in one daily and one weekly newspaper at their respective county seats. If the official newspaper of the county shall cease to exist for any reason, except by consolidation with another newspaper, the county board shall have authority to designate another newspaper for the remainder of the year. (FOR THE PURPOSE OF THIS SECTION, A NEWSPAPER IS PRODUCED AND PUBLISHED IN THE COUNTY IF IT HAS IN THE COUNTY ITS KNOWN OFFICE OF ISSUE, AS SUCH TERM IS DEFINED IN SECTION 331.02, AND IF IT DOES ITS TYPOGRAPHIC COMPOSITION OR PRESSWORK OR BOTH IN THE COUNTY.) *The publication shall occur within 30 days of the meeting to which the proceedings relate.*

Subd. 2. Individualized itemized accounts, claims or demands allowed by the county board pursuant to section 471.38, subdivision 1, need not be published pursuant to subdivision 1, provided that the amount allowed from each claim is \$100 or less. The official proceedings following the itemization of accounts required shall contain a statement showing the total number of claims

that did not exceed \$100, and the total dollar amount of those claims.

**Sec. 41. [375.169] [PUBLICATION OF SUMMARY BUDGET STATEMENT.]**

*Annually, upon adoption of the county budget, the county board shall cause a summary budget statement to be published in the official newspaper of the county, or if there is none, in a qualified newspaper of general circulation in the county. The statement shall contain information relating to anticipated revenues and expenditures in a form prescribed by the state auditor. The form prescribed shall be designed so that comparisons can be made between the current year and the budget year. A note shall be included that the complete budget is available for public inspection at a designated location within the county.*

Sec. 42. Minnesota Statutes 1982, section 375.17, is amended to read:

**375.17 [PUBLICATION OF FINANCIAL STATEMENTS.]**

Annually, not later than the first Tuesday after the first Monday in March, the county board shall make a full and accurate statement of the receipts and expenditures of the preceding year, which shall contain a statement of the assets and liabilities, a summary of receipts, disbursements, and balances of all county funds together with a detailed statement of each fund account, under the form and style prescribed by and on file with the state auditor, which prescribed form and any changes or modifications thereof shall so far as practical be uniform for all counties and shall be approved by the attorney general and the state printer and (WITHIN 30 DAYS THEREAFTER) before June 1 shall cause the same to be published for one issue in some newspaper within the county, which newspaper must be a duly qualified legal newspaper, as provided by law. The county board may also refrain from publishing an itemized account of amounts paid out, to whom and for what purpose to the extent that the published proceedings of the county board contain such information, provided that all disbursements aggregating \$5,000 or more to any person are set forth in a schedule of major disbursements showing amounts paid out, to whom and for what purpose and are made a part of, and published with, the financial statement. The county board may refrain from publishing the names and amounts of salaries and expenses paid to employees but shall publish the totals of disbursements for salaries and expenses. The county board may refrain from publishing the names of persons receiving poor relief or direct relief and the amounts paid to each, but the totals of the disbursements for such purposes must be published. In addition to the publication thereof in the newspaper designated by the board as the official newspaper

for publication of the financial statement, the same shall be published in one other newspaper (OF THE COUNTY), if there be one (LOCATED) of *general circulation* in a different municipality in the county than the official newspaper. The county board shall call for separate bids for each publication. Insofar as any provision of this section is inconsistent with the provisions of section 393.07, the provisions of that section shall prevail.

Sec. 43. Minnesota Statutes 1982, section 375.51, subdivision 3, is amended to read:

Subd. 3. [PUBLICATION.] Every ordinance enacted by a county board shall be published at least once as part of the proceedings of the meeting at which the ordinance was enacted. Publication shall be made in the official newspaper of the county but additional publications, either in the official newspaper or other newspaper, may be ordered. An ordinance may be published in its entirety, or otherwise as hereinafter provided.

To the extent of the authority described in subdivision 1 of this section, a county may incorporate in an ordinance by reference any statute of Minnesota, any administrative rule or regulation of any department of the state of Minnesota affecting the county, or any code. The term "code" as used herein means any compilation of regulations or standards or parts thereof prepared by any governmental agency or any trade or professional association for general distribution in printed form as a standard or model on the subject of building construction, plumbing, electric wiring, inflammable liquids, sanitary provisions, public health, safety, or general welfare.

In the case of lengthy ordinances, or ordinances which include charts or maps, the ordinance need not be published in its entirety if the title of the ordinance and a summary of the ordinance *conforming to section 20, subdivision 10*, is included in the publication of the proceedings of the meeting at which the ordinance was enacted, *with notice that a printed copy of the ordinance is available for inspection by any person during regular office hours at the office of the county auditor*. In such case and in the case a statute, administrative rule or regulation or a code is adopted by reference, all requirements of statute for the publication of ordinances shall be satisfied if the summary of the ordinance or the ordinance incorporating the statute, regulation, ordinance or code is published in the required manner and if, prior to such publication, at least one copy of the entire ordinance or of the statute, rule, regulation or code are marked as the official copy and filed for use and examination by the public in the office of the county auditor. Provisions of the entire ordinance or of the statute, rule, regulation or code thus incorporated in such ordinance by reference shall be as much a part of the ordinance as if they had been set out in full therein.

Sec. 44. Minnesota Statutes, section 375.52, is amended to read:

**375.52 [REVISION AND CODIFICATION.]**

Any county may revise and codify and print in book, pamphlet or newspaper form any general and special laws, ordinances, resolutions and rules in force in the county. Such codification shall be a sufficient publication of any ordinance included in it and not previously published in a newspaper if a substantial quantity of the codification is printed for general distribution to the public. (A NOTICE THAT COPIES OF THE CODIFICATION ARE AVAILABLE IN THE OFFICE OF THE COUNTY AUDITOR SHALL BE PUBLISHED IN THE OFFICIAL COUNTY NEWSPAPER FOR AT LEAST TWO SUCCESSIVE WEEKS.) The county board is authorized to make a reasonable charge for the cost of printing and distribution of ordinances or a codification of ordinances.

Sec. 45. Minnesota Statutes 1982, section 383A.27, subdivision 2, is amended to read:

Subd. 2. [RULES; JOURNAL.] The board shall determine its own rules and order of business and shall provide for keeping a journal of its official proceedings. This journal shall be a public record and shall be published according to Minnesota Statutes, Section 375.12, in a newspaper having in the county its own office of issue (, AS THIS TERM IS DEFINED IN MINNESOTA STATUTES, SECTION 331.02,) and doing its typographic composition and presswork in the county.

Sec. 46. Minnesota Statutes 1982, section 412.191, subdivision 3, is amended to read:

Subd. 3. [PUBLICATION OF COUNCIL PROCEEDINGS.] The council (MAY PUBLISH ALL OR ANY PART OF THE OFFICIAL COUNCIL PROCEEDINGS IN THE OFFICIAL NEWSPAPER. IN THE CASE OF PARTIAL PUBLICATION, THE PUBLISHED PROCEEDINGS SHALL INDICATE IN WHAT RESPECTS THEY ARE INCOMPLETE) *after every regular or special meeting shall publish the official council proceedings, a summary conforming to section 20, subdivision 10, or a condensed version of the official minutes which shall include action on motions, resolutions, ordinances, and other official proceedings. The publication shall occur within 30 days of the meeting to which the proceedings relate.*

Sec. 47. Minnesota Statutes 1982, section 412.191, subdivision 4, is amended to read:

Subd. 4. [ENACTMENT OF ORDINANCES.] Every ordinance shall be enacted by a majority vote of all the members of the council except where a larger number is required by law. It

shall be signed by the mayor, attested by the clerk and published once in the official newspaper. *In the case of lengthy ordinances, or ordinances which include charts or maps*, if the city council determines that publication of the title and a summary of an ordinance would clearly inform the public of the intent and effect of the ordinance, the council may by a four-fifths vote of its members direct that only the title of the ordinance and a summary be published, *conforming to section 20, subdivision 10*, with notice that a printed copy of the ordinance is available for inspection by any person during regular office hours at the office of the city clerk and any other location which the council designates. A copy of the entire text of the ordinance shall be posted in the community library, if there is one, or if not, in any other public location which the council designates. Prior to the publication of the title and summary the council shall approve the text of the summary and determine that it clearly informs the public of the intent and effect of the ordinance. The publishing of the title and summary shall be deemed to fulfill all legal publication requirements as completely as if the entire ordinance had been published. The text of the summary shall be published in a body type no smaller than brevier or eight-point type (, AS DEFINED IN SECTION 331.07). Proof of the publication shall be attached to and filed with the ordinance.

Every ordinance shall be recorded in the ordinance book within 20 days after publication of the ordinance or its title and summary. All ordinances shall be suitably entitled and shall be substantially in the style. "The City Council of \_\_\_\_\_ ordains:".

**Sec. 48.** Minnesota Statutes 1982, section 414.09, subdivision 3, is amended to read:

**Subd. 3. [ELECTIONS OF MUNICIPAL OFFICERS.]**  
An order approving an incorporation or consolidation pursuant to this chapter shall set a date for this election of new municipal officers not less than 45 days nor more than 60 days after the issuance of such order. The board shall appoint an acting clerk for election purposes, at least three election judges who shall be residents of the new municipality, and shall designate polling places within the new municipality.

The acting clerk shall prepare the official election ballot. Affidavits of candidacy may be filed by any person eligible to hold municipal office not more than four weeks nor less than two weeks before the date designated by the board for the election. (AT LEAST ONE WEEK BEFORE THE FIRST DAY TO FILE SUCH AFFIDAVITS THE ACTING CLERK SHALL PUBLISH A NOTICE IN A NEWSPAPER QUALIFIED AS A MEDIUM OF OFFICIAL PUBLICATION AND OF GENERAL CIRCULATION WITHIN THE NEW MUNICIPALITY STATING THE FIRST AND LAST DATES ON WHICH SUCH AFFIDAVITS MAY BE FILED, THE LOCATION OF

**THE CLERK'S OFFICE, THE CLERK'S OFFICE HOURS,  
AND THE AMOUNT OF THE FILING FEE.)**

**(THE ACTING CLERK SHALL PUBLISH A NOTICE OF ELECTION IN A NEWSPAPER QUALIFIED AS A MEDIUM OF OFFICIAL PUBLICATION AND OF GENERAL CIRCULATION WITHIN THE NEW MUNICIPALITY FOR TWO SUCCESSIVE WEEKS IMMEDIATELY PRIOR TO THE DATE DESIGNATED BY THE BOARD FOR THE ELECTION. THE ELECTION NOTICE SHALL STATE THE PURPOSE, DATE, AND POLLING PLACES FOR THE ELECTION, AND SHALL STATE THE TIME THE POLLS SHALL BE OPEN, WHICH TIME SHALL BE AT LEAST FIVE HOURS.)**

The election shall be conducted in conformity with the charter and the laws for conducting municipal elections insofar as applicable. Any person eligible to vote at a township or municipal election within the area of the new municipality, is eligible to vote at such election.

Any excess in the expense of conducting the election over receipts from filing fees shall be a charge against the new municipality; any excess of receipts shall be deposited in the treasury of the new municipality.

**Sec. 49. Minnesota Statutes 1982, section 415.021, is amended to read:**

**415.021 [CODIFICATION OF ORDINANCES.]**

Any city, however organized, may revise and codify and print in book, pamphlet or newspaper form, any ordinances, resolutions, and rules of the city and may include therein for reference any applicable general or special laws. Such codification shall be a sufficient publication of any ordinance included in it and not previously published in a newspaper if a substantial quantity of the codification is printed for general distribution to the public. (A NOTICE THAT COPIES OF THE CODIFICATION ARE AVAILABLE AT THE OFFICE OF THE CITY CLERK OR RECORDER SHALL BE PUBLISHED FOR AT LEAST TWO SUCCESSIVE WEEKS IN THE OFFICIAL NEWSPAPER, OR, IF THERE IS NONE, IN A NEWSPAPER OF GENERAL CIRCULATION IN THE CITY.)

**Sec. 50. Minnesota Statutes 1982, section 429.061, subdivision 2, is amended to read:**

**Subd. 2. [ADOPTION; INTEREST.]** At such meeting or at any adjournment thereof the council shall hear and pass upon all objections to the proposed assessment, whether presented

orally or in writing. The council may amend the proposed assessment as to any parcel and by resolution adopt the same as the special assessment against the lands named in the assessment roll. Notice of any adjournment of the hearing shall be adequate if the minutes of the meeting so adjourned show the time and place when and where the hearing is to be continued (, OR IF THREE DAYS NOTICE THEREOF BE PUBLISHED IN THE NEWSPAPER).

The council may consider any objection to the amount of a proposed assessment as to a specific parcel of land at an adjourned hearing upon further notice to the affected property owner as it deems advisable. At the adjourned hearing the council or a committee of it may hear further written or oral testimony on behalf of the objecting property owner and may consider further written or oral testimony from appropriate city officials and other witnesses as to the amount of the assessment. The council or committee shall prepare a record of the proceedings at the adjourned hearing and written findings as to the amount of the assessment. The amount of the assessment as finally determined by the council shall become a part of the adopted assessment roll. All objections to the assessments not received at the assessment hearing in the manner prescribed by this section are waived, unless the failure to object at the assessment hearing is due to a reasonable cause.

The assessment, with accruing interest, shall be a lien upon all private and public property included therein, from the date of the resolution adopting the assessment, concurrent with general taxes; but the lien shall not be enforceable against public property as long as it is publicly owned, and during such period the assessment shall be recoverable from the owner of such property only in the manner and to the extent provided in section 435.19. Except as provided below, all assessments shall be payable in equal annual installments extending over such period, not exceeding 30 years, as the resolution determines, payable on the first Monday in January in each year, but the number of installments need not be uniform for all assessments included in a single assessment roll if a uniform criterion for determining the number of installments is provided by the resolution. The first installment of each assessment shall be included in the first tax rolls completed after its adoption and shall be payable in the same year as the taxes contained therein; except that the payment of the first installment of any assessment levied upon unimproved property may be deferred until a designated future year, or until the platting of the property or the construction of improvements thereon, upon such terms and conditions and based upon such standards and criteria as may be provided by resolution of the council. If special assessments against the property have been deferred pursuant to this subdivision, the governmental unit shall file with the county recorder in the county in which the property is located a certificate containing the legal description of the affected property and of the amount

deferred. In any event, every assessment the payment of which is so deferred, when it becomes payable, shall be divided into a number of installments such that the last installment thereof will be payable not more than 30 years after the levy of the assessment. All assessments shall bear interest at such rate as the resolution determines, not exceeding eight percent per annum, except that the rate may in any event equal the average annual interest rate on bonds issued to finance the improvement for which the assessments are levied. To the first installment of each assessment shall be added interest on the entire assessment from a date specified in the resolution levying the assessment, not earlier than the date of the resolution, until December 31 of the year in which the first installment is payable, and to each subsequent installment shall be added interest for one year on all unpaid installments; or alternatively, any assessment may be made payable in equal annual installments including principal and interest, each in the amount annually required to pay the principal over such period with interest at such rate as the resolution determines, not exceeding the maximum period and rate specified above. In the latter event no prepayment shall be accepted under subdivision 3 without payment of all installments due to and including December 31 of the year of prepayment, together with the original principal amount reduced only by the amounts of principal included in such installments, computed on an annual amortization basis. When payment of an assessment is deferred, as authorized in this subdivision, interest thereon for the period of deferment may be made payable annually at the same times as the principal installments of the assessment would have been payable if not deferred; or interest for this period may be added to the principal amount of the assessment when it becomes payable; or, if so provided in the resolution levying the assessment, interest thereon to December 31 of the year before the first installment is payable may be forgiven.

Sec. 51. Minnesota Statutes 1982, section 430.02, subdivision 3, is amended to read:

Subd. 3. [NOTICE OF HEARING; HEARING; AWARD AND APPRAISEMENT.] The commissioners shall give notice. (BY TWO PUBLICATIONS IN THE OFFICIAL NEWSPAPER OF THE CITY) *in a manner appropriate to inform the public*, that the survey and plat and the pedestrian mall ordinance, if any, is on file in the office of the city clerk for the examination of all persons interested and that they will, on a day designated in this notice, (WHICH SHALL BE AT LEAST TEN DAYS AFTER THE FIRST PUBLICATION OF THE NOTICE,) meet at a place designated in the notice on or near the proposed improvement, and view the property proposed to be taken or interfered with for the purposes of these improvements, and ascertain and award therefor compensation and damages, and view the premises to be benefited by this improvement, and assess thereon in proportion to benefits, the amount necessary to pay the compensation and damage and the cost of making the



improvement and that they will then and there hear such allegations and proofs as interested persons may offer. These commissioners shall meet and view the premises pursuant to the notice, and may adjourn, from time to time, and, after having viewed the premises, may, for the hearing of evidence and preparation of their award and assessment, adjourn or go to any other convenient place in the city, and may have the aid and advice of the city engineer and of any other officer of the city, and adjourn from time to time. If a pedestrian mall ordinance is proposed by the council under section 430.011, in connection with an improvement, the commissioners may consider the business uses of abutting property affected by such ordinance and by the improvement to which it relates and the probable effect which the ordinance and improvement will have on the value of such property and such uses and shall consider whether such property has access to some other street or alley for delivering and receiving merchandise and materials and the extent to which the use and value of property without such access will suffer as a result of the adoption of such ordinance and the making of such improvement. After viewing the premises and hearing the evidence offered, these commissioners shall prepare and make a true and impartial appraisal and award of the compensation and damages to be paid to each person whose property is to be taken or injured by the making of the improvement; but if the remainder of the same property, a part of which only is to be taken or damaged by the improvement, shall be benefited by the improvement, then the commissioners, in considering and awarding compensation and damages, shall also consider, estimate, and offset the benefits which will accrue to the same owner, in respect to the remainder of the same property, and award him only the excess of the compensation or damages over and above these benefits.

Sec. 52. Minnesota Statutes 1982, section 430.02, subdivision 7, is amended to read:

Subd. 7. [PUBLICATION OF NOTICE OF HEARING.] The commissioners shall, upon the completion of their report, file the same with the city clerk and thereupon it shall be the duty of the city clerk to (GIVE NOTICE TO ALL INTERESTED PARTIES BY PUBLISHING, AS SOON AS POSSIBLE, IN THE OFFICIAL NEWSPAPER OF THE CITY A NOTICE CONTAINING) *prepare a list of descriptions of the several lots and parcels of land taken for these proposed improvements, the amount awarded for the taking of each lot or parcel, the names of the owner or owners of the same, descriptions of the several lots or parcels of land upon which benefits have been assessed, the amount assessed against each lot or parcel and the names of the owner or owners of the same the names of all owners referred to herein to be obtained from the commissioners, and, so far as may be necessary, from the records in the office of the county treasurer. (IF A PEDESTRIAN MALL ORDINANCE IS PROPOSED TO BE ADOPTED IN CONNECTION*

WITH THE IMPROVEMENT UNDER SECTION 430.011, A COPY OF THE PROPOSED ORDINANCE SHALL BE PUBLISHED WITH THE NOTICE AND THE NOTICE SHALL REFER TO THE ORDINANCE AND SHALL STATE THAT ANY AND ALL OBJECTIONS TO THE ADOPTION OF THE ORDINANCE WILL BE HEARD AND CONSIDERED) *The clerk shall give notice of the proceedings appropriate to inform the owners of the proposed action.* The (PUBLISHED) notice shall (ALSO) designate and fix a place and time, (NOT EARLIER THAN THREE WEEKS FROM DATE OF PUBLICATION OF THE SAME,) at which a committee therein designated by the board of park commissioners or of the council will meet to hear and consider, from or on the part of the owner or owners of the several lots or parcels of land taken for the proposed improvement and of the several lots or parcels of land upon which benefits have been assessed, any and all objections to the making of the improvement, to the amount of damages awarded for the taking of or interference with the property involved, to the amount of the assessment for benefits to any property affected by the proceedings, and any and all claims of irregularities in the proceedings of the city council, board of park commissioners, or the commissioners so appointed by either thereof.

Sec. 53. Minnesota Statutes 1982, section 430.02, subdivision 11, is amended to read:

Subd. 11. [COMMITTEE REPORT.] Within ten days from the conclusion of the hearing or hearings the committee shall file with the city clerk its report and recommendation on the matter so submitted, and upon such filing the city clerk shall give notice that this report and recommendation has been filed and that the same, together with the report of the commissioners, will be considered by the city council at a meeting thereof to be designated in the notice, which notice shall be (PUBLISHED IN THE OFFICIAL NEWSPAPERS OF THE CITY ONCE A WEEK FOR TWO CONSECUTIVE WEEKS, THE LAST PUBLICATION THEREOF BEING AT LEAST TWO WEEKS BEFORE THE MEETING OF THE CITY COUNCIL) *given in a manner appropriate to inform the persons affected and the public.*

Sec. 54. Minnesota Statutes 1982, section 430.02, subdivision 12, is amended to read:

Subd. 12. [ACTION BY COUNCIL.] The city council, upon the day fixed for the consideration of the reports and recommendation or at any subsequent meeting to which the same may stand over or be referred, may, by resolution, annul and abandon the proceedings, or may confirm the awards and assessments or any or either thereof, or annul the same, or send the same back to the commissioners for further consideration; and the commissioners may, in such case, again meet at a time and place to be

designated in a notice which shall be (PUBLISHED BY THE CITY CLERK ONCE IN THE OFFICIAL NEWSPAPER OF THE CITY, COPIES OF WHICH TO BE SIMILARLY) mailed by the city clerk to all interested persons, at least two weeks prior to the meeting, and hear any further evidence that may be adduced by interested persons, and may adjourn from time to time, and may correct any mistakes in the award and assessment and alter and revise the same as they may deem just, and again report the same to the city council, who may thereupon confirm or annul the same. If it shall desire to confirm the awards and assessments, the city council shall then give its final reading to and vote on the adoption of any pedestrian mall ordinance proposed in connection with the improvement pursuant to section 430.011, and if it shall be amended or shall fail of adoption for lack of a sufficient majority of votes or otherwise, any improvement instituted in connection with such proposed ordinance shall either be abandoned or the awards and assessments shall be returned to the commissioners for further consideration.

Sec. 55. Minnesota Statutes 1982, section 430.04, is amended to read:

**430.04 [AWARDS; HOW PAID; ASSESSMENTS.]**

When any award of damages made to appellants upon any appeal to the district court shall exceed the amount of the award appealed from, and when any assessment of benefits made in respect to any appellant upon appeal shall be less than the amount of the assessment of benefits appealed from, the amount of this increase in the amount of the award of damages and the amount of this decrease in the assessment of benefits may be paid by the city from the permanent improvement fund or any fund of the city available therefor, or the city council may cause the same to be assessed upon and against any property benefited by the proposed improvements in addition and without prejudice to prior assessments made thereon in the proceedings, and may refer the matter to the commissioners theretofore appointed by the council in the proceeding or to new commissioners to be appointed by the city council. These commissioners, whether new or old, shall have the same qualifications as required of commissioners appointed by section 430.02 and shall take oath to faithfully discharge their duties as commissioners and give notice of the time and place when and where they will meet to hear persons interested and assess the amounts of the increase of awards of damages and decrease of assessments of benefits upon the land and property, theretofore assessed for these benefits, or assess benefits on lots or parcels of land not theretofore assessed for benefits in the proceeding. The notice, as to the owners of the lots or parcels of land entitled to increase of awards upon any appeal, and as to the owners of any lots or parcels of land to be then assessed for benefits that were not so assessed in the original proceeding by the commissioners, shall be given by these commissioners by depositing the same in the post office of the city,

postage postpaid, directed to each of the persons at his last known place of residence, if known to the commissioners, otherwise as obtained from the office of the county treasurer; provided that the failure of any owner to receive this notice shall not in any wise operate to invalidate any of the proceedings covered by this chapter. The commissioners shall meet, at the time and place so designated in their notice, hear all persons interested, and assess the amount of the increased awards of damages and decreased assessments of benefits, or new and original assessments of benefits, upon the property benefited by the proposed improvements; in proportion to the benefits, but in no case shall the amount of this assessment exceed the actual benefit to the lot or parcel of land so assessed, and the commissioners shall prepare and file with the city clerk an assessment list of the assessment so made by them, containing a brief description of each piece of property assessed, the name of the owners thereof, if known, and the amount assessed against the same, and the city clerk shall present this list to the city council for consideration. A brief minute of the presentation of this assessment list to the city council shall be (MADE AND PUBLISHED) *included* in the record of the proceedings of the city council, which shall be held to be sufficient notice to all persons concerned. This assessment list shall lie over without action thereon by the city council until the next regular meeting of the council which will occur at least one week thereafter, at which time, or at any meeting thereafter, the city council may confirm the assessments and assessment roll, or send the same back to the commissioners for further consideration and report thereon. Any person interested who is dissatisfied with the amount of an assessment may appeal from the confirmation of the assessment by the city council to the district court, in like manner and with like proceedings as provided in section 430.03 in respect to filing objections and taking appeals from original appeals made in such proceedings from such order of confirmation. Any decrease made in any assessments upon any appeal may be paid by the city from the permanent improvement fund or from any fund of the city available therefor, or the city council may cause the same to be reassessed as hereinabove provided.

Sec. 56. Minnesota Statutes 1982, section 430.07, subdivision 5, is amended to read:

Subd. 5. If, in any proceedings under this chapter, the actual cost of the improvement of any street, park, or parkway in the manner herein designated is less than the estimated cost thereof, as found and adopted by it, the city council, except as otherwise provided by this subdivision, shall immediately cancel and annul the assessments made in the proceedings to an amount which, in the aggregate, shall not exceed such fractional part of the total amount of the excess of estimated cost over the actual cost as shall be equivalent to the fraction obtained by dividing the total amount of the assessments by the total amount of the estimated cost.

In case the assessments in any proceeding have not been entirely collected or in case the city council deems that any such assessments cannot be fully collected, the city council may direct the city comptroller to retain in the fund in the proceeding a sum sufficient, in the judgment of the city council, to cover the deficiencies in the collection of the assessments, and the city council shall direct that the balance of the excess of estimated cost shall be disposed of in the following manner. The city council shall direct the city comptroller to certify the amount of this balance to the county auditor. The auditor shall thereupon deduct the amount from the first instalment of the assessment to be collected after the receipt of this certificate. This deduction shall be made from the assessment against each piece or parcel of property in the proportion that the excess, as certified by the city comptroller, bears to the total of the instalment of the assessment. If the balance as certified, exceeds one instalment, it shall also be deducted in like manner from succeeding instalments until the same is fully deducted.

If the assessment against a piece or parcel of property has been paid in full, and the amount to be refunded does not exceed \$1, the city council may deposit the amount of the potential refund in the city's permanent improvement fund or bond redemption fund. If the amount to be refunded exceeds \$1, but does not exceed \$20, the city comptroller shall mail to the current owner of the property a notice stating that the refund is available. The notice shall be mailed within 60 days after the city council determines the actual cost of the improvement. If the amount to be refunded exceeds \$20 the following notice procedure shall be followed. The city comptroller shall mail to the person who owned the property when the assessment was paid, at his last known address, a notice stating that the refund is available. The notice shall be mailed within 60 days after the city council determines the actual cost of the improvement. If a response is not received from the owner within ten days of the date of mailing, a second notice shall be mailed. (IF A RESPONSE IS NOT RECEIVED FROM THE OWNER WITHIN TEN DAYS OF THE DATE OF THE SECOND MAILING, A NOTICE OF REFUND CONTAINING THE NAME OF THE PERSON WHO WAS THE OWNER WHEN THE ASSESSMENT WAS PAID, AND THE ADDRESS OF THE PROPERTY SHALL BE PUBLISHED IN A NEWSPAPER OF GENERAL CIRCULATION IN THE CITY.) If the refund is not claimed by the person who owned the property when the assessment was paid, within 30 days of the date of mailing of the last required notice (OR WITHIN 30 DAYS OF THE DATE OF PUBLICATION OF ANY REQUIRED NOTICE, WHICHEVER IS LATER,) the city council may deposit the amount of the potential refund in the city's permanent improvement fund or bond redemption fund.

Sec. 57. Minnesota Statutes 1982, section 430.102, subdivision 3, is amended to read:

Subd. 3. [ANNUAL IMPROVEMENT ASSESSMENT PROCEDURE; APPEALS.] When the council shall have acted on the estimate of costs, the city engineer, with the assistance of the city assessor, shall prepare an assessment roll setting forth separately the amounts to be specially assessed against the benefited and assessable properties in the district in proportion to the benefits, descriptions of such properties, and the names of the owners of such properties, so far as such names are available to him. The assessment roll, when so prepared, shall be filed in the office of the city clerk and be there available for inspection. The city council shall meet to consider objections to the amounts of such special assessments at least ten days after a notice of hearing has been (PUBLISHED ONCE IN THE OFFICIAL NEWSPAPER AND) mailed to the named owners of all tracts, parcels and lots of property proposed to be assessed. The notice shall set forth the time and place of meeting, and set forth the purpose of such meeting, but may refer to the assessment roll for further particulars. When the city council shall have approved the amounts of the special assessments set forth therein, or as may be changed by it, the city clerk shall forthwith certify a copy of the assessment roll, with such changes, if any, to the county auditor to be extended on the tax lists of the county and to be collected with and in the same manner as other taxes on property for the current year. Within 20 days after the adoption of the assessment, any person aggrieved may appeal to the district court as provided in section 430.03 except that commissioners shall not be appointed to consider the amount of benefits; if the court shall find that the assessment is not arbitrary, unreasonable, or made under a demonstrable mistake of fact or erroneous theory of law, it shall confirm the proceedings, but otherwise shall remand the same to the city council for reconsideration and reassessment of the benefits upon like notice and hearing as in the case of original assessments under this subdivision. All objections to the assessment shall be deemed waived unless presented on such appeal.

Sec. 58. Minnesota Statutes 1982, section 435.202, subdivision 2, is amended to read:

Subd. 2. [REFUND OF ASSESSMENTS.] The governing body of the municipality shall also notify the municipal clerk or recorder of such fact, and he shall forthwith (PUBLISH A) *provide* notice (IN THE OFFICIAL NEWSPAPER OF THE MUNICIPALITY) *appropriate to inform interested persons* describing the improvement and stating that it has been abandoned and that any person who paid any special assessments levied on account of such improvement may file a claim, within six months following the date of (PUBLICATION OF) the notice, for refund of such assessments paid by him, together with any interest he paid thereon. (IF THE MUNICIPALITY HAS NO OFFICIAL NEWSPAPER, SUCH NOTICE MAY BE PUBLISHED IN ANY NEWSPAPER PUBLISHED IN THE

MUNICIPALITY OR, IF NO NEWSPAPER IS PUBLISHED IN THE MUNICIPALITY, IT MAY BE POSTED.) The municipality is not required to, but may, pay such claims filed after the period allowed, and it may require any claimant to furnish satisfactory evidence that he paid the amounts claimed. Such claims may be paid out of moneys in the fund of the improvement which was abandoned, unless obligations have been issued payable therefrom, or they may be paid out of moneys in the general fund.

Sec. 59. Minnesota Statutes 1982, section 441.04, is amended to read:

**441.04 [ADVERTISE FOR BIDS.]**

As soon as the plans and specifications are approved by the council of each city the committee shall (CAUSE ADVERTISEMENTS TO BE PUBLISHED ONCE IN EACH WEEK FOR THREE SUCCESSIVE WEEKS IN A DAILY NEWSPAPER OF EACH CITY FOR) *give notice appropriate to inform interested persons requesting* public bids for the construction of the bridge, specifying the time and place for opening the bids, the amount and character of deposit required with the bids, together with any reasonable requirements or conditions, and reserving the right to reject any and all bids. No contract shall be let except to the lowest responsible bidder; provided that any such city, acting through its council, may submit a bid and if its bid be the lowest bid the contract shall be awarded to the city, subject to the power of the committee to reject all bids.

Sec. 60. Minnesota Statutes 1982, section 462.427, subdivision 3, is amended to read:

Subd. 3. [PUBLIC HEARING; NOTICE; PUBLICATION; RESOLUTION.] The governing body of a political subdivision shall not adopt any resolution authorized by this and section 462.426 unless a public hearing has first been held. The clerk of such political subdivision shall give notice of the time, place, and purpose of the public hearing not less than ten days nor more than 30 days prior to the day on which the hearing is to be held, in a (NEWSPAPER PUBLISHED IN SUCH POLITICAL SUBDIVISION, OR IF THERE IS NO NEWSPAPER PUBLISHED IN SUCH POLITICAL SUBDIVISION, THEN IN A NEWSPAPER PUBLISHED IN THE STATE AND HAVING A GENERAL CIRCULATION IN SUCH POLITICAL SUBDIVISION) *manner appropriate to inform the public.* Upon the date fixed for such public hearing an opportunity to be heard shall be granted to all residents of such political subdivision and to all other interested persons. (THE RESOLUTION SHALL BE PUBLISHED IN A NEWSPAPER OF GENERAL CIRCULATION IN THE POLITICAL SUBDIVISION.)

Sec. 61. Minnesota Statutes 1982, section 465.32, is amended to read:

**465.32 [NOTICE OF MEETING.]**

The appraisers shall give notice of their meeting (BY PUBLICATION IN THE OFFICIAL NEWSPAPER OF THE CITY, ONCE A WEEK FOR SIX CONSECUTIVE WEEKS, WHICH LAST PUBLICATION SHALL BE AT LEAST TEN DAYS BEFORE THE DAY OF SUCH MEETING) *in a manner appropriate to inform the public*, which notice shall name the stream to be diverted, the point of diversion, the general course of the new channel and the height to which it is proposed to raise or maintain any lake, the location of proposed bridges, culverts, or tunnels, the estimated cost of construction, and contain a description of the lands designated by the city council to be taken for right of way and for flowage purposes, and give notice that a plan of the improvement has been filed in the office of the city clerk, and that the appraisers will meet at a place and time designated in the notice, and thence proceed to view the premises and appraise the damages for property to be taken, or which may be damaged by the diversion of water or otherwise by such improvement, and to assess benefits in the manner hereinafter specified. If any portion of such stream or of the lands to be taken is outside of the county containing such city, then the notice shall (BE PUBLISHED FOR A LIKE TIME IN SOME NEWSPAPER IN SUCH) *also be given in the outside county*.

Sec. 62. Minnesota Statutes 1982, section 465.38, is amended to read:

**465.38 [NOTICE OF APPRAISEMENT; CONFIRMATION OR ANNULMENT.]**

Upon such report being filed, the city clerk shall give notice that such appraisement has been returned and that the same will be considered by the city council at a meeting thereof to be named in the notice, which notice shall contain the schedule of damages awarded and benefits assessed and be (PUBLISHED IN THE OFFICIAL NEWSPAPER OF THE CITY ONCE A WEEK FOR TWO CONSECUTIVE WEEKS, AND THE LAST PUBLICATION SHALL BE AT LEAST TEN DAYS BEFORE SUCH MEETING) *given in a manner appropriate to inform the public*. Any person interested in any building standing in whole or in part upon any land required to be taken by such improvement shall, on or before the time specified for the meeting in such notice, notify the city council in writing of his election to remove such building, if he so elect. The city council, upon the day fixed for the consideration of such report, or at any subsequent meeting to which the same may stand over or be referred, shall have power in their discretion to confirm, revise, or annul the appraisement and assessment, giving due consideration to any objections interposed by parties interested in the manner



hereinafter specified; provided that the city council shall not have the power to reduce the amount of any award nor increase any assessment. In case the appraisalment and assessment is annulled, the city council may thereupon appoint new appraisers, who shall proceed in like manner as in case of the first appraisalment, and upon the coming in of their report, the city council shall proceed in a like manner and with the same powers as in the case of the first appraisalment.

**Sec. 63. [471.6965] [PUBLICATION OF SUMMARY BUDGET STATEMENT.]**

*Annually, upon adoption of the city budget, the city council shall publish a summary budget statement in the official newspaper of the city, or if there is none, in a qualified newspaper of general circulation in the city. The statement shall contain information relating to anticipated revenues and expenditures, in a form prescribed by the state auditor. The form prescribed shall be designed so that comparisons can be made between the current year and the budget year. A note shall be included that the complete budget is available for public inspection at a designated location within the city.*

**Sec. 64. Minnesota Statutes 1982, section 471.697, subdivision 1, is amended to read:**

**Subdivision 1.** In any city with a population of more than 2,500 according to the latest federal census, the city clerk or chief financial officer shall:

(a) Prepare a financial report covering the city's operations including operations of municipal hospitals and nursing homes, liquor stores, and public utility commissions during the preceding fiscal year after the close of the fiscal year and publish the report or a summary of the report, in a form as prescribed by the state auditor, in a *qualified newspaper of general circulation* in the city or, if there (BE) is none, post copies in three of the most public places in the city, *no later than 30 days after the report is due in the office of the state auditor.* The report shall contain financial statements and disclosures which present the city's financial position and the results of city operations in conformity with generally accepted accounting principles. The report shall include such information and be in such form as may be prescribed by the state auditor;

(b) File the financial report in his office for public inspection and present it to the city council after the close of the fiscal year. One copy of the financial report shall be furnished to the state auditor after the close of the fiscal year; and

(c) Submit to the state auditor audited financial statements which have been attested to by a certified public accountant,

public accountant, or the state auditor within 180 days after the close of the fiscal year, except that the state auditor may upon request of a city and a showing of inability to conform, extend the deadline. The state auditor may accept this report in lieu of the report required in clause (b) above.

A municipal hospital or nursing home established before June 6, 1979 whose fiscal year is not a calendar year on August 1, 1980 is not subject to this subdivision but shall submit to the state auditor a detailed statement of its financial affairs audited by a certified public accountant, a public accountant or the state auditor no later than 120 days after the close of its fiscal year. It may also submit a summary financial report for the calendar year.

Sec. 65. Minnesota Statutes 1982, section 471.698, subdivision 1, is amended to read:

Subdivision 1. In any city with a population of less than 2,500 according to the latest federal census, the city clerk or chief financial officer shall:

(a) Prepare a detailed statement of the financial affairs of the city including operations of municipal hospitals and nursing homes, liquor stores, and public utility commissions in the style and form prescribed by the state auditor, for the preceding fiscal year showing all money received, with the sources, and respective amounts thereof; all disbursements for which orders have been drawn upon the treasurer; the amount of outstanding and unpaid orders; all accounts payable; all indebtedness; contingent liabilities; all accounts receivable; the amount of money remaining in the treasury; and all items necessary to show accurately the revenues and expenditures and financial position of the city;

(b) File the statement in his office for the public inspection and present it to the city council within 45 days after the close of the fiscal year;

(c) (1) Publish the statement within (60) 90 days after the close of the fiscal year in a *qualified* newspaper (PUBLISHED) of *general circulation* in the city; or

(2) If there is no *qualified* newspaper of *general circulation* in the city, the clerk shall, at the direction of the city council, (PUBLISH THE STATEMENT IN THE OFFICIAL NEWSPAPER PUBLISHED ELSEWHERE OR) post copies in three of the most public places in the city; or

(3) If city council proceedings are published monthly or quarterly, showing to whom and for what purpose orders are

drawn upon the treasurer, the annual statement to be published as required by this section may be summarized in such form as the state auditor may prescribe. *It is not necessary to publish individual disbursements of less than \$100, if disbursements aggregating \$1,000 or more to any person, firm, or other entity are set forth in a schedule of major disbursements showing amounts paid out, to whom, and for what purpose, and are made a part of and published with the financial statement; and*

(d) Submit within 90 days after the close of the fiscal year a copy of the statement to the state auditor in such summary form as the state auditor may prescribe.

A municipal hospital or nursing home established before June 6, 1979 whose fiscal year is not a calendar year on August 1, 1980 is not subject to this subdivision but shall submit to the state auditor a detailed statement of its financial affairs audited by a certified public accountant, a public accountant or the state auditor no later than 120 days after the close of its fiscal year. It may also submit a summary financial report for the calendar year.

Sec. 66. Minnesota Statutes 1982, section 471.6985, is amended to read:

**471.6985 [FINANCIAL STATEMENT PUBLICATION;  
MUNICIPAL LIQUOR STORE.]**

Any city operating a municipal liquor store shall publish a balance sheet using generally accepted accounting procedures and a statement of operations of the liquor store within 90 days after the close of the fiscal year in the official newspaper of the city. The statement shall be headlined, in a type size no smaller than 18 point: "Analysis of (city) municipal liquor store operations for (year)" and shall be written in clear and easily understandable language. It shall contain the following information: total sales, cost of sales, gross profit, profit as percent of sales, operating expenses, operating income, contributions to and from other funds, capital outlay, interest paid and debt retired. The form and style of the statement shall be prescribed by the state auditor. Non-operating expenses may not be extracted on the reporting form prior to determination of net profits for reporting purposes only. Administrative expenses charged to the liquor store by the city must be actual operating expenses and not used for any other public purpose prior to the determination of net profits. The publication requirements of this section shall be in addition to any publication or posting requirements for financial reports contained in sections 471.697 and 471.698. *The statement may at the option of the city council be incorporated into the reports published pursuant to sections 471.697 and 471.698, in accordance with a form and style prescribed by the state auditor.*

Sec. 67. Minnesota Statutes 1982, section 472.04, subdivision 2, is amended to read:

Subd. 2. The governing body of a municipality shall consider such a resolution only after a public hearing thereon after notice (PUBLISHED IN A QUALIFIED NEWSPAPER AT LEAST ONCE,) *appropriate to inform the public given not less than 10 nor more than 30 days prior to the date of the hearing.* Opportunity to be heard shall be granted to all residents of the municipality and its environs and to all other interested persons. The resolution shall be published in the same manner in which ordinances are published in the municipality.

Sec. 68. Minnesota Statutes 1982, section 484.30, is amended to read:

484.30 [ADJOURNED AND SPECIAL TERMS.]

The judges of each district may adjourn court from time to time during any term thereof, and may appoint special terms for the trial of issues of law and fact, and, when necessary, direct petit juries to be drawn therefor. (THREE WEEKS' PUBLISHED NOTICE OF EVERY SPECIAL TERM SHALL BE GIVEN IN THE COUNTY WHEREIN IT IS TO BE HELD.) They may also appoint special terms for the hearing of all matters except issues of fact, the order for which shall be filed with the clerk, and a copy posted in his office for three weeks prior to the term.

Sec. 69. [REPEALER.]

*Minnesota Statutes 1982, sections 55.09; 331.01; 331.02; 331.03; 331.04; 331.05; 331.06; 331.07; 331.08; 331.10; 331.11; and 441.51, are repealed.*

Sec. 70. [EFFECTIVE DATE.]

*Sections 1 to 69 are effective January 1, 1985, except as they apply to independent school districts, with respect to which Sections 1 to 69 are effective July 1, 1985."*

Delete the title and insert:

"A bill for an act relating to local government; providing procedures for the publication of legal notices; removing various requirements for publication of notices; amending Minnesota Statutes 1982, sections 3.21; 48.48, subdivision 1; 88.48, subdivision 2; 94.10, subdivision 1; 94.344, subdivision 7; 123.33, subdivision 11; 123.71, subdivision 1; 206.17, subdivision 2; 279.07; 279.08; 300.13, subdivision 4; 302A.727, subdivision 1; 306.023, subdivision 2; 306.111, subdivision 2; 306.16, subdivi-

sion 2; 306.21, subdivision 1; 307.06; 315.25; 326.18; 346.02; 370.04; 370.07; 371.04; 372.02; 372.08; 374.13; 374.34; 375.025, subdivision 4; 375.12; 375.17; 375.51, subdivision 3; 375.52; 383A.27, subdivision 2; 412.191, subdivisions 3 and 4; 414.09, subdivision 3; 415.021; 429.061, subdivision 2; 430.02, subdivisions 3, 7, 11, and 12; 430.04; 430.07, subdivision 5; 430.102, subdivision 3; 435.202, subdivision 2; 441.04; 462.427, subdivision 3; 465.32; 465.38; 471.697, subdivision 1; 471.698, subdivision 1; 471.6985; 472.04, subdivision 2; and 484.30; proposing new law coded in Minnesota Statutes, chapters 375 and 471; proposing new law coded as Minnesota Statutes, chapter 331A; repealing Minnesota Statutes 1982, sections 55.09; 331.01; 331.02; 331.03; 331.04; 331.05; 331.06; 331.07; 331.08; 331.10; 331.11; and 441.51."

The motion prevailed and the amendment was adopted.

Clawson moved to amend S. F. No. 1298, as amended, as follows:

Page 22, line 29, after the period insert "*The affidavit must also include the publisher's lowest classified rate paid by commercial users for comparable space, as determined pursuant to section 25, the maximum charge allowable by law for the publication of the specific legal or official matter in question, and the rate actually charged for that publication.*"

Page 34, line 28, after the period insert "*Cities with a population of less than 500 according to the latest federal census are not required to comply with this section, but may do so at their discretion.*"

DenOuden moved to amend the Clawson amendment to S. F. No. 1298, as follows:

In the ninth line of the Clawson amendment, delete "500" insert "1,000"

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Clawson amendment, as amended. The motion prevailed and the amendment, as amended, was adopted.

S. F. No. 1298, as amended, was read for the third time.

#### MOTION FOR RECONSIDERATION

Bishop moved that the action whereby S. F. No. 1298, as amended, was given its third reading be now reconsidered. The motion prevailed.

Bishop moved to amend S. F. No. 1298, as amended, as follows:

Page 34, line 26, after the period add:

*"As an alternative to publication, the city may mail, at city expense, a copy of the proceedings to any resident upon request."*

The motion prevailed and the amendment was adopted.

S. F. No. 1298, A bill for an act relating to local government; providing procedures for the publication of legal notices; removing various requirements for publication of notices; amending Minnesota Statutes 1982, sections 3.21; 48.48, subdivision 1; 88.48, subdivision 2; 94.10, subdivision 1; 94.344, subdivision 7; 123.33, subdivision 11; 123.71, subdivision 1; 206.17, subdivision 2; 279.07; 279.08; 300.13, subdivision 4; 302A.727, subdivision 1; 306.023, subdivision 2; 306.111, subdivision 2; 306.16, subdivision 2; 306.21, subdivision 1; 307.06; 315.25; 326.18; 346.02; 370.04; 370.07; 371.04; 372.02; 372.08; 374.13; 374.34; 375.025, subdivision 4; 375.12; 375.17; 375.51, subdivision 3; 375.52; 383A.27, subdivision 4; 412.191, subdivisions 3 and 4; 414.09, subdivision 3; 415.021; 429.061, subdivision 2; 430.02, subdivisions 3, 7, 11, and 12; 430.04; 430.07, subdivision 5; 430.102, subdivision 3; 435.202, subdivision 2; 441.04; 462.427, subdivision 3; 465.32; 465.38; 471.697, subdivision 1; 471.698, subdivision 1; 472.04, subdivision 2; and 484.30; proposing new law coded in Minnesota Statutes, chapters 375 and 471; proposing new law coded as Minnesota Statutes, chapter 331A; repealing Minnesota Statutes 1982, sections 55.09; 331.01; 331.02; 331.03; 331.04; 331.05; 331.06; 331.07; 331.08; 331.10; 331.11; and 441.51.

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

The question was taken on the passage of the bill and the roll was called. There were 105 yeas and 21 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Clawson	Halberg	Levi	Onnen
Anderson, G.	Cohen	Haukoos	Long	Otis
Battaglia	Coleman	Heap	Ludeman	Pauly
Beard	Dempsey	Himle	Mann	Peterson
Begich	DenOuden	Hoffman	McEachern	Piepho
Bennett	Eken	Hokr	Metzen	Piper
Bergstrom	Elioff	Jensen	Minne	Price
Bishop	Ellingson	Johnson	Murphy	Quinn
Blatz	Evans	Kahn	Nelson, D.	Quist
Boo	Findlay	Kalis	Nelson, K.	Redalen
Brandl	Forsythe	Kelly	Neuenschwander	Reif
Brinkman	Frerichs	Knickerbocker	Norton	Rice
Burger	Graba	Knuth	O'Connor	Rodosovich
Carlson, L.	Greenfield	Krueger	Ogren	Rodriguez, C.
Clark, J.	Gustafson	Kvam	Olsen	Rose
Clark, K.	Gutknecht	Larsen	Omann	St. Onge

Sarna	Shea	Sparby	Vanasek	Wenzel
Scheid	Sherman	Staten	Vellenga	Wigley
Schoenfeld	Simoneau	Swanson	Waltman	Wynia
Schreiber	Skoglund	Tomlinson	Welch	Zaffke
Segal	Solberg	Valento	Welle	Speaker Sieben

Those who voted in the negative were:

Anderson, R.	Gruenes	Marsh	Seaberg	Uphus
Carlson, D.	Heinitz	McDonald	Shaver	Valan
Dimler	Jacobs	McKasy	Sviggum	Voss
Erickson	Jennings	Schafer	Thiede	Welker
Fjoslien				

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

S. F. No. 1880 was reported to the House.

#### SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Ellingson moved that the rule therein be suspended and an urgency be declared so that S. F. No. 1880 be given its third reading and be placed upon its final passage. The motion prevailed.

Ellingson moved that the rules of the House be so far suspended that S. F. No. 1880 be given its third reading and be placed upon its final passage. The motion prevailed.

Ellingson moved to amend S. F. No. 1880 as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 641.24, is amended to read:

641.24 [LEASING.]

The county may, by resolution of the county board, enter into a lease agreement with any statutory or home rule charter city situated within the county, or a redevelopment agency referred to in chapter 474 whose area of operation includes part or all of the county, whereby the city or redevelopment agency will construct a county jail in accordance with plans prepared by or at the request of the county board and approved by the commissioner of corrections and will finance it by the issuance of revenue bonds, and the county will lease the jail site and improvements for a term and upon rentals sufficient to produce revenue for the prompt payment of the bonds and all interest accruing thereon and, upon completion of payment, will acquire title thereto. The real and personal property acquired for the jail shall constitute a project and the lease agreement shall constitute a

revenue agreement as contemplated in chapter 474, and all proceedings shall be taken by the city *or redevelopment agency* and the county in the manner and with the force and effect provided in chapter 474; provided that:

(1) No tax shall be imposed upon or in lieu of a tax upon the property;

(2) The approval of the project by the commissioner of securities and real estate shall not be required;

(3) The department of corrections shall be furnished and shall record such information concerning each project as it may prescribe, in lieu of reports required on other projects to the commissioner of energy, planning and development;

(4) The rentals required to be paid under the lease agreement shall not exceed in any year four-tenths of one percent of the assessed value of property within the county, as last finally equalized before the execution of the agreement;

(5) The county board shall provide for the payment of all rentals due during the term of the lease, in the manner required in section 641.264, subdivision 2; and

(6) No mortgage on the jail property shall be granted for the security of the bonds, but compliance with clause (5) hereof may be enforced as a nondiscretionary duty of the county board.

Sec. 2. Minnesota Statutes 1982, section 641.264, subdivision 1, is amended to read:

Subdivision 1. [CAPITAL IMPROVEMENTS; BOND ISSUES AND LEASES.] The construction or acquisition, the equipping, and subsequent improvement of a county regional jail may be financed in whole or in part by the issuance of general obligation bonds of the cooperating counties in the manner provided in section 641.23 or by the issuance of revenue bonds of a city situated in one of the counties *or, with the approval of the board of county commissioners of each cooperating county, revenue bonds of a redevelopment agency referred to in chapter 474 whose area of operation includes part or all of one of the counties*, secured by a lease agreement in the manner provided in chapter 474 and in sections 641.24 and 641.263, subdivision 2. Proceedings for the issuance of general obligation bonds shall be instituted by the board of county commissioners of each cooperating county. The regional jail board, with the approval of the county board of each cooperating county, shall fix the total amount necessary to be raised for the construction or acquisition, the equipping, and subsequent improvement of a regional jail, and shall apportion to each county in the manner provided in subdivi-



sion 2 the share of this amount, or of annual debt service or lease rentals required to pay this amount with interest, which is to be raised by the county.

Sec. 3. [EFFECTIVE DATE.]

*This act is effective the day after final enactment.*

Delete the title and insert:

"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 motion prevailed and the amendment was adopted.

S. F. No. 1880, A bill for an act relating to local government; providing for financing of county and county regional jails; providing for a special allocation of mortgage revenue bonds for calendar year 1985; authorizing the levy of special assessments or service charges for fire protection and pedestrian skyway systems; allowing the town of Blue Hill to exercise certain powers; letting municipal housing contracts; increasing the amount of expenditures for construction and other work that requires an award by contract; amending Minnesota Statutes 1982, sections 429.021, subdivision 1; 429.031, subdivision 3; 429.091, subdivision 2; 429.101, subdivision 1; 462.461, subdivisions 1, 2, and 3; 462C.09, by adding a subdivision; 641.24; and 641.264, subdivision 1.

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

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

Those who voted in the affirmative were:

Anderson, G.	Cohen	Gutknecht	Krueger	O'Connor
Anderson, R.	Coleman	Halberg	Kvam	Ogren
Battaglia	Dempsey	Haukoos	Larsen	Olsen
Beard	DenOuden	Heap	Levi	Omann
Begich	Dimler	Heinitz	Long	Onnen
Bennett	Eken	Himle	Ludeman	Otis
Bishop	Elioff	Hoffman	Marsh	Pauly
Blatz	Ellingson	Hokr	McDonald	Peterson
Boo	Erickson	Jacobs	McEachern	Piepho
Brandl	Evans	Jennings	McKasy	Piper
Brinkman	Findlay	Jensen	Metzen	Price
Burger	Fjoslien	Johnson	Minne	Quinn
Carlson, D.	Forsythe	Kahn	Murphy	Quist
Carlson, L.	Graba	Kalis	Nelson, D.	Redalen
Clark, J.	Greenfield	Kelly	Nelson, K.	Reif
Clark, K.	Gruenes	Knickerbocker	Neuenschwander	Riveness
Clawson	Gustafson	Kostohryz	Norton	Rodosovich

Rodriguez, C.	Schreiber	Sparby	Valan	Wenzel
Rodriguez, F.	Seaberg	Staten	Valento	Wigley
Rose	Segal	Sviggum	Vanasek	Wynia
St. Onge	Shaver	Swanson	Vellenga	Zaffke
Sarna	Sherman	Thiede	Voss	Speaker Sieben
Schafer	Simoneau	Tomlinson	Waltman	
Scheid	Skoglund	Tunheim	Welker	
Schoenfeld	Solberg	Uphus	Welle	

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

S. F. No. 1903 was reported to the House.

#### SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Jacobs moved that the rule therein be suspended and an urgency be declared so that S. F. No. 1903 be given its third reading and be placed upon its final passage. The motion prevailed.

Jacobs moved that the rules of the House be so far suspended that S. F. No. 1903 be given its third reading and be placed upon its final passage. The motion prevailed.

S. F. No. 1903, A bill for an act relating to communications; deregulating radio common carriers; amending Minnesota Statutes 1982, section 237.01, subdivision 2, and by adding subdivisions.

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 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Clawson	Gustafson	Kostohryz	Neuenschwander
Anderson, G.	Cohen	Gutknecht	Krueger	Norton
Anderson, R.	Coleman	Halberg	Kvam	O'Connor
Battaglia	Dempsey	Haukoos	Larsen	Ogren
Beard	DenOuden	Heap	Levi	Olsen
Begich	Dimler	Heinitz	Long	Omann
Bennett	Eken	Himle	Ludeman	Onnen
Bergstrom	Elioff	Hoffman	Mann	Otis
Bishop	Ellingson	Hokr	Marsh	Pauly
Blatz	Erickson	Jacobs	McDonald	Peterson
Boo	Evans	Jennings	McEachern	Piepho
Brandl	Findlay	Jensen	McKasy	Piper
Brinkman	Fjoslien	Johnson	Metzen	Price
Burger	Forsythe	Kahn	Minne	Quinn
Carlson, D.	Frerichs	Kalis	Munger	Quist
Carlson, L.	Graba	Kelly	Murphy	Redalen
Clark, J.	Greenfield	Knickerbocker	Nelson, D.	Reif
Clark, K.	Gruenes	Knuth	Nelson, K.	Riveness

Rodosovich	Schoenfeld	Solberg	Uphus	Welker
Rodriguez, C.	Schreiber	Sparby	Vaia	Welle
Rodriguez, F.	Seaberg	Stadum	Valento	Wenzel
Rose	Segal	Sviggum	Vanasek	Wigley
St. Onge	Shaver	Swanson	Vellenga	Wynia
Sarna	Sherman	Thiede	Voss	Zaffke
Schafer	Simoneau	Tomlinson	Waltman	Speaker Sieben
Scheid	Skoglund	Tunheim	Welch	

The bill was passed and its title agreed to.

### MESSAGES FROM THE SENATE, Continued

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 2182, A bill for an act relating to agriculture; changing certain duties of the commissioner; changing certain reporting requirements concerning agricultural land ownership; refining procedures and deadlines for investment reimbursement; authorizing the commissioner to use certain funds for short-term loans to help participants meet their family farm security loan obligations; exempting certain corporations and persons from the definition of warehouseman; exempting the family farm security program from certain loan commitment approval requirements; amending Minnesota Statutes 1982, sections 21.118; 29.27; 31.11; 31A.08; 41.56, subdivision 3; 231.01, subdivision 5; 500.221, subdivision 2a; 500.24, subdivision 4; and Minnesota Statutes 1983 Supplement, sections 16A.80, subdivision 2; 32.417; 38.02, subdivisions 1 and 3; and 500.221, subdivision 4.

PATRICK E. FLAHAVEN, Secretary of the Senate

Wenzel moved that the House refuse to concur in the Senate amendments to H. F. No. 2182, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 1577, A bill for an act relating to solid and hazardous waste management; amending various provisions of the waste management act; prescribing various powers and duties of the waste management board and the pollution control agency relating to hazardous waste management planning and the development of hazardous waste facilities; establishing programs for public education, technical and research assistance to generators, and grants for hazardous waste reduction and processing and collection facilities; requiring requests for proposals for hazardous waste processing and collection facilities; authorizing hazardous waste processing facility loans; prescribing procedures for the designation of solid waste facilities by counties and waste management districts; reducing the number of proposed sites in certain metropolitan counties for mixed municipal solid waste disposal facilities; amending various provisions relating to county and metropolitan solid waste management; appropriating money; amending Minnesota Statutes 1982, sections 115A.03, subdivisions 15 and 28; 115A.06, by adding a subdivision; 115A.08, by adding a subdivision; 115A.09, by adding a subdivision; 115A.11; 115A.18; 115A.24; 115A.241; 115A.46, subdivisions 1 and 2; 115A.70, by adding a subdivision; 116.07, by adding subdivisions; 116J.88, by adding a subdivision; 400.04, subdivision 3; 400.162; 473.181, subdivision 4; 473.801, subdivisions 1 and 4; 473.803, subdivisions 2, 3, and by adding a subdivision; 473.811, subdivision 10; 473.833, subdivision 4; Minnesota Statutes 1983 Supplement, sections 115A.08, subdivision 5; 115A.21, subdivision 1, and by adding a subdivision; 115A.22, subdivisions 1 and 4; 115A.241; 115A.25, subdivisions 1, 1a, and 1b; 115A.26; 115A.27, subdivision 2; 115A.28, subdivision 1; 115A.291; 115B.22, subdivision 1; 116J.90, by adding a subdivision; 473.149, subdivisions 2d and 2e; 473.803, subdivisions 1a and 1b; and 473.823, subdivision 6; proposing new law coded in Minnesota Statutes, chapters 115A and 473; repealing Minnesota Statutes 1982, sections 115A.071; 115A.46, subdivision 3; 115A.70, subdivisions 1, 2, 4, 5, and 6; 473.827; and Minnesota Statutes 1983 Supplement, section 115A.70, subdivisions 3 and 7.

PATRICK E. FLAHAVEN, Secretary of the Senate

Long moved that the House refuse to concur in the Senate amendments to H. F. No. 1577, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses.

Vanasek moved to amend the Long motion as follows:

Delete "3" and insert "5"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 64 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	McDonald	Quinn	Stadum
Anderson, C.	Erickson	McEachern	Reif	Thiede
Battaglia	Findlay	Metzen	Rice	Tunheim
Beard	Fjoslien	Minne	Rodosovich	Valan
Begich	Frerichs	Munger	Rose	Valento
Bennett	Himle	Murphy	Schafer	Vanasek
Bergstrom	Hoffman	Neuenschwander	Schoenfeld	Voss
Blatz	Jacobs	Norton	Shaver	Welch
Clawson	Jennings	O'Connor	Shea	Welker
Coleman	Jensen	Ogren	Sherman	Welle
Dempsey	Krueger	Peterson	Simoneau	Wenzel
DenOuden	Ludeman	Piper	Solberg	Zaffke
Dimler	Mann	Price	Sparby	

Those who voted in the negative were:

Anderson, R.	Forsythe	Knickerbocker	Otis	Skoglund
Bishop	Greenfield	Kostohryz	Pauly	Svigum
Boo	Gruenes	Larsen	Piepho	Swanson
Brandl	Gustafson	Levi	Quist	Tomlinson
Burger	Cutknecht	Long	Redalen	Uphus
Carlson, D.	Halberg	Marsh	Rodriguez, C.	Vellenga
Carlson, L.	Heap	McKasy	Rodriguez, F.	Waltman
Clark, J.	Heinitz	Nelson, D.	St. Onge	Wigley
Clark, K.	Hokr	Nelson, K.	Sarna	Wynia
Cohen	Johnson	Olsen	Scheid	
Eken	Kahn	Omman	Schreiber	
Elioff	Kalis	Onnen	Seaberg	
Evans	Kelly	Osthoff	Segal	

The motion prevailed and the amendment was adopted.

The question recurred on the Long motion, as amended. The motion prevailed.

#### ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2182:

Wenzel, Metzen, Uphus, Krueger and Jensen.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1349:

Jacobs, O'Connor, Sarna, Metzen and Wigley.

The following conference committee reports were received:

## CONFERENCE COMMITTEE REPORT ON H. F. NO. 1347

A bill for an act relating to crimes; prohibiting the concealing, obtaining, or retaining of a child in violation of the parental, custodial, or visitation rights of another; imposing penalties; providing for notification in custody or visitation orders of the child abduction laws; requiring violations of the child abduction law to be reported under the child abuse reporting law; amending Minnesota Statutes 1982, section 609.26; proposing new law coded in Minnesota Statutes, chapter 518.

April 19, 1984

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

The Honorable Jerome M. Hughes  
President of the Senate

We, the undersigned conferees for H. F. No. 1347, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 1347 be further amended as follows:

Delete everything after the enacting clause and insert:

**"Section 1. [518.177] [NOTIFICATION REGARDING DEPRIVATION OF PARENTAL RIGHTS LAW.]**

*Every court order and judgment and decree concerning custody of or visitation with a minor child shall restate the provisions of section 609.26.*

Sec. 2. Minnesota Statutes 1982, section 609.26, is amended to read:

**609.26 [(OBTAINING OR RETAINING A CHILD) DEPRIVING ANOTHER OF CUSTODIAL OR PARENTAL RIGHTS.]**

Subdivision 1. Whoever intentionally (TAKES, DETAINS OR FAILS TO RETURN) *does any of the following acts may be charged with a felony and, upon conviction, may be sentenced as provided in subdivision 6:*

(1) *conceals (HIS OWN) a minor child (UNDER THE AGE OF 18 YEARS IN VIOLATION OF AN EXISTING COURT ORDER WHICH GRANTS ANOTHER PERSON RIGHTS OF CUSTODY MAY BE SENTENCED AS PROVIDED IN SUBDIVISION 5) from the child's parent or other person having the*

*right to visitation or custody, where the action manifests an intent substantially to deprive that parent or other person of his rights to visitation or custody;*

*(2) takes, obtains, retains, or fails to return a minor child in violation of a court order which has transferred legal custody under chapter 260 to the commissioner of public welfare, a child placing agency, or the county welfare board;*

*(3) takes, obtains, retains, or fails to return a minor child from or to the parent or other person having the right to visitation or custody under a court order, where the action manifests an intent substantially to deprive that parent or other person having the right to visitation or custody of his rights to visitation or custody; or*

*(4) takes, obtains, retains, or fails to return a minor child from or to a parent or other person having the right to visitation or custody after commencement of an action relating to child visitation or custody but prior to the issuance of an order determining custody or visitation rights, where the action manifests an intent substantially to deprive that parent or other person having the right to visitation or custody of his rights to visitation or custody.*

Subd. 2. [DEFENSES.] (WHOEVER DETAINS OR FAILS TO RETURN A CHILD UNDER THE AGE OF 18 YEARS KNOWING THAT THE PHYSICAL CUSTODY OF THE CHILD HAS BEEN OBTAINED OR RETAINED BY ANOTHER IN VIOLATION OF SUBDIVISION 1 MAY BE SENTENCED AS PROVIDED IN SUBDIVISION 5.) *No person violates subdivision 1 if the action:*

*(1) is taken to protect the child or the person taking the action from physical or emotional harm or sexual assault;*

*(2) is consented to by the parent, stepparent, or legal custodian seeking prosecution; or*

*(3) is otherwise authorized by a court order.*

*The defenses provided in this subdivision are in addition to and do not limit other defenses available under this chapter or chapter 611.*

Subd. 3. [VENUE.] A person who violates this section may be prosecuted and tried either in the county in which the child was taken, concealed, or detained or in the county of lawful residence of the child.

Subd. 4. [RETURN OF CHILD; COSTS.] A child who has been *concealed*, obtained, or retained in violation of this section shall be returned to the person having lawful custody of the child or shall be taken into custody pursuant to section 260.165, subdi-

vision 1, paragraph (c), clause (2). In addition to any sentence imposed, the court may assess any expense incurred in returning the child against any person convicted of violating this section. *The court may direct the appropriate county welfare agency to provide counseling services to a child who has been returned pursuant to this subdivision.*

**Subd. 5. [DISMISSAL OF CHARGE.]** *A felony charge brought under this section shall be dismissed if:*

(a) *the person voluntarily returns the child within 14 days after he takes, detains, or fails to return the child in violation of this section; or*

(b)(1) *the person taking the action and the child have not left the state of Minnesota; and (2) within a period of 14 days after taking the action, (i) a motion or proceeding under chapters 518, 518A, 518B, or 518C is commenced by the person taking the action, or (ii) the attorney representing the person taking the action has consented to service of process by the party whose rights are being deprived, for any motion or action pursuant to chapters 518, 518A, 518B, or 518C.*

**Subd. (5) 6. [PENALTY.]** *Except as otherwise provided in subdivision 5, whoever violates this section may be sentenced (AS FOLLOWS:)*

**((1) TO IMPRISONMENT FOR NOT MORE THAN 90 DAYS OR TO PAYMENT OF A FINE OF NOT MORE THAN \$500, OR BOTH, IF HE VOLUNTARILY RETURNS THE CHILD WITHIN 14 DAYS AFTER HE TAKES, DETAINS, OR FAILS TO RETURN THE CHILD IN VIOLATION OF THIS SECTION; OR)**

**((2) OTHERWISE)** *to imprisonment for not more than one year and one day or to payment of a fine of (\$1,000) \$3,000, or both.*

**Subd. 7. [REPORTING OF DEPRIVATION OF PARENTAL RIGHTS.]** *Any violation of this section shall be reported pursuant to section 3.*

**Sec. 3.** *Minnesota Statutes 1982, section 626.556, is amended by adding a subdivision to read:*

**Subd. 3a. [REPORT OF DEPRIVATION OF PARENTAL RIGHTS.]** *A person mandated to report under subdivision 3, who knows or has reason to know of a violation of section 609.26, shall report the information to the local police department or the county sheriff. Receipt by a local welfare agency of a report or notification of a report of a violation of section 609.26 shall not be construed to invoke the duties of subdivisions 10, 10a, or 10b of this section.*



## Sec. 4. [EFFECTIVE DATE.]

*Sections 1 and 3 are effective August 1, 1984. Section 2 is effective August 1, 1984, and applies to crimes committed on or after that date."*

Delete the title and insert:

"A bill for an act relating to crimes; prohibiting a person from depriving another of parental, custodial, or visitation rights; imposing penalties; providing for notification in custody or visitation orders of the deprivation of parental rights laws; requiring violations of the parental rights law to be reported under the child abuse reporting law; imposing a penalty; amending Minnesota Statutes 1982, sections 609.26; and 626.556, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 518."

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

House Conferees: GLORIA SEGAL, JANET CLARK and DAVID T. BISHOP.

Senate Conferees: LAWRENCE J. POGEMILLER, EMBER D. REICHGOTT and RON SIELOFF.

Segal moved that the report of the Conference Committee on H. F. No. 1347 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1347, A bill for an act relating to crimes; prohibiting the concealing, obtaining, or retaining of a child in violation of the parental, custodial, or visitation rights of another; imposing penalties; providing for notification in custody or visitation orders of the child abduction laws; requiring violations of the child abduction law to be reported under the child abuse reporting law; amending Minnesota Statutes 1982, section 609.26; proposing new law coded in Minnesota Statutes, chapter 518.

