

STATE OF MINNESOTA

SEVENTY-FOURTH SESSION - 1985

THIRTY-SEVENTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, APRIL 11, 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 Father Allen Wielinski, St. Mary's Church, Melrose, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Nelson, K., and Rodosovich were excused.

The Chief Clerk proceeded to read the Journals of the preceding days. Gruenes moved that further reading of the Journals

be dispensed with and that the Journals be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 237, 380, 649, 760, 970, 1009, 1080, 1146, 1198, 1199, 1226, 1235, 1236, 1273, 1337, 1367, 1404, 229, 325, 607, 773, 784, 1248, 1336, 56, 330, 543, 606, 907, 1165, 1183, 1262, 1263, 1280, 1369, 1382, 1033, 1040, 1161 and 102 have been placed in the members' files.

REPORTS OF STANDING COMMITTEES

McDonald from the Committee on Agriculture to which was referred:

H. F. No. 134, A bill for an act relating to agriculture; providing for establishment of certain fees by rule; changing certain fees and procedures; appropriating money; amending Minnesota Statutes 1984, sections 17.714, subdivision 1; 17.715, subdivision 1; 17.717, subdivision 1; 17.718, subdivision 1; 17.725, subdivision 2; 25.39; and 25.40, subdivision 1; repealing Minnesota Statutes 1984, section 17.717, subdivisions 3, 4, 5, and 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 17.717, is amended by adding a subdivision to read:

Subd. 1a. [FERTILIZER INSPECTION ACCOUNT.] A fertilizer inspection account is established in the state treasury. The commissioner shall deposit all fees and penalties collected under sections 17.711 to 17.729 in the fertilizer inspection account. Money in that account, including interest earned and any money appropriated for the purposes of sections 17.711 to 17.729, is annually appropriated to the commissioner for the administration and enforcement of sections 17.711 to 17.729.

Sec. 2. Minnesota Statutes 1984, section 25.39, subdivision 4, is amended to read:

Subd. 4. [COMMERCIAL FEED INSPECTION ACCOUNT.] (FEES COLLECTED SHALL BE DEPOSITED IN THE STATE TREASURY AND CREDITED TO THE GENERAL FUND. THE COSTS OF INSPECTIONS, SAMPLING, AND ANALYSIS SHALL BE PAID FROM THE APPROPRIATIONS MADE TO THE DEPARTMENT OF AGRICULTURE.) A commercial feed inspection account is established in

the state treasury. Fees and penalties collected under sections 25.35 to 25.44 must be deposited in the state treasury and credited to the commercial feed inspection account. Money in that account, including interest earned and money appropriated for the enforcement and administration of sections 25.35 to 25.44, is annually appropriated to the commissioner for the administration and enforcement of sections 25.35 to 25.44.

Sec. 3. [REPEALER.]

Minnesota Statutes 1984, section 17.717, subdivision 6, is repealed.

Sec. 4. [EFFECTIVE DATE.]

This act is effective July 1, 1985."

Delete the title and insert:

"A bill for an act relating to agriculture; establishing dedicated accounts for commercial fertilizer inspection fees and commercial feed inspection fees; appropriating money; amending Minnesota Statutes 1984, sections 17.717, by adding a subdivision; and 25.39, subdivision 4; repealing Minnesota Statutes 1984, section 17.717, subdivision 6."

With the recommendation that when so amended the bill pass.

The report was adopted.

McDonald from the Committee on Agriculture to which was referred:

H. F. No. 135, A bill for an act relating to agriculture; changing requirements for certain adulterated milk or cream; providing a penalty; amending Minnesota Statutes 1984, section 32.21.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 32.21, is amended to read:

32.21 [(PURCHASE OR SALE OF UNWHOLESOME OR) ADULTERATED MILK (OR) AND CREAM (PROHIBITED).]

(NO PERSON SHALL SELL OR KNOWINGLY BUY UNWHOLESOME OR ADULTERATED MILK OR CREAM.

MILK OR CREAM THAT HAS NOT BEEN WELL COOLED AND AERATED, OR TO WHICH A PRESERVATIVE HAS BEEN ADDED; MILK DRAWN FROM COWS KEPT IN CROWDED CONDITIONS OR IN PLACES NOT WELL VENTILATED OR LIGHTED, OR WHICH FROM ANY CAUSE ARE FILTHY OR INSANITARY, OR FROM UNCLEAN OR DISEASED COWS, OR THOSE FED WITH GARBAGE OR ANY FILTHY, DECAYED, PUTRID, OR UNWHOLESOME ANIMAL OR VEGETABLE SUBSTANCE; MILK DRAWN FROM COWS WITHIN 15 DAYS BEFORE, OR FIVE DAYS AFTER CALVING; AND MILK OR CREAM WHICH HAS BEEN KEPT IN ANY PLACE WHERE BAD AIR EXISTS, AND CREAM TAKEN FROM UNWHOLESOME OR ADULTERATED MILK, SHALL BE DEEMED UNWHOLESOME AND ADULTERATED WITHIN THE MEANING OF SECTIONS 32.21 AND 32.22. EXCEPT WHERE OTHERWISE PROVIDED BY LAW. MILK FROM WHICH ANY NORMAL INGREDIENT HAS BEEN ABSTRACTED, OR MILK CONTAINING ANY SUBSTANCE NOT A NORMAL CONSTITUENT THEREOF, OR CONTAINING LESS THAN THREE AND ONE-FOURTH PERCENT OF BUTTERFAT, AND CREAM IN WHICH THERE IS LESS THAN 18 PERCENT OF BUTTERFAT, OR WHICH CONTAINS ANY FOREIGN THICKENING OR COLORING SUBSTANCE, OR ANY ABNORMAL INGREDIENT WHATSOEVER, SHALL BE DEEMED ADULTERATED; NOR SHALL ANY ARTICLE OF FOOD BE MANUFACTURED FROM UNWHOLESOME OR ADULTERATED MILK OR CREAM EXCEPT AS PROVIDED IN SECTION 32.22.)

Subdivision 1. [PURCHASE AND SALE PROHIBITION.] A person may not sell or knowingly buy adulterated milk or cream.

Subd. 2. [MANUFACTURER OF FOOD FOR HUMAN CONSUMPTION FROM ADULTERATED MILK OR CREAM PROHIBITED.] An article of food for human consumption may not be manufactured from adulterated milk or cream, except as provided in section 32.22.

Subd. 3. [ADULTERATED MILK OR CREAM.] For purposes of this section and section 32.22, milk or cream is adulterated if:

- (1) milk is drawn in a filthy or unsanitary place;*
- (2) milk is drawn from unhealthy or diseased cows;*
- (3) milk is drawn from cows that are fed garbage or an unwholesome animal or vegetable substance;*
- (4) milk is drawn from cows within 15 days before calving, or five days after calving;*

(5) *milk or cream contains a substance that is not a normal constituent of the milk or cream, except as allowed in this chapter;*

(6) *milk contains water in excess of that normally present in milk; or*

(7) *milk or cream contains antibiotics or other bacterial inhibitory substances in amounts above the actionable levels established by rule or under section 32.415.*

Subd. 4. [PENALTIES.] (a) *A person, other than a milk producer, who violates this section is guilty of a misdemeanor.*

(b) *A milk producer may not change milk plants within 30 days, without permission of the commissioner, after receiving notification from the commissioner under paragraph (c) that the milk producer has violated this section.*

(c) *A milk producer who violates this section shall be subject to a civil penalty of \$100. The commissioner must notify the person violating this section by certified mail stating:*

(1) *the milk producer violating this section is on probation for one year after the date of violation; and*

(2) *the \$100 civil penalty is suspended unless the milk producer violates this section during the probation period, including changing milk plants within 30 days after the violation.*

(d) *A milk producer who violates this section a second time within a 12-month period is subject to a \$200 civil penalty. The commissioner must notify the milk producer violating this section stating:*

(1) *the milk producer is still on probation;*

(2) *the \$200 civil penalty is suspended, unless the milk producer violates this section during the probation period, including changing milk plants within 30 days after the violation; and*

(3) *the consequences of a third violation.*

(e) *A milk producer who violates this section three or more times within a 12-month period is subject to a fine of \$300.*

(f) *Penalties collected under this section shall be deposited in the milk inspection service account created in section 32.394, subdivision 9."*

With the recommendation that when so amended the bill pass.

The report was adopted.

McDonald from the Committee on Agriculture to which was referred:

H. F. No. 163, A resolution memorializing the President and Congress to design the 1985 farm bill to preserve the family farm system.

Reported the same back with the following amendments:

Page 1, after line 19, insert:

"Be It Further Resolved that policies of the farmers home administration should be significantly liberalized to provide all necessary loan guarantees for farm real estate and operating debt, with special emphasis given to that held by rural lenders.

Be It Further Resolved that management practices of the farmers home administration should be improved to speed up the delivery of relief to American farmers who are currently in critical financial conditions."

Page 1, line 20, delete "by" and insert "earned through a fair"

Page 2, after line 9, insert:

"Be It Further Resolved that the future of American agriculture lies in developing and maintaining international trade opportunities for grain, livestock, and dairy products. This future cannot be realized as long as many foreign governments subsidize their farm exports while the United States government does not. For effective competition in international markets, it may be necessary for the United States to also establish subsidies on farm exports."

Page 2, after line 36, insert:

"Be It Further Resolved that particular attention should be paid to maintaining family dairy farms because of their high production efficiency, reliability, and positive influence on the sound social structure of America.

Be It Further Resolved that the dairy diversion program should be reinstated because it has effectively reduced the need for government purchase and storage of surplus dairy products. The program should be changed to more carefully target supports to family size dairy farms while limiting benefits to huge corporate dairy operations."

With the recommendation that when so amended 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. 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.

Reported the same back with the following amendments:

Page 2, line 6, delete "statewide" and insert "county"

Page 2, line 6, after "income" insert "*and is not greater than 80 percent of the statewide median family income*"

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

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 682, A bill for an act relating to natural resources; reducing fees for camping spaces within a state park and state park motor vehicle permits for physically handicapped persons; amending Minnesota Statutes 1984, section 85.05.

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

The report was adopted.

Halberg from the Committee on Judiciary to which was referred:

H. F. No. 695, A bill for an act relating to corporations; allowing nonprofit corporations to establish, maintain, and operate common trust funds; proposing coding for new law in Minnesota Statutes, chapter 317.

Reported the same back with the following amendments:

Page 3, delete lines 28 and 29

With the recommendation that when so amended the bill pass.

The report was adopted.

Halberg from the Committee on Judiciary to which was referred:

H. F. No. 737, A bill for an act relating to property transfers; regulating transfers to persons under a certain age; enacting the uniform transfers to minors act; proposing coding for new law in Minnesota Statutes, chapter 527; repealing Minnesota Statutes 1984, sections 527.01 to 527.11.

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. 785, A bill for an act relating to intoxicating liquor; authorizing the issuance of temporary on-sale intoxicating liquor licenses; amending Minnesota Statutes 1984, section 340.11, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1984, section 340.031, subdivision 2, is amended to read:

Subd. 2. No manufacturer or wholesaler shall, directly or indirectly, or through a subsidiary or affiliate corporation, or by any officer, director, stockholder, or partner thereof, give, lend, or advance any money, credit, or other thing of value to any retailer or to any person for the benefit or relief of any retailer, nor furnish, give, lend, lease, or sell to any person any furniture, fixtures, fittings, or equipment; nor shall any manufacturer or wholesaler, directly or indirectly, have any interest in, or pay for, any retail licenses, or advance, furnish, lend, or give money for the payment of retail license fees or any expense incident to the obtaining of a license; nor shall any manufacturer or wholesaler become bound in any manner, directly or indirectly, for the repayment of any loan made to, or the fulfillment of any financial obligation of, any retailer; except that manufacturers or wholesalers may:

(a) furnish, lend, or rent outside signs to retailers, provided the cost of such signs, in the aggregate, furnished, lent, or rented by any manufacturer or wholesaler to any retailer shall not exceed \$100, exclusive of erection, installation, and repair charges; (b) furnish inside signs, miscellaneous advertising matter, and other items not to exceed, in the aggregate, a cost of

\$100 in any calendar year to any one retailer; (c) furnish or maintain for retailers equipment designed and intended to preserve and maintain the sanitary dispensing of non-intoxicating malt liquors, provided the expense incurred thereby does not exceed the sum of \$100 per tap per calendar year, no part of which shall be paid in cash to any retailer; (d) lease or lend to the owner of the premises, or to any retailer now or hereafter occupying the premises, any furniture, fixtures, fittings, and equipment actually located on said premises on April 16, 1943; and (e) give, lend, sell, or lease tap trailers, cold plates, or other dispensing equipment to retailers or to others for the benefit of retailers.

Any retailer who shall be a party to any violation of this subdivision or who shall receive the benefits thereof shall be equally guilty of a violation of the provisions thereof and shall be subject to the penalty hereinafter provided.

Any person who shall violate the provisions of this subdivision is guilty of a gross misdemeanor, and each violation shall constitute a separate offense."

Page 1, line 24, after "*liquor*" delete "*except*"

Page 1, line 25, delete "*subdivision 21*"

Page 2, after line 3, insert:

"Sec. 3. Minnesota Statutes 1984, section 340.405, is amended to read:

340.405 [BREWERS, WHOLESALERS; NOT TO BE RETAILERS.]

No brewer or wholesaler shall, either directly or indirectly, own or control, or have any financial interest in, any retail business selling intoxicating malt liquor; but this restriction shall not be construed to deny such person the right to use or have his property rented for this purpose in any case where the brewer or wholesaler was a bona fide owner of the premises prior to November 1, 1933. No brewer or wholesaler shall, directly or indirectly, or through a subsidiary or affiliate corporation, or by any officer, director, stockholder, or partner thereof, give, lend, or advance any money, credit, or other thing of value to any retailer or to any person for the benefit or relief of any retailer, nor furnish, give, lend, lease, or sell to any person any furniture, fixtures, fittings, or equipment; nor shall any brewer or wholesaler, directly or indirectly, have any interest in, or pay for, any retail license, or advance, furnish, lend, or give money for the payment of retail license fees or any expense incident to the obtaining of a license; nor shall any brewer or wholesaler become bound in any manner, directly or indirectly, for the repayment

of any loan made to, or the fulfillment of any financial obligation of, any retailer, except that brewers or wholesalers may: (1) furnish, lend, or rent outside signs to retailers, provided the cost of the signs, in the aggregate, furnished, lent or rented by any brewer or wholesaler to any retailer, including signs authorized by section 340.02, shall not exceed \$100, exclusive of erection, installation and repair charges; but nothing herein shall be construed as affecting signs owned and located in the state on the effective date hereof by any brewer or wholesaler; (2) furnish inside signs, miscellaneous advertising matter and other items not to exceed, in the aggregate, including similar items authorized by section 340.02, a cost of \$100 in any calendar year to any one retailer; (3) furnish or maintain for retailers equipment designed and intended to preserve and maintain the sanitary dispensing of intoxicating malt liquors, provided the expense incurred thereby does not exceed the sum of \$100 per tap per calendar year, no part of which shall be paid in cash to any retailer; and (4) *give, lend, sell, or lease tap trailers, cold plates, or other dispensing equipment to retailers or to others for the benefit of retailers.*"

Renumber the sections in sequence.

Amend the title as follows:

Page 1, line 2, after the semicolon insert "allowing wholesalers to provide malt liquor dispensing equipment for the benefit of retailers;"

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

Page 1, line 5, before "340.11" insert "340.031, subdivision 2;" and before the period insert " ; and 340.405"

With the recommendation that when so amended the bill pass.

The report was adopted.

Blatz from the Committee on Crime and Family Law to which was referred:

H. F. No. 788, A bill for an act relating to crimes; increasing the penalty for an offense committed against a transit provider or operator when violence or a threat of violence is not involved; amending Minnesota Statutes 1984, section 609.855, subdivision 4.

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

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 823, A bill for an act relating to Ramsey county; placing the position of law clerk investigator in the unclassified service; amending Minnesota Statutes 1984, section 383A.29, subdivision 6.

Reported the same back with the following amendments:

Page 3, line 9, after "*defender*" insert "*and law clerks employed by the Ramsey county attorney's office*"

Amend the title as follows:

Page 1, line 3, after "*investigator*" insert "*and law clerks*"

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

The report was adopted.

Carlson, D., from the Committee on Transportation to which was referred:

H. F. No. 827, A bill for an act relating to public safety; appropriating money to purchase mobile communications equipment for state patrol.

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

The report was adopted.

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

H. F. No. 838, A bill for an act relating to consumer protection; requiring motor vehicle manufacturers to supply a temporary replacement vehicle or to reimburse vehicle owners for rental car expenses under certain circumstances; providing an expedited civil remedy; amending Minnesota Statutes 1984, section 325F.665, subdivisions 2, 5, and 6.

Reported the same back with the following amendments:

Page 2, delete lines 19 to 29

Amend the title as follows:

Page 1, line 8, delete ", 5, and 6" and insert "and 5"

With the recommendation that when so amended the bill pass.

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 895, A bill for an act relating to towns; providing funds for the preparation of a handbook of town laws; appropriating money.

Reported the same back with the following amendments:

Page 1, line 8, delete everything after "of" and insert "*administration*"

Page 1, line 9, delete "*Association of Townships*" and after "*prepare*" insert "*and distribute*"

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

The report was adopted.

Carlson, D., from the Committee on Transportation to which was referred:

H. F. No. 917, A bill for an act relating to motor vehicles; providing that certain license plates be issued every six years; amending Minnesota Statutes 1984, section 168.12, subdivisions 1 and 5.

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

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 967, A bill for an act relating to natural resources; authorizing additions to and deletions from certain state parks.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Laws 1980, chapter 489, section 1, is amended by adding a subdivision to read:

[85.012] [Subd. 8.] Subd. 1a. [BLUE MOUNDS STATE PARK.]

The following area is deleted from Blue Mounds State Park in Section 13, Township 103 North, Range 45 West: The Northeast Quarter of the Southwest Quarter, excepting the west 165.00 feet thereof; and that part of the Southeast Quarter lying westerly of the westerly right-of-way line of the Chicago, Rock Island and Pacific Railway, excepting the south 265 feet thereof.

Sec. 2. Laws 1980, chapter 489, section 1, subdivision 4, is amended to read:

[85.012] [Subd. 29.] Subd. 4. [ITASCA STATE PARK.]

The following areas are added to Itasca State Park: (a) The South Half of the Northeast Quarter of Section 34, Township 144 North, Range 36 West.

(b) *The Southeast Quarter of the Southeast Quarter of Section 32; the South Half of the Southwest Quarter, the Southwest Quarter of Southeast Quarter, and the East Half of Southeast Quarter of Section 33; the Southwest Quarter of Section 34; all in Township 144 North, Range 36 West.*

(c) *Notwithstanding section 5.012, subdivision 1, land that is added to Itasca State Park by paragraph (b), that is tax-forfeited land and under the custody, control, and supervision of the Clearwater county board on the effective date of this act, shall remain under the custody, control, and supervision of the county board until state lands of equal value are transferred to Clearwater county.*

Notwithstanding any contrary provision, the department of natural resources is required to maintain the fire department in the Itasca Park complex at its present location.

Sec. 3. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Amend the title as follows :

Page 1, line 3, before the period insert “; amending Laws 1980, chapter 489, section 1, subdivision 4, and by adding a subdivision.”

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

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred :

H. F. No. 1005, A bill for an act relating to water pollution; establishing a program of reimbursement to municipalities that provide or contract for waste water treatment meeting state and federal water quality standards; proposing coding for new law in Minnesota Statutes, chapter 116.

Reported the same back with the following amendments :

Delete everything after the enacting clause and insert :

“Section 1. Minnesota Statutes 1984, section 116.16, subdivision 3, is amended to read :

Subd. 3. [RECEIPTS.] The commissioner of finance and treasurer shall deposit in the fund as received (a) all proceeds of Minnesota water pollution control bonds, except accrued interest and premiums received upon the sale thereof, (b) all other money appropriated by law for purposes stated in subdivision 1, and (c) all money granted to the state for such purposes by the federal government or any agency thereof. All such receipts are annually appropriated for the permanent construction and improvement purposes of the fund, and shall be and remain available for expenditure in accordance with this section and federal law until the purposes for which such appropriations were made have been accomplished or abandoned. *One-half of the receipts under clauses (a) and (b), except revenues required by statute to be credited to a separate account for the abatement of combined sewer overflow, must be expended under section 2, unless the agency determines that the funds will not be needed for reimbursements under section 2.*

Sec. 2. [116.161] [WATER POLLUTION REIMBURSEMENT PROGRAM.]

Subdivision 1. [PURPOSE.] It is the purpose of this section to establish a method of funding improvements of a capital nature needed for the prevention, control, and abatement of water

pollution, as an alternative to those methods provided in sections 116.16 and 116.18, in order to: (1) encourage municipalities to take immediate action to reduce pollution of waters of the state by constructing and operating municipal or private waste water treatment systems without waiting for a grant approved by the agency, (2) reduce state expenditures and involvement in the funding of local waste water treatment projects and increase local control, and (3) improve the efficiency of waste water treatment.

Subd. 2. [DEFINITIONS.] *In this section:*

(1) Except as otherwise provided in this section, the terms defined in section 115.01 and 116.16, subdivision 2, have the meanings given them.

(2) "Eligible cost" means those costs defined in section 116.16, subdivision 2, clauses (6) and (7).

Subd. 3. [ESTABLISHMENT OF PROGRAM; ELIGIBLE RECIPIENTS.] *The agency shall by rule establish a program to reimburse municipalities that (1) incur eligible costs for any municipal project; (2) apply for reimbursement; and (3) have not received a state or federal waste water treatment grant before the effective date of this section.*

Subd. 4. [APPLICATION.] *A municipality seeking reimbursement under this section shall submit an application for reimbursement and for a disposal system permit, along with other information as required by the rules of the agency. An applicant under this section may not be required to submit designs, plans, and specifications for the project. An application for reimbursement is eligible for funding regardless of whether construction has been started or completed. Once submitted, an application remains eligible until funding is finally provided.*

Subd. 5. [AGENCY REVIEW.] *The agency shall complete a review of each application within 60 days of receipt of the completed application. The agency shall provide the applicant with comment on the application and supporting documents informing the applicant of technical difficulties with the project. The agency shall issue a disposal system permit to the applicant and shall inform the applicant of all federal and state standards applicable to the proposed waste water discharge. Adverse comment or a failure to comment by the agency does not disqualify an application for reimbursement if the applicant has provided sufficient financial guarantees under subdivision 8 to assure repayment of any state reimbursement funds.*

Subd. 6. [PRIORITY.] *After completing its review, the agency shall give each application for reimbursement a priority ranking in relation to all other pending applications for reim-*

bursement. The ranking must be based 50 percent on a ranking of those points allocated for the receiving water under Minnesota Rules, part 7075.0600, subparts 3 and 4, item A, and 50 percent on a ranking of the most economical reimbursement costs required per capita to bring the waste water outflow into compliance with state and federal standards, as applied by Minnesota Rules, part 7075.0700.

