

STATE OF MINNESOTA

SEVENTY-FOURTH SESSION - 1985

SEVENTEENTH DAY

SAINT PAUL, MINNESOTA, MONDAY, FEBRUARY 25, 1985

The House of Representatives convened at 2:00 p.m. and was called to order by David M. Jennings, Speaker of the House.

Prayer was offered by Reverend Walter Wietzke, St. Mark Evangelical Lutheran Church, St. Paul, Minnesota.

The roll was called and the following members were present:

Anderson, G.	Ellingson	Kostohryz	Osthoff	Shaver
Backlund	Erickson	Krueger	Otis	Sherman
Battaglia	Fjoslien	Kvam	Ozment	Simoneau
Beard	Forsythe	Levi	Pappas	Skoglund
Becklin	Frederick	Lieder	Pauly	Solberg
Begich	Frederickson	Long	Peterson	Stanisus
Bennett	Frerichs	Marsh	Piepho	Staten
Bishop	Greenfield	McDonald	Piper	Sviggum
Blatz	Gruenes	McEachern	Poppenhagen	Thiede
Boerboom	Gutknecht	McKasy	Price	Thorson
Boo	Halberg	McLaughlin	Quinn	Tjornhom
Brandl	Hartinger	McPherson	Quist	Tomlinson
Brinkman	Hartle	Metzen	Redalen	Tompkins
Brown	Haukoos	Miller	Rees	Tunheim
Burger	Heap	Minne	Rest	Uphus
Carlson, D.	Himle	Munger	Richter	Valan
Carlson, J.	Jacobs	Murphy	Riveness	Valento
Carlson, L.	Jaros	Nelson, D.	Rodosovich	Vanasek
Clark	Jennings, L.	Neuenschwander	Rose	Vellenga
Clausnitzer	Johnson	Norton	Sarna	Voss
Cohen	Kahn	O'Connor	Schafer	Waltman
Dempsey	Kalis	Ogren	Scheid	Welle
DenOuden	Kelly	Olsen, S.	Schoenfeld	Wenzel
Dimler	Kiffmeyer	Olson, E.	Schreiber	Wynia
Dyke	Knickerbocker	Omann	Seaberg	Zaffke
Elioff	Knuth	Onnen	Segal	Spk. Jennings, D.

A quorum was present.

Anderson, R.; Nelson, K., and Sparby were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Kelly 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. 67, 68, 140, 151, 213 and 320 and S. F. Nos. 196, 328 and 412 have been placed in the members' files.

REPORTS OF STANDING COMMITTEES

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

H. F. No. 9, A resolution memorializing Congress to call a constitutional convention to propose an amendment to the United States Constitution to require a balanced federal budget.

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

The report was adopted.

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

H. F. No. 155, A bill for an act relating to weights and measures; specifying the contents of a cord of freshly cut rough green aspen; amending Minnesota Statutes 1984, section 239.33.

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

The report was adopted.

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

H. F. No. 385, A bill for an act relating to occupations and professions; providing advertising restrictions for plumbers; proposing coding for new law in Minnesota Statutes, chapter 326.

Reported the same back with the following amendments:

Page 1, after line 25, insert

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective January 1, 1986."

With the recommendation that when so amended the bill pass.

The report was adopted.

Schreiber from the Committee on Taxes to which was referred:

S. F. No. 328, A bill for an act relating to charitable gambling; changing the effective date for licensing by the charitable gambling control board; clarifying that certain revenue may be used for arts education programs; amending Minnesota Statutes 1984, section 349.212, subdivision 3; and Laws 1984, chapter 502, article 12, section 26.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 349.212, subdivision 1, is amended to read:

Subdivision 1. [RATE.] There is hereby imposed a tax on all lawful gambling conducted by (LICENSED) organizations *licensed by the board* 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.

Sec. 2. Minnesota Statutes 1984, section 349.212, subdivision 3, is amended to read:

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) *sections 349.11 to 349.22* 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) *for arts education programs*, 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. 3. Laws 1984, chapter 502, article 12, section 26, is amended to read:

Sec. 26. [EFFECTIVE DATE.]

Sections 7 and 24 are effective the day following final enactment. *Sections 9 and 10 are effective June 1, 1985. 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. An organization which held a local license to conduct lawful gambling on February 28, 1985, or which holds a license granted under section 4 may continue to conduct the forms of gambling authorized by the local license without a license from the board until June 1, 1985, provided that the organization complies with all other applicable laws and rules of the board, or is in compliance with the emergency ordinance adopted under section 4, if applicable.*

Sec. 4. [CITIES AND COUNTIES; TEMPORARY LICENSING AUTHORITY.]

A county or home rule charter or statutory city may by emergency ordinance establish a system for the licensing of organizations to operate gambling devices and to conduct raffles from February 28, 1985, to May 31, 1985. The system must be consistent with Minnesota Statutes 1982, chapter 349.

The emergency ordinance may go into effect without hearing, notice, or publication, but the county or city shall promptly, after adoption, hold hearings to consider any necessary alterations in the ordinance. No ordinance may remain in effect after May 31, 1985. This section supersedes any inconsistent provision of law, charter, or ordinance.

Sec. 5. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Amend the title as follows:

Page 1, line 5, after the semicolon insert "authorizing emergency licensing ordinances by local units of government;"

Page 1, line 7, delete "subdivision" and insert "subdivisions 1 and"

With the recommendation that when so amended the bill pass.

The report was adopted.

Forsythe from the Committee on Appropriations to which was referred:

S. F. No. 54, A bill for an act relating to agriculture; establishing an emergency farm operating loans program; providing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 17.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [17.90] [MINNESOTA EMERGENCY FARM OPERATING LOANS PROGRAM.]

Subdivision 1. [CITATION.] This section may be cited as the "Minnesota emergency farm operating loans act."

Subd. 2. [LEGISLATIVE FINDINGS, PUBLIC PURPOSE, SCOPE OF PROGRAM.] The legislature finds that many farm families face extreme financial hardship or possible foreclosure in 1985 because of their inability to obtain farm operating loans at affordable rates of interest. In many of these cases excessive interest rates reduce projected cash flow to a level where lending institutions refuse to renew a line of credit or demand the partial or total liquidation of remaining assets.

The legislature further finds that with relatively little public expense, and with the voluntary cooperation and assistance of Minnesota farm lenders, operating loans can be made to farm operators at an interest rate that will allow continuation of viable farm operations during 1985.

The legislature further finds that the use of money in the general fund for the purpose of assisting qualified farm operators is a public purpose and is necessary to protect the health, safety, and general welfare of the people of this state.

The purpose of this program is to identify and assist those farm operations which are in need of farm operating loans during the 1985 planting and growing season but which, solely because annual interest rates are currently far in excess of an affordable rate, are unable to project a positive annual cash flow. The combination of farm lender participation and minimal state support will make credit available to eligible farm operations at an annual interest rate substantially below the prime rate. Credit at the state supported interest rate will enable many farm operations to project a positive annual cash flow, securing the stability of farm families and farm communities, relieving farm lenders from carrying numerous classified farm loans, and reducing excessive pressures for social services needed to assist displaced farm families.

Subd. 3. [DEFINITIONS.] For purposes of this section the words and phrases defined here have the meanings given:

(1) "Commissioner" means the commissioner of agriculture. Actions of the commissioner pursuant to this act shall be taken only after consultation with the family farm advisory council established in section 41.54.

(2) "Farm lender" means a state or federally chartered bank, farm credit system lender, or other regulated financial institution that regularly provides commercial farm operating loans to Minnesota farm operators.

(3) "Eligible farm operator" means a Minnesota resident who is the operator of a family farm or family farm corporation and who faces severe economic difficulty in 1985 but whose farming operation is sufficiently sound to be financially viable through the year if operating credit were available at a reduced interest rate, except that only a farm operation with a debt-to-asset ratio of 50 percent or higher is an eligible farm operator. Real estate values used in calculating the debt-to-asset ratio shall be the regional federal land bank values as of December 31, 1984. Eligible farm operator may be further defined by the commissioner to accomplish the purposes of this section.

(4) "Commissioner's index interest rate" means the interest rate certified by the commissioner pursuant to subdivision 5, clause (2), for purposes of calculating maximum allowable interest rates for emergency farm operating loans.

Subd. 4. [STATE SHARE OF INTEREST RATE.] A farm lender which qualifies for participation under provisions of subdivision 5 may receive state funds equal to an annual interest rate of 5-1/2 percent on a qualifying emergency farm operating loan upon application to the commissioner. One-half of the state share of interest shall be paid to the participating farm lender when the loan is disbursed to the farm borrower and the remainder upon maturity of the emergency farm operating loan.

Subd. 5. [AGREEMENT BY PARTICIPATING FARM LENDERS.] A farm lender that wishes to receive state funds and participate in the emergency farm operating loans program must agree in writing to conditions and guidelines established by the commissioner in consultation with the family farm advisory council. The conditions and guidelines established by the commissioner shall include at least the following:

(1) The farm lender must agree to make emergency farm operating loans not exceeding \$75,000 each in principal amount to eligible farm operators.

(2) The farm lender must agree to make emergency farm operating loans to eligible farm operators at an interest rate of

no more than the commissioner's index interest rate less five percent. The commissioner's index interest rate shall be the current lending rate of the federal intermediate credit bank to production credit associations as certified monthly by the commissioner.