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

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

Those who voted in the affirmative were:

Anderson, B.	Blatz	Cohen	Evans	Gutknecht
Anderson, G.	Boo	Coleman	Findlay	Halberg
Anderson, R.	Brandl	Dempsey	Fjoslien	Haukoos
Battaglia	Brinkman	DenOuden	Forsythe	Heap
Beard	Burger	Dimler	Frerichs	Heinitz
Begich	Carlson, D.	Eken	Graba	Himle
Bennett	Carlson, L.	Elioff	Greenfield	Hoffman
Bergstrom	Clark, J.	Ellingson	Gruenes	Hokr
Bishop	Clawson	Erickson	Gustafson	Jacobs

Jennings	McDonald	Pauly	Schoenfeld	Tunheim
Jensen	McEachern	Peterson	Schreiber	Uphus
Johnson	McKasy	Piepho	Seaberg	Valan
Kahn	Metzen	Piper	Segal	Valento
Kalis	Minne	Price	Shaver	Vanasek
Kelly	Munger	Quinn	Shea	Voss
Knickerbocker	Nelson, D.	Quist	Sherman	Waltman
Knuth	Nelson, K.	Redalen	Simoneau	Welch
Kostohryz	Neuenschwander	Rice	Skoglund	Welker
Krueger	Norton	Riveness	Solberg	Welle
Kvam	O'Connor	Rodosovich	Sparby	Wenzel
Larsen	Ogren	Rodriguez, C.	Stadum	Wynia
Levi	Olsen	Rodriguez, F.	Staten	Zaffke
Long	Omamn	Rose	Swiggum	Speaker Sieben
Ludeman	Onnen	St. Onge	Swanson	
Mann	Osthoff	Sarna	Thiede	
Marsh	Otis	Schafer	Tomlinson	

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

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 1279

A bill for an act relating to crimes; clarifying the crime of contributing to the delinquency of a minor; providing for the admissibility of certain statements as evidence; expanding the definitions of sexual contact and coercion; increasing the age limit of minor victims protected under criminal sexual conduct offenses; clarifying certain terms; amending Minnesota Statutes 1982, sections 595.02; 609.341, subdivisions 11 and 14; 609.346; 609.347, subdivision 3; 609.364, subdivision 9; and 626.556, subdivision 8; Minnesota Statutes 1983 Supplement, sections 260.315; 609.342; and 609.343; proposing new law coded in Minnesota Statutes, chapter 260.

April 19, 1984

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

The Honorable Jerome M. Hughes  
President of the Senate

We, the undersigned conferees for H. F. No. 1279, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 1279 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 147.01, subdivision 4, is amended to read:

Subd. 4. [DISCLOSURE.] All communications or information received by or disclosed to the board relating to any person

or matter subject to its regulatory jurisdiction, and all records of any action or proceedings thereon, except only a final decision of the board, which shall state the specific reason therefor shall be confidential and privileged within the meaning of section 595.02, (CLAUSE 5) *subdivision 1, paragraph (e)*, and shall not be public records within the meaning of section 15.17, subdivision 4; provided that upon application of a party in a proceeding before the board pursuant to section 147.021, the board shall produce and permit the inspection and copying, by or on behalf of the moving party, of any designated documents or papers relevant to the proceedings, in accordance with the provisions of rule 34, Minnesota rules of civil procedure.

**Sec. 2. [260.156] [CERTAIN OUT-OF-COURT STATEMENTS ADMISSIBLE.]**

*An out-of-court statement made by a child under the age of ten years alleging, explaining, denying, or describing any act of sexual contact or penetration performed with or on the child by another, not otherwise admissible by statute or rule of evidence, is admissible in evidence in any dependency or neglect proceeding or any proceeding for termination of parental rights if:*

*(a) The court finds that the time, content, and circumstances of the statement and the reliability of the person to whom the statement is made provide sufficient indicia of reliability; and*

*(b) The proponent of the statement notifies other parties of his intention to offer the statement and the particulars of the statement sufficiently in advance of the proceeding at which he intends to offer the statement into evidence, to provide the parties with a fair opportunity to meet the statement.*

**Sec. 3. Minnesota Statutes 1983 Supplement, section 260.315, is amended to read:**

**260.315 [CONTRIBUTING TO NEGLECT OR DELINQUENCY.]**

*Any person who by act, word or omission encourages, causes or contributes to the neglect or delinquency of a child, or to a child's status as a habitual truant, runaway, juvenile petty offender, juvenile alcohol offender, or juvenile controlled substance offender, is guilty of a misdemeanor.*

**Sec. 4. Minnesota Statutes 1982, section 595.02, is amended to read:**

**595.02 [TESTIMONY OF WITNESSES.]**

***Subdivision 1. [COMPETENCY OF WITNESSES.]***

Every person of sufficient understanding, including a party, may testify in any action or proceeding, civil or criminal, in court or before any person who has authority to receive evidence, except as (FOLLOWS) *provided in this subdivision:*

((1)) (a) A husband cannot be examined for or against his wife without her consent, nor a wife for or against her husband without his consent, nor can either, during the marriage or afterwards, without the consent of the other, be examined as to any communication made by one to the other during the marriage. This exception does not apply to a civil action or proceeding by one against the other, nor to a criminal action or proceeding for a crime committed by one against the other or against a child of either, nor to a criminal action or proceeding in which one is charged with homicide or an attempt to commit homicide and the date of the marriage of the defendant is subsequent to the date of the offense, nor to an action or proceeding for non-support, neglect, dependency, or termination of parental rights (;).

((2)) (b) An attorney cannot, without the consent of his client, be examined as to any communication made by the client to him or his advice given thereon in the course of professional duty; nor can any employee of the attorney be examined as to the communication or advice, without the client's consent (;).

((3)) (c) A clergyman or other minister of any religion shall not, without the consent of the party making the confession, be allowed to disclose a confession made to him in his professional character, in the course of discipline enjoined by the rules or practice of the religious body to which he belongs; nor shall a clergyman or other minister of any religion be examined as to any communication made to him by any person seeking religious or spiritual advice, aid, or comfort or his advice given thereon in the course of his professional character, without the consent of the person (;).

((4)) (d) A licensed physician or surgeon, dentist, or chiropractor shall not, without the consent of his patient, be allowed to disclose any information or any opinion based thereon which he acquired in attending the patient in a professional capacity, and which was necessary to enable him to act in that capacity; after the decease of the patient, in an action to recover insurance benefits, where the insurance has been in existence two years or more, the beneficiaries shall be deemed to be the personal representatives of the deceased person for the purpose of waiving this privilege, and no oral or written waiver of the privilege shall have any binding force or effect except when made upon the trial or examination where the evidence is offered or received (;).

((5)) (e) A public officer shall not be allowed to disclose communications made to him in official confidence when the public interest would suffer by the disclosure (;).

((6)) (f) Persons of unsound mind (;), persons intoxicated at the time of their production for examination, and children under ten years of age, (WHO APPEAR INCAPABLE OF RECEIVING JUST IMPRESSIONS OF THE) *if any of them lack capacity to remember or to relate truthfully* facts respecting which they are examined, (OR OF RELATING THEM TRULY,) are not competent witnesses. (THIS EXCEPTION DOES NOT APPLY TO) A child (UNDER TEN YEARS OF AGE, IN A CRIMINAL PROCEEDING FOR INTRAFAMILIAL SEXUAL ABUSE AS DEFINED IN SECTION 609.364, SUBDIVISION 10, OR IN A CRIMINAL PROCEEDING UNDER SECTIONS 609.342 CLAUSE (A), 609.343 CLAUSE (A), 609.344 CLAUSE (A), OR 609.345 CLAUSE (A), WHO IS ABLE TO DESCRIBE OR RELATE IN) *describing any act of sexual contact or penetration performed on or with the child by another may use language appropriate for a child of that age* (THE EVENTS OR FACTS RESPECTING WHICH THE CHILD IS EXAMINED;).

((7)) (g) A registered nurse, psychologist or consulting psychologist shall not, without the consent of his client, be allowed to disclose any information or opinion based thereon which he acquired in attending the client in a professional capacity, and which was necessary to enable him to act in that capacity (;).

((8)) (h) An interpreter for a person handicapped in communication shall not, without the consent of the person, be allowed to disclose any communication if the communication would, if the interpreter were not present, be privileged. For purposes of this section, a "person handicapped in communication" means a person who, because of a hearing, speech or other communication disorder, or because of the inability to speak or comprehend the English language, is unable to understand the proceedings in which he is required to participate. The presence of an interpreter as an aid to communication does not destroy an otherwise existing privilege (;).

((9)) (i) A parent or his minor child may not be examined as to any communication made in confidence by the minor to his parent. A communication is confidential if made out of the presence of persons not members of the child's immediate family living in the same household. This exception may be waived by express consent to disclosure by a parent entitled to claim the privilege or by the child who made the communication, or by failure of the child or parent to object when the contents of a communication are demanded. This exception does not apply to a civil action or proceeding by one spouse against the other or by a parent or child against the other, nor to a proceeding to commit either the child or parent to whom the communication was made or to place the person or property or either under the control of another because of his alleged mental or physical condition, nor to a criminal action or proceeding in which the parent is charged with a crime committed against the person or prop-

erty of the communicating child, the parent's spouse, or a child of either the parent or the parent's spouse, or in which a child is charged with a crime or act of delinquency committed against the person or property of a parent or a child of a parent, nor to an action or proceeding for termination of parental rights, nor any other action or proceeding on a petition alleging child abuse, child neglect, abandonment or nonsupport by a parent (;).

(10) (j) Sexual assault counselors may not be compelled to testify about any opinion or information received from or about the victim without the consent of the victim. However, a counselor may be compelled to identify or disclose information in investigations or proceedings related to neglect or termination of parental rights if the court determines good cause exists. In determining whether to compel disclosure, the court shall weigh the public interest and need for disclosure against the effect on the victim, the treatment relationship, and the treatment services if disclosure occurs. Nothing in this clause exempts sexual assault counselors from compliance with the provisions of sections 626.556 and 626.557.

"Sexual assault counselor" for the purpose of this section means a person who has undergone at least 40 hours of crisis counseling training and works under the direction of a supervisor in a crisis center, whose primary purpose is to render advice, counseling or assistance to victims of sexual assault.

*Subd. 2. [EXCEPTIONS.] (a) The exception provided by paragraphs (d) and (g) of subdivision 1 shall not apply to any testimony, records, or other evidence relating to the abuse or neglect of a minor in any proceeding under chapter 260 or any proceeding under section 245.801, to revoke a day care or foster care license, arising out of the neglect or physical or sexual abuse of a minor, as defined in section 626.556, subdivision 2.*

*(b) The exception provided by paragraphs (d) and (g) of subdivision 1 shall not apply to criminal proceedings arising out of the neglect or physical or sexual abuse of a minor, as defined in section 626.556, subdivision 2, if the court finds that:*

*(1) there is a reasonable likelihood that the records in question will disclose material information or evidence of substantial value in connection with the investigation or prosecution; and*

*(2) there is no other practicable way of obtaining the information or evidence. This clause shall not be construed to prohibit disclosure of the patient record when it supports the otherwise uncorroborated statements of any material fact by a minor alleged to have been abused or neglected by the patient; and*

*(3) the actual or potential injury to the patient-health professional relationship in the treatment program affected, and the actual or potential harm to the ability of the program to at-*

*tract and retain patients, is outweighed by the public interest in authorizing the disclosure sought.*

*No records may be disclosed under this paragraph other than the records of the specific patient suspected of the neglect or abuse of a minor. Disclosure and dissemination of any information from a patient record shall be limited under the terms of the order to assure that no information will be disclosed unnecessarily and that dissemination will be no wider than necessary for purposes of the investigation or prosecution.*

**Subd. 3. [CERTAIN OUT-OF-COURT STATEMENTS ADMISSIBLE.]** *An out-of-court statement made by a child under the age of ten years alleging, explaining, denying, or describing any act of sexual contact or penetration performed with or on the child by another, not otherwise admissible by statute or rule of evidence, is admissible in evidence if:*

*(a) the court or person authorized to receive evidence finds, in a hearing conducted outside of the presence of the jury, that the time, content, and circumstances of the statement and the reliability of the person to whom the statement is made provide sufficient indicia of reliability; and*

*(b) the child either:*

*(i) testifies at the proceedings; or*

*(ii) is unavailable as a witness and there is corroborative evidence of the act; and*

*(c) the proponent of the statement notifies the adverse party of his intention to offer the statement and the particulars of the statement sufficiently in advance of the proceeding at which he intends to offer the statement into evidence to provide the adverse party with a fair opportunity to prepare to meet the statement.*

**Sec. 5. Minnesota Statutes 1982, section 609.341, subdivision 11, is amended to read:**

**Subd. 11.** *"Sexual contact" includes any of the following acts committed without the complainant's consent, if the acts can reasonably be construed as being for the purpose of satisfying the actor's sexual or aggressive impulses, except in those cases where consent is not a defense:*

*(i) The intentional touching by the actor of the complainant's intimate parts, or*

*(ii) The touching by the complainant of the actor's, the complainant's, or another's intimate parts effected by coercion or the*

use of a position of authority, or by inducement if the complainant is under 13 years of age or mentally defective, or

(iii) The touching by another of the complainant's intimate parts effected by coercion or the use of a position of authority, or

(iv) In any of the cases above, of the clothing covering the immediate area of the intimate parts.

Sec. 6. Minnesota Statutes 1982, section 609.341, subdivision 14, is amended to read:

Subd. 14. "Coercion" means (A THREAT TO UNLAWFULLY) words or circumstances that cause the complainant reasonably to fear that the actor will inflict bodily harm upon, or hold in confinement, the (PERSON THREATENED) complainant or another.

Sec. 7. Minnesota Statutes 1983 Supplement, sections 609.344, is amended to read:

609.344 [CRIMINAL SEXUAL CONDUCT IN THE THIRD DEGREE.]

A person is guilty of criminal sexual conduct in the third degree and may be sentenced to imprisonment for not more than ten years, or to payment of a fine of not more than \$10,000, or both, if he engages in sexual penetration with another person and any of the following circumstances exists:

(a) The complainant is under 13 years of age and the actor is no more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant shall be a defense; or

(b) The complainant is at least 13 but less than 16 years of age and the actor is more than 24 months older than the complainant. In any such case it shall be an affirmative defense, which must be proved by a preponderance of the evidence, that the actor believes the complainant to be 16 years of age or older. If the actor in such a case is no more than 48 months but more than 24 months older than the complainant, he may be sentenced to imprisonment for not more than five years. Consent by the complainant is not a defense; or

(c) The actor uses force or coercion to accomplish the penetration; or

(d) The actor knows or has reason to know that the complainant is mentally defective, mentally incapacitated, or physically helpless; or



*(e) The complainant is at least 16 but less than 18 years of age and the actor is more than 48 months older than the complainant and in a position of authority over the complainant, and uses this authority to cause the complainant to submit. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense.*

Sec. 8. Minnesota Statutes 1983 Supplement, section 609.345, is amended to read:

**609.345 [CRIMINAL SEXUAL CONDUCT IN THE FOURTH DEGREE.]**

A person is guilty of criminal sexual conduct in the fourth degree and may be sentenced to imprisonment for not more than five years, or to payment of a fine of not more than \$5,000, or both, if he engages in sexual contact with another person and if any of the following circumstances exists:

(a) The complainant is under 13 years of age and the actor is no more than 36 months older than the complainant. Neither mistake as to the complainant's age or consent to the act by the complainant is a defense. In a prosecution under this clause, the state is not required to prove that the sexual contact was coerced; or

(b) The complainant is at least 13 but less than 16 years of age and the actor is more than 48 months older than the complainant or in a position of authority over the complainant and uses this authority to cause the complainant to submit. In any such case, it shall be an affirmative defense which must be proved by a preponderance of the evidence that the actor believes the complainant to be 16 years of age or older; or

(c) The actor uses force or coercion to accomplish the sexual contact; or

(d) The actor knows or has reason to know that the complainant is mentally defective, mentally incapacitated, or physically helpless; or

*(e) The complainant is at least 16 but less than 18 years of age and the actor is more than 48 months older than the complainant and in a position of authority over the complainant, and uses this authority to cause the complainant to submit. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense.*

Sec. 9. Minnesota Statutes 1982, section 609.346, is amended to read:

**609.346 [SUBSEQUENT OFFENSES.]**

Subdivision 1. [DEFINITION; CONVICTION OF OFFENSE.] *For purposes of this section, the term "offense" means a completed offense or an attempt to commit an offense.*

Subd. 2. [SUBSEQUENT OFFENSE; PENALTY.] If a person is convicted of a second or subsequent offense under sections 609.342 to 609.345 or sections 609.364 to 609.3644 within 15 years of the prior conviction, the court shall commit the defendant to the commissioner of corrections for imprisonment for a term of not less than three years, nor more than the maximum sentence provided by law for the offense for which convicted, notwithstanding the provisions of sections 242.19, 243.05, 609.11, 609.12 and 609.135.

Subd. (2) 3. [PRIOR CONVICTIONS UNDER SIMILAR STATUTES.] For the purposes of this section, an offense is considered a second or subsequent offense if, prior to conviction of the second or subsequent offense, the actor has been at any time convicted under sections 609.342 to 609.346 or sections 609.364 to 609.3644 or under any similar statute of the United States, or this or any other state.

Sec. 10. Minnesota Statutes 1982, section 609.347, subdivision 3, is amended to read:

Subd. 3. In a prosecution under sections 609.342 to 609.346 or 609.3641 to 609.365, evidence of the complainant's previous sexual conduct shall not be admitted nor shall any reference to such conduct be made in the presence of the jury, except by court order under the procedure provided in subdivision 4, and only to the extent that the court finds that any of the following proposed evidence is material to the fact at issue in the case and that its inflammatory or prejudicial nature does not outweigh its probative value:

(a) When consent or fabrication by the complainant is the defense in the case, evidence of such conduct tending to establish a common scheme or plan of similar sexual conduct under circumstances similar to the case at issue on the part of the complainant, relevant and material to the issue of consent or fabrication. Evidence of such conduct engaged in more than one year prior to the date of alleged offense is inadmissible;

(b) Evidence of specific instances of sexual activity showing the source of semen, pregnancy, or disease at the time of the incident or, in the case of pregnancy, between the time of the incident and trial;

(c) Evidence of the complainant's past sexual conduct with the defendant;

(d) For purposes of impeachment, when such evidence is offered to rebut specific testimony of the complainant.

Sec. 11. Minnesota Statutes 1982, section 609.364, subdivision 9, is amended to read:

Subd. 9. [FAMILIAL RELATIONSHIP.] "Familial relationship" means a situation in which the actor is:

(a) The complainant's parent, stepparent, or guardian;

(b) (NEARER OF KIN TO THE COMPLAINANT THAN FIRST COUSIN, COMPUTED BY RULES OF THE CIVIL LAW, WHETHER OF THE HALF OR THE WHOLE BLOOD;);

((C)) Any of the following persons related to the complainant by blood, marriage, or adoption: brother, sister, stepbrother, stepsister, first cousin, aunt, uncle, nephew, niece, grandparent, great-grandparent, great-uncle, great-aunt; or

((D)) (c) An adult who jointly resides intermittently or regularly in the same dwelling as the complainant and who is not the complainant's spouse.

Sec. 12. Minnesota Statutes 1982, section 626.556, subdivision 8, is amended to read:

Subd. 8. [EVIDENCE NOT PRIVILEGED.] No evidence (REGARDING THE CHILD'S INJURIES) *relating to the neglect or abuse of a child or to any prior incidents of neglect or abuse involving any of the same persons accused of neglect or abuse* shall be excluded in any proceeding arising out of the alleged neglect or physical or sexual abuse on the grounds of (EITHER A PHYSICIAN-PATIENT OR HUSBAND-WIFE) *privilege set forth in section 595.02, subdivision 1, paragraphs (a), (d), or (g).*

Sec. 13. [EFFECTIVE DATE.]

*Sections 3, 7, and 8 are effective August 1, 1984, and apply to crimes committed on or after that date. Sections 2, 4, and 12 are effective the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to crimes; clarifying the crime of contributing to the delinquency of a minor; providing for the admissibility of certain statements as evidence; expanding the definitions of sexual contact and coercion; increasing the age limit of minor victims protected under criminal sexual conduct offenses; clarifying certain terms; amending Minnesota Statutes 1982, sections 147.01, subdivision 4; 595.02; 609.341, subdivisions 11 and 14; 609.346; 609.347, subdivision 3; 609.364, subdivision 9; 626.556, subdivision 8; Minnesota Statutes 1983 Supplement,

sections 260.315; 609.344; and 609.345; proposing new law coded in Minnesota Statutes, chapter 260."

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

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

Senate Conferees: ERIC D. PETTY, GENE MERRIAM and RON SIELOFF.

Levi moved that the report of the Conference Committee on H. F. No. 1279 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1279, A bill for an act relating to crimes; clarifying the crime of contributing to the delinquency of a minor; providing for the admissibility of certain statements as evidence; expanding the definitions of sexual contact and coercion; increasing the age limit of minor victims protected under criminal sexual conduct offenses; clarifying certain terms; amending Minnesota Statutes 1982, sections 595.02; 609.341, subdivisions 11 and 14; 609.346; 609.347, subdivision 3; 609.364, subdivision 9; and 626.556, subdivision 8; Minnesota Statutes 1983 Supplement, sections 260.315; 609.342; and 609.343; proposing new law coded in Minnesota Statutes, chapter 260.

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

The question was taken on the repassage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

Skoglund	Swiggum	Uphus	Voss	Wenzel
Solberg	Swanson	Valan	Waltman	Wigley
Sparby	Thiede	Valento	Welch	Wynia
Stadum	Tomlinson	Vanasek	Welker	Zaffke
Staten	Tunheim	Vellenga	Welle	Speaker Sieben

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

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 1466

A bill for an act relating to courts; providing procedures for collection of conciliation court judgments; requiring conciliation court clerks to explain procedures of conciliation court to litigants and to assist them in filling out forms; amending Minnesota Statutes 1982, sections 488A.13, subdivision 2; 488A.16, subdivision 8; 487.30, by adding subdivisions; 488A.30, subdivision 2; and 488A.33, subdivision 7.

April 18, 1984

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

The Honorable Jerome M. Hughes  
President of the Senate

We, the undersigned conferees for H. F. No. 1466, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment.

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

House Conferees: JOHN T. CLAWSON, CHARLES C. HALBERG and RICHARD J. COHEN.

Senate Conferees: GENE MERRIAM, MICHAEL O. FREEMAN and DEAN A. JOHNSON.

Clawson moved that the report of the Conference Committee on H. F. No. 1466 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1466, A bill for an act relating to courts; providing procedures for collection of conciliation court judgments; requiring conciliation court clerks to explain procedures of conciliation court to litigants and to assist them in filling out forms; amending Minnesota Statutes 1982, sections 488A.13, subdivision 2; 488A.16, subdivision 8; 487.30, by adding subdivisions; 488A.30, subdivision 2; and 488A.33, subdivision 7.

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

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

Those who voted in the affirmative were:

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

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

## MESSAGES FROM THE SENATE, Continued

The following message was received from the Senate:

Mr. Speaker:

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

H. F. No. 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; extending the temporary removal of mortgage usury limits; 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; clarifying service charges on dishonored checks; making various technical changes; amending Minnesota Statutes 1982, sections 45.071, by adding a subdivision; 46.04, subdivision 1; 47.204, subdivision 1; 48.03, subdivision 4; 48.08; 48.13; 48.14; 48.24, subdivision 6; 48.48, subdivisions 1 and 2; 48.51; 51A.50; 52.06, subdivision 1; 53.03, subdivision 4; 53.09, subdivision 1; and 56.12; 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; 53.04, subdivision 3a; 168.67; and 332.50, subdivision 2; repealing Minnesota Statutes 1982, sections 47.75, subdivision 2; and 51A.44, subdivision 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

Brinkman moved that the House refuse to concur in the Senate amendments to H. F. No. 1655, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

#### ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1655:

Brinkman, Osthoff and Heinitz.

Wenzel was excused while in conference.

The following conference committee report was received:

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 1420

A bill for an act relating to public employment; regulating grievances of disciplinary actions; amending Minnesota Statutes 1983 Supplement, section 179.70, subdivision 1.

April 19, 1984

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

The Honorable Jerome M. Hughes  
President of the Senate

We, the undersigned conferees for H. F. No. 1420, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment.

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

House Conferees: PHILLIP J. RIVENESS, WAYNE SIMONEAU, FRED C. NORTON and JOSEPH R. BEGICH.

Senate Conferees: CARL W. KROENING, FLORIAN CHMIELEWSKI, JAMES C. PEHLER, TOM A. NELSON and DON FRANK.

Riveness moved that the report of the Conference Committee on H. F. No. 1420 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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

#### CALL OF THE HOUSE

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

Anderson, B.	Dimler	Jennings	Munger	Rodriguez, C.
Anderson, G.	Eken	Jensen	Murphy	Rodriguez, F.
Anderson, R.	Elioff	Johnson	Nelson, D.	Rose
Battaglia	Ellingson	Kahn	Neuenschwander	Sarna
Beard	Erickson	Kalis	Norton	Schafer
Begich	Evans	Kelly	Ogren	Scheid
Bennett	Findlay	Knickerbocker	Olsen	Schoenfeld
Bergstrom	Fjoslien	Knuth	Omann	Schreiber
Blatz	Forsythe	Kostohryz	Onnen	Seaberg
Boo	Frerichs	Krueger	Osthoff	Segal
Brandl	Greenfield	Kvam	Otis	Shaver
Brinkman	Gruenes	Larsen	Pauly	Shea
Burger	Gustafson	Levi	Peterson	Simoneau
Carlson, D.	Gutknecht	Long	Piepho	Skoglund
Carlson, L.	Halberg	Ludeman	Piper	Solberg
Clark, J.	Haukoos	Mann	Price	Sparby
Clawson	Heap	Marsh	Quist	Stadum
Cohen	Heinitz	McDonald	Redalen	Swiggum
Coleman	Himle	McEachern	Reif	Swanson
Dempsey	Hoffman	McKasy	Riveness	Thiede
DenOuden	Hokr	Minne	Rodosovich	Tomlinson



Tunheim  
Uphus  
Valan

Valento  
Voss  
Waltman

Welch  
Welker

Welle  
Wigley

Wynia  
Zaffke

Eken moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

H. F. No. 1420, A bill for an act relating to public employment; regulating grievances of disciplinary actions; amending Minnesota Statutes 1983 Supplement, section 179.70, subdivision 1.

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

The question was taken on the repassage of the bill and the roll was called. There were 62 yeas and 70 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

The bill was not repassed, as amended by Conference.

#### CALL OF THE HOUSE LIFTED

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

## ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1577:

Long; Vanasek; Nelson, D.; Rose and Munger.

## SPECIAL ORDERS, Continued

There being no objection the House advanced to H. F. No. 2207.

H. F. No. 2207, A bill for an act relating to Minnesota Statutes; correcting erroneous, ambiguous, omitted, and obsolete references and text; eliminating certain redundant, conflicting, and superseded provisions; reenacting certain laws; amending Minnesota Statutes 1982, sections 14.40; 97.433, subdivision 3; 116C.73; 116D.06, subdivision 1; 123.78, subdivision 1; 156A.04; 161.16, subdivision 4; 169.45; 256C.02; 302A.115, subdivision 3; 327C.02, subdivision 3; 356.23; 356.25; 383A.09, subdivision 5; 412.022, subdivision 1; 501.78, subdivision 4; 524.3-1201; 609.346, subdivision 2; 609.487, subdivision 4; Minnesota Statutes 1983 Supplement, sections 3.9222, subdivision 6; 14.115, subdivisions 5 and 6; 16.872, subdivision 4; 38.04; 41.61, subdivision 1; 51A.51, subdivisions 2 and 3a; 53.03, subdivision 6; 53.04, subdivision 3a; 60A.17, subdivision 6c; 88.644; 102.26, subdivision 3c; 115.071, subdivision 2b; 116J.28, subdivision 3; 124.195, subdivision 10; 124.272, subdivision 3; 124A.14, subdivision 1; 144A.071, subdivision 5; 168.126, subdivision 1; 176.111, subdivision 18; 240.08, subdivision 2; 241.64, subdivisions 1 and 3; 256B.431, subdivisions 2 and 3; 260.185, subdivision 1; 268.04, subdivision 25; 272.02, subdivision 1; 273.118; 290.01, subdivision 19; 290.09, subdivision 5; 290.10; 290.17, subdivision 2; 290A.03, subdivision 3; 297A.01, subdivision 3; 297A.02, subdivision 3; 297A.25, subdivision 1; 325F.09; 393.07, subdivision 1; 420.13; 505.04; 507.235, subdivision 2; 508.421, subdivision 1; 514.221, subdivision 3; 515A.1-102; 518.17, subdivision 5; 543.20, subdivision 2; 558.215; 629.341, subdivision 1; Laws 1980, chapter 451, section 2; Laws 1983, chapters 128, section 36; 289, section 114, subdivision 1; reenacting Minnesota Statutes 1983 Supplement, sections 45.04, subdivision 1; 116J.28; 256.482, subdivision 2; repealing Minnesota Statutes 1982, sections 156A.031, subdivision 2; 377.06; and 480.059, subdivision 3; repealing Minnesota Statutes 1983 Supplement, section 116D.05; Laws 1982, chapter 501, section 20; Laws 1983, chapters 142, sections 5 and 8; 207, sections 6 and 42; 248, section 3; 253, section 22; 259, section 6; 260, sections 15, 47, and 56, subdivision 2; 277, section 2, subdivision 2; 289, section 16; 293, sections 66, 80, and 83; 301, section 66; 312, article 8, section 6.

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 109 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Elioff	Kvam	Quist	Stadum
Anderson, G.	Ellingson	Larsen	Redalen	Staten
Battaglia	Erickson	Long	Reif	Sviggunn
Beard	Evans	Ludeman	Rice	Thiede
Begich	Findlay	Mann	Rodosovich	Tomlinson
Bennett	Fjoslien	Marsh	Rodriguez, C.	Tunheim
Bergstrom	Forsythe	McDonald	Rodriguez, F.	Uphus
Bishop	Frerichs	McEachern	Rose	Valan
Blatz	Graba	Minne	Sarna	Valento
Boo	Gruenes	Munger	Schafer	Vanasek
Brinkman	Gustafson	Murphy	Scheid	Vellenga
Burger	Gutknecht	Nelson, K.	Schoenfeld	Voss
Carlson, D.	Haukoos	Norton	Schreiber	Waltman
Clark, J.	Heinitz	Omann	Seaberg	Welch
Clark, K.	Hoffman	Onnen	Segal	Welker
Clawson	Jensen	Osthoff	Shaver	Welle
Cohen	Johnson	Otis	Shea	Wenzel
Coleman	Kahn	Pauly	Sherman	Wigley
Dempsey	Kalis	Peterson	Simoneau	Wynia
DenOuden	Knickerbocker	Piepho	Skoglund	Zaffke
Dimler	Kostohryz	Piper	Solberg	Speaker Sieben
Eken	Krueger	Price	Sparby	

The bill was passed and its title agreed to.

## MESSAGES FROM THE SENATE, Continued

The following message was received from the Senate:

Mr. Speaker:

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

S. F. No. 1662.

PATRICK E. FLAHAVEN, Secretary of the Senate

## FIRST READING OF SENATE BILLS

S. F. No. 1662, A bill for an act relating to solid waste; reducing the number of proposed sites in metropolitan counties having a population of less than 300,000 for mixed municipal solid waste disposal facilities; amending Minnesota Statutes 1983 Supplement, section 473.803, subdivision 1a.

The bill was read for the first time.

## SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Jensen moved that the rule therein be suspended and an urgency be declared so that S. F. No. 1662 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Jensen moved that the rules of the House be so far suspended that S. F. No. 1662 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 1662 was read for the second time.

S. F. No. 1662, A bill for an act relating to solid waste; reducing the number of proposed sites in metropolitan counties having a population of less than 300,000 for mixed municipal solid waste disposal facilities; amending Minnesota Statutes 1983 Supplement, section 473.803, subdivision 1a.

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 115 yeas and 7 nays as follows:

## Those who voted in the affirmative were:

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

## Those who voted in the negative were:

DenOuden	Jennings	Onnen	Schafer	Welker
Haukoos	Ludeman			

The bill was passed and its title agreed to.

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

### MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

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

S. F. No. 989.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

### CONFERENCE COMMITTEE REPORT ON S. F. NO. 989

A bill for an act relating to collection and dissemination of data; classifying government data as public, private, and non-public; clarifying issues relating to classifications of data, access to data, the effect of death of individuals on classifications, and the temporary classification of data; refining provisions of the data practice act; amending Minnesota Statutes 1982, sections 13.02, subdivision 8, and by adding a subdivision; 13.03, subdivisions 3 and 4, and by adding subdivisions; 13.04, subdivision 2; 13.05, subdivisions 3, 7, 9, and 10, and by adding a subdivision; 13.06, subdivisions 1 and 6; 13.31, subdivision 2; 13.41, by adding a subdivision; 13.43, subdivision 2; 13.44; 13.46, subdivision 2, and by adding subdivisions; 13.67; 144.335, subdivision 2; and 253B.03, subdivision 8; proposing new law coded in Minnesota Statutes, chapter 13.

April 17, 1984

The Honorable Jerome M. Hughes.  
President of the Senate

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

We, the undersigned conferees for S. F. No. 989, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 989 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 13.02, is amended by adding a subdivision to read:

*Subd. 8a. [NOT PUBLIC DATA.] "Not public data" means any government data which is classified by statute, federal law, or temporary classification as confidential, private, nonpublic, or protected nonpublic.*

Sec. 2. Minnesota Statutes 1982, section 13.03, subdivision 3, is amended to read:

*Subd. 3. [REQUEST FOR ACCESS TO DATA.] Upon request to a responsible authority or designee, a person shall be permitted to inspect and copy public government data at reasonable times and places, and if the person requests, he shall be informed of the data's meaning. The responsible authority or designee shall provide copies of public government data upon request. The responsible authority may require the requesting person to pay the actual costs of making, certifying and compiling the copies. If the responsible authority or designee is not able to provide copies at the time a request is made he shall supply copies as soon as reasonably possible.*

*When a request under this subdivision involves any person's receipt of copies of public government data that has commercial value and is an entire formula, pattern, compilation, program, device, method, technique, process, data base, or system developed with a significant expenditure of public funds by the agency, the responsible authority may charge a reasonable fee for the information in addition to the costs of making, certifying, and compiling the copies. Any fee charged must be clearly demonstrated by the agency to relate to the actual development costs of the information. The responsible authority, upon the request of any person, shall provide sufficient documentation to explain and justify the fee being charged.*

*If the responsible authority or designee determines that the requested data is classified so as to deny the requesting person access, the responsible authority or designee shall (SO) inform the requesting person of the determination either orally at the time of the request, (AND) or in writing as soon (THEREAFTER) after that time as possible, and shall cite the (STATUTE) specific statutory section, temporary classification, or specific provision of federal law on which the determination is based. Upon the request of any person denied access to data, the responsible authority or designee shall certify in writing that the request has been denied and cite the specific statutory section, temporary classification, or specific provision of federal law upon which the denial was based.*

Sec. 3. Minnesota Statutes 1982, section 13.03, subdivision 4, is amended to read:

Subd. 4. [CHANGE IN CLASSIFICATION OF DATA.] The classification of data in the possession of an agency shall change if it is required to do so to comply with either judicial or administrative rules pertaining to the conduct of legal actions or with a specific statute applicable to the data in the possession of the disseminating or receiving agency.

*If data on individuals is classified as both private and confidential by this chapter, or any other statute or federal law, the data is private.*

*To the extent that government data is disseminated to state agencies, political subdivisions, or statewide systems by another state agency, political subdivision, or statewide system, the data disseminated shall have the same classification in the hands of the agency receiving it as it had in the hands of the entity providing it.*

Sec. 4. Minnesota Statutes 1982, section 13.03, is amended by adding a subdivision to read:

Subd. 5. [COPYRIGHT OF PATENT OR COMPUTER PROGRAM.] *Nothing in this chapter or any other statute shall be construed to prevent a state agency, statewide system, or political subdivision from acquiring a copyright or patent for a computer software program or components of a program created by that government agency. In the event that a government agency does acquire a patent or copyright to a computer software program or component of a program, the data shall be treated as trade secret information pursuant to section 13.37.*

Sec. 5. Minnesota Statutes 1982, section 13.04, subdivision 2, is amended to read:

Subd. 2. [INFORMATION REQUIRED TO BE GIVEN INDIVIDUAL.] An individual asked to supply private or confidential data concerning himself shall be informed of: (a) the purpose and intended use of the requested data within the collecting state agency, political subdivision, or statewide system; (b) whether he may refuse or is legally required to supply the requested data; (c) any known consequence arising from his supplying or refusing to supply private or confidential data; and (d) the identity of other persons or entities authorized by state or federal law to receive the data. This requirement shall not apply when an individual is asked to supply investigative data, pursuant to section 13.82, subdivision 5, to a law enforcement officer.

Sec. 6. Minnesota Statutes 1982, section 13.05, subdivision 3, is amended to read:

Subd. 3. [GENERAL STANDARDS FOR COLLECTION AND STORAGE.] Collection and storage of (PUBLIC, PRIVATE OR CONFIDENTIAL) *all* data on individuals and the use and dissemination of private and confidential data on individuals shall be limited to that necessary for the administration and management of programs specifically authorized by the legislature (,) or local governing body or mandated by the federal government.

Sec. 7. Minnesota Statutes 1982, section 13.05, subdivision 7, is amended to read:

Subd. 7. [PREPARATION OF SUMMARY DATA.] The use of summary data derived from private or confidential data on individuals under the jurisdiction of one or more responsible authorities (SHALL BE) *is* permitted. Unless classified pursuant to section 13.06, *another statute, or federal law*, summary data is public. The responsible authority shall prepare summary data from private or confidential data on individuals upon the request of any person (, PROVIDED THAT) *if* the request is in writing and the cost of preparing the summary data is borne by the requesting person. The responsible authority may delegate the power to prepare summary data (1) to the administrative officer responsible for any central repository of summary data; or (2) to a person outside of its agency if the person (, IN WRITING,) sets forth, *in writing*, his purpose and agrees not to disclose, and the agency reasonably determines that the access will not compromise private or confidential data on individuals.

Sec. 8. Minnesota Statutes 1982, section 13.05, subdivision 9, is amended to read:

Subd. 9. [INTERGOVERNMENTAL ACCESS OF DATA.] A responsible authority shall allow another responsible authority access to data classified as not public only when the access is authorized or required by statute or federal law. An agency that supplies government data under this subdivision may require the requesting agency to pay the actual cost of supplying the data.

(DATA SHALL HAVE THE SAME CLASSIFICATION IN THE HANDS OF THE AGENCY RECEIVING IT AS IT HAD IN THE AGENCY PROVIDING IT.)

Sec. 9. Minnesota Statutes 1982, section 13.05, subdivision 10, is amended to read:

Subd. 10. [INTERNATIONAL DISSEMINATION PROHIBITED.] No state agency or political subdivision shall transfer or disseminate any private or confidential data on individuals to the private international organization known as



*Interpol, except through the Interpol-United States National Central Bureau, United States Department of Justice.*

Sec. 10. Minnesota Statutes 1982, section 13.06, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION TO COMMISSIONER.] Notwithstanding the provisions of section 13.03, the responsible authority of a state agency, political subdivision, or statewide system may apply to the commissioner for permission to classify data or types of data on individuals as private or confidential, or data not on individuals as non-public or protected non-public, for its own use and for the use of other similar agencies, political subdivisions, or statewide systems on a temporary basis until a proposed statute can be acted upon by the legislature. The application for temporary classification is public.

Upon the filing of an application for temporary classification, the data which is the subject of the application shall be deemed to be classified as set forth in the application for a period of 45 days, or until the application is disapproved, *rejected*, or granted by the commissioner, whichever is earlier.

*If the commissioner determines that an application has been submitted for purposes not consistent with this section, the commissioner may immediately reject the application, give notice of that rejection to the applicant, and return the application. When the applicant receives the notice of rejection from the commissioner, the data which was the subject of the application shall have the classification it had before the application was submitted to the commissioner.*

Sec. 11. Minnesota Statutes 1982, section 13.06, subdivision 6, is amended to read:

Subd. 6. [EXPIRATION OF TEMPORARY CLASSIFICATION.] (EMERGENCY CLASSIFICATIONS GRANTED BEFORE JULY 1, 1979 ARE REDESIGNATED AS TEMPORARY CLASSIFICATIONS. ALL) A temporary (CLASSIFICATIONS) *classification* granted under this section (PRIOR TO APRIL 24, 1980 AND STILL IN EFFECT, AND ALL TEMPORARY CLASSIFICATIONS THEREAFTER APPLIED FOR AND GRANTED PURSUANT TO THIS SECTION) shall expire (ON JULY 31, 1981 OR 24 MONTHS) *ten days* after the (CLASSIFICATION IS GRANTED, WHICHEVER OCCURS LATER) *end of the second complete regular legislative session that follows the commissioner's granting of the temporary classification.*

Sec. 12. Minnesota Statutes 1982, section 13.31, subdivision 2, is amended to read:

Subd. 2. [PUBLIC DATA.] The names and addresses of applicants for and recipients of benefits (CHARACTERIZED AS THE URBAN HOMESTEADING, HOME OWNERSHIP, AND NEW HOUSING PROGRAMS OPERATED BY A HOUSING AND REDEVELOPMENT AUTHORITY IN A CITY OF THE FIRST CLASS), *aid, or assistance through programs administered by any political subdivision, state agency, or statewide system that are intended to assist with the purchase of housing or other real property* are classified as public data on individuals.

Sec. 13. Minnesota Statutes 1982, section 13.31, subdivision 3, is amended to read:

Subd. 3. [PRIVATE DATA.] Unless otherwise provided by law, all other benefit data is private data on individuals, *and shall not be disclosed except pursuant to (A VALID) court order or to an agent of the state agency, political subdivision, or statewide system, including appropriate law enforcement personnel, who are acting in an investigation or prosecution of a criminal or civil proceeding relating to the administration of a program described in subdivision 1.*

Sec. 14. Minnesota Statutes 1982, section 13.32, subdivision 3, is amended to read:

Subd. 3. Except as provided in subdivision 5, educational data is private data on individuals and shall not be disclosed except as follows:

- (a) Pursuant to section 13.05;
- (b) Pursuant to a valid court order;
- (c) Pursuant to a statute specifically authorizing access to the private data;
- (d) To disclose information in health and safety emergencies pursuant to the provisions of 20 U.S.C., Section 1232g(b)(1)(I) and 45 C.F.R., Section 99.36 which are in effect on July 1, 1979;
- (e) Pursuant to the provisions of 20 U.S.C., Sections 1232g(b)(1), (b)(4)(A), (b)(4)(B), (b)(1)(B), (b)(3) and 45 C.F.R., Sections 99.31, 99.32, 99.33, 99.34 and 99.35 which are in effect on July 1, 1979; or
- (f) To appropriate health authorities (BUT ONLY) to the extent necessary to administer immunization programs *and for bona fide epidemiologic investigations which the commissioner of health determines are necessary to prevent disease or disability to individuals in the public educational agency or institution in which the investigation is being conducted.*

Sec. 15. Minnesota Statutes 1982, section 13.37, subdivision 2, is amended to read:

Subd. 2. [CLASSIFICATION.] The following government data is classified as nonpublic data with regard to data not on individuals, pursuant to section 13.02, subdivision 9, and as private data with regard to data on individuals, pursuant to section 13.02, subdivision 12: Security information (,); trade secret information (,); sealed absentee ballots prior to opening by an election judge (,); sealed bids, *including the number of bids received*, prior to the opening of the (BID,) bids; and labor relations information. Provided that specific labor relations information which relates to a specific labor organization is classified as protected nonpublic data pursuant to section 13.02, subdivision 13.

Sec. 16. Minnesota Statutes 1982, section 13.41, is amended by adding a subdivision to read:

Subd. 5. [RELEASING DATA.] *Any licensing agency may make any data classified as private or confidential pursuant to this section accessible to an appropriate person or agency if the licensing agency determines that failure to make the data accessible is likely to create a clear and present danger to public health or safety.*

Sec. 17. Minnesota Statutes 1982, section 13.43, subdivision 2, is amended to read:

Subd. 2. [PUBLIC DATA.] Except for employees described in subdivision 5, the following personnel data on current and former employees, volunteers, and independent contractors of a state agency, statewide system, or political subdivision and members of advisory boards or commissions is public: name; actual gross salary; salary range; contract fees; actual gross pension; the value and nature of employer paid fringe benefits; the basis for and the amount of any added remuneration, including expense reimbursement, in addition to salary; job title; job description; education and training background; previous work experience; date of first and last employment; the status of any complaints or charges against the employee, whether or not the complaint or charge resulted in a disciplinary action; and the final disposition of any disciplinary action and supporting documentation; work location; a work telephone number; badge number; honors and awards received; (DATA WHICH ACCOUNTS FOR THE INDIVIDUAL'S WORK TIME) *payroll time sheets or other comparable data that are only used to account for employee's work time for payroll purposes, except to the extent that release of time sheet data would reveal the employee's reasons for the use of sick or other medical leave or other not public data*; and (,) city and county of residence.

Sec. 18. Minnesota Statutes 1982, section 13.44, is amended to read:

**13.44 [PROPERTY COMPLAINT DATA.]**

The (NAMES) *identities* of individuals who register complaints with state agencies or political subdivisions concerning violations of state laws or local ordinances concerning the use of real property are classified as confidential *data*, pursuant to section 13.02, subdivision 3.

Sec. 19. Minnesota Statutes 1982, section 13.46, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in this section:

(a) "Individual" means an individual pursuant to section 13.02, subdivision 8, but does not include a vendor of services.

(b) "Program" includes all programs for which authority is vested in a component of the welfare system pursuant to statute or federal law.

(c) "Welfare system" includes the department of public welfare, county welfare boards, *county welfare agencies*, human services boards, community mental health center boards, state hospitals, state nursing homes, and persons, agencies, institutions, organizations, and other entities under contract to any of the above agencies to the extent specified in the contract.

Sec. 20. Minnesota Statutes 1983 Supplement, section 13.46, subdivision 2, is amended to read:

Subd. 2. [GENERAL.] Unless the data is summary data or a statute specifically provides a different classification, data on individuals collected, maintained, used or disseminated by the welfare system is private data on individuals, and shall not be disclosed except:

(a) Pursuant to section 13.05;

(b) Pursuant to (A VALID) court order;

(c) Pursuant to a statute specifically authorizing access to the private data;

(d) To an agent of the welfare system, including appropriate law enforcement personnel, who are acting in the investigation, prosecution, criminal or civil proceeding relating to the administration of a program;

(e) To personnel of the welfare system who require the data to determine eligibility, amount of assistance, and the need to provide services of additional programs to the individual;

(f) To administer federal funds or programs;

(g) Between personnel of the welfare system working in the same program;

(h) The amounts of cash public assistance and relief paid to welfare recipients in this state, including their names and social security numbers, upon request by the department of revenue to administer the property tax refund law, supplemental housing allowance, and the income tax; or

(i) To the Minnesota department of economic security for the purpose of monitoring the eligibility of the data subject for unemployment compensation or for any employment or training program administered by that agency, whether alone or in conjunction with the welfare system.

*Data on individual clients or patients of public or private community mental health centers, established by section 245.62, or mental health divisions of counties and other providers under contract to deliver mental health services shall be treated as provided in subdivisions 7, 8, and 9.*

Sec. 21. Minnesota Statutes 1982, section 13.46, is amended by adding a subdivision to read:

*Subd. 7. [MENTAL HEALTH CENTER DATA.] Data on individual clients and patients of public or private community mental health centers or mental health divisions of counties and other providers under contract to deliver mental health services shall not be disclosed, except:*

(a) pursuant to section 13.05;

(b) pursuant to court order; or

(c) pursuant to a statutes specifically authorizing access to or disclosure of private data.

Sec. 22. Minnesota Statutes 1982, section 13.46, is amended by adding a subdivision to read:

*Subd. 8. [ACCESS FOR AUDITING.] To the extent required by state or federal law, representatives of federal, state, or local agencies shall have access to data maintained by public or private community mental health centers, mental health divisions of counties, and other providers under contract to deliver*

mental health services which is necessary to achieve the purpose of auditing. Public or private community mental health centers, mental health divisions of counties, and other providers under contract to deliver mental health services shall not permit this data to identify any particular patient or client by name or contain any other unique personal identifier.

Sec. 23. Minnesota Statutes 1982, section 13.46, is amended by adding a subdivision to read:

Subd. 9. [FRAUD.] In cases of suspected fraud, in which access to mental health data maintained by public or private community mental health centers or mental health divisions of counties and other providers under contract to deliver mental health services is necessary to a proper investigation, the county board or the appropriate prosecutorial authority shall refer the matter to the commissioner of public welfare. The commissioner and his agents, while maintaining the privacy rights of individuals and families, shall have access to mental health data to conduct an investigation. If, as a result of the investigation, the commissioner deems it appropriate, he shall refer the matter to the appropriate legal authorities and may disseminate to those authorities whatever mental health data are necessary to properly prosecute the case.

Sec. 24. Minnesota Statutes 1982, section 13.46, is amended by adding a subdivision to read:

Subd. 10. [RESPONSIBLE AUTHORITY.] Notwithstanding any other provision of chapter 13 to the contrary, the responsible authority for each component of the welfare system listed in subdivision 1, clause (c), shall be as follows:

(a) The responsible authority for the department of public welfare, state hospitals, and nursing homes is the commissioner of the department of public welfare;

(b) The responsible authority of a county welfare agency is the director of the county welfare agency;

(c) The responsible authority for a county welfare board, human services board, or community mental health center board is the chairman of the board; and

(d) The responsible authority of any person, agency, institution, organization, or other entity under contract to any of the components of the welfare system listed in subdivision 1, clause (c), of this section is the person specified in the contract.

A responsible authority shall allow another responsible authority in the welfare system access to data classified as restrict-

*ed when access is necessary for the administration and management of programs, or is authorized or required by statute or federal law.*

Sec. 25. [13.58] [HOMESTEAD APPLICATION DATA.]

*The following data collected and maintained by political subdivisions are classified as private data pursuant to section 13.02, subdivision 12: the social security account numbers and detailed financial data submitted by individuals who are applying for class 3cc homestead classifications pursuant to section 273.13.*

Sec. 26. [13.59] [REDEVELOPMENT DATA.]

*Subdivision 1. [PRIVATE DATA.] The following data collected in surveys of individuals conducted by cities and housing and redevelopment authorities for the purposes of planning, development, and redevelopment, are classified as private data pursuant to section 13.02, subdivision 12: the names and addresses of individuals and the legal descriptions of property owned by individuals.*

*Subd. 2. [NONPUBLIC DATA.] The following data collected in surveys of businesses conducted by cities and housing and redevelopment authorities, for the purposes of planning, development, and redevelopment, are classified as nonpublic data pursuant to section 13.02, subdivision 9: the names, addresses, and legal descriptions of business properties and the commercial use of the property to the extent disclosure of the use would identify a particular business.*

Sec. 27. [13.60] [ELECTED OR APPOINTED OFFICIALS; FINANCIAL DISCLOSURE STATEMENTS.]

*Financial disclosure statements of elected or appointed officials which, by requirement of the political subdivision, are filed with the political subdivision, are public data on individuals.*

Sec. 28. [13.64] [DEPARTMENT OF ADMINISTRATION DATA.]

*Notes and preliminary drafts of reports created, collected, or maintained by the management analysis division, department of administration, and prepared during audits or investigations of state departments and agencies are classified as confidential or protected nonpublic data until the final report has been published or preparation of the report is no longer being actively pursued. Data that support the conclusions of the report and that the commissioner of administration reasonably believes will result in litigation are confidential or protected nonpublic until the litigation has been completed or until the litigation is no*

*longer being actively pursued. Data on individuals that could reasonably be used to determine the identity of an individual supplying data for a report are private if (a) the data supplied by the individual were needed for an audit and (b) the data would not have been provided to the management analysis division without an assurance to the individual that his identity would remain private.*

Sec. 29. Minnesota Statutes 1982, section 13.67, is amended to read:

**13.67 [EMPLOYEE RELATIONS DATA.]**

The following data collected, created, or maintained by the department of employee relations are classified as nonpublic data pursuant to section 13.02, subdivision 9:

(a) The commissioner's plan prepared by the department, pursuant to section 3.855, which governs the compensation and terms and conditions of employment for employees not covered by collective bargaining agreements until the plan is submitted to the legislative commission on employee relations;

(b) Data pertaining to grievance or interest arbitration that has not been presented to the arbitrator or other party during the arbitration process; (AND)

(c) Notes and preliminary drafts of reports prepared during personnel investigations and personnel management reviews of state departments and agencies; and

(d) *The managerial plan prepared by the department pursuant to section 43A.18 that governs the compensation and terms and conditions of employment for employees in managerial positions, as specified in section 43A.18, subdivision 3, and for employees in the career executive service pursuant to section 43A.18, subdivision 3, clause (c), until the plan is submitted to the legislative commission on employee relations.*

**Sec. 30. [13.74] [ENVIRONMENTAL QUALITY DATA.]**

*The following data collected and maintained by the environmental quality board are classified as private data pursuant to section 13.02, subdivision 12: the names and addresses of individuals who submitted information and letters concerning personal health problems associated with transmission lines.*

**Sec. 31. [13.75] [BUREAU OF MEDIATION SERVICES DATA.]**

*Subdivision 1. [REPRESENTATION DATA.] Authorization signatures or cards furnished in support of a petition filed*



*or election conducted under sections 179.16, 179.18 to 179.25, and 179.67, and all ballots, prior to the time of tabulation, are classified as protected nonpublic data with regard to data not on individuals pursuant to section 13.02, subdivision 13, and as confidential data on individuals with regard to data on individuals pursuant to section 13.02, subdivision 3.*

*Subd. 2. [MEDIATION DATA.] All data received or maintained by the director of the bureau of mediation services or his staff during the course of providing mediation services to the parties to a labor dispute under the provisions of chapter 179 are classified as protected nonpublic data with regard to data not on individuals, pursuant to section 13.02, subdivision 13, and as confidential data on individuals pursuant to section 13.02, subdivision 3, except to the extent the director of the bureau of mediation services determines such data are necessary to fulfill the requirements of section 179.71, subdivisions 5 and 6, or to identify the general nature of or parties to a labor dispute.*

**Sec. 32.** Minnesota Statutes 1983 Supplement, section 48.512, subdivision 3, is amended to read:

*Subd. 3. [CONFIRM NO INVOLUNTARY CLOSING.] Before opening or authorizing signatory power over a transaction account, the financial intermediary shall attempt to verify the information disclosed for subdivision 2, clause (i). The financial intermediary may not open or authorize signatory power over a transaction account if (i) the applicant had a transaction account closed by a financial intermediary without his consent because of his issuance of dishonored checks within 12 months immediately preceding the application, or (ii) the applicant has been convicted of a criminal offense because of the use of a check or other similar item within 24 months immediately preceding the application.*

*If the transaction account is refused pursuant to this subdivision, the reasons for the refusal shall be given to the applicant in writing and the applicant shall be allowed to provide additional information.*

**Sec. 33. [144.336] [REGISTRY OF PERSONS TYPED FOR HUMAN LEUKOCYTE ANTIGENS.]**

*Subdivision 1. [RELEASE RESTRICTED.] No person, including the state, a state agency, or a political subdivision, that maintains or operates a registry of the names of persons, their human leukocyte antigen types, and their willingness to be a tissue donor shall reveal the identity of the person or his human leukocyte antigen type without the person's consent. If the data are maintained by a governmental entity, the data are classified as private data on individuals as defined in section 13.02, subdivision 12.*

*Subd. 2. [DUTIES.] Persons that maintain or operate a registry described in subdivision 1 have no responsibility for any search beyond their own records to identify potential donors for the benefit of any person seeking a tissue transplant and have no duty to encourage potential donors to assist persons seeking a tissue transplant, and are not liable for their failure to do so.*

Sec. 34. Minnesota Statutes 1983 Supplement, section 609.535, subdivision 7, is amended to read:

**Subd. 7. [RELEASE OF ACCOUNT INFORMATION TO PAYEE OR HOLDER.]** A drawee shall release the information specified in clauses (1) and (2) to the payee or holder of a check that has been dishonored who makes a written request for this information and states in writing that the check has been dishonored and that 30 days have elapsed since the mailing of the notice described in subdivision 8 and who accompanies this request with a copy of the dishonored check and a copy of the notice of dishonor.

The requesting payee or holder shall notify the drawee immediately to cancel this request if payment is made before the drawee has released this information.

This subdivision applies to the following information relating to the drawer's account:

(1) Whether at the time the check was issued or presented for payment the drawer had sufficient funds or credit with the drawee, and whether at that time the account was open, closed, or restricted for any reason and the date it was closed or restricted; and

(2) The last known home address and telephone number of the drawer. (A) *The drawee (MAY BE LIABLE IN A CIVIL OR CRIMINAL PROCEEDING FOR RELEASING) may not release the (BUSINESS) address or (BUSINESS) telephone number of the place of employment of the drawer (TO THE PAYEE OR HOLDER) unless the drawer is a business entity or the place of employment is the home.*

The drawee shall release all of the information described in clauses (1) and (2) that it possesses within ten days after receipt of a request conforming to all of the provisions of this subdivision. The drawee may require the person requesting the information to pay the reasonable costs, not to exceed 15 cents per page, of reproducing and mailing the requested information.

A drawee is not liable in a criminal or civil proceeding for releasing information in accordance with this subdivision.

## Sec. 35. [EFFECTIVE DATE.]

*Sections 1 to 34 are effective the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to collection and dissemination of data; classifying government data as public, private, and nonpublic; clarifying issues relating to classifications of data, access to data, and the temporary classification of data; refining provisions of the data practices act; amending Minnesota Statutes 1982, sections 13.02, by adding a subdivision; 13.03, subdivisions 3 and 4, and by adding a subdivision; 13.04, subdivision 2; 13.05, subdivisions 3, 7, 9, and 10; 13.06, subdivisions 1 and 6; 13.31, subdivisions 2 and 3; 13.32, subdivision 3; 13.37, subdivision 2; 13.41, by adding a subdivision; 13.44; 13.46, subdivision 1, and by adding subdivisions; and 13.67; and Minnesota Statutes 1983 Supplement, sections 13.46, subdivision 2; 48.512, subdivision 3; and 609.535, subdivision 7; proposing new law coded in Minnesota Statutes, chapters 13 and 144."

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

Senate Conferees: RANDOLPH W. PETERSON, GENE MERRIAM and RON SIELOFF.

House Conferees: BOB ELLINGSON, LONA MINNE and TERRY DEMPSEY.

Ellingson moved that the report of the Conference Committee on S. F. No. 989 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 989, A bill for an act relating to collection and dissemination of data; classifying government data as public, private, and nonpublic; clarifying issues relating to classifications of data, access to data, the effect of death of individuals on classifications, and the temporary classification of data; refining provisions of the data practice act; amending Minnesota Statutes 1982, sections 13.02, subdivision 8, and by adding a subdivision; 13.03, subdivisions 3 and 4, and by adding subdivisions; 13.04, subdivision 2; 13.05, subdivisions 3, 7, 9, and 10, and by adding a subdivision; 13.06, subdivisions 1 and 6; 13.31, subdivision 2; 13.41, by adding a subdivision; 13.43, subdivision 2; 13.44; 13.46, subdivision 2, and by adding subdivisions; 13.67; 144.335, subdivision 2; and 253B.03, subdivision 8; proposing new law coded in Minnesota Statutes, chapter 13.

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

The question was taken on the repassage of the bill and the roll was called. There were 115 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Rodosovich

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

### SPECIAL ORDERS, Continued

S. F. No. 1736 was reported to the House.

### SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Kahn moved that the rule therein be suspended and an urgency be declared so that S. F. No. 1736 be given its third reading and be placed upon its final passage. The motion prevailed.

Kahn moved that the rules of the House be so far suspended that S. F. No. 1736 be given its third reading and be placed upon its final passage. The motion prevailed.

Kahn moved to amend S. F. No. 1736, as follows:

Page 1, after line 15, insert:

"Section 1. [119.01] [MINNESOTA EDUCATIONAL COMPUTING CORPORATION, PURPOSE.]

*The purpose of the Minnesota educational computing corporation is to provide cost-effective computing and technology related products and services to the educational programs of educational institutions and agencies in Minnesota and elsewhere. The legislature recognizes that computers are a major factor in the operation of educational institutions, both in terms of cost and in importance as an instructional tool. Furthermore, the legislature has historically supported the development of curricula for Minnesota educational institutions that include educational computing materials. While it is important that educational institutions be able to join together to gain economies in purchasing power, it is equally important that computer software and documentation be created, and that instructional and administrative computing services be provided to meet the needs of Minnesota educational institutions. The purpose of the public corporation known as the Minnesota educational computing corporation is to meet these needs.*

*The legislature intends to establish autonomy for the Minnesota educational computing corporation from state support, with the goal of limiting direct legislative funding of Minnesota educational computing corporation services."*

Renumber subsequent sections

Page 1, line 18, delete "8" and insert "9"

Page 1, line 29, delete "2" and insert "3"

Page 2, line 4, delete everything after "to" and insert "further the public purpose in section 1"

Page 2, delete line 5

Page 2, line 6, delete "institutions and agencies"

Page 2, line 24, delete "2" and insert "1"

Page 2, line 25, delete "8" and insert "9"

Page 3, line 9, delete "2" and insert "1"

Page 11, line 30, delete "15" and insert "17"

The motion prevailed and the amendment was adopted.

S. F. No. 1736, A bill for an act relating to education; creating the Minnesota educational computing corporation as a public corporation; transferring assets of the Minnesota educational computing consortium to the corporation; amending Minnesota Statutes 1983 Supplement, section 3.732, subdivision 1; 10A.01, subdivision 18; 15A.081, subdivision 1; 135A.07, subdivision 2; 352D.02, subdivision 1; and proposing new law coded as Minnesota Statutes, chapter 119; repealing Minnesota Statutes 1982, section 120.83; Minnesota Statutes 1983 Supplement, sections 120.801; 120.802; 120.803; 120.804; 120.805; 120.806; and 120.81.

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

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

Those who voted in the affirmative were:

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

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

S. F. No. 1435, A bill for an act relating to motor vehicles; authorizing operation of farm truck with class C drivers' license by employee operating truck during harvest; amending Minnesota Statutes 1982, section 171.02, 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 96 yeas and 21 nays as follows:

## Those who voted in the affirmative were:

Anderson, B.	Elioff	Kostohryz	Otis	Solberg
Anderson, C.	Ellingson	Krueger	Peterson	Sparby
Anderson, R.	Erickson	Kvam	Piper	Stadium
Battaglia	Evans	Larsen	Quist	Sviggunn
Beard	Findlay	Levi	Redalen	Tunheim
Begich	Fjoslien	Ludeman	Rice	Uphus
Bergstrom	Graba	Mann	Rodosovich	Valan
Bishop	Greenfield	Marsh	Rodriguez, F.	Valento
Blatz	Gruenes	McEachern	Rose	Vellenga
Boo	Gustafson	McKasy	St. Onge	Waltman
Brandl	Haukoos	Metzen	Sarna	Welch
Brinkman	Heap	Munger	Schafer	Welker
Burger	Heinitz	Murphy	Scheid	Welle
Carlson, D.	Himle	Nelson, D.	Schoenfeld	Wigley
Carlson, L.	Hokr	Nelson, K.	Seaberg	Zaffke
Clark, J.	Jensen	Neuenschwander	Segal	Speaker Sieben
Clawson	Johnson	Ogren	Shaver	
Cohen	Kahn	Olsen	Sherman	
Coleman	Kelly	Omann	Simoneau	
Dempsey	Knickerbocker	Onnen	Skoglund	

## Those who voted in the negative were:

Bennett	Gutknecht	Kalis	Osthoff	Rodriguez, C.
DenOuden	Halberg	McDonald	Pauly	Schreiber
Dimler	Hoffman	Minne	Piepho	Swanson
Forsythe	Jennings	Norton	Reif	Tomlinson
Frerichs				

The bill was passed and its title agreed to.

S. F. No. 1520 was reported to the House.

Kalis moved to amend S. F. No. 1520, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 168.011, subdivision 9, is amended to read:

Subd. 9. [BUS; INTERCITY BUS.] (a) "Bus" means (ANY) *every* motor vehicle designed (AND USED) for (THE) carrying (OF) more than (EIGHT PERSONS) *ten passengers and used for transporting persons, and every motor vehicle, other than a taxicab, designed and used for transporting persons for compensation.*

*The term "bus" does not include a vehicle designed for carrying more than ten passengers but not more than 14 passengers and operated for the personal or family use of the owner or operator.*

(b) "Intercity bus" means any bus operating as a common passenger carrier over regular routes and between fixed termini, but excluding all buses operating wholly within the limits of one city, or wholly within two or more contiguous cities, or between contiguous cities and a terminus outside the corporate

limits of such cities, and not more than 20 miles distant measured along the fixed route from such corporate limits.

Sec. 2. Minnesota Statutes 1982, section 168.011, subdivision 13, is amended to read:

Subd. 13. [TRAILER.] "Trailer" means any vehicle designed for carrying property or passenger on its own structure and for being drawn by a motor vehicle but shall not include a trailer drawn by a truck-tractor semitrailer combination, *or an auxiliary axle on a motor vehicle which carries a portion of the weight of the motor vehicle to which it is attached.*

Sec. 3. Minnesota Statutes 1983 Supplement, section 168.013, subdivision 1e, is amended to read:

Subd. 1e. [TRUCKS; TRACTORS; COMBINATIONS; EXCEPTIONS.] On trucks and tractors except those in this chapter defined as farm trucks, and urban trucks, and on truck-tractor and semitrailer combinations except those defined as farm combinations and urban combinations and on commercial zone vehicles, the tax based on total gross weight shall be graduated according to the Minnesota base rate schedule prescribed in this subdivision, but in no event less than \$120.

#### Minnesota Base Rate Schedule

Scheduled taxes include five percent surtax provided for in subdivision 14

TOTAL GROSS WEIGHT IN POUNDS		TAX
A	0 - 1,500	\$ 15
B	1,501 - 3,000	20
C	3,001 - 4,500	25
D	4,501 - 6,000	35
E	6,001 - 9,000	45
F	9,001 - 12,000	70
G	12,001 - 15,000	105
H	15,001 - 18,000	145
I	18,001 - 21,000	190
J	21,001 - (27,000) 26,000	270
K	(27,001) 26,001 - 33,000	360



L	33,001 - 39,000	470
M	39,001 - 45,000	590
N	45,001 - 51,000	710
O	51,001 - 57,000	860
P	57,001 - 63,000	1010
Q	63,001 - 69,000	1180
R	69,001 - 73,280	1320
S	73,281 - 78,000	1520
T	78,001 - 81,000	1620

For each vehicle with a gross weight in excess of 81,000 pounds an additional tax of \$50 is imposed for each ton or fraction thereof in excess of 81,000 pounds, subject to subdivision 12.

Truck-tractors except those herein defined as farm and urban truck-tractors and commercial zone vehicles shall be taxed in accord with the foregoing gross weight tax schedule on the basis of the combined gross weight of the truck-tractor and any semitrailer or semitrailers which the applicant proposes to combine with the truck-tractor. In addition, to the gross weight tax imposed on the truck-tractor, each semitrailer shall be taxed a fee of \$10 for a one-year period or \$50 for a five-year period whichever the applicant elects.

Commercial zone trucks include only trucks, truck-tractors, and semitrailer combinations which are:

(1) used by an authorized local cartage carrier operating under a permit issued under section 221.296 and whose gross transportation revenue consists of at least 60 percent obtained solely from local cartage carriage, and are operated solely within an area composed of two contiguous cities of the first class and municipalities contiguous thereto as defined by section 221.011, subdivision 17; or,

(2) operated by an interstate carrier registered under section 221.61 or 221.62, or by an authorized local cartage carrier or other carrier receiving operating authority under chapter 221, and operated solely within a zone exempt from regulation by the interstate commerce commission pursuant to United States Code, title 49, section 10526(b).

The license plates issued for commercial zone vehicles shall be plainly marked. A person operating a commercial zone vehicle

outside the zone or area in which its operation is authorized is guilty of a misdemeanor and, in addition to the penalty therefor, shall have the registration of the vehicle as a commercial zone vehicle revoked by the registrar and shall be required to re-register the vehicle at 100 percent of the full annual tax prescribed in the Minnesota base rate schedule, and no part of this tax shall be refunded during the balance of the registration year.

On commercial zone trucks the tax shall be based on the total gross weight of the vehicle and during the first eight years of vehicle life shall be 75 percent of the Minnesota base rate schedule. During the ninth and succeeding years of vehicle life the tax shall be 50 percent of the Minnesota base rate schedule, except as otherwise provided in this subdivision. On commercial zone trucks, during the ninth and succeeding years of vehicle life, the tax shall be:

(a) for the 1982 registration year, 35 percent of the tax imposed in the Minnesota base rate schedule;

(b) for the 1983 registration year, 40 percent of the tax imposed in the Minnesota base rate schedule;

(c) for the 1984 registration year, 45 percent of the tax imposed in the Minnesota base rate schedule;

(d) for the 1985 registration year, and each succeeding year, 50 percent of the tax imposed in the Minnesota base rate schedule.