Subd. 7. [REIMBURSEMENT PERIOD; AMOUNT.] Reimbursements to applicants must be made, over a 20-year period, commencing after one year of project operation, as provided in this subdivision.

(a) The total amount of reimbursement to each applicant is the sum of:

(1) an amount per capita, calculated for the population served on completion of the project, equal to 20 percent of the average amount per capita, calculated for the population served on completion of the projects, actually expended for eligible costs of municipal projects funded in part by federal and state grants during state fiscal years 1982 to 1984;

(2) ten percent of the average amount per gallon of hydraulic capacity actually expended for eligible costs of municipal projects funded in whole or in part by federal and state grants during state fiscal years 1982 to 1984;

(3) ten percent of the average amount per unit of biological oxygen demand treatment capacity actually expended for eligible costs of municipal projects funded in whole or in part by federal and state grants in state fiscal years 1982 to 1984; and

(4) an amount in the nature of interest calculated at the rate of eight percent on the outstanding balance of the anticipated payments to be received, after the first payment by the municipality, over the remainder of the 20-year reimbursement period.

(b) Reimbursement for each applicant, including an application submitted jointly by more than one person, is limited to four percent of the total amount available for reimbursement in any fiscal year.

(c) The total reimbursement to an applicant may not exceed 125 percent of the eligible cost of the project.

Subd. 8. [CONDITIONS FOR REIMBURSEMENT.] Reimbursement under this section is on the condition that state and federal water quality standards are met and maintained. A municipality may not receive reimbursement of eligible costs for

any year in which applicable state and federal water quality standards are violated. A municipality forfeits all reimbursement payments previously made or to be made if federal or state standards are violated in any five of the 20 reimbursement years or any three consecutive reimbursement years. In order to assure that a municipality will comply with applicable federal and state water quality standards during the reimbursement period, each participating municipality shall provide the agency with a suitable guarantee in the form of a bond or letter of credit in at least the amount of any reimbursement payments to be received from the agency.

Subd. 9. [SPECIAL TESTING.] The agency shall by rule establish a system of special monitoring and testing of projects during the early operation period, to determine whether projects meet or will meet state and federal water quality standards. The agency shall require recipients of reimbursements to conduct regular tests, by contract with outside testing laboratories, during the 20-year reimbursement period, provided that projects funded under this section may not be held to a higher standard of performance than other projects.

Subd. 10. [STATUTORY APPLICATIONS.] Sections 115.03, subdivision 1, clause (f), and 177.41 do not apply to municipal projects reimbursed or for which an application for reimbursement is made under this section."

Amend the title as follows:

Page 1, line 5, after the semicolon insert "amending Minnesota Statutes 1984, section 116.16, subdivision 3;"

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

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1017, A resolution memorializing the United States Department of Energy of Minnesota's opposition to the siting of a high-level radioactive waste disposal site in Minnesota pursuant to the Nuclear Waste Policy Act of 1982.

Reported the same back with the following amendments:

Page 1, line 20, delete the second "the"

Page 1, line 21, before "repository" insert "a waste"

Page 2, line 2, after "surface" insert "water"

Page 2, line 9, before "health" insert "economy,"

Page 2, line 11, after "process" insert "and at all times"

Page 2, line 16, after "repository" insert "on the headwaters and downstream of our three major North American watersheds and"

Page 2, line 20, before "Secretary" insert "President of the United States, the President and Secretary of the United States Senate, the Speaker and Chief Clerk of the United States House of Representatives, the"

Page 2, line 21, delete "Engergy" and insert "Energy"

With the recommendation that when so amended the bill pass.

The report was adopted.

McDonald from the Committee on Agriculture to which was referred:

H. F. No. 1072, A bill for an act relating to agriculture; providing for the amount and conditions of surety bonds of certain wholesale producer dealers; amending Minnesota Statutes 1984, section 27.041, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [LEGISLATIVE COMMISSION ON THE AGRICULTURAL ECONOMY.]

Subdivision 1. [POLICY STATEMENT.] The present crisis in the agricultural economy of the state of Minnesota and the United States requires extraordinary attention from the Minnesota legislature. It is essential to study the immediate and long-term elements of the crisis more intensively and with deliberation greater than that permitted by the ordinary legislative process. Federal legislation is anticipated and a Minnesota legislative authority should be ready to react quickly and with full information to assure that its benefits are quickly and fully adapted to Minnesota law and Minnesota's special conditions to assure the greatest possible advantages to Minnesota producers and processors.

Subd. 2. [ESTABLISHMENT.] The legislative commission on the agricultural economy is established to:

(a) study the effects of state law on agriculture and to suggest improvements;

(b) study the effects of federal law on agriculture and to propose improvements to congress;

(c) study the effect of changes in federal law in 1985 and 1986 and propose means for Minnesota agriculture to make the best possible use of them;

(d) propose a long-term program to promote stable agricultural prosperity in Minnesota; and

(e) propose any measures appropriate to relieve the consequences of the current crisis.

Subd. 3. [MEMBERSHIP AND TERMS.] The commission shall consist of 12 members. Six members shall be from the senate, including members of the minority caucus, and shall be appointed by the subcommittee on committees of the committee on rules and administration. Six members shall be from the house of representatives, including members of the minority caucus, and shall be appointed by the speaker. The chairs of the senate agriculture and natural resources committee and the house agriculture committee shall be members of the commission. The members shall be appointed for terms beginning June 1, 1985. Vacancies on the commission shall be filled in the same manner as the original appointments.

Subd. 4. [TERMS AND OFFICERS.] The commission shall elect a chair and a vice-chair from among its members. In 1985 the chair shall be a member of the house and in 1986 a member of the senate. The vice-chair shall be a house member when the chair is a senate member, and senate member when the chair is a house member.

Subd. 5. [GOVERNOR'S REPRESENTATIVE.] The governor shall appoint a person to serve as liaison between the governor and the commission.

Subd. 6. [ADVISORY COMMITTEE.] The commission may appoint advisory committees to assist it as needed. The advisory committees shall meet at the discretion of the commission.

Subd. 7. [ASSISTANCE OF OTHER AGENCIES.] The commission may request information from any state officer or agency to assist the commission in performing its duties. The officer or agency shall promptly furnish any data requested.

Subd. 8. [STAFF.] The commission may employ professional, technical, consulting, and clerical services. The commis-

sion may use legislative staff to provide legal counsel, research, secretarial, and clerical assistance.

Subd. 9. [EXPENSES AND REIMBURSEMENT.] The members of the commission and its assistants shall be reimbursed for all expenses actually incurred in the performance of their duties. Expenses of the commission shall be approved by the chair and the expenses paid in the same manner as other state expenses are paid.

Subd. 10. [REPORT.] By December 15 of each year, the commission shall report to the legislature on its findings and recommendations, including information related to the funding of education.

Subd. 11. [EXPIRATION.] The commission shall end December 31, 1986.

Subd. 12. [APPROPRIATION.] \$ is appropriated from the general fund to the commission for the purposes of this section. The appropriation expires December 31, 1986."

Delete the title and insert:

"A bill for an act establishing the legislative commission on the agricultural economy; providing for its duties and powers; appropriating money."

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

The report was adopted.

Halberg from the Committee on Judiciary to which was referred:

H. F. No. 1097, A bill for an act relating to creditor's remedies; providing for an increase in the amount of farm machines and implements exemption; clarifying the garnishment limitation for the sale of farm products; amending Minnesota Statutes 1984, sections 550.37, subdivisions 5, 7, 13, and 14; 571.41, subdivisions 6 and 7; 571.495, subdivision 3; and 571.55, subdivision 1.

Reported the same back with the following amendments:

Page 1, line 23, strike "WAGES" and insert "EARNINGS"

Page 2, line 19, strike "wages" and insert "earnings"

Page 9, line 16, after "*corporation*" insert a comma :

Page 11, line 36, after the second "*corporation*" insert a comma

Page 12, after line 6, insert:

"Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 8 are effective June 1, 1985."

With the recommendation that when so amended the bill pass.

The report was adopted.

Carlson, D., from the Committee on Transportation to which was referred :

H. F. No. 1098, A bill for an act relating to traffic regulations; peace officers; authorizing peace officers to inspect for regulated tires; amending Minnesota Statutes 1984, section 169.725.

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

The report was adopted.

Halberg from the Committee on Judiciary to which was referred :

H. F. No. 1112, A bill for an act relating to dispute resolution; establishing guidelines for community dispute resolution programs; proposing coding for new law in Minnesota Statutes, chapter 494.

Reported the same back with the following amendments :

Page 1, line 9, delete "8" and insert "9"

Page 1, line 11, after "2." insert "[494.045]"

Page 1, line 13, delete "8" and insert "9"

Page 1, line 18, delete "5" and insert "6"

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

Page 2, line 13, delete "2" and insert "3"

Page 6, line 3, delete "[494.08]" and insert "[494.09]"

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

Page 8, line 30, delete "[494.09]" and insert "[494.10]"

Page 8, line 33, delete "8" and insert "9"

Page 9, line 20, delete "[494.10]" and insert "[494.11]"

Page 10, line 1, delete "8" and insert "9"

Renumber the sections in sequence

With the recommendation that when so amended the bill pass.

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1116, A bill for an act relating to tax increment financing; transferring duties to the state auditor; imposing financial reporting and accounting requirements; repealing the authority to provide interest reduction programs; amending Minnesota Statutes 1984, sections 273.74, subdivisions 2, 5, and by adding a subdivision; and 298.2211, subdivision 1; repealing Minnesota Statutes 1984, section 462.445, subdivisions 10, 11, 11a, 12, and 13.

Reported the same back with the following amendments:

Page 4, after line 18, insert:

"Sec. 4. Minnesota Statutes 1984, section 273.75, subdivision 4, is amended to read:

Subd. 4. [LIMITATION ON USE OF TAX INCREMENT.] All revenues derived from tax increment shall be used in accordance with the tax increment financing plan. The revenues shall be used solely for the following purposes: (a) to pay the principal of and interest on bonds issued to finance a project; (b) by a rural development financing authority for the purposes stated in section 362A.01, subdivision 2, by a port authority or municipality exercising the powers of a port authority to finance or otherwise pay the cost of redevelopment pursuant to chapter 458, by a housing and redevelopment authority to finance or otherwise pay public redevelopment costs pursuant to chapter 462, by a municipality to finance or otherwise pay the capital and administration costs of a development district pursuant to chapter

472A, by a municipality or redevelopment agency to finance or otherwise pay premiums for insurance or other security guaranteeing the payment when due of principal of and interest on the bonds pursuant to chapters 462C, 474, or both chapters, or to accumulate and maintain a reserve securing the payment when due of the principal of and interest on the bonds pursuant to chapters 462C, 474, or both chapters, which revenues in the reserve shall not exceed, subsequent to the fifth anniversary of the date of issue of the first bond issue secured by the reserve, an amount equal to 20 percent of the aggregate principal amount of the outstanding and nondefeased bonds secured by the reserve. *No revenues derived from tax increment may be used for an interest reduction program operated pursuant to section 462.445, subdivisions 10 to 13 or pursuant to other law granting interest reduction authority and power by reference to those subdivisions.* These revenues shall not be used to circumvent existing levy limit law. No revenues derived from tax increment shall be used for the construction or renovation of a municipally owned building used primarily and regularly for conducting the business of the municipality; this provision shall not prohibit the use of revenues derived from tax increments for the construction or renovation of a parking structure, a commons area used as a public park or a facility used for social, recreational or conference purposes and not primarily for conducting the business of the municipality."

Page 5, delete lines 23 to 25 and insert:

"Sec. 6. Minnesota Statutes 1984, section 462.445, subdivision 13, is amended to read:

Subd. 13. [INTEREST REDUCTION PROGRAM.] (THE AUTHORITY TO AUTHORIZE PAYMENT OF INTEREST REDUCTION ASSISTANCE PURSUANT TO SUBDIVISIONS 10, 11, AND 12 SHALL EXPIRE ON) *Subdivisions 10, 11, 11a, and 12 are repealed effective January 1, (1986) 1987. Notwithstanding the preceding sentence, interest reduction assistance payments authorized prior to January 1, (1986) 1987 may be paid after January 1, (1986) 1987.*"

Page 5, line 33, delete "Sections 3 and 4 are" and insert "Section 4 is"

Page 5, line 35, after "party" insert "and provided to be paid with tax increment revenues"

Page 5, line 36, after "paid" insert "with tax increment revenues"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon insert "prohibiting the use of tax increment revenues for interest reduction programs;"

Page 1, line 4, delete "repealing" and insert "extending"

Page 1, line 7, delete the second "and" and insert "273.75, subdivision 4;"

Page 1, line 8, delete "repealing Minnesota Statutes" and insert "and 462.445, subdivision 13."

Page 1, delete lines 9 and 10

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1171, A bill for an act relating to the city of Saint Paul; permitting the city to issue temporary on-sale wine licenses to nonprofit charitable, religious, or veterans organizations.

Reported the same back with the following amendments:

Page 1, line 18, after "only" delete "on" and insert "*as described on the approved license application, on the days described in the license, which may be*"

Page 1, after line 18, insert:

"Sec. 2. Minnesota Statutes 1984, section 340.11, subdivision 21, is amended to read:

Subd. 21. [LIABILITY INSURANCE.] Every person licensed to sell at retail intoxicating liquor or nonintoxicating malt liquor at on-sale or off-sale shall, after August 1, 1983, demonstrate proof of financial responsibility with regard to liability imposed by section 340.95, to the authority issuing the license as a condition of the issuance or renewal of his license, provided this subdivision does not apply to licensees who by affidavit establish that they are on-sale nonintoxicating malt liquor licensees with sales of less than \$10,000 of nonintoxicating malt liquor for the preceding year, or off-sale nonintoxicating malt liquor licensees with sales of less than \$20,000 of nonintoxicating malt liquor for the preceding year, or holders of on-sale wine licenses under subdivision 20 or holders of temporary wine licenses issued under law, with sales of less than \$10,000 of wine

for the preceding year. The issuing authority must submit to the commissioner the proof of financial responsibility or exemption affidavit submitted by the license applicant. Proof of financial responsibility may be given by filing:

(a) A certificate that there is in effect for the period covered by the license an insurance policy or pool providing the following minimum coverages;

(1) \$50,000 because of bodily injury to any one person in any one occurrence, and, subject to the limit for one person, in the amount of \$100,000 because of bodily injury to two or more persons in any one occurrence, and in the amount of \$10,000 because of injury to or destruction of property of others in any one occurrence.

(2) \$50,000 for loss of means of support of any one person in any one occurrence, and, subject to the limit for one person, \$100,000 for loss of means of support of two or more persons in any one occurrence; or

(b) A bond of a surety company with minimum coverages as provided in clause (a), or

(c) A certificate of the state treasurer that the licensee has deposited with him \$100,000 in cash or securities which may legally be purchased by savings banks or for trust funds having a market value of \$100,000.

This subdivision does not prohibit a local governing unit from requiring higher insurance or bond coverages, or a larger deposit of cash or securities than is required hereunder, as a condition of issuance or renewal of a retail intoxicating liquor or nonintoxicating malt liquor on-sale or off-sale license.

The commissioner of commerce shall advise licensees and municipalities subject to the financial responsibility requirements of this subdivision of those persons offering insurance coverage. The commissioner of commerce shall establish a program to assist licensees in obtaining insurance coverage. The program shall include a committee appointed by the commissioner of commerce of a representative group of insurance carriers and producers. The commissioner of commerce shall serve as an ex officio member of the committee. The committee shall review and act upon all properly executed applications requesting liquor liability market assistance. The market assistance program shall be established by the commissioner of commerce by August 1, 1983, and shall continue to function so long as its services are deemed by the commissioner of commerce to be necessary to relieve perceived availability problems in the liquor liability insurance market. If the committee finds that it cannot assist in securing insurance coverage it shall notify the applicant

in writing with a full explanation and recommendation for enhancing its ability to secure insurance. The commissioner of commerce shall, if necessary, establish an assigned risk plan pursuant to subdivision 23."

Page 1, line 20, delete "*This act*" and insert "*Section 1*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "the city of Saint Paul" and insert "liquor"

Page 1, line 3, after "city" insert "of St. Paul"

Page 1, line 5, after "organizations" insert "; providing for the applicability of mandatory liability insurance; amending Minnesota Statutes 1984, section 340.11, subdivision 21"

With the recommendation that when so amended the bill pass.

The report was adopted.

Blatz from the Committee on Crime and Family Law to which was referred:

H. F. No. 1191, A bill for an act relating to drivers licenses; providing for access to drivers license photographic negatives; amending Minnesota Statutes 1984, section 171.07, subdivision 1a.

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

The report was adopted.

Erickson from the Committee on Education to which was referred:

H. F. No. 1243, A bill for an act relating to the Minnesota historical society; requiring it to develop instructional materials on Minnesota history; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [126.70] [FINDINGS AND PURPOSE.]

The legislature recognizes the need to develop instructional materials for the purpose of teaching and instilling an appreciation of Minnesota state history in the state's schools. The materials must be accurate and balanced in their presentation of the state's past, reflecting a nonsexist, nonracist and multicultural view of the state's society.

Sec. 2. [126.71] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 6.

Subd. 2. [GRADE LEVEL.] "Grade level" means the upper elementary and middle school levels.

Subd. 3. [MATERIALS.] "Materials" means the content to be taught and the strategy for teaching.

Subd. 4. [DIRECTOR.] "Director" means the director of the Minnesota historical society.

Sec. 3. [126.72] [DEVELOPMENT AND PUBLICATION OF MATERIALS.]

The Minnesota historical society shall develop and publish materials on Minnesota history for students at the appropriate grade level. The materials must include elements of physical geography, natural history, anthropology, literature, art, government, politics, ethnicity, economics, and folklife. The materials must also describe Minnesota's relationship to national and world events.

Sec. 4. [126.73] [ADVISORY TASK FORCE.]

An advisory task force of 15 members appointed by the director shall advise the society on the development of the materials. The task force shall consist of school board members, professional historians, educators, and department of education staff. The task force is subject to section 15.059, subdivision 6.

Sec. 5. [126.74] [EVALUATION TASK FORCE.]

An evaluation task force of 15 classroom teachers appointed by the director shall test and evaluate the materials on pupils in grades five to seven prior to initial distribution of the materials. The task force shall consist of teachers from large and small, urban, suburban, and rural, and public and nonpublic schools. The task force is subject to section 15.059, subdivision 6.

Sec. 6. [126.75] [SALE; RECEIPTS.]

The materials developed under section 3 may be sold at competitive prices to public school districts and nonpublic schools."

Amend the title as follows:

Page 1, line 4, delete "appropriating money" and insert "proposing coding for new law in Minnesota Statutes, chapter 126"

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

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1253, A bill for an act relating to state lands; conveying land to Olmsted county.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [CONVEYANCE OF A ROAD EASEMENT TO OLMSTED COUNTY.]

Subdivision 1. [COMMISSIONER MUST OFFER EASEMENT.] Because of increased local economic opportunity and growth and notwithstanding any other law, the commissioner of natural resources shall convey an easement in the land described in subdivision 2 to Olmsted county to be used for a roadway.

The commissioner must offer the land at the appraised value determined by appraisers according to law, plus costs, by August 1, 1985 and Olmsted county has until March 1, 1986 to accept the offer.

The conveyance shall be made in a form approved by the attorney general. The attorney general may not approve the conveyance unless the design of the roadway incorporates the maximum mitigation efforts as identified by the commissioner in the completed environmental impact statement, except for additional corn growth contract requirements.

Subd. 2. [LAND DESCRIPTION.] The commissioner of natural resources shall offer an easement in the land described in this subdivision to Olmsted county.

(a) A parcel of land in the northwest quarter of section 5, township 106 north, range 13 west, Olmsted county Minnesota, described as follows:

Beginning at the northwest corner of the northwest quarter; thence north 88 degrees 46 minutes 17 seconds east (for the purpose of this description the north line of the northwest quarter is assumed to be north 88 degrees 46 minutes 17 seconds east) along the north line of the northwest quarter for a distance of 1313.61 feet; thence south 01 degrees 13 minutes 43 seconds east for a distance of 100.00 feet; thence south 87 degrees 06 minutes 46 seconds west for a distance of 941.55 feet; thence south 86 degrees 31 minutes 53 seconds west for a distance of 233.94 feet; thence south 52 degrees 23 minutes 06 seconds west for a distance of 117.75 feet; thence south 00 degrees 06 minutes 36 seconds west for a distance of 304.96 feet; thence south 01 degrees 51 minutes 26 seconds east for a distance of 180.21 feet; thence south 01 degrees 11 minutes 25 seconds east for a distance of 1870.77 feet more or less to the south line of the northwest quarter; thence westerly along the south line of said quarter to the southwest corner of the northwest quarter for a distance of 46.00 feet; thence north 01 degrees 02 minutes 19 seconds west along the west line of the northwest quarter for a distance of 2561.96 feet to the northwest corner of the northwest quarter and the point of beginning.

(b) A parcel of land consisting of the west 46 feet of the southwest quarter of section 5 lying north of the north right-of-way line of trunk highway No. 14. The parcel is subject to all existing roadway easements.

(c) A parcel of land in the northeast quarter in section 6, township 106 north, range 13 west, Olmsted county Minnesota, described as follows:

Beginning at the northeast corner of the northeast quarter of section 6; thence south 89 degrees 34 minutes 27 seconds west (for the purposes of this description the north line of the northeast quarter is assumed to be south 89 degrees 34 minutes 27 seconds west) along the north line of said quarter a distance of 910.58 feet; thence south 00 degrees 07 minutes 33 seconds east for a distance of 86.23 feet; thence south 85 degrees 58 minutes 28 seconds east for a distance of 621.63 feet; thence south 48 degrees 17 minutes 20 seconds east for a distance of 133.16 feet; thence south 08 degrees 23 minutes 21 seconds east for a distance of 251.13 feet; thence south 02 degrees 01 minutes 48 seconds east for a distance of 200.95 feet; thence south 01 degrees 11 minutes 25 seconds east for a distance of 690.71 feet to the north line of the south 1180 feet of the northeast quarter; thence north 88 degrees 47 minutes 30 seconds east for a distance of 157.13 feet to the east line of the northeast quarter; thence north 01 degrees 02 minutes 19 seconds west along the east line of the northeast quarter for a distance of 1381.96 feet to the northeast corner

of the northeast quarter and the point of beginning. The parcel is subject to all existing roadway easements.

The parcels in paragraphs (a), (b), and (c) containing 14.0 acres more or less.