(3) The farm lender must agree to maximize the benefit of the emergency farm operating loans program by identifying farm operators whose current loans are classified or who can show positive cash flow projections only at the reduced interest rate.

(4) The farm lender must agree to submit each application for an emergency farm operating loan, including all necessary supporting documentation, to the commissioner for review and determination of eligibility.

(5) The farm lender must agree to offer to pay one-half of enrollment fees for loan recipients who wish to enroll and participate in a vocational-agricultural adult farm business management program/agricultural extension service or equivalent post-secondary farm management training program or an equivalent farm management service. A participating farm lender is not required to pay farm management program enrollment fees for more than one person per emergency farm operating loan.

(6) The farm lender must agree to meet reporting requirements of the commissioner with respect to state funds used in the emergency farm operating loans program.

(7) A farm lender need not make an emergency farm loan to a farm operator unable to project a positive cash flow after making adjustment for the interest reduction provided by the emergency farm operating loans program.

Subd. 6. [AGREEMENT BY PARTICIPATING FARM BORROWERS.] A farm borrower who wishes to receive an emergency farm operating loan from a participating farm lender must agree to conditions and guidelines established by the commissioner and the lender. The conditions and guidelines established by the commissioner shall include at least the following:

(1) The farm borrower must agree to provide documentation of farm operating expenses during the previous two years.

(2) The farm borrower must agree to allow the farm lender, the commissioner, or a qualified third party to analyze relevant farm financial information if so requested.

(3) The farm borrower must agree to allow information provided to the farm lender or the commissioner under this subdivision to be collected and analyzed by the agricultural extension

service adult vocational-agricultural farm management program if so requested and agree to enroll in a farm business management program.

Subd. 7. [DUTIES OF THE COMMISSIONER.] Pursuant to the goals of this section, the commissioner in consultation with the family farm advisory council shall develop guidelines for the state emergency farm operating loans program. Guidelines must be sensitive to the needs of farm lenders and farm operators. In the most expedient manner possible, with due regard to the security of state funds and the needs of farm lenders, the commissioner shall design and implement a plan to identify eligible farm lenders willing to participate in the program; write and have published guidelines by which the program will operate; review loan applications; distribute state funds to participating farm lenders upon the maturity of approved loans; and monitor the effectiveness and efficiency of the program. Guidelines for the program may be adopted without regard to chapter 14 except sections 14.37 and 14.40.

The commissioner shall review loan applications submitted by participating farm lenders within five working days, except that if a loan application is deficient in content the time for review may be extended as necessary.

The commissioner must make every reasonable effort to assure that state funds are distributed systematically to all parts of the state, with emphasis given to the areas where farm operating credit is least available.

In order to achieve maximum benefits, the commissioner may give preference to eligible farm lenders willing to issue emergency farm operating loans at an annual interest rate lower than five points below the commissioner's index interest rate.

On May 1, 1985 and every third month thereafter until February 1, 1986, the commissioner shall report to the chairpersons of the agriculture and appropriations committees of the house and the agriculture and natural resources and finance committees of the senate on the implementation and economic impact of the emergency farm operating loans program. In the quarterly report the commissioner shall describe the current economic situation in the agricultural sector of the state economy.

Not later than April 15, 1986, the commissioner must report to the governor and the legislature on the overall effectiveness and efficiency of the state emergency farm operating loans program.

Subd. 8. [EMERGENCY FARM OPERATING LOANS FUND, CREATION.] There is created an emergency farm operating loans fund. Money in this account may be certified by

the commissioner for disbursement and paid to farm lenders participating in the state emergency farm operating loans program. Any money remaining in the emergency farm operating loans fund on June 30, 1986, must be returned to the general fund.

Subd. 9. [PENALTIES.] Any willful or intentional misrepresentation of farm operating expenses or other required information by any farm lender or emergency operating loan recipient, or any use of funds obtained under the emergency farm operating loans act for other than the specified purposes of the loan shall be a gross misdemeanor.

Sec. 2. [APPROPRIATIONS.]

There is appropriated on the effective date of this act \$25,000,000 from the general fund to the emergency farm operating loans fund. There is appropriated from the general fund to the commissioner of agriculture for the fiscal year ending June 30, 1985 the sum of \$60,500.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 of this act are effective the day following final enactment."

With the recommendation that when so amended the bill pass.

MINORITY REPORT

February 21, 1985

We, the undersigned, being a minority of the Committee on Appropriations, recommend that S. F. No. 54, do pass with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. [17.90] [MINNESOTA EMERGENCY FARM OPERATING LOANS PROGRAM.]

Subdivision 1. [CITATION.] This section may be cited as the "Minnesota emergency farm operating loans act."

Subd. 2. [LEGISLATIVE FINDINGS, PUBLIC PURPOSE, SCOPE OF PROGRAM.] The legislature finds that many farm families face extreme financial hardship or possible foreclosure in 1985 because of their inability to obtain farm operating loans

at affordable rates of interest. In many of these cases excessive interest rates reduce projected cash flow to a level where lending institutions refuse to renew a line of credit or demand the partial or total liquidation of remaining assets.

The legislature further finds that with relatively little public expense, and with the voluntary cooperation and assistance of Minnesota farm lenders, operating loans can be made to farm operators at an interest rate that will allow continuation of viable farm operations during 1985.

The legislature further finds that the use of money in the general fund for the purpose of assisting qualified farm operators is a public purpose and is necessary to protect the health, safety, and general welfare of the people of this state.

The purpose of this program is to identify and assist those farm operations which are in need of farm operating loans during the 1985 planting and growing season but which, solely because annual interest rates are currently far in excess of an affordable rate, are unable to project a positive annual cash flow. The combination of farm lender participation and minimal state support will make credit available to eligible farm operations at an annual interest rate substantially below the prime rate. Credit at the state supported interest rate will enable many farm operations to project a positive annual cash flow, securing the stability of farm families and farm communities, relieving farm lenders from carrying numerous classified farm loans, and reducing excessive pressures for social services needed to assist displaced farm families.

Subd. 3. [DEFINITIONS.] For purposes of this section the words and phrases defined here have the meanings given:

(1) "Commissioner" means the commissioner of agriculture. Actions of the commissioner pursuant to this act shall be taken only after consultation with the family farm advisory council established in section 41.54.

(2) "Farm lender" means a state or federally chartered bank, farm credit system lender, or other regulated financial institution that regularly provides commercial farm operating loans to Minnesota farm operators.

(3) "Eligible farm operator" means a Minnesota resident who is the operator of a family farm or family farm corporation and who faces severe economic difficulty in 1985 but whose farming operation is sufficiently sound to be financially viable through the year if operating credit were available at a reduced interest rate, except that only a farm operation with a debt-to-asset ratio of 50 percent or higher is an eligible farm operator. Real estate values used in calculating the debt-to-asset ratio shall be the re-

gional federal land bank values as of December 31, 1984. Eligible farm operator may be further defined by the commissioner to accomplish the purposes of this section.

(4) "Commissioner's index interest rate" means the interest rate certified by the commissioner pursuant to subdivision 5, clause (2), for purposes of calculating maximum allowable interest rates for emergency farm operating loans.

(5) "Farmers home administration" means the farmers home administration of the United States Department of Agriculture.

(6) "Emergency farm operating loan" means a loan to an eligible farm operator for new operating expenses or for the restructuring of existing farm debt.

Subd. 4. [STATE SHARE OF INTEREST RATE.] A farm lender which qualifies for participation under provisions of subdivision 5 may receive state funds equal to an annual interest rate of 5-1/2 percent on a qualifying emergency farm operating loan upon application to the commissioner. The state share of interest shall be paid to the participating farm lender upon maturity of the emergency farm operating loan.

Subd. 5. [AGREEMENT BY PARTICIPATING FARM LENDERS.] A farm lender that wishes to receive state funds and participate in the emergency farm operating loans program must agree in writing to conditions and guidelines established by the commissioner in consultation with the family farm advisory council. The conditions and guidelines established by the commissioner shall include at least the following:

(1) The farm lender must agree to make emergency farm operating loans not exceeding \$100,000 each in principal amount to eligible farm operators.

(2) The farm lender must agree to make emergency farm operating loans to eligible farm operators at an interest rate of no more than the commissioner's index interest rate less five percent. The commissioner's index interest rate shall be the current lending rate of the federal intermediate credit bank to production credit associations as certified monthly by the commissioner.

(3) The farm lender must agree to review all classified farm loans and determine which farm loans the bank will submit to the farmers home administration for loan guarantees and debt restructuring.

(4) The farm lender must agree to apply for the farmers home administration approved lenders' program.