On trucks, truck-tractors and semitrailer combinations, except those defined as farm trucks and farm combinations, and except for those urban trucks and combinations and commercial zone vehicles specifically provided for in this subdivision, the tax for the first eight years of vehicle life shall be 100 percent of the tax imposed in the Minnesota base rate schedule, and during the ninth and succeeding years of vehicle life, the tax shall be 75 percent of the Minnesota base rate prescribed by this subdivision, except as otherwise provided in this subdivision.

On trucks, truck-tractors and semitrailer combinations, except those defined as farm trucks and farm combinations, and except for those urban trucks and combinations and commercial zone vehicles specifically provided for in this subdivision, during each of the first eight years of vehicle life the tax shall be:

(a) for the registration year 1982, 83 percent of the tax imposed in the Minnesota base rate schedule;

(b) for the registration year 1983, 89 percent of the tax imposed in the Minnesota base rate schedule;

(c) for the registration year 1984, 95 percent of the tax imposed in the Minnesota base rate schedule;

(d) for the registration year 1985, and each succeeding year, 100 percent of the tax imposed in the Minnesota base rate schedule.

Sec. 4. Minnesota Statutes 1982, section 168.013, subdivision 16, is amended to read:

Subd. 16. [REPAIR AND SERVICING PERMIT.] Upon the written application of the owner of a motor vehicle registered and taxed as a *commercial zone truck*, an urban truck, a truck tractor, a semi-trailer, or any combination thereof in accordance with this section, the registrar may grant permission in writing to such owner to operate such vehicle to and from a repair shop or service station outside of its licensed zone of operation for the limited purpose of repair or servicing. The application and any permit issued under this subdivision shall state the location of the repair or servicing facility, together with such other information and subject to such conditions as the registrar may specify. Any motor vehicle operated under such a permit shall carry no load.

Sec. 5. Minnesota Statutes 1982, section 168.018, is amended to read:

168.018 [QUARTERLY REGISTRATION OF FARM TRUCKS.]

The owner of any farm truck as defined in section 168.011, subdivision 17, may elect to register and license the farm truck only for one or more quarters of a registration year, at a tax of one-fourth of the annual tax on the vehicle plus \$5 for each quarterly registration. *The owner may not apply for quarterly registration or renewal until seven days before the selected quarter or concurrent quarters.* The expiration date of a registration shall be displayed on the license plate in such a manner as the registrar shall direct. No farm truck registered on a quarterly basis shall be operated on the public streets and highways more than ten days beyond the end of the quarter for which it is registered unless the registration has been renewed for another quarter or for the remainder of the registration year.

For purposes of this section registration quarters shall begin on March 1, June 1, September 1, and December 1.

Sec. 6. Minnesota Statutes 1982, section 168.041, subdivision 6, is amended to read:

Subd. 6. Any such violator or owner may apply to the registrar of motor vehicles for new registration plates which shall bear a special series number which may be readily identified by traffic law enforcement officers. A fee of (\$3) \$5 shall accompany the application. The registrar of motor vehicles shall forthwith notify the court of such application. The court may re-

turn the registration certificate of such violator or owner to the registrar of motor vehicles, together with its consent to the issuance of such registration plates to such violator or owner. Thereupon the registrar of motor vehicles shall issue such new registration plates. Until the drivers license of such violator is reinstated, any new registration plates issued to him or to an owner whose plates have been impounded shall bear a special series number.

Sec. 7. Minnesota Statutes 1982, section 168.053, subdivision 1, is amended to read:

Subdivision 1. Any person, firm, or corporation engaged in the business of transporting motor vehicles, not his own, by delivering, by drive-away or towing methods, either singly or by means of the full mount method, the saddle mount method, the tow-bar method, or any other combination thereof, and under their own power, vehicles over the highways of the state from the manufacturer or any other point of origin, to any point of destination, within or without the state, shall make application to the registrar for a drive-away in transit license. This application for annual license shall be accompanied by a registration fee of \$250 and contain such information as the registrar may require. Upon the filing of the application and the payment of the fee, the registrar shall issue to each drive-away operator a general distinguishing number, which number must be carried and displayed (BY EACH MOTOR VEHICLE IN LIKE MANNER AS IS NOW PROVIDED BY LAW FOR VEHICLES WHILE BEING OPERATED UPON THE PUBLIC HIGHWAYS), *on the power unit consistent with section 169.79* and such number shall remain on the vehicle (FROM THE MANUFACTURER, OR ANY POINT OF ORIGIN, TO ANY POINT OF DESTINATION) *while being operated within (OR BEYOND) the state.* Additional plates bearing the same distinguishing number desired by any drive-away operator may be secured from the registrar of motor vehicles upon the payment of a fee of \$2 for each set of additional license plates. Any person, firm, or corporation engaging in the business as a drive-away operator, of transporting and delivering by means of full mount method, the saddle mount method, the tow-bar method, or any combination thereof, and under their own power, motor vehicles, who fails or refuses to file or cause to be filed an application, as is required by law, and to pay the fees therefor as the law requires, shall be found guilty of violating the provisions of sections 168.053 to 168.057; and, upon conviction, fined not less than \$50, and not more than \$100, and all costs of court. Each day so operating without securing the license and plates as required therein shall constitute a separate offense within the meaning thereof.

Sec. 8. Minnesota Statutes 1982, section 168.09, subdivision 2, is amended to read:

Subd. 2. When a motor vehicle registered in Minnesota, has during the calendar year for which it is so registered, been re-registered for the following year, the display on such motor vehicle of the plates issued for such motor vehicle on its re-registration for the following year shall on and after November 15 of the calendar year in which it was so re-registered constitute compliance with subdivision 1 requiring display of plates except as provided in (SUBDIVISION) *subdivisions 3 and 4.*

Sec. 9. Minnesota Statutes 1982, section 168.09, subdivision 3, is amended to read:

Subd. 3. Plates or other insignia issued for a motor vehicle registered under the provisions of section 168.187 for a calendar year shall be displayed on the motor vehicle not later than 12:01 a.m. on March 2 of the year unless extended by the registrar for the period of time required for the issuance of the new plates or insignia. Plates or other insignia issued for a self-propelled motor vehicle registered for over 27,000 pounds except a motor vehicle registered under the provision of sections 168.017 and 168.187 shall be displayed on the vehicle not later than 12:01 a.m. on March 2 of the year, nor earlier than 12:01 a.m. on February 15 of the year, unless otherwise extended by the registrar for the period of time required for the issuance of the new plates or insignia. Plates or other insignia issued for a self-propelled vehicle registered for 27,000 pounds or less and all other motor vehicles except those registered under the provisions of section 168.017 or 168.187 shall be displayed not later than 12:01 a.m. on March 2 of the year, and not earlier than (NOVEMBER 15) *January 1* of the (PRECEDING) year unless otherwise extended by the registrar for the period of time required for the issuance of the new plates or insignia. The commissioner of public safety shall register all motor vehicles with the exception of those registered under sections 168.017 or 168.187 for a period of 14 months for the registration year 1978 to implement the provisions of this subdivision. The registration year for all vehicles as provided in this section shall be from March 1 to the last day of February for 1979 and succeeding years.

Sec. 10. Minnesota Statutes 1982, section 168.10, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] Except as provided in subdivisions 1a, 1b, 1c, 1d and 1g, every owner of any motor vehicle in this state, not exempted by section 168.012 or 168.26, shall as soon as ownership of a motor vehicle is acquired and annually thereafter during the period (NOVEMBER 15 TO MARCH 1 FOLLOWING, BOTH DATES INCLUSIVE) *provided in section 168.31*, file with the commissioner of public safety on a blank provided by him a listing for taxation and application for the registration of such vehicle, stating the first, middle and last names, the dates of birth, and addresses of all owners thereof who are natural persons, the full names and

addresses of all other owners, the name and address of the person from whom purchased, make of motor vehicle, year and number of the model, manufacturer's identification number or serial number, type of body, the weight of the vehicle in pounds, for trailers only, its rated load carrying capacity and for buses only, its seating capacity, and such other information as the commissioner may require. Any false statement wilfully and knowingly made in regard thereto shall be deemed perjury and punished accordingly. The listing and application for registration by dealers or manufacturers' agents within the state, of motor vehicles received for sale or use within the state shall be accepted as compliance with the requirements of this chapter, imposed upon the manufacturer.

Registration shall be refused a motor vehicle if the original identification or serial number has been destroyed, removed, altered, covered or defaced. However, if the commissioner is satisfied on the sworn statements of the owner or owners or such other persons as he may deem advisable that the applicant is the legal owner, a special identification number in the form prescribed by the commissioner shall be assigned to the motor vehicle. When it has been determined that the number had been affixed to such vehicle in a manner prescribed by the commissioner, the vehicle may thereafter be registered in the same manner as other motor vehicles. In the case of a new or rebuilt motor vehicle manufactured or assembled without an identification or serial number, the commissioner may assign an identification number to the motor vehicle in the same manner as prescribed heretofore.

Sec. 11. Minnesota Statutes 1982, section 168.10, subdivision 1a, is amended to read:

Subd. 1a. [COLLECTOR'S VEHICLES, PIONEER LICENSE.] Any motor vehicle manufactured prior to 1936 and owned and operated solely as a collector's item shall be listed for taxation and registration as follows: An affidavit shall be executed stating the name and address of the owner, the name and address of the person from whom purchased, the make of the motor vehicle, year and number of the model, the manufacturer's identification number and that the vehicle is owned and operated solely as a collector's item and not for general transportation purposes. If the registrar is satisfied that the affidavit is true and correct and the owner pays a (\$6) \$25 tax, the registrar shall list such vehicle for taxation and registration and shall issue number plates.

The number plates so issued shall bear the inscription "Pioneer," "Minnesota" and the registration number but no date. The number plates are valid without renewal as long as the vehicle is in existence and shall be issued for the applicant's use only for such vehicle. The registrar has the power to revoke said plates for failure to comply with this subdivision.

(IN THE EVENT OF THE DEFACEMENT, LOSS OR DESTRUCTION OF SUCH NUMBER PLATES, THE REGISTRAR, UPON RECEIVING AND FILING A SWORN STATEMENT OF THE VEHICLE OWNER, SETTING FORTH THE CIRCUMSTANCES, TOGETHER WITH ANY DEFACED PLATES AND THE PAYMENT OF A \$2 FEE, SHALL ISSUE DUPLICATE PLATES SPECIALLY DESIGNED FOR THAT PURPOSE. THE REGISTRAR SHALL THEN NOTE ON HIS RECORDS THE ISSUE OF SUCH NEW NUMBER PLATES AND SHALL PROCEED IN SUCH MANNER AS HE MAY DEEM ADVISABLE TO CANCEL AND CALL IN THE ORIGINAL PLATES.)

Sec. 12. Minnesota Statutes 1982, section 168.10, subdivision 1b, is amended to read:

Subd. 1b. [COLLECTOR'S VEHICLE, CLASSIC CAR LICENSE.] Any motor vehicle manufactured between and including the years 1925 and 1948, and designated by the registrar of motor vehicles as a classic car because of its fine design, high engineering standards, and superior workmanship, and owned and operated solely as a collector's item shall be listed for taxation and registration as follows: An affidavit shall be executed stating the name and address of the owner, the name and address of the person from whom purchased, the make of the motor vehicle, year and number of the model, the manufacturer's identification number and that the vehicle is owned and operated solely as a collector's item and not for general transportation purposes. If the registrar is satisfied that the affidavit is true and correct and that the motor vehicle qualifies to be classified as a classic car, and the owner pays a (\$6) \$25 tax, the registrar shall list such vehicle for taxation and registration and shall issue number plates.

The number plates so issued shall bear the inscription "Classic Car," "Minnesota," and the registration number but no date. The number plates are valid without renewal as long as the vehicle is in existence and shall be issued for the applicant's use only for such vehicle. The registrar has the power to revoke said plates for failure to comply with this subdivision.

(IN THE EVENT OF THE DEFACEMENT, LOSS OR DESTRUCTION OF SUCH NUMBER PLATES, THE REGISTRAR, UPON RECEIVING AND FILING A SWORN STATEMENT OF THE VEHICLE OWNER, SETTING FORTH THE CIRCUMSTANCES, TOGETHER WITH ANY DEFACED PLATES AND THE PAYMENT OF A \$2 FEE, SHALL ISSUE DUPLICATE PLATES SPECIALLY DESIGNED FOR THAT PURPOSE. THE REGISTRAR SHALL THEN NOTE ON HIS RECORDS THE ISSUE OF SUCH NEW NUMBER PLATES

AND SHALL PROCEED IN SUCH MANNER AS HE MAY DEEM ADVISABLE TO CANCEL AND CALL IN THE ORIGINAL PLATES.)

The following cars built between and including 1925 and 1948 are classic:

A.C.

Adler

Alfa Romeo

Alvis                                      Speed 20, 25, and 4.3 litre.

Amilcar

Aston Martin

Auburn                                      All 8-cylinder and 12-cylinder models.

Audi

Austro-Daimler

Avions Voisin 12

Bentley

Blackhawk

B.M.W.                                      Models 327, 328, and 335 only.

Brewster  
(Heart-front Ford)

Bugatti

Buick                                        1931 through 1942: series 90 only.

Cadillac                                    All 1925 through 1935.  
1936-1948: Series 67, 70, 72, 75, 80, 85  
and 90 only.  
1938-1941: 60 special only.

Chrysler                                    1926 through 1930: Imperial 80.  
1931: Imperial 8 Series CG.  
1932: Series CG, CH and CL.  
1933: Series CL.  
1934: Series CW.  
1935: Series CW.  
All Newports and Thunderbolts.



Cord

Cunningham

Dagmar

Model 25-70 only.

Daimler

Delage

Delahaye

Doble

Dorris

Duesenberg

du Pont

Franklin

All models except 1933-34 Olympic Sixes.

Frazer Nash

Hispano Suiza

Horch

Hotchkiss

Invicta

Isotta Fraschini

Jaguar

Jordan

Speedway Series 'Z' only.

Kissel

1925, 1926 and 1927: Model 8-75.

1928: Model 8-90, and 8-90 White

Eagle.

1929: Model 8-126, and 8-90 White

Eagle.

1930: Model 8-126.

1931: Model 8-126.

Lagonda

Lancia

La Salle	1927 through 1933 only.
Lincoln	All models K, L, KA, and KB. 1941: Model 168H. 1942: Model 268H.
Lincoln Continental	1939 through 1948.
Locomobile	All models 48 and 90. 1927: Model 8-80. 1928: Model 8-80. 1929: Models 8-80 and 8-88.
Marmon	All 16-cylinder models. 1925: Model 74. 1926: Model 74. 1927: Model 75. 1928: Model E75. 1930: Big 8 model. 1931: Model 88, and Big 8.
Maybach	
McFarlan	
Mercedes Benz	All models 2.2 litres and up.
Mercer	
M.G.	6-cylinder models only.
Minerva	
Packard	1925 through 1934: All models. 1935 through 1942: Models 1200, 1201, 1202, 1203, 1204, 1205, 1207, 1208, 1400, 1401, 1402, 1403, 1404, 1405, 1407, 1408, 1500, 1501, 1502, 1506, 1507, 1508, 1603, 1604, 1605, 1607, 1608, 1705, 1707, 1708, 1806, 1807, 1808, 1906, 1907, 1908, 2006, 2007, and 2008 only. 1946 and 1947: Models 2106 and 2126 only.
Peerless	1926 through 1928: Series 69. 1930-1931: Custom 8. 1932: Deluxe Custom 8
Pierce Arrow	
Railton	

Renault	Grand Sport model only.
Reo	1930-1931: Royale Custom 8, and Series 8-35 and 8-52 Elite 8. 1933: Royale Custom 8.
Revere	
Roamer	1925: Series 8-88, 6-54e, and 4-75. 1926: Series 4-75e, and 8-88. 1927-1928: Series 8-88. 1929: Series 8-88, and 8-125. 1930: Series 8-125.
Rohr	
Rolls Royce	
Ruxton	
Salmson	
Squire	
Stearns Knight	
Stevens Duryea	
Steyr	
Stutz	
Sunbeam	
Talbot	
Vauxhall	Series 30-98 only.
Wills Saint Claire	

No commercial vehicles such as hearses, ambulances, or trucks are considered to be classic cars.

Sec. 13. Minnesota Statutes 1982, section 168.10, subdivision 1c, is amended to read:

Subd. 1c. [COLLECTOR'S VEHICLE, COLLECTOR LICENSE.] Any motor vehicle, including any truck, that is at least 20 model years old and manufactured after 1935, or any motor vehicle of a defunct make defined as any car or truck

originally licensed as a separate identifiable make as designated by the division of motor vehicles, and owned and operated solely as a collector's vehicle, shall be listed for taxation and registration as follows: An affidavit shall be executed stating the name and address of the person from whom purchased and of the new owner, the make of the motor vehicle, year and number of the model, the manufacturer's identification number and that the vehicle is owned and operated solely as a collector's item and not for general transportation purposes. The owner must also prove that he or she also has one or more vehicles with regular license plates. If the registrar is satisfied that the affidavit is true and correct and the owner pays a (\$20) \$25 tax, the registrar shall list the vehicle for taxation and registration and shall issue number plates.

The number plates issued shall bear the inscription "Collector," "Minnesota" and the registration number, but no date. The number plates are valid without renewal as long as the vehicle is in existence and shall be issued for the applicant's use only for the vehicle. The registrar has the power to revoke the plates for failure to comply with this subdivision.

(IN THE EVENT OF THE DEFACEMENT, LOSS OR DESTRUCTION OF THE NUMBER PLATES, THE REGISTRAR, UPON RECEIVING AND FILING A SWORN STATEMENT OF THE VEHICLE OWNER, SETTING FORTH THE CIRCUMSTANCES, TOGETHER WITH ANY DEFACED PLATES AND THE PAYMENT OF A \$2 FEE, SHALL ISSUE DUPLICATE PLATES SPECIALLY DESIGNED FOR THAT PURPOSE. THE REGISTRAR SHALL THEN NOTE ON HIS RECORDS THE ISSUE OF THE NEW NUMBER PLATES AND SHALL PROCEED IN THE MANNER AS HE MAY DEEM ADVISABLE TO CANCEL AND CALL IN THE ORIGINAL PLATES.)

Sec. 14. Minnesota Statutes 1982, section 163.10, subdivision 1d, is amended to read:

Subd. 1d. [COLLECTORS VEHICLES, STREET ROD LICENSE.] Any modernized motor vehicle manufactured prior to the year 1949 or designed and manufactured to resemble such vehicle shall be listed for taxation and registration as follows:

An affidavit shall be executed stating the name and address of the person from whom purchased and of the new owner, the make of the motor vehicle, year number of model, and the manufacturer's identification number. The affidavit shall further state that the vehicle is owned and operated solely as a street rod and not for general transportation purposes. The owner must also prove that he or she has one or more vehicles with regular license plates. If the registrar is satisfied that the affidavit is true and correct and the owner pays a \$25 tax, the registrar

shall list such vehicle for taxation and registration and shall issue number plates.

The number plates issued shall bear the inscription "Street Rod", "Minnesota" and the registration number but no date. The number plates are valid without renewal as long as the vehicle is in existence and shall be issued for the applicant's use only for such vehicle. The registrar has the power to revoke such plates for failure to comply with this subdivision.

(IN THE EVENT OF THE DEFACEMENT, LOSS OR DESTRUCTION OF SUCH NUMBER PLATES, THE REGISTRAR, UPON RECEIVING AND FILING A SWORN STATEMENT OF THE VEHICLE'S OWNER, SETTING FORTH THE CIRCUMSTANCES, TOGETHER WITH ANY DEFACED PLATES AND THE PAYMENT OF A \$5 FEE, SHALL ISSUE DUPLICATE PLATES SPECIALLY DESIGNED FOR THAT PURPOSE. THE REGISTRAR SHALL THEN NOTE ON HIS RECORDS THE ISSUE OF SUCH NEW NUMBER PLATES AND SHALL PROCEED IN SUCH A MANNER AS HE MAY DEEM ADVISABLE TO CANCEL AND CALL IN THE ORIGINAL PLATES.)

Sec. 15. Minnesota Statutes 1982, section 168.101, subdivision 2, is amended to read:

Subd. 2. Any person who knowingly sells or in any manner knowingly transfers title of a passenger automobile or truck to a person who is prohibited from owning a passenger automobile or truck under the provisions of subdivision 1 shall be guilty of a misdemeanor. Any person who knowingly fails to mail in the application for registration or transfers to the registrar of motor vehicles or otherwise (SUBMITS) *fails to submit* said forms to him within 14 days following date of sale shall be guilty of a misdemeanor.

Sec. 16. Minnesota Statutes 1982, section 168.12, subdivision 1, is amended to read:

Subdivision 1. [NUMBER PLATES; VISIBILITY, PERIODS OF ISSUANCE.] The registrar, upon the approval and payment, shall issue to the applicant the number plates required by law, bearing (AN ABBREVIATION OF) the state name and the number assigned. The number assigned may be a combination of a letter or sign with figures. The color of the plates and the color of the abbreviation of the state name and the number assigned shall be in marked contrast. The plates shall be lettered, spaced, or distinguished to suitably indicate the registration of the vehicle according to the rules of the registrar, and when a vehicle is registered on the basis of total gross weight, the plates issued shall clearly indicate by letters or other suitable insignia the maximum gross weight for which the tax has been paid.

These number plates shall be so treated as to be at least 100 times brighter than the conventional painted number plates. When properly mounted on an unlighted vehicle, these number plates, when viewed from a vehicle equipped with standard headlights, shall be visible for a distance of not less than 1,500 feet and readable for a distance of not less than 110 feet. The registrar shall issue these number plates for the following periods:

(1) Number plates issued pursuant to sections 168.27, subdivisions 16 and 17, and 168.053 shall be for a one year period;

(2) New number plates issued pursuant to section 168.012, subdivision 1, shall be issued to a vehicle for as long as it is owned by the exempt agency and shall not be transferable from one vehicle to another but may be transferred with the vehicle from one tax exempt agency to another;

(3) Plates issued for passenger automobiles as defined in section 168.011, subdivision 7, shall be issued for the life of the vehicle; and

(4) Plates for any vehicle not specified in clauses (1), (2) and (3), except for trailers as hereafter provided, shall be issued for the life of the vehicle. Beginning with number plates issued for the year 1981, plates issued for trailers with a total gross weight of 3,000 pounds or less shall be issued for the life of the trailer and shall be not more than seven inches in length and four inches in width.

The registrar shall issue for each registration a tab or sticker to designate the year of registration. This tab or sticker shall show the calendar year or years for which issued, and is valid only for that period. (UNLESS THE MOTOR VEHICLE FOR WHICH A) *The number (PLATE) plates, number (, TAB) tabs, or (STICKER IS) stickers issued (, IS PERMANENTLY LOST, IS DESTROYED, OR IS REMOVED FROM THE STATE, NO NUMBER PLATE, NUMBER, TAB, OR STICKER) for a motor vehicle may not be transferred to another motor vehicle during the period for which it is issued.*

Notwithstanding any other provision of this subdivision, number plates issued to a vehicle which is used for behind-the-wheel instruction in a driver education course in a public school may be transferred to another vehicle used for the same purpose without payment of any additional fee. The registrar shall be notified of each transfer of number plates under this paragraph, and may prescribe a form for notification.

Sec. 17. Minnesota Statutes 1983 Supplement, section 168.12, subdivision 2, is amended to read:

Subd. 2. [AMATEUR RADIO STATION LICENSEE; SPECIAL LICENSE PLATES.] Any applicant who is an owner or

joint owner of a passenger automobile, van or pickup truck, or a self-propelled recreational vehicle, and a resident of this state, and who holds an official amateur radio station license, or a citizens radio service class D license, in good standing, issued by the Federal Communications Commission shall upon compliance with all laws of this state relating to registration and the licensing of motor vehicles and drivers, be furnished with license plates for the motor vehicle, as prescribed by law, upon which, in lieu of the numbers required for identification under subdivision 1, shall be inscribed the official amateur call letters of the applicant, as assigned by the Federal Communications Commission. The applicant shall pay in addition to the registration tax required by law, the sum of \$10 for the special license plates, and at the time of delivery of the special license plates the applicant shall surrender to the registrar the current license plates issued for the motor vehicle. This provision for the issue of special license plates shall apply only if the applicant's vehicle is already registered in Minnesota so that the applicant has valid regular Minnesota plates issued for that vehicle under which to operate it during the time that it will take to have the necessary special license plates made. If the applicant owns or jointly owns more than one motor vehicle of the type specified in this subdivision he may apply for special plates for each of not more than two vehicles, and, if each application complies with this subdivision, the registrar shall furnish the applicant with the special plates, inscribed with the official amateur call letters and other distinguishing information as the registrar considers necessary, for each of the two vehicles. And the registrar may make reasonable regulations governing the use of the special license plates as will assure the full compliance by the owner and holder of the special plates, with all existing laws governing the registration of motor vehicles, the transfer and the use thereof. (WHEN THE OWNERSHIP OF A MOTOR VEHICLE FOR WHICH SPECIAL LICENSE PLATES HAVE BEEN FURNISHED BY THE REGISTRAR, CHANGES FROM ONE PERSON TO ANOTHER, THE SPECIAL LICENSE PLATES HEREIN AUTHORIZED SHALL BE PROMPTLY REMOVED FROM THE MOTOR VEHICLE BY THE SELLER AND RETURNED TO THE REGISTRAR, AT WHICH TIME THE SELLER OR THE BUYER OF THE MOTOR VEHICLE SHALL BE ENTITLED TO RECEIVE LICENSE PLATES FOR THE MOTOR VEHICLE AS PROVIDED IN SECTION 168.15.)

*Despite any contrary provision of subdivision 1, the special license plates issued under this subdivision may be transferred to another motor vehicle upon the payment of a fee of \$5. The fee must be paid into the state treasury and credited to the highway user tax distribution fund. The registrar must be notified of the transfer and may prescribe a form for the notification.*

Sec. 18. Minnesota Statutes 1982, section 168.12, subdivision 2b, is amended to read:

**Subd. 2b. [FIREFIGHTERS; SPECIAL LICENSE PLATE.]**

The registrar shall issue special license plates to any applicant who is both a member of a fire department receiving state aid under chapter 69 and an owner or joint owner of a passenger automobile, station wagon, van, or pickup (WITH A GROSS WEIGHT OF 9,000 POUNDS OR LESS) *truck*, upon payment of a fee of \$10 and upon payment of the registration tax required by law for the vehicle and compliance with other laws of this state relating to registration and licensing of motor vehicles and drivers. In lieu of the identification required under subdivision 1, the special license plates shall be inscribed with a symbol of a Maltese Cross together with five numbers. No applicant shall receive more than two sets of plates for vehicles owned or jointly owned by the applicant.

Special plates issued under this subdivision may only be used during the period that the owner or joint owner of the vehicle is a member of a fire department as specified in this subdivision. When the person to whom the special plates were issued is no longer a member of a fire department or when the vehicle ownership is transferred, the special license plates shall be removed from the vehicle and returned to the registrar. Upon return of the special plates, the owner or purchaser of the vehicle is entitled to receive regular plates for the vehicle without cost for the remainder of the registration period for which the special plates were issued. Firefighter license plates issued pursuant to this subdivision may be transferred to another motor vehicle upon payment of \$5, which fee shall be paid into the state treasury and credited to the highway user tax distribution fund.

The commissioner of public safety may adopt rules under the administrative procedure act, sections 14.01 to 14.70, to govern the issuance and use of the special plates authorized in this subdivision. All fees from the sale of special license plates for firefighters shall be paid into the state treasury and credited to the highway user tax distribution fund.

Sec. 19. Minnesota Statutes 1982, section 168.27, subdivision 2, is amended to read:

**Subd. 2. [NEW MOTOR VEHICLE DEALER.]** No person shall engage in the business of selling or *arranging the sale of* new motor vehicles or shall offer to sell, solicit, *arrange*, or advertise the sale of new motor vehicles without first acquiring a new motor vehicle dealer license. A new motor vehicle dealer licensee shall be entitled thereunder to sell, broker, wholesale or auction and to solicit and advertise the sale, broker, wholesale or auction of new motor vehicles covered by his franchise and any used motor vehicles or to lease and to solicit and advertise the lease of new motor vehicles and any used motor vehicles and such sales or leases may be either for consumer use at retail or for resale to a dealer. Nothing herein shall be construed to require an applicant for a dealer license who proposes to deal in



new and unused motor vehicle bodies to have a bona fide contract or franchise in effect with the manufacturer or distributor of any motor vehicle chassis upon which the new and unused motor vehicle body is mounted.

Sec. 20. Minnesota Statutes 1982, section 168.27, subdivision 3, is amended to read:

Subd. 3. [USED MOTOR VEHICLE DEALER.] No person shall engage in the business of selling or arranging the sale of used motor vehicles or shall offer to sell, solicit, arrange, or advertise the sale of used motor vehicles without first acquiring a used motor vehicle dealer license. A used motor vehicle dealer licensee shall be entitled thereunder to sell, lease, broker, wholesale or auction and to solicit and advertise the sale, lease, broker, wholesale or auction of any used motor vehicles for consumer use at retail or for resale to a dealer.

Sec. 21. Minnesota Statutes 1982, section 168.29, is amended to read:

#### 168.29 [DUPLICATE PLATES.]

In the event of the defacement, loss or destruction of any number plates, the registrar, upon receiving and filing a sworn statement of the vehicle owner, setting forth the circumstances of the defacement, loss, destruction or theft of the number plates, together with any defaced plates and the payment of the fee of (\$3) \$5 shall issue a new set of plates, provided that if the (\$3) \$5 fee exceeds the annual tax, the fee shall be the same as the annual tax. *Duplicate plates for tax-exempt vehicles licensed under section 168.012, subdivision 1, are furnished by the registrar at cost.* The registrar shall then note on his records the issue of such new number plates and shall proceed in such manner as he may deem advisable to cancel and call in the original plates so as to insure against their use on another motor vehicle. Duplicate registration certificates plainly marked as duplicates may be issued in like cases upon the payment of a (50 CENT) \$1 fee.

Sec. 22. Minnesota Statutes 1982, section 168.31, subdivision 1, is amended to read:

Subdivision 1. [TIME PAYABLE.] The tax required under this chapter to be paid upon a motor vehicle for each calendar year becomes due when the vehicle first uses the public streets or highways in the state, and upon January 1 each year thereafter, except those vehicles which are taxed under section 168.017 and vehicles registered under 168.09, subdivision 3. Taxes due upon January 1 become payable upon November 15 preceding the calendar year for which they are assessed (EXCEPT THOSE UPON MOTOR VEHICLES WHICH SHALL FIRST USE THE PUBLIC STREETS AND HIGHWAYS OF

THIS STATE BETWEEN NOVEMBER 15 AND THE NEXT FOLLOWING DECEMBER 31). The tax required to register vehicles for the registration year March 1 to the last day of February is due on March 1 and payable (NOVEMBER 15) *January 1* preceding. (THE TAX THAT BECOMES DUE JANUARY 1 NEXT FOLLOWING UPON THOSE MOTOR VEHICLES BECOMES PAYABLE AT THE TIME THE TAX FOR THE CURRENT YEAR BECOMES PAYABLE. TAXES DUE UPON JANUARY 1 BECOME DELINQUENT AFTER JANUARY 10 UNLESS PAID. TAXES DUE WHEN THE VEHICLE FIRST USES THE PUBLIC STREETS OR HIGHWAYS IN THE STATE SHALL BECOME DELINQUENT UPON THE EXPIRATION OF SEVEN DAYS AFTER THE TAX BECAME DUE UNLESS PAID.) The tax required to register vehicles under the provisions of section 168.017 is due the first day of the month commencing the 12 month registration period and payable during the 45 days preceding the due date. *Nothing in this section shall preclude prepayment.*

Sec. 23. Minnesota Statutes 1982, section 168.31, subdivision 4, is amended to read:

Subd. 4. [INSTALLMENTS.] If the tax for a vehicle assessed under section 168.013 or 168.187 amounts to more than (\$300) \$400, the owner may pay such tax by installments. The owner shall tender with his application for registration one-third of the annual tax due or (\$300) \$400, whichever is greater, plus any penalties or arrears. The remainder of the tax due shall be paid in two equal installments; the due date of the first installment shall be the first day of the fifth month of the registration period for which the tax is assessed and the second installment shall be due on the first day of the ninth month of the registration period for which the tax is assessed. The registrar shall issue no registration certificate until the full amount of the tax has been paid. In lieu of such registration certificate, the registrar shall issue to the owner a receipt for installments paid, which receipt shall be displayed upon the windshield of the vehicle as evidence that under the provisions of this section the vehicle may be operated on the streets and highways of this state. If an owner of a vehicle fails to pay an installment (WITHIN SEVEN DAYS AFTER) *on or before* the due date thereof, the vehicle shall not use the public streets or highways in this state until the installment or installments of the tax remaining due on such vehicle shall have been paid in full for the licensed year together with (PENALTIES AS HEREINAFTER PROVIDED. IF THE BALANCE OF THE TAX DUE ON THE VEHICLE IS NOT PAID WITHIN SEVEN DAYS AFTER THE DUE DATE THEREOF, THE OWNER, IN ADDITION TO THE BALANCE OF THE TAX, SHALL PAY) a penalty at the rate of (FIFTY CENTS) \$1 per day for the remainder of the month in which the balance of the tax becomes due and (\$2) \$4 a month for each succeeding month or fraction thereof (IN) *during* which the balance of the tax remains unpaid. Upon the payment of the balance of the tax

and the penalties, the registrar shall issue a registration certificate to the owner of the vehicle in the manner provided by law. The registrar shall deny installment payment privileges provided in this subdivision in the subsequent year to any owner on any or all vehicles of such owner who during the current year fails to pay any installment due within one month after the due date.

Sec. 24. Minnesota Statutes 1982, section 168.33, subdivision 2, is amended to read:

Subd. 2. [POWERS.] The registrar shall have the power to appoint, hire and discharge and fix the compensation of the necessary employees, in the manner provided by law, as may be required to enable him to properly carry out the duties imposed upon him by the provisions of this chapter. As of April 14, 1976, the registrar may appoint, and for cause discontinue, a deputy registrar for any city as the public interest and convenience may require, without regard to whether the county auditor of the county in which the city is situated has been appointed as the deputy registrar for the county or has been discontinued as the deputy registrar for the county, and without regard to whether the county in which the city is situated has established a county license bureau which issues motor vehicle licenses as provided in section 373.32.

Effective August 1, 1976, the registrar may appoint, and for cause discontinue, a deputy registrar for any city as the public interest and convenience may require, if the auditor for the county in which the city is situated chooses not to accept appointment as the deputy registrar for the county or is discontinued as a deputy registrar, or if the county in which the city is situated has not established a county license bureau which issues motor vehicle license as provided in section 373.32. Any person appointed by the registrar as a deputy registrar for any city shall be a resident of the county in which the city is situated.

The registrar may appoint, and for cause discontinue, the county auditor of each county as a deputy registrar. The auditor, with the approval of the director of motor vehicles, may appoint, and for cause discontinue, the clerk or equivalent officer of each city or any other person as a deputy registrar as public interest and convenience may require, regardless of his county of residence. Notwithstanding any other provision, a person other than a county auditor or a director of a county license bureau, who was appointed by the registrar before August 1, 1976, as a deputy registrar for any city, may continue to serve as deputy registrar and may be discontinued for cause only by the registrar. The county auditor shall be responsible for the acts of deputy registrars appointed by him. Each such deputy, before entering upon the discharge of his duties, shall take and subscribe an oath to faithfully discharge his duties and to uphold the laws of the state. If a deputy registrar appointed hereunder is not an officer or employee of a county or city, such deputy shall in addition give

bond to the state in the sum of \$10,000, or such larger sum as may be required by the registrar, conditioned upon the faithful discharge of his duties as deputy registrar. Each deputy registrar appointed hereunder shall keep and maintain, in a convenient public place within the place for which he is appointed, a registration and motor vehicle tax collection bureau, to be approved by the registrar, for the registration of motor vehicles and the collection of motor vehicle taxes thereon. He shall keep such records and make such reports to the registrar as that officer, from time to time, may require. Such records shall be maintained at the facility of the deputy registrar. The records and facilities of the deputy registrar shall at all times be open to the inspection of the registrar or his agents. He shall report (DAILY) to the registrar *by the next working day following receipt* all registrations made and taxes and fees collected by him. The filing fee imposed pursuant to subdivision 7 shall be deposited in the treasury of the place for which he is appointed, or if such deputy is not a public official, he shall retain the filing fee, but the registration tax and any additional fees for delayed registration he has collected he shall deposit (EACH DAY) *by the next working day following receipt* in an approved state depository to the credit of the state through the state treasurer. The place for which the deputy registrar is appointed through its governing body shall provide the deputy registrar with facilities and personnel to carry out the duties imposed by this subdivision if such deputy is a public official. In all other cases, the deputy shall maintain a suitable facility for serving the public.

Sec. 25. Minnesota Statutes 1982, section 168A.08, is amended to read:

**168A.08 [GROUNDS FOR REFUSAL TO ISSUE CERTIFICATE.]**

The department shall refuse issuance of a certificate of title if any required fee is not paid or if (IT HAS REASONABLE GROUNDS TO BELIEVE THAT):

(1) *the department has reasonable grounds to believe that the applicant is not the owner of the vehicle;*

(2) *the department has reasonable grounds to believe that the application contains a false or fraudulent statement; (OR IF)*

(3) *the applicant fails to furnish required information or documents or any additional information the department reasonably requires; or*

(4) *the applicant has not paid at least one month's registration tax or registered the vehicle under section 168.187.*

Sec. 26. Minnesota Statutes 1982, section 169.01, subdivision 10, is amended to read:

Subd. 10. [TRAILER.] "Trailer" means (EVERY) any vehicle (WITHOUT MOTIVE POWER) designed for carrying (PERSONS OR) property or passengers on its own structure and for being drawn by a motor vehicle (AND SO CONSTRUCTED THAT NO PART OF ITS WEIGHT RESTS UPON THE TOWING VEHICLE) but does not include a trailer drawn by a truck-tractor semitrailer combination or an auxiliary axle on a motor vehicle which carries a portion of the weight of the motor vehicle to which it is attached.

Sec. 27. Minnesota Statutes 1982, section 169.01, subdivision 11, is amended to read:

Subd. 11. [SEMITRAILER.] "Semitrailer" means (EVERY) a vehicle (WITHOUT MOTIVE POWER) of the trailer type so designed (FOR CARRYING PERSONS OR PROPERTY AND FOR BEING DRAWN BY A MOTOR VEHICLE AND SO CONSTRUCTED THAT SOME) and used in conjunction with a truck-tractor that a considerable part of its own weight (AND) or that of its load rests upon (OR) and is carried by (ANOTHER VEHICLE) the truck-tractor and includes a trailer drawn by a truck-tractor semitrailer combination.

Sec. 28. Minnesota Statutes 1982, section 169.01, subdivision 50, is amended to read:

Subd. 50. [BUS.] "Bus" means every motor vehicle designed for carrying more than ten passengers and used for the transportation of persons, and every motor vehicle other than a taxicab designed and used for the transportation of persons for compensation.

*The term "bus" does not include a vehicle designed for carrying more than ten passengers but not more than 14 passengers and operated for the personal or family use of the owner or operator.*

Sec. 29. Minnesota Statutes 1983 Supplement, section 169.73, subdivision 4, is amended to read:

Subd. 4. [MAXIMUM BUMPER HEIGHT.] Notwithstanding the restrictions contained in subdivision 3, bumpers required under this section shall not exceed a height of 20 inches on any passenger automobile or station wagon or 25 inches on any four-wheel drive multipurpose type vehicle or truck having a manufacturer's rated capacity of 2,000 pounds or less *when the vehicle is being operated on a public highway*. The height of the bumper shall be determined by measuring from the bottom of the bumper, excluding any vertical bumper attachments, to the

ground. *A vehicle which has an original bumper which does not exceed a height of 30 inches may be modified by attaching a full width bumper to the regular bumper to meet the height requirement. The attached bumper must be at least 4.5 inches in vertical height, be centered on the vehicle's centerline, extend at least ten inches on either side of the frame, and be attached to the frame in at least four places with angle braces at no less than 45 degrees so that it effectively transfers impact to an extent equal to or greater than the original bumper.*

Competent evidence that a vehicle was originally manufactured with bumpers higher than prescribed in this subdivision shall be an affirmative defense in any action under this section.

Sec. 30. Minnesota Statutes 1982, section 169.59, subdivision 3, is amended to read:

Subd. 3. [BACK-UP LIGHTS.] Any vehicle may be equipped with not more than two back-up lamps, either separately or in combination with another lamp, *and not more than two rear cornering lamps*, except that (NO SUCH BACK-UP LAMP SHALL) *the lamps must not be continuously lighted when the vehicle is in forward motion, nor shall it project a glaring light.*

Sec. 31. Minnesota Statutes 1982, section 169.743, is amended to read:

169.743 [BUG DEFLECTORS.]

Bug deflectors shall be permitted but not required on motor vehicles. No bug deflector shall be sold, offered for sale, or used which is composed of other than non-illuminated material. No person shall operate any motor vehicle equipped with a bug deflector of nontransparent material having more than one inch of material extending above the highest part of the front of the hood, excluding any decorative ornament; and no person shall operate any motor vehicle equipped with a bug deflector of transparent material having more than three inches of material extending above the highest part of the front of the hood, excluding any decorative ornament; *provided that trucks and truck tractors of 12,000 pounds gross vehicle weight or larger may be operated with a clear, uncolored bug deflector extending no more than six inches above the highest part of the front of the hood, excluding any decorative ornament.*

Sec. 32. Minnesota Statutes 1983 Supplement, section 169.974, subdivision 2, is amended to read:

Subd. 2. [LICENSE REQUIREMENTS.] No person shall operate a motorcycle on any street or highway unless he has a valid standard driver's license with a two-wheeled vehicle endorsement as provided by law. No such two-wheeled vehicle en-

dorsement shall be issued unless the person applying therefor has in possession a valid two-wheeled vehicle instruction permit as provided herein, has passed a written examination and road test administered by the department of public safety for such endorsement, and, in the case of applicants under 18 years of age, shall present a certificate or other evidence of having successfully completed an approved two-wheeled vehicle driver's safety course in this or another state, in accordance with rules promulgated by the state board of education for courses offered through the public schools, or rules promulgated by the commissioner of public safety for courses offered by a private or commercial school or institute. The commissioner of public safety may waive the road test for any applicant if he determines that the applicant possesses a valid license to operate a two-wheeled vehicle issued by a jurisdiction that requires a comparable road test for license issuance. A two-wheeled vehicle instruction permit shall be issued to any person over 16 years of age, who is in possession of a valid driver's license, who is enrolled in an approved two-wheeled vehicle driver's safety course, and who has passed a written examination for such permit and has paid such fee as the commissioner of public safety shall prescribe. A two-wheeled vehicle instruction permit shall be effective for 45 days, and may be renewed under rules to be prescribed by the commissioner of public safety.

No person who is operating by virtue of a two-wheeled vehicle instruction permit shall:

- (a) Carry any passengers on the streets and highways of this state on the motorcycle which he is operating;
- (b) Drive the motorcycle at night time;
- (c) Drive the motorcycle on any highway marked by the commissioner as an interstate highway pursuant to title 23 of the United States Code (.); *or*
- (d) Drive the motorcycle without wearing protective headgear (OF A TYPE APPROVED) *that complies with standards established by the commissioner of public safety.*

Notwithstanding the provisions of this subdivision, the commissioner of public safety may, however, issue a special motorcycle permit, restricted or qualified in such manner as he shall deem proper, to any person demonstrating a need therefor and unable to qualify for a standard driver's license.

Sec. 33. Minnesota Statutes 1983 Supplement, section 169.974, subdivision 6, is amended to read:

Subd. 6. [NEGLIGENCE; DAMAGES WITHOUT PROTECTIVE HEADGEAR.] In an action to recover damages for

negligence resulting in any head injury to an operator or passenger of a motorcycle; evidence of whether or not the injured person was wearing protective headgear (OF A TYPE APPROVED) *that complied with standards established by the commissioner of public safety* shall be admissible only with respect to the question of damages for head injuries. Damages for head injuries of any person who was not wearing protective headgear shall be reduced to the extent that those injuries could have been avoided by wearing protective headgear (OF A TYPE APPROVED) *that complied with standards established by the commissioner of public safety*. For the purposes of this subdivision "operator or passenger" means any operator or passenger regardless of whether that operator or passenger was required by law to wear protective headgear (APPROVED) *that complied with standards established by the commissioner of public safety*.

Sec. 34. [REPEALER.]

*Minnesota Statutes 1982, sections 168.27, subdivision 5; 168.31, subdivision 3; 169.672; and 169.755; and Minnesota Statutes 1983 Supplement, section 168.46, are repealed."*

Delete the title and insert:

"A bill for an act relating to motor vehicles; defining terms; increasing certain gross vehicle weight tax to comply with international registration plan; authorizing repair and servicing permit for commercial zone trucks; providing time limitation for applying for quarterly registration of farm trucks; increasing certain fees; clarifying display and use of drive-away, in-transit plates; clarifying requirement to submit forms to registrar of motor vehicles; prohibiting transfer of certain plates; providing for transfer of amateur radio and citizen band plates; prescribing uniform fee for issuance of duplicate plates except for exempt vehicles; increasing minimum tax requirements for qualification for installment payments and prescribing a fee; increasing penalty fees for late installment payments; clarifying certain duties of deputy registrars relating to reports and deposits of taxes and fees; requiring payment of one month's registration tax before issuance of certificate of title; authorizing certain replacement bumpers; requiring protective headgear to comply with standards established by the commissioner of public safety; amending Minnesota Statutes 1982, sections 168.011, subdivisions 9 and 13; 168.013, subdivision 16; 168.018; 168.041, subdivision 6; 168.053, subdivision 1; 168.09, subdivisions 2 and 3; 168.10, subdivisions 1, 1a, 1b, 1c, and 1d; 168.101, subdivision 2; 168.12, subdivisions 1 and 2b; 168.27, subdivisions 2, 3, and 10; 168.29; 168.31, subdivisions 1 and 4; 168.33, subdivision 2; 168A.08; 169.01, subdivisions 10, 11, and 50; 169.59, subdivision 3; 169.743; Minnesota Statutes 1983 Supplement, sections 168.013, subdivision 1e; 168.12, subdivision 2; 169.73, subdivision 4; and 169.974, subdivisions 2 and 6; repealing Minnesota Statutes



1982, sections 168.27, subdivision 5; 168.31, subdivision 3; 169.672; 169.755; and Minnesota Statutes 1983 Supplement, section 168.46."

The motion prevailed and the amendment was adopted.

S. F. No. 1520, A bill for an act relating to motor vehicles; defining terms; increasing certain gross vehicle weight tax to comply with international registration plan; authorizing repair and servicing permit for commercial zone trucks; providing time limitation for applying for quarterly registration of farm trucks; increasing certain fees; clarifying display and use of drive-away, in-transit plates; clarifying requirement to submit forms to registrar of motor vehicles; prohibiting transfer of certain plates; providing for transfer of amateur radio and citizen band plates; prescribing uniform fee for issuance of duplicate plates except for exempt vehicles; eliminating certain provisions relating to motor vehicle brokers; increasing minimum tax requirements for qualification for installment payments and prescribing a fee; increasing penalty fees for late installment payments; clarifying certain duties of deputy registrars relating to reports and deposits of taxes and fees; requiring payment of one month's registration tax before issuance of certificate of title; allowing certain vehicles to operate with an extended bug deflector; requiring protective headgear to comply with standards established by the commissioner of public safety; amending Minnesota Statutes 1982, sections 168.011, subdivisions 9 and 13; 168.013, subdivision 16; 168.018; 168.041, subdivision 6; 168.053, subdivision 1; 168.10, subdivisions 1a, 1b, 1c, and 1d; 168.101, subdivision 2; 168.12, subdivisions 1 and 2b; 168.27, subdivisions 2 and 3; 168.29; 168.31, subdivision 4; 168.33, subdivision 2; 168A.08; 169.01, subdivisions 10, 11, and 50; and 169.743; Minnesota Statutes 1983 Supplement, sections 168.013, subdivision 1e; 168.12, subdivision 2; 169.73; and 169.974, subdivisions 2 and 6; repealing Minnesota Statutes 1982, sections 168.27, subdivision 5; 169.672 and 169.755.

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

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

Those who voted in the affirmative were:

Anderson, B.	Boo	DenOuden	Frerichs	Himle
Anderson, G.	Brandl	Dimler	Graba	Hoffman
Anderson, R.	Brinkman	Eken	Greenfield	Hokr
Battaglia	Burger	Elioff	Gruenes	Jacobs
Beard	Carlson, D.	Ellingson	Gustafson	Jennings
Begich	Carlson, L.	Erickson	Gutknecht	Jensen
Bennett	Clark, J.	Evans	Halberg	Johnson
Bergstrom	Clawson	Findlay	Haukoos	Kalis
Bishop	Coleman	Fjoslien	Heap	Kelly
Blatz	Dempsey	Forsythe	Heinitz	Knickerbocker

Knuth	Munger	Piepho	Schreiber	Tunheim
Kostohryz	Murphy	Piper	Seaberg	Uphus
Krueger	Nelson, D.	Price	Segal	Valan
Kvam	Nelson, K.	Quist	Shaver	Valento
Larsen	Neuenschwander	Reif	Sherman	Vanasek
Levi	Norton	Rice	Simoneau	Waltman
Ludeman	Ogren	Riveness	Skoglund	Welch
Mann	Olsen	Rodosovich	Solberg	Welker
Marsh	Omann	Rodriguez, F.	Sparby	Welle
McDonald	Onnen	Rose	Stadum	Wenzel
McEachern	Osthoff	St. Onge	Staten	Wigley
McKasy	Otis	Sarna	Swanson	Wynia
Metzen	Pauly	Schafer	Thiede	Zaffke
Minne	Peterson	Schoenfeld	Tomlinson	Speaker Sieben

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

The following conference committee reports were received:

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 756

A bill for an act relating to notaries public; changing the term of office; increasing the required bond amount; authorizing appointment of out-of-state notaries; requiring designation of the clerk of district court of the county in which appointment is sought as agent for out-of-state notaries; amending Minnesota Statutes 1982, sections 359.01; and 359.02.

April 19, 1984

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

The Honorable Jerome M. Hughes  
President of the Senate

We, the undersigned conferees for H. F. No. 756, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 756 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 359.01, is amended to read:

#### 359.01 [COMMISSION.]

*Subdivision 1. [RESIDENT NOTARIES.]* The governor may appoint and commission as notaries public, by and with the advice and consent of the senate, as many citizens of this state,

over the age of 18 years, resident in the county for which appointed, as (HE) *the governor deems necessary.*

*Subd. 2. [NONRESIDENT NOTARIES.] Notwithstanding the provisions of subdivision 1, the governor may appoint as notary public, by and with the advice and consent of the senate, a person who is not a resident of this state and who is not a resident of the county for which appointment is sought if:*

*(1) the person is a resident of Wisconsin, Iowa, North Dakota, or South Dakota, and of a county that shares a boundary with this state;*

*(2) the person designates the clerk of the district court of a county of this state that shares a boundary with the county of residence as agent for the service of process for all purposes relating to notarial acts and for receipt of all correspondence relating to notarial acts.*

*Subd. 3. [FEES.] The fee for each commission shall not exceed \$10, and shall be paid to the governor's private secretary.*

Sec. 2. Minnesota Statutes 1982, section 359.02, is amended to read:

**359.02 [TERM, BOND, OATH, REAPPOINTMENT.]**

Every notary so commissioned shall hold office for (SEVEN) six years, unless sooner removed by the governor or the district court; and, before entering upon the duties of his office, he shall give a bond to the state in the sum of (\$2,000) *\$10,000*, to be approved by the governor, conditioned for the faithful discharge of the duties of his office, which, with his oath of office, shall be filed with the secretary of state. Within ten days before the expiration of his commission he may be reappointed for a new term to commence and to be designated in his new commission as beginning upon the day immediately following such expiration. The reappointment so made shall go into effect and be valid although the appointing governor may not be in the office of governor on said day.

**Sec. 3. [359.071] [CHANGE OF RESIDENCE.]**

*A notary public who, during his term of office, establishes residency in a county of this state other than the county for which he was appointed, may file with the secretary of state an affidavit identifying the county of current residency, the county for which he is appointed as notary public, and the date of change of residency. If the affidavit is properly filed, the notary shall continue to have the same powers during the unexpired term of his appointment as if he had not changed residence. No new bond is required to be given to the state and the existing bond shall*

*remain valid until the expiration of the commission. The notary public shall be entitled to use his official seal for the remainder of his term.*

#### Sec. 4. [APPLICATION.]

*The reduction in the term of a notary and the increase in the bond provided by section 2 do not apply to a notary whose current commission is dated prior to August 1, 1984, but shall apply to all commissions dated on and after that date."*

Delete the title and insert:

"A bill for an act relating to notarial acts; authorizing appointment of out-of-state notaries; requiring designation of the clerk of district court of the county in which appointment is sought as agent for out-of-state notaries; changing the term of office for notaries public; increasing the bond amount; providing for transfer of notary public commissions; amending Minnesota Statutes 1982, sections 359.01; and 359.02; proposing new law coded in Minnesota Statutes, chapter 359."

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

House Conferees: FRED C. NORTON, BERT J. MCKASY and SHARON COLEMAN.

Senate Conferees: TAD JUDE and RON SIELOFF.

Norton moved that the report of the Conference Committee on H. F. No. 756 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 756, A bill for an act relating to notaries public; changing the term of office; increasing the required bond amount; authorizing appointment of out-of-state notaries; requiring designation of the clerk of district court of the county in which appointment is sought as agent for out-of-state notaries; amending Minnesota Statutes 1982, sections 359.01; and 359.02.

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

The question was taken on the repassage of the bill and the roll was called. There were 117 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.  
Anderson, G.  
Anderson, R.

Battaglia  
Beard  
Begich

Bennett  
Bergstrom  
Bishop

Blatz  
Boo  
Brandl

Brinkman  
Burger  
Carlson, D.

Carlson, L.	Halberg	Ludemann	Redalen	Stadum
Clark, J.	Haukoos	Mann	Reif	Staten
Clawson	Heap	Marsh	Rice	Sviggunn
Cohen	Heinitz	McDonald	Riveness	Swanson
Coleman	Himle	McKasy	Rodosovich	Tomlinson
Dempsey	Hoffman	Minne	Rodriguez, C.	Tunheim
DenOuden	Hokr	Murphy	Rodriguez, F.	Uphus
Dimler	Jacobs	Nelson, D.	Rose	Valan
Eken	Jennings	Nelson, K.	St. Onge	Valento
Elioff	Jensen	Neuenschwander	Sarna	Vanasek
Ellingson	Johnson	Norton	Schafer	Vellenga
Erickson	Kahn	Ogren	Scheid	Waltman
Evans	Kelly	Olsen	Schoenfeld	Welch
Findlay	Knickerbocker	Omann	Schreiber	Welker
Forsythe	Knuth	Onnen	Seaberg	Wigley
Frerichs	Kostohryz	Osthoff	Segal	Wynia
Graba	Krueger	Otis	Shaver	Zaffke
Greenfield	Kvam	Pauly	Sherman	Speaker Sieben
Gruenes	Larsen	Piepho	Simoneau	
Gustafson	Levi	Price	Skoglund	
Gutknecht	Long	Quist	Sparby	

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

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 1814

A bill for an act relating to taxation; clarifying certain property tax credit provisions; providing that amounts to pay certain certificates are a special levy; providing for deduction of taxonite aids from levy limit base; simplifying iron ore valuation hearing requirements; altering the process for determining flexible homestead brackets; allowing for the rounding of amounts of special assessments on tax statements; changing the date for the issuance of warrants for delinquent personal property taxes; providing for additional administrative procedures for cigarette tax collection; requiring annual payment of occupation taxes; changing payment method for production taxes; adopting certain procedures relating to liquor tax collections; authorizing county treasurers to charge for dishonored checks; amending Minnesota Statutes 1982, sections 273.1104, subdivision 2; 277.03; 298.09, subdivision 2; 298.27; 298.282, subdivision 3; 340.601; Minnesota Statutes 1983 Supplement, sections 124.2137, subdivision 1; 273.13, subdivision 7; 273.1311; 273.1315; 275.50, subdivision 5; 275.51, subdivision 3i; and 276.04; proposing new law coded in Minnesota Statutes, chapters 297; 340; and 385; repealing Minnesota Statutes 1982, sections 298.045; 298.046; 298.047; and 298.048.

April 19, 1984

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

The Honorable Jerome M. Hughes  
President of the Senate

We, the undersigned conferees for H. F. No. 1814, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 1814 be further amended as follows:

Page 1, delete lines 29 to 36

Page 2, delete lines 1 to 36

Page 3, delete line 1

Page 15, after line 9, insert:

"Sec. 9. Minnesota Statutes 1983 Supplement, section 290A.03, subdivision 8, is amended to read:

Subd. 8. [CLAIMANT.] (a) "Claimant" means a person, other than a dependent, who filed a claim authorized by sections 290A.01 to 290A.20 and who was domiciled in this state during the calendar year for which the claim for relief was filed.

(b) In the case of a claim relating to rent constituting property taxes, the claimant shall have resided in a rented or leased unit on which ad valorem taxes or payments made in lieu of ad valorem taxes, including payments of special assessments imposed in lieu of ad valorem taxes, are payable at some time during the calendar year covered by the claim.

(c) "Claimant" shall not include a resident of a nursing home, intermediate care facility, or long term residential facility whose rent constituting property taxes is paid pursuant to the supplemental security income program under title XVI of the Social Security Act, the Minnesota supplemental aid program under sections 256D.35 to 256D.41, the medical assistance program pursuant to title XIX of the the Social Security Act, or the general assistance medical care program pursuant to section 256D.03, subdivision 3. If only a portion of the rent constituting property taxes is paid by these programs, the resident shall be a claimant for purposes of this chapter, but the refund calculated pursuant to section 290A.04 shall be multiplied by a fraction, the numerator of which is income as defined in subdivision 3 reduced by the total amount of income from the above sources other than vendor payments under the medical assistance program or the general assistance medical care program and the denominator of which is income as defined in subdivision 3 plus vendor payments under the medical assistance program or the general assistance medical care program, to determine the allowable refund pursuant to this chapter.

(d) Notwithstanding paragraph (c), if the claimant was a resident of the nursing home, intermediate care facility or long term residential facility for only a portion of the calendar year covered by the claim, the claimant may compute rent constituting property taxes by disregarding the rent constituting property taxes from the nursing home, intermediate care facility, or long term residential facility and use only that amount of rent constituting property taxes or property taxes payable relating to that portion of the year when the claimant was not in the facility. The claimant's household income is his income for the entire calendar year covered by the claim.

(e) In the case of a claim for rent constituting property taxes of a part year Minnesota resident, the income and rental reflected in this computation shall be for the period of Minnesota residency only. Any rental expenses paid which may be reflected in arriving at federal adjusted gross income cannot be utilized for this computation. *When two individuals of a household are able to meet the qualifications for a claimant, they may determine among them as to who the claimant shall be. If they are unable to agree, the matter shall be referred to the commissioner of revenue and his decision shall be final.* If a homestead property owner was a part year Minnesota resident, the income reflected in the computation made pursuant to section 290A.04 shall be for the entire calendar year, including income not assignable to Minnesota.

(f) (EXCEPT AS PROVIDED IN SECTION 290A.05,) If a homestead is occupied by two or more renters (OR JOINT TENANTS OR TENANTS IN COMMON), who are not husband and wife, the rent (OR PROPERTY TAXES) shall be deemed to be paid equally by each, and separate claims shall be filed by each. The income of each shall be his household income for purposes of computing the amount of credit to be allowed.

Sec. 10. Minnesota Statutes 1983 Supplement, section 290A.03, subdivision 13, is amended to read:

Subd. 13. [PROPERTY TAXES PAYABLE.] "Property taxes payable" means the property tax exclusive of special assessments, penalties, and interest payable on a claimant's homestead before reductions made pursuant to section 273.13, subdivisions 6, 7 and 14a, but after deductions made pursuant to sections 124.2137, 273.115, 273.116, 273.135, 273.139, 273.1391, 273.42, subdivision 2, and any other state paid property tax credits in any calendar year. In the case of a claimant who makes ground lease payments, "property taxes payable" includes the amount of the payments directly attributable to the property taxes assessed against the parcel on which the house is located. No apportionment or reduction of the "property taxes payable"

shall be required for the use of a portion of the claimant's homestead for a business purpose if the claimant does not deduct any business depreciation expenses for the use of a portion of the homestead in the determination of federal adjusted gross income. For homesteads which are manufactured homes as defined in section 168.011, subdivision 8, "property taxes payable" shall also include the amount of the gross rent paid in the preceding year for the site on which the homestead is located, which is attributable to the net tax paid on the site. The amount attributable to property taxes shall be determined by multiplying the net tax on the parcel by a fraction, the numerator of which is the gross rent paid for the calendar year for the site and the denominator of which is the gross rent paid for the calendar year for the parcel. *When a homestead is owned by two or more persons as joint tenants or tenants in common, such tenants shall determine between them which tenant may claim the property taxes payable on the homestead. If they are unable to agree, the matter shall be referred to the commissioner of revenue and his decision shall be final.* Property taxes are considered payable in the year prescribed by law for payment of the taxes.

In the case of a claim relating to "property taxes payable," the claimant must have owned and occupied the homestead on January 2 of the year in which the tax is payable and (i) the property must have been classified as homestead property pursuant to section 273.13, subdivisions 6, 7, or 14a on or before June 1 of the year in which the "property taxes payable" were levied; or (ii) the claimant must provide documentation from the local assessor that application for homestead classification has been made prior to October 1 of the year in which the "property taxes payable" were payable and that the assessor has approved the application.

Sec. 11. Minnesota Statutes 1983 Supplement, section 290A.05, is amended to read:

**290A.05 [COMBINED HOUSEHOLD INCOME (; RENTERS AND LESSEES).]**

If a person occupies a homestead with another person or persons not related to the person as husband and wife, excluding dependents, (JOINT TENANTS OR TENANTS IN COMMON WHO ARE ALSO CLAIMANTS,) roomers or boarders on contract, and has property tax payable with respect to the homestead, the household income of the claimant or claimants for the purpose of computing the refund allowed by section 290A.04 shall include the total income received by the other persons residing in the homestead. If a person occupies a homestead with another person or persons not related as husband and wife or as dependents, (AND WHO ARE RESIDING AT THE HOMESTEAD UNDER RENTAL OR LEASE AGREEMENT,) the



property tax payable or rent constituting property tax shall be reduced as follows.

*If the other person or persons are residing at the homestead under rental or lease agreement, the amount of property tax payable or rent constituting property tax shall be that portion not covered by the rental agreement."*

Page 18, after line 7, insert:

"Sec. 15. Minnesota Statutes 1983 Supplement, section 298.28, subdivision 1, is amended to read:

Subdivision 1. [DISTRIBUTION FROM GENERAL FUND.] The proceeds of the taxes collected under section 298.24, except the tax collected under section 298.24, subdivision 2, shall, upon certificate of the commissioner of revenue to the general fund of the state, be paid by the commissioner of revenue as follows:

(1) 2.5 cents per gross ton of merchantable iron ore concentrate, hereinafter referred to as "taxable ton," to the city or town in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. If the mining, quarrying, and concentration, or different steps in either thereof are carried on in more than one taxing district, the commissioner shall apportion equitably the proceeds of the part of the tax going to cities and towns among such subdivisions upon the basis of attributing 40 percent of the proceeds of the tax to the operation of mining or quarrying the taconite, and the remainder to the concentrating plant and to the processes of concentration, and with respect to each thereof giving due consideration to the relative extent of such operations performed in each such taxing district. His order making such apportionment shall be subject to review by the tax court at the instance of any of the interested taxing districts, in the same manner as other orders of the commissioner.

(2) 12.5 cents per taxable ton, less any amount distributed under clause (8) to the taconite municipal aid account in the apportionment fund of the state treasury, to be distributed as provided in section 298.282.

(3) 29 cents per taxable ton plus the increase provided in paragraph (c) to qualifying school districts to be distributed as follows:

(a) Six cents per taxable ton to the school districts in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. The commissioner shall follow the apportionment formula prescribed in clause (1).

(b) 23 cents per taxable ton, less any amount distributed under part (d), shall be distributed to a group of school districts comprised of those school districts wherein the taconite was mined or quarried or the concentrate produced or in which there is a qualifying municipality as defined by section 273.134 in direct proportion to school district tax levies as follows: each district shall receive that portion of the total distribution which its certified levy for the prior year, computed pursuant to section 275.125, comprises of the sum of certified levies for the prior year for all qualifying districts, computed pursuant to section 275.125. For purposes of distributions pursuant to this part, certified levies for the prior year computed pursuant to section 275.125 shall not include the amount of any increased levy authorized by referendum pursuant to section 275.125, subdivision 2d.

(c) On July 15, 1982 and on July 15 in subsequent years, an amount equal to the increase derived by increasing the amount determined by clause (3)(b) in the same proportion as the increase in the steel mill products index over the base year of 1977 as provided in section 298.24, subdivision 1, clause (a), shall be distributed to any school district described in clause (3)(b) where a levy increase pursuant to section 275.125, subdivision 2d, is authorized by referendum, according to the following formula. Each district shall receive the product of:

(i) \$150 times the pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), enrolled in the previous school year, less the product of two mills times the district's taxable valuation in the second previous year; times

(ii) the lesser of:

(A) one, or

(B) the ratio of the amount certified pursuant to section 275.125, subdivision 2d, in the previous year, to the product of two mills times the district's taxable valuation in the second previous year.

If the total amount provided by clause (3)(c) is insufficient to make the payments herein required then the entitlement of \$150 per pupil unit shall be reduced uniformly so as not to exceed the funds available. Any amounts received by a qualifying school district in any fiscal year pursuant to clause (3)(c) shall not be applied to reduce foundation aids which the district is entitled to receive pursuant to sections 124.2121 to 124.2128 or the permissible levies of the district. Any amount remaining after the payments provided in this paragraph shall be paid to the commissioner of finance who shall deposit the same in the taconite environmental protection fund and the northeast Minnesota economic protection trust fund as provided in section 298.28, subdivision 1, clause 10.

(d) There shall be distributed to any school district the amount which the school district was entitled to receive under section 298.32 in 1975.

(4) 19.5 cents per taxable ton to counties to be distributed as follows:

(a) 15.5 cents per taxable ton shall be distributed to the county in which the taconite is mined or quarried or in which the concentrate is produced, less any amount which is to be distributed pursuant to part (b). The commissioner shall follow the apportionment formula prescribed in clause (1).

(b) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a county other than the county in which the mining and the concentrating processes are conducted, one cent per taxable ton of the tax distributed to the counties pursuant to part (a) and imposed on and collected from such taxpayer shall be distributed by the commissioner of revenue to the county in which the power plant is located.

(c) Four cents per taxable ton shall be paid to the county from which the taconite was mined, quarried or concentrated to be deposited in the county road and bridge fund. If the mining, quarrying and concentrating, or separate steps in any of those processes are carried on in more than one county, the commissioner shall follow the apportionment formula prescribed in clause (1).

(5) (a) 25.75 cents per taxable ton, less any amount required to be distributed under part (b), to the taconite property tax relief account in the apportionment fund in the state treasury, to be distributed as provided in sections 273.134 to 273.136.

(b) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a county other than the county in which the mining and the concentrating processes are conducted, 75 cent per taxable ton of the tax imposed and collected from such taxpayer shall be distributed by the commissioner of revenue to the county and school district in which the power plant is located as follows: 25 percent to the county and 75 percent to the school district.

(6) One cent per taxable ton to the state for the cost of administering the tax imposed by section 298.24.

(7) Three cents per taxable ton shall be deposited in the state treasury to the credit of the iron range resources and rehabilitation board account in the special revenue fund for the purposes of section 298.22. The amount determined in this clause

shall be increased in 1981 and subsequent years in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1. The amount distributed pursuant to this clause shall be expended within or for the benefit of a tax relief area defined in section 273.134. No part of the fund provided in this clause may be used to provide loans for the operation of private business unless the loan is approved by the governor and the legislative advisory commission.

(8) .20 cent per taxable ton shall be paid in 1979 and each year thereafter, to the range association of municipalities and schools, for the purpose of providing an area wide approach to problems which demand coordinated and cooperative actions and which are common to those areas of northeast Minnesota affected by operations involved in mining iron ore and taconite and producing concentrate therefrom, and for the purpose of promoting the general welfare and economic development of the cities, towns and school districts within the iron range area of northeast Minnesota.

(9) the amounts determined under clauses (4)(a), (4)(c), and (5) shall be increased in 1979 and subsequent years in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1.

(10) the proceeds of the tax imposed by section 298.24 which remain after the distributions in clauses (1) to (9) and parts (a) and (b) of this clause have been made shall be divided between the taconite environmental protection fund created in section 298.223 and the northeast Minnesota economic protection trust fund created in section 298.292 as follows: In 1981 and each year thereafter, two-thirds to the taconite environmental protection fund and one-third to the northeast Minnesota economic protection trust fund. The proceeds shall be placed in the respective special accounts in the general fund.