(d) A parcel of land in the southeast quarter and the south one-half of the northeast quarter of section 31, township 107 north, range 13 west, Olmsted county Minnesota, described as follows:

Beginning at the southeast corner of the southeast quarter; thence north 00 degrees 48 minutes 30 seconds west (for the purpose of this description the east line of the southeast quarter is assumed to be north 00 degrees 48 minutes 30 seconds west) along the east line of said quarter for a distance of 848.56 feet; thence north 31 degrees 33 minutes 48 seconds west for a distance of 394.73 feet; thence northerly 1000.11 feet along a nontangential curve, concave southwesterly, a central angle of 07 degrees 24 minutes 14 seconds, a radius of 7739.44 feet, and the chord of said curve bears north 18 degrees 57 minutes 13 seconds west for a distance of 999.41 feet; thence north 22 degrees 39 minutes 20 seconds west for a distance of 545.41 feet to the north line of the southeast quarter; thence continuing north 22 degrees 39 minutes 20 seconds west for a distance of 1411.85 feet to the north line of the south one-half of the northeast quarter; thence south 89 degrees 35 minutes 55 seconds west along the north line of the south one-half of the northeast quarter for a distance of 216.10 feet; thence south 22 degrees 39 minutes 20 seconds east for a distance of 1412.11 feet to the north line of the southeast quarter; thence continuing south 22 degrees 39 minutes 20 seconds east for a distance of 626.99 feet; thence southerly 1349.73 feet along a tangential curve, concave southwesterly, a central angle of 10 degrees 15 minutes 26 seconds, a radius of 7539.44 feet, and the chord of said curve bears south 17 degrees 31 minutes 37 seconds east for a distance of 1347.93 feet; thence south 06 degrees 05 minutes 53 seconds east, not tangent to curve, for a distance of 539.30 feet; thence south 39 degrees 31 minutes 07 seconds west for a distance of 153.23 feet; thence south 84 degrees 04 minutes 49 seconds west for a distance of 552.74 feet; thence south 00 degrees 07 minutes 33 seconds east for a distance of 63.77 feet to the south line of the southeast quarter; thence north 89 degrees 34 minutes 27 seconds east along the south line of the southeast quarter for a distance of 910.58 feet to the southeast corner of the southeast quarter to the point of beginning.

Less the Chicago and Northwestern Railroad right-of-way in the south one-half of the northeast quarter. The parcel is subject to all existing roadway easements.

This parcel contains 22.21 acres more or less.

(e) A parcel of land in the southwest quarter of the southwest quarter of section 32, township 107 north, range 13 west, Olmsted county Minnesota, described as follows:

Beginning at the southwest corner of the southwest quarter; thence north 00 degrees 43 minutes 30 seconds west (for the purpose of this description the west line of the southwest quarter is assumed to be north 00 degrees 43 minutes 30 seconds west) along the west line of said quarter quarter for a distance of 848.56 feet; thence southeasterly 654.77 feet along a nontangential curve, concave southwesterly, a central angle of 04 degrees 46 minutes 24 seconds, a radius of 7859.44 feet, and the chord of said curve bears south 10 degrees 06 minutes 08 seconds east for a distance of 654.58 feet; thence south 47 degrees 06 minutes 34 seconds east for a distance of 127.00 feet; thence south 86 degrees 49 minutes 24 seconds east for a distance of 174.20 feet; thence north 88 degrees 46 minutes 17 seconds east for a distance of 941.35 feet to the east line of the southwest quarter of the southwest quarter; thence south 00 degrees 38 minutes 36 seconds east for a distance of 100.00 feet along the east line of the southwest quarter of the southwest quarter to the southeast corner of the southwest quarter of the southwest quarter; thence south 88 degrees 46 minutes 17 seconds west along the south line of said quarter quarter for a distance of 1313.61 feet to the southwest corner of the southwest quarter of the southwest quarter and the point of beginning. The parcel is subject to all existing roadway easements.

This parcel contains 4.27 acres more or less.

(f) That part of the southeast quarter and that part of the south one-half of the northeast quarter of section 31, lying south of the south right-of-way line of the Chicago and Northwestern railroad, township 107 north, range 13 west, Olmsted county Minnesota, described as follows:

Commencing at the southwest quarter of the southeast quarter; thence north 00 degrees 43 minutes 24 seconds west (for the purpose of this description the west line of the southeast quarter is assumed to be north 00 degrees 43 minutes 24 seconds west) along the west line of southeast quarter for a distance of 2100.00 feet to the point of beginning; thence north 89 degrees 16 minutes 36 seconds east for a distance of 1911.81 feet; thence north 22 degrees 39 minutes 20 seconds west to the north line of the southeast quarter for a distance of 571.30 feet; thence continuing north 22 degrees 39 minutes 20 seconds west to the south right-of-way line of said railroad for a distance of 64.75 feet; thence south 75 degrees 01 minutes 33 seconds west along the south right-of-way line of said railroad for a distance of 239.27 feet to the north line of the southeast quarter; thence continuing south 75 degrees 01 minutes 33 seconds west along the south right-of-way line of said railroad for a distance of 1488.13 feet to the west line of the southeast quarter; thence south 00 degrees

43 minutes 24 seconds east along the west line of the southeast quarter for a distance of 164.79 feet to the point of beginning. Said tract is subject to all existing roadway easements.

This parcel contains 16.11 acres more or less.

Sec. 2. [APPROPRIATION.]

Money received in return for the transfer of lands under section 1 shall be deposited in the land acquisition account, section 94.165, and is hereby appropriated to the commissioner of natural resources for the purpose of acquiring lands for wildlife management in Olmsted county.

Sec. 3. [EFFECTIVE DATE.]

This act is effective the day after enactment."

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

The report was adopted.

Carlson, D., from the Committee on Transportation to which was referred:

H. F. No. 1260, A bill for an act relating to transportation; county state-aid highway fund; repealing the 24-foot restriction in the calculation of money needs; changing the definitions of urban and rural counties; providing for apportionments in calendar years 1986 and 1987; amending Minnesota Statutes 1984, section 162.07, subdivisions 2, 3, and 4; proposing coding for new law in Minnesota Statutes, chapter 162.

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. 1265, A bill for an act relating to economic development; providing for economic opportunity and arts enterprise zones; amending Minnesota Statutes 1984, sections 273.1312, subdivision 4; 273.1313, subdivision 2; and 273.1314, subdivisions 2, 4, 5, 7, 8, and by adding subdivisions.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 273.1312, subdivision 3, is amended to read:

Subd. 3. [DURATION.] *Except for designations under subdivision 4, clause (c), paragraph (5), which shall be effective for 20 years, the designation of an area as an enterprise zone shall be effective for seven years after the date of designation.*

Sec. 2. Minnesota Statutes 1984, section 273.1312, subdivision 4, is amended to read:

Subd. 4. [ELIGIBILITY REQUIREMENTS.] An area is eligible for designation if the following requirements are met:

(a) The boundary of the zone or each subdivision of the zone is continuous and includes vacant or underutilized lands or buildings.

(b) The area of the zone is less than 400 acres. The total market value of the taxable property contained in the zone at the time of application is less than \$100,000 per acre or \$300,000 per acre for an area located wholly within a first class city. A zone which is located in a city of the third or fourth class may be divided into two to four separate subdivisions which need not be contiguous with each other. Each subdivision must contain not less than 100 acres. The restrictions provided by this paragraph shall not apply to areas designated pursuant to paragraph (c), clause (2) (OR), (3), (4), or (5).

(c) (1) The proposed zone is located within an economic hardship area, as established by meeting two or more of the following criteria:

(A) the number of residential housing units within the area which are substandard is 15 percent or greater under criteria prescribed by the commissioner using data collected by the bureau of the census or data submitted by the municipality and approved by the commissioner;

(B) the percentage of households within the area that fall below the poverty level, as determined by the United States census bureau, is 20 percent or greater;

(C) (i) the total market value of commercial and industrial property in the area has declined over three of the preceding five years, or (ii) the total market value of all property in the area has declined or it has increased less than 10.5 percent over the preceding three-year period;

(D) for the last full year for which data is available, the per capita income in the area was 90 percent or less of the per capita income for the state, excluding standard metropolitan statistical areas, or for the standard metropolitan statistical area if the area is located in a standard metropolitan statistical area;

(E) (i) the current rate of unemployment in the area is 120 percent of the statewide average unemployment for the last 12-month period for which verifiable figures are available, or (ii) the total number of employment positions has declined by ten percent during the last 18 months; or

(2) The area is so designated under federal legislation providing for federal tax benefits to investors, employers or employees in enterprise zones; or

(3) The area consists of a statutory or home rule charter city with a contiguous border with a city in another state or with a contiguous border with a city in Minnesota which has a contiguous border with a city in another state and the area is determined by the commissioner to be economically or fiscally distressed; or

(4) *The area is an economic opportunity or arts opportunity enterprise zone.*

(A) *An economic opportunity zone is an area in which a specific investment is proposed for a project that will create jobs.*

(B) *An art opportunity zone is either:*

(i) *housing for artists; or*

(ii) *meeting room, practice, rehearsal, recording, or studio space for artists; or*

(5) *The area is in a distressed county. A distressed county is a county which:*

(A) *Has an annual unemployment rate of ten percent or more for the preceding period from May 1 to April 30; or*

(B) *Has ten percent or more of its work force involved in agriculture for the preceding period of May 1 to April 30 using the most current data available from the state demographer.*

For purposes of this subdivision, an economic hardship area must have a population under the most recent federal decennial census of at least (i) 4,000 if any of the area is located wholly or partly within a standard metropolitan statistical area, or (ii)

2,500 for an area located outside of a standard metropolitan statistical area, or (iii) no minimum in the case of an area located in an Indian reservation; except that, in the case of two or more cities seeking designation of an enterprise zone under a joint exercise of power pursuant to section 471.59, the minimum population required by this provision shall not exceed the sum of the populations of those cities.

Sec. 3. Minnesota Statutes 1984, section 273.1312, subdivision 5, is amended to read:

Subd. 5. [LIMITATION.] *Except as specifically otherwise provided by law*, no area may be designated as an enterprise zone after December 31, 1986. No area may be designated as an enterprise zone which qualifies pursuant to section 273.1312, subdivision 4, paragraph (c), clause (3), after December 31, 1983.

Sec. 4. Minnesota Statutes 1984, section 273.1313, subdivision 2, is amended to read:

Subd. 2. [PROGRAM.] (a) The governing body of any municipality which contains a designated enterprise zone as provided by section 273.1312 shall by resolution establish a program for classification of new property or improvements to existing property as employment property pursuant to the provisions of this section. Applications for classification under the program shall be filed with the municipal clerk or auditor in a form prescribed by the commissioner, with additions as may be prescribed by the municipal governing body. The application shall contain, where appropriate, a legal description of the parcel of land on which the facility is to be situated or improved; a general description of the facility or improvement and its proposed use, the probable time schedule for undertaking any construction or improvement, and information regarding the matters referred to in paragraph (d); the market value and the assessed value of the land and of all other taxable property then situated on it, according to the most recent assessment; and if the property is to be improved or expanded, an estimate of the probable cost of the new construction or improvement and the market value of the new or improved facility (excluding land) when completed.

(b) Upon receipt of an application the municipal clerk or auditor, subject to any prior approval required by the resolution establishing the program, shall furnish a copy to the assessor for the property and to the governing body of each school district and other public body authorized to levy taxes on the property, and shall publish a notice in the official newspaper of the time and place of a hearing to be held by the governing body on the application, not less than 30 days after the notice is published, stating that the applicant, the assessor, representatives of the affected taxing authorities, and any taxpayer of the municipality may be heard or may present their views in writing at or before the hearing. The hearing may be adjourned from time to time,

but the governing body shall take action on the application by resolution within 30 days after the hearing. If disapproved, the reasons shall be set forth in the resolution, and the applicant may appeal to the commissioner within 30 days thereafter, but only on the ground that the determination is arbitrary, in relation to prior determinations as to classification under the program, or based upon a mistake of law. If approved, the resolution shall include determinations as to the matters set forth in paragraph (d), and the clerk or auditor shall transmit it to the commissioner.

(c) Within 60 days after receipt of an approved application or an appeal from the disapproval of an application, the commissioner shall take action on it. The commissioner shall approve each application approved by the governing body if he finds that it complies with the provisions of this section. If he disapproves the application, or finds grounds exist for appeal of a disapproved application, he shall transmit the finding to the governing body and the applicant. When grounds for appeal have been determined to exist, the governing body shall reconsider and take further action on the application within 30 days after receipt of the commissioner's notice and serve written notice of the action upon the applicant. The applicant, within 30 days after receipt of notice of final disapproval by the commissioner or the governing body, may appeal from the disapproval to a court of competent jurisdiction.

(d) In the case of enterprise zones qualifying pursuant to section 273.1312, subdivision 4, paragraph (c), clause (1), an application shall not be approved unless the governing body finds and determines that the construction or improvement of the facility:

(1) Is reasonably likely to create new employment or prevent a loss of employment in the municipality;

(2) Is not likely to have the effect of transferring existing employment from one or more other municipalities within the state;

(3) Is not likely to cause the total market value of employment property within the municipality to exceed five percent of the total market value of all taxable property within the municipality; or if it will, the resulting limitation upon the increase of the assessed value of all taxable property within the municipality, considering the amount of additional municipal services likely to be required for the employment property, is not likely to substantially impede the operation or the financial integrity of the municipality or any other public body levying taxes on property in the municipality; and

(4) Will not result in the reduction of the assessed value of existing property within the municipality owned by the appli-

cant, through abandonment, demolition, or otherwise, without provision for the restoration of the existing property within a reasonable time in a manner sufficient to restore the assessed valuation.

(e) In the case of enterprise zones qualifying pursuant to section 273.1312, subdivision 4, paragraph (c), clause (3), (4), or (5), an application for assessment as employment property under section 273.13, subdivision 9, (OR) for a tax reduction pursuant to section 273.1314, subdivision 9, or for a tax abatement under subdivision 2a or section 273.1314, subdivision 9, may not be approved unless the governing body finds and determines that the construction or improvement of the facility is not likely to have the effect of transferring existing employment from one or more other municipalities within the state.

Sec. 5. Minnesota Statutes 1984, section 273.1313, is amended by adding a subdivision to read:

Subd. 2a. [DISTRESSED COUNTIES.] Employment property in an enterprise zone designated under section 273.1312, subdivision 4, paragraph (c), clause (5), shall be reclassified but shall have the property tax on it abated for 20 years unless the classification is revoked. The municipality's share of the abatement shall qualify as the local contribution required under section 273.1314, subdivision 6.

Sec. 6. Minnesota Statutes 1984, section 273.1314, is amended by adding a subdivision to read:

Subd. 1a. [DISTRESSED COUNTY.] The commissioner shall on June 1, every year, designate those counties which are distressed under section 273.1312, subdivision 4, paragraph (c), clause (5). The designation of a county as distressed shall only be effective for the following calendar year. A county may be designated as distressed as often as it so qualifies. Property and businesses in an enterprise zone designated according to section 273.1312, subdivision 4, paragraph (c), clause (5), are eligible for tax abatement upon approval by the commissioner of a joint application of a municipality and a business.

Sec. 7. Minnesota Statutes 1984, section 273.1314, subdivision 2, is amended to read:

Subd. 2. [SUBMISSION OF APPLICATIONS.] Except for applications for designation under section 273.1312, subdivision 4, paragraph (c), clause (4) or (5), which may be submitted any time, on or before August 31 of each year, a municipality seeking designation of an area as an enterprise zone shall submit an application to the commissioner. The commissioner shall establish procedures and forms for the submission of applications for enterprise zone designation.

Sec. 8. Minnesota Statutes 1984, section 273.1314, subdivision 4. is amended to read:

Subd. 4. [EVALUATION OF APPLICATIONS.] The commissioner shall review and evaluate the applications submitted pursuant to subdivision 3 and shall determine whether each area is eligible for designation as an enterprise zone. If the department of energy and economic development no longer exists as presently constituted, the commissioner shall consult with the successor to the responsibilities of the planning division of that department in making this determination. In determining whether an area is eligible under section 273.1312, subdivision 4, paragraph (c), if unemployment, employment, income or other necessary data are not available for the area from the federal departments of labor or commerce or the state demographer, the commissioner may rely upon other data submitted by the municipality if he determines it is statistically reliable or accurate. The commissioner, in conjunction with the commissioner of revenue, shall prepare an estimate of the amount of state tax revenue which will be foregone for each application if the area is designated as a zone.

Except for enterprise zones eligible under section 273.1312, subdivision 4, paragraph (c), clause (4) or (5), which are not to be submitted to the commission, on or before October 1 of each year, the commissioner shall submit to the legislative advisory commission a list of the areas eligible for designation as enterprise zones, along with his recommendations for designation and supporting documentation. In making recommendations for designation, the commissioner shall consider and evaluate the applications pursuant to the following criteria:

(a) the pervasiveness of poverty, unemployment, and general distress in the area;

(b) the extent of chronic abandonment, deterioration or reduction in value of commercial, industrial or residential structures in the area and the extent of property tax arrearages in the area;

(c) the prospects for new investment and economic development in the area with the tax reductions proposed in the application relative to the state and local tax revenue which would be foregone;

(d) the competing needs of other areas of the state;

(e) the municipality's proposed use of other state and federal development funds or programs to increase the probability of new investment and development occurring;

(f) the extent to which the projected development in the zone will provide employment to residents of the economic hard-

ship area, and particularly individuals who are unemployed or who are economically disadvantaged as defined in the federal Job Training Partnership Act of 1982, 96 Statutes at Large 1322;

(g) the funds available pursuant to subdivision 8; and

(h) other relevant factors which he specifies in his recommendations.

The commissioner shall submit a separate list of the areas entitled to designation as enterprise zones under section 273.1312, subdivision 4, paragraph (c), clauses (2) and (3), along with his recommendations for the amount of funds to be allocated to each area.

Sec. 9. Minnesota Statutes 1984, section 273.1314, is amended by adding a subdivision to read:

Subd. 4a. [ECONOMIC OPPORTUNITY ZONES.] When evaluating an application for designation as an economic opportunity zone, the commissioner shall consider the number of new jobs a project will create, the investment in the project, and the number of hardship factors listed in section 273.1312, subdivision 4, paragraph (c)(1), clauses (A) to (E) which are present in the area where the proposed project is located.

Sec. 10. Minnesota Statutes 1984, section 273.1314, is amended by adding a subdivision to read:

Subd. 4b. [ARTS OPPORTUNITY ZONES.] When evaluating an application for designation as an arts opportunity zone, the commissioner shall consult with the Minnesota state arts board. The role of the board is advisory only. The commissioner may contract with persons knowledgeable in the arts to administer the arts opportunity zone application process. The art opportunity zone designation shall consist solely of a flexible two year demonstration program for one city with specific sites designated by the commissioner for the receipt of a combination of tax incentives, small grants, and low interest loans primarily for the creation of studio and living space for artists. The commissioner may accept and distribute gifts received for use in the art opportunity zone program.

Sec. 11. Minnesota Statutes 1984, section 273.1314, is amended by adding a subdivision to read:

Subd. 4c. [DISTRESSED COUNTY ENTERPRISE ZONES.] When evaluating an application from a business and municipality seeking tax abatements because it is in an enterprise zone eligible under section 273.1312, subdivision 4, paragraph (c), clause (5), the commissioner shall consider the number of new jobs or investments the abatements will help generate. Only applications

submitted jointly by and for manufacturing businesses which are either new businesses to the state, expanding businesses in the municipality or businesses which moved from another municipality in Minnesota shall be approved by the commissioner. On approval the manufacturing business shall have the sales, income, and property taxes in connection with its business in the enterprise zone abated for 20 years. If an existing business expands or a business moves employees or production to the enterprise zone from other areas of the state, the abatement of taxes shall be only for that proportion of the business in the enterprise zone representing an expansion over that moved from the other area. The commissioner shall approve only those applications in which it can be demonstrated by the applicant that the location of the new business or expansion of the existing business would not occur without the availability of the tax abatements.

Sec. 12. Minnesota Statutes 1984, section 273.1314, subdivision 5, is amended to read:

Subd. 5. [LAC RECOMMENDATIONS.] On or before October 15, the legislative advisory commission shall submit to the commissioner its advisory recommendations regarding the designation of enterprise zones. By October 30 of each year the commissioner shall make the final designation of the areas as enterprise zones, pursuant to section 273.1312, subdivision 2. *Designations made pursuant to section 273.1312, subdivision 4, paragraph (c), clause (4) or (5), may be made at any time of the year.* In making the designation, the commissioner may make modifications in the design of or limitations on the tax reductions contained in the application necessary because of the funding limitations under subdivision 8.

Sec. 13. Minnesota Statutes 1984, section 273.1314, subdivision 7, is amended to read:

Subd. 7. [LIMITATIONS; NUMBER OF DESIGNATIONS.] (a) In each of the years 1983 and 1984, the commissioner shall designate at least two but not more than five areas as enterprise zones. No designations shall be made after December 31, 1984.

(b) No more than one area may be designated as an enterprise zone in any county, except that two areas may be designated in a county containing a city of the first class.

(c) No more than two areas in a congressional district may be designated as an enterprise zone in 1984.

(THIS SUBDIVISION) *Clauses (a) to (c) shall not apply to enterprise zones designated pursuant to section 273.1312, subdivision 4, paragraph (c), clause (2) (OR), (3), (4), or (5).*

The commissioner may make designations according to section 273.1312, subdivision 4, paragraph (c), clause (4), until December 31, 1991, and in a number that the commissioner believes is reasonable in relation to available funds.

The commissioner may make designations under section 273.1312, subdivision 4, paragraph (c), clause (5), until June 30, 1989.