(5) *The farm lender must agree to submit each application for an emergency farm operating loan, including all necessary supporting documentation, to the commissioner for review and determination of eligibility.*

(6) *The farm lender must agree to offer to pay one-half of enrollment fees for loan recipients who wish to enroll and participate in a vocational-agricultural adult farm business management program/agricultural extension service or equivalent post-secondary farm management training program or an equivalent farm management service. A participating farm lender is not required to pay farm management program enrollment fees for more than one person per emergency farm operating loan.*

(7) *The farm lender must agree to meet reporting requirements of the commissioner with respect to state funds used in the emergency farm operating loans program.*

(8) *A farm lender need not make an emergency farm loan to a farm operator unable to project a positive cash flow after making adjustment for the interest reduction provided by the emergency farm operating loans program.*

Subd. 6. [AGREEMENT BY PARTICIPATING FARM BORROWERS.] *A farm borrower who wishes to receive an emergency farm operating loan from a participating farm lender must agree to conditions and guidelines established by the commissioner and the lender. The conditions and guidelines established by the commissioner shall include at least the following:*

(1) *The farm borrower must agree to provide documentation of farm operating expenses during the previous two years.*

(2) *The farm borrower must agree to allow the farm lender, the commissioner, or a qualified third party to analyze relevant farm financial information if so requested.*

(3) *The farm borrower must agree to allow information provided to the farm lender or the commissioner under this subdivision to be collected and analyzed by the agricultural extension service adult vocational-agricultural farm management program if so requested and agree to enroll in a farm business management program.*

Subd. 7. [DUTIES OF THE COMMISSIONER.] *Pursuant to the goals of this section, the commissioner in consultation with the family farm advisory council shall develop guidelines for the state emergency farm operating loans program. Guidelines must be sensitive to the needs of farm lenders and farm operators. In the most expedient manner possible, with due regard to the security of state funds and the needs of farm*

lenders, the commissioner shall design and implement a plan to identify eligible farm lenders willing to participate in the program; write and have published guidelines by which the program will operate; review loan applications and approve those that qualify; distribute state funds to participating farm lenders upon the maturity of approved loans; and monitor the effectiveness and efficiency of the program. Guidelines for the program may be adopted without regard to chapter 14 except sections 14.37 and 14.40. A summary of the guidelines must be printed in the state register not less than five calendar days before the first emergency farm operating loans submitted to the commissioner by participating farm lenders are approved.

The commissioner shall review and approve or deny loan applications submitted by participating farm lenders within five working days, except that if a loan application is deficient in content the time for approval or denial may be extended as necessary.

The commissioner must make every reasonable effort to assure that state funds are distributed systematically to all parts of the state, with emphasis given to the areas where farm operating credit is least available.

In order to achieve maximum benefits, the commissioner may give preference to eligible farm lenders willing to issue emergency farm operating loans at an annual interest rate lower than five points below the commissioner's index interest rate.

On May 1, 1985 and every third month thereafter until February 1, 1986, the commissioner shall report to the chairpersons of the agriculture and appropriations committees of the house and the agriculture and natural resources and finance committees of the senate on the implementation and economic impact of the emergency farm operating loans program. In the quarterly report the commissioner shall describe the current economic situation in the agricultural sector of the state economy.

Not later than April 15, 1986, the commissioner must report to the governor and the legislature on the overall effectiveness and efficiency of the state emergency farm operating loans program.

Subd. 8. [EMERGENCY FARM OPERATING LOANS FUND, CREATION.] There is created an emergency farm operating loans fund. Money in this account may be certified by the commissioner for disbursement and paid to farm lenders participating in the state emergency farm operating loans program. Any money remaining in the emergency farm operating loans fund on June 30, 1987, must be returned to the general fund.

Subd. 9. [PENALTIES.] *Any willful or intentional misrepresentation of farm operating expenses or other required information by any farm lender or emergency operating loan recipient, or any use of funds obtained under the emergency farm operating loans act for other than the specified purposes of the loan shall be a gross misdemeanor.*

Sec. 2. [APPROPRIATIONS.]

There is appropriated on the effective date of this article \$30,000,000 from the general fund to the emergency farm operating loans fund. There is appropriated from the general fund to the commissioner of agriculture for the fiscal year ending June 30, 1985, the sum of \$60,500 for administrative purposes.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment.

ARTICLE 2

Section 1. [FARM CRISIS CREDIT.]

Subdivision 1. [CREDIT.] *For taxes payable in 1985 and 1986 only, the county auditor shall reduce the tax on all agricultural land classified pursuant to section 273.13, subdivision 4 or 6, by an amount equal to 25 percent of the net tax payable on the qualifying property after reductions of the tax pursuant to sections 124.2137, 273.115, 273.116, 273.123, 273.13, 273.135, 273.1391, and 473H.10. The credit must be applied against the first one-half property tax payment which is due on or before May 15. For taxes payable in 1985, the county auditor shall notify each affected taxpayer by May 1, 1985, of the revised May 15, 1985, payment amount on each piece of qualifying property. If the credit amount for taxes payable in 1985 exceeds any unpaid taxes on May 15, 1985, the auditor shall apply any remaining credit amount to the second one-half payment due on or before October 15, 1985.*

This credit applies to the land and buildings and structures located on it, except for all dwellings and one acre of land for each dwelling.

Subd. 2. [CERTIFICATIONS.] *The county auditor shall certify to the commissioner of revenue at the times required by the commissioner the amounts computed under subdivision 1. The commissioner of revenue shall review the certifications to determine their accuracy. He may make necessary changes in a certification or return it to the county auditor for corrections.*

Subd. 3. [LIMITATION.] The amount of the reduction provided under this section which any taxpayer can receive on all agricultural property which he owns must not exceed \$2,000. In the case of property owned by more than one person, the maximum amount of the reduction applies to the total of all the owners.

Subd. 4. [REIMBURSEMENT.] Revenue lost as a result of the reduction of property taxes pursuant to this section must be paid to local taxing jurisdictions according to the provisions of sections 273.13, subdivision 15a, and 273.1392.

Subd. 5. [APPROPRIATION.] There is appropriated from the general fund to the commissioners of revenue and education the amounts required to make the payments under subdivision 4.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day after final enactment.

ARTICLE 3

Section 1. Minnesota Statutes 1984, 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, snow-

mobiles, 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 1984, section 297A.02, subdivision 2, is amended to read:

Subd. 2. [MACHINERY AND EQUIPMENT.] Notwithstanding the provisions of subdivision 1, the rate of the excise tax imposed upon sales of *new* farm machinery, special tooling, and capital equipment is four percent.

Sec. 3. Minnesota Statutes 1984, 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 exchange telephone service purchased for use, storage or consumption in this state, a use tax is imposed on every person in this state at the rate of six percent of the sales price of sales at retail unless the tax imposed by section 297A.02 was paid on the sales price. Notwithstanding the provisions of the preceding sentence, the rate of the use tax imposed upon the sales price of sales of *new* farm machinery, 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. 4. Minnesota Statutes 1984, 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 fundraising 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 state 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 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 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, 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 receipts 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;

(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;

(bb) The gross receipts from the sale of equipment used for processing solid or hazardous waste at a resource recovery facility, as defined in section 115A.03, subdivision 28;

(cc) *The gross receipts from the sale of and storage, use, or consumption of used farm machinery and repair and replacement parts for farm machinery.*

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective for sales after April 30, 1985."

Delete the title and insert:

"A bill for an act relating to agriculture; establishing an emergency farm operating loans program; providing a property tax credit in 1985 and 1986 for agricultural property; exempting used farm machinery and repair or replacement parts from the sales tax; providing penalties; appropriating money; amending Minnesota Statutes 1984, sections 297A.01, subdivision 15; 297A.02, subdivision 2; 297A.14; and 297A.25, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 17."

JERRY SCHOENFELD, HENRY J. KALIS, PHYLLIS KAHN, RICHARD COHEN and MARY MURPHY.

Schoenfeld moved that the Minority Report on S. F. No. 54 be substituted for the Majority Report and that the Minority Report be now adopted.

A roll call was requested and properly seconded.

CALL OF THE HOUSE

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

Anderson, G.	Erickson	Krueger	Otis	Shaver
Backlund	Fjoslien	Kvam	Ozment	Simoneau
Battaglia	Forsythe	Levi	Pappas	Skoglund
Beard	Frederick	Lieder	Pauly	Solberg
Becklin	Frederickson	Long	Peterson	Stanius
Begich	Frerichs	Marsh	Piepho	Staten
Bennett	Greenfield	McDonald	Piper	Sviggum
Bishop	Gruenes	McEachern	Poppenhagen	Thiede
Blatz	Gutknecht	McKasy	Price	Thorson
Boerboom	Halberg	McLaughlin	Quinn	Tjornhom
Boo	Hartinger	McPherson	Quist	Tomlinson
Brandl	Hartle	Metzen	Redalen	Tompkins
Brinkman	Haukoos	Miller	Rees	Tunheim
Brown	Hcap	Minne	Rest	Uphus
Burger	Himle	Munger	Richter	Valan
Carlson, D.	Jacobs	Murphy	Riveness	Valento
Carlson, J.	Jaros	Nelson, D.	Rodosovich	Vanasek
Carlson, L.	Jennings, L.	Neuenschwander	Rose	Vellenga
Clark	Johnson	Norton	Sarna	Voss
Clausnitzer	Kalis	O'Connor	Schafer	Waltman
Cohen	Kelly	Ogren	Scheid	Welle
DenOuden	Kiffmeyer	Olson, E.	Schoenfeld	Wenzel
Dimler	Knickerbocker	Omann	Schreiber	Wynia
Dyke	Knuth	Onnen	Seaberg	Zaffke
Elioff	Kostohryz	Osthoff	Segal	Spk. Jennings, D.

Levi 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.

The question recurred on the adoption of the Minority Report on S. F. No. 54 and the roll was called.