(a) In 1978 and each year thereafter, there shall be distributed to each city, town, school district, and county the amount that they received under section 294.26 in calendar year 1977; provided, however, that the amount distributed in 1981 to the unorganized territory number 2 of Lake County and the town of Beaver Bay based on the between-terminal trackage of Erie Mining Company will be distributed in 1982 and subsequent years to the unorganized territory number 2 of Lake County and the towns of Beaver Bay and Stony River based on the miles of track of Erie Mining Company in each taxing district.

(b) In 1978 and each year thereafter, there shall be distributed to the iron range resources and rehabilitation board the amounts it received in 1977 under section 298.22.

On or before October 10 of each calendar year each producer of taconite or iron sulphides subject to taxation under section

298.24 (hereinafter called "taxpayer") shall file with the commissioner of revenue (AND WITH THE COUNTY AUDITOR OF EACH COUNTY IN WHICH SUCH TAXPAYER OPERATES, AND WITH THE CHIEF CLERICAL OFFICER OF EACH SCHOOL DISTRICT, CITY OR TOWN WHICH IS ENTITLED TO PARTICIPATE IN THE DISTRIBUTION OF THE TAX,) an estimate of the amount of tax which would be payable by such taxpayer under said law for such calendar year; provided such estimate shall be in an amount not less than the amount due on the mining and production of concentrates up to September 30 of said year plus the amount becoming due because of probable production between September 30 and December 31 of said year, less any credit allowable as hereinafter provided. (SUCH ESTIMATE SHALL LIST THE TAXING DISTRICTS ENTITLED TO PARTICIPATE IN THE DISTRIBUTION OF SUCH TAX, AND THE AMOUNT OF THE ESTIMATED TAX WHICH WOULD BE DISTRIBUTABLE TO EACH SUCH DISTRICT IN THE NEXT ENSUING CALENDAR YEAR ON THE BASIS OF THE LAST PERCENTAGE DISTRIBUTION CERTIFIED BY THE COMMISSIONER OF REVENUE. IF THERE BE NO SUCH PRIOR CERTIFICATION, THE TAXPAYER SHALL SET FORTH ITS ESTIMATE OF THE PROPER DISTRIBUTION OF SUCH TAX UNDER THE LAW, WHICH ESTIMATE MAY BE CORRECTED BY THE COMMISSIONER IF HE DEEMS IT IMPROPER, NOTICE OF SUCH CORRECTION BEING GIVEN BY HIM TO THE TAXPAYER AND THE PUBLIC OFFICERS RECEIVING SUCH ESTIMATE.) *The commissioner of revenue shall annually on or before October 10 report an estimated distribution amount to each taxing district and the officers with whom such report is so filed shall use the amount so indicated as being distributable to each taxing district in computing the permissible tax levy of such county (,) or city (OR SCHOOL DISTRICT) in the year in which such estimate is made, and payable in the next ensuing calendar year, except that in 1978 and 1979 two cents per taxable ton, and in 1980 and thereafter, one cent per taxable ton of the amount distributed under clause (4) (c) shall not be deducted in calculating the permissible levy. (SUCH TAXPAYER SHALL THEN PAY, AT THE TIMES PAYMENTS ARE REQUIRED TO BE MADE PURSUANT TO SECTION 298.27, AS THE AMOUNT OF TAX PAYABLE UNDER SECTION 298.24, THE GREATER OF (A) THE AMOUNT SHOWN BY SUCH ESTIMATE, OR (B) THE AMOUNT DUE UNDER SAID SECTION AS FINALLY DETERMINED BY THE COMMISSIONER OF REVENUE PURSUANT TO LAW. IF, AS A RESULT OF THE PAYMENT OF THE AMOUNT OF SUCH ESTIMATE, THE TAXPAYER HAS PAID IN ANY CALENDAR YEAR AN AMOUNT OF TAX IN EXCESS OF THE AMOUNT DUE IN SUCH YEAR UNDER SECTION 298.24, AFTER APPLICATION OF CREDITS FOR ANY EXCESS PAYMENTS MADE IN PREVIOUS YEARS, ALL AS DETERMINED BY THE COMMISSIONER OF REVENUE, THE TAXPAYER SHALL*

BE GIVEN CREDIT FOR SUCH EXCESS AMOUNT AGAINST ANY TAXES WHICH, UNDER SAID SECTION, MAY BECOME DUE FROM THE TAXPAYER IN SUBSEQUENT YEARS.) In any calendar year in which a general property tax levy subject to sections (275.125 OR) 275.50 to 275.59 has been made, if the taxes distributable to any such county (,) or city (OR SCHOOL DISTRICT) are greater than the amount estimated *by the commissioner* to be paid to any such county (,) or city (OR SCHOOL DISTRICT) in such year, the excess of such distribution shall be held in a special fund by the county (,) or city (OR SCHOOL DISTRICT) and shall not be expended until the succeeding calendar year, and shall be included in computing the permissible levies under sections (275.125 OR) 275.50 to 275.59, of such county (,) or city (OR SCHOOL DISTRICT) payable in such year. If the amounts distributable to any such county (,) or city (OR SCHOOL DISTRICT,) after final determination by the commissioner of revenue under this section are less than the amounts (INDICATED BY SUCH ESTIMATES) *by which a taxing district's levies were reduced pursuant to this section*, such county (,) or city (OR SCHOOL DISTRICT) may issue certificates of indebtedness in the amount of the shortage, and may include in its next tax levy, in excess of the limitations of sections (275.125 OR) 275.50 to 275.59 an amount sufficient to pay such certificates of indebtedness and interest thereon, or, if no certificates were issued, an amount equal to such shortage.

There is hereby annually appropriated to such taxing districts as are stated herein, to the taconite property tax relief account and to the taconite municipal aid account in the apportionment fund in the state treasury, to the department of revenue, to the iron range resources and rehabilitation board, to the range association of municipalities and schools, to the taconite environmental protection fund, and to the northeast Minnesota economic protection trust fund, from any fund or account in the state treasury to which the money was credited, an amount sufficient to make the payment or transfer. The payment of the amount appropriated to such taxing districts shall be made by the commissioner of revenue on or before May 15 annually."

Page 22, delete lines 8 to 12

Page 22, delete lines 17 to 21 and insert:

"Sections 1, 4, 7, 8, 12, 13, and 17 to 20 are effective the day following final enactment. Sections 2, 5, 6, and 16 are effective for taxes levied in 1984 and thereafter, payable in 1985 and thereafter. Sections 9 to 11 are effective for claims based on property taxes payable in 1985 and thereafter. Sections 14 and 15 are effective for taconite produced in 1984 and thereafter, taxes payable in 1985 and thereafter."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 16, delete everything after the semicolon

Page 1, line 17, delete "for dishonored checks;"

Page 1, line 21, delete "124.2137, subdivision 1;"

Page 1, line 23, after "3i"; delete "and" and after "276.04;" insert "290A.03, subdivisions 8 and 13; 290A.05; and 298.28, subdivision 1;"

Page 1, line 24, after "297" delete the semicolon and insert "and" and after "340;" delete "and 385;"

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

House Conferees: TOM OSTHOFF, LINDA SCHEID and RANDY KELLY.

Senate Conferees: DOUGLAS J. JOHNSON, CONRAD M. VEGA and CHARLES A. BERG.

Osthoff moved that the report of the Conference Committee on H. F. No. 1814 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1814, A bill for an act relating to taxation; clarifying certain property tax credit provisions; providing that amounts to pay certain certificates are a special levy; providing for deduction of taconite aids from levy limit base; simplifying iron ore valuation hearing requirements; altering the process for determining flexible homestead brackets; allowing for the rounding of amounts of special assessments on tax statements; changing the date for the issuance of warrants for delinquent personal property taxes; providing for additional administrative procedures for cigarette tax collection; requiring annual payment of occupation taxes; changing payment method for production taxes; adopting certain procedures relating to liquor tax collections; authorizing county treasurers to charge for dishonored checks; amending Minnesota Statutes 1982, sections 273.1104, subdivision 2; 277.03; 298.09, subdivision 2; 298.27; 298.282, subdivision 3; 340.601; Minnesota Statutes 1983 Supplement, sections 124.2137, subdivision 1; 273.13, subdivision 7; 273.1311; 273.1315; 275.50, subdivision 5; 275.51, subdivision 3i; and 276.04; proposing new law coded in Minnesota Statutes, chapters 297; 340; and 385; repealing Minnesota Statutes 1982, sections 298.045; 298.046; 298.047; and 298.048.

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

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

Those who voted in the affirmative were:

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

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

### MESSAGES FROM THE SENATE, Continued

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 1203, A bill for an act relating to landlords and tenants; requiring landlords of residential rental units to notify tenants of their rights and duties under state law; providing a penalty; amending Minnesota Statutes 1982, section 504.22, subdivision 1, and by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

### CONCURRENCE AND REPASSAGE

Norton moved that the House concur in the Senate amendments to H. F. No. 1203 and that the bill be repassed as amended by the Senate. The motion prevailed.



H. F. No. 1203, A bill for an act relating to landlords and tenants; requiring cities and towns to include notification of rights on certificates or licenses of occupancy; requiring the attorney general to publish a statement informing tenants of their rights and duties under state law; amending Minnesota Statutes 1982, section 504.22, subdivisions 1, 3, 4, and 5, and by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 471.

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

The question was taken on the repassage of the bill and the roll was called. There were 110 yeas and 10 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Kalis	Ogren	Segal
Anderson, G.	Evans	Kelly	Olsen	Shaver
Battaglia	Findlay	Knickerbocker	Omannon	Sherman
Beard	Fjoslien	Knuth	Onnen	Simoneau
Begich	Forsythe	Kostohryz	Osthoff	Skoglund
Bennett	Graba	Krueger	Otis	Solberg
Bergstrom	Greenfield	Kvam	Pauly	Sparby
Bishop	Gruenes	Levi	Price	Stadum
Blatz	Gustafson	Long	Quist	Staten
Boo	Gutknecht	Mann	Redalen	Sviggun
Brandl	Halberg	Marsh	Reif	Swanson
Brinkman	Haukoos	McDonald	Rice	Tomlinson
Burger	Heap	McEachern	Riveness	Tunheim
Carlson, D.	Heinitz	Metzen	Rodosovich	Uphus
Carlson, L.	Himle	Minne	Rodriguez, C.	Valan
Clark, J.	Hoffman	Munger	Rodriguez, F.	Valento
Clark, K.	Hokr	Murphy	Rose	Vellenga
Cohen	Jacobs	Nelson, D.	St. Onge	Waltman
Coleman	Jennings	Nelson, K.	Sarna	Welch
Dempsey	Jensen	Neuenschwander	Scheid	Wenzel
Dimler	Johnson	Norton	Schoenfeld	Wigley
Eken	Kahn	O'Connor	Seaberg	Wynia

Those who voted in the negative were:

Anderson, R.	Erickson	Ludeman	Schafer	Welker
DenOuden	Frerichs	Piepho	Thiede	Zaffke

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

Mr. Speaker:

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

H. F. No. 1386, A bill for an act relating to children; authorizing intervention by the juvenile court to protect children from abuse committed by family or household members; prohibiting public inspection of certain court records relating to the identity

of criminal sexual conduct victims; clarifying a term in the child abuse reporting law; amending Minnesota Statutes 1982, sections 260.015, by adding subdivisions; 260.111, by adding a subdivision; and 260.191, by adding a subdivision; Minnesota Statutes 1983 Supplement, section 626.556, subdivision 2; proposing new law coded in Minnesota Statutes, chapters 260 and 609.

PATRICK E. FLAHAVEN, Secretary of the Senate

Clark, J., moved that the House refuse to concur in the Senate amendments to H. F. No. 1386, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 1903, A bill for an act relating to local government; permitting refunding of certain bonds; clarifying powers of municipalities with respect to sale of air rights; amending Minnesota Statutes 1982, sections 472A.03; and 472A.06.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Rice moved that the House concur in the Senate amendments to H. F. No. 1903 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1903, A bill for an act relating to local government; permitting the payment of certain legal fees by cities and counties; clarifying powers of municipalities with respect to sale of air rights; permitting refunding of certain bonds; amending Minnesota Statutes 1982, sections 472A.03 and 472A.06; proposing new law coded in Minnesota Statutes, chapter 465.

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

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

Those who voted in the affirmative were:

Anderson, B.	Blatz	Clark, J.	Eken	Forsythe
Anderson, G.	Boo	Clark, K.	Elioff	Frerichs
Anderson, R.	Brandl	Clawson	Ellingson	Graba
Battaglia	Brinkman	Cohen	Erickson	Greenfield
Begich	Burger	Coleman	Evans	Gruenes
Bennett	Carlson, D.	DenOuden	Findlay	Gustafson
Bishop	Carlson, L.	Dimler	Fjoslien	Gutknecht

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

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

#### ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1386:

Clark, J.; Greenfield and Levi.

#### SPECIAL ORDERS, Continued

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 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 2 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Carlson, D.	Ellingson	Halberg	Kelly
Anderson, G.	Carlson, L.	Erickson	Haukoos	Knickerbocker
Anderson, R.	Clark, J.	Evans	Heap	Knuth
Battaglia	Clark, K.	Findlay	Heinitz	Kostohryz
Beard	Clawson	Fjoslien	Himle	Krueger
Begich	Cohen	Forsythe	Hoffman	Kvam
Bennett	Coleman	Frerichs	Hokr	Larsen
Bishop	Dempsey	Graba	Jacobs	Levi
Boo	DenOuden	Greenfield	Jennings	Long
Brandl	Dimler	Gruenes	Jensen	Ludeman
Brinkman	Eken	Gustafson	Johnson	Mann
Burger	Eloff	Gutknecht	Kalis	Marsh

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

Those who voted in the negative were:

Solberg

Welker

The bill was passed and its title agreed to.

S. F. No. 1974, A bill for an act relating to commerce; clarifying the limitations on enforcement of indemnification agreements in construction contracts; amending Minnesota Statutes 1983 Supplement, sections 337.01, subdivisions 2, 3, and 4; 337.02; 337.03; and 337.05, subdivision 2, and by adding subdivisions; and Laws 1983, chapter 333, section 6; proposing new law coded in Minnesota Statutes, chapter 337.

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

Tunheim  
Uphus  
Valan

Valento  
Vellenga  
Voss

Waltman  
Welker  
Welle

Wenzel  
Wigley  
Wynia

Zaffke  
Speaker Sieben

The bill was passed and its title agreed to.

S. F. No. 1492, A bill for an act relating to marriage dissolution; providing for determination and modification of child support; changing laws relating to docketing of judgments for support and maintenance; providing for withholding of support and maintenance from retirement and annuity benefits; providing for the vacating of liens of certain judgments; amending Minnesota Statutes 1982, sections 69.62; 257.66, by adding a subdivision; 353.15; 354.10; 422A.24; 423.39; 423.61; 423.813; 424.27; 518.55; 548.13; and 548.17; and Minnesota Statutes 1983 Supplement, sections 256.87, by adding a subdivision; 352.15, subdivision 1; 352B.071; 354A.11; 424A.02, subdivision 6; 518.17, subdivision 5; 518.551, subdivisions 5 and 9; 518.611, subdivision 3; 518C.17, subdivision 1; and 548.09, subdivisions 1 and 3; proposing new law coded in Minnesota Statutes, chapters 423A and 548; repealing Laws 1981, chapter 48, section 5; Laws 1935, chapter 192, section 4; Laws 1943, chapter 397, section 26; Laws 1945, chapter 74, section 5; Laws 1947, chapter 43, section 26; Laws 1949, chapters 87, section 29; 144, section 26; 378, section 26; and 406, section 7, subdivision 3, as amended; Laws 1953, chapters 91, section 12; 348, section 22; and 399, section 26; Laws 1955, chapters 75, section 27, as amended; 151, section 17; and 375, section 28; Laws 1959, chapter 131, section 22; Laws 1961, chapters 343, section 22, as amended; and 631, section 4; Laws 1963, chapters 443, section 22; and 643, section 23; Laws 1965, chapter 605, section 28; Laws 1971, chapter 51, section 14, subdivision 16; Laws 1973, chapter 432, section 7, subdivision 2; Laws 1974, chapter 382, section 7, subdivision 2; Laws 1977, chapter 374, section 15; and Laws 1982, chapter 610, section 18.

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 2 nays as follows:

Those who voted in the affirmative were:

Anderson, B.  
Anderson, C.  
Anderson, R.  
Battaglia  
Beard  
Begich  
Bennett  
Bishop  
Blatz  
Boe  
Brandl

Brinkman  
Burger  
Carlson, L.  
Clark, J.  
Clark, K.  
Clawson  
Cohen  
Coleman  
Dempsey  
DenOuden  
Dimler

Elioff  
Ellingson  
Erickson  
Evans  
Findlay  
Fjoslien  
Forsythe  
Frerichs  
Graba  
Greenfield  
Gruenes

Gustafson  
Gutknecht  
Haukoos  
Heap  
Heinitz  
Himle  
Hoffman  
Hokr  
Jacobs  
Jennings  
Jensen

Johnson  
Kahn  
Kalis  
Kelly  
Knickerbocker  
Knuth  
Kostohryz  
Krueger  
Kvam  
Larsen  
Levi

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

Those who voted in the negative were:

Carlson, D. Halberg

The bill was passed and its title agreed to.

Wenzel was excused while in conference.

There being no objection the House advanced to S. F. No. 1451.

S. F. No. 1451, A bill for an act relating to commerce; including all liens on file in abstract by the county recorder; providing a lien for agricultural production inputs; establishing a procedure for priority and foreclosure requirements; amending Minnesota Statutes 1982, section 386.42; proposing new law coded in Minnesota Statutes, chapter 514.

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

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

Those who voted in the affirmative were:

Anderson, B.	Clawson	Gustafson	Knuth	Nelson, K.
Anderson, G.	Cohen	Cutknecht	Kostohryz	Norton
Anderson, R.	Coleman	Halberg	Krueger	O'Connor
Battaglia	Dempsey	Haukoos	Kvam	Ogren
Beard	DenOuden	Heap	Larsen	Olsen
Begich	Dimler	Heinitz	Levi	Omann
Bennett	Elioff	Himle	Long	Onnen
Bergstrom	Ellingson	Hoffman	Ludeman	Osthoff
Bishop	Erickson	Hokr	Mann	Otis
Blatz	Evans	Jacobs	Marsh	Pauly
Boo	Findlay	Jennings	McDonald	Peterson
Brandl	Fjoslien	Jensen	McEachern	Piepho
Brinkman	Forsythe	Johnson	McKasy	Piper
Burger	Frerichs	Kahn	Metzen	Price
Carlson, D.	Graba	Kalis	Minne	Quist
Carlson, L.	Greenfield	Kelly	Munger	Redalen
Clark, J.	Gruenes	Knickerbocker	Murphy	Reif

Rice	Schafer	Simoneau	Tunheim	Welker
Riveness	Scheid	Skoglund	Uphus	Welle
Rodosovich	Schoenfeld	Solberg	Valan	Wigley
Rodriguez, C.	Schreiber	Sparby	Valento	Wynia
Rodriguez, F.	Seaberg	Stadum	Vanasek	Zaffke
Rose	Segal	Swiggum	Vellenga	Speaker Sieben
St. Onge	Shaver	Swanson	Waltman	
Sarna	Sherman	Thiede	Welch	

The bill was passed and its title agreed to.

S. F. No. 2016 was reported to the House.

Ellingson moved to amend S. F. No. 2016, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 35.14, is amended to read:

**35.14 [LIVESTOCK DETECTIVES FROM OTHER STATES.]**

Any person duly commissioned by the governor, or the livestock commission, or any other proper authority of another state to act as a livestock detective, may exercise his power as such in this state, consistently with the laws thereof, upon paying a fee of \$5 and filing with the (SECRETARY OF STATE) *department of agriculture*:

(1) His commission or a certified copy thereof;

(2) A bond to the state in the penal sum of \$2,000, approved by the (SECRETARY) *commissioner of agriculture*, and conditioned for the payment of all damages resulting to any person from any wrongful seizure of property within the state, or other unlawful act done therein by him or by any of his deputies; and

(3) A stipulation that service upon (SUCH SECRETARY) *the commissioner of agriculture* of any summons, order, notice, or process in a civil action upon such bond shall be a sufficient service upon him or his deputies.

Thereupon the (SECRETARY OF STATE) *commissioner of agriculture* shall issue certificates to him, and to not exceeding three deputies appointed by him, and for whose acts he shall be responsible, authorizing the holder to perform the duties herein referred to while such commission is in force; and each may seize and hold any animal which he may know, or have reason to believe, has strayed or been stolen from the state whence the commission issued.

Sec. 2. Minnesota Statutes 1982, section 62C.06, subdivision 3, is amended to read:

Subd. 3. The existence of a service plan corporation hereafter organized shall begin upon issuance of a certificate of incorporation by the secretary of state. (WITHIN 14 DAYS AFTER ISSUANCE OF THE CERTIFICATE, THE CORPORATION SHALL CAUSE TO BE PUBLISHED ONCE IN A QUALIFIED NEWSPAPER IN THE COUNTY IN WHICH IT HAS ITS REGISTERED OFFICE, A NOTICE STATING THE NAME OF THE CORPORATION, THE DATE OF INCORPORATION, THE GENERAL NATURE OF ITS BUSINESS, THE ADDRESS OF ITS REGISTERED OFFICE, AND THE NAMES AND ADDRESSES OF THE INCORPORATORS AND DIRECTORS. PROOF OF PUBLICATION SHALL BE FILED WITH THE SECRETARY OF STATE WITHIN TEN DAYS AFTER PUBLICATION. IF A CORPORATION FAILS TO COMPLY WITH THIS SUBDIVISION, IT SHALL FORFEIT \$50 TO THE STATE.)

Sec. 3. Minnesota Statutes 1982, section 62G.08, subdivision 2, is amended to read:

Subd. 2. The existence of a legal service plan corporation hereafter organized shall begin upon issuance of a certificate of incorporation by the secretary of state. (WITHIN 14 DAYS AFTER ISSUANCE OF THE CERTIFICATE, THE LEGAL SERVICE PLAN CORPORATION SHALL CAUSE TO BE PUBLISHED IN A QUALIFIED NEWSPAPER IN THE COUNTY IN WHICH IT HAS ITS REGISTERED OFFICE, A NOTICE STATING THE NAME OF THE LEGAL SERVICE CORPORATION, THE DATE OF INCORPORATION, THE GENERAL NATURE OF ITS BUSINESS, THE ADDRESS OF ITS REGISTERED OFFICE, AND THE NAMES AND ADDRESSES OF THE INCORPORATORS AND DIRECTORS.)

Sec. 4. Minnesota Statutes 1982, section 66A.08, subdivision 4, is amended to read:

Subd. 4. [EMPLOYERS' LIABILITY AND WORKERS' COMPENSATION.] (1) [ORGANIZATION.] (a) [SUBSCRIBERS AND ARTICLES OF INCORPORATION.] Twenty or more persons may form an incorporated mutual employers' liability insurance association for the purpose of insuring themselves and such other persons, firms, or corporations as may become subscribers to the association against liability for compensation payable under the terms of the workers' compensation law and for the purpose of insuring against loss or damage by the sickness, bodily injury, or death by accident of any person employed by the insured or for whose injury or death the insured is responsible.

They shall subscribe and acknowledge a certificate specifying:

(aa) The name, general nature of its business, and the principal place of transacting the same; (such name shall dis-



tinguish it from all other corporations, domestic or foreign, authorized to do business in this state and end with "company," "corporation," "association," or the word "incorporated");

- (bb) The period of its duration;
- (cc) The names and places of residence of the incorporators;
- (dd) In what board its management shall be vested and the names and addresses of those composing the board until the first election, a majority of whom shall always be residents of the state;
- (ee) The highest amount of indebtedness or liability to which the corporation shall at any time be subject; and
- (ff) The territory within which the association may do business.

It may contain any other lawful provisions defining and regulating the powers or business of the corporation, its officers, directors, trustees, and members.

The certificate of incorporation of every such corporation shall be submitted to the commissioner for his approval and, if he approves the same, one copy thereof shall be filed with the secretary of state and one copy with the commissioner. (AFTER THIS RECORD THE CERTIFICATE SHALL BE FILED FOR RECORD WITH THE COUNTY RECORDER OF THE COUNTY OF THE PRINCIPAL PLACE OF BUSINESS, AS SPECIFIED IN THE CERTIFICATE.)

(CORPORATIONS MAY BE FORMED UNDER THIS SUBDIVISION FOR NOT TO EXCEED 30 YEARS IN THE FIRST INSTANCE.)

(b) [BYLAWS AND SEAL.] Such association shall have the power to make bylaws for the government of its officers and the conduct of its affairs, to alter and amend the same, and to adopt a common seal.

(c) [ANNUAL MEETING; VOTING RIGHTS.] The annual meeting for the election of directors shall be held at such time in the month of January as the bylaws of the association may direct. Of the time and place of the meeting at least 30 days previous written or printed notice shall be given to the subscribers, or the notice may be given by publication, not less than three times, in at least two daily or weekly newspapers published in the city or county wherein the association has its principal office and in the legal periodical, if any, designated by the rules of court of the proper county for the publication of legal notices. Subscribers who, during the preceding calendar year, have paid into the

treasury of the association premiums amounting to more than one-half of the total premiums received by it during that year, shall constitute a quorum. At this annual meeting the subscribers shall elect, by ballot, from their own number, not less than five directors, a majority of whom shall be residents of this state, to serve for at least one year and until their successors are duly chosen. The association may provide in its bylaws for the division of its board of directors into two, three, or four classes, and for the election thereof at its annual meetings in such manner that the members of one class only shall retire and their successors be chosen each year. Vacancies may be filled by election by the board until the next annual meeting. In the choice of directors and in all meetings of the association, each subscriber shall be entitled to one vote for every \$100, or any fraction thereof, paid by him in premiums into the treasury of the association during the preceding calendar year. Subscribers may vote by proxy and the record of all votes shall be made by the secretary and show whether the same were cast in person or by proxy and shall be evidence of all these elections. Not less than three directors shall constitute a quorum. The directors shall annually choose by ballot a president, who shall be a member of the board; a secretary; a treasurer, who may be either the president or secretary; and such other officers as the bylaws may provide; and fix the salaries of the president and the secretary, as well as the salaries or compensation of such other officers and agents as the bylaws prescribe. Vacancies in any office may be filled by the directors or by the subscribers, as the bylaws shall prescribe.

(2) [REQUIREMENTS.] (a) [NUMBER OF RISKS TO QUALIFY.] These associations shall not begin to issue policies until a list of subscribers with the number of employees of each which, in the aggregate, must number not less than 5,000, together with such other information as the commissioner may require, shall have been filed at the insurance department, nor until the president and secretary of the association shall have certified under oath that every subscription in the list so filed is genuine and made with an agreement of all the subscribers that they will take the policies subscribed for within 30 days of the granting of a license by the commissioner. In case of associations organized exclusively for the purpose of insuring creameries, cheese factories, and livestock shipping associations, these associations may begin to issue policies when the number of employees insured aggregates 300.

Upon the filing of the certificate provided for in this section, the commissioner shall make such investigations as he may deem proper and, if his findings warrant it, grant a license to the association to issue policies.

(b) [NUMBER OF RISKS REQUIRED TO CONTINUE IN BUSINESS.] If at any time the number of subscribers falls below 20, or the number of subscribers' employees within the state falls below 5,000, no further policies shall be issued until

the total number of subscribers amounts to not less than 20, whose employees within the state are not less than 5,000. In case of associations organized for the purpose of insuring creameries, cheese factories, and livestock shipping associations, the number of subscribers must not fall below 200, nor the number of subscribers' employees within the state below 300.

(3) [ADDITIONAL POWERS.] (a) [MAY WRITE AUTOMOBILE INSURANCE.] Any such company authorized to write workers' compensation or liability insurance under this subdivision, when its articles of incorporation so provide, shall be permitted to insure against loss or damage to automobiles or other vehicles and their contents by collision, fire, burglary, or theft, and other perils of operation, and against liability for damage to persons or property of others by collision with such vehicles, and to insure against any loss or hazard incident to the ownership, operation, or use of motor or other vehicles, as specified in section 60A.06, subdivision 1, clause (12).

(b) [MAY WRITE GLASS INSURANCE.] Any company authorized to write workers' compensation or liability insurance under this subdivision when its articles of incorporation so provide shall be permitted to insure against loss or damage by breakage of glass located or in transit.

(c) [SPECIAL POWERS.] Any company organized under this subdivision which, for 15 years prior to the passage of Laws 1935, Chapter 136, has exclusively insured creameries, cheese factories, and livestock shipping associations, and which has assets of \$100,000 or more, may write public liability and compensation insurance coverage of creameries, cheese factories, shipping associations, farmers' elevators, cooperatively owned warehouses, cooperative filling stations, cooperative oil companies and all cooperatively owned or organized enterprises.

(4) [INTERNAL OPERATION.] (a) [POLICIES.] Policies of insurance issued by any such association may be made either with or without the seal thereof and they shall be signed by the president, or such other officers as may be designated by the directors for that purpose, and attested by the secretary.

(b) [CLASSIFICATION OF RISKS.] The board of directors may divide the subscribers into groups in accordance with the nature of their business and the probable risk of injury therein. In such case they shall fix all premiums, make all assessments, and determine and pay all dividends by and for each group in accordance with the experience thereof, but all funds of the association and the contingent liability of all subscribers shall be available for the payment of any claim against the association; provided, that (as between the association and its subscribers) until the whole of the contingent liability of the members of any group shall be exhausted, the general funds of the association and the contingent liability of the members of

other groups shall not be available for the payment of losses and expenses incurred by such group in excess of the earned premiums paid by the members thereof.

(c) [CLASSIFICATION TO BE FILED.] A statement of any proposed distribution of subscribers into groups shall be filed with the insurance department.

(d) [RATES.] The board of directors shall determine the amount of premiums which the subscribers of the association shall pay for their insurance in accordance with the nature of the business in which the subscribers are engaged and the probable risk of injury to their employees under existing conditions, and it shall fix premiums at such amounts as in its judgment shall be sufficient to enable the association to pay to its subscribers all sums which may become due and payable to their employees under provisions of law and the expenses of conducting the business of the association. In fixing the premium payable by any subscriber, the board of directors may take into account the condition of the plant, workroom, shop, farm, or premises of the subscriber in respect to the safety of those employed therein as shown by the report of any inspector appointed by the board and it may from time to time change the amount of premiums payable by any of the subscribers as circumstances may require and the condition of the plant, workroom, shop, farm, or premises of the subscribers in respect to the safety of their employees may justify and may increase the premiums of any subscriber neglecting to provide safety devices required by law, or disobeying the rules or regulations made by the board of directors in accordance with the provisions of clause (4) (g) of this subdivision.

(e) [PREMIUMS; CONTINGENT LIABILITY.] Every such company shall charge and collect on each policy a premium equal to one year's premium on the policy issued and state in the policy the estimated annual premium and provide in its bylaws for the determination of the actual premium and for the payment of same when determined. The premium thus determined shall be known as the annual premium on the policy. The company shall provide in its bylaws and specify in its policies the maximum contingent mutual liability of its members for the payment of losses and expenses not provided for by its cash fund. The contingent liability of a member shall not be less than a sum equal and in addition to one annual premium, nor more than a sum equal to five times the amount of the annual premium or, in case of a policy written for less than one year, the contingent liability shall not be less than the proportionate fractional part of the annual premium, nor more than five times the proportionate fractional part of the annual premium. The contingent liability of the policyholder shall be plainly and legibly stated in each policy as follows: "The maximum contingent liability of the policyholder under this policy shall be a sum equal to annual premium (or premiums)."

(f) [ASSESSMENTS.] When the liabilities, including unearned premiums and such other reserves as are or may be required by law and the commissioner, are in excess of the admitted assets computed on the basis allowed for its annual statement, it shall make an assessment upon its policyholders based upon the amount of one annual premium as written in the policy and not to exceed the amount of five annual premiums.

If it becomes necessary to levy the assessment, as provided by this section, no policies shall be issued until the admitted assets of the association are in excess of its liabilities.

(g) [POWER OF BOARD OF DIRECTORS.] The board of directors shall be entitled to inspect the plant, workroom, shop, farm, or premises of any subscriber and for this purpose to appoint inspectors, who shall have free access to all such premises during regular working hours, and the board of directors shall likewise from time to time be entitled to examine by their auditor or other agent the books, records, and payrolls of any subscribers for the purpose of determining the amount of premium chargeable to the subscriber.

The board of directors shall make reasonable rules and regulations for the prevention of injuries upon the premises of subscribers; and may refuse to insure, or may terminate the insurance of, any subscriber who refuses to permit these examinations and disregards such rules or regulations, and forfeit all premiums previously paid by him, but the termination of the insurance of any subscriber shall not release him from liability for the payment of assessments then or thereafter made by the board of directors to make up deficiencies existing at the termination of his insurance.

(h) [INVESTMENTS.] The association shall invest and keep invested all its funds of every description, excepting such cash as may be required in the transaction of its business, in accordance with the laws of this state or relating to the investment of funds of domestic insurance companies.

No such association shall purchase, hold, or convey real estate except as provided by section 60A.11, subdivision 6.

(i) [WITHDRAWAL OF SUBSCRIBER.] Any subscriber of the association who has complied with all its rules and regulations may withdraw therefrom by written notice to that effect sent by the subscriber by certified mail to the association and this withdrawal shall become effective on the first day of the month immediately following the tenth day after the receipt of the notice, but the withdrawal shall not release the subscriber from liability for the payment of assessments thereafter made by the board of directors to make up deficiencies existing at the date of his withdrawal and the subscriber shall be entitled to his share of any dividends earned at the date of his withdrawal.

(5) [MISCELLANEOUS.] (a) (PERJURY BY OFFICER.) If any officer of the association shall falsely make oath to any certificate required to be filed with the commissioner; he shall be guilty of perjury.

(b) [FOREIGN MUTUAL EMPLOYERS' LIABILITY ASSOCIATION.] Any mutual employers' liability insurance association of another state, upon compliance with all laws governing such corporations in general and the provisions of this subdivision may be admitted to transact business in this state. These associations shall pay to the department of insurance the fees prescribed by section 60A.14, subdivision 1.

(c) [WINDING UP AFFAIRS.] When the contracts of insurance issued by these associations shall cover in the aggregate less than 5,000 employees or, in the case of associations organized for the purpose of insuring creameries, cheese factories, and livestock shipping associations, less than 300 employees, the association shall forthwith notify the commissioner of that fact and if, at the expiration of six months from the notice, the aggregate number of employees covered by the contracts of insurance shall be less than 5,000, or, in the case of associations organized for the purpose of insuring creameries, cheese factories, and livestock shipping associations, less than 300 employees, the commissioner shall proceed under the provisions of chapter 60B.

Sec. 5. Minnesota Statutes 1982, section 72A.43, subdivision 1, is amended to read:

Subdivision 1. Any act of entering into a contract of insurance or annuity as an insurer or transacting insurance business in this state as set forth in subdivision 2 of section 72A.41, by an unauthorized company is equivalent to and shall constitute an appointment by such company of the (SECRETARY OF STATE) *commissioner of commerce* and his successor or successors in office to be its true and lawful attorney upon whom may be served all lawful process in any action or proceeding against it, arising out of a violation of section 72A.41, and any of such acts shall be a signification of its agreement that any such process against it which is so served shall be of the same legal force and validity as personal service of process in this state upon such company.

Sec. 6. Minnesota Statutes 1982, section 72A.43, subdivision 2, is amended to read:

Subd. 2. Service of such process shall be made by delivering and leaving with the (SECRETARY OF STATE) *commissioner* two copies thereof and the payment to the (SECRETARY OF STATE) *commissioner* of (THE) a \$15 filing fee (PRESCRIBED BY LAW). The (SECRETARY OF STATE) *commissioner* shall forthwith mail by certified mail one of the copies

of such process to such company at its last known (PRINCIPAL PLACE OF BUSINESS) *registered office*, and shall keep a record of all process so served upon him. (SUCH PROCESS SHALL BE SUFFICIENT SERVICE UPON SUCH COMPANY PROVIDED NOTICE OF SUCH SERVICE AND A COPY OF THE PROCESS ARE, WITHIN TEN DAYS THEREAFTER, SENT BY CERTIFIED MAIL BY OR ON BEHALF OF THE COMMISSIONER TO SUCH COMPANY AT ITS LAST KNOWN PRINCIPAL PLACE OF BUSINESS, AND SUCH) *The company's receipt, or receipt issued by the post office with which the letter is certified, and an affidavit of compliance herewith by or on behalf of the commissioner, (ARE) shall be filed with the clerk of the court in which such action or proceeding is pending on or before the return date of such process or within such further time as the court may allow.*

Sec. 7. Minnesota Statutes 1982, section 121.212, subdivision 3, is amended to read:

Subd. 3. Before the adoption of any rule authorized by subdivision 1, the board shall hold a public hearing. Notice of the hearing shall be published at least once in a legal newspaper in the county in which the property affected by the rule, regulation, or ordinance is located. Publication shall be no more than 45 days and no less than 15 days prior to the date of the hearing.

After a public hearing, a majority of the members of the board must approve a rule, regulation, or ordinance before it is effective. A copy of the adopted rule, regulation, or ordinance shall be signed by the superintendent of the district or joint district and filed with the (SECRETARY OF STATE) *county recorder of each county in which the rule, regulation, or ordinance was adopted*, together with proof of publication. Upon filing, the rule, regulation, or ordinance shall be in full force and effect.

Sec. 8. Minnesota Statutes 1982, section 169.966, subdivision 7, is amended to read:

Subd. 7. The state university board shall fix a date for a public hearing on the adoption of any such proposed rule, regulation, or ordinance. Notice of such hearing shall be published in a legal newspaper in the county in which the property affected by the rule, regulation, or ordinance is located. The publication shall be at least 15 days and not more than 45 days before the date of the hearing.

If, after the public hearing, the proposed rule, regulation, or ordinance shall be adopted by a majority of the members of the board, the same shall be considered to have been enacted by the board. A copy of the same shall be signed by the president and filed with the (SECRETARY OF STATE) *county recorder of each county where the rule, regulation, or ordinance shall be in*

*effect*, together with proof of publication. Upon such filing, the rule, regulation, or ordinance, as the case may be, shall thenceforth be in full force and effect.

Sec. 9. Minnesota Statutes 1982, section 272.483, is amended to read:

**272.483 [DUTIES OF FILING OFFICER.]**

(a) If a notice of federal lien, a refiling of a notice of federal lien, or a notice of revocation of any certificate described in clause (b) is presented to a filing officer who is:

(1) the secretary of state, he shall cause the notice to be marked, held, and indexed in accordance with the provisions of section 336.9-403, clause (4) of the uniform commercial code as if the notice were a financing statement within the meaning of that code; or

(2) any other officer described in section 272.481, he shall endorse thereon his identification and the date and time of receipt and forthwith file it alphabetically or enter it in an alphabetical index showing the name and address of the person named in the notice, the date and time of receipt, the file number of the lien, and the total amount appearing on the notice of lien.

(b) If a certificate of release, non-attachment, discharge, or subordination of any lien is presented to the secretary of state for filing he shall:

(1) cause a certificate of release or non-attachment to be marked, held, and indexed as if the certificate were a termination statement within the meaning of the uniform commercial code, but the notice of lien to which the certificate relates may not be removed from the files; and

(2) cause a certificate of discharge or subordination to be marked, held, and indexed as if the certificate were a release of collateral within the meaning of the uniform commercial code.

(c) If a refiled notice of federal lien referred to in clause (a) or any of the certificates or notices referred to in clause (b) is presented for filing to any other filing officer specified in section 272.481, he shall permanently attach the refiled notice or the certificate to the original notice of lien and enter the refiled notice or the certificate with the date of filing in any alphabetical lien index on the line where the original notice of lien is entered.

(d) Upon request of any person, the filing officer shall issue his certificate showing whether there is on file, on the date and



hour stated therein, any notice of lien or certificate or notice affecting any lien filed on or after July 1, 1971, naming a particular person, and if a notice or certificate is on file, giving the date and hour of filing of each notice or certificate. The fee for a certificate is (\$1 FOR EACH NAME APPEARING ON THE CERTIFICATE WITH A MINIMUM FEE OF \$2) \$5 per name appearing on the search request, if on the standard form prescribed by the secretary of state, and otherwise, \$10 for the first name and \$5 for each name in excess of one. Upon request, the filing officer shall furnish a copy of any notice of federal lien, or notice or certificate affecting a federal lien, for a fee of 50 cents per page.

Sec. 10. Minnesota Statutes 1982, section 297.04, subdivision 3, is amended to read:

Subd. 3. [NON-RESIDENT.] A person without this state who ships or transports cigarettes to retailers in this state, to be sold by those retailers, may make application for license as a distributor, be granted such a license by the commissioner, and thereafter be subject to all the provisions of sections 297.01 to 297.13 and entitled to act as a licensed distributor, provided he files proof with his application that he has appointed the secretary of state for service of process relating to any matter of issue arising under sections 297.01 to 297.13. (A FOREIGN CORPORATION APPLYING FOR A DISTRIBUTOR'S LICENSE NEED NOT QUALIFY AS SUCH IF IT FILES THE PROOF OF APPOINTMENT OF THE SECRETARY OF STATE FOR SERVICE OF PROCESS AS PROVIDED IN THIS SUBDIVISION.)

Sec. 11. Minnesota Statutes 1983 Supplement, section 300.083, subdivision 6, is amended to read:

Subd. 6. [DETERMINATION OF ELIGIBILITY.] (a) All determinations whether indemnification of a person is required because the criteria set forth in subdivision 2 have been satisfied and whether a person is entitled to payment or reimbursement of expenses in advance of the final disposition of a proceeding as provided in subdivision 3 shall be made:

(1) By the board by a majority of a quorum. Directors who are at the time parties to the proceeding shall not be counted for determining either a majority or the presence of a quorum;

(2) If a quorum under clause (1) cannot be obtained, by a majority of a committee of the board, consisting solely of two or more directors not at the time parties to the proceeding, duly designated to act in the matter by a majority of the full board including directors who are parties;

(3) If a determination is not made under clause (1) or (2), by special legal counsel, selected either by a majority of the

board or a committee by vote pursuant to clause (1) or (2) or, if the requisite quorum of the full board cannot be obtained and the committee cannot be established, by a majority of the full board including directors who are parties;

(4) If a determination is not made under clauses (1) to (3), by the shareholders, excluding the votes of shares held by parties to the proceeding; or

(5) If an adverse determination is made under clauses (1) to (4) or under paragraph (b), or if no determination is made under clauses (1) to (4) or under paragraph (b) within 60 days after the termination of a proceeding or after a request for an advance of expenses, as the case may be, by a court in this state, which may be the same court in which the proceeding involving the person's liability took place, upon application of the person and any notice the court requires.

(b) With respect to a person who is not, and was not at the time of the acts or omissions complained of in the proceedings, a director, officer, or person possessing, directly or indirectly, the power to direct or cause the direction of the management or policies of the corporation, the determination whether indemnification of this person is required because the criteria set forth in subdivision 2 have been satisfied and whether this person is entitled to payment or reimbursement of expenses in advance of the final disposition of a proceeding as provided in subdivision 3 may be made by an annually appointed committee of the board, having at least one member who is a director. The committee shall report at least annually to the board concerning its actions.

Sec. 12. Minnesota Statutes 1982, section 302A.111, subdivision 2, is amended to read:

Subd. 2. [STATUTORY PROVISIONS THAT MAY BE MODIFIED ONLY IN ARTICLES.] The following provisions govern a corporation unless modified in the articles:

(a) A corporation has general business purposes (section 302A.101);

(b) A corporation has perpetual existence and certain powers (section 302A.161);

(c) The power to adopt, amend, or repeal the bylaws is vested in the board (section 302A.181);

(d) A corporation must allow cumulative voting for directors (section 302A.215);

(e) The affirmative vote of a majority of directors present is required for an action of the board (section 302A.237);

(f) A written action by the board taken without a meeting must be signed by all directors (section 302A.239);

(g) The board may authorize the issuance of securities and rights to purchase securities (section 302A.401, subdivision 1);

(h) All shares are common shares entitled to vote and are of one class and one series (section 302A.401, subdivision 2, clauses (a) and (b));

(i) All shares have equal rights and preferences in all matters not otherwise provided for by the board (section 302A.401, subdivision 2, clause (b));

(j) The par value of shares is fixed at one cent per share for certain purposes and may be fixed by the board for certain other purposes (section 302A.401, subdivision 2, clause (c));

(k) The board or the shareholders may issue shares for any consideration or for no consideration to effectuate share dividends or splits, and determine the value of nonmonetary consideration (section 302A.405, subdivision 1);

(l) Shares of a class or series must not be issued to holders of shares of another class or series to effectuate share dividends or splits, unless authorized by a majority of the voting power of the shares of the same class or series as the shares to be issued (section 302A.405, subdivision 1);

(m) A corporation may issue rights to purchase securities whose terms, provisions, and conditions are fixed by the board (section 302A.409);

(n) A shareholder has certain preemptive rights, unless otherwise provided by the board (section 302A.413);

(o) The affirmative vote of the holders of a majority of the voting power of the shares present and entitled to vote at a duly held meeting is required for an action of the shareholders, except where this chapter requires the affirmative vote of a majority of the voting power of all shares entitled to vote (section 302A.437, subdivision 1);

(p) Shares of a corporation acquired by the corporation may be reissued (section 302A.553, subdivision 1);

(q) An exchange need not be approved by shareholders of the acquiring corporation unless the outstanding shares entitled to vote of that corporation will be increased by more than 20 percent immediately after the exchange (section 302A.613, subdivision 3, clause (c)); (AND)

(r) An exchange need not be approved by shareholders of the acquiring corporation unless the outstanding participating shares of that corporation will be increased by more than 20 percent immediately after the exchange (section 302A.613, subdivision 3, clause (d)); and

(s) *Each share has one vote unless otherwise provided in the terms of the share (section 302A.445, subdivision 3).*

Sec. 13. Minnesota Statutes 1982, section 302A.111, subdivision 3, is amended to read:

Subd. 3. [STATUTORY PROVISIONS THAT MAY BE MODIFIED EITHER IN ARTICLES OR IN BYLAWS.] The following provisions govern a corporation unless modified either in the articles or in the bylaws:

(a) Directors serve for an indefinite term that expires at the next regular meeting of shareholders (section 302A.207);

(b) The compensation of directors is fixed by the board (section 302A.211);

(c) A certain method must be used for removal of directors (section 302A.223);

(d) A certain method must be used for filling board vacancies (section 302A.225);

(e) If the board fails to select a place for a board meeting, it must be held at the principal executive office (section 302A.231, subdivision 1);

(f) A director may call a board meeting, and the notice of the meeting need not state the purpose of the meeting (section 302A.231, subdivision 3);

(g) A majority of the board is a quorum for a board meeting (section 302A.235);

(h) A committee shall consist of one or more persons, who need not be directors, appointed by affirmative vote of a majority of the directors present (section 302A.241, subdivision 2);

(i) A majority of a committee is a quorum for a committee meeting, unless otherwise provided by a resolution of the board (section 302A.241, subdivision 3);

(j) The board may establish a committee of disinterested persons (section 302A.243);

(k) The chief executive officer and chief financial officer have specified duties, until the board determines otherwise (section 302A.305);

(l) Officers may delegate some or all of their duties and powers, if not prohibited by the board from doing so (section 302A.351);

(m) The board may establish uncertificated shares (section 302A.417, subdivision 7);

(n) Regular meetings of shareholders need not be held, unless demanded by a shareholder under certain conditions (section 302A.431);

(o) Not less than 10-days nor more than 60-days notice is required for a meeting of shareholders (section 302A.435, subdivision 2);

(p) The number of shares required for a quorum at a shareholders' meeting is a majority of the voting power of the shares entitled to vote at the meeting (section 302A.443);

(q) The board may fix a date up to 60 days before the date of a shareholders' meeting as the date for the determination of the holders of shares entitled to notice of and entitled to vote at the meeting (section 302A.445, subdivision 1);

(r) (EACH SHARE HAS ONE VOTE UNLESS OTHERWISE PROVIDED IN THE TERMS OF THE SHARE (SECTION 302A.445, SUBDIVISION 3); AND)

((S)) Indemnification of certain persons is required (section 302A.521); and

((T)) (s) The board may authorize, and the corporation may make, distributions not prohibited, limited, or restricted by an agreement (section 302A.551, subdivision 1).

Sec. 14. Minnesota Statutes 1982, section 302A.115, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS; PROHIBITIONS.]  
The corporate name:

(a) Shall be in the English language or in any other language expressed in English letters or characters;

(b) Shall contain the word "corporation", "incorporated", or "limited", or shall contain an abbreviation of one or more of these words, or the word "company" or the abbreviation "Co."

if that word or abbreviation is not immediately preceded by the word "and" or the character "&"

(c) Shall not contain a word or phrase that indicates or implies that it is incorporated for a purpose other than one or more business purposes for which a corporation may be incorporated under this chapter;

(d) Shall not be the same as, or deceptively similar to, the name of a domestic corporation or *limited partnership*, or a foreign corporation or *limited partnership* authorized or registered to do business in this state, or a name the right to which is, at the time of incorporation, reserved or provided for in (THE MANNER PROVIDED IN SECTION) sections 302A.117 (OR IN SECTIONS), 322A.03, or 333.001 to 333.54, unless there is filed with the articles one of the following:

(1) The written consent of the domestic corporation or *limited partnership* or foreign corporation or *limited partnership* authorized or registered to do business in this state or the holder of a reserved name or a name filed by or registered with the secretary of state under sections 333.001 to 333.54 having the same or a deceptively similar name (OR THE HOLDER OF A RESERVE NAME TO USE THE SAME OR DECEPTIVELY SIMILAR NAME);

(2) A certified copy of a final decree of a court in this state establishing the prior right of the applicant to the use of the name in this state; or

(3) The applicant's affidavit that the corporation or *limited partnership* with the same or deceptively similar name has been incorporated or on file in this state for at least three years prior to the affidavit, if it is a domestic corporation or *limited partnership*, or has been authorized or registered to do business in this state for at least three years prior to the affidavit, if it is a foreign corporation or *limited partnership*, or that the holder of a name filed or registered with the secretary of state under sections 333.001 to 333.54 filed or registered that name at least three years prior to the affidavit, and has not during the three year period filed any document with the secretary of state; that the applicant has mailed written notice to the corporation or *limited partnership* or the holder of a name filed or registered with the secretary of state under sections 333.001 to 333.54 by certified mail, return receipt requested, properly addressed to the registered office of the corporation or in care of the agent of the *limited partnership*, or the address of the holder of a name filed or registered with the secretary of state under sections 333.001 to 333.54, shown in the records of the secretary of state, that the applicant intends to use the same or deceptively similar name and the notice has been returned to the applicant as undeliverable to the addressee corporation or *limited partnership*

or holder of a name filed or registered with the secretary of state under sections 333.001 to 333.54; that the applicant, after diligent inquiry, has been unable to find any telephone listing for the corporation or *limited partnership* with the same or deceptively similar name in the county in which is located the registered office of the corporation shown in the records of the secretary of state or has been unable to find any telephone listing for the holder of a name filed or registered with the secretary of state under sections 333.001 to 333.54 in the county in which is located the address of the holder shown in the records of the secretary of state; and that the applicant has no knowledge that the corporation or *limited partnership* or holder of a name filed or registered with the secretary of state under sections 333.001 to 333.54 is currently engaged in business in this state.

Sec. 15. Minnesota Statutes 1982, section 302A.131, is amended to read:

**302A.131 [AMENDMENT OF ARTICLES.]**

The articles of a corporation may be amended at any time to include or modify any provision that is required or permitted to appear in the articles or to omit any provision not required to be included in the articles, except that when articles are amended to restate them, the name and address of each incorporator may be omitted. Unless otherwise provided in this chapter, the articles may be amended or modified only in accordance with sections 302A.133 to 302A.139. *An amendment which merely restates the then-existing articles of incorporation, as amended, is not an amendment for the purposes of sections 302A.215, subdivision 2, or 302A.413, subdivision 9.*

Sec. 16. Minnesota Statutes 1982, section 302A.445, subdivision 3, is amended to read:

Subd. 3. [ONE VOTE PER SHARE.] Unless otherwise provided in the articles (OR BYLAWS) or in the terms of the shares, a shareholder has one vote for each share held.

Sec. 17. Minnesota Statutes 1983 Supplement, section 302A.521, subdivision 6, is amended to read:

Subd. 6. [DETERMINATION OF ELIGIBILITY.] (a) All determinations whether indemnification of a person is required because the criteria set forth in subdivision 2 have been satisfied and whether a person is entitled to payment or reimbursement of expenses in advance of the final disposition of a proceeding as provided in subdivision 3 shall be made:

(1) By the board by a majority of a quorum. Directors who are at the time parties to the proceeding shall not be counted for determining either a majority or the presence of a quorum;

(2) If a quorum under clause (1) cannot be obtained, by a majority of a committee of the board, consisting solely of two or more directors not at the time parties to the proceeding, duly designated to act in the matter by a majority of the full board including directors who are parties;

(3) If a determination is not made under clause (1) or (2), by special legal counsel, selected either by a majority of the board or a committee by vote pursuant to clause (1) or (2) or, if the requisite quorum of the full board cannot be obtained and the committee cannot be established, by a majority of the full board including directors who are parties;

(4) If a determination is not made under clauses (1) to (3), by the shareholders, excluding the votes of shares held by parties to the proceeding; or

(5) If an adverse determination is made under clauses (1) to (4) or under paragraph (b), or if no determination is made under clauses (1) to (4) or under paragraph (b) within 60 days after the termination of a proceeding or after a request for an advance of expenses, as the case may be, by a court in this state, which may be the same court in which the proceeding involving the person's liability took place, upon application of the person and any notice the court requires.

(b) With respect to a person who is not, and was not at the time of the acts or omissions complained of in the proceedings, a director, officer, or person possessing, directly or indirectly, the power to direct or cause the direction of the management or policies of the corporation, the determination whether indemnification of this person is required because the criteria set forth in subdivision 2 have been satisfied and whether this person is entitled to payment or reimbursement of expenses in advance of the final disposition of a proceeding as provided in subdivision 3 may be made by an annually appointed committee of the board, having at least one member who is a director. The committee shall report at least annually to the board concerning its actions.

Sec. 18. Minnesota Statutes 1982, section 302A.729, subdivision 1, is amended to read:

Subdivision 1. [PROCEDURE.] If the corporation gives proper notice to creditors and claimants pursuant to section 302A.727:

(a) The claim of a creditor or claimant to whom notice is given who fails to file a claim according to the procedures set forth by the corporation on or before the date set forth in the notice is subject to the provisions of section 302A.781;

(b) The corporation has 30 days from the receipt of each claim to accept or reject the claim by giving written notice to



the person submitting it; a claim not expressly rejected in this manner is deemed accepted; and

(c) A creditor or claimant to whom notice is given and whose claim is rejected by the corporation has 60 days from the date of rejection, or 180 days from the date the corporation filed with the secretary of state the notice of intent to dissolve, *or 90 days after the date on which notice was given to the creditor or claimant*, whichever is longer, to pursue any other remedies with respect to the claim. If the creditor or claimant does not initiate legal, administrative, or arbitration proceedings with respect to the claim during that period, the claim is subject to the provisions of section 302A.781.

Sec. 19. Minnesota Statutes 1982, section 302A.729, subdivision 2, is amended to read:

Subd. 2. [STATUTE OF LIMITATIONS.] The claim of a creditor or claimant to whom notice is not given *and for whom payment of any debt is not made or provided for* and who does not initiate legal, administrative, or arbitration proceedings concerning the claim within two years after the date of filing the notice of intent to dissolve is thereafter subject to the provisions of 302A.781.

Sec. 20. Minnesota Statutes 1982, section 302A.733, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF ARTICLES.] The articles of dissolution shall state:

(a) Whether notice has been given to all creditors and claimants of the corporation in the manner provided in section 103, and, if notice has been given, the last date on which the notice was given and the date on which the longer of the periods described in section 302A.729, subdivision 1, clause (c) expired;  
*or*

(b) *If notice was not given* that all debts, obligations, and liabilities of the corporation have been paid and discharged or that adequate provisions have been made therefor; *and*

(c) That the remaining property, assets, and claims of the corporation have been distributed among its shareholders in accordance with section 302A.551, subdivision 4, or that adequate provision has been made for that distribution; *and*

(d) That there are no pending legal, administrative, or arbitration proceedings by or against the corporation, or that adequate provision has been made for the satisfaction of any judgment, order, or decree that may be entered against it in a pending proceeding, and that all other claims are barred under section 302A.781.

Sec. 21. Minnesota Statutes 1982, section 303.06, subdivision 1, is amended to read:

Subdivision 1. [CONTENTS.] In order to procure a certificate of authority to transact business in this state, a foreign corporation shall make application therefor to the secretary of state, which application shall set forth:

(1) The name of the corporation and the state or country under the laws of which it is organized;

(2) If the name of the corporation does not (END WITH THE WORD "CORPORATION" OR THE WORD "INCORPORATED," OR THE ABBREVIATION "INC.," OR DOES NOT CONTAIN THE WORD "COMPANY" OR THE ABBREVIATION "CO." NOT IMMEDIATELY PRECEDED BY THE WORD "AND" OR THE CHARACTER "&," AND SUCH WORDS OR ABBREVIATIONS ARE REQUIRED BY) *comply with* section 303.05 (TO BE INCLUDED IN OR ADDED TO THE NAME OF THE CORPORATION), then the name (OF THE CORPORATION WITH THE WORD OR ABBREVIATION) which it agrees to (ADD THERETO FOR) use in this state;

(3) The date of its incorporation and the period of its duration;

(4) The address of its principal office in the state or country under the laws of which it is organized;

(5) The address of its proposed registered office in this state and the name of its proposed registered agent in this state;

(6) That it irrevocably consents to the service of process upon it as set forth in section 303.13, or any amendment thereto;

(7) The names and respective addresses of its directors and officers;

(8) A statement of the aggregate number of shares (HAVING PAR VALUE AND OF SHARES WITHOUT PAR VALUE) which it shall have authority to issue, itemized by classes and series;

(9) A statement of the aggregate number of its issued or allotted shares (HAVING PAR VALUE AND OF SHARES WITHOUT PAR VALUE,) itemized by classes and series; and

(10) A statement that the officers executing the application have been duly authorized so to do by the board of directors of the corporation.

Sec. 22. Minnesota Statutes 1982, section 303.13, subdivision 1, is amended to read:

Subdivision 1. [FOREIGN CORPORATION.] A foreign corporation shall be subject to service of process, as follows:

(1) By service (THEREOF) on its registered agent;

(2) When any foreign corporation authorized to transact business in this state fails to appoint or maintain in this state a registered agent upon whom service of process may be had, or whenever any registered agent cannot be found at its registered office in this state, as shown by the return of the sheriff of the county in which the registered office is situated, *or by an affidavit of attempted service by any person not a party*, or whenever any corporation withdraws from the state, or whenever the certificate of authority of any foreign corporation is revoked or canceled, service may be made by delivering to and leaving with the secretary of state, or with any deputy or clerk in the corporation department of his office, three copies thereof and a fee of \$15; provided, that after a foreign corporation withdraws from the state, pursuant to section 303.16, service upon the corporation may be made pursuant to the provisions of this section only when based upon a liability or obligation of the corporation incurred within this state or arising out of any business done in this state by the corporation prior to the issuance of a certificate of withdrawal.

(3) If a foreign corporation makes a contract with a resident of Minnesota to be performed in whole or in part by either party in Minnesota, or if a foreign corporation commits a tort in whole or in part in Minnesota against a resident of Minnesota, such acts shall be deemed to be doing business in Minnesota by the foreign corporation and shall be deemed equivalent to the appointment by the foreign corporation of the secretary of the state of Minnesota and his successors to be its true and lawful attorney upon whom may be served all lawful process in any actions or proceedings against the foreign corporation arising from or growing out of the contract or tort. Process shall be served in duplicate upon the secretary of state, together with a fee of \$15 and the secretary of state shall mail one copy thereof to the corporation at its last known address, and the corporation shall have (20) 30 days within which to answer from the date of the mailing, notwithstanding any other provision of the law. The making of the contract or the committing of the tort shall be deemed to be the agreement of the foreign corporation that any process against it which is so served upon the secretary of state shall be of the same legal force and effect as if served personally on it within the state of Minnesota.

Sec. 23. Minnesota Statutes 1982, section 303.13, subdivision 3, is amended to read:

Subd. 3. [TIME TO ANSWER.] If any summons is so served upon the secretary of state, the corporation so served shall have 30 days from the date of mailing by the secretary in which to answer the complaint.

Sec. 24. Minnesota Statutes 1982, section 303.17, subdivision 3, is amended to read:

Subd. 3. [REVOCATION AFTER 30 DAYS.] The secretary of state shall revoke the certificate of authority of such corporation to do business in this state if such default shall not be cured with such period of 30 days; provided, that for good cause shown the secretary of state may enlarge the period from time to time, but the aggregate of such enlargements shall not exceed (THREE MONTHS) *180 days or the period of any applicable extension granted by the department of revenue of time for filing the income tax return of the corporation, whichever is greater.*

Sec. 25. Minnesota Statutes 1982, section 315.15, is amended to read:

### 315.15 [PARISH CORPORATIONS, ORGANIZATION.]

The bishop of any religious denomination may associate with him the vicar general of the same diocese and the pastor of such denomination of the parish wherein a corporation is to be located, which shall be within the diocese of such bishop, and the bishop, vicar general, and pastor, or a majority of them, shall designate and associate with them two lay members of any such denomination; and, upon adopting, signing, and acknowledging (, IN DUPLICATE,) a certificate of incorporation reciting the fact of such association, and of the selection of such laymen, and containing the name, general purpose, and place of location of such corporation, and having (ONE SUCH) *the* certificate recorded with the county recorder of the county of its location (AND THE OTHER FILED WITH THE SECRETARY OF STATE), the said five persons and their successors shall become a corporation, subject to all the requirements, and vested with all the rights, powers, and privileges, of a religious corporation. The persons at any time holding the offices hereinbefore specified in any diocese shall, by virtue of their respective offices, be members of and, with the two laymen aforesaid, constitute such corporation, but every such person, on ceasing to hold such office, shall cease to be a member thereof, and his successor in office shall become a member in his place. The two laymen designated as aforesaid shall remain members for the term of two years from the date of the certificate, and thereafter their term of office shall be two years, and in either case until their successors are chosen. They shall always be designated and appointed by the three first named corporators, who shall also fill all vacancies in their number. Their appointment shall be in writing and entered upon the records of the corporation.

Should there at any time be a vacancy in the office of bishop of any diocese, or should any other person be appointed in his stead to administer the spiritual and temporal affairs of such diocese, then, during such vacancy or suspension of the authority of such bishop, such administrator of the affairs of the diocese, or any other person appointed under the rules of such denomination to preside over and administer its affairs, shall, while acting as such administrator or appointee, be a member of such corporation, with all the rights and powers incident thereto; but his membership shall at once cease when such vacancy has been filled or suspension of authority removed. If any diocese in which any such corporation is located shall be subdivided according to the rules and practice of such denomination, and one or more new dioceses formed therefrom, or from parts thereof, the bishop and vicar general of any such new diocese and their successors in office, as soon as appointed and instituted, shall, by virtue of their respective offices, forthwith become members of any such corporation within such new diocese, with all the rights, duties, privileges, powers, and obligations of such members, and the bishop and vicar general of the diocese in which such corporation was located prior to such subdivision shall cease to be members thereof.

Sec. 26. Minnesota Statutes 1982, section 315.20, subdivision 2, is amended to read:

Subd. 2. [CERTIFICATE, BY WHOM SIGNED.] The certificate shall be signed and duly acknowledged by the bishop of the diocese and by a majority of the members of the chapter, and filed for record in the office of the county recorder of the county in which the cathedral is located (AND IN THE OFFICE OF THE SECRETARY OF STATE).

Sec. 27. Minnesota Statutes 1982, section 315.20, subdivision 3, is amended to read:

Subd. 3. [CERTIFICATE FILED; POWERS.] Upon the signing, acknowledging, and filing of such certificate for record with the county recorder of the county of its location, (AND WITH THE SECRETARY OF STATE,) such cathedral shall become a corporation by the name specified in its certificate: and, by and through its chapter, may transact all the business of such cathedral; and, in its corporate name, may acquire or receive, by purchase, gift, grant, devise, or bequest, any property, real, personal, or mixed, and hold, sell, transfer, mortgage, convey, loan, let, or otherwise use the same for the use and benefit of the cathedral; provided, that such use shall not contravene the laws and usages of the Protestant Episcopal Church in the United States of America of this state; but it shall not have power to divert any gift, grant, or bequest from the purpose specified in writing by the donor or deviser, nor to sell, convey, or mortgage its church or church site, except with the consent of the bishop, in writing, and when first authorized to do so at a meeting of the

chapter called for that purpose, nor in contravention of the canons of the diocese or of the general convention of the Protestant Episcopal Church in the United States of America.

Sec. 28. Minnesota Statutes 1982, section 315.23, subdivision 2, is amended to read:

Subd. 2. [CANON OR RESOLUTION, APPROVAL, RECORDING.] A copy of such resolution or canon, certified by the presiding officer of the body adopting it and verified by the affidavit of its secretary or clerk, with the certificate of the attorney general that the same conforms to law endorsed thereon, shall be filed with the (SECRETARY OF STATE) *county recorder of the county in which the body is located*, who shall record the same at length, including such endorsement, and issue his certificate that, the provisions of the law having been complied with, said body has become duly incorporated according to law. The (SECRETARY OF STATE) *county recorder* shall keep in a book in his office an alphabetical index of all such corporations.

Sec. 29. Minnesota Statutes 1982, section 315.32, is amended to read:

315.32 [TRUSTEES, POWERS; CERTIFICATE, RECORDING.]

The board of trustees, the board of administration, or other governing body of any such religious organization may, by unanimous vote of all its members, so alter or amend such articles of incorporation, when authorized so to do at any special meeting of such religious organization called for such expressly stated purpose, at which such special meeting a majority of the members of such religious organization are present, which authority shall be, by resolution, passed by vote of a majority of the members present and voting at such meeting of such religious organization. The board of trustees, the board of administration, or other governing body of any such religious organization shall cause such resolution to be embraced in a certificate duly executed and acknowledged by its president and secretary, or by its other presiding and recording officers, under the corporate seal of the religious organization, and such certificate shall be presumptive evidence of the facts therein stated. The certificate shall be recorded in the office of the county recorder of the county in which the religious organization is located (AND IN THE OFFICE OF THE SECRETARY OF STATE), and thereupon such alteration or amendment shall become effective.

Sec. 30. Minnesota Statutes 1982, section 315.365, subdivision 2, is amended to read:

Subd. 2. [HOW MERGER EFFECTED.] Any said merger and consolidation shall be effected by the execution by the property corporations who are parties thereto of an agreement of merger and consolidation containing:

(a) The names of the property corporations who are parties thereto.

(b) The name and location of the principal office of the surviving corporation with and into which the property corporations who are parties to said merger are to be merged and consolidated.

(c) The persons who shall constitute the governing board of the surviving corporation until their successors are duly elected and shall qualify.

(d) The general purposes of said surviving corporation and the general description of the area to be served by it.

(e) The date of adoption of the authorization for said merger and consolidation by the meeting of the united, reunited, merged, or consolidated religious body to which said merging or consolidating property corporations pertain.

(f) Any other provisions appropriate for the certificate of incorporation of property corporations of said character which may be formed pursuant to the laws of this state.

(g) Said agreement of merger and consolidation shall be executed by the corporate officers of each of the property corporations which are parties thereto and shall be accompanied by the certificate of the secretary or other recording officer of said united, reunited, merged, or consolidated religious body certifying to the adoption by said religious body, in accordance with its constitution, canon law, or other general provisions for the governance of its affairs, of a resolution authorizing said merger and consolidation, and shall also be accompanied by a certificate of the secretary or other recording officer of each of the property corporations who are parties thereto of the adoption by the members and the board of trustees or other governing body of each said property corporation of resolutions authorizing and directing the execution of said agreement of merger and consolidation.

(h) Said agreement of merger and consolidation, when executed as aforesaid and when certified as aforesaid, shall be filed for record (IN THE OFFICE OF THE SECRETARY OF STATE AND) in the office of the county recorder of the county in which the principal place of business of said surviving corporation is to locate, and shall also be filed for record in the office of the county recorder of each other county of this state

in which the principal place of business of any of the property corporations who are parties to said merger and consolidation shall theretofore, by the provisions of its certificate of incorporation, have been located.

(i) Said merger and consolidation shall be and become effective for all purposes upon filing for record the said agreement of merger and consolidation and the certificates as aforesaid in the office of the (SECRETARY OF STATE) *county recorder*.