Sec. 14. Minnesota Statutes 1984, section 273.1314, subdivision 8, is amended to read:

Subd. 8. [FUNDING LIMITATIONS.] The maximum amount of the tax reductions which may be authorized pursuant to designations of enterprise zones under section 273.1312, subdivision 4, paragraph (c), clauses (1), (2), and (3) and this section is limited to \$35,600,000. The maximum amount of tax reductions which may be authorized pursuant to designations of enterprise zones under section 273.1312, subdivision 4, paragraph (c), clause (4), is \$25,000,000. A maximum of \$2,500,000 of tax reductions may be authorized for each of the fiscal years 1986 and 1987. A maximum of \$5,000,000 of tax reductions may be authorized for each of the fiscal years 1988, 1989, 1990, and 1991. The commissioner shall attempt to make arts enterprise zone allocations so that approximately 75 percent of the allocations go to artist housing. The maximum amount of this total which may be authorized by the commissioner for tax reductions pursuant to subdivision 9 that will reduce tax revenues which otherwise would have been received during fiscal years 1984 and 1985 is limited to \$9,000,000. Of the total limitation and the 1984-1985 biennial limitation the commissioner shall allocate to enterprise zones designated under section 273.1312, subdivision 4, paragraph (c), clause (3), an amount equal to \$16,610,940 and \$5,000,000 respectively. These funds shall be allocated among such zones on a per capita basis except that the maximum allocation to any one city is \$6,610,940 and no city's allocation shall exceed \$210 on a per capita basis. An amount sufficient to fund the state funded property tax credits, the refundable income tax credits, and the sales tax exemption, as authorized pursuant to this section is appropriated to the commissioner of revenue. Upon designation of an enterprise zone the commissioner shall certify the total amount available for tax reductions in the zone for its duration. The amount certified shall reduce the amount available for tax reductions in other enterprise zones. If subsequent estimates indicate or actual experience shows that the approved tax reductions will result in amounts of tax reductions in excess of the amount certified for the zone, the commissioner shall implement a plan to reduce the available tax reductions in the zone to an amount within the sum certified for the zone. If subsequent estimates indicate or actual experience shows that the approved tax reductions will result in amounts of tax reductions below the amount certified, the difference shall be available for certification in other zones or used in connection with an amended plan of tax reductions for the zone as the commissioner

determines appropriate. If the tax reductions authorized result in reduced revenues for a dedicated fund, the commissioner of finance shall transfer equivalent amounts to the dedicated fund from the general fund as necessary.

There is no maximum for the amount of tax abatements which may be authorized pursuant to designations of enterprise zones under section 273.1312, subdivision 4, paragraph (c), clause (5).

Sec. 15. Minnesota Statutes 1984, section 273.1314, subdivision 9, is amended to read:

Subd. 9. [AUTHORIZED FORMS OF STATE TAX REDUCTIONS.] (a) The following types of tax reductions may be approved by the commissioner for businesses located in an enterprise zone:

(1) An exemption from the general sales tax imposed by chapter 297A for purchases of construction materials or equipment for use in the zone if the purchase was made after the date of application for the zone;

(2) A credit against the income tax of an employer for additional workers employed in the zone, other than workers employed in construction, up to a maximum of \$3,000 per employee per year;

(3) An income tax credit for a percentage of the cost of debt financing to construct new or expanded facilities in the zone;

(4) A state paid property tax credit for a portion of the property taxes paid by a new commercial or industrial facility or the additional property taxes paid by an expansion of an existing commercial or industrial facility in the zone.

(b) The municipality shall specify in its application for designation the types of tax reductions it seeks to be made available in the zone and the percentage rates and other appropriate limitations on the reductions.

(c) Upon designation of an enterprise zone and approval by the commissioner of the tax reductions to be made available therein, the commissioner of revenue shall take the steps necessary to implement the tax reductions.

(d) The tax reductions provided by this subdivision shall not apply to any facility described in section 103(b)(6)(O) of the Internal Revenue Code of 1954, as amended through January 15, 1983, or to any regulated public utility.

(e) The commissioner shall approve tax reductions authorized by paragraph (a) within an enterprise zone designated pursuant to section 273.1312, subdivision 4, paragraph (c), clause (3), only after the governing body of a city designated as an enterprise zone has designated an area or areas, each consisting of at least 100 acres, of the city not in excess of 400 acres in which the tax reductions may be provided.

(f) In addition to the tax reductions authorized by paragraph (a), for an enterprise zone designated under section 273.1312, subdivision 4, paragraph (c), clause (3), the following types of tax reductions may be approved:

(1) A credit against income tax for workers employed in the zone and not qualifying for a credit under paragraph (a), clause (2), subject to a maximum of \$1,500 per employee per year;

(2) A state paid property tax credit for a portion of the property taxes paid by a commercial or industrial facility located in the zone. Notwithstanding paragraph (d), the credits provided by this paragraph may be provided to the businesses described in section 103(b)(6)(O)(i) of the Internal Revenue Code of 1954, as amended through December 31, 1983.

(g) Each tax reduction provided to a business pursuant to this subdivision shall terminate not longer than five years after the effective date of the tax reduction for the business. Subject to the five year limitation, the tax reductions may be provided after expiration of the zone's designation.

(h) The income tax credits provided pursuant to clauses (a) and (f) may be refundable.

(i) *For an enterprise zone designated under section 273.1312, subdivision 4, paragraph (c), clause (5), the commissioner may approve abatement of all sales and income tax.*

The commissioner shall not award any tax reductions under this subdivision or tax abatements under subdivision 4c if the commissioner of energy and economic development determines that the business receiving the tax reductions or abatement will cause undue hardship on existing Minnesota business."

Amend the title as follows:

Page 1, line 5, delete "subdivision 4" and insert "subdivisions 3, 4, and 5"

Page 1, line 5, after "2" insert ", and by adding a subdivision"

Page 1, line 6, after "8," insert "9,"

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

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1266, A bill for an act relating to Olmsted county; providing for sales, leases, and conveyances; providing certain exceptions to public bidding requirements.

Reported the same back with the following amendments:

Page 1, line 18, after "*purposes*" insert "*or property to be leased to a governmental unit, agency, or instrumentality of the state or the United States for law enforcement purposes*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1308, A bill for an act relating to the city of Gaylord; authorizing the issuance of general obligation bonds to finance the acquisition and betterment of municipal buildings.

Reported the same back with the following amendments:

Page 1, line 23, delete "*ten*" and insert "*30*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Carlson, D., from the Committee on Transportation to which was referred:

H. F. No. 1311, A bill for an act relating to the state transportation system; authorizing the issuance and sale of state transportation bonds; authorizing the expenditure of the proceeds for bridge and related purposes; appropriating money; amending Laws 1979, chapter 280, sections 1 and 2, as amended.

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

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1374, A bill for an act relating to mines and minerals; prescribing fencing of unused mine pits and shafts; providing exceptions to tort liability in regard to certain water access sites related to mining areas; providing for a study and report; providing penalties; amending Minnesota Statutes 1984, sections 3.736, subdivision 3; 180.03, subdivisions 2, 3, and 4; 180.10; and 466.03, by adding a subdivision.

Reported the same back with the following amendments:

Page 3, line 31, delete "*eight*" and strike "years after November 1, 1979" and insert "*two years from the current date*"

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

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1375, A bill for an act relating to deposit and investment of public funds; modifying the collateral requirements for public deposits; amending Minnesota Statutes 1984, sections 118.005, subdivision 1; 118.01; 475.66, subdivision 1; and 475.76, subdivision 1.

Reported the same back with the following amendments:

Page 1, lines 11 and 12, reinstate the stricken language and delete the new language

Page 1, line 16, reinstate the stricken language and delete the new language

Page 1, line 16, after the period, insert "*The governing body may authorize the treasurer or chief financial officer to exercise the powers of the governing body in designating a depository of the funds.*"

With the recommendation that when so amended the bill pass.

The report was adopted.

McDonald from the Committee on Agriculture to which was referred:

H. F. No. 1388, A bill for an act relating to agriculture; requiring certain levels of solids-not-fat in fluid milk marketed in Minnesota; encouraging the promotion and increased use of "cream line" milk; amending Minnesota Statutes 1984, sections 17.54, by adding a subdivision; and 32.391, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the title and insert:

"Whereas, fluid milk is an essential part of a well-balanced human diet, especially the diet of children, youth, and older persons; and

Whereas, milk contains valuable quantities of calcium, phosphorus, iron, and other necessary nutrients that are easily digested and very economical; and

Whereas, the flavor and nutritional content of milk could be substantially enhanced by the establishment of increased minimum levels of milk solids-not-fat in fluid milk sold for direct human consumption; and

Whereas, increases in the consumption of fluid milk because of improved taste and nutritional value brought about by the addition of milk solids-not-fat will reduce surplus dairy commodities held in government storage, improve the financial condition of family dairy farms, and assure good health for residents who drink more milk; and

Whereas, the legislature has designated milk as the official state drink and it is appropriate for the legislature to take all actions to assure that milk sold and served in the state is as wholesome, tasty, and healthful as possible; and

Whereas, minimum required levels of milk solids-not-fat in milk will protect the public from confusion, fraud, and deception while promoting fair and orderly marketing of an essential food; Now, Therefore,

Be It Resolved by the Legislature of the State of Minnesota that the United States Department of Agriculture should include in all milk marketing orders issued or amended after January 1, 1986, a pricing mechanism for whole milk that would properly account for the value of solids-not-fat content.

Be It Further Resolved that national standards for solids-not-fat be established for all fluid milk marketed to the public. Initially, the standard should require no less than 8.8 percent

solids-not-fat with the understanding that in future years the minimum standard would be raised.

Be It Further Resolved that the Secretary of State of Minnesota be instructed to transmit copies of this resolution to the President of the United States, the United States Secretary of Agriculture, the President and the Secretary of the United States Senate, the Speaker and the Chief Clerk of the United States House of Representatives, and to Minnesota's Senators and Representatives in Congress."

Delete the title and insert:

"A resolution memorializing the President, Congress, and the Secretary of Agriculture to require certain minimum levels of solids-not-fat in fluid milk marketed for direct human consumption."

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

The report was adopted.

Carlson, D., from the Committee on Transportation to which was referred:

H. F. No. 1389, A bill for an act relating to transportation; railroads; prescribing fees for commencement of various proceedings before the transportation regulation board; proposing coding for new law in Minnesota Statutes, chapter 219.

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

The report was adopted.

McDonald from the Committee on Agriculture to which was referred:

H. F. No. 1513, A bill for an act relating to agriculture; requiring the inspection of certain animals to ensure their compliance with Minnesota standards; amending Minnesota Statutes 1984, section 31A.03.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [35.055] [SWINE IDENTIFICATION.]

Subdivision 1. [REQUIREMENT.] A livestock dealer, market operator, stockyard operator, commission company, buying station, or slaughtering establishment must identify the herd of origin, regardless of country of origin, of sows, boars, and stags as prescribed by the board. If the specific herd of origin cannot be determined, the unidentified sows, boars, and stags and other swine in the same shipment may not be slaughtered for a period of seven days or until laboratory results on 20 percent of the animals indicate they meet United States department of agriculture standards, whichever is earlier.

Subd. 2. [RULES.] The board shall adopt rules for the identification of swine under this section for disease control and meat inspection.

Sec. 2. [RULE ADOPTION.]

The board must adopt rules or emergency rules to implement section 1 by January 1, 1986.

Sec. 3. [EFFECTIVE DATE.]

This act is effective the day after enactment."

Delete the title and insert:

"A bill for an act relating to agriculture; requiring swine herd identification for disease control and meat inspection; proposing coding for new law in Minnesota Statutes, chapter 35."

With the recommendation that when so amended the bill pass.

The report was adopted.

Blatz from the Committee on Crime and Family Law to which was referred:

S. F. No. 33, A bill for an act relating to crimes; providing for penalties upon conviction of certain hit and run violations; enhancing penalties upon conviction of certain hit and run violations; amending Minnesota Statutes 1984, section 169.09, subdivision 14.

Reported the same back with the following amendments:

Pages 1 and 2, delete section 1 and insert:

"Section 1. Minnesota Statutes 1984, section 169.09, subdivision 14, is amended to read:

Subd. 14. [PENALTIES.] (a) The driver of any vehicle who violates subdivision 1 or 6 and who caused the accident is punishable as follows:

(1) If the accident results in the death of any person, the driver is guilty of a felony and may be sentenced to imprisonment for not more than (FIVE) *seven* years, or to payment of a fine of not more than (\$10,000) *\$14,000*, or both; (OR)

(2) *If the accident results in great bodily harm to any person, as defined in section 609.02, subdivision 8, the driver is guilty of a felony and may be sentenced to imprisonment for not more than five years, or to payment of a fine of not more than \$10,000, or both; or*

(3) If the accident results in substantial bodily harm to any person, as defined in section 609.02, subdivision 7a, the driver is guilty of a felony and may be sentenced to imprisonment for not more than three years, or to payment of a fine of not more than \$5,000, or both.

(b) The driver of any vehicle who violates subdivision 1 or 6 and who did not cause the accident is punishable as follows:

(1) If the accident results in the death of any person, the driver is guilty of a felony and may be sentenced to imprisonment for not more than (FIVE) *three* years, or to payment of a fine of not more than (\$10,000) *\$5,000*, or both;

(2) If the accident results in great bodily harm to any person, as defined in section 609.02, subdivision 8, the driver is guilty of a felony and may be sentenced to imprisonment for not more than (THREE YEARS) *one year and one day*, or to payment of a fine of not more than (\$5,000) *\$3,000*, or both; or

(3) If the accident results in substantial bodily harm to any person, as defined in section 609.02, subdivision 7a, the driver may be sentenced to imprisonment for not more than one year, or to payment of a fine of not more than \$3,000, or both.

(c) The driver of any vehicle involved in an accident not resulting in substantial bodily harm or death who violates subdivision 1 or 6 may be sentenced to imprisonment for not more than one year, or to payment of a fine of not more than \$3,000, or both.

(d) Any person who violates subdivision 3, clause (b) is guilty of a petty misdemeanor.

(e) Any person who violates *subdivision 2*, subdivision 3, clause (a), or subdivision 4, 5, 7, 8, 10, 11, or 12 is guilty of a misdemeanor.

The attorney in the jurisdiction in which the violation occurred who is responsible for prosecution of misdemeanor violations of this section shall also be responsible for prosecution of gross misdemeanor violations of this section."

With the recommendation that when so amended the bill pass.

The report was adopted.

Blatz from the Committee on Crime and Family Law to which was referred:

S. F. No. 177, A bill for an act relating to crime; allowing the admission of certain out-of-court statements of mentally impaired persons; defining "mentally impaired"; amending Minnesota Statutes 1984, sections 260.156; 595.02, subdivision 3; 609.341, subdivisions 6 and 11; 609.342; 609.343; 609.344; and 609.345.

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

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

S. F. No. 228, A bill for an act relating to game and fish; exempting hunters on licensed private shooting preserves in the northern portion of the state from the requirement of a pheasant stamp; amending Minnesota Statutes 1984, section 97.4843, subdivision 2.

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

The report was adopted.

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

S. F. No. 230, A bill for an act relating to commerce; authorizing industrial loan and thrifts to sell certain evidences of indebtedness; establishing different certificate of authorization requirements for corporations that will and will not sell or issue thrift certificates; modifying certain application and examina-

tion duties of the department of commerce; providing simplified requirements for the issuance of more than one certificate of authorization to the same corporation; clarifying the right of industrial loan and thrifts to collect certain additional loan charges; exempting certain mortgage purchasers and assignees from licensing as regulated lenders; prohibiting industrial loan and thrifts from using the words "savings and loan" in their corporate names; authorizing regulated lenders to make loans up to ten percent of capital; modifying the licensing provisions governing regulated lenders; providing for changes in business locations of regulated lenders; increasing the minimum default charge that may be charged; providing for the determination of interest; authorizing certain additional loan charges; and providing alternative loan disclosure requirements; providing penalties; providing that certain violations do not impair obligations of a contract; providing for certain dollar adjustments; amending Minnesota Statutes 1984, sections 48.151; 53.03, subdivisions 1, 2, 2a, 3a, 5, 7, 8, and by adding a subdivision; 53.04, subdivision 3a; 53.05; 56.01; 56.04; 56.07; 56.12; 56.125, subdivision 4; 56.131, subdivisions 1 and 4; 56.19, subdivision 4, and by adding a subdivision; and 550.37, subdivision 4a; repealing Minnesota Statutes 1984, section 53.03, subdivision 4.

Reported the same back with the following amendments :

Delete everything after the enacting clause and insert :

"Section 1. Minnesota Statutes 1984, section 48.151, is amended to read :

48.151 [ADDITIONAL POWERS.]

Any bank, savings bank, or trust company organized under the laws of this state, or any national banking association doing business in this state, shall have the power to advertise for sale and sell for a fee money orders, traveler's checks, cashier's checks, drafts, registered checks, and certified checks and no other person, firm, or corporation, either directly or through agents, shall advertise for sale or shall sell for a fee any evidence of indebtedness on which there appears the words, "money order," "traveler's check," "cashier's check," "draft," "registered check," "certified check," or other words or symbols whether of the same or different character which tend to lead the purchaser to believe that such evidence of indebtedness is other than a personal check, unless such evidence of indebtedness is issued by a person, firm or corporation which is a savings and loan association, or telegraph company, or, *in the case of cashier's checks, is issued by an industrial loan and thrift company with deposit liabilities, provided that these instruments are issued in conformity with the Uniform Commercial Code, or is issued by a person, firm, or corporation that has on file in the office of the secretary of state a surety bond in the principal sum of \$5,000*

issued by a bonding or insurance company authorized to do business in this state, which surety bond shall run to the state of Minnesota and shall be for the benefit of any creditor for any liability insured on account of the sale or issuance by it or its agent of any such evidence of indebtedness, or has deposited with the secretary of state securities or cash of the value of \$5,000; provided, however, that the aggregate liability of the surety to all such creditors shall, in no event, exceed the sum of such bond or deposit. Any person, firm or corporation who shall violate any provision of this section shall be guilty of a misdemeanor.

Sec. 2. Minnesota Statutes 1984, section 53.03, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION, FEE, NOTICE.] Any corporation hereafter organized as an industrial loan and thrift company, shall, after compliance with the requirements set forth in sections 53.01 and 53.02, file a written application with the department of commerce for a certificate of authorization. *A corporation that will not sell or issue thrift certificates for investment as permitted by this chapter need not comply with subdivision 2b.* The application (, IN DUPLICATE,) must be in the form prescribed by the department of commerce. The application must be made in the name of the corporation, executed and acknowledged by (TWO OF ITS OFFICERS) *an officer* designated by the board of directors of the corporation (FOR THAT PURPOSE), requesting a certificate authorizing the corporation to transact business as an industrial loan and thrift company, at the place and in the name stated in the application. At the time of filing the application the applicant shall pay a \$1,000 filing fee and a \$500 investigation fee. The fees must be turned over by the commissioner to the state treasurer and credited to the general fund. The applicant shall also submit a copy of the by-laws of the corporation, its articles of incorporation and all amendments thereto at that time. If the application is contested, 50 percent of an additional fee equal to the actual costs incurred by the department of commerce in approving or disapproving the application, payable to the state treasurer and credited to the general fund shall be paid by the applicant and 50 percent equally by the intervening parties. A notice of the filing of the application must be published once within 30 days of the receipt of the form prescribed by the department of commerce, at the expense of the applicant, in a newspaper published in the municipality in which the proposed industrial loan and thrift company is to be located, or, if there be none, in a newspaper published at the county seat of the county in which the company is proposed to be located. If the department of commerce receives a written objection to the application from any person within 20 days of the notice having been fully published a contested case hearing must be conducted on the application. (THE DEPARTMENT OF COMMERCE MAY WITHOUT CAUSE ORDER A CONTESTED CASE HEARING ON THE APPLICATION.) Notice of a hearing in connection with this section must be published

once in the form prescribed by the department of commerce, at the expense of the applicant, in the same manner as a notice of application.

Sec. 3. Minnesota Statutes 1984, section 53.03, subdivision 2, is amended to read:

Subd. 2. [DEPARTMENT OF COMMERCE; DUTIES.] Upon receiving an application the department of commerce shall make, or cause to be made, an examination to ascertain whether the assets of such corporation, over and above all its liabilities, have an actual value of not less than the par value of all of its capital represented by shares of common stock, which shall not be less than the amount prescribed by section 53.02. If upon its investigation or hearing provided for in subdivision 1 those facts appear and it further appears that the bylaws and articles of incorporation and amendments thereto are in accordance with law; that the shareholders of the corporation are of good moral character and financial integrity; (THAT THERE IS A REASONABLE PUBLIC DEMAND FOR THAT COMPANY) *that the company reasonably anticipates public demand for the loans it proposes to make* in the location specified in the application, (AND THAT THE PROBABLE VOLUME OF BUSINESS IN THAT LOCATION IS SUFFICIENT TO INSURE AND MAINTAIN THE SOLVENCY OF SUCH COMPANY AND THE SOLVENCY OF ANY THEN EXISTING INDUSTRIAL LOAN AND THRIFT COMPANIES OR BANKS IN THAT LOCALITY, WITHOUT ENDANGERING THE SAFETY OF ANY SUCH COMPANY OR BANK IN THE LOCALITY AS A PLACE FOR INVESTING OR DEPOSITING PUBLIC AND PRIVATE MONEY,) and that the proposed company will be properly and safely managed, the application shall be granted; otherwise it shall be denied.

Sec. 4. Minnesota Statutes 1984, section 53.03, subdivision 2a, is amended to read:

Subd. 2a. [SELECTION, CHANGE OF NAME.] Before filing the (CERTIFICATE) *articles* of incorporation or an amendment to (IT) *them*, the proposed name of the industrial loan and thrift company shall be submitted to the commissioner (, WHO SHALL COMPARE IT WITH THOSE OF OTHER CORPORATIONS OPERATING IN THE STATE). If it is likely (TO BE MISTAKEN FOR ANY OF THEM, OR) to confuse the public as to the character of its business, or is otherwise objectionable, additional names shall be submitted. When a satisfactory name is selected, the commissioner shall give written approval of it and issue an amended certificate of authorization.

Sec. 5. Minnesota Statutes 1984, section 53.03, is amended by adding a subdivision to read:

Subd. 2b. [ADDITIONAL DUTIES; THRIFT CERTIFICATES FOR INVESTMENT.] If an application includes the right to issue thrift certificates for investment, the department of commerce must, in addition to the duties in subdivision 2, make a determination that there is a reasonable public demand for that company and that the probable volume of business in that location is sufficient to insure the solvency of any then existing industrial loan and thrift companies or banks in that locality, without endangering the safety of the company or bank in the locality as a place for investing or depositing public and private money.

Sec. 6. Minnesota Statutes 1984, section 53.03, subdivision 3a, is amended to read:

Subd. 3a. If the application be granted without hearing the department of commerce shall, not later than 60 days after the (NOTICE OF) application has been (FULLY PUBLISHED) *accepted*, issue a certificate authorizing the corporation to transact business as an industrial loan and thrift company as provided in this chapter. If the application be denied without hearing the department of commerce shall, not later than 60 days after the (NOTICE OF) application has been (FULLY PUBLISHED) *accepted*, notify the corporation of the denial and the reasons for the denial. The applicant may request within 30 days of receiving the notice of denial, and shall be granted, a contested case hearing on the application which shall then be conducted as if no order of denial had been issued. If the (COMMISSION) *commissioner* approves the application after a hearing the (COMMISSION) *commissioner* shall, not later than 30 days after a hearing, issue a certificate authorizing the corporation to transact business as an industrial loan and thrift company as provided in this chapter. If the application be denied after a hearing the (COMMISSION) *commissioner* shall, not later than 30 days after a hearing, notify the corporation of the denial.