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

There were 61 yeas and 65 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Carlson, L.	Jaros	Krueger	Munger
Battaglia	Clark	Jennings, L.	Lieder	Murphy
Beard	Cohen	Kahn	Long	Nelson, D.
Begich	Elioff	Kalis	McEachern	Neuenschwander
Brandl	Ellingson	Kelly	McLaughlin	Norton
Brinkman	Greenfield	Knuth	Metzen	O'Connor
Brown	Jacobs	Kostohryz	Minne	Ogren

Olson, E.	Price	Sarna	Solberg	Vellenga
Osthoff	Quinn	Schoenfeld	Staten	Voss
Otis	Rest	Segal	Tomlinson	Welle
Pappas	Riveness	Simoneau	Tunheim	Wenzel
Peterson	Rodosovich	Skoglund	Vanasek	Wynia
Piper				

Those who voted in the negative were:

Backlund	Dimler	Haukoos	Omann	Shaver
Becklin	Dyke	Himle	Onnen	Sherman
Bennett	Erickson	Johnson	Ozment	Stanis
Bishop	Fjoslien	Kiffmeyer	Pauly	Sviggum
Blatz	Forsythe	Knickerbocker	Piepho	Thiede
Boerboom	Frederick	Kvam	Poppenhagen	Thorson
Boo	Frederickson	Levi	Quist	Tjornhom
Burger	Frerichs	Marsh	Redalen	Tompkins
Carlson, D.	Gruenes	McDonald	Rees	Valan
Carlson, J.	Gutknecht	McKasy	Richter	Valento
Clausnitzer	Halberg	McPherson	Rose	Waltman
Dempsey	Hartinger	Miller	Schafer	Zaffke
DenOuden	Hartle	Olsen, S.	Seaberg	Spk. Jennings, D.

The Minority Report on S. F. No. 54 was not adopted.

The question recurred on the adoption of the Majority Report from the Committee on Appropriations relating to S. F. No. 54. The Majority Report on S. F. No. 54 was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 9, 155 and 385 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 54 was read for the second time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Redalen moved that the rule therein be suspended and an urgency be declared so that S. F. No. 54 be given its third reading and be placed upon its final passage. The motion prevailed.

Redalen moved that the rules of the House be so far suspended that S. F. No. 54 be given its third reading and be placed upon its final passage. The motion prevailed.

S. F. No. 54 was reported to the House.

Redalen moved to amend S. F. No. 54, the second unofficial engrossment, as follows:

Page 2, line 6, delete "*solely*" and after "*because*" insert "*of large*"

Page 2, line 7, after "*annual*" insert "*payments and high*", after "*rates*" delete the rest of the line

Page 2, line 8, delete "*affordable rate*"

Page 2, lines 13 and 14, delete "*project a positive annual cash flow*" and insert "*remain in farming*"

Page 2, line 34, after "*higher*" insert "*and with a negative cash flow at the lender's prevailing interest rates*"

Page 3, line 35, delete "*identifying farm*" and insert "*directing assistance to applicants who would not otherwise receive spring operating loans. The approved applicants must show a positive cash flow at the reduced interest rate; be able to demonstrate a reasonable chance of obtaining debt restructuring necessary to achieve a positive cash flow; or show the ability to repay the operating loan.*"

Page 3, delete line 36

Page 4, delete line 1

Page 5, line 13, delete "*upon the maturity of approved loans*" and insert "*as specified in subdivision 4*"

The motion prevailed and the amendment was adopted.

Erickson moved to amend S. F. No. 54, the second unofficial engrossment, as amended, as follows:

Page 4, line 6, after "*to pay*", delete "*one-half of*"

Page 4, line 7, after "*enrollment fees*" insert "*, less the amount of any locally available reduction in or subsidy to fees ordinarily paid by the enrollee,*"

The motion prevailed and the amendment was adopted.

Anderson, G., moved to amend S. F. No. 54, the second unofficial engrossment, as amended, as follows:

Page 1, after the enacting clause insert "*Article 1*"

Page 2, line 21, delete "*act*" and insert "*Article*"

Page 6, line 21, delete "*act*" and insert "*Article*"

Page 6, line 27, delete "of this act"

Page 6, after line 35, insert:

"Article 2

Section 1. [FARM CRISIS CREDIT.]

Subdivision 1. [CREDIT.] For taxes payable in 1985 and 1986 only, the county auditor shall reduce the tax on all agricultural land classified pursuant to section 273.13, subdivision 4 or 6, by an amount equal to 25 percent of the net tax payable on the qualifying property after reductions of the tax pursuant to sections 124.2137, 273.115, 273.116, 273.123, 273.13, 273.135, 273.1391, and 473H.10. The credit must be applied against the first one-half property tax payment which is due on or before May 15. For taxes payable in 1985, the county auditor shall notify each affected taxpayer by May 1, 1985, of the revised May 15, 1985, payment amount on each piece of qualifying property. If the credit amount for taxes payable in 1985 exceeds any unpaid taxes on May 15, 1985, the auditor shall apply any remaining credit amount to the second one-half payment due on or before October 15, 1985.

This credit applies to the land and buildings and structures located on it, except for all dwellings and one acre of land for each dwelling.

Subd. 2. [CERTIFICATIONS.] The county auditor shall certify to the commissioner of revenue at the times required by the commissioner the amounts computed under subdivision 1. The commissioner of revenue shall review the certifications to determine their accuracy. He may make necessary changes in a certification or return it to the county auditor for corrections.

Subd. 3. [LIMITATION.] The amount of the reduction provided under this section which any taxpayer can receive on all agricultural property which he owns must not exceed \$2,000. In the case of property owned by more than one person, the maximum amount of the reduction applies to the total of all the owners.

Subd. 4. [REIMBURSEMENT.] Revenue lost as a result of the reduction of property taxes pursuant to this section must be paid to local taxing jurisdictions according to the provisions of sections 273.13, subdivision 15a, and 273.1392.

Subd. 5. [APPROPRIATION.] There is appropriated from the general fund to the commissioners of revenue and education the amounts required to make the payments under subdivision 4.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day after final enactment.

Article 3

Section 1. Minnesota Statutes 1984, 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 1984, section 297A.02, subdivision 2, is amended to read:

Subd. 2. [MACHINERY AND EQUIPMENT.] Notwithstanding the provisions of subdivision 1, the rate of the excise tax imposed upon sales of *new* farm machinery, special tooling, and capital equipment is four percent.

Sec. 3. Minnesota Statutes 1984, 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 exchange telephone service purchased for use, storage or consumption in this state, a use tax is imposed on every person in this state at the rate of six percent of the sales price of sales at retail unless the tax imposed by section 297A.02 was paid on the sales price. Notwithstanding the provisions of the preceding sentence, the rate of the use tax imposed upon the sales price of sales of *new* farm machinery, 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. 4. Minnesota Statutes 1984, 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 fundraising 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 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 supplements or enclosures with or part of said newspaper; and the gross receipts of any advertising contained therein or there-with 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 airlight 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 airlight 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 merchan-

dise 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;

(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;

(bb) The gross receipts from the sale of equipment used for processing solid or hazardous waste at a resource recovery facility, as defined in section 115A.03, subdivision 28;

(cc) *The gross receipts from the sale of and storage, use, or consumption of used farm machinery and repair and replacement parts for farm machinery.*

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective for sales after April 30, 1985."

Amend the title as follows:

Page 1, line 3, after the first semicolon insert "providing a property tax credit in 1985 and 1986 for agricultural property; exempting used farm machinery and repair or replacement parts from the sales tax;"

Page 1, line 4, after the semicolon insert "amending Minnesota Statutes 1984, sections 297A.01, subdivision 15; 297A.02, subdivision 2; 297A.14; and 297A.25, subdivision 1;"

A roll call was requested and properly seconded.

The question was taken on the Anderson, G., amendment and the roll was called.

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

There were 57 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Jacobs	McLaughlin	Pappas	Staten
Battaglia	Jaros	Minne	Peterson	Tomlinson
Beard	Jennings, L.	Munger	Piper	Tunheim
Begich	Kahn	Murphy	Price	Vanasek
Brinkman	Kalis	Nelson, D.	Quinn	Vellenga
Brown	Kelly	Neuenschwander	Rest	Voss
Carlson, L.	Knuth	Norton	Rodosovich	Welle
Clark	Kostohryz	O'Connor	Schoenfeld	Wenzel
Cohen	Krueger	Ogren	Segal	Wynia
Elioff	Lieder	Olson, E.	Simoneau	
Ellingson	Long	Osthoff	Skoglund	
Greenfield	McEachern	Otis	Solberg	

Those who voted in the negative were:

Backlund	Dimler	Himle	Ozment	Sherman
Becklin	Dyke	Johnson	Pauly	Stanius
Bennett	Erickson	Kiffmeyer	Piepho	Sviggum
Bishop	Fjoslien	Knickerbocker	Poppenhagen	Thiede
Blatz	Forsythe	Kvam	Quist	Thorson
Boerboom	Frederick	Levi	Redalen	Tjornhom
Boo	Frederickson	Marsh	Rees	Tompkins
Brandl	Frerichs	McDonald	Richter	Uphus
Burger	Gruenes	McKasy	Riveness	Valan
Carlson, D.	Gutknecht	McPherson	Rose	Valento
Carlson, J.	Hartinger	Miller	Schafer	Waltman
Clausnitzer	Hartle	Olsen, S.	Schreiber	Zaffke
Dempsey	Haukoos	Omann	Seaberg	Spk. Jennings, D.
DenOuden	Heap	Onnen	Shaver	

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

Schoenfeld moved to amend S. F. No. 54, the second unofficial engrossment, as amended, as follows:

Page 3, after line 7, insert:

"(5) 'Emergency farm operating loan' means a loan for new operating expenses or for restructuring of existing farm debt."