Sec. 31. Minnesota Statutes 1982, section 317.09, subdivision 2, is amended to read:

Subd. 2. [USE OF SIMILAR NAME FORBIDDEN.] The corporate name shall not be the same as, nor deceptively similar to, the name of any (OTHER) *assumed name, trade or service mark, or limited partnership, or domestic corporation, whether profit or nonprofit, or of any foreign corporation or foreign limited partnership, whether profit or nonprofit, authorized or registered to do business in this state or to any name reserved under section 302A.117 or 322A.03, unless (:)*

((1) THE DOMESTIC OR FOREIGN CORPORATION IS ABOUT TO CHANGE ITS NAME, OR TO CEASE TO DO BUSINESS, OR IS BEING WOUND UP, OR THE FOREIGN CORPORATION IS ABOUT TO WITHDRAW FROM DOING BUSINESS IN THIS STATE; AND)

((2) THE) *there is filed with the articles a written consent, court decree of prior right, or affidavit of non-use of (SUCH DOMESTIC OR FOREIGN CORPORATION TO THE ADOPTION OF ITS NAME, OR OF A DECEPTIVELY SIMILAR NAME, HAS BEEN GIVEN AND IS FILED WITH THE ARTICLES OF INCORPORATION) the kind required by section 302A.115, subdivision 1, paragraph (d).*

*The secretary of state shall determine whether a name is "deceptively similar" to another name for purposes of this section. This section does not abrogate or limit the law of unfair competition or unfair practices, nor sections 333.001 to 333.54, nor the laws of the United States with respect to the right to acquire and protect copyrights, trademarks, service names, service marks, or any other rights to the exclusive use of names or symbols, nor derogate the common law or principles of equity.*

Sec. 32. Minnesota Statutes 1982, section 318.02, subdivision 1, is amended to read:

Subdivision 1. The term "declaration of trust" as used in this section means the declaration of trust, business trust instrument, trust indenture, contract of custodianship, or other instrument pursuant to which such association is organized.



Every such association organized after April 20, 1961, for the purpose of transacting business in this state shall, prior to transacting any business in this state, file in the office of the secretary of state a true and correct copy of the "declaration of trust" under which the association proposes to conduct its business, which copy shall be sworn to, as being a true and correct copy, by the chairman of the board of trustees of such association, or by one of the trustees of such association, or by one of the persons or parties to the "declaration of trust." The said sworn statement shall also contain a statement that the true and correct copy of the "declaration of trust" is being filed in the office of the secretary of state of the state of Minnesota pursuant to (MINNESOTA STATUTES 1961,) chapter 318, (AND ALL ACTS AMENDATORY THEREOF) and shall also include the full name and street address of an agent of the business trust in this state. That agent shall be the agent for service of process which shall be made pursuant to the provisions of section 543.08. The "declaration of trust" may provide that the duration of such association shall be perpetual. Upon the filing of the copy of the "declaration of trust" and the payment of a filing fee of \$150 to the secretary of state, the secretary of state shall issue to such association, or to the trustees named in the said "declaration of trust," or to the persons or parties to the "declaration of trust," a certificate showing that such "declaration of trust" has been duly filed in his office; whereupon, such association in its name shall be authorized to transact business in this state; provided that all other applicable laws have been complied with. The "declaration of trust" may be amended as provided in the "declaration of trust" or in any amendments thereto but a true and correct copy of all amendments to the "declaration of trust," which copy shall be sworn to in like manner as provided above in filing a true and correct copy of the "declaration of trust," shall be filed in the office of the secretary of state upon the payment of a filing fee of \$50 to the secretary of state and all amendments shall become effective at the time of said filing. When such copy of the "declaration of trust" and any amendments thereto shall have been filed in the office of the secretary of state it shall constitute public notice as to the purposes and manner of the business to be engaged in by such association.

Sec. 33. Minnesota Statutes 1982, section 322A.02, is amended to read:

**322A.02. [NAME.]**

The name of each limited partnership as set forth in its certificate of limited partnership:

(1) shall contain without abbreviation the words "limited partnership";

(2) may not contain the name of a limited partner unless (i) it is also the name of a general partner or the corporate

name of a corporate general partner, or (ii) the business of the limited partnership had been carried on under that name before the admission of that limited partner;

(3) may not contain any word or phrase indicating or implying that it is organized other than for a purpose stated in its certificate of limited partnership;

(4) may not be the same as, or deceptively similar to, the name of (ANY) a domestic corporation or limited partnership (ORGANIZED UNDER THE LAWS OF THIS STATE) or a foreign corporation or limited partnership authorized (LICENSED) or registered (AS A FOREIGN CORPORATION OR LIMITED PARTNERSHIP) to do business in this state or a name the right to which is reserved or provided for in the manner provided for in sections 302A.117, 322A.03, or 333.001 to 333.54, unless there is filed with the certificate a written consent, court decree of prior right, or affidavit of non-use, of the kind required by section 302A.115, subdivision 1, paragraph (d); and

(5) may not contain the following words: corporation, incorporated.

*The secretary of state shall determine whether a name is "deceptively similar" to another name for purposes of this section and section 322A.03. This section does not abrogate or limit the law of unfair competition or unfair practices, nor sections 333.001 to 333.54, nor the laws of the United States with respect to the right to acquire and protect copyrights, trademarks, service names, service marks, or any other rights to the exclusive use of names or symbols, nor derogate the common law or principles of equity.*

Sec. 34. Minnesota Statutes 1982, section 322A.86, is amended to read:

322A.86 [RELATIONSHIP TO SECTIONS 322.01 TO 322.31.]

A domestic limited partnership existing on January 1, 1981, shall be governed by sections 322.01 to 322.31 unless (1) the limited partnership elects to come under the provisions of sections 322A.01 to 322A.85, and the certificate of limited partnership is amended to reflect the intention (AND), the election and a certified copy of all previously filed limited partnership documents is filed with the secretary of state, and the election is filed with the county recorder; and (2) to so elect is not prohibited by the terms of the certificate of limited partnership in effect prior to January 1, 1981. A domestic limited partnership formed after December 31, 1980 shall be governed by sections 322A.01 to 322A.85.

Sec. 35. Minnesota Statutes 1982, section 325D.67, subdivision 5, is amended to read:

Subd. 5. [DUTY OF (SECRETARY OF STATE) ATTORNEY GENERAL.] If complaint shall be made (TO THE SECRETARY OF STATE) that any corporation authorized to do business in this state is guilty of unfair discrimination, within the terms of subdivisions 1 to 8, it shall be the duty of the (SECRETARY OF STATE TO REFER THE MATTER TO THE) attorney general (, WHO MAY,) *to review the complaint and if the facts justify it in his judgment, institute proceedings in the courts against such corporation.*

Sec. 36. Minnesota Statutes 1982, section 325D.67, subdivision 6, is amended to read:

Subd. 6. [REVOCATION OF PERMIT.] If any corporation, foreign or domestic, authorized to do business in this state, is found guilty of unfair discrimination, within the terms of subdivisions 1 to 8, it shall by the duty of the *attorney general to request the secretary of state to immediately revoke the permit of such corporation to do business in this state.*

Sec. 37. Minnesota Statutes 1982, section 331.02, subdivision 1, is amended to read:

Subdivision 1. [QUALIFICATIONS.] In order to be qualified as a medium of official and legal publication, a newspaper shall:

(1) Be printed in the English language in newspaper format and in column and sheet form equivalent in printed space to at least 1,200 square inches;

(2) If a weekly, be distributed at least once each week for 50 weeks each year, or if a daily, at least five days each week; but in any week in which a legal holiday is included, not more than four issues of a daily paper are necessary;

(3) In at least half of its issues each year, have no more than 75 percent of its printed space comprised of advertising material and paid legal notices; and in all of its issues each year, have 25 percent if published more often than weekly or 50 percent, if weekly, of its news columns devoted to news of local interest to the community which it purports to serve, but not more than 25 percent of its total nonadvertising column inches in any issue may wholly duplicate any other publication unless the duplicated material is from recognized general news services;

(4) Be circulated in and near the municipality which it purports to serve, and have at least 500 copies regularly delivered.

to paying subscribers and have entry as second-class matter in its local post office, or have at least 500 copies regularly distributed without charge to local residents;

(5) Have its known office of issue established in the county in which lies, in whole or in part, the municipality which the newspaper purports to serve;

(6) File a copy of each issue immediately with the state historical society;

(6a) Be made available at single or subscription prices to any person, corporation, partnership or other unincorporated association requesting the newspaper and making the applicable payment, or be distributed without charge to local residents;

(7) Have complied with all the foregoing conditions of this subdivision for at least one year last past;

(8) The newspaper must annually publish (AND SUBMIT TO THE SECRETARY OF STATE) a sworn United States Post Office second-class statement of ownership and circulation or in the absence of a permit must annually publish (AND SUBMIT) a *comparable* statement of ownership and circulation *covering a one year period ending not more than three months prior to publication* verified by a recognized independent circulation auditing agency;

(9) *The newspaper shall, between October 1 and December 31 of each year, submit to the secretary of state a sworn printers affidavit of publication accompanied by the published statement required by section 331.02, subdivision 1, clause (8), that it has complied with all of the requirements of this subdivision. A newspaper which files the affidavit shall be qualified as a legal newspaper for the calendar year following filing.*

Sec. 38. Minnesota Statutes 1982, section 333.001, subdivision 3, is amended to read:

Subd. 3. [TRUE NAME.] "True name" means the true full name of the natural person, if a proprietorship; the true full name of (AT LEAST ONE) *each* partner, if a partnership; the full corporate name as stated in its articles, if a corporation; the full name of the limited partnership, if a limited partnership; the true full name of at least one trustee, if a trust; or the true full name of at least one beneficial owner, if any other form of business organization.

Sec. 39. Minnesota Statutes 1982, section 333.001, subdivision 4, is amended to read:

Subd. 4. "Address" means the full residential address of each natural person, trustee or beneficial owner, or (ANY) corporation, included in subdivision 3, and the address of the

principal place in Minnesota where the business is conducted or transacted (, IF DIFFERENT).

Sec. 40. Minnesota Statutes 1982, section 333.01, is amended to read:

**333.01 [COMMERCIAL ASSUMED NAMES; CERTIFICATE.]**

No person shall hereafter carry on or conduct or transact a commercial business in this state under any designation, name, or style, which does not set forth the true name of every person interested in such business unless such person shall file in the office of the secretary of state, a certificate setting forth the name *and business address in Minnesota* under which the business is conducted or transacted, or is to be conducted or transacted, and the true name of (THE) *each* person conducting or transacting the same, with the address of such person. The certificate shall be executed and duly acknowledged by one of the persons conducting, or intending to conduct, the business. The certificate shall be published *after it has been filed with the secretary of state* in a qualified newspaper in the county in which the person has a principal or registered office for two successive issues.

Sec. 41. Minnesota Statutes 1982, section 333.02, is amended to read:

**333.02 [FILING OF CERTIFICATE.]**

Persons conducting or transacting any business under any designation, name, or style referred to in section 333.01 shall, before commencing such business, file such certificate and (PROOF OF PUBLICATION) *shall publish the certificate* in the manner prescribed in section 333.01.

Sec. 42. Minnesota Statutes 1982, section 333.035, is amended to read:

**333.035 [AMENDMENT OF CERTIFICATE.]**

Within 60 days after the occurrence of any event which makes any statement in the last previous statement filed incorrect, an amended certificate shall be filed (WITH PROOF OF PUBLICATION) *and the amended certificate shall be published* by the person conducting the business in the same manner as provided by section 333.01.

Sec. 43. Minnesota Statutes 1982, section 333.055, subdivision 1, is amended to read:

Subdivision 1. Filing of a certificate (WITH PROOF OF PUBLICATION) hereunder shall be effective for a term of ten years from the date of filing and upon application filed within

the six month period prior to the expiration of such term or a renewal thereof, on a form prescribed by the secretary of state, the certificate may be renewed for additional ten year terms. A renewal fee as specified herein, payable to the secretary of state, shall accompany the application for renewal.

The secretary of state shall notify each person filing a certificate hereunder of the necessity of renewal thereof by writing to the last known address of the person at least six months prior to the certificate's expiration date.

Sec. 44. Minnesota Statutes 1982, section 333.06, is amended to read:

**333.06 [PLEADING FAILURE TO FILE CERTIFICATE;  
COSTS.]**

If any person conducting a business contrary to the terms of sections 333.001 to 333.06 shall, prior to the filing of the certificate (AND PROOF OF PUBLICATION) therein prescribed, commence a civil action, including an action to recover possession of real property in any court of this state on account of any contract made by, or transaction had on behalf of the business, the defendant may plead such failure in abatement of the action; and all proceedings had in the action shall thereupon be stayed until the certificate provided for by sections 333.001 to 333.06 is duly filed, and the defendant, in case he prevails in the action, shall also be entitled to tax \$50 costs, in addition to such other statutory costs as may be allowed by law, and, in case he does not prevail in the action, shall be entitled to deduct \$50 from the judgment otherwise recoverable therein and if a judgment for money is not otherwise recoverable therein, he shall be entitled to tax \$50 costs. *If such a person defends against a civil action, the plaintiff shall be entitled to tax \$50 costs, regardless of which party prevails upon the merits.*

Sec. 45. Minnesota Statutes 1982, section 333.19, subdivision 1, is amended to read:

Subdivision 1. A trademark or service mark by which the goods or services of any applicant for registration may be distinguished from the goods or services of others shall not be registered if it;

(1) consists of or comprises immoral, deceptive or scandalous matter; or

(2) consists of or comprises matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute; or

(3) consists of or comprises the flag or coat of arms or other insignia of the United States, or of any state or municipality, or of any foreign nation, or any simulation thereof; or

(4) consists of or comprises the name, signature or portrait of any living individual, except with his written consent; or

(5) consists of a mark which, (a) when applied to the goods or used to identify the services of the applicant, is merely descriptive or deceptively misdescriptive of them, or (b) when applied to the goods or used to identify the services of the applicant is primarily geographically descriptive or deceptively misdescriptive of them, or (c) is primarily merely a surname provided, however, that nothing in this subsection (5) shall prevent the registration of a mark used in this state by the applicant which has become distinctive of the applicant's goods or services. The secretary of state may accept as evidence that the mark has become distinctive, as applied to the applicant's goods or used to identify the services, proof of substantially exclusive and continuous use thereof as a mark by the applicant in this state for the five years next preceding the date of the filing of the application for registration; or

(6) consists of or comprises a mark which so resembles a mark registered in this state or a corporate or *limited partnership* name in use or reserved in this state by another, or a mark or trade name previously used in this state by another and not abandoned, as to be likely, when applied to the goods or used to identify the services of the applicant, to cause confusion or mistake or to deceive. *The secretary of state may require affidavits by both the applicant and by the holder of the previously registered name or mark in making this determination.*

Sec. 46. Minnesota Statutes 1982, section 333.21, subdivision 1, is amended to read:

Subdivision 1. Upon a finding by the secretary of state that the mark and application for registration comply with the requirements of sections 333.18 to 333.31, *and that the class indicated, if any, in which the mark is to be registered is not clearly incorrect*, he shall cause a certificate of registration to be issued and delivered to the applicant. The certificate of registration shall be issued under the signature of the secretary of state and the seal of the state, and shall show the registrant's name and business address and, if a corporation, the state of incorporation, the date claimed for the first use of the mark in this state, the class of goods or services and a description of the goods or services in connection with which the mark is used, a reproduction of the mark, the registration date and the term of the registration.

Sec. 47. Minnesota Statutes 1983 Supplement, section 336.9-401, is amended to read:

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

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

(a) When the collateral is consumer goods, or motor vehicles which are not (INVENTORY) *covered by a certificate of title*, then in the office of the county recorder in the county of the debtor's residence if the debtor is an individual who is a resident of this state but if the debtor is an individual who is not a resident of this state or is a corporation, partnership or other organization then in the office of the secretary of state;

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

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

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

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

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

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

(5) Notwithstanding the preceding subsections, the proper place to file in order to perfect a security interest in collateral, including fixtures, of a transmitting utility is the office of the secretary of state. Such a filing shall not be deemed a separate



filing from the filings required by other laws, if applicable, set forth in subsection (3) of section 336.9-302. This filing constitutes a fixture filing (section 336.9-313) as to the collateral described therein which is or is to become fixtures.

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

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

Sec. 48. Minnesota Statutes 1982, section 336.9-402, is amended to read:

**336.9-402 [FORMAL REQUISITES OF FINANCING STATEMENT; AMENDMENTS; MORTGAGE AS FINANCING STATEMENT.]**

(1) A financing statement is sufficient if it gives the name of the debtor and the secured party, is signed by the debtor, gives an address of the secured party from which information concerning the security interest may be obtained, gives a mailing address of the debtor and contains a statement indicating the types or describing the items, of collateral. A financing statement may be filed before a security agreement is made or a security interest otherwise attaches. When the financing statement covers crops growing or to be grown, the statement must also contain a description of the real estate concerned and the name of the record owner thereof. When the financing statement covers timber to be cut or covers minerals or the like (including oil and gas) or accounts subject to subsection (5) of section 336.9-103, or when the financing statement is filed as a fixture filing (section 336.9-313) and the collateral is goods which are or are to become fixtures, the statement must also comply with subsection (5). A copy of the security agreement is sufficient as a financing statement if it contains the above information and is signed by the debtor. A carbon, photographic or other reproduction of a security agreement or a financing statement is sufficient as a financing statement if the security agreement so provides or if the original has been filed in this state.

(2) A financing statement which otherwise complies with subsection (1) is sufficient when it is signed by the secured party instead of the debtor when it is filed to perfect a security interest in

(a) collateral already subject to a security interest in another jurisdiction when it is brought into this state, or when the debtor's location is changed to this state. Such a financing state-

ment must state that the collateral was brought into this state or that the debtor's location was changed to this state under such circumstances; or

(b) proceeds under section 336.9-306 if the security interest in the original collateral was perfected. Such a financing statement must describe the original collateral; or

(c) collateral as to which the filing has lapsed *within one year*; or

(d) collateral acquired after a change of name, identity or corporate structure of the debtor (subsection (7)); or

(e) *a personal service lien including but not limited to veterinarian, mechanic, attorney, male service animal, and processing farm products; or*

(f) *collateral which is subject to a filed judgment.*

(2a) *The reason for the omission of the debtor signature must be stated on the front of the financing statement.*

(3) A form substantially as follows is sufficient to comply with subsection (1):

Name of debtor (or assignor)

.....

Address

.....

Name of secured party (or assignee)

.....

Address

.....

1. This financing statement covers the following types (or items) of property:

(Describe)

.....

2. (If collateral is crops) The above described crops are growing or are to be grown on:

(Describe real estate and the name of the record owner thereof) .....

3. (If applicable) The above goods are to become fixtures on

(Describe real estate) ..... and this financing statement is to be filed for record in the real estate records. (If the debtor does not have an interest of record) The name of a record owner is .....

4. (If products of collateral are claimed)

Products of the collateral are also covered.

Use whichever signature line is applicable.

Signature of debtor (or assignor)

.....  
Signature of secured party (or assignee)

.....  
(4) A financing statement may be amended by filing a writing signed by both the debtor and the secured party. *If the sole purpose of the amendment is to change the name or address of the secured party, only the secured party need sign the amendment. A writing is sufficient if it sets forth the name and address of the debtor and secured party as those items appear on the original financing statement or the most recently filed amendment, the file number and date of filing of the financing statement.* An amendment does not extend the period of effectiveness of a financing statement. If any amendment adds collateral, it is effective as to the added collateral only from the filing date of the amendment. In this article, unless the context otherwise requires, the term "financing statement" means the original financing statement and any amendments.

(5) A financing statement covering timber to be cut or covering minerals or the like (including oil and gas) or accounts subject to subsection (5) of section 336.9-103, or a financing statement filed as a fixture filing (section 336.9-313) where the debtor is not a transmitting utility, must show that it covers

this type of collateral, must recite that it is to be filed for record in the real estate records, and the financing statement must contain a description of the real estate sufficient if it were contained in a mortgage of the real estate to give constructive notice of the mortgage under the law of this state. If the debtor does not have an interest of record in the real estate, the financing statement must show the name of a record owner. No description of the real estate or the name of the record owner thereof is required for a fixture filing where the debtor is a transmitting utility. Notwithstanding the foregoing a general description of the real estate is sufficient for a fixture filing where a railroad is the record owner of the real estate on which the fixtures are or are to be located; and for the purposes of this subsection, the requirement of a general description is satisfied if the fixture filing (1) identifies the section, township and range numbers of the county in which the land is located; (2) identifies the quarter-quarter of the section that the land is located in; (3) indicates the name of the record owner of the real estate; and (4) states the street address of the real estate if one exists.

(6) A mortgage is effective as a financing statement filed as a fixture filing from the date of its recording if (a) the goods are described in the mortgage by item or type, (b) the goods are or are to become fixtures related to the real estate described in the mortgage, (c) the mortgage complies with the requirements for a financing statement in this section other than a recital that it is to be filed in the real estate records, and (d) the mortgage is duly recorded. No fee with reference to the financing statement is required other than the regular recording and satisfaction fees with respect to the mortgage.

(7) A financing statement sufficiently shows the name of the debtor if it gives the individual, partnership or corporate name of the debtor, whether or not it adds other trade names or the names of partners. Where the debtor so changes his name or in the case of an organization its name, identity or corporate structure that a filed financing statement becomes seriously misleading, the filing is not effective to perfect a security interest in collateral acquired by the debtor more than four months after the change, unless a new appropriate financing statement is filed before the expiration of that time. A filed financing statement remains effective with respect to collateral transferred by the debtor even though the secured party knows of or consents to the transfer.

(8) A financing statement substantially complying with the requirements of this section is effective even though it contains minor errors which are not seriously misleading.

Sec. 49. Minnesota Statutes 1982, section 336.9-403, is amended to read:

**336.9-403 [WHAT CONSTITUTES FILING; DURATION OF FILING; EFFECT OF LAPSED FILING; DUTIES OF FILING OFFICER.]**

(1) Presentation for filing of a financing statement and tender of the filing fee or acceptance of the statement by the filing officer constitutes filing under this article.

(2) Except as provided in subsection (6) a filed financing statement is effective for a period of five years from the date of filing. The effectiveness of a filed financing statement lapses on the expiration of the five year period unless a continuation statement is filed prior to the lapse. If a security interest perfected by filing exists at the time insolvency proceedings are commenced by or against the debtor, the security interest remains perfected until termination of the insolvency proceedings and thereafter for a period of 60 days or until expiration of the five year period, whichever occurs later regardless of whether the financing statement filed as to that security interest is destroyed by the filing officer pursuant to subsection (3). Upon lapse the security interest becomes unperfected, unless it is perfected without filing. If the security interest becomes unperfected upon lapse, it is deemed to have been unperfected as against a person who became a purchaser or lien creditor before lapse.

(3) A continuation statement may be filed by the secured party within six months prior to the expiration of the five year period specified in subsection (2). Any such continuation statement must be signed by the secured party, *set forth the name and address of the debtor and secured party as those items appear on the original financing statement or the most recently filed amendment*, identify the original statement by file number and filing date, and state that the original statement is still effective. A continuation statement signed by a person other than the secured party of record must be accompanied by a separate written statement of assignment signed by the secured party of record and complying with subsection (2) of section 336.9-405, including payment of the required fee. Upon timely filing of the continuation statement, the effectiveness of the original statement is continued for five years after the last date to which the filing was effective whereupon it lapses in the same manner as provided in subsection (2) unless another continuation statement is filed prior to such lapse. Succeeding continuation statements may be filed in the same manner to continue the effectiveness of the original statement. Unless a statute on disposition of public records provides otherwise, the filing officer may remove a lapsed statement from the files and destroy it immediately if he has retained a microfilm or other photographic record, or in other cases after one year after the lapse. The filing officer shall so arrange matters by physical annexation of financing statements to continuation statements or other related filings, or by other means, that if he physically destroys the financing

statements of a period more than five years past, those which have been continued by a continuation statement or which are still effective under subsection (6) shall be retained. If insolvency proceedings are commenced by or against the debtor, the secured party shall notify the filing officer both upon commencement and termination of the proceedings, and the filing officer shall not destroy any financing statements filed with respect to the debtor until termination of the insolvency proceedings. The security interest remains perfected until termination of the insolvency proceedings and thereafter for a period of 60 days or until expiration of the five year period, whichever occurs later.

(4) Except as provided in subsection (7) a filing officer shall mark each statement with a file number and with the date and hour of filing and shall hold the statement or a microfilm or other photographic copy thereof for public inspection. In addition the filing officer shall index the statements according to the name of the debtor and shall note in the index the file number and the address of the debtor given in the statement.

(5) The secretary of state shall prescribe uniform forms for statements and samples thereof shall be furnished to all filing officers in the state. The uniform fee for filing and indexing and for stamping a copy furnished by the secured party to show the date and place of filing for an original financing statement or for a continuation statement shall be \$5 if the statement is in the standard form prescribed by the secretary of state and otherwise shall be \$10, plus in each case, if the financing statement is subject to subsection (5) of section 336.9-402, \$5. An additional fee of \$5 shall be collected if more than one name is required to be indexed or if the secured party, at his option, shows a trade name for any debtor listed. There shall be no fee collected for the filing of an amendment to a financing statement if the amendment is in the standard form prescribed by the secretary of state and (OTHERWISE IT SHALL BE \$5) *does not add additional debtor names to the financing statement. The fee for an amendment adding additional debtor names shall be \$5 if the amendment is in the form prescribed by the secretary of state and, if otherwise, \$10. The fee for an amendment which is not in the form prescribed by the secretary of state but which does not add additional names shall be \$5.*

(6) If the debtor is a transmitting utility (subsection (5) of section 336.9-401) and a filed financing statement so states, it is effective until a termination statement is filed. A real estate mortgage which is effective as a fixture filing under subsection (6) of section 336.9-402 remains effective as a fixture filing until the mortgage is released or satisfied of record or its effectiveness otherwise terminates as to the real estate.

(7) When a financing statement covers timber to be cut or covers minerals or the like (including oil and gas) or accounts subject to subsection (5) of section 336.9-103, or is filed as a

fixture filing, it shall be filed for record and the filing officer shall index it under the names of the debtor and any owner of record shown on the financing statement in the same fashion as if they were the mortgagors in a mortgage of the real estate described, and, to the extent that the law of this state provides for indexing of mortgages under the name of the mortgagee, under the name of the secured party as if he were the mortgagee thereunder, or, for filing offices other than the secretary of state, where indexing is by description in the same fashion as if the financing statement were a mortgage of the real estate described. If requested of the filing officer on the financing statement, a financing statement filed for record as a fixture filing in the same office where nonfixture filings are made is effective, without a dual filing, as to collateral listed thereon for which filing is required in such office pursuant to section 336.9-401 (1) (a); in such case, the filing officer shall also index the recorded statement in accordance with subsection (4) using the recording data in lieu of a file number.

(8) The fees provided for in this article shall supersede the fees for similar services otherwise provided for by law except in the case of security interests filed in connection with a certificate of title on a motor vehicle.

Sec. 50. Minnesota Statutes 1982, section 336.9-404, is amended to read:

**336.9-404. [TERMINATION STATEMENT.]**

(1) If a financing statement covering consumer goods is filed on or after January 1, 1977, then within one month or within ten days following written demand by the debtor after there is no outstanding secured obligation and no commitment to make advances, incur obligations or otherwise give value, the secured party must file with each filing officer with whom the financing statement was filed, a termination statement to the effect that he no longer claims a security interest under the financing statement (**WHICH SHALL BE IDENTIFIED BY FILE NUMBER**). *The termination statement must set forth the name and address of the debtor and secured party as those items appear on the original financing statement or the most recently filed amendment; identify the original financing statement by file number and filing date; and be signed by the secured party.* In other cases whenever there is no outstanding secured obligation and no commitment to make advances, incur obligations, or otherwise give value, the secured party must on written demand by the debtor send the debtor, for each filing officer with whom the financing statement was filed, a termination statement to the effect that he no longer claims a security interest under the financing statement, which shall be identified by file number. A termination statement signed by a person other than the secured party of record must be accompanied by a separate written statement of assignment signed

by the secured party of record and complying with subsection (2) of section 336.9-405, including payment of the required fee. If the affected secured party fails to file such a termination statement as required by this subsection, or to send such a termination statement within ten days after proper demand therefor he shall be liable to the debtor for \$100, and in addition for any loss caused to the debtor by such failure.

(2) On presentation to the filing officer of such a termination statement he must note it in the index. If he has received the termination statement in duplicate, he shall return one copy of the termination statement to the secured party stamped to show the time of receipt thereof. If the filing officer has a microfilm or other photographic record of the financing statement, and of any related continuation statement, statement of assignment and statement of release, he may remove the originals from the files at any time after receipt of the termination statement, or if he has no such record, he may remove them from the files at any time after one year after receipt of the termination statement.

(3) There shall be no fee collected for the filing of a termination if the termination statement is in the standard form prescribed by the secretary of state and otherwise shall be \$5, plus in each case, if the original financing statement was subject to subsection (5) of section 336.9-402, the fee prescribed by section 357.18, subdivision 1, clause (1).

Sec. 51. Minnesota Statutes 1982, section 336.9-405, is amended to read:

**336.9-405. [ASSIGNMENT OF SECURITY INTEREST; DUTIES OF FILING OFFICER; FEES.]**

(1) A financing statement may disclose an assignment of a security interest in the collateral described in the financing statement by indication in the financing statement of the name and address of the assignee or by an assignment itself or a copy thereof on the face (OR BACK) of the statement. On presentation to the filing officer of such a financing statement the filing officer shall mark the same as provided in section 336.9-403(4). The uniform fee for filing, indexing, and furnishing filing data for a financing statement so indicating an assignment shall be the same as the fee prescribed in section 336.9-403, clause (5).

(2) A secured party (MAY ASSIGN) of record *may assign* all or a part of his rights under a financing statement by the filing in the place where the original financing statement was filed of a separate written statement of assignment signed by the secured party of record (AND), setting forth the name *and address* of the secured party of record and the debtor *as those items appear on the original financing statement or the most recently filed amendment*, identifying the file number and the



date of filing of the financing statement, (AND THE) *giving the name and address of the assignee and containing a description of the collateral assigned. A copy of the assignment is sufficient as a separate statement if it complies with the preceding sentence. On presentation to the filing officer of such a separate statement, the filing officer shall mark such separate statement with the date and hour of the filing. He shall note the assignment on the index of the financing statement, or in the case of a fixture filing, or a filing covering timber to be cut, or covering minerals or the like (including oil and gas) or accounts subject to subsection (5) of section 336.9-103, he shall index the assignment under the name of the assignor as grantor and, to the extent that the law of this state provides for indexing the assignment of a mortgage under the name of the assignee, he shall index the assignment of the financing statement under the name of the assignee. The uniform fee for filing, indexing, and furnishing filing data about such a separate statement of assignment shall be \$5 if the statement is in the standard form prescribed by the secretary of state and otherwise shall be \$10, plus in each case, if the original financing statement was subject to subsection (5) of section 336.9-402, the fee prescribed by section 357.18, subdivision 1, clause (1). An additional fee of \$5 shall be charged if there is more than one name against which the statement of assignment is required to be indexed. Notwithstanding the provisions of this subsection, an assignment of record of a security interest in a fixture contained in a mortgage effective as a fixture filing (subsection (6) of section 336.9-402) may be made only by an assignment of the mortgage in the manner provided by the law of this state other than Laws 1976, chapter 135.*

(3) After the disclosure or filing of an assignment under this section, the assignee is the secured party of record.

Sec. 52. Minnesota Statutes 1982, section 336.9-406, is amended to read:

**336.9-406 [RELEASE OF COLLATERAL; DUTIES OF FILING OFFICER; FEES.]**

A secured party of record may by his signed statement release all or a part of any collateral described in a filed financing statement. The statement of release is sufficient if it contains a description of the collateral being released, the name and address of the debtor (, THE NAME) and (ADDRESS OF THE) secured party *as those items appear on the original financing statement or the most recently filed amendment, and (THE FILE NUMBER OF) identifies the original financing statement by file number and filing date.* A statement of release signed by a person other than the secured party of record must be accompanied by a separate written statement of assignment signed by the secured party of record and complying with subsection (2) of section 336.9-405, including payment of the required fee. Upon presenta-

tion of such a statement of release to the filing officer he shall mark the statement with the hour and date of filing and shall note the same upon the margin of the index of the filing of the financing statement. There shall be no fee for filing and noting such a statement of release if the statement is in the standard form prescribed by the secretary of state and otherwise shall be \$5, plus in each case, if the original financing statement was subject to subsection (5) of section 336.9-402, the fee prescribed by section 357.18, subdivision 1, clause (1).

Sec. 53. 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. *Each resolution shall include all of the provisions required by section 317.08, subdivision 2.*

Sec. 54. Minnesota Statutes 1982, section 365.46, is amended to read:

**365.46 [COPY OF RESOLUTION FILED WITH SECRETARY OF STATE.]**

A certified copy of the resolution of the county board declaring such town to be dissolved shall forthwith be forwarded by the county auditor to the secretary of state, who shall, on receipt thereof, make appropriate entry in the records of his office of the dissolution of such town. *The county auditor shall also provide notice of the dissolution to the state demographer, the land management information center, the Minnesota municipal board, and the commissioner of transportation.*

Sec. 55. Minnesota Statutes 1982, section 379.05, is amended to read:

**379.05 [RECORD OF DESCRIPTION OF TOWN, WHERE KEPT; ABSTRACT SENT TO (COMMISSIONER OF REVENUE) STATE AGENCIES.]**

Each county auditor shall within 30 days after any such town is organized transmit by mail to the commissioner of revenue, the secretary of state, the state demographer, the land management

*information center, the Minnesota municipal board, and the commissioner of transportation* an abstract of such report, giving the name and boundaries of such town and record in a book kept for that purpose a full description of each such town.

Sec. 56. Minnesota Statutes 1983 Supplement, section 507.09, is amended to read:

**507.09 [FORMS APPROVED; AMENDMENTS.]**

The several forms of deeds, mortgages, land contracts, assignments, satisfactions, and other conveyancing instruments prepared by the uniform conveyancing blanks commission and filed by the commission with the secretary of state pursuant to Laws 1929, chapter 135, as amended by Laws 1931, chapter 34, are approved and recommended for use in the state. Such forms shall be kept on file with and be preserved by the (SECRETARY OF STATE) *commissioner of commerce* as a public record. The commissioner of securities and real estate may appoint an advisory task force on uniform conveyancing forms to recommend to the commissioner of securities and real estate amendments to existing forms or the adoption of new forms. The task force shall expire, and the terms, compensation, and removal of members shall be as provided in section 15.059. The commissioner of securities and real estate may adopt amended or new forms consistent with the laws of this state by rule in accordance with chapter 14.

Sec. 57. Minnesota Statutes 1982, section 507.10, is amended to read:

**507.10 [CERTIFIED COPIES OF FORMS TO BE PRESERVED.]**

The board of county commissioners of each county in this state shall provide the county recorder and the judge of probate of the county with one copy of each form so approved, a copy of sections 507.09 to 507.14, a copy of the certificate of the Minnesota uniform conveyancing blanks commission contained in the book of forms filed in the office of the (SECRETARY OF STATE) *commissioner of commerce*, and a copy of his filing certificate, to be certified as herein provided. Upon presentation to him of sufficient number of true copies of such forms, laws, and certificates in book form to carry out this provision, the (SECRETARY OF STATE) *commissioner of commerce* shall, without charge, certify the same to be true copies thereof. Each county recorder and each judge of probate shall thereafter preserve one such certified copy on file in their respective offices for the convenient use of the public.

Sec. 58. Minnesota Statutes 1982, section 540.152, is amended to read:

**540.152 [SERVICE OF PROCESS ON UNIONS, GROUPS OR ASSOCIATIONS.]**

The transaction of any acts, business or activities within the state of Minnesota by any officer, agent, representative, employee or member of any union or other groups or associations having officers, agents, members or property without the state on behalf of the union or other groups or associations or any of its members or affiliated local unions shall be deemed an appointment by the union or other groups or associations of the secretary of state of the state of Minnesota to be the true and lawful attorney of the union or other groups or associations, upon whom may be served all legal processes or notices in any action or proceeding against or involving the union or other groups or associations growing out of any acts, business or activities within the state of Minnesota resulting in damage or loss to person or property or giving rise to any cause of action under the laws of the state of Minnesota or to any matters or proceedings arising under the Minnesota Labor Relations Act. Such acts, business or activities shall be a signification of the agreement of the union or other groups or associations and its members that any process or notice in any action, matter or proceeding against or involving it, which is so served, shall be of the same legal force and validity as if served upon the union or other groups or associations and its members personally. Service of process or notice shall be made by filing a copy thereof in the office of the secretary of state, together with payment of a fee of \$15 and together with an affidavit *stating* that no officer or managing agent of the union or other group or association has been found in this state *and setting forth an address to which the service shall be forwarded*. The service shall be sufficient service upon the union or other groups or associations and its members. Notice of service and a copy of the process or notice shall, within ten days thereafter, be sent by mail by the person who caused it to be served on the union or other groups or associations at its last known address and an affidavit of compliance with the provisions of this chapter shall be filed with the court or other state agency or department before which the action, matter, or proceeding is pending.

Sec. 59. Minnesota Statutes 1982, section 543.08, is amended to read:

**543.08 [SUMMONS, SERVICE UPON CERTAIN CORPORATIONS.]**

If a private domestic corporation has no officer *at the registered office of the corporation* within the state upon whom service can be made, of which fact the return of the sheriff of the county in which that office is located, or the affidavit of a private person not a party, that none can be found in (HIS) that county shall be conclusive evidence, service of the summons upon it may be made by depositing two copies, together with a fee of \$15 with the secretary of state, which shall be deemed

personal service upon the corporation. One of the copies shall be filed by the secretary, and the other forthwith mailed by him to the corporation by certified mail, if the place of its main office is known to him or is disclosed by the files of his office.

If the defendant is a foreign insurance corporation, the summons may be served by two copies delivered to the insurance commissioner, who shall file one in his office and forthwith mail the other postage prepaid to the defendant at its home office.

Sec. 60. Minnesota Statutes 1983 Supplement, section 648.39, subdivision 1, is amended to read:

Subdivision 1. [FREE DISTRIBUTION.] The revisor of statutes shall without charge distribute each edition of Minnesota Statutes, supplement to the Minnesota Statutes, and the Laws of Minnesota to the persons, officers, departments, agencies, or commissions listed in this subdivision. Prior to distribution of Minnesota Statutes, supplement to the Minnesota Statutes, or the Laws of Minnesota, the revisor of statutes shall inquire whether the full number of copies authorized by this subdivision are required for their work. Unless a smaller number is needed, each edition shall be distributed without charge as follows:

- (a) 30 copies to the supreme court;
- (b) 30 copies to the court of appeals;
- (c) 1 copy to each judge of a district court;
- (d) 1 copy to the clerk of each district court for use in each courtroom of the district court of his county;
- (e) 100 copies to the state law library;
- (f) 100 copies to the law school of the University of Minnesota;
- (g) 100 copies to the office of the attorney general;
- (h) 10 copies each to the governor's office, the departments of agriculture, commerce, corrections, education, health, transportation, labor and industry, economic security, natural resources, public safety, public service, public welfare, and revenue, and the pollution control agency;
- (i) 1 copy each to other state departments, agencies, boards, and commissions not specifically named in this subdivision;
- (j) 1 copy to each member of the legislature;

(k) 100 copies for the use of the senate and 150 copies for the use of the house of representatives;

(l) 4 copies to the secretary of the senate;

(m) 4 copies to the chief clerk of the house of representatives;

(n) 1 copy to each judge, district attorney, clerk of court of the United States and the deputy clerk of each division of the United States district court in this state, the secretary of state of the United States, the library of congress, and the Minnesota historical society;

(o) 20 copies each to the department of administration, state auditor, and legislative auditor, and 5 copies to the office of the secretary of state;

(p) 1 copy to each county library maintained pursuant to chapter 134, except in counties containing cities of the first class. If a county has not established a county library pursuant to chapter 134, the copy shall be provided to any public library in the county; and

(q) 50 copies to the revisor of statutes.

Sec. 61. Laws 1981, chapter 270, section 144, is amended to read:

Sec. 144. [EFFECTIVE DATES.]

Sections 1 to 121, 123, 124, 126, 129 to 138, 140, 141, and 143 are effective July 1, 1981. Sections 125, 127, 128, 139, and 142 are effective January 1, 1984. Section 122 is effective January 1, (1985) 1987.

Sec. 62. [REPEALER.]

*Minnesota Statutes 1982, sections 5.11; 51A.03, subdivision 5; 62C.06, subdivision 4; 308.15, subdivision 3; and 507.31, subdivision 2, are repealed.*

Sec. 63. [EFFECTIVE DATE.]

*Sections 1 to 62 are effective July 1, 1984."*

Delete the title and insert:

"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; provid-

ing 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 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 motion prevailed and the amendment was adopted.

Ellingson moved to amend S. F. No. 2016, as amended, as follows:

Delete sections 2 and 3

Page 16, after line 12, insert:

"Sec. 10. Minnesota Statutes 1982, section 302A.031, is amended to read:

302A.031 [TRANSITION.]

*Subdivision 1.* [CONTINUATION OF LEGAL ACTS.] The continuation or completion of any act by a corporation that has not incorporated under, but has become governed by, this chapter, and the continuation or performance of any executed or wholly or partially executory contract, conveyance, or transfer to or by the corporation, shall, if otherwise lawful before the corporation became governed by this chapter, remain valid, and

may be continued, completed, consummated, enforced, or terminated as required or permitted by a statute applicable prior to the date on which the corporation became governed by this chapter.

*Subd. 2. [TRANSITION OF PREEMPTIVE RIGHTS.] For purposes of denial of preemptive rights under section 302A.413, subdivision 1, the articles of a corporation formed under chapter 301 shall be construed to deny completely preemptive rights for all shares, rights to purchase shares, securities other than shares or rights to purchase securities other than shares, if those articles deny shareholders the preemptive right to purchase or subscribe to shares."*

Page 39, line 1, after "address" delete "in Minnesota"

Page 44, line 3, before the period insert "and vehicles that are inventory of licensed dealers"

Page 45, delete lines 12 to 14 and insert "(e) a lien filed pursuant to Minnesota Statutes, chapter 514; or"

Page 45, line 16, delete "The" and insert "Except for documents filed under clauses (e) and (f), the"

Page 48, line 5, after "statement" insert ", amendment, continuation, assignment, release, or termination"

Page 53, line 20, after "may" delete "assign" and insert "record an assignment of"

Delete section 63

Renumber the sections accordingly

Amend the title as follows:

Page 1, line 17, after the semicolon insert "providing for the transition of preemptive rights;"

Page 1, line 18, delete everything after the first semicolon

Page 1, line 19, delete "62G.08, subdivision 2;"

Page 1, line 21, after "subdivision 3;" insert "302A.031;"

The motion prevailed and the amendment was adopted.

S. F. No. 2016, 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; eliminating the requirement of publication after incorporation; 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; 315.20, subdivisions 2 and 3; 315.23, subdivision 2; 315.32; 315.365, subdivision 2; 325D.67, subdivisions 5 and 6; 365.46; 379.05; 507.10; Minnesota Statutes 1983 Supplement, sections 507.09; and 648.39, subdivision 1.

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

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

Those who voted in the affirmative were:

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

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

H. F. No. 2020 was reported to the House.

There being no objection H. F. No. 2020 was temporarily laid over on Special Orders.

S. F. No. 1864 was reported to the House.

Knuth moved to amend S. F. No. 1864, as follows:

Page 10, line 18, delete "supports" and insert "demonstrates a rational basis for"

Page 11, line 10, after "authority" insert "*, except as provided in subdivision 3*"

Page 11, after line 20, insert:

*"Subd. 3. Any agency which is authorized to issue bonds to obtain funds for implementation of its programs and which is authorized by other law to adopt temporary rules governing those programs may continue to adopt those rules as emergency rules without regard to the 180-day time limits specified in subdivision 2 or section 29."*

Page 11, line 29, after "that" insert "*a free copy of the proposed rule is available on request from the agency and that*"

Page 15, after line 31, insert:

"Sec. 28. [EXTENSION OF TEMPORARY RULE AUTHORITY.]

*Notwithstanding sections 16 and 29, the commissioners of health and public welfare may amend the temporary rules authorized by Laws of 1983, chapter 199 and the commissioner of welfare may amend the temporary rules authorized by Laws of 1983, chapter 312 throughout the period these temporary rules remain in effect by following the temporary rule procedure under chapter 14. The temporary rules shall not remain in effect beyond the periods authorized in Laws 1983, chapters 199 and 312."*

Page 15, line 32, delete "28" and insert "29"

Page 15, line 33, before "No" insert "*Except as provided in section 14.29, subdivision 3,*"

Page 16, before line 1, insert:

"Sec. 30. [TERMS CONSTRUED.]

*All grants of temporary rulemaking authority made prior to or during the 1984 legislative session shall be construed to be grants of emergency rulemaking authority."*

Page 16, line 1, delete "29" and insert "31"

Page 16, line 5, delete "*, chapter 14*"

Page 16, line 12, delete "30" and insert "32"

Page 16, line 16, delete "31" and insert "33"

Page 16, line 17, after "to" delete "30" and insert "25, and 28 to 32"

Page 16, line 20, after the period insert "*Sections 26 and 27 are effective the day following final enactment.*"

Amend the title as follows:

Page 1, line 3, delete everything after the semi-colon

Page 1, delete lines 4 to 14

Page 1, line 15, delete "supreme court;"

The motion prevailed and the amendment was adopted.

Knuth moved to amend S. F. No. 1864, as amended, as follows:

Page 15, before line 32, insert:

"Sec. 29. Minnesota Statutes 1983 Supplement, section 43A.08, subdivision 1a, is amended to read:

Subd. 1a. [ADDITIONAL UNCLASSIFIED POSITIONS.] Appointing authorities for the following agencies may designate additional unclassified positions according to this subdivision: the departments of administration; agriculture; commerce; corrections; economic security; education; employee relations; energy and economic development; finance; health; human rights; labor and industry; natural resources; *office of administrative hearings*; public safety; public service; public welfare; revenue; transportation; and veterans affairs; the housing finance, state planning, and pollution control agencies; the state board of investment; the offices of the secretary of state, state auditor, and state treasurer; and the state board of vocational technical education.

A position designated by an appointing authority according to this subdivision must meet the following standards and criteria:

(a) the designation of the position would not be contrary to other law relating specifically to that agency;

(b) the person occupying the position would report directly to the agency head or deputy agency head and would be designated as part of the agency head's management team;

(c) the duties of the position would involve significant discretion and substantial involvement in the development, interpretation, and implementation of agency policy;

(d) the duties of the position would not require primarily personnel, accounting, or other technical expertise where continuity in the position would be important;

(e) there would be a need for the person occupying the position to be accountable to, loyal to, and compatible with the governor and the agency head, or the employing constitutional officer;

(f) the position would be at the level of division or bureau director or assistant to the agency head; and

(g) the commissioner has approved the designation as being consistent with the standards and criteria in this subdivision."

Renumber subsequent sections and correct internal cross references

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "providing for unclassified positions;"

Page 1, line 22, after "14.32;" delete "and" and after "14.45;" insert "and 43A.08, subdivision 1a;"

The motion prevailed and the amendment was adopted.

S. F. No. 1864, A bill for an act relating to state government; amending the Administrative Procedure Act; establishing an optional negotiated rulemaking procedure; allowing interested persons to respond after a public hearing; removing a requirement that the attorney general review the hearing examiner's hearing report; providing that rules will be adopted without a public hearing unless 25 persons object; providing for notification that rules were modified after proposal; restricting the adoption of temporary rules; providing that exempt rules are not effective unless submitted to the revisor of statutes; providing that judicial review of rules is by the court of appeals with appeal to the supreme court; amending Minnesota Statutes 1982, sections 14.03, subdivision 2; 14.10; 14.14, by adding a subdivision; 14.16; 14.23; 14.25; 14.29; 14.30; 14.31; 14.33; 14.35; 14.36; 14.38, subdivision 1; and 14.44; Minnesota Statutes 1983 Supplement, sections 14.07, subdivisions 2 and 4; 14.08; 14.12; 14.14, subdivision 1; 14.15, subdivision 1; 14.22; 14.26; 14.32; and 14.45; proposing new law coded in Minnesota Statutes, chapter 14; repealing Minnesota Statutes 1982, section 14.13; and Minnesota Statutes 1983 Supplement, sections 14.07, subdivision 5; 14.17; and 14.21.

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

The question was taken on the passage of the bill and the roll was called. There were 112 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

### MESSAGES FROM THE SENATE, Continued

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 2182, A bill for an act relating to agriculture; changing certain duties of the commissioner; changing certain reporting requirements concerning agricultural land ownership; refining procedures and deadlines for investment reimbursement; authorizing the commissioner to use certain funds for short-term loans to help participants meet their family farm security loan obligations; exempting certain corporations and persons from the definition of warehouseman; exempting the family farm security program from certain loan commitment approval requirements; amending Minnesota Statutes 1982, sections 21.118; 29.27; 31.11; 31A.08; 41.56, subdivision 3; 231.01, subdivision 5; 500.221, subdivision 2a; 500.24, subdivision 4; and Minnesota Statutes 1983 Supplement, sections 16A.80, subdivision 2; 32.417; 38.02, subdivisions 1 and 3; and 500.221, subdivision 4.

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

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1257, A bill for an act relating to occupations and professions; regulating entertainment agencies; providing penalties; proposing new law coded as Minnesota Statutes, chapter 184A.

The Senate has appointed as such committee Messrs. Solon, Vega and Olson.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 2188, A bill for an act relating to Indians; providing for partial settlement of Indian land claims on the White Earth Reservation; appropriating money.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Eken moved that the House concur in the Senate amendments to H. F. No. 2188 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2188, A bill for an act relating to Indians; providing for partial settlement of Indian land claims on the White Earth Reservation; requiring a report to the legislature; appropriating money.

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

The question was taken on the repassage of the bill and the roll was called. There were 116 yeas and 5 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Brandl	Clark, J.	Clark, K.	Greenfield	Staten
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The bill was repassed, as amended by the Senate, and its title agreed to.

### SPECIAL ORDERS, Continued

S. F. No. 1575, A bill for an act relating to commerce; providing for the computation of interest on mechanics' lien claims; delaying the effective date of a bill carried over from the 1983 to the 1984 regular session; proposing new law coded in Minnesota Statutes, chapter 514.

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

The bill was passed and its title agreed to.

S. F. No. 1628 was reported to the House.

Greenfield moved to amend S. F. No. 1628, as follows:

Delete everything after the enacting clause and insert:

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

*Subd. 7. When issuing new licenses pursuant to this section, the commissioner shall implement a policy preference for residential facilities serving less than 17 individuals who are mentally retarded.*

Sec. 2. Minnesota Statutes 1982, section 245.812, is amended by adding a subdivision to read:

*Subd. 2a. It is the policy of this state that handicapped persons and children should not be excluded by municipal zoning ordinances or other land use regulations from the benefits of normal residential surroundings.*

Sec. 3. Minnesota Statutes 1982, section 245.812, subdivision 3, is amended to read:

*Subd. 3. A licensed residential facility serving six or fewer persons or a licensed day care facility serving (TEN) 12 or*



fewer persons shall be considered a permitted single family residential use of property for the purposes of zoning.

Sec. 4. Minnesota Statutes 1982, section 245.812, subdivision 4, is amended to read:

Subd. 4. (UNLESS OTHERWISE PROVIDED IN ANY TOWN, MUNICIPAL OR COUNTY ZONING REGULATION,) A licensed (DAY CARE OR) residential facility serving from seven through sixteen persons or a licensed day care facility serving from 13 to 16 persons shall be considered a permitted multi-family residential use of property (FOR PURPOSES OF ZONING) if otherwise permitted by local zoning regulations applicable to all uses within the district including requirements concerning population density and distribution. A township, municipal or county zoning authority may require a conditional use or special use permit in order to assure proper health, safety, maintenance and operation of a facility, provided that no conditions shall be imposed on the homes which are more restrictive than those imposed on other conditional uses or special uses of residential property in the same zones (, UNLESS SUCH ADDITIONAL CONDITIONS ARE NECESSARY TO PROTECT THE HEALTH AND SAFETY OF THE RESIDENTS OF THE FACILITY. NOTHING HEREIN SHALL BE CONSTRUED TO EXCLUDE OR PROHIBIT RESIDENTIAL HOMES FROM SINGLE FAMILY ZONES IF OTHERWISE PERMITTED BY A LOCAL ZONING REGULATION). The zoning authority may require a periodic review of the permit if required of all conditional use or special use permits. Residential facilities may not be excluded or prohibited from any zoning district or subjected to more restrictive standards than other uses within the district solely on the basis of the nature of the disabilities or other characteristics of the persons served by a facility.

Sec. 5. Minnesota Statutes 1982, section 245.812, subdivision 7, is amended to read:

Subd. 7. (a) Residential facilities for adult mentally ill persons established on or before July 1, 1980, are exempt from the requirements of this section until July 1, (1984) 1985. (THE COMMISSIONER SHALL DEVELOP A MECHANISM FOR ENSURING FULL COMPLIANCE WITH THIS SECTION BY RESIDENTIAL FACILITIES FOR ADULT MENTALLY ILL PERSONS BY JULY 1, 1984.)

(b) Before January 1, 1985, each county having one or more group residential facilities within 1,320 feet of any existing group residential facility shall submit to the department of public welfare a plan to promote dispersal of group residential facilities. In formulating its plan, the county shall solicit the participation of affected persons, facilities, municipalites having highly concentrated residential facility populations, and advocacy groups. For purposes of this subdivision, "highly concen-

trated" means having a population in residential facilities serving seven or more persons that exceeds one-half of one percent of the population of a recognized planning district or other administrative subdivision.

(c) Within 45 days after submission of the plan by the county, the commissioner shall certify whether the plan fulfills the purposes and requirements of this subdivision including the following requirements.

(1) No new facility serving seven or more persons shall be located in any recognized planning district or other administrative subdivision where the population in residential facilities is highly concentrated.

(2) The county plan shall promote dispersal of highly concentrated residential facility populations.

(3) The county plan shall promote the development of residential facilities in areas that are not highly concentrated.

(4) No person in a residential facility shall be displaced as a result of this section until a relocation plan has been implemented that provides for an acceptable alternative placement.

(5) If the plan provides for the relocation of residential facilities, the relocation shall be completed by January 1, 1990.

If the commissioner certifies that the plan does not do so, he shall state the reasons, and the county shall have 30 days to submit a plan amended to comply with the requirements of the commissioner.

(d) After July 1, 1985, the commissioner may reduce grants pursuant to section 245.73 to a county required to have an approved plan under clause (b) if the county does not have a plan approved by the commissioner. The county board has the right to be provided with advance notice and to appeal the commissioner's decision. If the county requests a hearing within 30 days of the notification of intent to reduce grants, the commissioner shall not certify any reduction in grants until a hearing is conducted and a decision rendered in accordance with the contested case provisions of chapter 14.

Sec. 6. Minnesota Statutes 1982, section 462.357, is amended by adding a subdivision to read:

Subd. 6a. It is the policy of this state that handicapped persons and children should not be excluded by municipal zoning ordinances or other land use regulations from the benefits of normal residential surroundings. For purposes of subdivisions

6a through 9, "person" has the meaning given in section 245.782, subdivision 2.

Sec. 7. Minnesota Statutes 1982, section 462.357, subdivision 7, is amended to read:

Subd. 7. [PERMITTED SINGLE FAMILY USE.] (IN ORDER TO IMPLEMENT THE POLICY OF THIS STATE THAT MENTALLY RETARDED AND PHYSICALLY HANDICAPPED PERSONS SHOULD NOT BE EXCLUDED BY MUNICIPAL ZONING ORDINANCES FROM THE BENEFITS OF NORMAL RESIDENTIAL SURROUNDINGS,) A state licensed (GROUP HOME OR FOSTER HOME) residential facility serving six or fewer (MENTALLY RETARDED OR PHYSICALLY HANDICAPPED) persons or a licensed day care facility serving 12 or fewer persons shall be considered a permitted single family residential use of property for the purposes of zoning.

Sec. 8. Minnesota Statutes 1982, section 462.357, subdivision 8, is amended to read:

Subd. 8. [PERMITTED MULTI-FAMILY USE.] (UNLESS OTHERWISE PROVIDED IN ANY TOWN, MUNICIPAL OR COUNTY ZONING REGULATION AS AUTHORIZED BY THIS SUBDIVISION,) A (STATE) licensed residential facility serving from 7 through 16 (MENTALLY RETARDED OR PHYSICALLY HANDICAPPED) persons or a licensed day care facility serving from 13 to 16 persons shall be considered a permitted multi-family residential use of property (FOR PURPOSES OF ZONING) if otherwise permitted by local zoning regulations applicable to all uses within the district including requirements concerning population density and distribution. A township, municipal or county zoning authority may require a conditional use or special use permit in order to assure proper health, safety, maintenance and operation of a facility, provided that no conditions shall be imposed on the homes which are more restrictive than those imposed on other conditional uses or special uses of residential property in the same zones (, UNLESS THE ADDITIONAL CONDITIONS ARE NECESSARY TO PROTECT THE HEALTH AND SAFETY OF THE RESIDENTS OF THE RESIDENTIAL FACILITY FOR THE MENTALLY RETARDED OR THE PHYSICALLY HANDICAPPED. NOTHING HEREIN SHALL BE CONSTRUED TO EXCLUDE OR PROHIBIT RESIDENTIAL HOMES FOR THE MENTALLY RETARDED OR PHYSICALLY HANDICAPPED FROM SINGLE FAMILY ZONES IF OTHERWISE PERMITTED BY A LOCAL ZONING REGULATION). The zoning authority may require a periodic review of the permit if required of all conditional use or special use permits. Residential facilities may not be excluded or prohibited from any zoning district or subjected to more restrictive standards than other uses within the district solely

*on the basis of the nature of the disabilities or other characteristics of the persons served by a facility.*

### Sec. 9. [EFFECTIVE DATE.]

*Sections 1 to 8 are effective the day after final enactment."*

The motion prevailed and the amendment was adopted.

Elioff moved to amend S. F. No. 1628, as amended, as follows:

Pages 1 and 2, delete sections 1 to 4

Page 3, delete line 11 and insert "*the governing body of each town and municipality in the county,*"

Page 3, line 12, delete "*populations,*"

Pages 4 and 5, delete sections 6 to 8

Page 5, line 29, delete "*Sections 1 to 8 are*" and insert "*Section 1 is*"

Renumber the sections

Amend the title as follows:

Page 1, delete lines 2 to 14 and insert:

*"relating to public welfare; requiring certain counties to plan for the dispersal of residential facilities; amending Minnesota Statutes 1982, section 245.812, subdivision 7."*

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 72 yeas and 41 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dimler	Gustafson	Knuth	Neuenschwander
Anderson, R.	Elioff	Gutknecht	Kvam	Omann
Battaglia	Ellingson	Halberg	Levi	Onnen
Begich	Erickson	Haukoos	Ludeman	Pauly
Bennett	Evans	Heap	Mann	Quist
Blatz	Findlay	Heinitz	Marsh	Redalen
Brinkman	Fjoslien	Hokr	McDonald	Reif
Burger	Forsythe	Jennings	McEachern	Rodosovich
Carlson, D.	Frerichs	Johnson	McKasy	Rose
Carlson, L.	Graba	Kalis	Metzen	Sarna
DenOuden	Gruenes	Knickerbocker	Murphy	Schafer

Schoenfeld  
Schreiber  
Seaberg  
Shaver

Sherman  
Solberg  
Stadum  
Swiggum

Swanson  
Thiede  
Uphus

Valan  
Valento  
Waltman

Welker  
Welle  
Zaffke

Those who voted in the negative were:

Anderson, G.  
Beard  
Brandl  
Clark, J.  
Clark, K.  
Clawson  
Cohen  
Coleman  
Dempsey

Eken  
Greenfield  
Himle  
Hoffman  
Jensen  
Kahn  
Kelly  
Kostohryz  
Krueger

Larsen  
Long  
Munger  
Nelson, K.  
Norton  
O'Connor  
Osthoff  
Otis  
Piper

Price  
Rice  
Riveness  
Rodriguez, C.  
Rodriguez, F.  
Simoneau  
Skoglund  
Sparby  
Staten

Tomlinson  
Vanasek  
Vellenga  
Wynia  
Speaker Sieben

The motion prevailed and the amendment was adopted.

S. F. No. 1628, A bill for an act relating to public welfare; setting licensing, planning and zoning provisions with respect to licensed residential and day care facilities; providing that certain facilities are permitted multi-family uses; allowing municipalities to require conditional use permits for certain other facilities; requiring counties to engage in planning to promote dispersal of residential facilities; providing that certain facilities are permitted single family uses; amending Minnesota Statutes 1982, sections 245.783, by adding a subdivision; 245.812, subdivisions 3, 4, and 7, and by adding a subdivision; and 462.357, subdivisions 7, 8, and by adding a subdivision.

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

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

Those who voted in the affirmative were:

Anderson, B.  
Anderson, G.  
Anderson, R.  
Battaglia  
Beard  
Begich  
Bennett  
Bergstrom  
Bishop  
Blatz  
Boo  
Brandl  
Brinkman  
Burger  
Carlson, D.  
Carlson, L.  
Clark, J.  
Clark, K.  
Clawson  
Cohen

Coleman  
Dempsey  
DenOuden  
Dimler  
Eken  
Elioff  
Ellingson  
Erickson  
Evans  
Findlay  
Fjoslien  
Forsythe  
Frerichs  
Graba  
Greenfield  
Gruenes  
Gustafson  
Gutknecht  
Halberg  
Haukoos

Heap  
Heinitz  
Himle  
Hoffman  
Hokr  
Jacobs  
Jennings  
Jensen  
Johnson  
Kahn  
Kalis  
Kelly  
Knickerbocker  
Knuth  
Kostohryz  
Krueger  
Kvam  
Larsen  
Levi  
Long

Ludeman  
Mann  
Marsh  
McDonald  
McEachern  
McKasy  
Metzen  
Minne  
Munger  
Murphy  
Nelson, K.  
Neuenschwander  
Norton  
O'Connor  
Ogren  
Olsen  
Omänn  
Onnen  
Osthoff  
Otis

Pauly  
Peterson  
Piper  
Price  
Quist  
Redalen  
Reif  
Rice  
Riveness  
Rodosovich  
Rodriguez, C.  
Rodriguez, F.  
Rose  
St. Onge  
Sarna  
Schafer  
Scheid  
Schoenfeld  
Schreiber  
Seaberg

Shaver	Sparby	Thiede	Vanasek	Wynia
Sherman	Stadum	Tomlinson	Vellenga	Zaffke
Simoneau	Staten	Uphus	Waltman	Speaker Sieben
Skoglund	Sviggum	Valan	Welch	
Solberg	Swanson	Valento	Welle	

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

#### REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

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

S. F. No. 1843, A bill for an act relating to courts; providing for the appointment of chief judge and assistant chief judge for each judicial district; clarifying the administrative authority of the chief judge; amending Minnesota Statutes 1982, section 484.69, subdivisions 1 and 3.

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

The report was adopted.

There being no objection the order of business reverted to Second Reading of Senate Bills.

#### SECOND READING OF SENATE BILLS

S. F. No. 1843 was read for the second time.

#### SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Clawson moved that the rule therein be suspended and an urgency be declared so that S. F. No. 1843 be given its third reading and be placed upon its final passage. The motion prevailed.

Clawson moved that the rules of the House be so far suspended that S. F. No. 1843 be given its third reading and be placed upon its final passage. The motion prevailed.

Clawson moved to amend S. F. No. 1843, the unofficial engrossment, as follows:

Page 6, line 24, delete "*August 1, 1977*" and insert "*June 30, 1985*"

Page 9, line 6, delete "*No*"

Page 9, delete lines 7 to 9

Page 9, line 33, after the period insert: *"The reorganization plan shall be approved by a majority of the judges of the district court and a majority of the judges of the county municipal court."*

Page 9, after line 36, insert:

*"The reorganization plan required by this section for the second and fourth judicial districts shall provide for the establishment of four divisions within each of the judicial districts. The chief judge shall appoint a presiding judge for each division. The divisions shall be general civil, general criminal, family and juvenile, and probate. Judges in the second and fourth judicial districts shall be assigned to one of the four divisions. Each assignment shall be for a period of not less than one year. The reorganization plan for the second and fourth judicial districts shall include criteria to be considered in the assignment of judges to particular divisions and in the reassignment of judges to divisions at the end of their initial assignment."*

Page 10, line 4, delete *"their"* and insert *"its"*

Page 10, line 4, after *"date"* insert *", and the plan shall be implemented by the district"*

The motion prevailed and the amendment was adopted.

S. F. No. 1843, A bill for an act relating to courts; providing for the appointment of chief judge and assistant chief judge for each judicial district; clarifying the administrative authority of the chief judge; amending Minnesota Statutes 1982, section 484.69, subdivisions 1 and 3.

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

The question was taken on the passage of the bill and the roll was called. There were 113 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Burger	Evans	Jensen	Marsh
Anderson, G.	Carlson, L.	Frerichs	Kahn	McDonald
Anderson, R.	Clark, J.	Graba	Kelly	McEachern
Battaglia	Clark, K.	Greenfield	Knickerbocker	McKasy
Beard	Clawson	Gruenes	Knuth	Metzen
Begich	Cohen	Gustafson	Kostohryz	Minne
Bennett	Coleman	Haukoos	Krueger	Munger
Bergstrom	Dempsey	Heap	Kvam	Nelson, D.
Bishop	Dimler	Heinitz	Larsen	Nelson, K.
Blatz	Eken	Hoffman	Levi	Neuenchwander
Boo	Elioff	Hokr	Long	Norton
Brandl	Ellingson	Jacobs	Ludeman	O'Connor
Brinkman	Erickson	Jennings	Mann	Ogren

Olsen	Quist	Schafer	Sparby	Vanasek
Omann	Redalen	Scheid	Stadum	Vellenga
Onnen	Reif	Schoenfeld	Staten	Waltman
Osthoff	Rice	Seaberg	Sviggum	Welch
Otis	Riveness	Segal	Swanson	Welle
Pauly	Rodosovich	Shaver	Tomlinson	Wigley
Peterson	Rodriguez, C.	Sherman	Tunheim	Wynia
Piepho	Rodriguez, F.	Simoneau	Uphus	Zaffke
Piper	Rose	Skoglund	Valan	
Price	St. Onge	Solberg	Valento	

Those who voted in the negative were:

Findlay      Fjoslien      Thiede

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

### SPECIAL ORDERS, Continued

There being no objection the House advanced to S. F. No. 1560.

S. F. No. 1560 was reported to the House.

Dempsey moved to amend S. F. No. 1560, as follows:

Page 5, line 6, before the period, insert: "*except that if the forfeiture proceeding was prosecuted by a county attorney whose position is not full time as provided in section 388.21, the prosecutor's share of net proceeds shall be forwarded to the county board*".

The motion prevailed and the amendment was adopted.

S. F. No. 1560, A bill for an act relating to crimes; subjecting certain property to forfeiture if exchanged for or associated with controlled substances; conforming definitions with other statutes; amending Minnesota Statutes 1982, section 152.19, subdivisions 1, 2, 4, 5, and 8.

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

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

Those who voted in the affirmative were:

Anderson, B.	Bishop	Clark, J.	Eken	Forsythe
Anderson, R.	Blatz	Clawson	Elioff	Frerichs
Battaglia	Brandl	Cohen	Ellingson	Graba
Beard	Brinkman	Coleman	Erickson	Greenfield
Begich	Burger	Dempsey	Evans	Gruenes
Bennett	Carlson, D.	DenOuden	Findlay	Gustafson
Bergstrom	Carlson, L.	Dimler	Fjoslien	Gutknecht



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

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

S. F. No. 1007 was reported to the House.

Ellingson moved to amend S. F. No. 1007, as follows:

Page 2, delete lines 3 to 5

The motion prevailed and the amendment was adopted.

S. F. No. 1007, A bill for an act relating to courts; permitting the establishment of compulsory nonbinding arbitration programs for use in civil proceedings; proposing new law coded in Minnesota Statutes, chapter 484.

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

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

Those who voted in the affirmative were:

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

Peterson	Rodosovich	Seaberg	Stadum	Vallenga
Piepho	Rodriguez, C.	Segal	Staten	Waltman
Piper	Rodriguez, F.	Shaver	Sviggun	Welch
Price	Rose	Shea	Swanson	Welker
Quist	St. Onge	Sherman	Tomlinson	Welle
Redalen	Sarna	Simoneau	Uphus	Wigley
Reif	Schafer	Skoglund	Valan	Wynia
Rice	Scheid	Solberg	Valento	Zaffke
Riveness	Schoenfeld	Sparby	Vanasek	Speaker Sieben

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

There being no objection the House advanced to S. F. No. 1813.

S. F. No. 1813 was reported to the House.

#### SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Peterson moved that the rule therein be suspended and an urgency be declared so that S. F. No. 1813 be given its third reading and be placed upon its final passage. The motion prevailed.

Peterson moved that the rules of the House be so far suspended that S. F. No. 1813 be given its third reading and be placed upon its final passage. The motion prevailed.