Sec. 7. Minnesota Statutes 1984, section 53.03, subdivision 5, is amended to read:

Subd. 5. [PLACE OF BUSINESS.] Not more than one place of business may be maintained under any certificate of authorization issued subsequent to the enactment of Laws 1943, chapter 67, pursuant to the provisions of this chapter, but the department of commerce may issue more than one certificate of authorization to the same corporation upon compliance with all the provisions of this chapter governing an original issuance of a certificate of authorization. *To the extent that previously filed applicable information remains unchanged, the applicant need not refile this information, unless requested.* The filing fee for a branch application shall be \$500 and the investigation fee \$250. If a corporation has been issued more than one certificate of authorization, the corporation shall allocate a portion of contributed capital to each office for which a certificate has been is-

sued, in order to comply with the capital requirements of section 53.02 and section 53.05, clause (2), which sections are applicable to each office and the capital allocated thereto in the same manner as if each certificate had been issued to a separate corporation. (EACH ADDITIONAL CERTIFICATE OF AUTHORIZATION ISSUED PURSUANT TO THE PROVISIONS OF THIS SUBDIVISION MUST BE FILED WITH THE SECRETARY OF STATE. A) *An industrial loan and thrift corporation with deposit liabilities may change one or more of its locations upon the written approval of the commissioner of commerce. A fee of \$100 must accompany each application to the commissioner for approval to change the location of an established office. An industrial loan and thrift corporation that does not sell and issue thrift certificates for investment may change one or more locations by giving 30 days' written notice to the department of commerce which shall promptly amend the certificate of authorization accordingly.*

Sec. 8. Minnesota Statutes 1984, section 53.03, subdivision 7, is amended to read:

Subd. 7. [OBJECTION TO APPLICATION.] Upon receiving written objection to the application from any person within 20 days of the notice having been fully published, the department of commerce shall order a contested case hearing to be conducted on the application. (THE DEPARTMENT OF COMMERCE MAY WITHOUT CAUSE ORDER A CONTESTED CASE HEARING TO BE CONDUCTED ON THE APPLICATION.)

Sec. 9. Minnesota Statutes 1984, section 53.03, subdivision 8, is amended to read:

Subd. 8. [INVESTIGATION.] Upon receiving an application, the department of commerce shall make or cause to be made, an investigation of the application to determine that the corporation is in a solvent condition, meets current thrift industry standards of management quality and asset condition, is in compliance with the requirements of this chapter (AND THAT THE APPROVAL OF THE APPLICATION WILL NOT HAVE AN ADVERSE EFFECT UPON THE SOLVENCY OF ANY EXISTING INDUSTRIAL LOAN AND THRIFT COMPANY SELLING AND ISSUING CERTIFICATES FOR INVESTMENT OR BANKS IN THE LOCALITY, OR ENDANGER THE SAFETY OF ANY COMPANY OR BANK IN THE LOCALITY AS A PLACE FOR INVESTING OR DEPOSITING PUBLIC AND PRIVATE MONEY). If upon completion of its investigation and any hearing provided for in subdivision 7, it appears to the department of commerce that the requirements for approval contained in this subdivision have been met, the application shall be approved. In all other cases, the application shall be denied. As a condition of approval, the capital funds of the applicant corporation shall not be less than the total amount

which the department of commerce considers necessary having in mind the potential for the issuance of certificates for investment by the applicant. The procedure in subdivision 3a shall be followed in decisions, notice, and hearing of applications for consent to sell and issue thrift certificates for investment by issuance of an amended certificate of authorization.

Sec. 10. Minnesota Statutes 1984, section 53.04, subdivision 3a, is amended to read:

Subd. 3a. (a) The right to make loans, secured or unsecured, at the rates and on the terms and other conditions permitted licensees under chapter 56. Loans made under the authority of section 56.125 must be in amounts in compliance with section 53.05, clause (7). All other loans made under the authority of chapter 56 must be in amounts in compliance with section 53.05, clause (7), or 56.131, subdivision 1, paragraph (a), whichever is less. The right to extend credit or lend money and to collect and receive charges therefor as provided by chapter 334, or in lieu thereof to charge, collect, and receive interest at the rate of 21.75 percent per annum, *including the right to contract for, charge, and collect all other charges including discount points, fees, late payment charges, and insurance premiums on the loans to the same extent permitted on loans made under the authority of chapter 56.* The provisions of sections 47.20 and 47.21 do not apply to loans made under this subdivision, except as specifically provided in this subdivision. Nothing in this subdivision is deemed to supersede, repeal, or amend any provision of section 53.05. A licensee making a loan under this chapter secured by a lien on real estate shall comply with the requirements of section 47.20, subdivision 8.

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

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

(d) An agency or instrumentality of the United States government or a corporation otherwise created by an act of the United States Congress or a lender approved or certified by the secretary of housing and urban development, or approved or certified by the administrator of veterans affairs, or approved or certified by the administrator of the farmers home administration, or approved or certified by the federal home loan mortgage corporation, or approved or certified by the federal national mortgage association, that engages in the business of purchasing or taking assignments of mortgage loans and undertakes direct collection of payments from or enforcement of rights against borrowers arising from mortgage loans, is not required to obtain a certificate of authorization under this chapter in order to purchase or take assignments of mortgage loans from persons holding a certificate of authorization under this chapter.

Sec. 11. Minnesota Statutes 1984, section 53.05, is amended to read:

53.05 [POWERS, LIMITATION.]

No industrial loan and thrift company may do any of the following:

(1) carry (COMMERCIAL OR) demand banking accounts; use the word "savings" unless the institution's investment certificates, savings accounts, and savings deposits are insured by the federal deposit insurance corporation and then only if the word is not followed by the words "and loan" in its corporate name; use the word "bank" or "banking" in its corporate name; operate as a savings bank;

(2) have outstanding at any one time certificates of indebtedness, savings accounts, and savings deposits, exclusive of those held by the company, as security for loans made by it of more than seven times the sum of the contributed capital and appropriated reserves of the company until July 1, 1985, or the date an industrial loan and thrift company obtains a commitment for insurance or guarantee of accounts acceptable to the commissioner as required by section 53.10, whichever is earlier, and thereafter 15 times the sum of contributed capital and appropriated reserves of the company;

(3) accept trusts, except as provided in section 47.75, subdivision 1, or act as guardian, administrator, or judicial trustee in any form;

(4) deposit any of its funds in any banking corporation, unless that corporation has been designated by vote of a majority of directors or of the executive committee present at a meeting duly called, at which a quorum was in attendance;

(5) change any allocation of capital made pursuant to section 53.03 or reduce or withdraw in any way any portion of the contributed capital and appropriated reserves without prior written approval of the commissioner of commerce;

(6) take any instrument in which blanks are left to be filled in after execution; (OR)

(7) lend money in excess of ten percent of its contributed capital and appropriated reserves to a person primarily liable. "Contributed capital and appropriated reserves" means the total of the company's contributed capital and appropriated reserves at all its authorized locations.

If a loan has been made to a person primarily liable and payments have been made on a certificate of indebtedness securing it, the amount of the payments may be added to the limitation contained in this clause for the purpose of determining whether additional loans may be made to that person; or

(8) issue cashier's checks pursuant to section 48.151, unless and at all times the aggregate liability to all creditors on these instruments is protected by a special fund in cash or due from banks to be used solely for payment of the cashier's checks.

Sec. 12. Minnesota Statutes 1984, section 56.01, is amended to read:

56.01 [NECESSITY OF LICENSE.]

(a) Except as authorized by this chapter and without first obtaining a license from the commissioner, no person shall engage in the business of making loans of money, credit, goods, or things in action, in (THE) an amount or of (THE) a value (OF \$35,000 OR LESS) *not exceeding that specified in section 56.131, subdivision 1*, and charge, contract for, or receive on the loan a greater rate of interest, discount, or consideration than the lender would be permitted by law to charge if he were not a licensee under this chapter.

(b) *An agency or instrumentality of the United States government or a corporation otherwise created by an act of the United States Congress or a lender approved or certified by the secretary of housing and urban development, or approved or certified by the administrator of veterans affairs, or approved or certified by the administrator of the farmers home administration, or approved or certified by the federal home loan mortgage corporation, or approved or certified by the federal national mortgage association, that engages in the business of purchasing or taking assignments of mortgage loans and undertakes direct collection of payments from or enforcement of rights against borrowers arising from mortgage loans, is not required to be*

licensed under this chapter in order to purchase or take assignments of mortgage loans from licensees under this chapter.

Sec. 13. Minnesota Statutes 1984, section 56.04, is amended to read:

56.04 [INVESTIGATION; ISSUANCE OF LICENSE; DENIAL; REFUNDS.]

Upon the filing of the application and payment of these fees, the commissioner shall investigate the facts, and if he shall find (1) that the financial responsibility, experience, character, and general fitness of the applicant, and of the members thereof if the applicant be a copartnership or association, and of (THE OFFICERS AND DIRECTORS THEREOF IF THE APPLICANT BE A CORPORATION,) *the person with direct responsibility for the operation and management of the proposed office* are such as to command (THE) confidence (OF THE COMMUNITY) and to warrant belief that the business will be operated honestly, fairly, and efficiently within the purposes of this chapter, and (2) (THAT ALLOWING THE APPLICANT TO ENGAGE IN BUSINESS WILL PROMOTE THE CONVENIENCE AND ADVANTAGE OF THE COMMUNITY IN WHICH THE BUSINESS OF THE APPLICANT IS TO BE CONDUCTED, AND (3)) that the applicant has available for the operation of the business, at the specified location, liquid assets of at least \$50,000 (the foregoing facts being conditions precedent to the issuance of a license under this chapter), he shall thereupon issue and deliver a license to the applicant to make loans, in accordance with the provisions of this chapter, at the location specified in the application. If the commissioner shall not so find, he shall not issue a license and he shall notify the applicant of the denial and return to the applicant the sum paid by the applicant as a license fee, retaining the \$250 investigation fee to cover the costs of investigating the application. The commissioner shall approve or deny every application for license hereunder within 60 days from the filing thereof with the fees.

If the application is denied, the commissioner shall, within 20 days thereafter, file in his office a written decision and findings with respect thereto containing the evidence and the reasons supporting the denial, and forthwith serve upon the applicant a copy thereof.

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

(SHOULD SUBSTANTIALLY ALL OF A LICENSEE'S OUTSTANDING LOAN ACCOUNTS SUBJECT TO THIS

CHAPTER BE SOLD, THE PURCHASER OF THE ACCOUNTS, IF OTHERWISE FULLY QUALIFIED, MAY OBTAIN A LICENSE, WITHOUT ESTABLISHING CONVENIENCE AND ADVANTAGE, IN THE SAME MUNICIPALITY UPON SURRENDER OF THE SELLER'S LICENSE TO THE COMMISSIONER.)

Sec. 14. Minnesota Statutes 1984, section 56.07, is amended to read:

56.07 [CONTROL OVER LOCATION.]

Not more than one place of business shall be maintained under the same license, but the commissioner may issue more than one license to the same licensee upon compliance with all the provisions of this chapter governing an original issuance of a license, for each such new license. *To the extent that previously filed applicable information remains substantially unchanged, the applicant need not refile this information, unless requested.*

When a licensee shall wish to change his place of business (TO A STREET ADDRESS IN THE SAME MUNICIPALITY DESIGNATED IN HIS LICENSE), he shall give written notice thereof 30 days in advance to the commissioner, who shall within 30 days of receipt of such notice, issue an amended license approving the change. (NO CHANGE IN THE PLACE OF BUSINESS OF A LICENSEE TO A LOCATION OUTSIDE OF THE ORIGINAL MUNICIPALITY SHALL BE PERMITTED UNDER THE SAME LICENSE.)

A licensed place of business shall be open during regular business hours each weekday, except for legal holidays and for any weekday the commissioner grants approval to the licensee to remain closed. A licensed place of business may be open on Saturday, but shall be closed on Sunday.

Sec. 15. Minnesota Statutes 1984, section 56.12, is amended to read:

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

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

The commissioner may require that rates of charge, if stated by a licensee, be stated fully and clearly in such manner as he

may deem necessary to prevent misunderstanding thereof by prospective borrowers. (A STATEMENT OF RATES OF CHARGE THAT MEETS THE REQUIREMENTS OF THE FEDERAL TRUTH-IN-LENDING ACT AND REGULATIONS THEREUNDER SHALL BE DEEMED FULL COMPLIANCE WITH THIS SECTION) *In lieu of the disclosure requirements of this section and section 56.14, a licensee may give the disclosures required by the federal Truth-in-Lending Act.*

A licensee may take a lien upon real estate as security for any loan exceeding \$2,700 in principal amount made under this chapter. The provisions of sections 47.20 and 47.21 do not apply to loans made under this chapter, except as provided in this section. No loan secured by a first lien on a borrower's primary residence shall be made pursuant to this section if the proceeds of the loan are used to finance the purchase of the borrower's primary residence, unless:

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

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

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

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

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

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

Sec. 16. Minnesota Statutes 1984, section 56.125, subdivision 4, is amended to read:

Subd. 4. [(ALTERNATIVE) COMPLIANCE.] (COMPLIANCE BY A LICENSEE MAKING OPEN-END LOANS PURSUANT TO THIS SECTION WITH THE OPEN-END CREDIT PROVISIONS OF THE FEDERAL TRUTH-IN-LENDING ACT AND REGULATIONS ISSUED THEREUNDER IS REQUIRED, AND THE DISCLOSURE REQUIREMENTS IN SECTIONS 56.12 AND 56.14 DO NOT APPLY WITH RESPECT TO OPEN-END LOANS MADE PURSUANT TO THIS SECTION. IN ADDITION,) Prior to any licensee taking a lien upon the borrower's homestead, as defined in chapter 510, as security for any open-end loan pursuant to subdivision 2, the borrower shall be provided with a statement in substantially the following form, in bold face type of a minimum size of 12 points, signed and dated by the borrower at the time of the execution of the contract surrendering the homestead exemption, immediately adjacent to a listing of the homestead property: "I understand that some or all of the above real estate is normally protected by law from the claims of creditors, and I voluntarily give up my right to that protection for the above listed property with respect to claims arising out of this contract."

Sec. 17. Minnesota Statutes 1984, section 56.131, subdivision 1, is amended to read:

Subdivision 1. [INTEREST RATES AND CHARGES.] (a) On any loan in (THE) a principal amount (OF) *not exceeding \$35,000 or (LESS) ten percent of a corporate licensee's contributed capital and appropriated reserves as defined in section 53.01, if greater*, a licensee may contract for and receive interest, cal-

culated according to the actuarial method, not exceeding the equivalent of the greater of any of the following:

(1) the total of: (i) 33 percent per year on that part of the unpaid balance of the principal amount not exceeding \$350; and (ii) 19 percent per year on that part of the unpaid balance of the principal amount exceeding \$350; or

(2) 21.75 percent per year on the unpaid balance of the principal amount.

(b) On any loan where interest has been calculated according to the method provided for in paragraph (a), clause (1), interest must be contracted for and earned as provided in that provision or at the single annual percentage rate computed to the nearest one hundredth of one percent that would earn the same total interest at maturity of the contract as would be earned by the application of the graduated rates provided in paragraph (a), clause (1), when the debt is paid according to the agreed terms and the calculations are made according to the actuarial method.

(c) Loans may be interest-bearing or precomputed.

(d) To compute time on interest-bearing and precomputed loans, including, but not limited to the calculation of interest, a day is considered $1/30$ of a month when calculation is made for a fraction of a calendar month. A year is 12 calendar months. A calendar month is that period from a given date in one month to the same numbered date in the following month, and if there is no same numbered date, to the last day of the following month. *When a period of time includes a whole month and a fraction of a month, the fraction of a month is considered to follow the whole month.*

In the alternative, for interest-bearing loans, a licensee may charge interest at the rate of $1/365$ of the agreed annual rate for each actual day elapsed.

(e) With respect to interest-bearing loans:

(1) Interest must be computed on unpaid principal balances outstanding from time to time, for the time outstanding. Each payment must be applied first to the accumulated interest and the remainder of the payment applied to the unpaid principal balance; provided however, that if the amount of the payment is insufficient to pay the accumulated interest, the unpaid interest continues to accumulate to be paid from the proceeds of subsequent payments and is not added to the principal balance.

(2) Interest must not be payable in advance or compounded. However, if part or all of the consideration for a new loan con-

tract is the unpaid principal balance of a prior loan, then the principal amount payable under the new loan contract may include any unpaid interest which has accrued. The unpaid principal balance of a precomputed loan is the balance due after refund or credit of unearned interest as provided in paragraph (f), clause (3). The resulting loan contract is deemed a new and separate loan transaction for all purposes.

(f) With respect to precomputed loans:

(1) Loans must be repayable in substantially equal and consecutive monthly installments of principal and interest combined, except that the first installment period may be more or less than one month by not more than 15 days, and the first installment payment amount may be larger than the remaining payments by the amount of interest charged for the extra days and must be reduced by the amount of interest for the number of days less than one month to the first installment payment; and monthly installment payment dates may be omitted to accommodate borrowers with seasonal income.

(2) Payments may be applied to the combined total of principal and precomputed interest until the loan is fully paid. Payments must be applied in the order in which they become due.

(3) When any loan contract is paid in full by cash, renewal or refinancing, or a new loan, one month or more before the final installment due date, a licensee shall refund or credit the borrower with the total of the applicable charges for all fully unexpired installment periods, as originally scheduled or as deferred, which follow the day of prepayment; if the prepayment is made other than on a scheduled payment date, the nearest scheduled installment payment date must be used in the computation; provided further, if the prepayment occurs prior to the first installment due date, the licensee may retain 1/30 of the applicable charge for a first installment period of one month for each day from the date of the loan to the date of prepayment, and shall refund or credit the borrower with the balance of the total interest contracted for. If the maturity of the loan is accelerated for any reason and judgment is entered, the licensee shall credit the borrower with the same refund as if prepayment in full had been made on the date the judgment is entered.

(4) If an installment, other than the final installment, is not paid in full within ten days of its scheduled due date, a licensee may contract for and receive a default charge not exceeding five percent of the amount of the installment, but not less than (\$2) \$4.

A default charge under this subdivision may not be collected on an installment paid in full within ten days of its scheduled due date, or deferred installment due date with respect to deferred

installments, even though a default or deferral charge on an earlier installment has not been paid in full. A default charge may be collected at the time it accrues or at any time thereafter.

(5) If the parties agree in writing, either in the loan contract or in a subsequent agreement, to a deferment of wholly unpaid installments, a licensee may grant a deferment and may collect a deferment charge as provided in this section. A deferment postpones the scheduled due date of the earliest unpaid installment and all subsequent installments as originally scheduled, or as previously deferred, for a period equal to the deferment period. The deferment period is that period during which no installment is scheduled to be paid by reason of the deferment. The deferment charge for a one-month period may not exceed the applicable charge for the installment period immediately following the due date of the last undeferred payment. A proportionate charge may be made for deferment for periods of more or less than one month. A deferment charge is earned pro rata during the deferment period and is fully earned on the last day of the deferment period. Should a loan be prepaid in full during a deferment period, the licensee shall make or credit to the borrower a refund of the unearned deferment charge in addition to any other refund or credit made for prepayment of the loan in full.

(6) If two or more installments are delinquent one full month or more on any due date, and if the contract so provides, the licensee may reduce the unpaid balance by the refund credit which would be required for prepayment in full on the due date of the most recent maturing installment in default. Thereafter, and in lieu of any other default or deferment charges, the single annual percentage rate permitted by this subdivision may be charged on the unpaid balance until fully paid.

(7) Following the final installment as originally scheduled or deferred, the licensee, for any loan contract which has not previously been converted to interest-bearing under paragraph (f), clause (6), may charge interest on any balance remaining unpaid, including unpaid default or deferment charges, at the single annual percentage rate permitted by this subdivision until fully paid.

Sec. 18. Minnesota Statutes 1984, section 56.131, subdivision 2, is amended to read:

Subd. 2. [ADDITIONAL CHARGES.] In addition to the charges provided for by this section and section 56.155, no further or other amount whatsoever, shall be directly or indirectly charged, contracted for, or received for the loan made, except actual out of pocket expenses of the licensee to realize on a security after default, and except for the following additional charges which may be included in the principal amount of the loan:

(a) Lawful fees and taxes paid to any public officer to record, file, or release security;

(b) With respect to a loan secured by an interest in real estate, the following closing costs, if they are bona fide, reasonable in amount, and not for the purpose of circumvention or evasion of this section; provided the costs do not exceed one percent of the principal amount or \$250, whichever is greater:

(1) fees or premiums for title examination, abstract of title, title insurance, surveys, or similar purposes;

(2) (AN AMOUNT NOT TO EXCEED \$150) fees, if not paid to the licensee, an employee of the licensee, or a person related to the licensee, (FOR FEES) for preparation of a mortgage, settlement statement, or other documents, fees for notarizing mortgages and other documents, and appraisal fees;

(c) The premium for insurance in lieu of perfecting and releasing a security interest to the extent that the premium does not exceed the fees described in paragraph (a);

(d) *With respect to a loan not secured by an interest in real estate, and for the purpose of promoting the availability of loans in small amounts, a lending fee in an amount not to exceed two percent of the original principal amount of the loan, but not to exceed \$50, which may be charged only if the loan is made, for investigating the character and circumstances of the borrower and the preparation of necessary documents. This fee, if not paid in cash at the time of the loan, may be deducted from the proceeds and included in the principal amount of the loan. If a loan for which an investigation charge was made is renewed within 12 months from the date of the loan, then 1/12 of the charge is earned for each month or portion of a month from the date of the loan to the date of renewal, and the balance must be refunded to the borrower. A loan is renewed at the time the loan is paid in full if any part of the payment is made out of the proceeds of another loan from the same or an affiliated lender.*

Sec. 19. Minnesota Statutes 1984, section 56.131, subdivision 4, is amended to read:

Subd. 4. [ADJUSTMENT OF DOLLAR AMOUNTS.] (a) The dollar amounts in this section, sections 56.01 and 56.12 shall change periodically, as provided in this section, according to and to the extent of changes in the implicit price deflator for the gross national product, 1972=100, compiled by the United States department of commerce, and hereafter referred to as the index. The index for December, 1980 is the reference base index.

(b) The designated dollar amounts shall change on July 1 of each even-numbered year if the percentage of change, calculated to the nearest whole percentage point, between the index for

December of the preceding year and the reference base index is ten percent or more, but;

(1) the portion of the percentage change in the index in excess of a multiple of ten percent shall be disregarded and the dollar amounts shall change only in multiples of ten percent of the amounts appearing in Laws 1981, Chapter 258 on the date of enactment; and

(2) the dollar amounts shall not change if the amounts required by this section are those currently in effect pursuant to Laws 1981, Chapter 258 as a result of earlier application of this section.

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

(d) The commissioner shall announce and publish:

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

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

(e) A person does not violate this chapter with respect to a transaction otherwise complying with this chapter if he relies on dollar amounts either determined according to paragraph (b), clause (2) or appearing in the last publication of the commissioner announcing the then current dollar amounts.