Page 3, line 25, delete "75,000" and insert "100,000"

Page 6, line 22, delete "25,000,000" and insert "30,000,000"

A roll call was requested and properly seconded.

Levi moved that those not voting be excused from voting.

A roll call was requested and properly seconded.

The question was taken on the Levi motion to excuse members from voting and the roll was called. There were 67 yeas and 62 nays as follows:

Those who voted in the affirmative were:

Backlund	Forsythe	Knickerbocker	Piepho	Thorson
Bennett	Frederick	Krueger	Poppenhagen	Tjornhom
Bishop	Frederickson	Kvam	Redalen	Tompkins
Blatz	Frerichs	Levi	Rees	Uphus
Boerboom	Gruenes	Marsh	Richter	Valan
Boo	Gutknecht	McDonald	Rose	Valento
Burger	Halberg	McKasy	Schafer	Vellenga
Carlson, J.	Hartinger	McPherson	Schreiber	Waltman
Clausnitzer	Hartle	Metzen	Seaberg	Wynia
Dempsey	Haukoos	Miller	Shaver	Zaffke
Dimler	Heap	Olsen, S.	Sherman	Spk. Jennings, D.
Dyke	Himle	Onnen	Staten	
Erickson	Johnson	Ozment	Sviggum	
Fjoslien	Kiffmeyer	Pauly	Thiede	

Those who voted in the negative were:

Anderson, G.	Elioff	McEachern	Otis	Simoneau
Battaglia	Ellingson	McLaughlin	Pappas	Skoglund
Beard	Greenfield	Minne	Peterson	Solberg
Becklin	Jacobs	Munger	Piper	Stanius
Begich	Jaros	Murphy	Price	Tomlinson
Brandl	Jennings, L.	Nelson, D.	Quinn	Tunheim
Brinkman	Kahn	Neuenschwander	Rest	Vanasek
Brown	Kalis	Norton	Riveness	Voss
Carlson, D.	Kelly	O'Connor	Rodosovich	Welle
Carlson, L.	Knuth	Ogren	Sarna	Wenzel
Clark	Kostohryz	Olson, E.	Scheid	
Cohen	Lieder	Omann	Schoenfeld	
DenOuden	Long	Osthoff	Segal	

The motion to excuse members from voting prevailed.

The roll was called on the Schoenfeld amendment to S. F. No. 54, the second unofficial engrossment, as amended. There were 55 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Ellingson	Lieder	Otis	Skoglund
Battaglia	Greenfield	Long	Pappas	Solberg
Beard	Jacobs	McEachern	Peterson	Staten
Begich	Jaros	McLaughlin	Piper	Tomlinson
Brandl	Jennings, L.	Minne	Price	Tunheim
Brinkman	Kahn	Munger	Quinn	Vanasek
Brown	Kalis	Nelson, D.	Rest	Vellenga
Carlson, L.	Kelly	Neuenschwander	Rodosovich	Voss
Clark	Knuth	Norton	Schoenfeld	Welle
Cohen	Kostohryz	Ogren	Segal	Wenzel
Elioff	Krueger	Olson, E.	Simoneau	Wynia

Those who voted in the negative were:

Backlund	Dyke	Himle	Onnen	Shaver
Becklin	Erickson	Johnson	Osthoff	Sherman
Bennett	Fjoslien	Kiffmeyer	Ozment	Stanius
Bishop	Forsythe	Knickerbocker	Pauly	Svigggum
Blatz	Frederick	Kvam	Piepho	Thiede
Boerboom	Frederickson	Levi	Poppenhagen	Thorson
Boo	Frerichs	Marsh	Quist	Tjornhom
Burger	Gruenes	McDonald	Redalen	Tompkins
Carlson, D.	Gutknecht	McKasy	Rees	Uphus
Carlson, J.	Halberg	McPherson	Richter	Valan
Clausnitzer	Hartinger	Miller	Schafer	Valento
Dempsey	Hartle	Murphy	Scheid	Waltman
DenOuden	Haukoos	Olsen, S.	Schreiber	Zaffke
Dimler	Heap	Omann	Sraberg	Spk. Jennings, D.

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

Tomlinson moved to amend S. F. No. 54, the second unofficial engrossment, as amended, as follows:

Page 1, after the enacting clause insert "Article 1"

Page 2, line 21, delete "act" and insert "Article"

Page 6, line 21, delete "act" and insert "Article"

Page 6, line 27, delete "of this act"

Page 6, after line 28, insert:

"Article 2

Section 1. [DEFERRAL OF 1985 TAXES ON AGRICULTURAL HOMESTEADS.]

Notwithstanding the provisions of Minnesota Statutes, section 279.01, or any other law to the contrary, taxes otherwise due on May 15, 1985, on class 3b or class 3cc agricultural property may be paid at any time before October 16, 1985, and no penalty shall be charged upon that tax if paid by October 15, 1985.

By April 30, 1985, the county treasurer shall mail a notice regarding the availability of this deferral, in a form prepared by the commissioner of revenue, to each owner of class 3b or 3cc agricultural property who is responsible for payment of tax on the property.

Sec. 2. [TEMPORARY STATE REIMBURSEMENT.]

Subdivision 1. [PAYMENT TO TAXING DISTRICTS.]
Payment from the general fund shall be made for the purpose of temporarily replacing the revenue, receipt of which is deferred as a result of the property tax deferral provided in section 1.

The county auditor shall certify by May 20, 1985, the amount of taxes deferred. The commissioner may review the certification to determine its accuracy and may correct the certification or return it to the county auditor for corrections. On May 30, 1985, the commissioner of revenue shall pay to each taxing district, other than school districts, the amount of tax, receipt of which was deferred. The amount of deferred tax receipts otherwise payable to school districts shall be certified to the department of education by the department of revenue and paid by the commissioner of education on May 29, 1985. The amount received by a school district pursuant to this subdivision shall be recognized as revenue in the same manner as if it were property tax revenue received through the May 20, 1985 settlement.

Subd. 2. [REPAYMENT TO STATE.] *By October 31, 1985, the county auditor shall reimburse the state for all payments made to taxing districts within the county pursuant to subdivision 1. The county treasurer shall make settlement with the county auditor on October 21, 1985, for the deferred tax payments made by October 15, 1985, under section 1. The county*

auditor shall apportion the receipts among the taxing districts and issue a warrant to the county treasurer who shall pay to the state treasurer the amount of state reimbursement which each taxing district received pursuant to subdivision 1. Any shortfall shall be deducted from the amounts apportioned to the taxing districts on that settlement date and paid to the state treasurer. Payments made to the state treasurer under this section shall be deposited in the budget reserve account of the general fund.

Subd. 3. [APPROPRIATION.] Notwithstanding the provisions of Minnesota Statutes, section 16A.15, subdivision 6, there is appropriated from the budget reserve fund in the state treasury to the commissioner of revenue and the commissioner of education the amounts necessary to make the payments required by this section.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day after final enactment."

Amend the title as follows:

Page 1, line 3, after the first semicolon insert "allowing deferred payments of first half property taxes on agricultural homesteads in 1985; providing for loans of state funds to taxing districts;"

A roll call was requested and properly seconded.

The question was taken on the Tomlinson amendment and the roll was called.

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

There were 59 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Battaglia	Greenfield	Metzen	Pappas	Simoneau
Beard	Jaros	Minne	Peterson	Skoglund
Begich	Kahn	Munger	Piper	Solberg
Boo	Kalis	Murphy	Price	Staten
Brandl	Kelly	Nelson, D.	Quinn	Tomlinson
Brinkman	Knuth	Neuenschwander	Rest	Tunheim
Brown	Kostohryz	Norton	Riveness	Vellenga
Carlson, L.	Krueger	O'Connor	Rodosovich	Voss
Clark	Lieder	Ogren	Sarna	Welle
Cohen	Long	Olson, E.	Scheid	Wenzel
Elioff	McEachern	Osthoff	Schoenfeld	Wynia
Ellingson	McLaughlin	Otis	Segal	

Those who voted in the negative were:

Anderson, G.	Dyke	Himle	Omann	Shaver
Backlund	Erickson	Jacobs	Onnen	Sherman
Becklin	Fjoslien	Jennings, L.	Ozment	Stanius
Bennett	Forsythe	Johnson	Pauly	Sviggum
Bishop	Frederick	Kiffmeyer	Piepho	Thiede
Blatz	Frederickson	Knickerbocker	Poppenhagen	Thorson
Boerboom	Frerichs	Kvam	Quist	Tjornhom
Burger	Gruenes	Levi	Redalen	Tompkins
Carlson, D.	Gutknecht	Marsh	Rees	Uphus
Carlson, J.	Halberg	McDonald	Richter	Valan
Clausnitzer	Hartinger	McKasy	Rose	Valento
Dempsey	Hartle	McPherson	Schafer	Waltman
DenOuden	Haukoos	Miller	Schreiber	Zaffke
Dimler	Heap	Olsen, S.	Seaberg	Spk. Jennings, D.