S. F. No. 1813, A bill for an act relating to motor fuels; setting standards for gasoline and gasoline-alcohol blends; providing testing authority for the weights and measures division of the department of public service; requiring alcohol content disclosure; providing for labeling; appropriating money; amending Minnesota Statutes 1982, sections 296.01, subdivision 3, and by adding a subdivision; 296.05, subdivisions 1, 4, 6, and by adding a subdivision; and 296.22, by adding a subdivision.

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

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

Those who voted in the affirmative were:

Anderson, B.	Blatz	Clawson	Erickson	Gustafson
Anderson, G.	Boo	Cohen	Evans	Gutknecht
Anderson, R.	Brandl	Coleman	Findlay	Halberg
Battaglia	Brinkman	Dempsey	Fjoslien	Haukoos
Beard	Burger	DenOuden	Forsythe	Heap
Begich	Carlson, D.	Dimler	Frerichs	Heinitz
Bennett	Carlson, L.	Eken	Graba	Himle
Bergstrom	Clark, J.	Elioff	Greenfield	Hoffman
Bishop	Clark, K.	Ellingson	Gruenes	Hokr

Jacobs	McDonald	Otis	Scheid	Tunheim
Jennings	McEachern	Pauly	Schoenfeld	Uphus
Jensen	McKasy	Peterson	Schreiber	Valan
Johnson	Metzen	Piepho	Seaberg	Valento
Kalis	Minne	Piper	Segal	Vanasek
Kelly	Munger	Price	Shaver	Vellenga
Knickerbocker	Murphy	Quist	Sherman	Waltman
Knuth	Nelson, D.	Redalen	Simoneau	Welch
Kostohryz	Nelson, K.	Reif	Skoglund	Welker
Krueger	Neuenschwander	Rice	Solberg	Welle
Kvam	Norton	Riveness	Sparby	Wigley
Larsen	O'Connor	Rodosovich	Stadium	Wynia
Levi	Ogren	Rodriguez, F.	Staten	Zaffke
Long	Olsen	Rose	Sviggum	Speaker Sieben
Ludeman	Omann	St. Onge	Swanson	
Mann	Onnen	Sarna	Thiede	
Marsh	Osthoff	Schafer	Tomlinson	

The bill was passed and its title agreed to.

S. F. No. 1842, A bill for an act relating to local government; setting authority to regulate firearms and related matters; amending Minnesota Statutes 1982, sections 624.7132, subdivision 16; and 624.717; proposing new law coded in Minnesota Statutes, chapter 471; repealing Minnesota Statutes 1982, section 624.718.

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 79 yeas and 40 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Eken	Himle	Neuenschwander	Sparby
Anderson, G.	Elioff	Jacobs	Ogren	Stadium
Anderson, R.	Erickson	Jennings	Omann	Sviggum
Battaglia	Evans	Johnson	Onnen	Swanson
Beard	Findlay	Kalis	Pauly	Thiede
Begich	Fjoslien	Knickerbocker	Piepho	Tunheim
Bennett	Forsythe	Krueger	Quist	Uphus
Bergstrom	Frerichs	Levi	Redalen	Valan
Bishop	Graba	Ludeman	Reif	Valento
Blatz	Gruenes	Mann	St. Onge	Vanasek
Boo	Gustafson	Marsh	Schafer	Waltman
Brinkman	Gutknecht	McDonald	Schoenfeld	Welker
Carlson, D.	Halberg	McEachern	Schreiber	Wenzel
Dempsey	Haukoos	Metzen	Shaver	Wigley
DenOuden	Heap	Munger	Sherman	Zaffke
Dimler	Heinitz	Murphy	Solberg	

Those who voted in the negative were:

Brandl	Clawson	Hoffman	Kvam	Norton
Burger	Cohen	Jensen	Larsen	Osthoff
Carlson, L.	Coleman	Kahn	Long	Otis
Clark, J.	Ellingson	Kelly	Minne	Piper
Clark, K.	Greenfield	Kostohryz	Nelson, K.	Price

Rice	Sarna	Shea	Staten	Welle
Rodriguez, C.	Scheid	Simoneau	Tomlinson	Wynia
Rodriguez, F.	Segal	Skoglund	Vellenga	Speaker Sieben

The bill was passed and its title agreed to.

S. F. No. 1862, A bill for an act relating to insurance; regulating insurance claims settlement; defining terms; prescribing penalties; providing for the venue for certain injunction proceedings; amending Minnesota Statutes 1982, sections 72A.20, subdivisions 11 and 12, and by adding a subdivision; 72A.23, subdivision 1; and 72A.25, 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 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 1994 was reported to the House.

Kelly moved to amend H. F. No. 1994, the first engrossment, as follows:

Page 1, lines 8 and 9, delete "*a justice of the supreme court,*"

Page 1, delete lines 23 to 25

Page 2, delete line 1

Page 2, line 2, delete "(4)" and insert "(3)"

Page 2, line 6, after "*individuals*" insert "*appointed or*" and delete "*pursuant to clause (3) shall be chosen*"

Page 2, delete line 7

Page 2, line 8, delete "*judicial district. Individuals elected*" and delete "*clauses*" and insert "*clause*"

Page 2, line 9, delete "*and (4)*"

Page 2, line 13, after "*were*" insert "*appointed or*"

Page 2, line 14, after "*(1)*" insert "*or (3)*"

Page 2, line 23, delete "*(4)*" and insert "*(3)*"

Page 2, line 32, delete "*seven*" and insert "*six*"

Page 2, line 34, delete "*supreme court or*"

Page 3, lines 32 and 33, delete "*supreme court or*"

Page 3, line 33, after "*to the*" insert "*district*"

Page 4, line 2, before "*bar*" insert "*district*"

Page 4, line 12, after the period insert, "*If the vacancy has occurred or will occur in the district, county, or county municipal court, the committee shall solicit, in writing, recommendations from the district bar associations in the judicial district and from those organizations that represent minority and women attorneys in the judicial district who have requested solicitation where the vacancy has occurred or will occur. Recommendations may be disregarded if not submitted in writing within 30 days after the bar association or organization has received the request for recommendation.*"

The motion prevailed and the amendment was adopted.

H. F. No. 1994, A bill for an act relating to judges; providing for the manner of filling vacancies in the office of judge; proposing new law coded as Minnesota Statutes, chapter 480B.

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

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Begich	Boo	Carlson, L.	Coleman
Anderson, C.	Bennett	Brandl	Clark, J.	Dempsey
Anderson, R.	Bergstrom	Brinkman	Clark, K.	DenOuden
Battaglia	Bishop	Burger	Clawson	Dimler
Beard	Blatz	Carlson, D.	Cohen	Eken

Elioff	Jacobs	Metzen	Reif	Sparby
Ellingson	Jennings	Minne	Rice	Staten
Erickson	Jensen	Munger	Riveness	Sviggum
Evans	Johnson	Murphy	Rodosovich	Swanson
Findlay	Kahn	Nelson, D.	Rodriguez, C.	Thiede
Fjoslien	Kalis	Nelson, K.	Rodriguez, F.	Tomlinson
Forsythe	Kelly	Neuenschwander	Rose	Tunheim
Frerichs	Knickerbocker	O'Connor	St. Onge	Uphus
Graba	Knuth	Ogren	Sarna	Valan
Greenfield	Kostohryz	Omann	Schafer	Valento
Gruenes	Krueger	Onnen	Scheid	Vanasek
Gustafson	Kvam	Osthoff	Schoenfeld	Vellenga
Gutknecht	Larsen	Otis	Schreiber	Waltman
Halberg	Long	Pauly	Segal	Welch
Haukoos	Ludeman	Peterson	Shaver	Welker
Heap	Mann	Piepho	Shea	Welle
Heinitz	Marsh	Piper	Sherman	Wenzel
Himle	McDonald	Price	Simoneau	Wigley
Hoffman	McEachern	Quist	Skoglund	Wynia
Hokr	McKasy	Redalen	Solberg	Zaffke

Those who voted in the negative were:

Norton      Olsen      Speaker Sieben

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

S. F. No. 1883, A bill for an act relating to occupations and professions; prohibiting evidence of the previous sexual conduct of a patient or client in proceedings concerning unprofessional conduct; proposing new law coded in Minnesota Statutes, chapters 147 and 148.

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

The question was taken on the passage of the bill and the roll was called. There were 119 yeas and 8 nays as follows:

Those who voted in the affirmative were:

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

Tunheim  
Uphus  
Valan

Valento  
Vanasek  
Vellenga

Voss  
Waltman  
Welch

Welle  
Wenzel  
Wynia

Zaffke  
Speaker Sieben

Those who voted in the negative were:

Haukoos  
Jennings

Knickerbocker  
Ludeman

Piepho  
Sviggum

Thiede

Welker

The bill was passed and its title agreed to.

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 1932, 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 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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.  
Anderson, G.  
Anderson, R.  
Battaglia  
Beard  
Begich  
Bennett  
Bergstrom  
Bishop  
Blatz  
Boo  
Brandl  
Brinkman  
Burger  
Carlson, D.  
Carlson, L.  
Clark, J.  
Clark, K.  
Clawson  
Cohen  
Coleman  
Dempsey  
DenOuden  
Dimler  
Eken  
Elioff

Ellingson  
Erickson  
Evans  
Findlay  
Fjoslien  
Forsythe  
Frerichs  
Graba  
Greenfield  
Gruenes  
Gustafson  
Gutknecht  
Halberg  
Haukoos  
Heap  
Heinitz  
Himle  
Hoffman  
Jacobs  
Jensen  
Johnson  
Kahn  
Kalis  
Kelly  
Knickerbocker  
Knuth

Kostohryz  
Krueger  
Kvam  
Larsen  
Levi  
Long  
Ludeman  
Mann  
Marsh  
McDonald  
McEachern  
McKasy  
Metzen  
Minne  
Munger  
Murphy  
Nelson, D.  
Nelson, K.  
Neuenschwander  
Norton  
O'Connor  
Ogren  
Olsen  
Omamn  
Onnen  
Osthoff

Otis  
Pauly  
Peterson  
Piepho  
Piper  
Price  
Quist  
Redalen  
Reif  
Rice  
Riveness  
Rodosovich  
Rodriguez, C.  
Rodriguez, F.  
Rose  
St. Onge  
Sarna  
Schafer  
Scheid  
Schoenfeld  
Schreiber  
Seaberg  
Segal  
Shaver  
Shea  
Sherman

Skoglund  
Solberg  
Sparby  
Stadum  
Staten  
Sviggum  
Swanson  
Thiede  
Tomlinson  
Tunheim  
Uphus  
Valan  
Valento  
Vanasek  
Vellenga  
Waltman  
Welch  
Welker  
Welle  
Wenzel  
Wigley  
Wynia  
Zaffke  
Speaker Sieben

The bill was passed and its title agreed to.

The Speaker called Wynia to the Chair.

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 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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 1572 was reported to the House.

Norton moved to amend S. F. No. 1572, as follows:

Page 2, line 13, delete "4 to 15" and insert "3 to 14"

Page 2, line 27, delete "4" and insert "3"

Page 3, line 20, delete "7" and insert "6"

Page 3, line 22, delete "4" and insert "3"



Page 3, line 23, delete "15" and insert "14"

Page 3, line 25, delete "4 to 15" and insert "3 to 14"

Page 9, line 15, delete "17" and insert "16"

Page 9, line 32, delete "22" and insert "21"

Page 13, line 23, delete "Sections 1 and 2 are" and insert "Section 1 is"

Page 13, line 24, delete "3" and insert "2"

The motion prevailed and the amendment was adopted.

S. F. No. 1572, A bill for an act relating to court proceedings; adopting provisions of the uniform probate code and clarifying laws relating to intestate succession, spouse's elective share, and omitted spouses and children; providing for ante-mortem probate of wills; proposing new law coded in Minnesota Statutes, chapters 524; and 525; repealing Minnesota Statutes 1982, sections 525.16; 525.17; 525.171; 525.20; 525.201; 525.202; 525.212 to 525.216; Minnesota Statutes 1983 Supplement, sections 525.172; and 525.173.

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

The question was taken on the passage of the bill and the roll was called. There were 106 yeas and 13 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dimler	Krueger	Peterson	Stadum
Anderson, G.	Eken	Kvam	Piepho	Staten
Anderson, R.	Elioff	Larsen	Piper	Sviggum
Battaglia	Ellingson	Levi	Price	Swanson
Beard	Evans	Long	Redalen	Tomlinson
Begich	Findlay	Mann	Reif	Tunheim
Bennett	Fjoslien	Marsh	Rice	Uphus
Bergstrom	Forsythe	McDonald	Rivenness	Valan
Bishop	Graba	McKasy	Rodosovich	Valento
Blatz	Greenfield	Metzen	Rodriguez, C.	Vanasek
Boo	Gruenes	Minne	Rodriguez, F.	Vellenga
Brandl	Gustafson	Munger	Rose	Waltman
Brinkman	Gutknecht	Nelson, D.	Sarna	Welker
Burger	Hoffman	Nelson, K.	Schafer	Welle
Carlson, D.	Jacobs	Neuenschwander	Seaberg	Wenzel
Carlson, L.	Jensen	Norton	Segal	Wigley
Clark, J.	Johnson	Olsen	Shaver	Wynia
Clark, K.	Kahn	Omann	Sherman	Speaker Sieben
Clawson	Kalis	Onnen	Simoneau	
Cohen	Knickerbocker	Osthoff	Skoglund	
Coleman	Knuth	Otis	Solberg	
Dempsey	Kostohryz	Pauly	Sparby	

Those who voted in the negative were:

DenOuden	Haukoos	Ludeman	Schoenfeld	Welch
Erickson	Jennings	O'Connor	Thiede	Zaffke
Halberg	Kelly	Quist		

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

S. F. No. 1365, A bill for an act relating to crimes and criminals; specifying the crime of theft of telecommunications service; amending Minnesota Statutes 1982, section 609.52, 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 129 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, R.

The bill was passed and its title agreed to.

S. F. No. 1702 was reported to the House.

Anderson, G., moved to amend S. F. No. 1702, as follows:

Page 25, line 3, after "filled" reinstate the stricken language

Page 25, line 27, after "election" reinstate the stricken language

Page 25, line 27, delete the comma

Page 68, after line 12 insert:

"Sec. 3. Minnesota Statutes 1982, section 168.33, subdivision 2, is amended to read:

Subd. 2. [POWERS.] The registrar shall have the power to appoint, hire and discharge and fix the compensation of the necessary employees, in the manner provided by law, as may be required to enable him to properly carry out the duties imposed upon him by the provisions of this chapter. As of April 14, 1976, the registrar may appoint, and for cause discontinue, a deputy registrar for any city as the public interest and convenience may require, without regard to whether the county auditor of the county in which the city is situated has been appointed as the deputy registrar for the county or has been discontinued as the deputy registrar for the county, and without regard to whether the county in which the city is situated has established a county license bureau which issues motor vehicle licenses as provided in section 373.32.

Effective August 1, 1976, the registrar may appoint, and for cause discontinue, a deputy registrar for any city as the public interest and convenience may require, if the auditor for the county in which the city is situated chooses not to accept appointment as the deputy registrar for the county or is discontinued as a deputy registrar, or if the county in which the city is situated has not established a county license bureau which issues motor vehicle license as provided in section 373.32. Any person appointed by the registrar as a deputy registrar for any city shall be a resident of the county in which the city is situated.

The registrar may appoint, and for cause discontinue, the county auditor of each county as a deputy registrar. *Upon approval of the county board*, the auditor, with the approval of the director of motor vehicles, may appoint, and for cause discontinue, the clerk or equivalent officer of each city or any other person as a deputy registrar as public interest and convenience may require, regardless of his county of residence. Notwithstanding any other provision, a person other than a county auditor or a director of a county license bureau, who was appointed by the registrar before August 1, 1976, as a deputy registrar for any city, may continue to serve as deputy registrar and may be discontinued for cause only by the registrar. The county auditor shall be responsible for the acts of deputy registrars appointed by him. Each such deputy, before entering upon the discharge of his

duties, shall take and subscribe an oath to faithfully discharge his duties and to uphold the laws of the state. If a deputy registrar appointed hereunder is not an officer or employee of a county or city, such deputy shall in addition give bond to the state in the sum of \$10,000, or such larger sum as may be required by the registrar, conditioned upon the faithful discharge of his duties as deputy registrar. Each deputy registrar appointed hereunder shall keep and maintain, in a convenient public place within the place for which he is appointed, a registration and motor vehicle tax collection bureau, to be approved by the registrar, for the registration of motor vehicles and the collection of motor vehicle taxes thereon. He shall keep such records and make such reports to the registrar as that officer, from time to time, may require. Such records shall be maintained at the facility of the deputy registrar. The records and facilities of the deputy registrar shall at all times be open to the inspection of the registrar or his agents. He shall report daily to the registrar all registrations made and taxes and fees collected by him. The filing fee imposed pursuant to subdivision 7 shall be deposited in the treasury of the place for which he is appointed, or if such deputy is not a public official, he shall retain the filing fee, but the registration tax and any additional fees for delayed registration he has collected he shall deposit each day in an approved state depository to the credit of the state through the state treasurer. The place for which the deputy registrar is appointed through its governing body shall provide the deputy registrar with facilities and personnel to carry out the duties imposed by this subdivision if such deputy is a public official. In all other cases, the deputy shall maintain a suitable facility for serving the public."

Page 68, line 13, delete "Sec. 3" and insert "Sec. 4"

Page 68, line 14, after the comma delete "section" and insert "sections 373.28; and"

Page 68, line 14, delete "is" and insert ", are"

Delete the title and insert:

"A bill for an act relating to counties; changing certain county powers; removing a lynching provision; fixing expenditure authority for various county activities; changing penalties; revising the language of the text of chapters governing county powers and county boards; allowing certain county officers to discharge duties relating to motor vehicles; amending Minnesota Statutes 1982, chapters 373, as amended, and 375, as amended; section 168.33, subdivision 2; repealing Minnesota Statutes 1982, sections 373.28; and 375.29."

The motion prevailed and the amendment was adopted.

S. F. No. 1702, A bill for an act relating to counties; changing certain county powers; fixing expenditure authority for various county activities; changing penalties; revising the language of the text of chapters governing county powers and county boards; amending Minnesota Statutes 1982, chapters 373, as amended, and 375, as amended; repealing Minnesota Statutes 1982, section 375.29.

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

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 2 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Osthoff      Sarna

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

S. F. No. 1466, A bill for an act relating to veterans; changing the eligibility for veteran's preference for civil service employment; amending Minnesota Statutes 1982, sections 43A.11, subdivision 1; and 197.447.

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 121 yeas and 2 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Kahn                      Osthoff

The bill was passed and its title agreed to.

Wenzel and Uphus were excused while in conference.

S. F. No. 1498, A bill for an act relating to occupations and professions; clarifying jurisdiction over installment of power limited circuits.

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 81 yeas and 27 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Carlson, L.	Greenfield	Larsen	Onnen
Anderson, G.	Clark, J.	Gruenes	Levi	Otis
Beard	Clawson	Gutknecht	Ludeman	Pauly
Bergstrom	Cohen	Heap	Mann	Peterson
Bishop	Dempsey	Heinitz	Marsh	Piper
Blatz	DenOuden	Himle	McDonald	Price
Boo	Erickson	Hoffman	McKasy	Quist
Brandl	Findlay	Hokr	Munger	Redalen
Brinkman	Fjoslien	Knickerbocker	Murphy	Reif
Burger	Forsythe	Krueger	Norton	Rice
Carlson, D.	Frerichs	Kvam	Ogren	Rodosovich

Rodriguez, C.	Segal	Sviggum	Uphus	Welker
Rose	Shaver	Swanson	Valan	Welle
Schafer	Simoneau	Thiede	Valento	Wynia
Schoenfeld	Solberg	Tomlinson	Waltman	Zaffke
Schreiber	Stadum	Tunheim	Welch	Speaker Sieben
Seaberg				

Those who voted in the negative were:

Battaglia	Graba	Kostohryz	Piepho	Sparby
Begich	Haukoos	Metzen	Riveness	Vellenga
Bennett	Jacobs	O'Connor	Rodriguez, F.	Wigley
Clark, K.	Kalis	Olsen	Sarna	
Coleman	Kelly	Omann	Scheid	
Elioff	Knuth	Osthoff	Sherman	

The bill was passed and its title agreed to.

S. F. No. 1337, 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 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 70 yeas and 51 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Elioff	Kostohryz	Olsen	Seaberg
Battaglia	Ellingson	Krueger	Otis	Segal
Beard	Fjoslien	Larsen	Pauly	Shea
Begich	Graba	Long	Peterson	Simoneau
Bennett	Greenfield	Mann	Piper	Skoglund
Bergstrom	Gruenes	McEachern	Price	Solberg
Bishop	Gustafson	Minne	Riveness	Staten
Brandl	Himle	Munger	Rodosovich	Tomlinson
Brinkman	Hoffman	Murphy	Rodriguez, C.	Tunheim
Carlson, L.	Jacobs	Nelson, K.	Rodriguez, F.	Vanasek
Clark, J.	Kahn	Neuenschwander	St. Onge	Vellenga
Clark, K.	Kalis	Norton	Sarna	Welch
Clawson	Kelly	O'Connor	Scheid	Wynia
Coleman	Knuth	Ogren	Schoenfeld	Speaker Sieben

Those who voted in the negative were:

Anderson, G.	Findlay	Kvam	Redalen	Uphus
Anderson, R.	Forsythe	Levi	Reif	Valan
Blatz	Frerichs	Ludeman	Rose	Valento
Boo	Cutknecht	Marsh	Schafer	Waltman
Burger	Halberg	McDonald	Schreiber	Welker
Carlson, D.	Haukoos	McKasy	Shaver	Welle
Dempsey	Heap	Omann	Sherman	Wigley
DenOuden	Heinitz	Onnen	Stadum	
Dimler	Jennings	Osthoff	Sviggum	
Erickson	Johnson	Piepho	Swanson	
Evans	Knickerbocker	Quist	Thiede	

The bill was passed and its title agreed to.

S. F. No. 1683 was reported to the House.

### SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, McEachern moved that the rule therein be suspended and an urgency be declared so that S. F. No. 1683 be given its third reading and be placed upon its final passage. The motion prevailed.

McEachern moved that the rules of the House be so far suspended that S. F. No. 1683 be given its third reading and be placed upon its final passage. The motion prevailed.

S. F. No. 1683, A bill for an act relating to housing; prohibiting certain rent control ordinances in cities, counties, and towns; proposing new law coded in Minnesota Statutes, chapter 471.

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

The question was taken on the passage of the bill and the roll was called. There were 111 yeas and 12 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Brandl	Greenfield	Norton	Osthoff	Vellenga
Clark, J.	Kahn	Olsen	Tomlinson	Wynia
Craba	Kelly			

The bill was passed and its title agreed to.



S. F. No. 1790, A bill for an act relating to natural resources; eliminating duplicative appraisal reviews in land acquisition procedures; amending Minnesota Statutes 1982, section 84.0272; repealing Minnesota Statutes 1982, section 84.0271.

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 115 yeas and 10 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

DenOuden	Haukoos	Ludeman	Quist	Welker
Ferichs	Jennings	Onnen	Thiede	Zaffke

The bill was passed and its title agreed to.

The following conference committee report was received:

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 1427

A bill for an act relating to retirement; altering the investment authority for police and firefighter's relief associations; making various changes in the benefits for various retirement funds and plans; making conforming changes in benefit calculations; amending Minnesota Statutes 1982, sections 3.082; 69.775; 352.113, subdivision 3; 352.95, subdivision 1a; 353.34, by adding a subdivision; 354.62, subdivision 2; 422A.18, subdivision 3; 424.24, subdivision 2; and 490.129; Minnesota Stat-

utes 1983 Supplement, sections 69.77, subdivision 2; 352.113, subdivision 2; 352.115, subdivision 8; and 356.61; Laws 1947, chapter 43, section 23, as amended; Laws 1963, chapter 643, section 20; Laws 1973, chapters 359, section 5, subdivision 2; and 432, section 4; Laws 1977, chapter 275, section 1; and Laws 1981, chapter 68, section 43; proposing new law coded in Minnesota Statutes, chapter 423A; repealing Laws 1971, chapter 184; Laws 1973, chapter 283; Laws 1978, chapter 617; Laws 1981, chapter 224, sections 255 and 256; Laws 1982, chapter 578, article II, section 1, subdivision 7, and section 3.

April 19, 1984

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

The Honorable Jerome M. Hughes  
President of the Senate

We, the undersigned conferees for H. F. No. 1427, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 1427 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 3.082, is amended to read:

**3.082 [MEMBERS' EMPLOYMENT; CONTINUATION.]**

Any member of the legislature of the state of Minnesota who held a position, other than a temporary position, in the employ of any private employer in Minnesota at the commencement of his service in any legislative session, who makes application for reemployment not later than 30 days after the last legislative day in each calendar year, shall be continued in or restored to such position, or to a position of like seniority, status and pay. *Retirement benefits under an employer-sponsored pension or retirement plan shall not be reduced by reason of time spent in legislative service.*

Sec. 2. Minnesota Statutes 1983 Supplement, section 69.77, subdivision 2, is amended to read:

Subd. 2. The penalty provided for in subdivision 1 shall not apply to a relief association enumerated in subdivision 1a if the following requirements are met:

(1) Each member of the relief association pays into the special fund of the association during a year of covered service, a contribution for retirement coverage including survivorship benefits of not less than eight percent of the maximum rate of salary upon which retirement coverage is credited and service pension and retirement benefit amounts are determined. The member contributions shall be made by payroll deduction from the salary of the member by the municipality, and shall be transmitted by the municipality to the relief association as soon as practical. The relief association shall deposit the member contribution to the credit of the special fund of the relief association. The member contribution requirement specified in this clause shall not apply to any members who are volunteer firefighters.

(2) The officers of the relief association determine the financial requirements of the relief association and minimum obligation of the municipality for the following calendar year in accordance with the requirements of this clause. The financial requirements of the relief association and the minimum obligation of the municipality shall be determined on or before the submission date established by the municipality pursuant to clause (3).

The financial requirements of the relief association for the following calendar year shall be based on the most recent actuarial valuation or survey prepared in accordance with sections 356.215, subdivision 4 and 356.216, as required pursuant to clause (8). In the event that an actuarial estimate is prepared by the actuary of the relief association as part of obtaining a modification of the benefit plan of the relief association and the modification is implemented, the actuarial estimate shall be used in calculating the financial requirements of the relief association.

If the relief association has an unfunded accrued liability as reported in the most recent actuarial valuation or survey, the total of the amounts calculated pursuant to clauses (a) and (b) shall constitute the financial requirements of the relief association for the following year. If the relief association does not have an unfunded accrued liability as reported in the most recent actuarial valuation or survey the amount calculated pursuant to subclause (a) shall constitute the financial requirements of the relief association for the following year.

(a) The normal level cost requirement for the following year, expressed as a dollar amount, which shall be determined by applying the normal level cost of the relief association as reported in the actuarial valuation or survey and expressed as a percentage of covered payroll to the estimated covered payroll of the active membership of the relief association, including any projected increase in the active membership, for the following year.

(b) To the dollar amount of normal cost thus determined shall be added an amount equal to the level annual dollar amount which is sufficient to amortize the unfunded accrued liability by December 31, 2010, as determined from the actuarial valuation or survey of the fund, using an interest assumption set at the rate specified in section 356.215, subdivision 4, clause (4). The amortization date specified in this subclause shall apply to all local police or salaried firefighters relief associations and shall supersede any amortization date specified in any applicable special law.

The minimum obligation of the municipality shall be an amount equal to the financial requirements of the relief association reduced by the estimated amount of member contributions from covered salary anticipated for the following calendar year and the estimated amounts from the applicable state aid program established pursuant to sections 69.011 to 69.051 anticipated as receivable by the relief association after any allocation pursuant to section 69.031, subdivision 5, clause (2), subclause (c) or 423A.01, subdivision 2, clause (6), and from the local police and salaried firefighters' relief association amortization aid program established pursuant to section 423A.02 anticipated for the following calendar year.

(3) The officers of the relief association shall submit determination of the financial requirements of the relief association and of the minimum obligation of the municipality to the governing body on or before the date established by the municipality which shall not be earlier than August 1 and shall not be later than September 1 of each year. The governing body of the municipality shall ascertain whether or not the determinations were prepared in accordance with law.

(4) The municipality shall provide for and shall pay each year at least the amount of the minimum obligation of the municipality to the relief association. If there is any deficiency in the municipal payment to meet the minimum obligation of the municipality as of the end of any calendar year, the amount of the deficiency shall be added to the minimum obligation of the municipality for the following year calculated pursuant to clause (2) and shall include interest at the rate of six percent per annum compounded from the date that the municipality was required to make payment pursuant to this clause until the date that the municipality actually makes the required payment.

(5) The municipality shall provide in the annual municipal budget for at least the minimum obligation of the municipality calculated pursuant to clause (2). The municipality may levy taxes for the payment of the minimum obligation of the municipality without any limitation as to rate or amount and irrespective of limitations imposed by other provisions of law upon the rate or amount of taxation when the balance of the special fund or any fund of the relief association has attained a specified

minimum asset level. In addition, any taxes levied pursuant to this section shall not cause the amount or rate of other taxes levied in that year or to be levied in a subsequent year by the municipality which are subject to a limitation as to rate or amount to be reduced. If the municipality does not include the full amount of the minimum obligation of the municipality in the levy that the municipality certified to the county auditor in any year, the officers of the relief association shall certify the amount of any deficiency to the county auditor. Upon verifying the existence of any deficiency in the levy certified by the municipality, the county auditor shall spread a levy over the taxable property of the municipality in the amount of the deficiency certified to by the officers of the relief association.

(6) Any sums of money paid by the municipality to the relief association in excess of the minimum obligation of the municipality in any year shall be used to amortize any unfunded liabilities of the relief association.

(7) The funds of the association shall be invested in securities which are proper investments pursuant to section 11A.24, except that up to \$10,000 may be invested in the stock of any one corporation in any account of such small size that the (THREE) *five* percent stock limitation specified in section 11A.24, subdivision 5 would necessitate a lesser investment. *Notwithstanding the foregoing, up to 75 percent of the market value of the assets of the fund may be invested in open-end investment companies registered under the federal Investment Company Act of 1940, if the portfolio investments of the investment companies comply with the type of securities authorized for investment by section 11A.24, subdivisions 2 to 5.* The association may also invest funds in Minnesota situs nonfarm real estate ownership interests or loans secured by mortgages or deeds of trust, provided that the amount of all investments in real property shall not exceed ten percent of the market value of the association's fund. Securities held by the association before July 1, 1971, which do not meet the requirements of this paragraph may be retained after that date if they were proper investments for the association on April 28, 1969. The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify funds for investment by the state board under the provisions of section 11A.17, provided that there be no limit to the amount which may be invested in the income share account, in the bond account, or in the fixed-return account, and that up to 20 percent of that portion of the assets of the association invested in the Minnesota supplemental investment fund may be invested in the growth share account.

(8) The association shall procure an actuarial valuation showing the condition of the special fund of the relief association pursuant to sections 356.215 and 356.216 as of December 31 of every year. A copy of the actuarial survey shall be filed with the director of the legislative reference library, the gov-

erning body of the municipality in which the association is organized, the executive secretary of the legislative commission on pensions and retirement, and the commissioner of insurance, not later than June 1 of the following year.

Sec. 3. Minnesota Statutes 1982, section 69.775, is amended to read:

69.775 [INVESTMENTS.]

The special fund assets of the relief associations governed by sections 69.771 to 69.776 shall be invested in securities which are proper investments pursuant to section 11A.24, except that up to five percent of the special fund assets, or a minimum of \$10,000, may be invested in the stock of any one corporation. *Notwithstanding the foregoing, up to 75 percent of the market value of the assets of the fund may be invested in open-end investment companies registered under the federal Investment Company Act of 1940, if the portfolio investments of the investment companies comply with the type of securities authorized for investment by section 11A.24, subdivisions 2 to 5.* Securities held by the associations before January 1, 1972, which do not meet the requirements of this section may be retained after that date if they were proper investments for the association on May 14, 1971. The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify funds for investment by the state board under the provisions of section 11A.17, provided that there be no limit to the amount which may be invested in the income share account, in the bond account, or in the fixed-return account, and that up to 20 percent of that portion of the assets of the association invested in the Minnesota supplemental investment fund may be invested in the growth share account.

Sec. 4. Minnesota Statutes 1982, section 136.82, subdivision 1, is amended to read:

Subdivision 1. The executive director of the teachers retirement fund shall redeem shares in the accounts of the Minnesota supplemental retirement investment fund standing in an employee's share account record under the following circumstances, but always in accordance with the laws and regulations governing the Minnesota supplemental retirement investment fund:

(1) When requested to do so in writing on forms provided by the executive director of the teachers retirement fund by a person having shares to the credit of the employee's share account record, if the person is (65) 60 years of age or older and is no longer employed by the state university board or state board for community colleges. In such case the person shall receive the cash realized on the redemption of the shares. The person may direct the redemption of not more than 20 percent of the

person's shares in the employee's share account record in any one year and may not direct more than one redemption in any one calendar month; provided, however, that the state university board in the case of a person employed by the state university board, and the state board for community colleges in the case of a person employed by the state board for community colleges, may, upon application, in their sole discretion, permit greater withdrawals in any one year.

(2) When requested to do so in writing on forms provided by the executive director of the teachers retirement fund by a person having shares to the credit of the employee's share account record, if the person has left employment by the state university board or state board for community colleges because of a total and permanent disability as defined in section 354.05, subdivision 14, and if the executive director of the teachers retirement fund finds that the person is totally and permanently disabled and will as a result be unable to return to similar employment, the person shall receive the cash realized on the redemption of the shares. The person may direct the redemption of not more than 20 percent of the shares in the employee's share account record in any one year and may not direct more than one redemption in any one calendar month; provided, however, that the state university board in the case of a person employed by the state university board, and the state board for community colleges in the case of a person employed by the state board for community colleges, may, upon application, in their sole discretion, permit greater withdrawals in any one year. If the person returns to good health, the person shall owe no restitution to the state or any fund created by its laws for a redemption directed pursuant to this paragraph.

(3) In the event of the death of a person having shares to the credit of the employee's share account record and leaving a surviving spouse, then when requested to do so in writing on forms provided by the executive director of the teachers retirement fund by the surviving spouse. The surviving spouse shall receive the cash realized on the redemption of the shares. The surviving spouse may direct the redemption of not more than 20 percent of the shares in the deceased spouse's employee's share account record in any one year and may not direct more than one redemption in any one calendar month; provided, however, that the state university board in the case of a person employed by the state university board, and the state board for community colleges in the case of a person employed by the state board for community colleges, may, upon application, in their sole discretion, permit greater withdrawals in any one year. In that case the surviving spouse shall receive the cash realized from the redemption of the shares. Upon the death of the surviving spouse any shares remaining in the employee's share account record shall be redeemed by the executive director of the teachers retirement fund and the cash realized therefrom distributed to the estate of the surviving spouse.

(4) In the event of the death of a person having shares to the credit of the employee's share account record and leaving no surviving spouse, then the executive director of the teachers retirement fund shall redeem all shares to the credit of the employee's share account record and pay the cash realized therefrom to the estate of the deceased person.

(5) When requested to do so in writing on forms provided by the executive director of the teachers retirement fund by a person having shares to the credit of the employee's share account record, if the person is no longer employed by the state university board or state board for community colleges, but does not qualify under the provisions of paragraphs (1) to (4). In that case one-half of the cash realized on the redemption of shares shall be received by the person and one-half shall become the property of the supplemental retirement plan account of the teachers retirement fund. Annually on July 1 the cancellations of the previous 12 months shall be prorated among the employees share accounts in proportion to the value which each account bears to the total value of all share accounts.

Sec. 5. Minnesota Statutes 1983 Supplement, section 352.113, subdivision 2, is amended to read:

Subd. 2. [APPLICATION; ACCRUAL OF BENEFITS.] An employee making claim for a total and permanent disability benefit shall file a written application therefor in the office of the system in a form and manner prescribed by the executive director. The benefit shall begin to accrue (90 DAYS) *the day* following the commencement of disability or the day following the last day paid whichever is later but in no event earlier than 60 days prior to the date the application is filed with the director.

Sec. 6. Minnesota Statutes 1982, section 352.113, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF BENEFITS.] The total and permanent disability benefit shall be computed in the manner provided in section 352.115. The disability benefit shall be the normal annuity without reduction for each month the employee is under age 65 at the time of becoming disabled. A disabled employee may elect to receive the normal disability benefit or an optional annuity as provided in section 352.116, subdivision 3. The election of an optional annuity shall be made prior to the commencement of payment of the disability benefit and shall be effective (30 DAYS AFTER RECEIPT OF THE ELECTION OR) the date on which the disability begins to accrue as provided in subdivision 2 (, WHICHEVER OCCURS LATER. UPON BECOMING EFFECTIVE, THE OPTIONAL ANNUITY SHALL BEGIN TO ACCRUE ON THE SAME DATE AS PROVIDED FOR THE DISABILITY BENEFIT).



Sec. 7. Minnesota Statutes 1983 Supplement, section 352.115, subdivision 8, is amended to read:

Subd. 8. [ACCRUAL OF ANNUITY.] State employees shall make application for an annuity but such application shall not be made more than 60 days prior to the time the employee is eligible to retire by reason of both age and service requirements. If the director determines an applicant for annuity has fulfilled all the requirements of the law to entitle him to an annuity, he shall authorize payment thereof in accordance with the provisions of this chapter and payment shall be made pursuant to this authorization. An annuity shall begin to accrue no earlier than 60 days prior to the date the application is filed with the director (EXCEPT THAT IF AN OPTIONAL ANNUITY AS PROVIDED IN SECTION 352.116, SUBDIVISION 3 IS SELECTED THE ANNUITY SHALL BEGIN TO ACCRUE 30 DAYS AFTER THE APPLICATION IS FILED WITH THE DIRECTOR), but in no event prior to the day following the termination of state service or prior to the day the employee is eligible to retire by reason of both age and service requirements. The retirement annuity shall cease with the last payment which had accrued to the retired employee during his lifetime unless he elected an optional annuity provided in section 352.116, subdivision 3, and he had become entitled to payment thereof. The joint and last survivor annuity shall cease with the last payment received by the survivor in his or her lifetime. If a retired employee had not selected an optional annuity, or a survivor annuity is not payable under the option, and a spouse survives, such spouse shall be entitled only to the annuity for the calendar month in which the retired employee died. If an optional annuity is payable after the death of the retired employee, the survivor shall be entitled to the annuity for the calendar month in which the retired employee died.

Sec. 8. Minnesota Statutes 1982, section 352D.02, is amended by adding a subdivision to read:

*Subd. 1b. An employee covered by the regular plan who is subsequently employed as a permanent, full-time unclassified employee of the legislature or any commission or agency of the legislature may elect to transfer accumulated employee and matching employer contributions, as provided in section 352D.03.*

Sec. 9. Minnesota Statutes 1982, section 352.95, subdivision 1a, is amended to read:

Subd. 1a. [OPTIONAL ANNUITY ELECTION.] A disabled correctional employee may elect the normal disability benefit or an optional annuity as provided in section 352.116, subdivision 3. The election of an optional annuity shall be made prior to commencement of payment of the disability benefit and shall be effective (30 DAYS AFTER RECEIPT OF THE

ELECTION OR) the date on which the disability benefit begins to accrue as provided in subdivision 3 (, WHICHEVER OCCURS LATER). Upon becoming effective, the optional annuity shall begin to accrue on the same date as provided for the disability benefit.

Sec. 10. Minnesota Statutes 1982, section 353.34, is amended by adding a subdivision to read:

*Subd. 3a. [DEFERRED ANNUITY; CERTAIN HOSPITAL EMPLOYEES.] Any member employed by a public hospital, as defined in section 355.71, subdivision 3, who has at least five years of allowable service credit on the date the public hospital is taken over by a private corporation or organization, may elect to receive a deferred annuity pursuant to subdivision 3 notwithstanding the length of service requirement contained therein.*

Sec. 11. Minnesota Statutes 1982, section 354.62, subdivision 2, is amended to read:

**Subd. 2. [INDIVIDUAL ELECTION.]** Each member of the teachers retirement association may elect to participate in the variable annuity division by filing a written notice with the board of trustees on forms provided by the board.

(1) Employee variable annuity contributions to the variable annuity division shall be pursuant to the option available in section 354.44, subdivision 7, the employee variable annuity contributions shall be an amount equal to (TWO PERCENT OF THE SALARY OF EVERY COORDINATED MEMBER AND FOUR PERCENT OF THE SALARY OF EVERY BASIC MEMBER) *one-half of the employee rates specified in section 354.42, subdivision 2.*

(2) Employer variable annuity contributions shall be an amount equal to the employee variable annuity contributions provided in clause (1). The deficiency in equal employer variable annuity contributions which shall exist prior to July 1, 1975 shall be recovered from the additional employer contributions made prior to July 1, 1975 pursuant to section 354.42, subdivision 5.

(3) There shall be provided for members participating in the variable annuity division a separate account for each member which will show his variable account accumulations as defined in section 354.05, subdivision 23. The board shall establish such other accounts in the variable annuity division as it deems necessary for the operation of this provision.

(4) After June 30, 1974 there shall be no new participants in this program.

(5) Effective July 1, 1978, no future employee and employer contributions shall be credited to any accounts in the variable annuity division unless the member elects continued participation in the variable annuity division pursuant to section 354.621.

Sec. 12. Minnesota Statutes 1983 Supplement, section 356.61, is amended to read:

**356.61 [LIMITATION ON PUBLIC EMPLOYEE RETIREMENT ANNUITIES.]**

Notwithstanding any provision of law, bylaws, articles of incorporation, retirement and disability allowance plan agreements or retirement plan contracts to the contrary, no person who has pension or retirement coverage by a public pension plan shall be entitled to receive a monthly retirement annuity or disability benefit which, at the time of commencement of the retirement annuity or disability benefit, exceeds the lesser of:

(a) the amount of the final monthly salary of the person;  
or

(b) one-twelfth of the amount of the annual benefit permitted by the terms of section 415 of the Internal Revenue Code with respect to a participant in a plan qualified under section 401(a) of the Internal Revenue Code, as amended through December 31, 1982.

*The benefit limitation of clause (b) is to be determined on the date the benefit is initially payable or on the date the employee terminated employment, if earlier. The benefit limitation on any date is the benefit limitation for the limitation year in which the date occurs. The limitations apply only to the annual benefit which is derived from employer contributions. Mandatory and voluntary employee contributions, if any, are treated as a separate defined contribution plan maintained by the employer which is subject to the limitations placed on annual additions to defined contribution plans.*

*The maximum annual benefit of clause (b) for any limitation year is the lesser of (1) or (2) below:*

(1) *A dollar limitation of \$90,000, adjusted as of January 1 of each calendar year to the dollar limitation as determined for that year by the commissioner of Internal Revenue. The amount determined for any year will apply to limitation years ending with or within that calendar year.*

(2) *A compensation limitation of 100 percent of the average of compensation paid or made available to the participant by the employer during those three consecutive calendar years of employment, or actual number of consecutive calendar years of employment if employed less than three consecutive years, which*

*give the highest average. Compensation means any compensation which is includable in the employee's gross income.*

*A benefit shall be deemed not to exceed the maximum benefit limitation of clause (b) if:*

*(1) the retirement benefits payable under the plan and under any other defined benefit plans of the employer do not exceed the \$10,000 limit set in section 415(b)(4) of the Internal Revenue Code for the plan year, or for any prior plan year, and*

*(2) the employer has not at any time maintained a defined contribution plan in which the employee participated.*

A public pension plan is any Minnesota public pension plan or fund which provides pension or retirement coverage for public employees other than volunteer firefighters, including any plan or fund enumerated in sections 356.20, subdivision 2, or 356.30, subdivision 3, any local police or firefighter's relief association to which section 69.77 applies, or any retirement or pension plan or fund, including a supplemental retirement plan or fund, established, maintained or supported by any governmental subdivision or public body whose revenues are derived from taxation, fees, assessments or from other public sources. Final monthly salary is the hourly rate of compensation received by the person on account of the most recent public employment for the final pay period occurring prior to retirement multiplied by 174.

The figure for the monthly retirement annuity or disability benefit to be used for the calculation of this limitation shall not include any reduction or adjustment required for retirement prior to the normal retirement age or required for the election of an optional annuity.

If the figure for the monthly retirement annuity or disability benefit exceeds the limit contained in this section, the annuity or benefit payable shall be reduced appropriately.

The managing board of each public pension plan from which a retirement annuity or disability benefit is payable shall, at the time that the retirement annuity or disability benefit commences, contact all other public pension plans to determine whether or not the recipient of the retirement annuity or disability benefit is also receiving or is entitled to receive a retirement annuity or disability benefit from any other public pension plan. If a person is entitled to receive or is receiving a retirement annuity or disability benefit from more than one public pension plan, all retirement annuities or disability benefits from all public pension plans shall be totalled in determining whether or not the limitation shall apply; provided however, that the limitation shall be based on the highest final monthly salary received by the individual from any plan. Any reduction in the amount of

the retirement annuity or disability benefit required pursuant to this section shall be made by the public pension plan which provided retirement coverage for the most recent period of service.

Sec. 13. Minnesota Statutes 1982, section 422A.18, subdivision 3, is amended to read:

Subd. 3. Payment of any disability allowance authorized by sections 422A.01 to 422A.25, shall commence (FIVE) *three* months after date of application provided that the applicant has not been restored to duty. Such payment shall be retroactive to date of application and shall continue throughout the full period of the disability subject to the same optional selections as are provided for service allowances; provided that when a disability beneficiary shall have attained the minimum age for retirement on a service allowance the disability allowance shall be discontinued only as provided by the terms of the option selected. Any employee eligible for a disability allowance who is also entitled to an allowance under a workers' compensation act and/or resumes a gainful occupation shall be entitled to receive during the period of such compensation only that portion of the retirement allowance provided by this act which when added to such additional compensation does not exceed the salary of the employee at the time of disability.

Sec. 14. [423A.20] [VESTING UPON LAYOFF.]

*Notwithstanding any general or special law to the contrary, if a member of a salaried firefighters relief association with ten or more years of service is laid off and replaced with a volunteer firefighter, the member shall be entitled to receive a pro rata monthly benefit. For purposes of this section, "laid off" means terminated from employment with the fire department because of a shortage of funds or curtailment of service or for any other reason not reflecting discredit on the member beyond the member's control.*

*The retirement benefit is to commence at the later of either the minimum age for retirement or the date at which the member would have accumulated the minimum number of years of service for retirement if the member had remained on duty.*

*The pro rata benefit shall be calculated by multiplying the amount of the benefit payable to a member who met the minimum age and years of service requirements for a normal pension by the ratio of the laid off member's actual years of service to the minimum years of service required for retirement. The initial benefit payable shall be subject to the same post retirement adjustments as other benefits payable from the relief association.*

Sec. 15. Minnesota Statutes 1982, section 424.24, subdivision 2, is amended to read:

Subd. 2. (a) "Surviving spouse" means a person who became the member's legally married spouse during or prior to the time the member was on the payroll of any such fire department as a firefighter, and remained such continuously after their marriage until the member's death, without having been granted a marriage dissolution or legal separation, and who, in case the deceased member was a service or deferred pensioner, was legally married to the member for at least (THREE YEARS) *one year* prior to the member's retirement from the fire department; and who, in any case, was residing with the member at the time of the member's death. No temporary absence for purposes of business, health or pleasure shall constitute a change of residence for purposes of this clause.

(b) "Surviving child" means any child of the member living while the deceased member was on the payroll of the fire department, or who were born within nine months after the deceased member was withdrawn from the payroll of the fire department.

Sec. 16. Minnesota Statutes 1982, section 490.124, subdivision 3, is amended to read:

Subd. 3. [EARLY RETIREMENT.] The retirement annuity provided by subdivision 1 of any judge electing to retire at an early retirement date shall be reduced by (1/15TH FOR EACH FULL YEAR OR FRACTION THEREOF) *one-half of one percent per month* from his retirement date to normal retirement date.

Sec. 17. Minnesota Statutes 1982, section 490.129, is amended to read:

#### 490.129 [BENEFITS OFFSET.]

Upon any event of maturity of benefits for any judge referred to in section 355.392, subdivision 1, clause (b), (OR FOR THE JUDGE'S SURVIVING SPOUSE OR DEPENDENT CHILDREN,) the amount payable from the judges' retirement fund shall be reduced by 75 percent of the amount of the judge's primary benefit payable upon the event of maturity of benefits under the social security act.

*Upon any event of maturity of benefits for the judge's surviving spouse or dependent children under section 490.124, subdivision 9, the amount payable from the judges' retirement fund shall be based (a) on the judge's normal retirement annuity or (b) upon the event of maturity of benefits under the social security act, on the judge's normal retirement annuity after reduction by 75 percent of the amount of the judge's primary benefit under the social security act; provided that the surviving spouse or dependent children shall receive an annuity of not less than 25 percent of the judge's final average compensation.*

## Sec. 18. [BUHL POLICE RETIREMENT BENEFITS.]

*Notwithstanding the limitation contained in Minnesota Statutes, section 423.55 or any other law, the bylaws of the Buhl police relief association may be amended to provide for the payment of a service pension equal to 65 percent of the monthly base pay of a member at the time of retirement from the police department. All other provisions of section 423.55 shall apply to the extent not inconsistent with this section.*

Sec. 19. Laws 1980, chapter 600, section 17, is amended to read:

Sec. 17. [RETIREMENT COVERAGE FOR CERTAIN ST. LOUIS PARK POLICE OFFICERS.] Notwithstanding any provision of Minnesota Statutes, Section 353.64, Subdivision 1, or any other general or special law or rule to the contrary, a person who was employed by the city of St. Louis Park as a police officer during the period from September of 1967 through July of 1977 shall upon (1) (REEMPLOYMENT AS A ST. LOUIS PARK POLICE OFFICER AND (2)) repayment of employee contributions previously refunded to him plus interest on the refund amount at the rate of six percent per annum compounded annually from the date the refund was taken until the date the refund was repaid and ((3)) (2) the completion of additional service sufficient to total ten years or more, or upon completion of at least six years of additional service to the city in a capacity other than that of police officer, be entitled to (TRANSFER ALL ALLOWABLE SERVICE CREDIT IN) a service pension from the St. Louis Park police relief association (TO THE PUBLIC EMPLOYEES POLICE AND FIRE FUND) based upon ten years of service. Upon fulfillment of the above conditions and application by the individual, but not later than December 31, 1986, (THE ST. LOUIS PARK POLICE RELIEF ASSOCIATION SHALL PAY TO THE PUBLIC EMPLOYEES POLICE AND FIRE FUND AN AMOUNT EQUAL TO THE COMBINED EMPLOYER AND EMPLOYEE CONTRIBUTIONS MADE BY OR ON BEHALF OF THE INDIVIDUAL PLUS COMPOUND INTEREST THEREON AT THE RATE OF SIX PERCENT PER ANNUM FROM THE DATE ORIGINALLY RECEIVED. IN CALCULATING THE AMOUNT OF EMPLOYER CONTRIBUTIONS MADE ON BEHALF OF THE INDIVIDUAL, THE AMOUNTS WHICH REPRESENT THE ANNUAL PRO RATA SHARE OF ALL AMOUNTS RECEIVED BY THE ST. LOUIS PARK POLICE RELIEF ASSOCIATION, EXCLUDING INTEREST ON THE ACCUMULATED ASSETS OF THE RELIEF ASSOCIATION AND MEMBER CONTRIBUTIONS, DETERMINED ON BASIS OF THE NUMBER OF ACTIVE MEMBERS EACH YEAR, SHALL BE UTILIZED. IF THE AMOUNT THUS PAID IS GREATER THAN THE TOTAL OF CONTRIBUTIONS WHICH WOULD HAVE BEEN REQUIRED HAD THE INDIVIDUAL BEEN A MEMBER OF THE PUBLIC

EMPLOYEES POLICE AND FIRE FUND DURING THE PERIODS WHEN THE SERVICE WAS RENDERED, THE AMOUNT OF THE EXCESS SHALL BE REFUNDED TO THE ST. LOUIS PARK POLICE RELIEF ASSOCIATION. IF THE AMOUNT PAID IS LESS THAN THE REQUIRED AMOUNT, THE INDIVIDUAL SHALL PAY THIS AMOUNT, UNLESS THE GOVERNING BODY OF THE CITY OF ST. LOUIS PARK ELECTS TO MAKE THE PAYMENT) *the individual shall pay to the St. Louis Park police relief association an amount equal to the employee contributions which would have been required had employment continued until the employee attained ten years of allowable service credit, plus compound interest thereon at the rate of six percent per annum from the date originally due. The city shall make the employer contribution. No service credit in the (PUBLIC EMPLOYEES POLICE AND FIRE FUND) St. Louis Park police relief association shall be granted until all conditions of this section have been fulfilled and all required payments have been made.*

Sec. 20. Laws 1981, chapter 68, section 43, is amended to read:

Sec. 43. [BUHL POLICE SURVIVOR BENEFITS.]

Notwithstanding any provision of any general or special law to the contrary, the Buhl police relief association may provide in its bylaws or articles of incorporation for the payment of survivor benefits to the surviving spouse of a deceased member, or the surviving dependent children equally if there be no surviving spouse, in an amount equal to (50) 65 percent of the pension the deceased member was receiving on the date of death. The service pension is to be based on one-half of the total pay of the previous 12 month period. Payment shall continue until the surviving spouse remarries or until the dependent children reach the age of 18 years, or 22 years if a full-time student. In the event of the death of a member prior to retirement, dependent children shall receive survivor benefits in the amount of \$125 per month per child, payable until age 18 or age 22 if a full-time student.

Sec. 21. [EVELETH POLICE AND FIREFIGHTERS; BENEFIT INCREASE.]

*Notwithstanding any general or special law to the contrary, in addition to other benefits payable, retirement benefits payable to retired police officers and firefighters and the surviving spouses thereof by the Eveleth police and fire trust fund may be increased by \$10 per month. Increases may be made retroactive to January 1, 1984.*

Sec. 22. Laws 1947, chapter 43, section 23, as amended by Laws 1949, chapter 154, section 5, Laws 1951, chapter 43, section 4, Laws 1967, chapter 807, section 2, and Laws 1975, chapter 389, section 1, is amended to read:



Sec. 23. [FARIBAULT, CITY OF; FIREMEN'S RELIEF; RETIREMENT AND PENSIONS; PAYMENTS UPON DEATH OF MEMBER.] When a service pensioner, disability pensioner, or deferred pensioner, or an active member of such relief association dies, leaving:

(a) A widow who became his legally married wife while or prior to the time he was on the payroll of the fire department and remained such continuously after such marriage until his death without having applied for any divorce or legal separation, and who, in case the deceased member was a service or deferred pensioner, was legally married to such member at least (THREE YEARS) *one year* before his retirement from said fire department; and who, in any case, was residing with him at the time of his death. No temporary absence for purposes of business, health, or pleasure shall constitute a change of residence for the purposes of this section.

(b) A child or children, who were living while the deceased was on the payroll of the fire department, or who were born within nine months after said decedent was withdrawn from the payroll of said fire department, such widow and said child or children shall be entitled to a pension as follows:

(1) To such widow a monthly pension equal to 30 percent of the current monthly salary of a firefighter per month for her natural life, and a pension equal to ten percent of the current monthly salary of a firefighter per month for each child under eighteen years of age, or under the age of 21 years if unmarried and a full-time student. If such widow shall remarry, then her pension shall cease and terminate as of the date of her said marriage.

(2) To such child or children of a deceased member, after the death of the widow of such member, a monthly pension, or pensions, in such amount as the board of trustees of such association shall deem necessary to properly support such child or children until they reach the age of eighteen years or, if unmarried and a full-time student, the age of 21 years.

(3) In no event shall the survivor's pension or pensions exceed 50 percent of the current monthly salary of a firefighter per month.

(c) The amendments to subsection (b) adopted by the 1975 session of the legislature shall not apply to widows and children who began drawing pensions before July 1, 1975, although such widows and children shall continue to draw the pensions to which they are entitled under the law as it existed before the adoption of said amendments.

Sec. 23. Laws 1963, chapter 643, section 20, is amended to read:

Sec. 20. When a service pensioner, disability pensioner, or deferred pensioner, or an active member of the firemen's relief association in Albert Lea dies leaving:

(a) A widow who became his legally married wife while or prior to the time he was on the payroll of the fire department and remained such continuously after such marriage until his death without having applied for any divorce or legal separation, and who, in case the deceased member was a service or deferred pensioner, was legally married to such member at least (THREE YEARS) *one year* before his retirement from said fire department; and who, in any case, was residing with him at the time of his death. No temporary absence for purposes of business, health, or pleasure shall constitute a change of residence for purposes of this section.

(b) A child or children, who were living while the deceased was on the payroll of the fire department, or who were born within nine months after said decedent was withdrawn from the payroll of said fire department, such widow and such child or children shall be entitled to a pension as follows:

(1) To such widow a monthly pension equal to 30 percent of the monthly wages or salary of the deceased member as of the date of death for her natural life and an additional monthly pension equal to ten percent of said monthly wages or salary for each child of such member under 18 years of age, all thereafter adjusted according to wage increases or decreases granted to active firemen. However, the total amount of the pension payable per month to the widow and children shall not exceed fifty percent of the monthly wages or salary of such member at the time of death. If the widow shall remarry, then her pension, excluding the amounts paid for children, shall cease and terminate as of the date of her remarriage. Such amounts paid for a child or children may be increased after remarriage of the widow providing such increased amounts shall be based upon need of the children upon written findings signed by the board of trustees, and shall not in any event exceed for the total amount paid for the children a sum equal to 50 percent of the monthly wages or salary of such member at the time of death, all thereafter adjusted to wage increases or decreases granted to active firemen.

(2) To such child or children of a deceased member, after the death of the widow of such member, a monthly pension or pensions equal to, but not to exceed for the children of any one deceased member, the sum of 50 percent of the monthly wages or salary of such member at the time of death, all thereafter adjusted to wage increases or decreases granted to active firemen.

Sec. 24. Laws 1973, chapter 359, section 5, subdivision 2, is amended to read:

Subd. 2. A widow must have been the fireman's legally married wife living with him at the time of his death and must have

been married to him for a period of at least one year while or prior to the time he was an active member of the fire department. In the case the deceased fireman is retired, the widow must have been married to him at least (THREE YEARS) *one year* before his retirement.

Sec. 25. Laws 1973, chapter 432, section 4, is amended to read:

Sec. 4. [USES OF PENSION FUND.] The policemen's pension fund shall be used only for the payment of:

(a) service, disability, or dependency pensions; and

(b) (SALARIES, IN AN AMOUNT NOT IN EXCESS OF \$1,000 PER YEAR;)

((C) EXPENSES OF OFFICERS AND EMPLOYEES OF THE ASSOCIATION IN CONNECTION WITH THE PROTECTION OF THE FUND; AND)

((D) All EXPENSES OF OPERATING AND MAINTAINING THE ASSOCIATION) *administrative expenses authorized by Minnesota Statutes, section 69.80.*

Sec. 26. Laws 1977, chapter 275, section 1, is amended by adding a subdivision to read:

*Subd. 1a. [POSTRETIREMENT ADJUSTMENT.] A member who retires or who has retired from the Crookston police department and who receives or will receive a service pension from the relief association shall receive an annual automatic postretirement adjustment upon attaining the age of 55 years or on January 1 following the effective date of this subdivision, whichever occurs later. The adjustment shall be determined by the board of trustees on or before December 1 annually and shall accrue each year as of the January 1 following determination. The adjustment shall be first payable with the service pension payment made for January. Each adjustment shall be based on the percentage increase in the salary payable to a top grade patrol officer during the prior year. The percentage increase in the salary shall be applied to the amount of service pension payable to the member for the month immediately prior to the month in which the determination is made. The percentage increase shall not exceed 3.5 percent in any year and any increase in the salary of a top grade patrol officer in excess of 3.5 percent shall not carry over to or be used to calculate the increase for a retired member in any succeeding year.*

Sec. 27. [RAMSEY COUNTY; PUBLIC EMPLOYEES' RETIREMENT BENEFITS FOR SHERIFF'S PERSONNEL.]

*An employee of the Ramsey County sheriff's department in the position of radio dispatcher, who is a member of the public employees police and fire fund and who was employed by the department before January 1, 1970 in a position that becomes covered by the police and fire fund membership after December 31, 1969 may receive allowable service credit in the police and fire fund for prior service by paying into the fund before December 31, 1984, the difference between the employee, employer and employer additional contributions actually paid, and the employee, employer and employer additional contributions that would have been paid under applicable law if the employee had been in the police and fire fund before January 1, 1970, together with six percent compound interest from the time the deductions would have been made to time of payment. If an employee makes payment in accord with this section, allowable service credit in the general fund with respect to this prior service is eliminated and the executive director shall transfer the employee's account with respect to this service from the general to the police and fire fund. Ramsey County may assume the obligation for additional payments, with interest, with respect to each employee who elects to pay the employee contributions and interest authorized by this section.*

#### Sec. 28. [PURCHASE OF SERVICE CREDIT.]

*Notwithstanding any law to the contrary, a former employee of the senate, who was also employed by the city of Saint Paul, may purchase prior service credit from the Minnesota state retirement system for the periods of employment by the senate between January 1, 1971, and December 31, 1974.*

*The provisions of Laws 1982, chapter 578, article II, section 2, shall govern the amounts and manner of payment for the purchase of service credit.*

#### Sec. 29. [DISABILITY OPTION BENEFIT.]

*Notwithstanding the requirements of Minnesota Statutes, chapter 352, the surviving spouse of a deceased member of the Minnesota state retirement system who filed an application for a survivor's disability option benefit, but who died before the date the disability benefit became payable and who has not taken a refund of the retirement contributions shall be paid the joint and survivor's disability option benefit selected, computed according to Minnesota Statutes, section 352.113, subdivision 3, commencing within 60 days of the effective date of this act and retroactive to the date of death.*

#### Sec. 30. [PURCHASE OF PRIOR SERVICE CREDIT.]

*Subdivision 1. Notwithstanding any law to the contrary, a person who was employed by the St. Paul bureau of health from October 1948 to June 1955, including time spent on leave of ab-*

sence for military service, and who contributed to the bureau of health retirement plan from April 1949 to April 1953, and who was reemployed by the city of St. Paul in the department of community services, division of public health on October 18, 1971, may purchase service credit for the period from October 1948 to June 1955 from the public employees retirement association for which that person has not previously received service credit.

Subd. 2. The provisions of Laws 1982, chapter 578, article II, section 2, shall govern the amount and manner of payment for the purchase of service credit authorized by subdivision 1, except that the authority to make a lump sum payment or to make an agreement to make installments expires July 1, 1984.

### Sec. 31. [OWATONNA CITY HOSPITAL EMPLOYEES.]

Subdivision 1. [REFUND OF CONTRIBUTIONS.] A member of the public employees retirement association who was employed by the Owatonna city hospital on the date the hospital was taken over by a private corporation or organization shall be paid a refund of accumulated employee and employer contributions made by or on behalf of the employee to the association, plus interest thereon at the rate of six percent per annum. If an employee has previously received a refund of employee contributions, only the employer contributions plus the total interest shall be refunded.

Subd. 2. [DEFERRED ANNUITY.] If an employee described in subdivision 1 had at least five years of allowable service credit, the employee may elect to receive, in lieu of the refund, a deferred annuity pursuant to Minnesota Statutes, section 352.34, subdivision 3, notwithstanding the length of service requirements contained therein. An employee eligible for a deferred annuity who has previously received a refund of employee contributions may reinstate his or her eligibility for a deferred annuity by repaying the amount refunded, including any interest received, to the association.

### Sec. 32. [ST. PAUL BUREAU OF HEALTH PERSONNEL.]

An employee of the St. Paul bureau of health who exercised the option to retire with benefits calculated pursuant to the law governing bureau of health pensions as authorized by Laws 1973, chapter 767, section 4, may, within 60 days after the effective date of this section, revoke the option by giving notice of revocation to the executive director of the public employees retirement association. Effective upon the giving of notice, the employee shall receive service credit in the basic plan of the public employees retirement association as if the employee had been a member of the association during the employee's entire period of service with the bureau of health.

**Sec. 33. [WEST ST. PAUL FIREFIGHTER'S BYLAW AMENDMENT.]**

*The West St. Paul firefighter's relief association may amend article XIX of their bylaws to reduce from three years to one year the period of marriage required in order to qualify a surviving spouse for survivor benefits.*

**Sec. 34. [AMENDMENT OF ARTICLES.]**

*In accordance with the provisions of Minnesota Statutes, section 354A.12, subdivision 4, approval is hereby granted for an amendment to the articles of incorporation of the Minneapolis teachers' retirement fund association with respect to lump sum postretirement adjustments payable to retirees or beneficiaries. The amendment may reduce from five to three years the minimum period during which a recipient must have been receiving an annuity or benefits in order to be eligible for an adjustment, increase from one-half of one percent to one percent the percentage of the asset value of the fund available for distribution, and to give the board of trustees discretion to reduce or eliminate the postretirement adjustment in any fiscal year or set an eligibility period longer than three years as a prerequisite to eligibility for an adjustment.*

**Sec. 35. [TRANSFER OF FUNDS.]**

*An amount equal to one-fourth of one percent of the salary of each member electing to participate in the variable annuity division pursuant to Minnesota Statutes, section 354.62, subdivision 2, which salary was paid during the period from July 1, 1979, through June 30, 1984, plus interest which would have been earned if the contributions would have been credited to the member's variable account, shall be transferred to the variable annuity division and credited to the appropriate participating member's account on June 30, 1984.*

**Sec. 36. [REPEALER.]**

*Laws 1971, chapter 184; Laws 1973, chapter 283; Laws 1978, chapter 617; Laws 1981, chapter 224, sections 255 and 256; Laws 1982, chapter 578, article II, section 1, subdivision 7, and section 3, are repealed.*

**Sec. 37. [EFFECTIVE DATE.]**

*Section 1 is effective the day following final enactment and applies to benefits that accrue or would have accrued prior or subsequent to that date. Section 14 is effective retroactively to July 1, 1981. Section 29 is effective for deaths occurring after July 1, 1982. Section 10 is effective retroactively to June*

30, 1983. Sections 11 and 35 are effective July 1, 1984. Sections 18 to 27, and 33 are effective upon approval by the appropriate governing body and compliance with Minnesota Statutes, section 645.021. In the case of section 24, the appropriate governing body is the Red Wing city council. The remaining sections are effective the day following final enactment. Refunds shall be paid or options exercised and repayments of refunds made pursuant to section 32 prior to July 1, 1984. The repeal of Laws 1982, chapter 578, article II, section 1, subdivision 1, and section 3, is effective July 1, 1984. The change in calculations of survivors' benefits under the judges retirement and survivors' annuities law is retroactive to January 1, 1983."

✓ Delete the title and insert:

"A bill for an act relating to retirement; altering the investment authority for police and firefighter's relief associations; making various changes in the benefits for various retirement funds and plans; making conforming changes in benefit calculations; amending Minnesota Statutes 1982, sections 3.082; 69.775; 136.82, subdivision 1; 352.113, subdivision 3; 352.95, subdivision 1a; 352D.02, by adding a subdivision; 353.34, by adding a subdivision; 354.62, subdivision 2; 422A.18, subdivision 3; 424.24, subdivision 2; 490.124, subdivision 3; and 490.129; Minnesota Statutes 1983 Supplement, sections 69.77, subdivision 2; 352.113, subdivision 2; 352.115, subdivision 8; and 356.61; Laws 1947, chapter 43, section 23, as amended; Laws 1963, chapter 643, section 20; Laws 1973, chapters 359, section 5, subdivision 2; and 432, section 4; Laws 1977, chapter 275, section 1; Laws 1980, chapter 600, section 17; and Laws 1981, chapter 68, section 43; proposing new law coded in Minnesota Statutes, chapter 423A; repealing Laws 1971, chapter 184; Laws 1973, chapter 283; Laws 1978, chapter 617; Laws 1981, chapter 224, sections 255 and 256; Laws 1982, chapter 578, article II, section 1, subdivision 7, and section 3."

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

House Conferees: JOHN SARNA, JAMES METZEN and RICHARD E. (DICK) WIGLEY.

Senate Conferees: DON FRANK, DONALD M. MOE and EARL W. RENNEKE.

Sarna moved that the report of the Conference Committee on H. F. No. 1427 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1427, A bill for an act relating to retirement; altering the investment authority for police and firefighter's relief

associations; making various changes in the benefits for various retirement funds and plans; making conforming changes in benefit calculations; amending Minnesota Statutes 1982, sections 3.082; 69.775; 352.113, subdivision 3; 352.95, subdivision 1a; 353.34, by adding a subdivision; 354.62, subdivision 2; 422A.18, subdivision 3; 424.24, subdivision 2; and 490.129; Minnesota Statutes 1983 Supplement, sections 69.77, subdivision 2; 352.113, subdivision 2; 352.115, subdivision 8; and 356.61; Laws 1947, chapter 43, section 23, as amended; Laws 1963, chapter 643, section 20; Laws 1973, chapters 359, section 5, subdivision 2; and 432, section 4; Laws 1977, chapter 275, section 1; and Laws 1981, chapter 68, section 43; proposing new law coded in Minnesota Statutes, chapter 423A; repealing Laws 1971, chapter 184; Laws 1973, chapter 283; Laws 1978, chapter 617; Laws 1981, chapter 224, sections 255 and 256; Laws 1982, chapter 578, article II, section 1, subdivision 7, and section 3.