(f) The adjustments provided in this section shall not be affected unless explicitly provided otherwise by law.

Sec. 20. Minnesota Statutes 1984, section 56.19, subdivision 4, is amended to read:

Subd. 4. [REMEDIES EXCLUSIVE.] The remedies set forth in this section *and section 48.196* are exclusive (AND, EXCEPT AS OTHERWISE PROVIDED IN THIS CHAPTER,).

A violation (OF ANY PROVISION) of this chapter does not impair rights on a debt.

Sec. 21. Minnesota Statutes 1984, section 56.19, is amended by adding a subdivision to read:

Subd. 2a. [PENALTY FOR INTENTIONAL VIOLATIONS.] Any lender intentionally violating this chapter, when the violation does not also constitute a violation of any other provision of state or federal law for which there is a remedy, shall be liable to the consumer in an amount not to exceed \$100 for each violation.

Sec. 22. [REPEALER.]

Minnesota Statutes 1984, section 53.03, subdivision 4, is repealed.

Sec. 23. [EFFECTIVE DATE.]

Sections 1 to 22 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to commerce; authorizing industrial loan and thrifts to sell certain evidences of indebtedness; establishing different certificate of authorization requirements for corporations that will and will not sell or issue thrift certificates; modifying certain application and examination duties of the department of commerce; providing simplified requirements for the issuance of more than one certificate of authorization to the same corporation; clarifying the right of industrial loan and thrifts to collect certain additional loan charges; exempting certain mortgage purchasers and assignees from licensing as regulated lenders; prohibiting industrial loan and thrifts from using the words "savings and loan" in their corporate names; authorizing regulated lenders to make loans up to ten percent of capital; modifying the licensing provisions governing regulated lenders; providing for changes in business locations of regulated lenders; increasing the minimum default charge that may be charged; providing for the determination of interest; authorizing certain additional loan charges; and providing alternative loan disclosure requirements; providing penalties; amending Minnesota Statutes 1984, sections 48.151; 53.03, subdivisions 1, 2, 2a, 3a, 5, 7, 8, and by adding a subdivision; 53.04, subdivision 3a; 53.05; 56.01; 56.04; 56.07; 56.12; 56.125, subdivision 4; 56.131, subdivisions 1, 2, and 4; and 56.19, subdivision 4, and by adding a subdivision; repealing Minnesota Statutes 1984, section 53.03, subdivision 4.

With the recommendation that when so amended the bill pass.

The report was adopted.

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

S. F. No. 379, A bill for an act relating to nonprofit corporations; requiring the articles of incorporation to contain a mailing address; amending Minnesota Statutes 1984, sections 317.02, by adding a subdivision; 317.08, subdivision 2; and 317.19, subdivision 2.

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

The report was adopted.

Erickson from the Committee on Education to which was referred:

House Resolution No. 20, A house resolution congratulating the Lakers boys basketball team from Glenwood High School for winning the consolation championship at the 1985 Class A Boys State High School Basketball Championship.

Reported the same back with the recommendation that the resolution be adopted.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 134, 135, 163, 580, 695, 737, 785, 788, 823, 838, 967, 1017, 1097, 1098, 1112, 1116, 1171, 1191, 1260, 1266, 1308, 1374, 1375, 1388 and 1513 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 33, 177, 228, 230 and 379 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Carlson, D.; Valento and Kelly introduced:

H. F. No. 1546, A bill for an act relating to hazardous substances; requiring hazardous substance notification report forms to be filed with a fire department by every employer; providing

for duties of fire departments and duties of the commissioner of public safety; providing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 299F.

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

Schreiber introduced:

H. F. No. 1547, A bill for an act relating to taxation; property; changing the state school agricultural credit; decreasing the basic maintenance mill rate; repealing the wetlands and native prairie credits; changing the calculation and the maximum amount of homestead credit; changing miscellaneous property classification ratios; abolishing class 3cc and flexible homestead brackets; amending Minnesota Statutes 1984, sections 124.2137, subdivision 1; 124A.02, subdivision 7; 272.02, subdivision 1; 273.115, subdivisions 2 and 3; 273.116, subdivisions 2 and 3; 273.13, subdivisions 4, 5a, 6, 6a, 7, 7b, 7c, 7d, 8a, 9, 14a, 16, 17, 17b, 17c, 17d, 19, 20, and 21; 273.135, subdivision 1; 273.1391, subdivision 1; 273.1392; 273.40; 273.42, subdivision 2; and 290A.03, subdivision 13; proposing coding for new law in Minnesota Statutes, chapter 124A; repealing Minnesota Statutes 1984, sections 273.115, subdivisions 1, 5, 6, and 7; 273.116, subdivisions 1, 5, 6, and 7; 273.1311; and 273.1315.

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

Boo, Riveness and McLaughlin introduced:

H. F. No. 1548, A bill for an act relating to housing; providing for local and regional review and comment on housing programs; extending interest reduction program; amending Minnesota Statutes 1984, sections 462C.02, by adding subdivisions; 462C.03, subdivision 1, and by adding a subdivision; 462C.04, subdivision 2; 462C.09, subdivisions 2a and 3, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 462C; repealing Minnesota Statutes 1984, sections 462.445, subdivision 13; and 462C.09, subdivision 2.

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

McKasy, Brandl, Norton and Levi introduced:

H. F. No. 1549, A bill for an act relating to economic development; creating a comprehensive economic development strategy commission to review state economic development efforts, to de-

velop a strategy for state investment in economic development, and to report to the governor and the legislature; appropriating money.

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

Clark, Begich, Neuenschwander and Beard introduced:

H. F. No. 1550, A resolution memorializing the President, Congress, and Secretary of Labor of the United States in support of increased funding for training grants for displaced workers and summer youth employment.

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

Solberg, Neuenschwander and Zaffke introduced:

H. F. No. 1551, A bill for an act relating to the University of Minnesota; providing for the purchase of land for the north central experiment station; appropriating money.

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

Dempsey and Schreiber introduced:

H. F. No. 1552, A bill for an act relating to taxation; depositing revenue from the mortgage registration and deed taxes with the county and reducing certain welfare aids to the counties by the amount of revenue deposited; providing for local collection of taconite production taxes; amending Minnesota Statutes 1984, sections 273.136, subdivisions 1, 2, and 4; 287.05, subdivision 1; 287.08; 287.09; 287.12; 287.21, subdivision 2, and by adding a subdivision; 287.23; 287.25; 287.28; 287.29, subdivision 1; 287.33; 287.35; 298.225; 298.24, subdivision 4; 298.27; 298.28, subdivisions 1 and 2; and 298.282, subdivisions 1, 4, and 5; repealing Minnesota Statutes 1984, sections 273.136, subdivision 3; 287.27; 287.29, subdivision 3; and 287.32.

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

Redalen, McDonald, Frederick, Erickson and Dyke introduced:

H. F. No. 1553, A bill for an act relating to taxation; sales and use; exempting farm machinery; including certain repair parts in the definition of farm machinery; amending Minnesota Statutes 1984, sections 297A.01, subdivision 15; 297A.02, subdivision 2; 297A.14; and 297A.25, subdivision 1.

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

Skoglund introduced:

H. F. No. 1554, A bill for an act relating to crimes; prohibiting sale, possession or use of electric weapons; exempting law enforcement agencies and peace officers from the possession and use prohibition; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 624.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Valan, Seaberg and Vellenga introduced:

H. F. No. 1555, A bill for an act relating to state government; restructuring the capitol area architectural and planning board; creating the position of state capitol architect; requiring the designation of employees of the department of administration as preservation architect and capitol engineer; creating the state capitol user committee; creating an art works jury within the Minnesota state historical society; appropriating money; amending Minnesota Statutes 1984, sections 15.50, subdivisions 1 and 2, and by adding subdivisions; 16B.24, subdivisions 1 and 2; 16B.31, subdivision 4; 16B.32; and 138.68; repealing Minnesota Statutes 1984, section 15.50, subdivision 2a.

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

Gutknecht, Wenzel, Bishop, Osthoff and Erickson introduced:

H. F. No. 1556, A bill for an act relating to education; declaring legislative policy on religious matters in the public elementary and secondary schools; establishing guidelines; proposing coding for new law in Minnesota Statutes, chapter 126.

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

Clark, Staten, Greenfield and McLaughlin introduced:

H. F. No. 1557, A bill for an act relating to taxation; property tax refund; changing the payment date for renters; amending Minnesota Statutes 1984, section 290A.07, subdivision 2a.

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

Knickerbocker, Voss, Halberg, Scheid and Osthoff introduced:

H. F. No. 1558, A bill for an act relating to financial institutions; providing for the extension of certain loan assumptions; amending Minnesota Statutes 1984, section 47.20, by adding a subdivision.

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

Tomlinson introduced:

H. F. No. 1559, A bill for an act relating to local government; changing the administration and disbursement of certain property tax credits; modifying the process for determining mill rates; appropriating money; amending Minnesota Statutes 1984, sections 273.13, subdivisions 6, 7, and 15a; 273.1392; 290A.03, subdivisions 13 and 14; 290A.04, subdivisions 2, 2a, and 2b; proposing coding for new law in Minnesota Statutes, chapter 275; repealing Minnesota Statutes 1984, sections 124.2137; 273.115; 273.116; 273.13, subdivision 14a; 273.1315; and 273.1391.

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

Carlson, D., introduced:

H. F. No. 1560, A bill for an act relating to natural resources; providing for performance bonds or equivalent security for forestry development projects; amending Minnesota Statutes 1984, section 574.26; proposing coding for new law in Minnesota Statutes, chapter 574.

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

Waltman introduced:

H. F. No. 1561, A bill for an act relating to taxation; providing for payment of reduced assessment credit to the city of Zumbrota.

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

Boo and Jaros introduced:

H. F. No. 1562, A bill for an act relating to the city of Duluth; authorizing the collection of unpaid charges for water, gas, sewer, and garbage services and building demolition costs by assessment against the properties served or benefited.

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

Jaros, Munger and Boo introduced:

H. F. No. 1563, A bill for an act relating to education; appropriating money to plan a residential school of science and mathematics in Duluth.

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

Elioff introduced:

H. F. No. 1564, A bill for an act relating to insurance; accident and health; providing coverage for ambulatory mental health services provided by a licensed psychologist; amending Minnesota Statutes 1984, section 62A.152, subdivision 2.

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

Begich and Elioff introduced:

H. F. No. 1565, A bill for an act relating to utilities; establishing a study of the effects of deregulation of certain gas and electric utility functions; appropriating money.

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

Onnen, Dyke, Redalen and Dimler introduced:

H. F. No. 1566, A bill for an act relating to taxation; providing for payment of property tax refunds if the taxes are delinquent; amending Minnesota Statutes 1984, section 290A.10.

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

Dempsey, Dimler, Tomlinson, Redalen and Osthoff introduced:

H. F. No. 1567, A bill for an act relating to local government aid; modifying the distribution formula for cities; amending Minnesota Statutes 1984, sections 477A.011, subdivisions 3, 10, and by adding subdivisions; 477A.013; and 477A.03, by adding a subdivision; repealing Minnesota Statutes 1984, sections 477A.011, subdivisions 4 and 5; and 477A.0131.

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

HOUSE ADVISORIES

The following House Advisories were introduced:

Vanasek introduced:

H. A. No. 15, A proposal to determine whether earth sheltered buildings should be designed by a licensed structural engineer.

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

Heap, Levi, Frerichs, Sviggum and Bennett introduced:

H. A. No. 16, A proposal to study the effectiveness of Federal/State job placement and job training programs.

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 327, A bill for an act relating to transportation; defining "trees" and "hedges" for purposes of removal from highway right of way; amending Minnesota Statutes 1984, section 160.22, by adding a subdivision.

H. F. No. 621, A bill for an act relating to mental health; revising the language of statutes concerning persons with mental illness and mental retardation and revising the language of statutes concerning state treatment facilities; amending Minnesota Statutes 1984, sections 147.021, subdivision 1; 243.55, subdivision 3; 245.072; 245.52; 245.821, subdivision 1; 245.825, subdivision 1; 246.01; 246.013; 246.014; 246.13; 246.23; 246.234; 246.41; 246.50; 246.511; 246.52; 246.53; 246.54; 246.55; 246.56; 252.025; 252.05; 252.06; 252.07; 252.09; 252.10; 252.21; 252.22; 252.23; 252.24; 252.25; 252.27; 252.275, subdivisions 1 and 7; 252.28; 252.291; 252.30; 252.31; 252.32; 253.015; 253.10; 253.19; 253.20; 253.21; 253.25; 253.26; 256.01, subdivisions 2 and 5; 256.91; 256.93, subdivision 1; 256B.02, subdivisions 2 and 8, and by adding a subdivision; 256B.092; 256B.36; 256B.501; 256E.03, subdivision 2; 256E.06, subdivision 2a; 260.092; 260.36; 284.05; 299F.77; 447.42; 447.45; 501.27; and 517.03; proposing coding for new law in Minnesota Statutes, chapter 252.

H. F. No. 894, A bill for an act relating to utilities; defining independent telephone company; amending Minnesota Statutes 1984, section 237.01, subdivision 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. No. 1320.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1320, A bill for an act relating to health; establishing a system of regional poison information centers; providing for less frequent program reporting; rescinding permission for poison control centers to contract with centers in other states; amending Minnesota Statutes 1984, section 145.93, subdivisions 1, 3, 4, and 6; repealing Minnesota Statutes 1984, section 145.93, subdivision 5.

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

CONSENT CALENDAR

S. F. No. 679, A bill for an act relating to natural resources; providing for annual timber harvest public informational meetings; amending Minnesota Statutes 1984, section 90.041, subdivision 4.

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

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

Those who voted in the affirmative were:

Anderson, G.	Burger	Forsythe	Kalis	Minne
Anderson, R.	Carlson, D.	Frederick	Kiffmeyer	Munger
Backlund	Carlson, J.	Frederickson	Kostohryz	Murphy
Battaglia	Carlson, L.	Frerichs	Krueger	Nelson, D.
Beard	Clark	Greenfield	Levi	Neuenschwander
Becklin	Clausnitzer	Gruenes	Lieder	Norton
Begich	Cohen	Gutknecht	Long	O'Connor
Bennett	Dempsey	Halberg	Marsh	Ogren
Bishop	DenOuden	Hartinger	McDonald	Olsen, S.
Blatz	Dimler	Haukoos	McEachern	Olson, E.
Boerboom	Dyke	Heap	McKasy	Omann
Boo	Elioff	Himle	McLaughlin	Onnen
Brandl	Ellingson	Jacobs	McPherson	Osthoff
Brinkman	Erickson	Jares	Metzen	Otis
Brown	Fjoslien	Jennings, L.	Miller	Ozment

Pappas	Rees	Segal	Thorson	Voss
Pauly	Rest	Sherman	Tjornhom	Waltman
Peterson	Rice	Simoneau	Tomlinson	Welle
Piepho	Riveness	Skoglund	Tompkins	Wenzel
Piper	Rose	Solberg	Tunheim	Wynia
Poppenhagen	Sarna	Sparby	Uphus	Zaffke
Price	Schafer	Stanius	Valan	Spk. Jennings, D.
Quinn	Scheid	Staten	Valento	
Quist	Schoenfeld	Sviggum	Vanasek	
Redalen	Schreiber	Thiede	Vellenga	

The bill was passed and its title agreed to.

H. F. No. 649, A bill for an act relating to St. Louis county; fixing the maximum amount of the county emergency fund; amending Minnesota Statutes 1984, section 383C.016.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 907, A bill for an act relating to Ramsey county; providing for the creation, organization, powers, and duties of a personnel system; providing penalties; amending Minnesota Statutes 1984, sections 383.405; and 383A.41, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 383A; repealing Minnesota Statutes 1984, sections 383A.28; 383A.29; 383A.30; and 383A.31.

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

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 2 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Knuth Voss

The bill was passed and its title agreed to.

H. F. No. 1009, A bill for an act relating to retirement; state employees; extending coverage to state employees on leave of absence with an exclusive bargaining agent; amending Minnesota Statutes 1984, section 352.029.

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

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Beard	Blatz	Brinkman	Carlson, J.
Anderson, R.	Becklin	Boerboom	Brown	Carlson, L.
Backlund	Begich	Boo	Burger	Clark
Battaglia	Bennett	Brandl	Carlson, D.	Clausnitzer

Cohen	Jacobs	Miller	Price	Sparby
Dempsey	Jaros	Minne	Quinn	Stanius
DenOuden	Jennings, L.	Munger	Quist	Staten
Dimler	Johnson	Murphy	Redalen	Sviggun
Dyke	Kahn	Nelson, D.	Rees	Thiøde
Elioff	Kalis	Neuenschwander	Rest	Thorson
Ellingson	Kiffmeyer	Norton	Rice	Tjornhom
Erickson	Knickerbocker	O'Connor	Richter	Tomlinson
Fjoslien	Knuth	Ogren	Riveness	Tompkins
Forsythe	Kostohryz	Olsen, S.	Rose	Tunheim
Frederick	Krueger	Olson, E.	Sarna	Uphus
Frederickson	Kvam	Omann	Schafer	Valan
Frerichs	Levi	Onnen	Scheid	Valento
Greenfield	Lieder	Osthoff	Schoenfeld	Vanasek
Gruenes	Long	Otis	Schreiber	Vellenga
Gutknecht	Marsh	Ozment	Seaberg	Voss
Halberg	McDonald	Pappas	Segal	Waltman
Hartinger	McEachern	Pauly	Shaver	Welle
Hartle	McKasy	Peterson	Sherman	Wenzel
Haukoos	McLaughlin	Piepho	Simoneau	Wynia
Heap	McPherson	Piper	Skoglund	Zaffke
Himle	Metzen	Poppenhagen	Solberg	Spk. Jennings, D.

The bill was passed and its title agreed to.

H. F. No. 1198 was reported to the House.

There being no objection H. F. No. 1198 was continued on the Consent Calendar for one day.

H. F. No. 1199, A bill for an act relating to the city of New Brighton; providing an exception from the New Brighton police civil service system for the chief and deputy chief of police.

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

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

Those who voted in the affirmative were:

Anderson, G.	Carlson, L.	Gutknecht	Kvam	O'Connor
Anderson, R.	Clark	Halberg	Levi	Ogren
Backlund	Clausnitzer	Hartle	Lieder	Olsen, S.
Battaglia	Cohen	Haukoos	Long	Olson, E.
Beard	Dempsey	Heap	Marsh	Omann
Becklin	DenOuden	Himle	McDonald	Onnen
Begich	Dimler	Jacobs	McEachern	Otis
Bennett	Dyke	Jaros	McKasy	Ozment
Bishop	Elioff	Jennings, L.	McLaughlin	Pappas
Blatz	Ellingson	Johnson	McPherson	Pauly
Boerboom	Erickson	Kahn	Metzen	Peterson
Boo	Fjoslien	Kalis	Miller	Piepho
Brandl	Forsythe	Kelly	Minne	Piper
Brinkman	Frederick	Kiffmeyer	Munger	Poppenhagen
Brown	Frederickson	Knickerbocker	Murphy	Price
Burger	Frerichs	Knuth	Nelson, D.	Quinn
Carlson, D.	Greenfield	Kostohryz	Neuenschwander	Quist
Carlson, J.	Gruenes	Krueger	Norton	Redalen

Rees	Scheid	Solberg	Tomlinson	Voss
Rest	Schoenfeld	Sparby	Tompkins	Waltman
Rice	Schreiber	Stanis	Tunheim	Weile
Richter	Segal	Staten	Uphus	Wenzel
Riveness	Shaver	Sviggun	Valan	Wynia
Rose	Sherman	Thiede	Valento	Zaffke
Sarna	Simoneau	Thorson	Vanasek	Spk. Jennings, D.
Schafer	Skoglund	Tjornhom	Vellenga	

The bill was passed and its title agreed to.

H. F. No. 1226, A bill for an act relating to local government; permitting land transfers between Ramsey county and the town of White Bear.

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

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 1235, A bill for an act relating to state lands; authorizing conveyance of certain state trail lands no longer needed for trails; amending Laws 1981, chapter 190, section 3.

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

The question was taken on the passage of the bill and the roll was called. There were 121 yeas and 6 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Clark	Kostohryz	Munger	Skoglund	Staten
Greenfield				

The bill was passed and its title agreed to.

H. F. No. 1236, A bill for an act relating to licensed occupations; requiring a certified signature on final documents prepared by certain licensed professionals; amending Minnesota Statutes 1984, section 326.12, subdivision 3.

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.	Bishop	Carlson, D.	Dimler	Frederickson
Anderson, R.	Blatz	Carlson, J.	Dyke	Frerichs
Backlund	Boerboom	Carlson, L.	Elioff	Gruenes
Battaglia	Boo	Clark	Ellingson	Gutknecht
Beard	Brandl	Clausnitzer	Erickson	Halberg
Becklin	Brinkman	Cohen	Fjoslien	Hartinger
Begich	Brown	Dempsey	Forsythe	Hartle
Bennett	Burger	DenOuden	Frederick	Haukoos

Heap	Marsh	Omann	Rose	Tomlinson
Himle	McDonald	Onnen	Sarna	Tompkins
Jacobs	McEachern	Osthoff	Schafer	Uphus
Jaros	McKasy	Otis	Scheid	Valan
Jennings, L.	McLaughlin	Ozment	Schoenfeld	Valento
Johnson	McPherson	Pappas	Schreiber	Vanasek
Kahn	Metzen	Pauly	Seaberg	Vellenga
Kalis	Miller	Peterson	Segal	Voss
Kelly	Minne	Piper	Shaver	Waltman
Kiffmeyer	Munger	Poppenhagen	Sherman	Welle
Knickerbocker	Murphy	Price	Simoneau	Wenzel
Knuth	Nelson, D.	Quinn	Skoglund	Wynia
Kostohryz	Neuenschwander	Quist	Solberg	Zaffke
Krueger	Norton	Redalen	Stanis	Spk. Jennings, D.
Kvam	O'Connor	Rees	Sviggunn	
Levi	Ogren	Rest	Thiede	
Lieder	Olsen, S.	Richter	Thorson	
Long	Olson, E.	Riveness	Tjornhom	

The bill was passed and its title agreed to.

H. F. No. 1273, A bill for an act relating to the city of Edina; providing that survivors' benefits of firemen's service association be paid as provided by general law; repealing Laws 1965, chapter 592, section 4, as amended.

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

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

Tompkins was excused between the hours of 2:25 p.m. and 3:15 p.m.

H. F. No. 1336, A bill for an act relating to retirement; granting the authority to firefighter relief associations in cities of the first class to elect retired members to the associations' board of directors; amending Minnesota Statutes 1984, section 69.26.