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

S. F. No. 54, A bill for an act relating to agriculture; establishing an emergency farm operating loans program; providing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 17.

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 5 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Erickson	Kostohryz	Otis	Segal
Backlund	Fjoslien	Krueger	Ozment	Shaver
Battaglia	Forsythe	Kvam	Pappas	Sherman
Beard	Frederick	Levi	Pauly	Simoneau
Becklin	Frederickson	Lieder	Peterson	Skoglund
Begich	Frerichs	Long	Piepho	Solberg
Bennett	Greenfield	Marsh	Piper	Stanius
Bishop	Gruenes	McDonald	Poppenhagen	Staten
Blatz	Gutknecht	McEachern	Price	Sviggum
Boo	Halberg	McKasy	Quinn	Thorson
Brandl	Hartinger	McLaughlin	Quist	Tjornhom
Brinkman	Hartle	Metzen	Redalen	Tomlinson
Brown	Haukoos	Miller	Rees	Tompkins
Burger	Heap	Minne	Rest	Tunheim
Carlson, D.	Himle	Munger	Rice	Uphus
Carlson, L.	Jacobs	Murphy	Richter	Valan
Clark	Jaros	Nelson, D.	Riveness	Valento
Clausnitzer	Jennings, L.	Neuenschwander	Rodosovich	Vanasek
Cohen	Johnson	Norton	Rose	Vellenga
Dempsey	Kahn	O'Connor	Sarna	Voss
DenOuden	Kalis	Ogren	Schafer	Waltman
Dimler	Kelly	Olsen, S.	Scheid	Welle
Dyke	Kiffmeyer	Olsen, E.	Schoenfeld	Wenzel
Elioff	Knickerbocker	Omann	Schreiber	Wynia
Ellingson	Knuth	Onnen	Seaberg	Spk. Jennings, D.

Those who voted in the negative were:

Boerboom	Carlson, J.	McPherson	Thiede	Zaffke
----------	-------------	-----------	--------	--------

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

SECOND READING OF SENATE BILLS, Continued.

S. F. No. 328 was read for the second time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Wenzel and Fjoslien moved that the rule therein be suspended and an urgency be declared so that S. F. No. 328 be given its third reading and be placed upon its final passage.

A roll call was requested and properly seconded.

The question was taken on the Wenzel and Fjoslien motion and the roll was called.

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

There were 94 yeas and 24 nays as follows:

Those who voted in the affirmative were:

Backlund	Dyke	Kiffmeyer	Onnen	Sherman
Battaglia	Elioff	Knuth	Osthoff	Simoneau
Beard	Ellingson	Krueger	Ozment	Stanisus
Becklin	Erickson	Kvam	Pappas	Svigum
Begich	Fjoslien	Levi	Pauly	Thiede
Bennett	Forsythe	Lieder	Peterson	Thorson
Bishop	Frederick	Marsh	Piepho	Tjornhom
Blatz	Frederickson	McDonald	Poppenhagen	Tompkins
Boerboom	Frerichs	McEachern	Quist	Tunheim
Boo	Cruenes	McKasy	Rees	Uphus
Brinkman	Gutknecht	McPherson	Rest	Valan
Burger	Hartinger	Metzen	Rice	Valento
Carlson, D.	Hartle	Miller	Richter	Vanasek
Carlson, J.	Haukoos	Minne	Riveness	Vellenga
Carlson, L.	Heap	Nelson, D.	Rodosovich	Waltman
Clausnitzer	Himle	Neuenschwander	Rose	Wenzel
Cohen	Jacobs	Olsen, S.	Schafer	Zaffke
Dempsey	Jennings, L.	Olson, E.	Schreiber	Spk. Jennings, D.
Dimler	Johnson	Omann	Shaver	

Those who voted in the negative were:

Greenfield	Kahn	Long	Murphy	Otis
Halberg	Kalis	McLaughlin	O'Connor	Piper
Jaros	Kostohryz	Munger	Ogren	Price

Quinn
ScheidSeaberg
SkoglundStaten
TomlinsonVoss
Welle

Wynia

The motion prevailed.

Wenzel and Fjoslien moved that the rules of the House be so far suspended that S. F. No. 328 be given its third reading and be placed upon its final passage. The motion prevailed.

S. F. No. 328 was reported to the House.

Fjoslien moved to amend S. F. No. 328, the unofficial engrossment, as follows:

Page 2, line 25, delete *"all other applicable laws and rules of the board"* and insert *"the terms and conditions of the license in effect on February 28, 1985"*

Page 2, line 34, before the period insert *"and may include provisions to extend licenses in effect on February 28, 1985 until May 31, 1985 and charge a fee for the extension"*

The motion prevailed and the amendment was adopted.

Kahn; Voss; Carlson, D.; DenOuden and Miller moved to amend S. F. No. 328, the unofficial engrossment, as amended, as follows:

Pages 1 and 2, delete section 2 and insert:

"Sec. 2. Minnesota Statutes 1984, section 349.212, subdivision 3, is amended to read:

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) sections 349.11 to 349.22 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) deposited in the state treasury and credited to the general fund."

Amend the title as follows :

Page 1, lines 4 and 5, delete "clarifying that certain revenue may be used for arts education programs;"

A roll call was requested and properly seconded.

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

The question was taken on the Kahn et al. amendment and the roll was called.

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

There were 78 yeas and 49 nays as follows :

Those who voted in the affirmative were :

Anderson, G.	Dyke	Kelly	Pappas	Sherman
Beard	Ellingson	Kiffmeyer	Pauly	Skoglund
Becklin	Forsythe	Knickerbocker	Piepho	Stanisus
Bennett	Frederick	Krueger	Poppenhagen	Swiggum
Bishop	Frederickson	Kvam	Price	Thiede
Blatz	Frerichs	Levi	Quist	Tjornhom
Boerboom	Cutknecht	Lieder	Redalen	Tomlinson
Boo	Halberg	McEachern	Rice	Tompkins
Brandl	Hartinger	McKasy	Richter	Uphus
Burger	Hartle	McPherson	Rodosovich	Valento
Carlson, D.	Haukoos	Metzen	Rose	Voss
Carlson, J.	Heap	Miller	Schafer	Waltman
Clausnitzer	Himle	Olson, E.	Scheid	Zaffke
Dempsey	Johnson	Omann	Schoenfeld	Spk. Jennings, D.
DenOuden	Kahn	Onnen	Schreiber	
Dimler	Kalis	Ozment	Seaberg	

Those who voted in the negative were :

Backlund	Fjoslien	Minne	Peterson	Staten
Battaglia	Greenfield	Murphy	Piper	Thorson
Begich	Gruenes	Nelson, D.	Quinn	Tunheim
Brinkman	Jacobs	Neuenschwander	Rees	Valan
Brown	Jennings, L.	Norton	Rest	Vanasek
Carlson, L.	Knuth	O'Connor	Riveness	Vellenga
Clark	Kostohryz	Ogren	Sarna	Welle
Cohen	Marsh	Olsen, S.	Segal	Wenzel
Elioff	McDonald	Osthoff	Shaver	Wynia
Erickson	McLaughlin	Otis	Solberg	

The motion prevailed and the amendment was adopted.

S. F. No. 328, A bill for an act relating to charitable gambling ; changing the effective date for licensing by the charitable gambling control board ; clarifying that certain revenue may be used for arts education programs ; authorizing emergency licensing ordinances by local units of government ; amending Minnesota

Statutes 1984, section 349.212, subdivisions 1 and 3; and Laws 1984, chapter 502, article 12, section 26.

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

The question was taken on the passage of the bill and the roll was called. There were 119 yeas and 9 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Elioff	Krueger	Otis	Sherman
Backlund	Ellingson	Kvam	Ozment	Solberg
Battaglia	Erickson	Levi	Pappas	Stanis
Beard	Fjoslien	Lieder	Peterson	Staten
Becklin	Forsythe	Marsh	Piepho	Swigzum
Begich	Frederick	McDonald	Poppenhagen	Thiede
Bennett	Frederickson	McEachern	Price	Thorson
Blatz	Frerichs	McKasy	Quinn	Tjornhom
Boerboom	Gruenes	McLaughlin	Quist	Tomlinson
Boo	Gutknecht	McPherson	Redalen	Tompkins
Brandl	Halberg	Metzen	Rees	Tunheim
Brinkman	Hartinger	Miller	Rest	Uphus
Brown	Hartle	Minne	Rice	Valan
Burger	Haukoos	Murphy	Richter	Valento
Carlson, D.	Heap	Nelson, D.	Riveness	Vanasek
Carlson, J.	Himle	Neuenschwander	Rodosovich	Vellenga
Carlson, L.	Jacobs	Norton	Rose	Voss
Clark	Jennings, L.	O'Connor	Sarna	Waltman
Clausnitzer	Johnson	Ogren	Schafer	Welle
Cohen	Kahn	Olsen, S.	Schoenfeld	Wenzel
Dempsey	Kalis	Olson, E.	Schreiber	Wynia
DenOuden	Kiffmeyer	Omann	Seaberg	Zaffke
Dimler	Knickerbocker	Onnen	Segal	Spk. Jennings, D.
Dyke	Knuth	Osthoff	Shaver	

Those who voted in the negative were:

Greenfield	Kostohryz	Munger	Piper	Skoglund
Jaros	Long	Pauly	Scheid	

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

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Gruenes; Nelson, K.; Tompkins and Wynia introduced:

H. F. No. 574, A bill for an act relating to education; requiring school districts to provide special instruction and services for handicapped children under the age of four and their families; requiring certain agencies and political subdivisions to maintain certain services and funding levels for young handicapped children and their families until agreements are reached; appropri-

ating money; amending Minnesota Statutes 1984, sections 120.03; 120.17, subdivisions 1, 2, 3, 3a, and by adding subdivisions; 124.17, subdivision 1; 124.223; and 124.32, by adding a subdivision.