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

The question was taken on the repassage of the bill and the roll was called. There were 103 yeas and 14 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Elioff	Kelly	Omann	Simoneau
Anderson, R.	Ellingson	Knickerbocker	Osthoff	Skoglund
Battaglia	Evans	Knuth	Otis	Solberg
Beard	Findlay	Kostohryz	Peterson	Sparby
Begich	Fjoslien	Kvam	Piepho	Staten
Bennett	Forsythe	Larsen	Piper	Swanson
Bergstrom	Graba	Levi	Price	Tunheim
Bishop	Greenfield	Long	Redalen	Uphus
Blatz	Gruenes	Mann	Rice	Valan
Boo	Gustafson	Marsh	Riveness	Valento
Brandl	Halberg	McDonald	Rodosovich	Vanasek
Brinkman	Haukoos	McEachern	Rodriguez, C.	Vellenga
Burger	Heap	McKasy	Rodriguez, F.	Waltman
Carlson, L.	Heinitz	Metzen	Rose	Weloh
Clark, J.	Hoffman	Minne	St. Onge	Welle
Clark, K.	Hokr	Murphy	Sarna	Wigley
Cohen	Jacobs	Nelson, K.	Scheid	Wynia
Coleman	Jensen	Neuenschwander	Schreiber	Zaffke
Dempsey	Johnson	Norton	Seaberg	Speaker Sieben
Dimler	Kahn	Ogren	Segal	
Eken	Kalis	Olsen	Sherman	

Those who voted in the negative were:

DenOuden	Gutknecht	Ludeman	Reif	Thiede
Erickson	Himle	Onnen	Schafer	Welker
Frerichs	Jennings	Quist	Shaver	

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



## MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

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

H. F. No. 229, A bill for an act relating to health; allowing any interested person to seek enforcement of certain patient rights; amending Minnesota Statutes 1982, section 144.651, by adding a subdivision; and Minnesota Statutes 1983 Supplement, section 144.651, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

Clark, K., moved that the House refuse to concur in the Senate amendments to H. F. No. 229, that the Speaker appoint a Conference Committee of 3 members of the House and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

## ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 229:

Clark, K.; Reif and Swanson.

## SPECIAL ORDERS, Continued

S. F. No. 1789, A bill for an act relating to state land; modifying certain procedures relating to sale of surplus state land; amending Minnesota Statutes 1982, section 94.10, 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 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Bergstrom	Burger	Coleman	Ellingson
Anderson, R.	Bishop	Carlson, D.	Dempsey	Erickson
Battaglia	Blatz	Carlson, L.	DenOuden	Evans
Beard	Boo	Clark, J.	Dimler	Findlay
Begich	Brandl	Clark, K.	Eken	Fjoslien
Bennett	Brinkman	Cohen	Elioff	Forsythe

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

The bill was passed and its title agreed to.

S. F. No. 595 was reported to the House.

There being no objection S. F. No. 595 was temporarily laid over on Special Orders.

S. F. No. 1408 was reported to the House.

Coleman moved to amend S. F. No. 1408, as follows:

Page 2, after line 18, insert:

"Section 1. Minnesota Statutes 1982, section 15.014, subdivision 2, is amended to read:

Subd. 2. [CREATION; LIMITATIONS.] A commissioner of a state department, a state board or other agency having the powers of a board as defined in section 15.012, may create advisory task forces to advise the commissioner or agency on specific programs or topics within the jurisdiction of the department or agency. A task force so created shall have no more than 15 members. The task force shall expire and the terms and removal of members shall be as provided in section 15.059, subdivision 6. The members of no more than four task forces created pursuant to this section in a department or agency may be paid expenses in the same manner and amount as (PAID TO STATE EMPLOYEES) authorized by the commissioner's plan adopted according to section 43A.18, subdivision 2. No member of a task force shall be compensated for his services in a manner not provided for in statute. A commissioner, board, council, committee, or other state agency may not create any other multi-member agency unless specifically authorized by statute or unless the creation of the agency is authorized by federal law as a condition precedent to the receipt of federal money.

Sec. 2. Minnesota Statutes 1982, section 15.0593, is amended to read:

15.0593 [AGENCIES CREATED BY EXECUTIVE ORDER.]

The governor may by executive order create in his office advisory task forces, councils and committees to advise or assist him on matters relating to the laws of this state. A task force, council or committee so created shall have no more than 15 members, and vacancies may be filled by the governor. Members of a task force, council or committee shall receive no per diem but may be paid expenses (IN THE SAME MANNER AS STATE EMPLOYEES) as authorized by the commissioner's plan adopted according to section 43A.18, subdivision 2. A task force, council or committee shall expire two years after the date of order unless otherwise specified consistent with section 4.035, subdivision 3. The task force, council or committee shall be named beginning with the prefix "Governor's Task Force on," "Governor's Council on" or "Governor's Committee on." The governor shall not create a board, commission, authority or other similar multi-member agency except as provided in this section. A multi-member agency previously created by executive order shall be renamed and shall be consistent with the provisions of this section. Nothing in this section shall apply, to the extent inconsistent with statute or federal law, to any multi-member agency specifically authorized by statute or specifically authorized by federal law as a condition precedent to the receipt of federal moneys.

Sec. 3. Minnesota Statutes 1982, section 15.62, subdivision 2, is amended to read:

Subd. 2. A public employee who qualifies as a member of the United States *Olympic* team for athletic competition (ON THE WORLD, PAN AMERICAN OR OLYMPIC LEVEL, IN A SPORT CONTESTED IN EITHER PAN AMERICAN OR OLYMPIC COMPETITIONS) in a sport sanctioned by the International Olympic Committee, shall be granted a leave of absence without loss of pay or other benefits or rights for the purpose of preparing for and engaging in the competition. In no event shall the paid leave under this section exceed the period of the official *Olympic* training camp and *Olympic* competition combined or 90 calendar days (A) in an *Olympic* year, whichever is less."

Page 80, after line 17, insert:

"Sec. 79. Minnesota Statutes 1982, section 43A.08, subdivision 1, is amended to read:

Subdivision 1. [UNCLASSIFIED POSITIONS.] Unclassified positions are held by employees who are:

- (a) Chosen by election or appointed to fill an elective office;
- (b) Heads of agencies required by law to be appointed by the governor or other elective officers, and the executive or administrative heads of departments, bureaus, divisions and institutions specifically established by law in the unclassified service;
- (c) Deputy and assistant agency heads, and one confidential secretary in the agencies listed in subdivision 1a;
- (d) The confidential secretary to each of the elective officers of this state and, for the secretary of state, state auditor, and state treasurer, an additional deputy, clerk, or employee;
- (e) Intermittent help employed by the commissioner of public safety to assist in the issuance of vehicle licenses;
- (f) Employees in the offices of the governor and of the lieutenant governor, and one confidential employee for the governor in the office of the adjutant general;
- (g) Employees of the legislature and of legislative committees or commissions; provided that employees of the legislative audit commission, except for the legislative auditor, the deputy legislative auditors, and their confidential secretaries, shall be employees in the classified service;
- (h) Presidents, vice presidents, deans, other managers and professionals in academic and academic support programs, administrative or service faculty, teachers, research assistants and student employees eligible under terms of the federal economic opportunity act work study program in the state universities and community colleges. This paragraph shall not be construed to include the custodial, clerical or maintenance employees, or any professional or managerial employee performing duties in connection with the business administration of these institutions.
- (i) Officers and enlisted persons in the national guard;
- (j) Attorneys, legal assistants, examiners, and three confidential employees appointed by the attorney general or employed with his authorization;
- (k) Judges and all employees of the judicial branch, referees, receivers, jurors, and notaries public, except referees and adjusters employed by the department of labor and industry;
- (l) Members of the state patrol; provided that selection and appointment of state patrol troopers shall be made in accordance with applicable laws governing the classified service;

- (m) Seasonal help employed by the department of revenue;
- (n) (EMPLOYEES OF THE DEPARTMENT OF ADMINISTRATION PERMANENTLY ASSIGNED TO THE CEREMONIAL HOUSE;)
- ((O)) Chaplains employed by the state;
- ((P)) (o) Examination monitors and intermittent training instructors employed by the departments of employee relations and commerce;
- ((Q)) (p) Student workers; and
- ((R)) (q) Employees unclassified pursuant to other statutory authority.

Sec. 80. Minnesota Statutes 1983 Supplement, section 43A.10, subdivision 8, is amended to read:

Subd. 8. [ELIGIBILITY FOR QUALIFIED HANDICAPPED EXAMINATIONS.] The commissioner shall establish examination procedures for candidates whose handicaps are of such a severe nature that the candidates are unable to demonstrate their abilities in competitive examination processes. The examination procedure shall consist of up to 700 hours on-the-job trial work experience which will be in lieu of a competitive examination and for which the (EMPLOYEE) *disabled person* will be paid or unpaid at (THE EMPLOYEE'S) *his or her* option. This work experience shall be limited to candidates who (ARE MENTALLY RETARDED, HAVE SEVERE HEARING OR VISUAL IMPAIRMENTS, HAVE MOBILITY IMPAIRMENTS REQUIRING THE USE OF A WHEELCHAIR, OR HAVE OTHER IMPAIRMENTS THAT COMPRISE SERIOUS EMPLOYMENT HANDICAPS AND WHO HAVE BEEN REFERRED FOR EMPLOYMENT TO A SPECIFIC SUITABLE VACANCY BY A VOCATIONAL REHABILITATION, VETERANS ADMINISTRATION, OR SERVICES FOR THE BLIND COUNSELOR) *have a physical or mental impairment for which there is no reasonable accommodation in the examination process.* Implementation of provisions of this subdivision shall not be deemed a violation of other provisions of Laws 1981, chapter 210 or chapter 363.

Sec. 81. Minnesota Statutes 1983 Supplement, section 43A.23, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] The commissioner is authorized to request bids from carriers or to negotiate with carriers and to enter into contracts with carriers which in the judgment of the commissioner are best qualified to underwrite and service the benefit plans. *The commissioner may negotiate premium rates and coverage provisions with all carriers li-*

*censed under chapters 62A, 62C, and 62D. The commissioner may also negotiate reasonable restrictions to be applied to all carriers under chapters 62A, 62C, and 62D. Contracts to underwrite the benefit plans shall be bid or negotiated separately from contracts to service the benefit plans, which shall be awarded only on the basis of competitive bids. The commissioner shall consider the cost of the plans, conversion options relating to the contracts, service capabilities, character, financial position, and reputation of the carriers and any other factors which the commissioner deems appropriate. Each benefit contract shall be for a uniform term of at least one year, but may be made automatically renewable from term to term in the absence of notice of termination by either party. The commissioner shall, to the extent feasible, make hospital and medical benefits available from at least one carrier licensed to do business pursuant to each of chapters 62A, 62C and 62D. The commissioner need not provide health maintenance organization services to an employee who resides in an area which is not served by a licensed health maintenance organization. The commissioner may refuse to allow a health maintenance organization to continue as a carrier if it was selected by less than 200 employees in the preceding benefit year. The commissioner may elect not to offer all three types of carriers if there are no bids or no acceptable bids by that type of carrier or if the offering of additional carriers would result in substantial additional administrative costs. Any carrier licensed pursuant to chapter 62A shall be exempt from the tax imposed by section 60A.15 on premiums paid to it by the state.*

Sec. 82. Minnesota Statutes 1982, section 43A.33, subdivision 1, is amended to read:

Subdivision 1. [DISCHARGE, SUSPENSION, DEMOTION FOR CAUSE, SALARY DECREASE.] Managers and employees shall attempt to resolve disputes through informal means prior to the initiation of disciplinary action. No permanent employee in the classified service shall be reprimanded, discharged, suspended without pay, or (REDUCED IN PAY OR POSITION) *demoted*, except for just cause.

Sec. 83. Minnesota Statutes 1982, section 43A.33, subdivision 3, is amended to read:

Subd. 3. [PROCEDURES.] Procedures for discipline and discharge of employees covered by collective bargaining agreements shall be governed by the agreements. Procedures for employees not covered by a collective bargaining agreement shall be governed by this subdivision and by the commissioner's and managerial plans.

(a) For discharge, suspension without pay or (REDUCED IN PAY OR POSITION) *demotion*, no later than the effective date of such action, a permanent classified employee not covered by a collective bargaining agreement shall be given

written notice by the appointing authority. The written notice shall include a statement of the nature of the disciplinary action, the specific reasons for the action, the effective date of the action and a statement informing the employee of the employee's right to reply within five working days (OF) following the receipt of the notice in writing or, upon request, in person, to the appointing authority or the authority's designee. *The appointing authority shall respond within ten working days following receipt of the employee's reply or of the personal meeting. If the employee receives a negative reply or no reply from the appointing authority, the employee shall have 30 calendar days following the expiration of the ten working day response period to appeal the action to the office of administrative hearings.* The notice shall also include a statement that the employee may elect to appeal the action to the office of administrative hearings within 30 calendar days (OF) following the effective date of the disciplinary action (; PROVIDED, THAT AN EMPLOYEE WHO ELECTS TO REPLY TO THE APPOINTING AUTHORITY MAY APPEAL TO THE OFFICE WITHIN TEN WORKING DAYS OF THE RECEIPT OF THE AUTHORITY'S RESPONSE TO THE REPLY. IF THE APPOINTING AUTHORITY HAS NOT RESPONDED WITHIN 30 DAYS OF THE AUTHORITY'S RECEIPT OF THE EMPLOYEE'S REPLY, THE APPOINTING AUTHORITY SHALL BE DEEMED TO HAVE REPLIED UNFAVORABLY TO THE EMPLOYEE). A copy of the notice and the employee's reply, if any, shall be filed *by the appointing authority* with the commissioner no later than ten calendar days following the effective date of the disciplinary action. The commissioner shall have final authority to decide whether the appointing authority shall settle the dispute prior to the hearing provided under subdivision 4.

(b) For discharge, suspension or (REDUCTION IN PAY OR POSITION) *demotion* of an employee serving an initial probationary period, and for noncertification in any subsequent probationary period, grievance procedures shall be as provided in the plan established pursuant to section 43A.18.

(c) Any permanent employee who is covered by a collective bargaining agreement may elect to appeal to the chief hearing examiner within 30 days (AFTER) following the effective date of the discharge, suspension or (REDUCTION IN PAY OR POSITION) *demotion* if the collective bargaining agreement provides that option. In no event may an employee use both the procedure under this section and the grievance procedure available pursuant to sections 179.61 to 179.76.

Sec. 84. Minnesota Statutes 1983 Supplement, section 116L.03, subdivision 6, is amended to read:

Subd. 6. [STAFF.] The board may hire an executive director *who shall serve in the unclassified service who shall manage*

the partnership subject to the board's direction. The director may employ a small staff as necessary to carry out the board's policies."

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Coleman moved to amend S. F. No. 1408, as amended, as follows:

Page 73, line 22, delete "*investige*" and insert "*investigate*"

The motion prevailed and the amendment was adopted.

Sviggum and Carlson, D., moved to amend S. F. No. 1408, as amended, as follows:

Page 42, line 12, delete "*one*" insert "*1/2*"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 35 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Bennett	Fjoslien	Kalis	Redalen	Sviggum
Carlson, D.	Frerichs	Kvam	Reif	Uphus
Dempsey	Gruenes	Ludeman	Rose	Valento
DenOuden	Gutknecht	Marsh	Schafer	Waltman
Dimler	Haukoos	McDonald	Seaberg	Welker
Evans	Heinitz	Onnen	Shaver	Wigley
Findlay	Hokr	Piepho	Sherman	Zaffke

Those who voted in the negative were:

Battaglia	Elioff	Krueger	Piper	Sparby
Beard	Ellingson	Long	Price	Staten
Begich	Forsythe	McEachern	Quist	Swanson
Bergstrom	Graba	Metzen	Riveness	Thiede
Bishop	Greenfield	Murphy	Rodosovich	Tomlinson
Blatz	Gustafson	Nelson, K.	Rodriguez, C.	Tunheim
Brandl	Heap	Neuenschwander	Rodriguez, F.	Valan
Brinkman	Himle	Norton	St. Onge	Vanasek
Burger	Hoffman	O'Connor	Sarna	Vellenga
Carlson, L.	Jensen	Ogren	Scheid	Wynia
Clark, J.	Kahn	Olsen	Schoenfeld	Speaker Sieben
Clark, K.	Kelly	Omann	Segal	
Cohen	Knickerbocker	Otis	Simoneau	
Coleman	Knuth	Pauly	Skoglund	
Eken	Kostohryz	Peterson	Solberg	

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



Thiede moved to amend S. F. No. 1408, as amended, as follows:

Page 42, after line 8, insert a section to read:

"Sec. 37. Minnesota Statutes 1983 Supplement, section 16.321, subdivision 1, is amended to read:

Subdivision 1. [PERCENT OF APPROPRIATIONS FOR ART.] An appropriation for the construction or alteration of any state building that is enacted on or after June 15, 1983, may contain an amount not to exceed one percent of the total appropriation for the building for the acquisition of works of art, excluding landscaping, which may be an integral part of the building or its grounds, attached to the building or grounds or capable of being displayed in other state buildings. Money used for this purpose is available only for the acquisition of works of art to be exhibited in areas of a building or its grounds accessible, on a regular basis, to members of the public. For the purposes of this section "state building" means a building the construction or alteration of which is paid for wholly or in part by the state (.), and "works of art" means those created in Minnesota by a local artist. No more than 50 percent of any money available for the acquisition of works of art may be spent in the seven county metropolitan area."

Renumber the remaining sections

Amend the title accordingly

A roll call was requested and properly seconded.

The Speaker resumed the Chair.

The question was taken on the amendment and the roll was called. There were 23 yeas and 80 nays as follows:

Those who voted in the affirmative were:

Boo	Fjoslien	McKasy	Schafer	Waltman
Dempsey	Gutknecht	Ogren	Sviggunn	Welker
DenOuden	Johnson	Omann	Thiede	Wigley
Evans	Ludeman	Piepho	Uphus	
Findlay	McDonald	Redalen	Valan	

Those who voted in the negative were:

Battaglia	Burger	Ellingson	Heap	Kelly
Beard	Carlson, L.	Forsythe	Heinitz	Knickerbocker
Begich	Clark, J.	Frerichs	Himle	Knuth
Bennett	Clark, K.	Graba	Hoffman	Kostohryz
Bergstrom	Cohen	Greenfield	Jacobs	Krueger
Blatz	Coleman	Gruenes	Jensen	Larsen
Brandl	Eken	Gustafson	Kahn	Levi
Brinkman	Elioff	Haukoos	Kalis	Long

McEachern	Otis	Rodriguez, C.	Shaver	Swanson
Metzen	Pauly	Rodriguez, F.	Shea	Tomlinson
Murphy	Peterson	St. Onge	Sherman	Tunheim
Nelson, K.	Piper	Sarna	Simoneau	Vanasek
Norton	Price	Scheid	Skoglund	Vellenga
O'Connor	Quist	Schoenfeld	Solberg	Welch
Olsen	Riveness	Schreiber	Sparby	Wynia
Onnen	Rodsoovich	Segal	Staten	Speaker Sieben

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

S. F. No. 1408, A bill for an act relating to state government; recodifying the laws governing the department of administration; allowing the commissioner of administration to transfer to local government units certain supplies, materials, and equipment; allowing the commissioner of administration to charge a price sufficient to cover costs when selling copies of laws and resolutions; allowing the commissioner of administration to lease office space and purchase supplies and equipment without the approval of the governor; allowing the commissioner of administration to provide for the use of certain motor vehicles by the governor and lieutenant governor; relating to the use of state vehicles and compensation for use of personal vehicles; including in the definition of the term "employee" for purposes of workers' compensation a voluntary uncompensated worker accepted by the commissioner of administration; providing for criminal and juvenile defense grants to be administered by the board of public defense; specifying the United States department of labor as the entity which designates a labor surplus area; amending Minnesota Statutes 1982, sections 16A.065; and 645.445, subdivision 5; and Minnesota Statutes 1983 Supplement, section 176.011, subdivision 9; proposing new law coded in Minnesota Statutes, chapters 16A and 611; proposing new law coded as Minnesota Statutes, chapter 16B; repealing Minnesota Statutes 1982, sections 16.01; 16.011; 16.012; 16.014; 16.02, subdivisions 1, 2, 2a, 3, 4, 5, 5a, 6, 6a, 6b; 7, 8, 9, 10, 13, 15, 16, 17, 18, 19, 24, 25, 26, and 27; 16.021; 16.022; 16.023; 16.0231; 16.024; 16.025; 16.026; 16.028; 16.03; 16.04; 16.05; 16.06; 16.061; 16.062; 16.063; 16.064; 16.065; 16.066; 16.068; 16.07; 16.073; 16.075; 16.08; 16.081; 16.082; 16.083, subdivision 2; 16.086, subdivision 2; 16.09; 16.095; 16.096; 16.098, subdivisions 1, 2, 3, 5, 6, 7, 8, 9, 10, and 11; 16.12; 16.125; 16.135; 16.139; 16.172; 16.21; 16.22; 16.23; 16.24; 16.243; 16.244; 16.251; 16.281; 16.32, subdivisions 1, 3, and 4; 16.34; 16.365; 16.381; 16.51; 16.52; 16.53; 16.54; 16.55; 16.56; 16.71; 16.72; 16.723; 16.73; 16.75, subdivisions 1, 2, 3, 4, 5, 6, and 8; 16.753, subdivisions 1, 2, 4, 5, and 6; 16.756; 16.76; 16.77; 16.78; 16.80; 16.81; 16.811; 16.82, subdivision 2; 16.821; 16.822; 16.823; 16.824; 16.825; 16.826; 16.827; 16.83; 16.84; 16.85; 16.851, subdivisions 1 and 2; 16.854; 16.86; 16.861, subdivisions 1, 2, 4, 5, 6, and 7; 16.862; 16.8632; 16.864; 16.865; 16.866, subdivision 2; 16.867; 16.868; 16.869; 16.871; 16.872, subdivisions 1, 2, and 3; 16.874; 16.88; 16.89; 16.90, subdivisions 1, 2, and 3; 16.931; 16.94; 16.95; 16.955; 16.96; and 16.97; and Minnesota Statutes 1983 Supplement, sections 16.02, subdivisions

10a, 14, 28, and 29; 16.072; 16.0721; 16.083, subdivisions 1, 1a, 3, 4, 4a, 4b, 5 and 6; 16.084; 16.085; 16.086, subdivision 1; 16.092; 16.098, subdivision 4; 16.28; 16.32, subdivision 2; 16.321; 16.75, subdivisions 7 and 9; 16.753, subdivision 3; 16.82, subdivision 1; 16.851, subdivision 3; 16.861, subdivision 3; 16.863; 16.866, subdivision 1; 16.872; 16.90, subdivision 4; 16.91; and 16.911.

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

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

Those who voted in the affirmative were:

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

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

#### MESSAGES FROM THE SENATE, Continued

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 1577, A bill for an act relating to solid and hazardous waste management; amending various provisions of the waste management act; prescribing various powers and duties of the

waste management board and the pollution control agency relating to hazardous waste management planning and the development of hazardous waste facilities; establishing programs for public education, technical and research assistance to generators, and grants for hazardous waste reduction and processing and collection facilities; requiring requests for proposals for hazardous waste processing and collection facilities; authorizing hazardous waste processing facility loans; prescribing procedures for the designation of solid waste facilities by counties and waste management districts; reducing the number of proposed sites in certain metropolitan counties for mixed municipal solid waste disposal facilities; amending various provisions relating to county and metropolitan solid waste management; appropriating money; amending Minnesota Statutes 1982, sections 115A.03, subdivisions 15 and 28; 115A.06, by adding a subdivision; 115A.08, by adding a subdivision; 115A.09, by adding a subdivision; 115A.11; 115A.18; 115A.24; 115A.241; 115A.46, subdivisions 1 and 2; 115A.70, by adding a subdivision; 116.07, by adding subdivisions; 116J.88, by adding a subdivision; 400.04, subdivision 3; 400.162; 473.181, subdivision 4; 473.801, subdivisions 1 and 4; 473.803, subdivisions 2, 3, and by adding a subdivision; 473.811, subdivision 10; 473.833, subdivision 4; Minnesota Statutes 1983 Supplement, sections 115A.08, subdivision 5; 115A.21, subdivision 1, and by adding a subdivision; 115A.22, subdivisions 1 and 4; 115A.241; 115A.25, subdivisions 1, 1a, and 1b; 115A.26; 115A.27, subdivision 2; 115A.28, subdivision 1; 115A.291; 115B.22, subdivision 1; 116J.90, by adding a subdivision; 473.149, subdivisions 2d and 2e; 473.803, subdivisions 1a and 1b; and 473.823, subdivision 6; proposing new law coded in Minnesota Statutes, chapters 115A and 473; repealing Minnesota Statutes 1982, sections 115A.071; 115A.46, subdivision 3; 115A.70, subdivisions 1, 2, 4, 5, and 6; 473.827; and Minnesota Statutes 1983 Supplement, section 115A.70, subdivisions 3 and 7.

The Senate has appointed as such committee Messrs. Merriam; Berg; Wegscheid; Peterson, R. W., and Dicklich.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 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; extending the temporary removal of mortgage usury limits; 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; clarifying service charges on dishonored checks; making various technical changes; amending Minnesota Statutes 1982, sections 45.071, by adding a subdivision; 46.04, subdivision 1; 47.204, subdivision 1; 48.03, subdivision 4; 48.08; 48.13; 48.14; 48.24, subdivision 6; 48.48, subdivisions 1 and 2; 48.51; 51A.50; 52.06, subdivision 1; 53.03, subdivision 4; 53.09, subdivision 1; and 56.12; 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; 53.04, subdivision 3a; 168.67; and 332.50, subdivision 2; repealing Minnesota Statutes 1982, sections 47.75, subdivision 2; and 51A.44, subdivision 3.

The Senate has appointed as such committee Messrs. Solon, Dicklich and Mrs. Kronebusch.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1425, A bill for an act relating to agriculture; providing for alternative methods for establishing the value of milk purchased from producers; amending Minnesota Statutes 1982, section 32.25, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

Krueger moved that the House refuse to concur in the Senate amendments to H. F. No. 1425, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

## ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1425:

Krueger, Wenzel and Graba.

Mr. Speaker:

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

H. F. No. 1509, A bill for an act relating to motor vehicles; prohibiting fees for the return of number plates; amending Minnesota Statutes 1982, section 168.15.

PATRICK E. FLAHAVEN, Secretary of the Senate

## CONCURRENCE AND REPASSAGE

Kalis moved that the House concur in the Senate amendments to H. F. No. 1509 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1509, A bill for an act relating to motor vehicles; prohibiting fees for the return of number plates; amending Minnesota Statutes 1982, section 168.15.

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

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

Those who voted in the affirmative were:

Anderson, B.	Cohen	Gutknecht	Kvam	Omann
Anderson, C.	Coleman	Halberg	Larsen	Onnen
Battaglia	Dempsey	Haukoos	Levi	Osthoff
Beard	DenOuden	Heap	Long	Otis
Begich	Dimler	Heinitz	Mann	Pajuly
Bennett	Eken	Himle	Marsh	Peterson
Bergstrom	Elioff	Hoffman	McDonald	Piepho
Bishop	Ellingson	Jacobs	McKasy	Piper
Blatz	Erickson	Jennings	Minne	Price
Boo	Evans	Jensen	Munger	Quist
Brandl	Findlay	Johnson	Murphy	Redalen
Brinkman	Fjoslien	Kahn	Nelson, D.	Reif
Burger	Forsythe	Kalis	Nelson, K.	Rice
Carlson, D.	Frerichs	Kelly	Neuenschwander	Riveness
Carlson, L.	Graba	Knickerbocker	Norton	Rodosovich
Clark, J.	Greenfield	Knuth	O'Connor	Rodriguez, C.
Clark, K.	Gruenes	Kostohryz	Ogren	Rodriguez, F.
Clawson	Gustafson	Krueger	Olsen	Rose

St. Onge	Segal	Sparby	Tunheim	Welch
Sarna	Shaver	Stadum	Uphus	Welker
Schafer	Shea	Staten	Valan	Welle
Scheid	Sherman	Swiggum	Valento	Wigley
Schoenfeld	Simoneau	Swanson	Vanasek	Wynia
Schreiber	Skoglund	Thiede	Vellenga	Zaffke
Seaberg	Solberg	Tomlinson	Waltman	Speaker Sieben

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

Mr. Speaker:

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

H. F. No. 1974, A bill for an act relating to energy; defining residence; establishing energy efficiency standards for public housing; amending Minnesota Statutes 1982, sections 116J.27, subdivisions 1 and 4; and 116J.30, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Price moved that the House concur in the Senate amendments to H. F. No. 1974 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1974, A bill for an act relating to energy; defining residence; establishing energy efficiency standards for public housing; providing remedies for noncompliance with the minimum energy efficiency standards for renter-occupied residences; making other changes; amending Minnesota Statutes 1982, sections 116J.27, subdivisions 1 and 4, and by adding subdivisions; 116J.30, by adding subdivisions; Minnesota Statutes 1983 Supplement, sections 116J.27, subdivision 6; and 290A.19.

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

The question was taken on the repassage of the bill and the roll was called. There were 80 yeas and 42 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Brandl	Elioff	Jacobs	Larsen
Anderson, G.	Brinkman	Ellingson	Jensen	Long
Battaglia	Carlson, L.	Greenfield	Kahn	Mann
Beard	Clark, J.	Gustafson	Kalis	McEachern
Begich	Clark, K.	Halberg	Kelly	McKasy
Bergstrom	Clawson	Heap	Knuth	Metzen
Bishop	Cohen	Himle	Kostohryz	Minne
Blatz	Coleman	Hoffman	Krueger	Munger

Murphy	Osthoff	Rodosovich	Seaberg	Tunheim
Nelson, D.	Otis	Rodriguez, C.	Segal	Uphus
Nelson, K.	Pauly	Rodriguez, F.	Shaver	Vanasck
Neuenschwander	Peterson	St. Onge	Shea	Vellenga
Norton	Piper	Sarna	Solberg	Welch
O'Connor	Price	Schafer	Sparby	Welle
Ogren	Rice	Scheid	Staten	Wynia
Olsen	Riveness	Schoenfeld	Tomlinson	Speaker Sieben

Those who voted in the negative were:

Bennett	Fjoslien	Knickerbocker	Quist	Valan
Burger	Forsythe	Kvam	Redalen	Valento
Carlson, D.	Frerichs	Levi	Reif	Waltman
Dempsey	Gruenes	Ludeman	Rose	Welker
DenOuden	Gutknecht	Marsh	Schreiber	Wigley
Dimler	Haukoos	McDonald	Stadum	Zaffke
Erickson	Hokr	Omann	Sviggun	
Evans	Jennings	Onnen	Swanson	
Findlay	Johnson	Piepho	Thiede	

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

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

#### RECESS

#### RECONVENED

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

The following conference committee report was received:

The Conference Committee report on H. F. No. 2317 was reported to the House.

Rodriguez, C., moved that the House refuse to adopt the Conference Committee report on H. F. No. 2317, that the present House Conference Committee be discharged, that the Speaker appoint a new Conference Committee consisting of five members on the part of the House, and that the Senate be advised of the House action.

A roll call was requested and properly seconded.

The question was taken on the Rodriguez, C., motion and the roll was called. There were 24 yeas and 86 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Johnson	Olsen	Seaberg	Sviggun
Boo	Kostohryz	Onnen	Segal	Thiede
DenOuden	Levi	Pauly	Shaver	Uphus
Forsythe	McKasy	Rodriguez, C.	Shea	Valan
Gruenes	Norton	Schreiber	Stadum	



## Those who voted in the negative were:

Anderson, R.	Erickson	Kelly	Otis	Staten
Battaglia	Findlay	Knuth	Peterson	Swanson
Beard	Frerichs	Krueger	Piepho	Tomlinson
Begich	Graba	Kvam	Piper	Tunheim
Bennett	Greenfield	Larsen	Quist	Vellenga
Bergstrom	Gustafson	Ludeman	Redalen	Waltman
Bishop	Gutknecht	Marsh	Reif	Welch
Blatz	Halberg	McDonald	Riveness	Welker
Brandl	Haukoos	McEachern	Rodosovich	Welle
Burger	Heap	Metzen	St. Onge	Wenzel
Carlson, L.	Heinitz	Minne	Schafer	Wigley
Clark, J.	Himle	Murphy	Scheid	Wynia
Clark, K.	Hoffman	Nelson, K.	Schoenfeld	Zaffke
Coleman	Hokr	Neuenschwander	Sherman	Speaker Sieben
Dempsey	Jacobs	O'Connor	Simoneau	
Dimler	Jennings	Ogren	Skoglund	
Elioff	Kahn	Omann	Solberg	
Ellingson	Kalis	Osthoff	Sparby	

The motion did not prevail.

Rice moved that the report of the Conference Committee on H. F. No. 2317 be adopted and that the bill be repassed as amended by the Conference Committee.

Norton moved that the Conference Committee report on H. F. No. 2317 be laid over until 10:00 a.m., Friday, April 20, 1984.

A roll call was requested and properly seconded.

The question was taken on the Norton motion and the roll was called. There were 65 yeas and 63 nays as follows:

## Those who voted in the affirmative were:

Anderson, B.	Coleman	Kahn	Norton	Segal
Anderson, G.	Eken	Kalis	Osthoff	Shea
Anderson, R.	Ellingson	Kelly	Otis	Simoneau
Beard	Evans	Knuth	Pauly	Sparby
Bergstrom	Fjoslien	Kostohryz	Peterson	Tomlinson
Brandl	Graba	Larsen	Price	Tunheim
Brinkman	Greenfield	Long	Rice	Vanasek
Burger	Gruenes	Mann	Riveness	Vellenga
Carlson, L.	Gustafson	Minne	Rodosovich	Voss
Clark, J.	Heinitz	Munger	Rodriguez, C.	Welch
Clark, K.	Hoffman	Nelson, D.	Scheid	Wenzel
Clawson	Jacobs	Nelson, K.	Schoenfeld	Wynia
Cohen	Jensen	Neuenschwander	Seaberg	Speaker Sieben

## Those who voted in the negative were:

Battaglia	Dempsey	Forsythe	Himle	Ludeman
Begich	DenOuden	Frerichs	Hokr	Marsh
Bennett	Dimler	Gutknecht	Jennings	McDonald
Bishop	Elioff	Halberg	Johnson	McEachern
Blatz	Erickson	Haukoos	Knickerbocker	McKasy
Boo	Findlay	Heap	Kvam	Metzen

Murphy  
O'Connor  
Ogren  
Olsen  
Omann  
Onnen  
Piepho

Piper  
Quist  
Redalen  
Reif  
Rodriguez, F.  
Rose  
St. Onge

Sarna  
Schafer  
Schreiber  
Shaver  
Sherman  
Skoglund  
Solberg

Stadum  
Sviggum  
Swanson  
Thiede  
Uphus  
Valan  
Valento

Waltman  
Welker  
Welle  
Wigley  
Zaffke

The motion prevailed.

### MESSAGES FROM THE SENATE, Continued

The following message was received from the Senate:

Mr. Speaker:

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

S. F. No. 147.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

### CONFERENCE COMMITTEE REPORT ON S. F. NO. 147

A bill for an act relating to retirement; employee and employer contributions to the Minnesota state retirement system; amending Minnesota Statutes 1982, section 352.92, subdivisions 1 and 2.

April 19, 1984

The Honorable Jerome M. Hughes  
President of the Senate

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

We, the undersigned conferees for S. F. No. 147, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 147 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 3.85, is amended by adding a subdivision to read:

*Subd. 11. [RULES FOR PENSION VALUATIONS AND COST ESTIMATES.] The commission shall by June 30, 1985, adopt rules prescribing specific detailed methods of calculating, evaluating, and displaying current and proposed law liabilities, costs, and actuarial equivalents of all public employee pension plans in Minnesota. These rules shall be consistent with the general direction prescribed in chapter 356.*

*There is appropriated from the general fund to the commission not to exceed \$75,000 in fiscal year 1985, and \$25,000 in each fiscal year thereafter for developing, implementing, and annually updating the rules adopted pursuant to this section.*

Sec. 2. Minnesota Statutes 1982, section 3.85, is amended by adding a subdivision to read:

*Subd. 12. [LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT TO PREPARE VALUATIONS AND MAKE REPORTS TO LEGISLATURE.] (a) The legislative commission on pensions and retirement shall annually contract with an established actuarial consulting firm to conduct valuations and finance adequacy studies for the funds specified in (b). The contract shall also include provisions for performing cost analyses of proposals for changes in benefit and funding policies.*

*(b) The plans which the legislative commission on pension and retirement shall include in the contract for valuation and analysis are:*

- (1) the Statewide Teachers Retirement Association;*
- (2) the General Plan, Minnesota State Retirement System;*
- (3) the Correctional Plan, Minnesota State Retirement System;*
- (4) the State Patrol Plan, Minnesota State Retirement System;*
- (5) the Judges Plan, Minnesota State Retirement System;*
- (6) the Minneapolis Employees Retirement Fund;*
- (7) the General Plan, Public Employees Retirement Association;*
- (8) the Police and Fire Plan, Public Employees Retirement Association;*

- (9) *the Duluth Teachers Retirement Association;*
- (10) *the Minneapolis Teachers Retirement Association;*
- (11) *the St. Paul Teachers Retirement Association; and*
- (12) *the Legislator's Retirement Plan.*

(c) *The annual contracts shall include the following objectives:*

(1) *Every year beginning in fiscal year 1986, the contract shall specify completion of standard valuations for the period ending June 30 of the preceding fiscal year with contents as described in section 356.215, subdivision 4; and cash flow forecasts through the amortization target date.*

(2) *Every four years, beginning in fiscal year 1986, the contract shall specify completion of an experience study for the four-year period ending June 30 of the preceding fiscal year. The experience study shall evaluate the appropriateness of continuing to use for future valuations the assumptions relating to: individual salary progression; rate of return on investments; payroll growth; mortality; withdrawal; disability; retirement; and any other experience-related factor that could impact the future financial condition of the retirement funds.*

(d) *The commission shall annually prepare a report to the legislature summarizing the results of the valuations and cash flow projections and shall include with its report recommendations concerning the appropriateness of the support rates to achieve proper funding of the retirement funds by the required funding dates. It shall also, within two months of the completion of the quadrennial experience studies, prepare a report to the legislature on the appropriateness of the valuation assumptions listed in paragraph (c), clause (2).*

(e) *Beginning with the fiscal year commencing July 1, 1985, there is annually appropriated to the commission \$400,000 for the purchase of actuarial consulting services to prepare annual valuations, cash flow forecasts, and cost analyses of benefit or funding proposals.*

(f) *There is appropriated quadrennially, beginning in fiscal year 1986, \$100,000 for the purchase of actuarial consulting services to perform the experience study described in paragraph (c), clause (2).*

Sec. 3. Minnesota Statutes 1983 Supplement, section 3A.03, subdivision 2, is amended to read:

Subd. 2. [REFUND.] (1) Any person who has made contributions pursuant to subdivision 1 who is no longer a member of the legislature is entitled to receive upon application to the director a refund of all contributions credited to the member's account with interest at the rate of (3-1/2) *five* percent per annum compounded annually (AFTER THE THIRD YEAR OF SERVICE).

(2) The refund of contributions as provided in clause (1) above terminates all rights of a former member of the legislature or his or her survivors under this chapter. Should the former member of the legislature again be a member of the legislature after having taken a refund as provided above, he or she shall be considered a new member. However, a new member may reinstate the rights and credit for service forfeited, provided the new member repays all refunds taken plus interest thereon at six percent per annum compounded annually.

(3) No person shall be required to apply for or accept a refund.

Sec. 4. Minnesota Statutes 1982, section 352.04, subdivision 2, is amended to read:

Subd. 2. [EMPLOYEE CONTRIBUTIONS.] The employee contribution to the fund shall be an amount equal to (3.46) *3.73* percent of salary, beginning with the first full pay period after (DECEMBER 31, 1981) *June 30, 1984*. These contributions shall be made by deduction from salary in the manner provided in subdivision 4.

Sec. 5. Minnesota Statutes 1982, section 352.04, subdivision 3, is amended to read:

Subd. 3. [EMPLOYER CONTRIBUTIONS.] The employer contribution to the fund shall be an amount equal to (THE TOTAL AMOUNT DEDUCTED FROM THE SALARIES OF EMPLOYEES ON EACH PAYROLL ABSTRACT, PLUS AN ADDITIONAL 1.58 PERCENT OF SALARY BEGINNING WITH THE FIRST FULL PAY PERIOD AFTER JULY 1, 1982. FOR THE PERIOD BEGINNING WITH THE FIRST FULL PAY PERIOD AFTER DECEMBER 31, 1981, AND ENDING WITH THE LAST FULL PAY PERIOD BEFORE JULY 1, 1982, THE CONTRIBUTION SHALL BE AN AMOUNT EQUAL TO 3.46 PERCENT OF SALARY PLUS AN ADDITIONAL 1.74 PERCENT OF SALARY. THE EMPLOYER CONTRIBUTION SHALL BE MADE IN THE MANNER PROVIDED IN SUBDIVISIONS 5 AND 6) *3.90 percent of salary beginning with the first full pay period after June 30, 1984*.

Sec. 6. Minnesota Statutes 1983 Supplement, section 352.113, subdivision 2, is amended to read:

Subd. 2. [APPLICATION; ACCRUAL OF BENEFITS.] An employee making claim for a total and permanent disability benefit shall file a written application therefor in the office of the system in a form and manner prescribed by the executive director. The benefit shall begin to accrue (90 DAYS) *the day* following the commencement of disability or the day following the last day paid whichever is later but in no event earlier than 60 days prior to the date the application is filed with the director.

Sec. 7. Minnesota Statutes 1982, section 352.113, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF BENEFITS.] The total and permanent disability benefit shall be computed in the manner provided in section 352.115. The disability benefit shall be the normal annuity without reduction for each month the employee is under age 65 at the time of becoming disabled. A disabled employee may elect to receive the normal disability benefit or an optional annuity as provided in section 352.116, subdivision 3. The election of an optional annuity shall be made prior to the commencement of payment of the disability benefit and shall be effective (30 DAYS AFTER RECEIPT OF THE ELECTION OR) the date on which the disability begins to accrue as provided in subdivision 2 (, WHICHEVER OCCURS LATER. UPON BECOMING EFFECTIVE, THE OPTIONAL ANNUITY SHALL BEGIN TO ACCRUE ON THE SAME DATE AS PROVIDED FOR THE DISABILITY BENEFIT).

Sec. 8. Minnesota Statutes 1982, section 352.115, subdivision 1, is amended to read:

Subdivision 1. [AGE AND SERVICE REQUIREMENTS.] After separation from state service any employee (a) who has attained the age of at least (62) 55 years and who is entitled to credit for not less than ten years allowable service or (b) who has (ATTAINED THE AGE OF AT LEAST 58 YEARS AND WHO IS ENTITLED TO) *received* credit for not less than (20) 30 years allowable service *regardless of age* is entitled upon application to a retirement annuity.

Sec. 9. Minnesota Statutes 1983 Supplement, section 352.115, subdivision 8, is amended to read:

Subd. 8. [ACCRUAL OF ANNUITY.] State employees shall make application for an annuity but such application shall not be made more than 60 days prior to the time the employee is eligible to retire by reason of both age and service requirements. If the director determines an applicant for annuity has fulfilled all the requirements of the law to entitle him to an annuity, he shall authorize payment thereof in accordance with the provisions of this chapter and payment shall be made pursuant to this authorization. An annuity shall begin to accrue no earlier

than 60 days prior to the date the application is filed with the director (EXCEPT THAT IF AN OPTIONAL ANNUITY AS PROVIDED IN SECTION 352.116, SUBDIVISION 3 IS SELECTED THE ANNUITY SHALL BEGIN TO ACCRUE 30 DAYS AFTER THE APPLICATION IS FILED WITH THE DIRECTOR), but in no event prior to the day following the termination of state service or prior to the day the employee is eligible to retire by reason of both age and service requirements. The retirement annuity shall cease with the last payment which had accrued to the retired employee during his lifetime unless he elected an optional annuity provided in section 352.116, subdivision 3, and he had become entitled to payment thereof. The joint and last survivor annuity shall cease with the last payment received by the survivor in his or her lifetime. If a retired employee had not selected an optional annuity, or a survivor annuity is not payable under the option, and a spouse survives, such spouse shall be entitled only to the annuity for the calendar month in which the retired employee died. If an optional annuity is payable after the death of the retired employee, the survivor shall be entitled to the annuity for the calendar month in which the retired employee died.

Sec. 10. Minnesota Statutes 1982, section 352.12, subdivision 1, is amended to read:

Subdivision 1. [DEATH BEFORE TERMINATION OF SERVICE.] If an employee dies before his state service has terminated and neither a survivor annuity nor a reversionary annuity is payable or if a former employee who has sufficient service credit to be entitled to an annuity dies before the benefit has become payable, the director shall make a refundment to his last designated beneficiary or, if there be none, to his surviving spouse or, if none, to the employee's surviving children in equal shares or, if none, to the employee's surviving parents in equal shares or, if none, to the representative of his estate in an amount equal to his accumulated contributions plus interest thereon to the date of death at the rate of (THREE AND ONE-HALF) five percent per annum compounded annually. In the event an employee dies who has received a refundment which he had subsequently repaid in full, interest shall be paid on such repaid refundment only from the date of repayment. If the repayment was made in installments, interest shall be paid only from the date installment payments began. The designated beneficiary, surviving spouse or representative of the estate of an employee who had received a disability benefit shall not be entitled to interest upon any balance remaining to his credit in the fund at the time of death.

Sec. 11. Minnesota Statutes 1982, section 352.12, subdivision 2, is amended to read:

Subd. 2. [SURVIVING SPOUSE BENEFIT.] If an employee or former employee who has attained the age of at least

(62) 55 years and has credit for not less than ten years allowable service (OR WHO HAS ATTAINED THE AGE OF AT LEAST 58 YEARS AND HAS CREDIT FOR NOT LESS THAN 20 YEARS ALLOWABLE SERVICE DIES BEFORE HIS STATE SERVICE HAS TERMINATED OR IF AN EMPLOYEE WHO HAS FILED A VALID APPLICATION FOR AN ANNUITY OR DISABILITY BENEFIT PRIOR TO THE TERMINATION OF HIS STATE SERVICE) *or who has credit for not less than 30 years of allowable service, regardless of age attained, dies before (THE) an annuity or disability benefit has become payable, notwithstanding any designation of beneficiary to the contrary, his or her surviving spouse may elect to receive, in lieu of the (REFUNDMENT) refund with interest provided in subdivision 1, an annuity equal to the joint and (50) 100 percent survivor annuity which the employee could have qualified for had he (RETIRED) or she terminated service on the date of death (,).* The annuity shall be computed as provided in section 352.115, subdivisions 1, 2, and 3, and section 352.116, subdivisions 1 and 3. The annuity shall cease with the last payment received by the surviving spouse in his or her lifetime. An amount equal to the excess, if any, of the accumulated contributions which were credited to the account of the deceased employee over and above the total of the benefits paid and payable to the surviving spouse shall be paid to the deceased employee's last designated beneficiary or, if none, to the surviving children of the deceased spouse in equal shares or, if none, to the surviving parents of the deceased spouse or, if none, to the representative of the estate of such deceased spouse. Any employee may request in writing that this subdivision not apply and that payment be made only to his designated beneficiary as otherwise provided by this chapter.

Sec. 12. Minnesota Statutes 1982, section 352.22, subdivision 2, is amended to read:

Subd. 2. [AMOUNT OF REFUNDMENT.] Except as provided in subdivision 3, any person who ceased to be a state employee after June 30, 1973, by reason of termination of state service shall receive a refundment in an amount equal to his accumulated contributions plus interest at the rate of (THREE AND ONE-HALF) *five* percent per annum compounded annually (ON DEDUCTIONS TAKEN AFTER THE THIRD YEAR OF COVERAGE EXCEPT THAT IF THE EMPLOYEE, DUE TO AGE, COULD NOT QUALIFY FOR AN ANNUITY UPON REACHING COMPULSORY RETIREMENT AGE HAD HE CONTINUED IN COVERED EMPLOYMENT, HE SHALL BE PAID INTEREST FROM THE DATE OF COVERAGE). Such interest shall be computed to the first day of the month in which the refund is processed and shall be based on fiscal year balances.

Sec. 13. Minnesota Statutes 1982, section 352.92, is amended to read:



352.92 [CORRECTIONAL EMPLOYEE CONTRIBUTIONS.]

Subdivision 1. [EMPLOYEE CONTRIBUTIONS.] Beginning with the first full pay period after July 1, (1982) 1984, in lieu of employee contributions payable under section 352.04, subdivision 2, contributions by covered correctional employees shall be in an amount equal to (4.50) 4.90 percent of salary. (FOR THE PERIOD BEGINNING WITH THE FIRST FULL PAY PERIOD AFTER DECEMBER 31, 1981, AND ENDING WITH THE LAST FULL PAY PERIOD BEFORE JULY 1, 1982, THE CONTRIBUTION SHALL BE IN AN AMOUNT EQUAL TO 3.78 PERCENT OF SALARY.)

Subd. 2. [EMPLOYER CONTRIBUTIONS.] Beginning with the first full pay period after July 1, (1982) 1984, in lieu of employer contributions payable under section 352.04, subdivision 3, the employer shall contribute for covered correctional employees ((1)) an amount equal to (1-1/2 TIMES THE DEDUCTION FROM SALARIES OF COVERED CORRECTIONAL EMPLOYEES ON EACH PAYROLL ABSTRACT, PLUS (2) AN ADDITIONAL AMOUNT OF 1.32 PERCENT OF SALARIES OF COVERED CORRECTIONAL EMPLOYEES ON EACH PAYROLL ABSTRACT. FOR THE PERIOD BEGINNING WITH THE FIRST FULL PAY PERIOD AFTER DECEMBER 31, 1981, AND ENDING WITH THE LAST FULL PAY PERIOD BEFORE JULY 1, 1982, THE CONTRIBUTION SHALL BE AN AMOUNT EQUAL TO 5.66 PERCENT OF SALARIES OF COVERED CORRECTIONAL EMPLOYEES ON EACH PAYROLL ABSTRACT PLUS AN ADDITIONAL AMOUNT EQUAL TO 3.16 PERCENT OF SALARIES OF COVERED CORRECTIONAL EMPLOYEES ON EACH PAYROLL ABSTRACT) 8.70 percent of salary.

Sec. 14. Minnesota Statutes 1982, section 352.93, subdivision 2, is amended to read:

Subd. 2. The monthly annuity under this section shall be determined by multiplying the average monthly salary by the number of years, or completed months, of covered correctional service by 2.5 percent for the first (20) 25 years of correctional service and two percent for each year thereafter; provided however, the monthly annuity shall not exceed 75 percent of the average monthly salary.

Sec. 15. Minnesota Statutes 1982, section 352.93, subdivision 3, is amended to read:

Subd. 3. The annuity under this section shall begin to accrue as provided in section 352.115, subdivision 8, and shall be paid for an additional 84 full calendar months or to the first of the month following the month in which (HE) the employee be-

comes age 65, whichever occurs first, *except that in no event shall payment cease prior to the first of the month following the month in which the employee becomes 62*, and then be reduced to the amount as calculated under section 352.115, except that if this amount, when added to the social security benefit based on state service the employee is eligible to receive at such time, is less than the benefit payable under subdivision 2, the retired employee shall receive an amount that when added to such social security benefit will equal the amount payable under subdivision 2. When an annuity is reduced under this subdivision, the percentage adjustments, if any, that have been applied to the original annuity under section 11A.18, prior to the reduction, shall be compounded and applied to the reduced annuity. A former correctional employee employed by the state in a position covered by the regular plan between the ages of 58 and 65 shall receive a partial return of his correctional contributions at retirement with five percent interest based on the following formula:

Employee contributions contributed as a correctional employee in excess of the contributions such employee would have contributed as a regular employee	X	Years and complete months of regular service between ages 58 and 65
		7

Sec. 16. Minnesota Statutes 1982, section 352.95, subdivision 1a, is amended to read:

Subd. 1a. [OPTIONAL ANNUITY ELECTION.] A disabled correctional employee may elect the normal disability benefit or an optional annuity as provided in section 352.116, subdivision 3. The election of an optional annuity shall be made prior to commencement of payment of the disability benefit and shall be effective (30 DAYS AFTER RECEIPT OF THE ELECTION OR) the date on which the disability benefit begins to accrue as provided in subdivision 3 (, WHICHEVER OCCURS LATER). Upon becoming effective, the optional annuity shall begin to accrue on the same date as provided for the disability benefit.

Sec. 17. Minnesota Statutes 1983 Supplement, section 352B.02, subdivision 1, is amended to read:

Subdivision 1. There is hereby established a state patrol retirement fund, the membership of which shall consist of all persons defined in section 352B.01, subdivision 2. Each member shall pay a sum equal to 8.5 percent of the member's salary. Member contribution amounts shall be deducted each pay period by the department head, who shall cause the total amount of the deduc-

tions to be paid to the state treasurer, and shall cause a detailed report of all deductions to be made each pay period to the executive director of the Minnesota state retirement system. In addition thereto, there shall be paid out of money appropriated to the departments for this purpose, by the department heads, a sum equal to (12) 18.9 percent of the salary upon which deductions were made (, AND A SUM EQUAL TO NINE PERCENT OF THE SALARIES UPON WHICH DEDUCTIONS WERE MADE FOR THE PURPOSE OF AMORTIZING THE ACTUARIAL DEFICIT OF THE FUND).

These amounts shall be credited to the state patrol retirement fund. All moneys received shall be deposited by the state treasurer in the state patrol retirement fund. Out of the fund shall be paid the administrative expenses of the retirement fund, and the benefits and annuities as hereinafter provided. The legislative auditor shall audit the fund and the executive director shall procure an actuarial study of the fund in accordance with chapter 356, the cost of which shall be borne by the fund.

Sec. 18. Minnesota Statutes 1983 Supplement, section 352B.11, subdivision 1, is amended to read:

Subdivision 1. [REFUND OF PAYMENTS.] Should any member who has not received other benefits under this chapter become separated, either voluntarily or involuntarily, from state service that entitled him or her to be a member, the member, or in the event of the member's death, the member's estate, shall be entitled to receive a refund of all payments which have been made by salary deductions *plus interest at the rate of five percent per annum compounded annually* upon application on a form prescribed by the executive director.

Sec. 19. Minnesota Statutes 1982, section 352B.11, subdivision 2, is amended to read:

Subd. 2. [DEATH; PAYMENT TO SPOUSE AND CHILDREN.] In the event any member serving actively as a member, a member receiving the disability benefit provided by section 352B.10, clause (1), or a former member receiving a disability benefit as provided by section 352B.10, clause (3) dies from any cause, the surviving spouse and dependent child or dependent children shall be entitled to benefit payments as follows:

(a) A member with at least ten years of allowable service or a former member with at least 20 years of allowable service is deemed to have elected a 100 percent joint and survivor annuity payable to a surviving spouse only on or after the date the member or former member attained or would have attained the age of 55.

(b) The surviving spouse of a member who had credit for less than ten years of service shall receive, for life, a monthly

annuity equal to 20 percent of that portion of the average monthly salary of the member from which deductions were made for retirement. If the surviving spouse remarries, the annuity shall cease as of the date of the remarriage.

(c) The surviving spouse of a member who had credit for at least ten years of service and who dies after attaining 55 years of age, may elect to receive a 100 percent joint and survivor annuity, for life, notwithstanding a subsequent remarriage, in lieu of the annuity prescribed in clause (b).

(d) The surviving spouse of any member who had credit for ten years or more and who was not 55 years of age at death, shall receive the benefit equal to 20 percent of the average monthly salary as described in clause (b) until the deceased member would have reached his or her 55th birthday, and beginning the first of the month following that date, may elect to receive the 100 percent joint and survivor annuity. If the surviving spouse remarries prior to the deceased member's 55th birthday, all benefits or annuities shall cease as of the date of remarriage. Remarriage subsequent to the deceased member's 55th birthday shall not affect the payment of the benefit.

(e) Each dependent child shall receive a monthly annuity equal to ten percent of that portion of the average monthly salary of the former member from which deductions were made for retirement. A dependent child over the age of 18 years and under the age of 22 years also may receive the monthly benefit provided herein, if the child is continuously attending an accredited school as a full time student during the normal school year as determined by the director. If the child does not continuously attend school but separates from full time attendance during any portion of a school year, the annuity shall cease at the end of the month of separation. In addition, a payment of \$20 per month shall be prorated equally to surviving dependent children when the former member is survived by one or more dependent children. Payments for the benefit of any qualified dependent child shall be made to the surviving spouse, or if there be none, to the legal guardian of the child. The maximum monthly benefit shall not exceed 40 percent of the average monthly salary for any number of children.

(f) If the member shall die under circumstances which entitle the surviving spouse and dependent children to receive benefits under the workers' compensation law, amounts equal to the workers' compensation benefits received by them shall not be deducted from the benefits payable pursuant to this section.

(g) The surviving spouse of a deceased former member who had credit for ten or more years of allowable service, but excluding the spouse of a former member receiving a disability benefit under the provisions of section 352B.10, clause (3), shall be entitled to receive the 100 percent joint and survivor

annuity at such time as the deceased member would have reached his or her 55th birthdate, provided the surviving spouse has not remarried prior to that date. In the event of the death of a former member who does not qualify for other benefits under this chapter, the surviving spouse or, if none, the children or heirs shall be entitled to receive a refund of the accumulated deductions left in the fund *plus interest at the rate of five percent per annum compounded annually.*

Sec. 20. Minnesota Statutes 1983 Supplement, section 352C.09, subdivision 2, is amended to read:

Subd. 2. (1) Any person who has made contributions pursuant to subdivision 1 who is no longer a constitutional officer or commissioner is entitled to receive upon application to the director a refund of all contributions credited to his or her account with interest at the rate of  $(3-1/2)$  *five percent per annum compounded annually (AFTER THE THIRD YEAR OF SERVICE).*

(2) The refund of contributions as provided in clause (1) above terminates all rights of a former constitutional officer or commissioner or his or her survivors under the provisions of this chapter. Should the former constitutional officer or commissioner again hold such office after having taken a refund as provided above, he or she shall be considered a new member and may reinstate the rights and credit for service forfeited provided he or she repays all refunds previously taken plus interest at six percent per annum compounded annually.

(3) No person shall be required to apply for or accept a refund.

Sec. 21. Minnesota Statutes 1982, section 353.27, subdivision 3a, is amended to read:

Subd. 3a. [ADDITIONAL EMPLOYER CONTRIBUTION.] An additional employer contribution shall be made equal to (a) two and one-half percent of the total salary of each "basic member"; and (b) (ONE AND ONE-HALF) *one-quarter of one percent of the total salary of each "coordinated member."* These contributions shall be made from funds available to the employing subdivision by the means and in the manner provided in section 353.28.

Sec. 22. Minnesota Statutes 1982, section 353.30, subdivision 1c, is amended to read:

Subd. 1c. Any person *who has received credit for at least 30 years of allowable service or any person who has attained the age of at least (62) 55 years but not more than 65 years, and who received credit for at least ten years of allowable service is*

entitled upon application to a retirement annuity in an amount equal to the normal annuity provided in section 353.29, subdivisions 2 and 3, reduced by one-quarter of one percent for each month that the member is under age 65 at the time of retirement, *except that for any member who has 30 or more years of allowable service the reduction shall be applied only for each month that the member is under age 62 at the time of retirement.*

Sec. 23. Minnesota Statutes 1982, section 353.31, subdivision 1, is amended to read:

**Subdivision 1. [BENEFITS FOR SURVIVING SPOUSE AND DEPENDENT CHILDREN; BEFORE RETIREMENT.]**

Upon the death of a (") basic member (") before retirement or upon the death of a (") basic member (") who was disabled and receiving disability benefits pursuant to section 353.33 at the time of death who has had at least 18 months of credited allowable service, the surviving spouse and dependent children of the member; as defined in section 353.01, subdivisions 15 and 20, shall be entitled to receive the monthly benefit provided below:

- |                          |   |
|--------------------------|---|
| (a) Surviving spouse     | (30) 50 percent of the member's monthly average salary in effect over the last full six months of allowable service preceding the month in which death occurred |
| (b) Each dependent child | 10 percent of the member's monthly average salary in effect over the last full six months of allowable service preceding the month in which death occurred      |

Payments for the benefit of any dependent child, as defined in section 353.01, subdivision 15, shall be made to the surviving parent, or if there be none, to the legal guardian of the child. The maximum monthly benefit for a family shall not exceed (\$700) \$1,000, and the minimum benefit per family shall not be less than (30) 50 percent of the (") basic member's (") specified average *monthly* salary, subject to the aforementioned maximum. The surviving spouse benefit shall terminate upon the remarriage of the spouse, and the dependent children's benefit shall be reduced pro tanto when any child is no longer dependent.

Any survivor of a (") basic member (") whose average salary was less than \$75 per month shall not be entitled to the benefits provided in this subdivision. *Prior to payment of any survivor benefit pursuant to this subdivision, in lieu of that benefit, the surviving dependent spouse may elect to receive the joint and survivor annuity provided pursuant to section 353.32, subdivision 1a.*

Except for any benefits provided pursuant to section 353.32, subdivisions 1 and 1a, there are no survivor benefits payable to the surviving spouse or dependent children of a deceased ("") coordinated member ("").

Sec. 24. Minnesota Statutes 1983 Supplement, section 353.32, subdivision 1, is amended to read:

Subdivision 1. [BEFORE RETIREMENT.] If a member or former member who terminated public service dies before retirement or before he has received any retirement annuity and no other payment of any kind is or may become payable to any person, a refund shall be paid to his designated beneficiary or, if there be none, to his surviving spouse, or, if none, to the legal representative of his estate. Such refund shall be in an amount equal to his accumulated deductions plus interest thereon at the rate of (3-1/2) five percent per annum compounded annually less the sum of any disability or survivor benefits, if any, that may have been paid by the fund; provided that a survivor who has a right to benefits pursuant to section 353.31 may waive such benefits in writing, except such benefits for a dependent child under the age of 18 years may only be waived pursuant to an order of the district court.

Sec. 25. Minnesota Statutes 1982, section 353.32, subdivision 1a, is amended to read:

Subd. 1a. [SURVIVING SPOUSE OPTIONAL ANNUITY.] If a member or former member who has attained the age of at least (58) 55 years and has credit for not less than (20) ten years of allowable service, or (HAS ATTAINED THE AGE OF AT LEAST 62 YEARS AND) who has credit for not less than (10) 30 years of allowable service (, DIES BEFORE PUBLIC SERVICE HAS TERMINATED, OR IF AN EMPLOYEE WHO HAS FILED A VALID APPLICATION FOR AN ANNUITY OR DISABILITY BENEFIT PRIOR TO TERMINATION OF PUBLIC SERVICE), regardless of age attained, dies before the annuity or disability benefit has become payable, notwithstanding any designation of beneficiary to the contrary, the surviving spouse may elect to receive, in lieu of a refund with interest provided in subdivision 1, or survivor benefits otherwise payable pursuant to section 353.31, an annuity equal to the (50) 100 percent joint and survivor annuity which the member could have qualified for had the member terminated service on the date of death (.). The annuity shall be computed as provided in sections 353.29, subdivisions 2 and 3; and 353.30, subdivisions 1, 1a, 1b and 1c. No payment shall accrue beyond the end of the month in which entitlement to the annuity has terminated. An amount equal to the excess, if any, of the accumulated contributions which were credited to the account of the deceased employee over and above the total of the annuities paid and payable to the surviving spouse shall be paid to the deceased member's last desig-

nated beneficiary or, if none, to the legal representative of the estate of the deceased member. Any member may specify in writing that this subdivision shall not apply and that payment shall be made only to the designated beneficiary, as otherwise provided by this chapter.

Sec. 26. Minnesota Statutes 1982, section 353.33, subdivision 2, is amended to read:

Subd. 2. [APPLICATIONS; ACCRUAL OF BENEFITS.] Every claim or demand for a total and permanent disability benefit shall be initiated by written application in the manner and form prescribed by the executive director, filed in the office of the retirement association, showing compliance with the statutory conditions qualifying the applicant for a total and permanent disability benefit. A member or former member who became totally and permanently disabled during his period of membership may file his application for total and permanent disability benefits within three years next following termination of public service, but not thereafter. This benefit shall begin to accrue (90 DAYS) *the day* following the commencement of disability, 90 days preceding the filing of the application, or, if annual or sick leave is paid for more than the said 90 day period, from the date salary ceased whichever is later. No payment shall accrue beyond the end of the month in which entitlement has terminated. If the disabilitant dies prior to negotiating the check for the month in which death occurs, payment will be made to the surviving spouse, or if none, to the designated beneficiary, or if none, to the estate.

Sec. 27. Minnesota Statutes 1983 Supplement, section 353.34, subdivision 2, is amended to read:

Subd. 2. [REFUND (WITHOUT) *WITH* INTEREST.] Except as provided in subdivision 1, any person who ceases to be a public employee shall receive a refund in an amount equal to his accumulated deductions (WITHOUT INTEREST FOR THE FIRST THREE YEARS OF MEMBERSHIP AND THEREAFTER ACCUMULATED DEDUCTIONS) with interest to the first day of the month in which the refund is processed at the rate of (THREE AND ONE-HALF) *five* percent per annum compounded annually (AFTER THE THIRD YEAR OF MEMBERSHIP) based on fiscal year balances.

Sec. 28. Minnesota Statutes 1982, section 353.651, subdivision 3, is amended to read:

Subd. 3. [RETIREMENT ANNUITY FORMULA.] The average salary as defined in subdivision 2, multiplied by two and one-half percent per year of allowable service for the first (20) 25 years and two percent per year of allowable service



thereafter, shall determine the amount of the (" normal ") retirement annuity. If the member has earned allowable service for performing services other than those of a police officer or fire fighter, the annuity representing such service shall be computed in accordance with sections 353.29 and 353.30.

Sec. 29. Minnesota Statutes 1982, section 354.42, subdivision 5, is amended to read:

Subd. 5. *For the purpose of amortizing the unfunded entry-age normal liability an additional employer contribution shall be made in the amount of (3.05) 4.48 percent of the salary of each member (FOR THE PURPOSE OF AMORTIZING THE DEFICIT IN THE FUND). For the fiscal year ending June 30, 1985, the commissioner of finance shall increase allotments to state agencies having members covered by the teachers retirement association in an amount equal to 1.43 percent of the salaries of basic and coordinated plan members of the teachers' retirement fund.*

This contribution shall be made in the manner provided in section 354.43.

Sec. 30. Minnesota Statutes 1982, section 354.44, subdivision 6, is amended to read:

Subd. 6. [COMPUTATION OF FORMULA PROGRAM RETIREMENT ANNUITY.] (1) The formula retirement annuity hereunder shall be computed in accordance with the applicable provisions of the formula stated in clause (2) hereof on the basis of each member's average salary for the period of his formula service credit. For the purposes of computing the formula benefits under the formula and variable program, if a combination of these formulas is used, the formula percentages used will be those percentages in each formula as continued for the respective years of service from one formula to the next.

For all years of formula service credit "average salary" for the purpose of determining the member's retirement annuity means the average salary upon which contributions were made and upon which payments were made to increase the salary limitation provided in Minnesota Statutes 1971, Section 354.511 for the highest five successive years of formula service credit provided however that such "average salary" shall not include any more than the equivalent of 60 monthly salary payments.

(2) The average salary as defined in clause (1), multiplied by the following percentages per year of formula service credit shall determine the amount of the annuity to which the member qualifying therefor is entitled:

	Coordinated Member	Basic Member
Each year of service during first ten	1.0 percent per year	2.0 percent per year
Each year of service thereafter	1.5 percent per year	2.5 percent per year

(3) Where any member retires prior to age 65 under a formula annuity, (HE) *the member* shall be paid a retirement annuity in an amount equal to the normal annuity provided in this subdivision and subdivision 7, reduced by one-half of one percent for each month that the member is under age 65 to and including age 60 and reduced by one-fourth of one percent for each month under age (60) 65 at the time of retirement except that for any member who has 30 or more years of allowable service credit, the reduction shall be applied only for each month which the member is under age 62.

Sec. 31. Minnesota Statutes 1982, section 354.46, subdivision 1, is amended to read:

Subdivision 1. [BASIC PROGRAM; BENEFITS FOR SPOUSE AND CHILDREN OF TEACHER.] If a basic member who has at least 18 months of allowable service credit and who has an average salary as defined in section 354.44, subdivision 6 equal to or greater than \$75 dies prior to retirement or if a former basic member who, at the time of death, was totally and permanently disabled and receiving disability benefits pursuant to section 354.48 dies prior to attaining the age of 65 years, the surviving dependent spouse and dependent children of the basic member or former basic member shall be entitled to receive a monthly benefit as follows:

(a) Surviving dependent spouse (30) 50 percent of the basic member's monthly average salary paid in the last full fiscal year preceding death

(b) Each dependent child ten percent of the basic member's monthly average salary paid in the last full fiscal year preceding death

Payments for the benefit of any dependent child under the age of 22 years shall be made to the surviving parent, or if there be none, to the legal guardian of the child. The maximum monthly benefit shall not exceed (\$700) \$1,000 for any one family, and the minimum benefit per family shall not be less than (30) 50 percent of the basic member's average salary, subject to the foregoing maximum. The surviving dependent spouse benefit shall

terminate upon remarriage, and the surviving dependent children's benefit shall be reduced pro tanto when any surviving child is no longer dependent.