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

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 1337, A bill for an act relating to retirement; providing for the return to work of a police officer, firefighter and the provision of service credit for certain periods of disability; amending Minnesota Statutes 1984, section 423A.15.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 1367 was reported to the House.

Carlson, J., moved that H. F. No. 1367 be returned to its author. The motion prevailed.

H. F. No. 1404, A bill for an act relating to retirement; teachers; participation in variable annuity division; amending Minnesota Statutes 1984, section 354.62, subdivision 2; repealing Minnesota Statutes 1984, section 354.621.

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

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

Those who voted in the affirmative were:

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

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

The bill was passed and its title agreed to.

CALENDAR

S. F. No. 635 was reported to the House and given its third reading.

UNANIMOUS CONSENT

Vanasek requested unanimous consent to offer an amendment. The request was granted.

Vanasek moved to amend S. F. No. 635, as follows:

Page 3, line 6, before "A" insert "(a)"

Page 3, line 7, before "city" insert "statutory or home rule charter"

Page 3, after line 15, insert:

"(b) Notwithstanding the provisions of paragraph (a), a lesser populated statutory or home rule charter city that has an official sign in an adjacent area of an approach of an interstate highway passing through or near the city as of the effective date of this section may replace that sign with a star city sign upon payment of a fee required under section 3 to the department of transportation."

The motion prevailed and the amendment was adopted.

S. F. No. 635, 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 third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Rice

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

H. F. No. 517, A bill for an act relating to insurance; authorizing the use of funding agreements; prescribing powers of the commissioner; proposing coding for new law in Minnesota Statutes, chapter 61A.

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

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

Those who voted in the affirmative were:

Anderson, G.	Becklin	Boerboom	Burger	Clausnitzer
Anderson, R.	Begich	Boo	Carlson, D.	Cohen
Backlund	Bennett	Brandl	Carlson, J.	Dempsey
Battaglia	Bishop	Brinkman	Carlson, L.	DenOuden
Beard	Blatz	Brown	Clark	Dimler

Dyke	Johnson	Minne	Quinn	Stanisus
Elioff	Kahn	Munger	Quist	Staten
Ellingson	Kalis	Murphy	Redalen	Sviggum
Erickson	Kelly	Nelson, D.	Rees	Thiede
Fjoslien	Kiffmeyer	Neuenschwander	Rest	Thorson
Forsythe	Knickerbocker	Norton	Rice	Tjornhom
Frederick	Knuth	O'Connor	Richter	Tomlinson
Frederickson	Kostohryz	Ogren	Riveness	Uphus
Frerichs	Krueger	Olsen, S.	Rose	Valan
Greenfield	Kvam	Olson, E.	Sarna	Valento
Gruenes	Levi	Omann	Schafer	Vanasek
Gutknecht	Lieder	Onnen	Scheid	Vellenga
Halberg	Long	Osthoff	Schoenfeld	Voss
Hartinger	Marsh	Otis	Schreiber	Waltman
Hartle	McDonald	Ozment	Seaberg	Welle
Haukoos	McEachern	Pappas	Shaver	Wenzel
Heap	McKasy	Pauly	Sherman	Wynia
Himle	McLaughlin	Peterson	Simoneau	Spk. Jennings, D.
Jacobs	McPherson	Piepho	Skoglund	
Jaros	Metzen	Piper	Solberg	
Jennings, L.	Miller	Poppenhagen	Sparby	

The bill was passed and its title agreed to.

Ellingson was excused at 3:25 p.m. Ogren was excused at 4:15 p.m. Lieder was excused at 4:40 p.m.

GENERAL ORDERS

Pursuant to rules of the House, the House resolved itself into the Committee of the Whole with Jennings, D., in the Chair for consideration of bills pending on General Orders of the day. After some time spent therein the Committee arose.

REPORT OF THE COMMITTEE OF THE WHOLE

The Speaker resumed the Chair, whereupon the following recommendations of the Committee were reported to the House:

H. F. Nos. 401, 779 and 145 were recommended to pass.

H. F. Nos. 633 and 9 were recommended for progress.

H. F. No. 102 was recommended for progress retaining its place on General Orders.

H. F. No. 520 was recommended for re-referral to the Committee on Local and Urban Affairs.

S. F. No. 472 which it recommended to pass with the following amendments:

Offered by Dempsey:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 270.076, subdivision 2, is amended to read:

Subd. 2. In case of appeal from the assessment and levy of the tax, the airline company shall currently pay when due (THAT PORTION) 90 percent of the tax (WHICH IS ADMITTED TO BE DUE) *unless the payment is waived or otherwise adjusted by an order of the court.* If the final determination of the litigation should result in sustaining the assessment and levy or in the finding that the amount paid by the airline company is insufficient, the difference between the amount paid and the amount which should have been paid shall be decreed delinquent taxes subject to interest, as hereinabove provided. If the final determination of the tax court or the supreme court shall result in increasing any assessment above that which was made final by the order of the commissioner from which the appeal is taken, then the taxes on such increased assessment shall be delinquent 30 days after notice of the amount of the increased tax shall have been given to the airline company by the commissioner.

Sec. 2. Minnesota Statutes 1984, section 270.11, subdivision 7, is amended to read:

Subd. 7. [APPEARANCES BEFORE THE COMMISSIONER.] A property owner, other than a public utility (,) or mining company (OR THE METROPOLITAN AIRPORT COMMISSION), for which the original assessments are determined by the commissioner of revenue, may not appear before the commissioner for the purposes provided in subdivisions 5 or 6 unless a timely appearance in person, by counsel, or by written communication has been made before the county board of equalization as provided in section 274.13, to appeal the assessment of the property, or that he can establish that he did not receive notice of his market value at least five days before the local board of review meeting.

The commissioner may refuse to hear an appeal that is within the jurisdiction of the small claims division of the tax court as stated in section 271.21, subdivision 2. The property owner shall be notified by the commissioner of the right to appeal to the small claims division whenever an appeal to the commissioner is denied.

Sec. 3. Minnesota Statutes 1984, section 270.12, subdivision 3, is amended to read:

Subd. 3. For taxes levied in (1983) 1985 and thereafter when a taxing jurisdiction lies in two or more counties, if the sales ratio studies prepared by the department of revenue show that the average levels of assessment in the several portions of the taxing jurisdictions in the different counties differ by more than five percent, the board (SHALL) *may* order the apportionment of the levy (,). *When the sales ratio studies prepared*

by the department of revenue show that the average levels of assessment in the several portions of the taxing jurisdictions in the different counties differ by more than ten percent, the board shall order the apportionment of the levy unless (a) the proportion of total adjusted assessed value in one of the counties is less than ten percent of the total adjusted assessed value in the taxing jurisdiction and the average level of assessment in that portion of the taxing jurisdiction is the level which differs by more than five percent from the assessment level in any one of the other portions of the taxing jurisdiction; (b) significant changes have been made in the level of assessment in the taxing jurisdiction which have not been reflected in the sales ratio study, and those changes alter the assessment levels in the portions of the taxing jurisdiction so that the assessment level now differs by five percent or less; or (c) commercial, industrial, mineral, or public utility property predominates in one county within the taxing jurisdiction and another class of property predominates in another county within that same taxing jurisdiction. If one or more of these factors are present, the board may order the apportionment of the levy.

Notwithstanding any other provision, the levy for the metropolitan mosquito control district, metropolitan council, metropolitan transit district, and metropolitan transit area must be apportioned without regard to the percentage difference.

If, pursuant to this subdivision, the board apportions the levy, then that levy apportionment among the portions in the different counties shall be made in the same proportion as the adjusted assessed value as determined by the equalization aid review committee in each portion is to the total adjusted assessed value of the taxing jurisdiction.

For the purposes of this section, the average level of assessment in a taxing jurisdiction or portion thereof shall be the aggregate assessment sales ratio. Assessed values as determined by the equalization aid review committee shall be the values as determined for the year preceding the year in which the levy to be apportioned is levied.

Actions pursuant to this subdivision shall be commenced subsequent to the annual meeting on August 15 of the state board of equalization, but notice of the action shall be given to the affected jurisdiction and the appropriate county auditors by the following November 15.

Apportionment of a levy pursuant to this subdivision shall be considered as a remedy to be taken after equalization pursuant to subdivision 2, and when equalization within the jurisdiction would disturb equalization within other jurisdictions of which the several portions of the jurisdiction in question are a part.

Sec. 4. Minnesota Statutes 1984, section 272.02, subdivision 1, is amended to read:

Subdivision 1. All property described in this section to the extent herein limited shall be exempt from taxation:

- (1) All public burying grounds;
- (2) All public schoolhouses;
- (3) All public hospitals;
- (4) All academies, colleges, and universities, and all seminaries of learning;
- (5) All churches, church property, and houses of worship;
- (6) Institutions of purely public charity except parcels of property containing structures and the structures assessed pursuant to section 273.13, subdivisions 17, 17b, 17c or 17d;
- (7) All public property exclusively used for any public purpose;
- (8) Except for the taxable personal property enumerated below, all personal property and the property described in section 272.03, subdivision 1, clause (c) shall be exempt.

The following personal property shall be taxable:

- (a) personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, *crude oil*, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings and structures;
- (b) railroad docks and wharves which are part of the operating property of a railroad company as defined in section 270.80;
- (c) personal property defined in section 272.03, subdivision 2, clause (3);
- (d) leasehold or other personal property interests which are taxed pursuant to section 272.01, subdivision 2; 273.13, subdivision 7b or 7d; or 273.19, subdivision 1; or any other law providing the property is taxable as if the lessee or user were the fee owner;
- (e) property classified as class 2a property; and
- (f) flight property as defined in section 270.071.

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

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

(10) Wetlands. For purposes of this subdivision, "wetlands" means (1) land described in section 105.37, subdivision 15, or (2) land which is mostly under water, produces little if any income, and has no use except for wildlife or water conservation purposes, provided it is preserved in its natural condition and drainage of it would be legal, feasible, and economically practical for the production of livestock, dairy animals, poultry, fruit, vegetables, forage and grains, except wild rice. "Wetlands" shall include adjacent land which is not suitable for agricultural purposes due to the presence of the wetlands. "Wetlands" shall not include woody swamps containing shrubs or trees, wet meadows, meandered water, streams, rivers, and floodplains or river bottoms. Exemption of wetlands from taxation pursuant to this section shall not grant the public any additional or greater right of access to the wetlands or diminish any right of ownership to the wetlands.

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

(12) Property used in a continuous program to provide emergency shelter for victims of domestic abuse, provided the organization that owns and sponsors the shelter is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1954, as amended through December 31, 1982, notwithstanding the fact that the sponsoring organization receives funding under section 8 of the United States Housing Act of 1937, as amended.

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

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

(15) If approved by the governing body of the municipality in which the property is located, and if construction is commenced after June 30, 1983:

(a) a "direct satellite broadcasting facility" operated by a corporation licensed by the federal communications commission to provide direct satellite broadcasting services using direct broadcast satellites operating in the 12-ghz. band;

(b) a "fixed satellite regional or national program service facility" operated by a corporation licensed by the federal communications commission to provide fixed satellite-transmitted regularly scheduled broadcasting services using satellites operating in the 6-ghz. band; and

(c) a facility at which a licensed Minnesota manufacturer produces distilled spirituous liquors, liqueurs, cordials, or liquors designated as specialties regardless of alcoholic content, but not including ethyl alcohol, distilled with a majority of the ingredients grown or produced in Minnesota. An exemption provided by paragraph (15) shall apply for a period not to exceed five years. When the facility no longer qualifies for exemption, it shall be placed on the assessment rolls as provided in subdivision 4. Before approving a tax exemption pursuant to this para-

graph, the governing body of the municipality shall provide an opportunity to the members of the county board of commissioners of the county in which the facility is proposed to be located and the members of the school board of the school district in which the facility is proposed to be located to meet with the governing body. The governing body shall present to the members of those boards its estimate of the fiscal impact of the proposed property tax exemption. The tax exemption shall not be approved by the governing body until the county board of commissioners has presented its written comment on the proposal to the governing body, or 30 days has passed from the date of the transmittal by the governing body to the board of the information on the fiscal impact, whichever occurs first.

The exemptions granted by this subdivision shall be subject to the limits contained in the other subdivisions of this section, section 272.025, or section 273.13, subdivisions 17, 17b, 17c, or 17d.

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

Sec. 5. Minnesota Statutes 1984, section 273.123, subdivision 5, is amended to read:

Subd. 5. [COMPUTATION OF CREDITS.] The amounts of any (HOMESTEAD, AGRICULTURAL, OR SIMILAR) credits or tax relief which reduce the gross tax shall be computed upon the reassessed value determined under subdivision 2. *Payment shall be made pursuant to section 273.13, subdivision 15a.* For purposes of the property tax refund, property taxes payable, as defined in section 290A.03, subdivision 13, and net property taxes payable, as defined in section 290A.04, subdivision 2d, shall be computed upon the reassessed value determined under subdivision 2.

Sec. 6. Minnesota Statutes 1984, section 273.13, subdivision 4, is amended to read:

Subd. 4. [CLASS 3.] (a) Tools, implements and machinery of an electric generating, transmission or distribution system or a pipeline system transporting or distributing water, gas, *crude oil*, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings, which are fixtures, all agricultural land, except as provided by classes 1, 3b, 3e, shall constitute class 3 and shall be valued and assessed at 33-1/3 percent of the market value thereof, except as provided in clause (b). All buildings and structures assessed as personal property and situated upon land of the state

of Minnesota or the United States government which is rural in character and devoted or adaptable to rural but not necessarily agricultural use shall be assessed based upon the use made of the building or structure. Except as provided in subdivision 5a, all real property devoted to temporary and seasonal residential occupancy for recreational purposes, and which is not devoted to commercial purposes for more than 200 days in the year preceding the year of assessment, shall be class 3 property and assessed accordingly. For this purpose, property is devoted to commercial use on a specific day if it is used, or offered for use, and a fee is charged for such use. Class 3 shall also include commercial use real property used exclusively for recreational purposes in conjunction with class 3 property devoted to temporary and seasonal residential occupancy for recreational purposes, up to a total of two acres, provided the property is not devoted to commercial recreational use for more than 200 days in the year preceding the year of assessment and is located within two miles of the class 3 property with which it is used.

(b) Agricultural land which is classified as class 3 shall be assessed at 19 percent of its market value. Real property devoted to temporary and seasonal residential occupancy for recreation purposes which is classified as class 3 shall be assessed at 21 percent of its market value.

Sec. 7. Minnesota Statutes 1984, section 273.138, subdivision 5, is amended to read:

Subd. 5. The commissioner of revenue shall calculate the aids pursuant to subdivisions 2 and 3, basing all necessary calculations on the abstracts of assessment of real property for assessment year 1972 transmitted to the commissioner of revenue pursuant to section 270.11 as equalized by the state board of equalization pursuant to sections 270.11 and 270.12, and the 1973 abstracts of tax lists transmitted by the county auditors pursuant to section 275.29. He shall (MAKE PAYMENTS) *pay directly to the affected taxing authorities (IN TWO EQUAL PARTS ON JULY 15 AND NOVEMBER 15 OF EACH YEAR, COMMENCING IN 1974) their total payment for the year at the time distributions are made pursuant to section 273.13, subdivision 15a.*

Sec. 8. [273.1393] [COMPUTATION OF NET PROPERTY TAXES.]

Notwithstanding any other provisions to the contrary, "net" property taxes are determined by subtracting the credits in the order listed from the gross tax:

- (1) *disaster credit as provided in section 273.123;*
- (2) *wetlands credit as provided in section 273.115;*

- (3) *native prairie credit as provided in section 273.116;*
- (4) *powerline credit as provided in section 273.42;*
- (5) *agricultural preserves credit as provided in section 473H.10;*
- (6) *enterprise zone credit as provided in section 273.1314;*
- (7) *state school agricultural credit as provided in section 124.2137;*
- (8) *state paid homestead credit as provided in section 273.13, subdivisions 6 and 7;*
- (9) *taconite homestead credit as provided in section 273.135;*
- (10) *supplemental homestead credit as provided in section 273.1391.*

The combination of all property tax credits must not exceed the gross tax amount.

Sec. 9. Minnesota Statutes 1984, section 273.33, subdivision 1, is amended to read:

Subdivision 1. The personal property of express, stage and transportation companies, and of pipeline companies engaged in the business of transporting natural gas, gasoline, *crude oil*, or other petroleum products except as otherwise provided by law, shall be listed and assessed in the county, town or district where the same is usually kept.

Sec. 10. Minnesota Statutes 1984, section 273.33, subdivision 2, is amended to read:

Subd. 2. The personal property, consisting of the pipeline system of mains, pipes and equipment attached thereto, of pipeline companies and others engaged in the operations or business of transporting natural gas, gasoline, *crude oil*, or other petroleum products by pipelines, shall be listed with and assessed by the commissioner of revenue. This subdivision shall not apply to the assessment of the products transported through the pipelines nor to the lines of local commercial gas companies engaged primarily in the business of distributing gas to consumers at retail nor to pipelines used by the owner thereof to supply natural gas or other petroleum products exclusively for such owner's own consumption and not for resale to others. On or before the fifteenth day of November, the commissioner shall certify to the auditor of each county, the amount of such personal property assessment against each company in each district in which such property is located.

Sec. 11. Minnesota Statutes 1984, section 279.01, subdivision 1, is amended to read:

Subdivision 1. On May 16, of each year, with respect to property actually occupied and used as a homestead by the owner of the property, a penalty of three percent shall accrue and thereafter be charged upon all unpaid taxes on real estate on the current lists in the hands of the county treasurer, and a penalty of seven percent on nonhomestead property, except that this penalty shall not accrue until June 1 of each year on commercial use real property used for seasonal residential recreational purposes and classified as class 3 or 3a, and on other commercial use real property classified as class 4c, provided that over 60 percent of the gross income earned by the enterprise on the class 4c property is earned during the months of May, June, July, and August. Any property owner of such class 4c property who pays the first half of the tax due on the property after May 15 and before June 1 shall attach an affidavit to his payment attesting to compliance with the income provision of this subdivision. Thereafter, for both homestead and nonhomestead property, on the 16th day of each month, up to and including October 16 following, an additional penalty of one percent for each month shall accrue and be charged on all such unpaid taxes. When the taxes against any tract or lot exceed (\$10) \$50, one-half thereof may be paid prior to May 16 and, if so paid, no penalty shall attach; the remaining one-half shall be paid at any time prior to October 16 following, without penalty; but, if not so paid, then a penalty of four percent shall accrue thereon for homestead property and a penalty of four percent on nonhomestead property. Thereafter, for homestead property, on the 16th day of each month up to and including December 16 following, an additional penalty of two percent for each month shall accrue and be charged on all such unpaid taxes. Thereafter, for nonhomestead property, on the 16th day of each month up to and including December 16 following, an additional penalty of four percent for each month shall accrue and be charged on all such unpaid taxes. If one-half of such taxes shall not be paid prior to May 16, the same may be paid at any time prior to October 16, with accrued penalties to the date of payment added, and thereupon no penalty shall attach to the remaining one-half until October 16 following; provided, also, that the same may be paid in installments as follows: One-fourth prior to March 16; one-fourth prior to May 16; one-fourth prior to August 16; and the remaining one-fourth prior to October 16, subject to the aforesaid penalties. Where the taxes delinquent after October 16 against any tract or parcel exceed (\$40) \$100, upon resolution of the county board, they may be paid in installments of not less than 25 percent thereof, together with all accrued penalties and costs, up to the next tax judgment sale, and after such payment, penalties, interest, and costs shall accrue only on the sum remaining unpaid. Any county treasurer who shall make out and deliver or countersign any receipt for any such taxes without including all of the foregoing penalties therein, shall be liable to the county for the amount of such penalties.

Sec. 12. Minnesota Statutes 1984, section 282.01, subdivision 6, is amended to read:

Subd. 6. [DUTIES OF COMMISSIONER OF REVENUE; ISSUANCE OF CONVEYANCE.] When any sale has been made by the county auditor under sections 282.01 to 282.13, he shall immediately certify to the commissioner of revenue such information relating to such sale, on such forms as the commissioner of revenue may prescribe as will enable the commissioner of revenue to prepare an appropriate deed if the sale is for cash, or keep his necessary records if the sale is on terms; and not later than October 31 of each year the county auditor shall submit to the commissioner of revenue a statement of all instances wherein any payment of principal, interest, or current taxes on lands held under certificate, due or to be paid during the preceding calendar years, are still outstanding at the time such certificate is made. When such statement shows that a purchaser or his assignee is in default, the commissioner of revenue may instruct the county board of the county in which the land is located to cancel said certificate of sale in the manner provided by subdivision 5, provided that upon recommendation of the county board, and where the circumstances are such that the commissioner of revenue after investigation is satisfied that the purchaser has made every effort reasonable to make payment of both the annual instalment and said taxes, and that there has been no wilful neglect on the part of the purchaser in meeting these obligations, then the commissioner of revenue may extend the time for the payment for such period as he may deem warranted, not to exceed one year. On payment in full of the purchase price, appropriate conveyance in fee, in such form as may be prescribed by the attorney general, shall be issued by the commissioner of revenue, which conveyance *must be recorded by the county and* shall have the force and effect of a patent from the state subject to easements and restrictions of record at the date of the tax judgment sale, including, but without limitation, permits for telephone, telegraph, and electric power lines either by underground cable or conduit or otherwise, sewer and water lines, highways, railroads, and pipelines for gas, liquids, or solids in suspension.

Sec. 13. Minnesota Statutes 1984, section 282.014, is amended to read:

282.014 [COMPLETION OF SALE AND CONVEYANCE.]

Upon compliance by the purchaser with the provisions of sections 282.011 to 282.015 and with the terms and conditions of the sale, and upon full payment for the land, plus a \$10 fee in addition to the sale price, the sale shall be complete and a conveyance of the land shall be issued to the purchaser as provided by the appropriate statutes according to the status of the land upon forfeiture.

The conveyance must be forwarded to the county recorder who shall record the conveyance before the auditor issues it to the purchaser.

Sec. 14. Minnesota Statutes 1984, section 282.301, is amended to read:

282.301 [RECEIPTS FOR PAYMENTS.]

The purchaser shall receive from the county auditor at the time of repurchase a receipt, in such form as may be prescribed by the attorney general. When the purchase price of a parcel of land shall be paid in full, the following facts shall be certified by the county auditor to the commissioner of revenue of the state of Minnesota: the description of land, the date of sale, the name of the purchaser or his assignee, and the date when the final instalment of the purchase price was paid. Upon payment in full of the purchase price, the purchaser or his assignee shall receive a quitclaim deed from the state, to be executed by the commissioner of revenue. *The deed must be sent to the county recorder for recording before it is forwarded to the purchaser.* Failure to make any payment herein required shall constitute default and upon such default and cancellation in accord with section 282.40, the right, title and interest of the purchaser or his heirs, representatives, or assigns in such parcel shall terminate.