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

Gutknecht; Carlson, D.; Osthoff; Quist and McEachern introduced:

H. F. No. 575, A bill for an act relating to animals; establishing a rabies control program; proposing coding for new law in Minnesota Statutes, chapter 346.

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

Begich, Valento, Neuenschwander, Sviggum and Battaglia introduced:

H. F. No. 576, A bill for an act relating to local government; setting authority to regulate firearms and related matters; amending Minnesota Statutes 1984, sections 624.7132, subdivision 16; and 624.717; proposing coding for new law in Minnesota Statutes, chapter 471; repealing Minnesota Statutes 1984, section 624.718.

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

Piper; Carlson, D.; Anderson, G.; Brown and Vellenga introduced:

H. F. No. 577, A bill for an act relating to agriculture; declaring a public economic emergency to exist; prohibiting mortgage foreclosure sales for one year; prohibiting repossession, foreclosure sales, and foreclosure sales of agricultural personal property for one year; providing for an application to the court to allow foreclosure sales; prohibiting actions for deficiency judgments; providing for the parties to compromise; providing legal representation by the attorney general's office for certain persons; and repealing the act after one year.

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

Krueger introduced:

H. F. No. 578, A bill for an act relating to state government; proposing an amendment to the Minnesota Constitution, article IV, section 23; article V, sections 1, 3, and 4; article VII, section 8; article VIII, section 2; article XI, sections 6, 7, 8, and 10; and article XIII, section 11; combining the offices of state treasurer, state auditor, and secretary of state into the office of state comptroller.

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

Valento; Stanius; Anderson, R., and Backlund introduced:

H. F. No. 579, A bill for an act relating to hazardous waste; establishing a hazardous substance compensation trust account; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 115B.

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

O'Connor introduced:

H. F. No. 580, A bill for an act relating to economic development; providing for the election of certain community development corporation directors; amending Minnesota Statutes 1984, section 116M.04, subdivision 6.

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

Frerichs, Hartle, Frederickson and McDonald introduced:

H. F. No. 581, A bill for an act relating to agriculture; establishing a commission to collect the data necessary to design a financially sound, statewide farm program; appropriating money.

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

Boo, Sviggum, Kiffmeyer, Vellenga and Gruenes introduced :

H. F. No. 582, A bill for an act relating to human services; establishing a family subsidy program for families with children with developmental disabilities; amending Minnesota Statutes 1984, section 252.32; repealing Minnesota Statutes 1984, section 252.27, subdivision 4.

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

Tunheim introduced :

H. F. No. 583, A bill for an act relating to retirement; teachers retirement association; changing the effective date of retirement for a certain annuitant; transferring reserves to the post-retirement investment fund.

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

Tunheim introduced :

H. F. No. 584, A bill for an act relating to Lake of the Woods county; authorizing the issuance of bonds for the construction of jetties and related public improvements; and authorizing the levy of special assessments.

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

Anderson, G., by request, introduced :

H. F. No. 585, A bill for an act relating to local government; providing for exceptions to conflict of interest rules; regulating local officials; amending Minnesota Statutes 1984, section 471.88, subdivisions 5 and 8.

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

McEachern, Brinkman, Kiffmeyer and Neuenschwander introduced:

H. F. No. 586, A bill for an act relating to advertising devices; allowing "star city" signs on interstate highways; amending Minnesota Statutes 1984, sections 173.02, subdivisions 2 and 6; and 173.13, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 173.

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

Waltman, Dyke, Uphus and Sviggum introduced:

H. F. No. 587, A bill for an act relating to agriculture; providing income tax incentives to landowners who sell or lease agricultural land to beginning farmers and to banks who make loans to beginning farmers; amending Minnesota Statutes 1984, sections 290.01, subdivisions 20a and 20b; 290.361, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 290.

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

Marsh, Stanius and Quist introduced:

H. F. No. 588, A bill for an act relating to human services; creating a community work experience program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256; repealing Minnesota Statutes 1984, section 256.737.

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

Segal, Erickson, Forsythe and McEachern introduced:

H. F. No. 589, A bill for an act relating to drivers licenses; increasing fee for restoration of certain revoked licenses; dedicating revenue to programs for prevention of alcohol-impaired driving and for education on avoidable health hazards; appropriating money; amending Minnesota Statutes 1984, section 171.29, subdivision 2.

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

Bishop, McKasy, Levi, Piepho and Kelly introduced:

H. F. No. 590, A bill for an act relating to legal services; repealing the sunset provision of the law providing for surcharges on civil filing fees; repealing Laws 1982, chapter 489, section 11.

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

Clark, Staten, Brandl and Norton introduced:

H. F. No. 591, A bill for an act relating to economic development and job training; creating the office of economic adjustment; providing for the duties of the office in the assistance of economic adjustment and economic conversion; creating a task force to assist the office of economic adjustment; requiring the reporting of certain economic information; providing a penalty; appropriating money; amending Minnesota Statutes 1984, section 116J.01, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 116J.

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

Dempsey introduced:

H. F. No. 592, A bill for an act relating to the city of New Ulm; permitting the establishment of special service districts; providing taxing and other financial authority for New Ulm.

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

Dempsey, Johnson, Krueger, Ozment and Anderson, G., introduced:

H. F. No. 593, A bill for an act relating to motor vehicles; regulating motor vehicle auctions; prescribing licensing and bonding requirements for motor vehicle dealers; amending Minnesota Statutes 1984, section 168.27, subdivisions 7, 11, 12, and 24.

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

Tunheim introduced:

H. F. No. 594, A bill for an act relating to the city of Warroad; permitting the establishment of a port authority.

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

Simoneau introduced:

H. F. No. 595, A bill for an act relating to taxation; income providing a credit for volunteer services; amending Minnesota Statutes 1984, section 290.06, by adding a subdivision.

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

Zaffke and Thorson introduced:

H. F. No. 596, A bill for an act relating to Hubbard county; authorizing county levies and appropriations for agricultural society, park, and recreation purposes.

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

Ozment, Krueger, Erickson, Tunheim and Hartle introduced:

H. F. No. 597, A bill for an act relating to motor vehicles; taxation; defining terms; reclassifying pickup trucks used in the business of farming for tax purposes; amending Minnesota Statutes 1984, sections 168.011, subdivisions 7 and 17; and 168.013, subdivision 1a.

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

Otis and Anderson, R., introduced:

H. F. No. 598, A bill for an act relating to human services; allowing a greater amount of income be disregarded for general assistance recipients and placed in trust until discharge; amending Minnesota Statutes 1984, section 256D.06, by adding a subdivision.

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

Metzen, Quinn, Osthoff, Price and Fjoslien introduced:

H. F. No. 599, A bill for an act relating to veterans; requiring the commissioner of veterans affairs to provide certain grave markers; appropriating money; amending Minnesota Statutes 1984, section 197.23.

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

Carlson, J.; Levi; Frederickson; Forsythe and Boerboom introduced:

H. F. No. 600, A bill for an act relating to taxation; sales and use; exempting sales of materials used to modify motor vehicles for private use by handicapped persons; amending Minnesota Statutes 1984, section 297A.25, subdivision 1.

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

Halberg, McKasy, Cohen, Dempsey and Quinn introduced:

H. F. No. 601, A bill for an act relating to real property; clarifying notice period required for cancellation of contract for deed; amending Minnesota Statutes 1984, section 559.21, subdivisions 1 and 2, and by adding a subdivision.

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

Marsh, Gruenes, O'Connor, Frederick and Himle introduced:

H. F. No. 602, A bill for an act relating to alcoholic beverages; allowing certain extensions of credit; amending Minnesota Statutes 1984, sections 340.031, subdivision 2; and 340.405.

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

Marsh, O'Connor, Frederick, Himle and Jacobs introduced:

H. F. No. 603, A bill for an act relating to non-intoxicating malt liquor; permitting holders of on-sale and off-sale intoxicating liquor licenses to sell non-intoxicating malt liquor without further license; amending Minnesota Statutes 1984, section 340.02, subdivisions 2 and 3.

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

McDonald, Fjoslien, Sparby and McEachern introduced:

H. F. No. 604, A bill for an act relating to agriculture; eliminating license requirement for fur farmers; establishing a registration system; providing definitions; defining agricultural products and pursuits related to fur farming; proposing coding for new law in Minnesota Statutes, chapter 17; repealing Minnesota Statutes 1984, section 17.35.

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

Knickerbocker, McKasy, Boo, Skoglund and Voss introduced:

H. F. No. 605, A bill for an act relating to commerce; authorizing certain investments in obligations of or guaranteed by the United States and certain other authorized securities; amending Minnesota Statutes 1984, sections 50.14, subdivision 2; 475.66, by adding a subdivision; and 501.125, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 11A.