If the basic member and the surviving dependent spouse are killed in a common disaster and if the total of all survivors benefits payable pursuant to this subdivision is less than the accumulated deductions plus interest payable, the surviving dependent children shall receive the difference in a lump sum payment.

If the survivor benefits provided in this subdivision exceed in total the monthly average salary of the deceased basic member, these benefits shall be reduced to an amount equal to the deceased basic member's monthly average salary.

Prior to payment of any survivor benefit pursuant to this subdivision, in lieu of that benefit, the surviving dependent spouse may elect to receive the joint and survivor annuity provided pursuant to subdivision 2, or may elect to receive a refund of accumulated deductions with interest in a lump sum as provided pursuant to sections 354.47, subdivision 1 or 354.62, subdivision 5, clause (3). If there are any surviving dependent children, the surviving dependent spouse may elect to receive the refund of accumulated deductions only with the consent of the district court of the district in which the surviving dependent child or children reside.

Sec. 32. Minnesota Statutes 1982, section 354.46, subdivision 2, is amended to read:

Subd. 2. [DEATH WHILE ELIGIBLE DESIGNATED BENEFICIARY BENEFIT.] The surviving spouse of any member or former member who has attained the age of at least 55 years and has credit for at least (20) ten years of allowable service or who has credit for at least 30 years of allowable service irrespective of age shall be entitled to joint and survivor annuity coverage in the event of death of the member prior to retirement. If the surviving spouse does not elect to receive a surviving spouse benefit provided pursuant to subdivision 1, if applicable, or does not elect to receive a refund of accumulated member contributions provided pursuant to sections 354.47, subdivision 1, or 354.62, subdivision 5, clause (3), whichever is applicable, the surviving spouse shall be entitled to receive, upon written application on a form prescribed by the executive director, a benefit equal to the second portion of a 100 percent joint and survivor annuity as provided pursuant to section 354.45 and computed pursuant to section 354.44, subdivisions 2, 6 or 7, whichever is applicable. If the member was a participant in the variable annuity division, the applicable portion of the benefit shall be computed pursuant to section 354.62, subdivision 5, clause (1). The benefit shall be payable for life.

Sec. 33. Minnesota Statutes 1982, section 354.47, subdivision 1, is amended to read:

Subdivision 1. [DEATH BEFORE RETIREMENT.] (1) If a member dies before retirement and is covered pursuant to the provisions of section 354.44, subdivision 2, and neither an optional annuity, nor a reversionary annuity, nor a benefit pursuant to section 354.46, subdivision 1 is payable to the survivors if the member was a basic member, the surviving spouse, or if there is no surviving spouse, the designated beneficiary shall be entitled to an amount equal to the member's accumulated deductions with interest credited to the account of the member to the date of death.

(2) If a member dies before retirement and is covered pursuant to the provisions of section 354.44, subdivisions 6 and 7, and neither an optional annuity, nor reversionary annuity, nor the benefit described in section 354.46, subdivision 1 is payable to the survivors if the member was a basic member, the surviving spouse, or if there is no surviving spouse, the designated beneficiary shall be entitled to an amount equal to the member's accumulated deductions credited to the account of the member as of June 30, 1957 and from July 1, 1957 to the date of death the member's accumulated deductions plus interest at the rate of (3-1/2) five percent per annum compounded annually.

(3) The amounts payable in clause (1) or clause (2) are in addition to the amount payable in section 354.62, subdivision 5, for the member's variable annuity account.

Sec. 34. Minnesota Statutes 1982, section 354.48, subdivision 2, is amended to read:

Subd. 2. [APPLICATIONS.] Any person described in subdivision 1 may make application for a total and permanent disability benefit within 18 months following termination of teaching service but not thereafter. This benefit shall begin to accrue (90 DAYS) *the day* following the commencement of disability or the day following the date on which salary ceases, whichever is later, but shall not begin to accrue more than 90 days prior to the date the application is filed with the board. If salary is being received for either annual or sick leave during the period, payments shall accrue from the date salary ceases.

Sec. 35. Minnesota Statutes 1982, section 354.48, subdivision 3a, is amended to read:

Subd. 3a. [OPTIONAL ANNUITY ELECTION.] A disabled member may elect to receive the normal disability benefit or an optional annuity as provided in section 354.45, subdivision 1. The election of an optional annuity shall be made prior to

commencement of payment of the disability benefit and shall be effective (30 DAYS AFTER RECEIPT OF THE ELECTION OR) *and shall begin to accrue on the same date (ON WHICH)* the disability benefit begins to accrue (, WHICHEVER OCCURS LATER. UPON BECOMING EFFECTIVE, THE OPTIONAL ANNUITY SHALL BEGIN TO ACCRUE ON THE SAME DATE AS PROVIDED FOR THE DISABILITY BENEFIT).

Sec. 36. Minnesota Statutes 1982, section 354.49, subdivision 2, is amended to read:

Subd. 2. Except as provided in section 354.44, subdivision 1, any person who ceases to be a member by reason of termination of teaching service, shall receive a refundment in an amount equal to his accumulated deductions (WITHOUT) *with interest at the rate of five percent per annum compounded annually* plus any variable annuity account accumulations payable pursuant to section 354.62, subdivision 5, clause (4).

Sec. 37. Minnesota Statutes 1982, section 354.49, subdivision 3, is amended to read:

Subd. 3. Any person who has attained the age of at least 65 with less than ten years of credited allowable service shall be entitled to receive a refund in an amount equal to his accumulated deductions plus interest in lieu of a proportionate annuity pursuant to section 356.32 except those covered under the provisions of section 354.44, subdivisions 6 or 7 in which case the refund shall be an amount equal to his accumulated deductions credited to his account as of June 30, 1957 and after July 1, 1957 his accumulated deductions plus interest at the rate of (THREE AND ONE-HALF) *five percent compounded annually*.

Sec. 38. Minnesota Statutes 1982, section 354.62, subdivision 5, is amended to read:

Subd. 5. [VARIABLE RETIREMENT ANNUITY.] (1) At retirement the amount of the member's variable account accumulation in the employee variable annuity contribution account, based on the valuation at the previous fiscal year end plus any contributions made by the person since the end of the previous fiscal year, and an equal amount from the employer variable annuity contribution account shall be transferred to the variable annuity reserve account, and the variable retirement annuity for the member shall be determined by the member's age, and sex, and the amount transferred for the member to the variable annuity reserve account at the date of retirement. The amount of the annuity shall be calculated on the basis of an appropriate annuity table of mortality with an interest assumption (AS PROVIDED IN SECTION 354.07, SUBDIVISION 1) *of eight percent, except that if the member elects to have the ac-*

*cumulation transferred to the Minnesota postretirement investment fund as authorized by clause (8), the annuity shall be calculated with an interest assumption of five percent.*

(2) Whenever the admitted value of the annuity reserve account of the variable annuity division, as of June 30 of any year, exceeds or is less than the then present value of all variable annuities in force, determined in accordance with the rate of interest and approved actuarial tables then in effect, by at least two percent of the present value, the amount of each variable annuity payment shall be proportionately increased or decreased for the following year.

(3) The death benefit payable in the event of a member's death prior to retirement shall be a lump sum refund of a member's variable account accumulation, based on the valuation at the previous fiscal year end plus any contributions made by the person since the end of the previous fiscal year, to the surviving spouse, or if there is no surviving spouse to the designated beneficiary. Except that if a member has made an election in accordance with section 354.46, then the surviving spouse shall receive a joint and survivor annuity as described in section 354.44 and computed as provided in clause (1). An amount equal to the lump sum refund made in this clause shall be transferred from the employer contribution account to the variable annuity turnover account.

(4) Except as provided in section 354.44, subdivision 7, any person who ceases to be a member by reason of termination of teaching service, shall be entitled to a lump sum refundment of the member's variable account accumulations, based on the valuation at the previous fiscal year end plus any contributions made by the person since the end of the previous fiscal year. Application for a refundment may be made no sooner than 30 days after termination of teaching service if the applicant has not again become a teacher. Repayment of a refundment upon resumption of teaching is not permitted under this section. An amount equal to the refundment to the member shall be transferred from the employer contribution account to the variable annuity turnover account.

(5) If a member is determined to be totally and permanently disabled as provided in sections 354.05, subdivision 14; and 354.48, the member shall be entitled to the annuity provided in this subdivision.

(6) Those members eligible for retirement as provided in section 354.44, subdivision 1 shall upon application for the annuity provided therein be entitled to the annuity provided in this subdivision. The annuity elected in accordance with sections 354.44, and 354.45 shall be the annuity applicable to this subdivision.

(7) Notwithstanding section 356.18, increases in annuity payments pursuant to this section shall be made automatically unless written notice is filed by the annuitant with the teachers retirement association board requesting that the increase not be made.

(8) At retirement, a member may elect to have the amount of the member's variable annuity accumulation in the employee variable annuity contribution account and an equal amount from the employer variable annuity contribution account transferred to the Minnesota post-retirement investment fund as provided in section 354.63, subdivision 2, clause (2). This election may also be made by a surviving spouse who receives an annuity under clause (3) of this subdivision. The election shall be made on a form provided by the executive secretary.

Sec. 39. Minnesota Statutes 1982, section 354A.23, is amended by adding a subdivision to read:

*Subd. 3. Notwithstanding anything to the contrary in the articles and bylaws of the basic programs enumerated in chapter 354A, the payment of interest on refunds and interest on repayment of refunds shall be computed in the same manner as for the coordinated programs covered by chapter 354A.*

Sec. 40. Minnesota Statutes 1982, section 354A.37, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF REFUND AMOUNT.] A former coordinated member who qualifies for a refund pursuant to subdivision 1 shall receive a refund equal to the amount of the former coordinated member's accumulated contributions (WITHOUT) *with interest at the rate of five percent per annum compounded annually.*

Sec. 41. Minnesota Statutes 1982, section 354A.37, subdivision 4, is amended to read:

Subd. 4. [CERTAIN REFUNDS AT AGE 65.] Any coordinated member who has attained the age of at least 65 with less than ten years of allowable service credit and has terminated active teaching service shall be entitled to a refund in lieu of a proportionate annuity pursuant to section 356.32. The refund shall be equal to the coordinated member's accumulated employee contributions plus interest at the rate of (3-1/2) *five percent compounded annually.*

Sec. 42. Minnesota Statutes 1982, section 356.20, subdivision 4, is amended to read:

Subd. 4. [CONTENTS OF FINANCIAL REPORT.] Each financial report required by this section shall include:

(1) An exhibit prepared according to applicable actuarial standards enumerated in section 356.215, and specified in rules adopted by the legislative commission on pensions and retirement by an approved actuary as defined in section 356.215, subdivision 6 showing the accrued assets of the fund, the accrued liabilities, including accrued reserves, and the accrued unfunded liability of the fund. The exhibit shall contain the certificate of an approved actuary certifying that the required reserves for any benefits provided under a benefit formula are computed in accordance with the Entry Age Normal Cost (Level Normal Cost) actuarial method and rules adopted by the legislative commission on pensions and retirement.

(a) Assets shown in the exhibit shall include the following items of actual assets:

Cash in office

Deposits in banks

Accounts receivable

Accrued members' contributions

Accrued employer contributions

Other

Accrued interest on investments

Dividends on stocks, declared but not yet received

Investment in bonds at amortized cost

Investment in stocks at cost

Investment in real estate

Equipment at cost, less depreciation

Other

Total assets

(b) The exhibit shall include a statement of the unfunded accrued liability of the fund. If the assets of the fund exceed the liabilities, the excess shall be listed as surplus and indicated in the exhibit following the item of reserves.

(c) The exhibit shall include a footnote showing accumulated member contributions without interest.



(d) Current liabilities shown in the exhibit shall include the following items:

Current:

Accounts payable

Annuity payments

Survivor benefit payments

Refund to members

Accrued expenses

Suspense items

Total current liabilities .....

(e) The exhibit shall include an item for accrued necessary reserves which shall be listed as "total reserves required as per attached schedule." The attached schedule shall contain the owing information on the reserves required:

1. For active members
  - a. Retirement benefits
  - b. Disability benefits
  - c. Refund liability due to death or withdrawal
  - d. Survivors' benefits
2. For deferred annuitants
3. For former members without vested rights
4. For annuitants
  - a. Retirement
  - b. Disability annuities
  - c. Surviving spouses' annuities
  - d. Surviving children's annuities

5. In addition to the foregoing, if there are additional benefits not appropriately covered by the foregoing four items of reserves required, they shall be listed separately.

(2) An income statement on an accrual basis showing all income and all deductions from income for the fiscal year. The statement shall show separate items for employee contributions, employer regular contributions, employer additional contributions if provided by law, investment income, profit on the sale of investments, and other income, if any.

(3) A statement of deductions from income, which shall include separate items for benefit payments, retirement benefits, disability benefits, surviving spouse benefits, surviving children's benefits, refunds to members terminating employment, refunds due to death of members and due to death of annuitants, the increase in total reserves required, general administrative expense incurred, loss on sale of investments, and any other deductions.

(4) A statement showing appropriate statistics as to membership and beneficiaries of the fund, with indications of changes in the statistical data which may result from the current year's operation.

(5) Any additional statements or exhibits which will enable the management of the fund to portray a true interpretation of the fund's financial condition, except that the term "surplus" or the term "excess of assets" shall not be used except as otherwise specifically provided for in this section, nor shall any representation of assets and liabilities other than as provided for in this section be included in the additional statements or exhibits.

(6) A more detailed or subdivided itemization of any of the items required by this section, if the management of the fund so desires.

Sec. 43. Minnesota Statutes 1982, section 356.215, subdivision 4, is amended to read:

Subd. 4. [ACTUARIAL VALUATIONS; CONTENTS.] Actuarial valuations shall be made in conformity with the requirements of the definition contained in subdivision 1 and rules adopted by the legislative commission on pensions and retirement. Each actuarial valuation shall measure all aspects of the fund in accordance with changes in benefit plans, if any, and salaries as will be in force during the ensuing fiscal year. Each actuarial valuation shall be in accordance with the entry age normal cost (level normal cost) method.

Each actuarial valuation required under this section shall include:

(1) For each fund providing any benefits under a benefit formula, the level normal cost of the benefits provided by the

laws governing the fund as of the date of the valuation, computed in accordance with the entry age normal cost (level normal cost) method. The normal cost shall be expressed as a level percentage of the future payroll of the active participants of the fund as of the date of the valuation.

(2) The accrued liabilities of the fund which shall be equal to the present value of all benefits minus the present value of future normal costs calculated in accordance with the entry age normal cost method.

(3) For each fund providing benefits under the money purchase or defined contribution method, the member contributions accumulated at interest, as apportioned to members accounts, to the date of the valuation. These accumulations shall be separately tabulated in such manner as to reflect properly any differences in money purchase or defined contribution annuity rates which may apply.

(4) (AN) *For funds governed by chapters 3A, 352, 352B, 352C, 353, 354, 354A, and 490, a preretirement interest assumption of (FIVE) eight percent, a post-retirement interest assumption of five percent, and an assumption that in each future year the salary on which a retirement or other benefit is based is (1.035) 1.065 multiplied by the salary for the preceding year. For all other funds, a preretirement interest assumption of five percent, a post-retirement interest assumption of five percent, and an assumption that in each future year the salary on which a retirement or other benefit is based is 1.035 multiplied by the salary for the preceding year.*

(5) Other assumptions as to mortality, disability, retirement, withdrawal, entry age and retirement age (THAT ARE APPROPRIATE TO THE FUND, WHICH SHALL BE) set (FORTH IN THE VALUATION REPORT) *at levels consistent with those determined in the most recent experience study completed pursuant to section 356.215, subdivision 5, and set forth in the valuation report.*

(6) An actuarial balance sheet showing (ACCRUED ASSETS, ACCRUED LIABILITIES, AND THE DEFICIT FROM FULL FUNDING OF LIABILITIES (UNFUNDED ACCRUED LIABILITY). THE ACCRUED LIABILITIES SHALL INCLUDE THE FOLLOWING REQUIRED RESERVES:)

((A) FOR ACTIVE MEMBERS)

(1. RETIREMENT BENEFITS)

(2. DISABILITY BENEFITS)

(3. REFUND LIABILITY DUE TO DEATH OR WITHDRAWAL)

(4. SURVIVORS' BENEFITS)

((B) FOR DEFERRED ANNUITANTS' BENEFITS)

((C) FOR FORMER MEMBERS WITHOUT VESTED RIGHTS)

((D) FOR ANNUITANTS)

(1. RETIREMENT ANNUITIES)

(2. DISABILITY ANNUITIES)

(3. SURVIVING SPOUSES' ANNUITIES)

(4. SURVIVING CHILDREN'S ANNUITIES)

*current and expected future benefit obligations, current and expected future assets, and the current and expected future unfunded liabilities. Specifically, the balance sheet shall be organized in the following manner:*

**[CURRENT AND EXPECTED FUTURE ASSETS]**

***Current Assets***

*Cash and equivalents* \$ . . . .

*Fixed income investments* . . . .

*Equity investments* . . . .

***Total Current Assets*** \$ . . . .

***Expected Future Assets***

*Present value of expected  
future supplemental contributions* . . . .

*Present value of  
future normal costs* . . . .

***Total Expected Future Assets*** \$ . . . .

***Total Current and Expected  
Future Assets*** \$ . . . .

**[CURRENT AND EXPECTED FUTURE BENEFIT  
OBLIGATIONS]*****Current Benefit Obligations******Actuarial value of benefit obligations on  
account of service rendered to date:******For annuitants******Retirement annuities*** \$***Disability annuities******Surviving spouses' annuities******Surviving children's annuities******For former members without vested rights******For deferred annuitants' benefits******For active employees******Retirement benefits******Disability benefits******Refund liability due to death  
or withdrawal******Survivors' benefits******Total Current Benefit  
Obligations*** \$***Expected Future Benefit Obligations******Actuarial value of benefit obligations on  
account of future service for active  
employees******Total Current and Expected Future  
Benefit Obligations*** \$***Current Unfunded Liability******(Total Current Benefit Obligations less  
Total Current Assets):*** \$***Current and Future Unfunded Liability******(Total Current and Expected Future Benefit  
Obligations less******Total Current and Expected Future Assets):*** \$

*For the purpose of this subdivision, the terms*

(a) *"expected future statutory supplemental contributions" means the sum of future employee and employer contributions at the rates specified in statute at the time the valuation is completed reduced by the present value of future normal costs; and*

(b) *"current assets" means the value of all assets at cost, plus one-third of any unrealized capital gains or losses, plus realized income, including realized capital gains or losses.*

In addition to the above (REQUIRED RESERVES) itemization of benefit obligations, separate items shall be shown for additional benefits, if any, which may not be appropriately included in the (RESERVES LISTED) list shown above.

(7) In addition to the level normal cost, the additional annual contribution which would be required to retire the current unfunded accrued liability. *For funds governed by chapters 3A, 352, 352B, 352C, 353, 354, 354A, and 490, the additional contribution shall be calculated on a level (DOLLAR BASIS BY THE ESTABLISHED DATE FOR FULL FUNDING WHICH IS IN EFFECT AT THE TIME OF THE VALUATION) percent basis by the established date for full funding which is in effect at the time of the valuation. The level percent additional contribution shall be calculated assuming annual payroll growth of 6.5 percent. For all other funds, the additional annual contribution shall be calculated on a level dollar basis.*

If, after the first actuarial valuation date occurring after June 1, 1979, there has not been a change in any or all of the actuarial assumptions used for calculating the accrued liability of the fund, a change in the benefit plan governing annuities and benefits payable from the fund, a change in the actuarial cost method used in calculating the accrued liability of all or a portion of the fund, or a combination of the three, which change or changes by themselves without inclusion of any other items of increase or decrease produce a net increase in the unfunded accrued liability of the fund, the established date for full funding for the first actuarial valuation made after June 1, 1979 and each successive actuarial valuation shall be the first actuarial valuation date which occurs after June 1, 2009.

If after the first actuarial valuation date occurring after June 1, 1979, there has been a change in any or all of the actuarial assumptions used for calculating the accrued liability of the fund, a change in the benefit plan governing annuities and benefits payable from the fund, a change in the actuarial cost method used in calculating the accrued liability of all or a portion of the fund, or a combination of the three, which change or changes by themselves without inclusion of any other items of increase or decrease produce a net increase in the unfunded accrued liability in

the fund, the established date for full funding shall be determined using the following procedure:

(i) The unfunded accrued liability of the fund shall be determined in accordance with the plan provisions governing annuities and retirement benefits and the actuarial assumptions in effect prior to an applicable change;

(ii) The level annual dollar contribution *or level percentage, whichever is applicable, which is* needed to amortize the unfunded accrued liability amount determined pursuant to subclause (i) by the established date for full funding in effect prior to the change shall be calculated using the interest assumption specified in clause (4) in effect prior to the change;

(iii) The unfunded accrued liability of the fund shall be determined in accordance with any new plan provisions governing annuities and benefits payable from the fund and any new actuarial assumptions and the remaining plan provisions governing annuities and benefits payable from the fund and actuarial assumptions in effect prior to the change;

(iv) The level annual dollar contribution *or level percentage, whichever is applicable, which is* needed to amortize the difference between the unfunded accrued liability amount calculated pursuant to subclause (i) and the unfunded accrued liability amount calculated pursuant to subclause (iii) over a period of 30 years from the end of the plan year in which the applicable change is effective shall be calculated using the interest assumption specified in clause (4) in effect subsequent to any applicable change;

(v) The level annual dollar *or level percentage* amortization contribution pursuant to subclause (iv) shall be added to the level annual dollar amortization contribution *or level percentage* calculated pursuant to subclause (ii);

(vi) The period in which the unfunded accrued liability amount determined in subclause (iii) will be amortized by the total level annual dollar *or level percentage* amortization contribution computed pursuant to subclause (v) shall be calculated using the interest assumption specified in clause (4) in effect subsequent to any applicable change, rounded to the nearest integral number of years, but which shall not exceed a period of 30 years from the end of the plan year in which the determination of the established date for full funding using the procedure set forth in this clause is made and which shall not be less than the period of years beginning in the plan year in which the determination of the established date for full funding using the procedure set forth in this clause is made and ending by the date for full funding in effect prior to the change; and

(vii) The period determined pursuant to subclause (vi) shall be added to the date as of which the actuarial valuation was prepared and the date obtained shall be the new established date for full funding.

((8)) AN ACTUARIAL BALANCE SHEET SHALL NOT INCLUDE AS AN ASSET THE PRESENT VALUE OF THE CONTRIBUTIONS REQUIRED UNDER CLAUSE (7).)

((9)) (8) An analysis by the actuary explaining the increase or decrease in the unfunded accrued liability since the last valuation. The explanation shall subdivide the increase or decrease in unfunded accrued liability into at least the following parts:

(a) Increases or decreases in unfunded accrued liability because of changes in benefits;

(b) Increases and decreases in unfunded accrued liability because of each change, if any, in actuarial assumptions;

(c) Actuarial gains or losses resulting from any deviations of actual investment earnings, actual mortality rates, actual salary increase rates, actual disability rates, actual withdrawal rates and actual retirement rates from the assumptions on which the valuations are based;

(d) Increases or decreases in unfunded accrued liability because of other reasons, including the effect of the amortization contribution required under clause (7); and

(e) Increases or decreases in unfunded accrued liability because of changes in eligibility requirements or groups included in the membership of the fund.

((10)) (9) A tabulation of active membership and annuitants in the fund. If the membership of a fund is under more than one general benefit program, a separate tabulation shall be made for each general benefit program. The tabulations shall be submitted in the following form:

Annual

(a) Active members

Number Payroll

As of last valuation date  
new entrants

Total



Separations from active service

Refund of contributions

Separation with deferred annuity

Separation with neither refund  
nor deferred annuity

Disability

Death

Retirement with service annuity

Total separations

As of current valuation date

(b) Annuitants

Annual Annuity  
Number Benefit

As of last valuation date

New entrants

Total

Terminations

Deaths

Other

Total terminations

As of current valuation date

The tabulation required under subclause (b) shall be made separately for each of the following classes of annuitants:

(a) Service retirement annuitants

(b) Disabled annuitants

(c) Surviving spouse annuitants

(d) Surviving children annuitants

(e) Deferred annuitants

((11)) (10) A statement of the administrative expenses in dollars and also as a percentage of covered payroll.

((12)) (11) A summary of the principal provisions of the plan upon which the valuation is based.

Sec. 44. [356.70] [EARLY RETIREMENT.]

*Subdivision 1. [COMBINED AGE AND SERVICE REQUIREMENT.] Any member of a retirement plan established pursuant to chapters 352, 353, 354, or 354A who has attained the age of at least 55 years and whose attained age plus credited allowable service totals 85, is entitled, upon application prior to December 31, 1986, to the normal retirement annuity provided in these chapters without any reduction in annuity by reason of such early retirement.*

*Subd. 2. [REPORTS.] The retirement associations to which this section applies shall request and the employing units of members retiring under the provisions of this section shall provide to the retirement association information on the salary, retirement contributions, and social security contributions paid by the employing unit to individuals filling the position vacated by the retiree. The employing unit shall also provide information on net savings, if any, made possible by the provisions of this section.*

*The retirement associations shall prepare reports to the legislature summarizing this information and other information in its possession relating to characteristics of retirees retiring under the provisions of this section including:*

- (a) age at time of retirement;*
- (b) years of service;*
- (c) salary at time of retirement;*
- (d) high-five average salary used to determine the retirement annuity; and*
- (e) monthly benefit.*

*The reports shall be made to the legislature within 30 days following the end of calendar years 1984, 1985, and 1986 and shall cover all retirees retiring under the provisions of this section.*

Sec. 45. Laws 1983, chapter 301, section 225, subdivision 1, is amended to read:

Subdivision 1. [REIMBURSEMENT REQUIRED.] Any public employee or official (WHO RETIRES FROM JANUARY 1, 1983 TO JUNE 30, 1985, AND) whose pension contributions were increased by Laws 1982, Third Special Session chapter 1, article 2, section 2, subdivision 1, paragraph (v) and who has not previously received a refund of those contributions, must, upon application, be reimbursed for the amount of increased contributions paid by the official or employee because of that law. Reimbursement must be in a lump sum to the employee or official (, OR HIS OR HER SURVIVOR, AT THE SAME TIME AS THE FIRST ANNUITY PAYMENT) between October 1 and October 15, 1984, except that refunds to employees or officials retiring or terminating service prior to October 1, 1984, shall be paid at the same time as the first annuity payment or within 90 days after termination, as the case may be. The amount of the reimbursement is the amount that the employee's or official's contributions increased because of Laws 1982, Third Special Session chapter 1, article 2, section 2, subdivision 1, paragraph (v) (PLUS INTEREST AT THE THEN CURRENT RATE PAID ON REFUNDS BY THE RELIEF OR RETIREMENT ASSOCIATION). Reimbursement shall be paid by the retirement or relief association to which the employee belongs. Reimbursement may be made without application if the governing board of the appropriate retirement system or association determines that this method is feasible.

Sec. 46. Laws 1983, chapter 301, section 225, is amended by adding a subdivision to read:

Subd. 1a. [CREDIT REQUIRED.] *The executive director of the Minnesota state retirement system shall credit to the share account in the supplemental retirement fund of any participant in the unclassified employees program established by Minnesota Statutes, chapter 352D, an amount equal to the amount by which employer contributions on behalf of that participant were reduced by reason of the law cited in subdivision 1. Funds sufficient to make the credits required by this subdivision are appropriated from the general fund to the executive director.*

Sec. 47. [COMMISSIONER OF FINANCE TO REDUCE ALLOTMENTS.]

*The commissioner of finance shall reduce the fiscal year 1985 allotments to any agencies or institutions receiving a state appropriation pursuant to Laws 1983, chapters 258, 293, 301, or 312 and having employees contributing to the public employees retirement association, state employees retirement fund, the correctional employees retirement fund, and the highway patrol retirement fund. The reduction shall be in an amount equal to the estimated fiscal year 1985 salaries of members of these plans multiplied by the differences between the employer contribution rate in effect prior to July 1, 1984, and the employer rate in effect after June 30, 1984.*

## Sec. 48. [ANNUAL APPROPRIATION.]

*There is appropriated and transferred from the general fund to the commissioner of finance, \$1,000,000 annually for distribution among those local police and salaried firefighters relief associations that receive amortization state aid according to Minnesota Statutes, section 423A.02. Distribution shall be made according to that proportion the unfunded accrued liability of each relief association bears to the total unfunded accrued liabilities of all relief associations as reported in the most recent actuarial valuations of the relief associations that receive amortization state aid according to section 423A.02. Moneys shall be distributed to the relief associations at the same time fire and police department state aid is distributed according to section 69.021.*

Sec. 49. Laws 1983, chapter 314, article 12, section 1, subdivision 2, is amended to read:

Subd. 2. [TEACHERS RETIREMENT ASSOCIATION: TEACHERS STATEWIDE.] To the teachers retirement association, to meet the state's obligation prescribed in Minnesota Statutes, section 354.43, there is appropriated:

\$87,508,200 . . . . . 1984,

\$ (92,137,200) 104,476,000 . . . . . 1985.

## Sec. 50. [TEACHERS RETIREMENT ASSOCIATION FUNDING.]

*There is appropriated to the commissioner of finance from the general fund \$1,965,000 for the purpose of meeting the increased contribution requirements for the teacher's retirement fund necessitated by the passage of section 29, during the fiscal year commencing July 1, 1984.*

## Sec. 51. [REPEALER.]

*Minnesota Statutes 1982, sections 352.022; 353.38; and 354.07, subdivision 8; and Laws 1983, chapter 301, section 225, subdivision 2, are repealed.*

## Sec. 52. [EFFECTIVE DATES.]

*Sections 1 through 5, 10, 12, 13, 17 through 21, 24, 27, 29, 33, 36, 37, 39 through 41, and 47 through 50 are effective July 1, 1984. The remaining sections are effective the day following final enactment. The provisions of section 43 are applicable to all valuations performed beginning with the valuations for the fiscal year ending June 30, 1984."*

Delete the title and insert:

"A bill for an act relating to retirement; making various changes in benefits, contributions, and financing in laws governing various public pension funds; directing reimbursement or credit of certain public pension contributions; appropriating funds; amending Minnesota Statutes 1982, sections 3.85, by adding subdivisions; 352.04, subdivisions 2 and 3; 352.113, subdivision 3; 352.115, subdivision 1; 352.12, subdivisions 1 and 2; 352.22, subdivision 2; 352.92; 352.93, subdivisions 2 and 3; 352.95, subdivision 1a; 352B.11, subdivision 2; 353.27, subdivision 3a; 353.30, subdivision 1c; 353.31, subdivision 1; 353.32, subdivision 1a; 353.33, subdivision 2; 353.651, subdivision 3; 354.42, subdivision 5; 354.44, subdivision 6; 354.46, subdivisions 1 and 2; 354.47, subdivision 1; 354.48, subdivisions 2 and 3a; 354.49, subdivisions 2 and 3; 354.62, subdivision 5; 354A.23, by adding a subdivision; 354A.37, subdivisions 3 and 4; 356.20, subdivision 4; and 356.215, subdivision 4; Minnesota Statutes 1983 Supplement, sections 3A.03, subdivision 2; 352.113, subdivision 2; 352.115, subdivision 8; 352B.02, subdivision 1; 352B.11, subdivision 1; 352C.09, subdivision 2; 353.32, subdivision 1; and 353.34, subdivision 2; Laws 1983, chapters 301, section 225, subdivision 1, and by adding a subdivision; and 314, article 12, section 1, subdivision 2; proposing new law coded in Minnesota Statutes, chapter 356; repealing Minnesota Statutes 1982, sections 352.022; 353.38; 354.07, subdivision 8; and Laws 1983, chapter 301, section 225, subdivision 2."

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

Senate Conferees: COLLIN C. PETERSON, RANDOLPH W. PETERSON, EARL W. RENNEKE and ALLAN H. SPEAR.

House Conferees: JOHN SARNA, JOHN T. CLAWSON, FRANK RODRIGUEZ, RICHARD E. WIGLEY and JAMES METZEN.

Sarna moved that the report of the Conference Committee on S. F. No. 147 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 147, A bill for an act relating to retirement; employee and employer contributions to the Minnesota state retirement system; amending Minnesota Statutes 1982, section 352.92, subdivisions 1 and 2.

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

The question was taken on the repassage of the bill and the roll was called. There were 124 yeas and 7 nays as follows:

## Those who voted in the affirmative were:

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

## Those who voted in the negative were:

Burger	Frerichs	Ludeman	Stadum	Welker
DenOuden	Himle			

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

The following conference committee reports were received:

## CONFERENCE COMMITTEE REPORT ON H. F. NO. 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; extending the temporary removal of mortgage usury limits; 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 provi-

sions regulating the opening of checking accounts; clarifying service charges on dishonored checks; making various technical changes; amending Minnesota Statutes 1982, sections 45.071, by adding a subdivision; 46.04, subdivision 1; 47.204, subdivision 1; 48.03, subdivision 4; 48.08; 48.13; 48.14; 48.24, subdivision 6; 48.48, subdivisions 1 and 2; 48.51; 51A.50; 52.06, subdivision 1; 53.03, subdivision 4; 53.09, subdivision 1; and 56.12; 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; 53.04, subdivision 3a; 168.67; and 332.50, subdivision 2; repealing Minnesota Statutes 1982, sections 47.75, subdivision 2; and 51A.44, subdivision 3.

April 19, 1984

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

The Honorable Jerome M. Hughes  
President of the Senate

We, the undersigned conferees for H. F. No. 1655, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments.

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

House Conferees: BERNARD J. BRINKMAN, TOM OSTHOFF and O. J. HEINITZ.

Senate Conferees: SAM G. SOLON, RONALD R. DICKLICH and PATRICIA LOUISE KRONEBUSCH.

Brinkman moved that the report of the Conference Committee on H. F. No. 1655 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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; extending the temporary removal of mortgage usury limits; 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; clarifying service charges on dishonored checks; making various technical changes; amending Minnesota Statutes 1982, sections 45.071, by adding a subdivision; 46.04, subdivision 1; 47.204, subdivision 1; 48.03, subdivision 4; 48.08; 48.13; 48.14; 48.24, subdivision 6; 48.48, subdivisions 1 and 2; 48.51; 51A.50; 52.06, subdivision 1; 53.03, subdivision 4; 53.09, subdivision 1; and 56.12; 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; 53.04, subdivision 3a; 168.67; and 332.50, subdivision 2; repealing Minnesota Statutes 1982, sections 47.75, subdivision 2; and 51A.44, subdivision 3.

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

The question was taken on the repassage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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



## CONFERENCE COMMITTEE REPORT ON H. F. NO. 432

A bill for an act relating to soil and water conservation; prohibiting in certain counties practices which cause accelerated erosion or sedimentation; prescribing penalties; proposing new law coded in Minnesota Statutes, chapter 40.

April 19, 1984

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

The Honorable Jerome M. Hughes  
President of the Senate

We, the undersigned conferees for H. F. No. 432, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 432 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [PURPOSE.]

*It is the purpose of this act to encourage and guide the use of land in accordance with its capabilities, to treat it according to its needs, to prevent the degradation of lands, streams, and rivers, and to protect and promote the health, safety, and general welfare of the people.*

Sec. 2. [40.19] [DEFINITIONS.]

*Subdivision 1. [SCOPE.] For the purposes of sections 3 to 11, the terms defined in this section have the meanings given them.*

*Subd. 2. [EXCESSIVE SOIL LOSS.] "Excessive soil loss" means soil loss resulting from erosion that is more rapid than the gradual erosion of land used by man when all reasonable soil and water conservation practices have been applied. "Excessive soil loss" may be evidenced by sedimentation on adjoining land or in any body of water. Soil loss is excessive if it is greater than the soil loss tolerance for each soil type described in the United States Soil Conservation Service Field Office technical guide.*

*Subd. 3. [ADMINISTRATIVE ORDER.] "Administrative order" means an order issued by the governing body of a statutory or home rule charter city, town, or county to notify an*

offending landowner of record that soil erosion is occurring in excess of limits specified in local regulations. The order shall contain the precise location of the offending party's property where erosion is taking place, state as nearly as possible the extent to which soil erosion thereon exceeds the limits established by the regulations, and specify time requirements by which measures to control the problem must be initiated and completed.

Subd. 4. [ANNUAL PLAN.] "Annual plan" means an annual program of work prepared by the soil and water conservation district according to the guidelines for annual planning published by the state board.

Subd. 5. [CONSERVATION PRACTICES, STANDARDS AND SPECIFICATIONS.] "Conservation practices, standards and specifications" means standards containing a definition, purpose, and conditions under which the practice applies including design requirements, and specifications containing a statement of details required for installing a conservation practice, including kinds, quality, and quantity of work and materials needed to meet the standards.

Subd. 6. [DEVELOPMENT ACTIVITY.] "Development activity" means any physical disturbance by man of the land associated with development activities which may result in sedimentation of adjacent lands or waters. These activities include, but are not limited to, clearing, grading, excavating, transporting, and filling lands. Federal, state, county, and municipal road construction designed according to department of transportation standard specifications for construction are exempt from this act.

Subd. 7. [EROSION.] "Erosion" means the process by which the surface of the land is worn away by the action of water, wind, or gravity.

Subd. 8. [GOVERNING BODY.] "Governing body" means the elected governing body of a county, city, or town or their designated officials or agents. Agents may include soil and water conservation districts, water management organizations, joint powers boards, watershed districts, or other governmental entities responsible for resource management within the affected jurisdiction.

Subd. 9. [LAND OCCUPIER.] "Land occupier" means a person, firm, corporation, municipality, or other legal entity who holds title to, or is in possession of any lands, whether as owner, lessee, renter, tenant, or otherwise. The term includes both the owner and the occupier of the land when they are not the same.

Subd. 10. [LONG-RANGE PLAN.] "Long-range plan" means a multi-year program of work prepared by the soil and

water conservation district pursuant to Minnesota Statutes, section 40.07, subdivision 9.

Subd. 11. [SEDIMENT.] "Sediment" means solid material, both mineral and organic, that is in suspension, is being transported, or has been moved from its site of origin by air, water, gravity, or ice, and has come to rest on the earth's surface.

Subd. 12. [SEDIMENTATION.] "Sedimentation" means the process or action of depositing sediment that, upon inspection, is determined to have been caused by accelerated erosion as provided in section 7.

Subd. 13. [SOIL LOSS LIMIT.] "Soil loss limit" means the maximum amount of soil loss from water or wind erosion, expressed in tons per acre per year, that will be permitted by local regulations on a given soil.

Subd. 14. [SOIL AND WATER CONSERVATION PRACTICE.] "Soil and water conservation practice" or "practice" means a permanent or temporary vegetative or structural measure that when applied to the land will contribute to the control of wind and water erosion. Permanent practices include but are not limited to grassed waterways, terraces, field windbreaks, water control structures, grade stabilization structures, sediment retention structures, strip-cropping, and other permanent practices approved by the state soil and water conservation board. A permanent practice is deemed to have an effective life in excess of ten years. Temporary practices include conservation tillage, contour farming, grasses and legumes in rotation, emergency tillage, and any other cultural practices approved by the state soil and water conservation board.

Subd. 15. [SUPPLEMENTAL ORDER.] "Supplemental order" means an order supplemental to an administrative order and issued by the governing body to notify an offending party that cost sharing for the required soil and water conservation practices has been approved. A supplemental order shall state time requirements by which measures to control the erosion problem must be initiated and completed. These time limits supersede the dates specified in an administrative order.

Subd. 16. [TECHNICAL GUIDE.] "Technical guide" means the guide developed by USDA Soil Conservation Service adopted by soil and water conservation districts containing technical information including methods and procedures by which the various types of erosion can be measured, and conservation practice standards and specifications required in the application of soil and water conservation practices.

### Sec. 3. [40.20] [SOIL LOSS CONTROL.]

Each statutory or home rule charter city, town, or county that has planning and zoning authority under sections 366.10 to 366.-

19, 394.21 to 394.37, or 462.351 to 462.365 is encouraged to adopt a soil loss ordinance as provided in section 4. Ordinances adopted by local units within the metropolitan area defined in section 473.121 must be consistent with local water management plans adopted under section 473.879.

**Sec. 4. [40.21] [PROMULGATION OF RULES BY THE COMMISSIONER OF AGRICULTURE; PERIODIC REVIEW.]**

*The commissioner of agriculture, in consultation with counties, soil and water conservation districts, and other appropriate agencies, shall promulgate rules which shall serve as a guide to enable local governments to carry out the provisions of this act. The rules developed by the commissioner of agriculture shall include:*

*(a) A model ordinance which specifies the technical and administrative procedures required to implement this act. The model ordinance shall be considered to be the minimum regulation to be adopted.*

*(b) Administrative procedures required of the state soil and water conservation board for carrying out the provisions of this act.*

*At least once every two years the commissioner of agriculture shall review the rules in cooperation with counties, soil and water conservation districts, and appropriate agencies to ensure their continued applicability and relevance. The rules may be revised if deemed necessary by the commissioner of agriculture.*

**Sec. 5. [40.22] [EXCESSIVE SOIL LOSS PROHIBITED.]**

*Subdivision 1. [PROHIBITED ACTIVITIES.] A person may not cause, conduct, contract for, or authorize an activity which causes excessive soil loss.*

*Subd. 2. [AGRICULTURAL LAND.] A land occupier of agricultural land is not violating subdivision 1 if he is using farming methods which do not create excessive soil loss.*

*Subd. 3. [WOODLAND.] A land occupier who uses wooded land for pasture must ensure that proper management is used to prevent excessive soil loss due to overgrazing or cattle paths.*

**Sec. 6. [40.23] [ENFORCEMENT.]**

*Subdivision 1. [COMPLAINT.] A land occupier adversely affected by the effects of excessive soil loss, or an elected local government official, may submit a verbal or written complaint against a land occupier alleging that excessive soil loss has oc-*

*curring or is occurring. The complaint must be made to the governing body of the local government unit that has adopted an ordinance as provided in section 4. If the complaint is verbal, it must be followed by a written complaint within 72 hours. The complaint shall include the approximate dates and location of the alleged violation and describe the source, nature, and extent of the excessive soil loss alleged to have occurred or which is occurring. The complaint must be made to the governing body of the local government unit that has adopted a soil loss ordinance as provided in section 4.*

**Sec. 7. [40.24] [INSPECTION OF LAND UPON COMPLAINT.]**

*The governing body of the local government unit shall inspect or cause to be inspected any land within its jurisdiction, upon receipt of a complaint that soil loss is occurring there in excess of the limits established by the local unit's soil loss regulations. The burden of proof shall be on the local government unit to prove that an alleged violation exists. The person against whom the complaint is made must be notified of the time of the investigation and will be given the opportunity to be present when the investigation is made. If the governing body of the local unit finds that excessive soil loss is occurring on the land inspected, they shall issue an administrative order to the landowner of record, and to the occupant of the land if possible, describing the land and stating the extent to which soil loss on the land exceeds the limits established by the regulations. The order shall be delivered either by personal service or by certified mail to each of the persons to whom it is directed, and shall state a time, not more than 90 days after service or mailing of the notice of the order, by which work needed to establish specific soil and water conservation practices to stop the excessive soil loss must be commenced, and a time not more than one year after the service or mailing of the notice of the order by which the work must be satisfactorily completed.*

**Sec. 8. [40.25] [EROSION CONTROL PLAN FOR DEVELOPMENT ACTIVITIES.]**

*A person engaged in a development activity that will disturb over one acre of land must submit to the governing body a sedimentation control plan that will prevent excessive soil loss before the development activity is to begin.*

**Sec. 9. [40.26] [APPLICATION FOR COST-SHARING FUNDS.]**

*Except in the case of a development activity, a land occupier may not be required to establish soil conservation practices unless state cost-sharing funds have been specifically approved for that land and have been made available to the land occupier*

in an amount equal to at least 75 percent of the cost of the permanent conservation practices on a voluntary basis, and a 50 percent cost share if implementation is not commenced following the issuance of an administrative order as provided in this section. The state soil and water conservation board shall review these requirements at least once each year, and may authorize districts in any particular case to provide a higher percentage of public cost sharing than is required by this section. To aid in this determination, the state board may consider the location of the affected area in relation to the priority areas as established in the district annual and long-range plans. Evidence that an application for state cost-sharing funds has been submitted to the soil and water conservation district shall constitute commencement of the work within the meaning of section 7. When notified of the approval of the application, the local unit shall issue to the same parties who received the original administrative order, or their successors in interest, a supplemental order, to be delivered in the same manner as provided by section 7. The supplemental order shall state a time, not more than 90 days after approval of the application for state cost-sharing funds, by which the work needed to comply with the original administrative order shall actually be commenced, and a time not more than one year thereafter when the work is to be satisfactorily completed.

**Sec. 10. [40.27] [APPLICABILITY.]**

*The provisions of sections 5 to 9 are not applicable without the adoption of an ordinance by the county or local government unit.*

**Sec. 11. [40.28] [PENALTY.]**

*A violation of an administrative order issued under section 7 or a supplemental order issued under section 9 is a misdemeanor.*

**Sec. 12.** Laws 1979, chapter 315, section 2, as amended by Laws 1981, chapter 78, section 1, and Laws 1982, chapter 512, section 10, is amended to read:

**Sec. 2. [JOINT LEGISLATIVE COMMITTEE.]**

A joint legislative committee on agricultural land preservation and conservation shall be established by July 1, 1979, and shall expire by June 30, (1984) 1994, unless extended by legislative action. The committee shall be composed of eight members of the house of representatives from the transportation, agriculture, environment and natural resources, local and urban affairs, and tax committees appointed by the speaker and the chairman of the committee on rules and legislative administration; and eight members of the senate from the transportation, agriculture and natural resources, local government, tax, and govern-

mental operations committees appointed by the subcommittee on committees. The committee shall elect a chairman from among its members. The expenses of and per diem payments to committee members shall be paid from the legislative expense fund of their respective body upon approval of the chairman of the joint committee. Other expenses of the committee shall be evenly divided between the house of representatives and the senate.

Sec. 13. [APPROPRIATION.]

*The sum of \$10,000 is appropriated from the general fund to the commissioner of agriculture to adopt rules under section 4."*

Delete the title and insert:

"A bill for an act relating to soil and water conservation; prohibiting in certain counties practices which cause accelerated erosion or sedimentation; extending the joint legislative committee on agricultural land preservation and conservation; prescribing penalties; appropriating money; amending Laws 1979, chapter 315, section 2, as amended; proposing new law coded in Minnesota Statutes, chapter 40."

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

House Conferees: ELTON R. REDALEN, WILLIAM SCHREIBER and DANIEL J. KNUTH.

Senate Conferees: CHARLES R. DAVIS, GARY M. DECRAMER and CHARLES A. BERG.

Redalen moved that the report of the Conference Committee on H. F. No. 432 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 432, A bill for an act relating to soil and water conservation; prohibiting in certain counties practices which cause accelerated erosion or sedimentation; prescribing penalties; proposing new law coded in Minnesota Statutes, chapter 40.

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

The question was taken on the repassage of the bill and the roll was called. There were 114 yeas and 12 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Bergstrom	Burger	Cohen	Elioff
Anderson, C.	Bishop	Carlson, D.	Coleman	Ellingson
Battaglia	Blaiz	Carlson, L.	Dempsey	Erickson
Beard	Boo	Clark, J.	DenOuden	Findlay
Begich	Brandl	Clark, K.	Dimler	Forsythe
Bennett	Brinkman	Clawson	Eken	Frerichs

Greenfield	Krueger	Norton	Rodriguez, C.	Sparby
Gruenes	Kvam	O'Connor	Rodriguez, F.	Staten
Gustafson	Larsen	Ogren	Rose	Sviggunn
Gutknecht	Levi	Olsen	St. Onge	Swanson
Halberg	Long	Omann	Sarna	Tomlinson
Heinitz	Mann	Onnen	Schafer	Uphus
Himle	Marsh	Osthoff	Scheid	Valan
Hoffman	McDonald	Otis	Schoenfeld	Valento
Hokr	McEachern	Pauly	Schreiber	Vanasek
Jacobs	McKasy	Peterson	Seaberg	Vellenga
Jensen	Metzen	Piper	Segal	Voss
Johnson	Minne	Price	Shaver	Waltman
Kahn	Munger	Quist	Shea	Welch
Kelly	Murphy	Redalen	Sherman	Welle
Knickerbocker	Nelson, D.	Reif	Simoneau	Wenzel
Knuth	Nelson, K.	Riveness	Skoglund	Speaker Sieben
Kostohryz	Neuenschwander	Rodosovich	Solberg	

Those who voted in the negative were:

Fjoslien	Jennings	Stadum	Tunheim	Wigley
Craba	Ludeman	Thiede	Welker	Zaffke
Haukoos	Piepho			

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

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 1532

A bill for an act relating to agriculture; designating milk as the official state drink; proposing new law coded in Minnesota Statutes, chapter 1.

April 19, 1984

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

The Honorable Jerome M. Hughes  
President of the Senate

We, the undersigned conferees for H. F. No. 1532, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 1532 be further amended as follows:

Page 1, after line 9, insert:

"Sec. 2. [32.5313] [ARTIFICIAL DAIRY PRODUCTS IN RESTAURANTS.]

*Subdivision 1. [LABELING.] Artificial dairy products served in restaurants or public eating places must be clearly la-*



*beled in some manner to distinguish the artificial dairy products from genuine dairy products.*

*Subd. 2. [ARTIFICIAL DAIRY PRODUCTS IN PUBLIC EATING PLACES.] A restaurant or public eating place may not serve for customer use and application (1) an artificial dairy product for use as a coffee cream or whitener unless the restaurant or public eating place has available to customers for the same purpose a genuine dairy product like cream, half and half, or a lighter type of cream; or (2) margarine or an artificial butter product separate from an entree for use with food that is served unless butter is also available for the same purpose.*

*Subd. 3. [EXCEPTION FOR VENDING MACHINES.] This section does not apply to coffee whitener sold or dispensed by a vending machine provided the machine bears a prominently placed label stating that the coffee whitener sold or dispensed is not a dairy product or is an artificial dairy product."*

Amend the title as follows:

Page 1, line 3, after the semicolon insert "requiring restaurants to offer a genuine dairy product if certain artificial dairy products are offered; requiring labeling of certain artificial dairy products;"

Page 1, line 4, delete "chapter 1" and insert "chapters 1 and 32"

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

House Conferees: RICK KRUEGER, JERRY GRABA and SYLVESTER UPHUS.

Senate Conferees: JOE BERTRAM and CHARLES R. DAVIS.

Krueger moved that the report of the Conference Committee on H. F. No. 1532 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1532 was read for the third time, as amended by Conference.

#### MOTIONS FOR RECONSIDERATION

Graba moved that the action whereby H. F. No. 1532 was given its third reading, as amended by Conference, be now reconsidered. The motion prevailed.

Graba moved that the action whereby the motion to adopt the Conference Committee report on H. F. No. 1532 was adopted be now reconsidered. The motion prevailed.

Graba moved that the House refuse to adopt the Conference Committee report on H. F. No. 1532, and that the bill be returned to the Conference Committee. The motion prevailed.

### MESSAGES FROM THE SENATE, Continued

The following message was received from the Senate:

Mr. Speaker:

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

S. F. No. 433.

PATRICK E. FLAHAVEN, Secretary of the Senate

### FIRST READING OF SENATE BILLS

S. F. No. 433, A bill for an act relating to labor; regulating the minimum wage by phasing out the tip credit; amending Minnesota Statutes 1982, section 177.28, subdivision 4.

The bill was read for the first time.

### SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Murphy moved that the rule therein be suspended and an urgency be declared so that S. F. No. 433 be given its second and third readings and be placed upon its final passage.

A roll call was requested and properly seconded.

The question was taken on the Murphy motion and the roll was called. There were 63 yeas and 60 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Eken	McEachern	Price	Sparby
Anderson, G.	Elioff	Minne	Rice	Staten
Battaglia	Ellingson	Munger	Riveness	Swanson
Beard	Greenfield	Murphy	Rodosovich	Tunheim
Begich	Gustafson	Nelson, D.	Rodriguez, C.	Vanasek
Bergstrom	Jacobs	Neuenschwander	Rodriguez, F.	Vellenga
Brandl	Jensen	Norton	St. Onge	Voss
Carlson, L.	Kahn	O'Connor	Sarna	Welch
Clark, J.	Kalis	Ogren	Scheid	Welle
Clark, K.	Kelly	Osthoft	Segal	Wynia
Clawson	Khuth	Otis	Simoneau	Speaker Sieben
Cohen	Larsen	Peterson	Skoglund	
Coleman	Long	Piper	Solberg	

Those who voted in the negative were:

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

The motion did not prevail.

Murphy moved that S. F. No. 433 and H. F. No. 347, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

The following conference committee report was received:

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 1743

A bill for an act relating to occupations and professions; removing an auctioneer's exemption from real estate brokers and salespersons licensing; amending Minnesota Statutes 1983 Supplement, section 82.18.

April 18, 1984

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

The Honorable Jerome M. Hughes  
President of the Senate

We, the undersigned conferees for H. F. No. 1743, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 1743 be further amended as follows:

Page 2, line 12, delete everything after "when" and insert *"the transaction is conducted by either a licensed practicing attorney or by"*

Amend the title as follows:

Page 1, line 2, delete "removing" and insert "modifying"

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

House Conferees: WALLY SPARBY, JOHN SARNA and O. J. HEINITZ.

Senate Conferees: GENE MERRIAM and DEAN E. JOHNSON.

Sparby moved that the report of the Conference Committee on H. F. No. 1743 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

The Speaker called Wynia to the Chair.

H. F. No. 1743, A bill for an act relating to occupations and professions; removing an auctioneer's exemption from real estate brokers and salespersons licensing; amending Minnesota Statutes 1983 Supplement, section 82.18.

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

The question was taken on the repassage of the bill and the roll was called. There were 96 yeas and 25 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Forsythe	Larsen	Piepho	Staten
Battaglia	Greenfield	Long	Piper	Swanson
Beard	Gruenes	Mann	Price	Tomlinson
Begich	Gustafson	Marsh	Redalen	Tunheim
Bennett	Halberg	Metzen	Riveness	Valan
Bergstrom	Haukoos	Minne	Rodosovich	Valento
Bishop	Heap	Munger	Rodriguez, C.	Vanasek
Blatz	Heinitz	Murphy	Rodriguez, F.	Vellenga
Brandl	Himle	Nelson, D.	Rose	Voss
Brinkman	Hoffman	Nelson, K.	St. Onge	Waltman
Carlson, L.	Hokr	Neuenschwander	Sarna	Welch
Clark, J.	Jacobs	Norton	Scheid	Welle
Clark, K.	Jensen	O'Connor	Schreiber	Wenzel
Clawson	Johnson	Ogren	Seaberg	Wynia
Cohen	Kahn	Olsen	Segal	Zaffke
Coleman	Kalis	Omann	Shaver	Speaker Sieben
Dempsey	Kelly	Osthoff	Sherman	
Eken	Knickerbocker	Otis	Simoneau	
Elioff	Knuth	Pauly	Solberg	
Ellingson	Kostohryz	Peterson	Sparby	

Those who voted in the negative were:

Anderson, G.	Erickson	Gutknecht	Onnen	Svigum
Burger	Evans	Jennings	Quist	Thiede
Carlson, D.	Findlay	Ludeman	Schafer	Uphus
DenOuden	Fjoslien	McDonald	Skoglund	Welker
Dimler	Frerichs	McKasy	Stadum	Wigley

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

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

### MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 1878, A bill for an act relating to building officials; providing for continuing education; amending Minnesota Statutes 1982, section 16.861, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

### CONCURRENCE AND REPASSAGE

St. Onge moved that the House concur in the Senate amendments to H. F. No. 1878 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1878, A bill for an act relating to state-regulated occupations; providing for continuing education of building officials; redefining broker-dealer; amending Minnesota Statutes 1982, section 16.861, by adding a subdivision; repealing S. F. No. 1750, section 3, enacted at the 1984 regular session.

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

The question was taken on the repassage of the bill and the roll was called. There were 115 yeas and 9 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Cohen	Gustafson	Kelly	Murphy
Anderson, C.	Coleman	Gutknecht	Knickerbocker	Nelson, D.
Anderson, R.	Dempsey	Halberg	Knuth	Nelson, K.
Beard	Dimler	Haukoos	Kostohryz	Neuenschwander
Bennett	Eken	Heap	Krueger	Norton
Bergstrom	Elioff	Heinitz	Kvam	O'Connor
Bishop	Ellingson	Himle	Larsen	Ogren
Blatz	Erickson	Hoffman	Levi	Olsen
Brandl	Evans	Hokr	Long	Omann
Brinkman	Findlay	Jacobs	Mann	Onnen
Burger	Forsythe	Jennings	Marsh	Osthoff
Carlson, L.	Frerichs	Jensen	McKasy	Otis
Clark, J.	Graba	Johnson	Metzen	Pauly
Clark, K.	Greenfield	Kahn	Minnie	Peterson
Clawson	Gruenes	Kalis	Munger	Piepho

Piper	Rodriguez, F.	Segal	Staten	Vellenga
Price	Rose	Shaver	Swanson	Voss
Quist	St. Onge	Shea	Tomlinson	Waltman
Redalen	Sarna	Sherman	Tunheim	Welch
Reif	Scheid	Simoneau	Uphus	Welle
Rice	Schoenfeld	Skoglund	Valan	Wigley
Riveness	Schreiber	Sparby	Valento	Wynia
Rodosovich	Seaberg	Stadum	Vanasek	Speaker Sieben

Those who voted in the negative were:

Carlson, D.	Fjoslien	Schafer	Thiede	Zaffke
DenOuden	Ludeman	Sviggum	Welker	

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

Mr. Speaker:

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

H. F. No. 2186, A bill for an act relating to public finance; providing for allocation of federal authority to issue certain state and local obligations; amending Minnesota Statutes 1982, sections 116J.42, by adding a subdivision; 273.77; 429.091, by adding a subdivision; 430.12; and 472.09, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapters 458; 459; 462; 474; and 475.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Scheid moved that the House concur in the Senate amendments to H. F. No. 2186 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2186, A bill for an act relating to public finance; authorizing the levy of special assessments or service charges for fire protection and pedestrian skyway systems; providing for allocation of federal authority to issue certain state and local obligations; amending Minnesota Statutes 1982, sections 116J.-58, by adding a subdivision; 273.77; 429.021, subdivision 1; 429.031, subdivision 3; 429.091, subdivision 2, and by adding a subdivision; 429.101, subdivision 1; 430.12; and 472.09, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapters 458; 459; 462; 474; and 475.

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

The question was taken on the repassage of the bill and the roll was called. There were 110 yeas and 16 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Elioff	Kostohryz	Osthoff	Sherman
Anderson, G.	Ellingson	Krueger	Otis	Simoneau
Anderson, R.	Evans	Larsen	Pauly	Sköglund
Battaglia	Findlay	Levi	Peterson	Solberg
Beard	Forsythe	Long	Piepho	Sparby
Begich	Graba	Mann	Piper	Stadum
Bennett	Greenfield	Marsh	Price	Staten
Bergstrom	Gruenes	McEachern	Redalen	Sviggum
Bishop	Gustafson	McKasy	Reif	Tomlinson
Blatz	Cutknecht	Metzen	Rice	Tunheim
Brandl	Halberg	Minne	Riveness	Uphus
Brinkman	Heap	Munger	Rodosovich	Valan
Burger	Heinitz	Murphy	Rodriguez, F.	Valento
Carlson, D.	Himle	Nelson, D.	Rose	Vanasek
Clark, J.	Hoffman	Nelson, K.	St. Onge	Vellenga
Clark, K.	Jacobs	Neuenschwander	Sarna	Voss
Clawson	Jensen	Norton	Scheid	Waltman
Cohen	Johnson	O'Connor	Schoenfeld	Welch
Coleman	Kalis	Ogren	Schreiber	Welle
Dempsey	Kelly	Olsen	Seaberg	Wenzel
Dimler	Knickerbocker	Omman	Segal	Wynia
Eken	Knuth	Onnen	Shaver	Speaker Sieben

Those who voted in the negative were:

DenOuden	Haukoos	Kvam	Quist	Welker
Erickson	Hokr	Ludeman	Schafer	Wigley
Fjoslien	Jennings	McDonald	Thiede	Zaffke
Frerichs				

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

Mr. Speaker:

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

H. F. No. 1982, A bill for an act relating to towns; authorizing contributions to certain organizations; amending Minnesota Statutes 1982, section 365.10.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Clawson moved that the House concur in the Senate amendments to H. F. No. 1982 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1982, A bill for an act relating to towns; authorizing contracts with nonprofit organizations; amending Minnesota Statutes 1982, section 365.10.

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

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

Those who voted in the affirmative were:

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

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

Mr. Speaker:

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

S. F. No. 1880, A bill for an act relating to local government; providing for financing of county and county regional jails; providing for a special allocation of mortgage revenue bonds for calendar year 1985; authorizing the levy of special assessments or service charges for fire protection and pedestrian skyway systems; allowing the town of Blue Hill to exercise certain powers; letting municipal housing contracts; increasing the amount of expenditures for construction and other work that requires an award by contract; amending Minnesota Statutes 1982, sections 429.021, subdivision 1; 429.031, subdivision 3; 429.091, subdivision 2; 429.101, subdivision 1; 462.461, subdivisions 1, 2, and 3; 462C.09, by adding a subdivision; 641.24; and 641.264, subdivision 1.



And the Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Messrs. Benson, Wegscheid and Pogemiller.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Ellingson moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1880. The motion prevailed.

The Speaker resumed the Chair.

### SPECIAL ORDERS, Continued

S. F. No. 595 which was temporarily laid over earlier today was again reported to the House.

Wynia moved to amend S. F. No. 595, as follows:

Page 6, after line 18, insert:

"Sec. 4. Minnesota Statutes 1982, section 65B.43, is amended by adding a subdivision to read:

*Subd. 15. "Uninsured motor vehicle" means a motor vehicle or motorcycle for which a plan of reparation security meeting the requirements of sections 65B.41 to 65B.71 is not in effect.*

Sec. 5. Minnesota Statutes 1982, section 65B.43, is amended by adding a subdivision to read:

*Subd. 16. "Uninsured motorist coverage" means coverage for the protection of persons insured thereunder who are legally entitled to recover damages, because of bodily injury, from owners or operators of uninsured motor vehicles and motor vehicles or motorcycles whose owner or operator cannot be identified.*

Sec. 6. Minnesota Statutes 1982, section 65B.43, is amended by adding a subdivision to read:

*Subd. 17. "Underinsured motorist coverage" means coverage for the protection of persons insured thereunder who are legally entitled to recover damages, because of bodily injury, from*

*owners or operators of motor vehicles or motorcycles, but which damages are uncompensated because the total damages exceed the available bodily injury liability coverage applicable to the other vehicle. The maximum liability of the insurer under the underinsured motorist coverage provided shall be the lesser of:*

- (1) the limit of underinsured motorist coverage; or*
- (2) the amount of damages sustained, but not recovered.*

Sec. 4. Minnesota Statutes 1982, section 65B.49, subdivision 4, is amended to read:

**Subd. 4. [UNINSURED (OR HIT AND RUN MOTOR VEHICLE) AND UNDERINSURED MOTORIST COVERAGE.]**

(1) No plan of reparation security may be renewed, delivered or issued for delivery, or executed in this state with respect to any motor vehicle registered or principally garaged in this state unless *uninsured motorist coverage (IS) and underinsured motorist coverage* are provided therein (OR SUPPLEMENTAL THERETO, IN THE AMOUNTS). *Each coverage, as a minimum, must provide limits of \$25,000 because of injury to or the death of one person in any accident (, and (SUBJECT TO THE SAID LIMIT FOR ONE PERSON,) \$50,000 because of (BODILY) injury to or the death of two or more persons in any (ONE) accident (, FOR THE PROTECTION OF PERSONS INSURED THEREUNDER WHO ARE LEGALLY ENTITLED TO RECOVER DAMAGES FROM OWNERS OR OPERATORS OF UNINSURED MOTOR VEHICLES AND HIT AND RUN MOTOR VEHICLES BECAUSE OF INJURY). In the case of injury to, or the death of, two or more persons in any accident, the amount available to any one person must not exceed the coverage limit provided for injury to, or the death of, one person in any accident.*

(2) Every owner of a motor vehicle registered or principally garaged in this state shall maintain uninsured (MOTOR VEHICLE) motorist coverage and underinsured motorist coverage as provided in this subdivision.

(3) ("UNINSURED MOTOR VEHICLE" MEANS ANY MOTOR VEHICLE OR MOTORCYCLE FOR WHICH A PLAN OF REPARATION SECURITY MEETING THE REQUIREMENTS OF SECTIONS 65B.41 TO 65B.71 IS NOT IN EFFECT) *No reparation obligor shall be required to provide limits of uninsured motorist coverage or underinsured motorist coverage in excess of the bodily injury limit provided by the applicable plan of reparation security.*

(4) No recovery shall be permitted under the uninsured (MOTOR VEHICLE PROVISIONS OF THIS SECTION) motorist coverage nor the underinsured motorist coverage for

basic economic loss benefits paid or payable, or which would be payable but for any applicable deductible.

(5) *Notwithstanding the provisions of this section, an insurer may make underinsured motorist coverage a part of uninsured motorist coverage with the limit of liability applying separately to each coverage.*

(6) *After selection of limits by the insured, no insurer nor any affiliated insurer shall be required to notify any policyholder in any renewal or replacement policy, as to the availability of such optional limits. However, the insured may, subject to the limitations expressed in this section, make a written request for coverage more extensive than that provided on a prior policy.*

(7) *Notwithstanding the provisions of this section, an insurer may make available underinsured motorist coverage where the maximum liability of the insurer shall be limited to the lesser of: (a) the difference between the limit of such coverage and the amount paid to the insured by or for any person or organization who may be held legally liable for the bodily injury; or (b) the amount of damages sustained, but not recovered. Substitution of this form of coverage may be selected by the insured and will satisfy the requirements of this section if the insured (a) is provided with a written description of the two alternative coverages, which indicates the difference in premiums for each; and (b) acknowledges receipt of the description and approves the substitution in writing. The written description of the two alternative coverages shall be approved by the commissioner."*

Page 6, line 19, delete "4" and insert "8"

Amend the title as follows:

Page 1, line 5, after the semicolon insert "providing uninsured and underinsured motorist coverage for no-fault auto insurance;"

Page 1, line 6, after the semicolon insert "65B.43, by adding subdivisions; and 65B.49, subdivision 4;"

The motion prevailed and the amendment was adopted.

S. F. No. 595, A bill for an act relating to insurance; holding companies; modifying the commissioner's jurisdiction with respect to the interests of shareholders; making miscellaneous style and form changes; amending Minnesota Statutes 1982, section 60D.02, subdivisions 1, 2, and 4; repealing Minnesota Statutes 1982, sections 60D.01, subdivision 8; and 60D.02, subdivision 5.

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

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

Those who voted in the affirmative were:

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

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

## MESSAGES FROM THE SENATE, Continued

The following messages were received from the Senate:

Mr. Speaker:

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

S. F. No. 1843, A bill for an act relating to courts; providing for the appointment of chief judge and assistant chief judge for each judicial district; clarifying the administrative authority of the chief judge; amending Minnesota Statutes 1982, section 484.69, subdivisions 1 and 3.

And the Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Messrs. Freeman, Luther and Sieloff.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Clawson moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1843. The motion prevailed.

Mr. Speaker:

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

S. F. No. 1628, A bill for an act relating to public welfare; setting licensing, planning and zoning provisions with respect to licensed residential and day care facilities; providing that certain facilities are permitted multi-family uses; allowing municipalities to require conditional use permits for certain other facilities; requiring counties to engage in planning to promote dispersal of residential facilities; providing that certain facilities are permitted single family uses; amending Minnesota Statutes 1982, sections 245.783, by adding a subdivision; 245.812, subdivisions 3, 4 and 7, and by adding a subdivision; and 462.357, subdivisions 7, 8, and by adding a subdivision.

And the Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Ms. Berglin, Messrs. Petty and Sieloff.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Greenfield moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1628. The motion prevailed.

#### ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1843:

Clawson, Cohen and Halberg.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1628:

Greenfield, Elioff and Boo.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1880:

Ellingson; Rodriguez, C., and Schreiber.

### SPECIAL ORDERS

Eken moved that the remaining bills on Special Orders for today be continued one day. The motion prevailed.

### GENERAL ORDERS

Eken moved that the bills on General Orders for today be continued one day. The motion prevailed.

### ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 11:00 a.m., Friday, April 20, 1984. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 11:00 a.m., Friday, April 20, 1984.

EDWARD A. BURDICK, Chief Clerk, House of Representatives