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

Bennett, Thorson, Jacobs, Forsythe and Waltman introduced:

H. F. No. 606, A bill for an act relating to liquor; authorizing issuance of off-sale wine licenses to food stores; regulating sales; prohibiting the same person from being licensed as both liquor wholesaler and retailer; amending Minnesota Statutes 1984, sections 340.07, subdivision 13, and by adding a subdivision; 340.11, subdivisions 13 and 14; 340.13, by adding a subdivision; and 340.14, subdivisions 1 and 3.

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

HOUSE ADVISORIES

The following House Advisory was introduced:

Clark, Blatz, Staten and Pappas introduced:

H. A. No. 4, A proposal to the legislature to study group home availability for racial minority juveniles.

The advisory was referred to the Committee on Crime and Family Law.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

House Concurrent Resolution No. 3, A concurrent resolution providing for a joint convention of the Senate and the House of Representatives to elect members of the Board of Regents of the University of Minnesota.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. No. 122, A bill for an act relating to retirement; public employees retirement association; setting the salary range of the executive director; changing the membership of the board; providing qualifications for the executive director; requiring advice and consent of the senate for appointment of the executive director; defining the duties of the board; ending the terms of current board members; defining the duties of the executive director; amending Minnesota Statutes 1984, sections 15A.081, subdivision 1; 43A.10, subdivision 6; and 353.03, subdivisions 1, 1a, 2, 3, 3a, and 5; proposing coding for new law in Minnesota Statutes, chapter 353.

And the Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Messrs. Moe, D. M.; Wegscheid; Spear; Renneke and Knaak.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Knickerbocker 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. 122. The motion prevailed.

Mr. Speaker:

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

S. F. No. 85.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 85, A bill for an act relating to agriculture; declaring a public economic emergency to exist; prohibiting mortgage foreclosure and foreclosure sales for one year; prohibiting repossession, foreclosure, and foreclosure sales of agricultural personal property for one year; providing for an application to the court to allow repossession, foreclosure, and foreclosure sale; prohibiting actions for deficiency judgments; providing for the parties to compromise; and repealing the act after one year.

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

CONSENT CALENDAR

H. F. No. 68, A bill for an act relating to trusts; eliminating the requirement of qualifying trustees in certain cases; amending Minnesota Statutes 1984, section 524.3-913.

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, G.	Brandl	Dempsey	Frederickson	Himle
Backlund	Brinkman	DenOuden	Frerichs	Jacobs
Battaglia	Brown	Dimler	Greenfield	Jaros
Beard	Burger	Dyke	Gruenes	Jennings, L.
Becklin	Carlson, D.	Elioff	Gutknecht	Johnson
Begich	Carlson, J.	Ellingson	Halberg	Kahn
Bennett	Carlson, L.	Erickson	Hartinger	Kalis
Blatz	Clark	Fjoslien	Hartle	Kiffmeyer
Boerboom	Clausnitzer	Forsythe	Haukoos	Knickerbocker
Boo	Cohen	Frederick	Heap	Knuth

Kostohryz	Murphy	Piper	Schreiber	Uphus
Krueger	Nelson, D.	Price	Seaberg	Valan
Kvam	Norton	Quinn	Segal	Valento
Levi	O'Connor	Quist	Shaver	Vanasek
Lieder	Ogren	Redalen	Sherman	Veilenga
Long	Olsen, S.	Rees	Skoglund	Voss
Marsh	Olson, E.	Rest	Solberg	Waltman
McDonald	Omann	Rice	Stanis	Welle
McEachern	Onnen	Richter	Staten	Wenzel
McKasy	Osthoff	Riveness	Sviggum	Wynia
McLaughlin	Otis	Rodosovich	Thiede	Zaffke
McPherson	Ozment	Rose	Thorson	Spk. Jennings, D.
Metzen	Pappas	Sarna	Tjornhom	
Miller	Pauly	Schafer	Tomlinson	
Minne	Peterson	Scheid	Tompkins	
Munger	Piepho	Schoenfeld	Tunheim	

The bill was passed and its title agreed to.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

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

Resolved that the Permanent Rules of the House as adopted on January 24, 1985, be amended as follows:

(1) Rule 1.16 is amended to read:

1.16 TIME LIMIT FOR CONSIDERATION OF BILLS. If 20 legislative days after a bill has been referred to committee (other than a bill in Appropriations) no report has been made upon it by the committee, its chief author may request that it be returned to the House and the request shall be entered in the Journal for the day. The committee shall have ten calendar days thereafter in which to vote upon the bill requested. If the Committee fails to vote upon it within the ten days, the chief author may, at any time within five calendar days thereafter, present a written demand to the Speaker for its immediate return to the House. The demand shall be entered in the Journal for that day and shall constitute the demand of the House. The bill shall then be considered to be in the possession of the House, given its second reading and placed at the foot of General Orders.

Such bill is subject to re-reference by a majority vote of the whole House. If the motion to re-refer is made on the day of the demand or within one legislative day thereafter, the motion shall take precedence over all other motions except privileged motions and shall be in order at any time.

After *Friday, May 10, 1985*, the House shall not act on bills other than those recommended by conference committee reports or the Committee on Rules and Legislative Administration, and those bills contained in messages from the Senate or from the Governor.

(2) Rule 3.4 is amended to read:

3.4 MOTION FOR RECONSIDERATION. When a question has been decided either in the affirmative or negative, it shall be in order for any member who voted with the prevailing side to move its reconsideration, provided that such motion is made either on the same day the vote was taken or within the following two days of actual session of the House. A motion for reconsideration can be made at any time in the Order of Business and shall take precedence over all other questions except the motion to adjourn and the notice of intention to move reconsideration. Such motion or notice shall not be in order if the document, bill, resolution, message, report or other official action on which the vote was taken shall have left the possession of the House.

When a member gives notice of intention to move reconsideration of the final action of the House on any bill, resolution, message, report or other official action, the Chief Clerk shall retain the same until after the matter is disposed of or the time has expired during which the motion for reconsideration can be made.

On the last day allowed for the motion to reconsider, it shall be in order for any member who voted on the prevailing side to make the motion, unless the matter has been already disposed of.

A motion for reconsideration having been voted upon and lost shall not be renewed.

In an odd-numbered year, notice of intention to move reconsideration shall not be in order after *Monday, April 22*.

(3) Rule 6.11 is amended to read:

6.11 CONFERENCE COMMITTEES. A conference committee may report at any time. No committee except a conference committee or the Committee on Rules and Legislative Administration shall sit during any daily session of the House without leave.

A conference committee report shall include only subject matter contained in the House or Senate versions of the bill for which that conference committee was appointed, or like subject matter contained in a bill passed by the House.

In an odd-numbered year except after *Monday, May 13*, a written copy of a report of a conference committee shall be placed on the desk of each member of the House twelve hours before action on the report by the House. If the report has been

reprinted in the Journal of the House for a preceding day and is available to the members, the Journal copy shall serve as the written report.

(4) Rule 9.3 is amended to read:

9.3 DEADLINES. In odd-numbered years, committee reports on bills favorably acted upon by a committee in the house of origin after *Thursday, April 4*, and committee reports on bills originating in the other house favorably acted upon by a committee after *Friday, April 19*, shall be referred in the House of Representatives to the Committee on Rules and Legislative Administration for disposition. However, referral is not required after the first deadline when, by the second deadline, a committee acts on a bill that is a companion to a bill that has then been acted upon by the first deadline in the Senate. This rule does not apply in the House Committees on Appropriations and on Taxes.

Levi moved that the Report from the Committee on Rules and Legislative Administration be now adopted. The motion prevailed and the Permanent Rules of the House for the Seventy-Fourth Session were amended.

GENERAL ORDERS

Levi moved that the bills on General Orders for today be continued one day. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 122:

Knickerbocker, O'Connor, Bennett, Clausnitzer and Long.

MOTIONS AND RESOLUTIONS

Piepho moved that the name of Elioff be added as an author on H. F. No. 9. The motion prevailed.

Redalen moved that the name of Valan be stricken and the name of Uphus be added as an author on H. F. No. 427. The motion prevailed.

Seaberg moved that the name of Clark be added as an author on H. F. No. 438. The motion prevailed.

Carlson, J., moved that the name of Jennings, L., be added as an author on H. F. No. 443. The motion prevailed.

Olson, E., moved that the name of Clark be added as an author on H. F. No. 460. The motion prevailed.

Hartinger moved that the names of Uphus and Valento be added as authors on H. F. No. 474. The motion prevailed.

Seaberg moved that the name of Clark be added as an author on H. F. No. 499. The motion prevailed.

Solberg moved that the name of Bishop be added as an author on H. F. No. 526. The motion prevailed.

Welle moved that the name of McKasy be added as an author on H. F. No. 565. The motion prevailed.

Piepho moved that H. F. No. 9, now on Technical General Orders, be re-referred to the Committee on Judiciary. The motion prevailed.

Ozment moved that H. F. No. 571 be recalled from the Committee on Governmental Operations and be re-referred to the Committee on Local and Urban Affairs. The motion prevailed.

Marsh moved that H. F. No. 133 be returned to its author. The motion prevailed.

ADJOURNMENT

Levi moved that when the House adjourns today it adjourn until 2:00 p.m., Thursday, February 28, 1985. The motion prevailed.

Levi moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Thursday, February 28, 1985.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