Sec. 15. Minnesota Statutes 1984, section 282.33, subdivision 1, is amended to read:

Subdivision 1. Whenever an unrecorded deed from the state of Minnesota conveying tax-forfeited lands shall have been lost or destroyed, an application, in form approved by the attorney general, for a new deed may be made by the grantee or his successor in interest to the commissioner of revenue. If it appears to the commissioner of revenue that the facts stated in the petition are true, he shall issue a new deed to the original grantee, in form approved by the attorney general, with like effect as the original deed. *The commissioner shall send the new deed to the county recorder, who after recording the deed will forward it to the county auditor.* The application shall be accompanied by a fee of \$10, payable to the commissioner of revenue, which shall be deposited with the state treasurer and credited to the general fund.

Sec. 16. Minnesota Statutes 1984, section 282.36, is amended to read:

282.36 [FEES PAYABLE TO REPURCHASER.]

Any person repurchasing land after forfeiture to the state for nonpayment of taxes under the provisions of a repurchase law shall at the time the certificate of repurchase is issued *and re-*

corded by the county auditor or before receiving quit claim deed pursuant thereto, pay to the county treasurer a fee of \$3. Fees so collected during any calendar year shall be credited to a special fund and, upon a warrant issued by the county auditor on or before March 1 of the year following, shall be remitted to the state treasurer and credited to the general fund. The commissioner of revenue shall, on or before February 1 in each year, certify to the state treasurer the number of deeds issued during the preceding calendar year to which these fees apply, showing by counties the number of deeds so issued and the total fees due therefor. This section shall not apply to repurchases made under any law enacted prior to January 1, 1945.

Sec. 17. Minnesota Statutes 1984, section 287.25, is amended to read:

287.25 [PAYMENT OF TAX; STAMPS.]

The county board shall determine the method for collection of the tax imposed by section 287.21:

(1) The tax imposed by section 287.21 (SHALL) *may* be paid by the affixing of a documentary stamp or stamps in the amount of the tax to the document or instrument with respect to which the tax is paid, provided that the commissioner of revenue may, in exceptional cases, permit the payment of the tax without the affixing of the documentary stamps and in such cases shall, upon receipt of the tax, endorse his receipt for such tax upon the face of the document or instrument. In such case the commissioner of revenue shall deposit the amount received in payment of the tax with the state treasurer to the credit of the general fund; or

(2) *The tax imposed by section 287.21 may be paid in the manner prescribed by section 287.08 relating to payment of mortgage registration tax.*

Sec. 18. Minnesota Statutes 1984, section 294.22, is amended to read:

294.22 [GROSS EARNINGS TAX; COMPUTATION.]

Every company owning or operating any taconite railroad shall pay annually into the state treasury a sum of money equal to five percent of the gross earnings derived from the operation of such taconite railway within the state. The gross earnings of such a taconite railroad company from the transportation of taconite concentrates from the Mesabi Range to ports on Lake Superior, for all purposes hereof, shall be a sum of money equal to the amount which would be charged under established tariffs of common carriers for the transportation of an equal tonnage of iron ore or taconite concentrates, *whichever is shipped* from

Mesabi Range points to ports at the head of Lake Superior, including the established charges for loading such ore on boats. For all purposes of chapter 298 the amount of the gross earnings as so calculated shall be treated as the cost of transportation of such concentrates *or iron ore* between such points. If such a taconite railroad company transports coal or any other commodity, except taconite concentrates, its gross earnings shall include an amount equal to the established tariffs of common carriers for the transportation of the same quantities of similar commodities for corresponding distances, not, however, including any such charges for any such commodities used or intended to be used in the construction, operation or maintenance of such railroad.

Sec. 19. Minnesota Statutes 1984, section 297.03, subdivision 10, is amended to read:

Subd. 10. [DISTRIBUTION OF FREE SAMPLE PACKAGES.] The commissioner may authorize distribution in Minnesota of free packages of cigarettes without affixing stamps to said packages by the following persons provided that monthly reports and payment of a tax at the same rates prescribed by section 297.02, subdivision 1, shall be made directly to the commissioner under the terms provided for by the commissioner:

(1) Any manufacturer, providing such packages contain not more than (20) 25 cigarettes each;

(2) Any person engaged as a common carrier in the transportation of persons, who purchases packages of cigarettes from a manufacturer for distribution without charge, provided that no such package shall contain more than (20) 25 cigarettes.

All packages distributed pursuant to this section shall be marked "Complimentary—Not For Sale." The commissioner shall promulgate rules providing for the procedures to be complied with by any person distributing free sample packages.

Sec. 20. Minnesota Statutes 1984, section 298.02, subdivision 1, is amended to read:

Subdivision 1. [CREDIT.] For the purpose of increasing employment and the utilization of low-grade, underground, and high labor cost ores any taxpayer on whom a tax is imposed by reason of the provisions of section 298.01, subdivisions 1 and 2, shall be allowed a credit against the occupation tax as computed in that section because of the mining or production of ore from any mine, in an amount calculated as follows:

(a) In the case of underground mines or that tonnage of merchantable ore produced in open pit mines in the year in question which tonnage has resulted from beneficiation at an ore beneficiation plant within the state (BY JIGGING, HEAVY

MEDIA, SPIRAL SEPARATION, CYCLONE PROCESS, ROASTING, DRYING BY ARTIFICIAL HEAT, SINTERING, MAGNETIC SEPARATION, FLOTATION, AGGLOMERATION OR ANY PROCESS REQUIRING FINE GRINDING OR ANY OTHER IRON ORES MINED AFTER DECEMBER 31, 1984), ten percent of that part of the cost of labor employed by the mine or in the beneficiation of all ore mined or produced in the calendar year in excess of 70 cents and not in excess of 90 cents per ton of the merchantable ore produced during the year at that mine, and 15 percent of that part of the cost of such labor in excess of 90 cents per ton; (IN THE CASE OF ANY OTHER TONNAGE PRODUCED AT SAID MINE OR IN THE CASE OF OTHER MINES, TEN PERCENT OF THE AMOUNT BY WHICH THE AVERAGE COST PER TON OF LABOR EMPLOYED AT THE MINE, OR IN THE BENEFICIATION OF THE ORE AT OR NEAR THE MINE, EXCEEDS 80 CENTS, BUT DOES NOT EXCEED \$1.05, PLUS 15 PERCENT OF THE AMOUNT BY WHICH THE AVERAGE LABOR COST PER TON EXCEEDS \$1.05, MULTIPLIED BY THE NUMBER OF TONS OF ORE PRODUCED AT THE MINE, NOT EXCEEDING 100,000 TONS, BUT THIS 100,000 TONS OR LESS SHALL BE FIRST REDUCED BY ANY TONNAGE DESCRIBED IN THE FIRST PART OF THIS SUBPARAGRAPH;) provided, however, that in no event shall the credit allowed hereunder be in excess of three-fourths of eleven percent, as applied to underground and taconite, semi-taconite or other iron ore operations, and six-tenths of eleven percent as applied to all other operations, of the valuation of the ore used in computing the tax under the provisions of section 298.01. The term "merchantable ore produced" as used herein means ores which as mined or as mined and beneficiated, are ready for shipment as a merchantable product.

(b) The aggregate amount of all credits allowed under this subdivision to all mines shall not exceed six and two-tenths percent of the aggregate amount of occupation taxes imposed under section 298.01, subdivision 1, assessed against all mines in the state for said year prior to the deduction of such credits, provided, that after December 31, 1954, labor credits to underground mines or taconite or semi-taconite operations shall not be subject to such percentage limitation and that, after December 31, 1984, labor credits to other iron ore operations shall not be subject to the percentage limitation and both the occupation taxes of such underground mines or taconite, semi-taconite or other iron ore operations and the labor credits allowed thereto, shall be excluded in calculating such percentage limitations. At the time of his final determination of occupation tax pursuant to section 298.09, subdivision 3, the commissioner shall reduce the credit otherwise allowable to each mine hereunder by such equal percentage as will bring the total within such limitation. If an equal percentage reduction is made in the labor credits of mines pursuant to this subparagraph at the time of certification to the commissioner of revenue as set forth in section 298.10, the same percentage will

be used where changes are made pursuant to section 298.09, subdivision 4, subsequent to June 1. Also if no reduction is made at the time of certification by the commissioner of revenue on or before June 1, pursuant to this subdivision and section 298.10, no reduction will be made subsequent to June 1, due to changes made pursuant to section 298.09, subdivision 4. This subparagraph shall apply to occupation tax calculations in calendar years subsequent to December 31, 1952.

Sec. 21. Minnesota Statutes 1984, section 298.225, is amended to read:

298.225 [APPROPRIATION.]

For distribution of taconite production tax in 1985 and thereafter with respect to production in 1984 and thereafter, the recipients of the taconite production tax as provided in section 298.28, subdivision 1, clauses (1) to (4) and (5)(b), (7), and (8)(a), shall receive distributions equal to the amount distributed to them pursuant to sections 298.225 and 298.28, subdivision 1, with respect to 1983 production if the production for the year prior to the distribution year is no less than 42,000,000 taxable tons. If the production is less than 42,000,000 taxable tons, the amount of the distributions shall be reduced (BY) *proportionately at the rate of two percent for each 1,000,000 tons, or part of 1,000,000 tons by which the production is less than 42,000,000 tons.* There is hereby appropriated to the commissioner of revenue from the taconite environmental protection fund and the corpus of the northeast Minnesota economic protection trust fund in equal proportions the amount needed to make the above payments.

If a taconite producer ceases beneficiation operations permanently and is required by a special law to make bond payments for a school district, the northeast Minnesota economic protection trust fund shall assume the payments of the taconite producer if the producer ceases to make the needed payments. There is hereby appropriated from the corpus of the northeast Minnesota economic protection trust fund to the commissioner of revenue the amounts needed to make these school bond payments.

Sec. 22. Minnesota Statutes 1984, section 473H.10, subdivision 3, is amended to read:

Subd. 3. (a) After the assessor has determined the market value of all land valued according to subdivision 2, he shall compute the assessed value of those properties by applying the appropriate classification percentages. When the county auditor computes the rate of tax pursuant to section 275.08, he shall include the assessed value of land as provided in this clause.

(b) The county auditor shall compute the tax on lands valued according to subdivision 2 and nonresidential buildings by multi-

plying the assessed value times the total rate of tax for all purposes as provided in clause (a).

(c) The county auditor shall then compute the maximum ad valorem property tax on lands valued according to subdivision 2 and nonresidential buildings by multiplying the assessed value times 105 percent of the previous year's statewide average mill rate levied on property located within townships for all purposes.

(d) The tax due and payable by the owner of preserve land valued according to subdivision 2 and nonresidential buildings will be the amount determined in clause (b) or (c), whichever is less. If the gross tax in clause (c) is less than the gross tax in clause (b), the state shall reimburse the taxing jurisdictions for the amount of difference. Residential buildings shall continue to be valued and classified according to the provisions of sections 273.11 and 273.13, as they would be in the absence of this section, and the tax on those buildings shall not be subject to the limitation contained in this clause.

The county auditor shall certify to the commissioner of revenue on or before June 1 the total amount of tax lost to the taxing jurisdictions located within his county as a result of this subdivision. Payments shall be made by the state (ANNUALLY ON OR BEFORE JULY 15) *as provided in section 273.13, subdivision 15a* to each of the affected taxing jurisdictions. There is annually appropriated from the general fund in the state treasury to the commissioner of revenue an amount sufficient to make the reimbursement provided in this subdivision.

Sec. 23. Minnesota Statutes 1984, section 508.47, subdivision 4, is amended to read:

Subd. 4. [SURVEY; REQUISITES; FILING; COPIES.] The registered land survey shall correctly show the legal description of the parcel of unplatted land represented by said registered land survey and the outside measurements of the parcel of unplatted land and of all tracts delineated therein, the direction of all lines of said tracts to be shown by angles or bearings or other relationship to the outside lines of said registered land survey, and the surveyor shall place stakes in the ground at appropriate corners, and all tracts shall be lettered consecutively beginning with the letter "A". None of said tracts or parts thereof may be dedicated to the public by said registered land survey. Except in counties having microfilming capabilities, a reproduction copy of the registered land survey shall be delivered to the county auditor. The registered land survey shall be on paper, mounted on cloth, shall be a black on white drawing, the scale to be not smaller than one inch equals 200 feet, and shall be certified to be a correct representation of said parcel of unplatted land by a registered surveyor. The mounted drawing shall be exactly 17 inches by 14 inches and not less than 2 1/2 inches of the 14 inches shall be blank for binding purposes, and such sur-

vey shall be filed in triplicate with the registrar of titles upon the payment of a fee of \$15. Before filing, however, any such survey shall be approved in the manner required for the approval of subdivision plats, which approval shall be endorsed thereon or attached thereto.

At the time of filing, a certificate from the treasurer that current taxes have been paid must be presented before the survey is accepted by the registrar for filing.

In counties having microfilming capabilities, the survey may be prepared on sheets of suitable mylar or on linen tracing cloth by photographic process or on material of equal quality. Notwithstanding any provisions of subdivision 5 to the contrary, no other copies of the survey need be filed.

The registrar shall furnish to any person a copy of said registered land survey, duly certified by him, for a fee of \$7.50, which shall be admissible in evidence.

Sec. 24. Minnesota Statutes 1984, section 508.71, subdivision 4, is amended to read:

Subd. 4. [REGISTRATION OF MEMORIALS.] Without order of court or directive of the examiner, the registrar of titles may receive and register as memorials upon any certificate of title to which they pertain, the following instruments: receipt or certificate of county treasurer showing redemption from any tax sale or payment of any tax described in a certificate of title, a state deed issued to purchaser of tax forfeited land, a certified copy of a marriage certificate showing the subsequent marriage of any owner shown by a certificate of title to be unmarried, a certified copy of a final decree of divorce or dissolution of a marriage entered in the state of Minnesota, or in any state, territory or possession of the United States, or the District of Columbia to establish the dissolution of a marriage relationship of any party shown on the certificate to be married, and a certified copy of the death certificate of party listed in any certificate of title as being the spouse of the registered owner when accompanied by an affidavit satisfactory to the registrar identifying the decedent with the spouse. In all subsequent dealings with the land covered by the certificates, the registrar shall give full faith to these memorials.

Sec. 25. Minnesota Statutes 1984, section 559.21, is amended by adding a subdivision to read:

Subd. 8. [APPLICATION.] *The provisions of this section relating to payment of mortgage registration tax as a requirement of the cancellation process only apply to those contracts for deed subject to payment of mortgage registration tax at time of recording.*

Sec. 26. [REPEALER.]

(a) *Minnesota Statutes 1984, section 297.02, subdivision 2, is repealed.*

(b) *Minnesota Statutes 1984, section 477A.04, is repealed.*

Sec. 27. [EFFECTIVE DATE.]

Sections 1 to 11 and 26, paragraph (b), are effective for taxes levied in 1985 and thereafter, payable in 1986 and thereafter. Sections 12 to 25, and 26, paragraph (a), are effective the day after final enactment."

Delete the title and insert:

"A bill for an act relating to taxation; modifying certain procedures relating to taxpayer appeals; requiring apportionment of levies in specific situations; clarifying the calculation of property tax credits; clarifying the tax treatment of certain pipelines; modifying provisions relating to the payment of property taxes; allowing for sales of sample packs of cigarettes containing 25 cigarettes; providing for the recording of state deeds; modifying the deed stamp tax procedure; clarifying the computation of gross earnings tax for taconite railroads; clarifying labor credit provisions; clarifying process of taconite aid guarantee phase out; requiring payment of current taxes before conveyance of registered land; allowing for memorializing of state deeds on certificates of title; clarifying cancellation of contract for deed provisions; amending Minnesota Statutes 1984, sections 270.076, subdivision 2; 270.11, subdivision 7; 270.12, subdivision 3; 272.02, subdivision 1; 273.123, subdivision 5; 273.13, subdivision 4; 273.138, subdivision 5; 273.33, subdivisions 1 and 2; 279.01, subdivision 1; 282.01, subdivision 6; 282.014; 282.301; 282.33, subdivision 1; 282.36; 287.25; 294.22; 297.03, subdivision 10; 298.02, subdivision 1; 298.225; 473H.10, subdivision 3; 508.47, subdivision 4; 508.71, subdivision 4; 559.21, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 273; repealing Minnesota Statutes 1984, sections 297.02, subdivision 2; and 477A.04."

Offered by Rees and Tjornhom:

Page 1, line 37, delete "90" and insert "75"

Offered by Skoglund, Quist, Zaffke, Kahn, Long and Nelson, D.:

Page 17, line 20, after "PACKAGES" insert "PROHIBITED"

Page 17, lines 21 to 35, delete the new language and strike the old language

Page 17, line 36, strike everything before the period and insert *"distribution of free sample packages of cigarettes and other tobacco products through any means is prohibited when conducted as part of a trade or business by a manufacturer or distributor of cigarettes and other tobacco products. Each violation of this subdivision is a misdemeanor"*

Page 23, after line 25, insert:

"Sec. 26. [609.6851] [DISTRIBUTION OF FREE SAMPLE PACKAGES PROHIBITED.]

The distribution of free sample packages of cigarettes and other tobacco products through any means is prohibited when conducted by any person as part of a trade or business for purposes of promotion. Each violation of this section is a misdemeanor."

Page 23, line 26, delete "26" and insert "27"

Page 23, line 30, delete "27" and insert "28"

Page 23, line 31, delete "26" and insert "27"

Page 23, line 33, before "25" insert "18, 20 to"

Page 23, line 33, delete "26" and insert "27"

Page 23, line 34, after the period, insert *"Sections 19 and 26 are effective August 1, 1985."*

Amend the title as follows:

Page 1, delete line 8

Page 1, line 9, delete "containing 25 cigarettes" and insert "prohibiting distribution of free sample packages of cigarettes and other tobacco products"

Page 1, line 18, after "provisions;" insert "imposing a penalty;"

Page 1, line 29, delete "chapter" and insert "chapters"

Page 1, line 29, after "273" insert "and 609"

H. F. No. 755 which it recommended to pass with the following amendments:

Offered by Carlson, D.:

Page 1, after line 23, insert:

"Sec. 2. Minnesota Statutes 1984, section 240.26, is amended by adding a subdivision to read:

Subd. 4. [PROSECUTION BY ATTORNEY GENERAL.] Notwithstanding section 388.051, subdivision 1, paragraph (c), the attorney general has primary jurisdiction to prosecute felony violations of section 240.25, subdivisions 2, 3, 4, and 7, and felony violations of section 240.25, subdivision 1, when the bet was allegedly accepted on the premises of a licensed racetrack."

Page 1, line 25, delete "Section 1 is" and insert "Sections 1 and 2 are"

Renumber the remaining section

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "authorizing the attorney general to prosecute certain felonies;"

Page 1, line 4, delete "section" and insert "sections" and before the period, insert "; and 240.26, by adding a subdivision"

Offered by Osthoff and Carlson, D.:

Page 1, line 17, after "agents" insert "if the agents are administered under the visual supervision of the veterinarian or assistant veterinarian employed by the commission"

Offered by Carlson, D.; Minne and Osthoff:

Page 1, line 18, before the period insert ", provided that the test sample does not contain more than five micrograms of the substance or metabolites thereof per milliliter of blood plasma. For purposes of this clause, "test sample" means any bodily substance including blood, urine, saliva, or other substance as directed by the commission, taken from a horse under the supervision of the commission veterinarian and in such manner as prescribed by the commission for the purpose of analysis"

Offered by Carlson, D.:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1984, section 240.02, is amended by adding a subdivision to read:

Subd. 7. [AUDIT.] The legislative auditor shall audit or contract for an audit of the books and accounts of the commis-

sion annually or as often as the legislative auditor's funds and personnel permit. The commission shall pay the total cost of the audit. All collections received for the audits must be deposited in the general fund."

Page 1, line 25, delete "Section 1 is" and insert "Sections 1 and 2 are"

Renumber the remaining sections

Amend the title as follows:

Page 1, line 2, after the semicolon insert "authorizing the legislative auditor to perform certain audits;"

Page 1, line 4, delete "section" and insert "sections 240.02, by adding a subdivision; and"

Offered by Carlson, D.:

Page 1, line 17, after "(3)" insert "*Furosemide or other*"

Offered by Jacobs:

In the Carlson, D., No. 4 amendment, Page 1, line 5, after "or" insert "*the commission may*"

H. F. No. 255 which it recommended to pass with the following amendment offered by Brinkman:

Page 1, line 10, before "Every" insert "*Subdivision 1. [ACTION.]*"

Page 2, after line 4, insert:

"Subd. 2. [RECOVERY OF COSTS AND FEES.] If a person who brings an action under subdivision 1 is not the prevailing party, the court shall award the prevailing party costs, disbursements, reasonable attorney fees, and witness fees."

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

ROLL CALLS IN COMMITTEE OF THE WHOLE

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

Dempsey moved to amend S. F. No. 472, as amended, as follows:

Page 17, lines 18 to 36, delete section 19

Page 23, delete lines 27 and 28

Page 23, line 29, delete "(b)"

Page 23, line 31, delete "26 paragraph (b)" and insert "25"

Page 23, line 33, delete "25" and insert "24" and delete "26 paragraph (a)"

Renumber the sections in sequence

Amend the title as follows :

Page 1, delete line 8

Page 1, line 9, delete everything up to and including the semi-colon

Page 1, line 25, delete "297.03, subdivision 10;"

Page 1, line 30, delete "sections 297.02, subdivision 2; and" insert "section"

Skoglund, Quist, Zaffke, Long, Kahn and Nelson, D., moved to amend the Dempsey amendment to S. F. No. 472, as amended, as follows :

Page 1, after line 2, insert :

"Page 17, after line 36, insert :

"Sec. 19. Minnesota Statutes 1984, section 297.03, is amended by adding a subdivision to read :

Subd. 13. [DISTRIBUTION OF FREE SAMPLE PACKAGES PROHIBITED.] *Distribution of free sample packages of cigarettes and other tobacco products through any means is prohibited when conducted as part of a trade or business by a manufacturer or distributor of cigarettes and other tobacco products. Each violation of this subdivision is a misdemeanor*

Page 23, after line 25, insert :

"Sec. 26. [609.6851] [DISTRIBUTION OF FREE SAMPLE PACKAGES PROHIBITED.]

The distribution of free sample packages of cigarettes and other tobacco products through any means is prohibited when

conducted by any person as part of a trade or business for purposes of promotion. Each violation of this section is a misdemeanor."

Page 1, line 3, delete "25" and insert "27"

Page 1, line 4, delete "24" and insert "26"

Page 1, line 5, delete "25" and insert "27"

Page 1, line 10, after "semicolon" insert "and insert "prohibiting distribution of free sample packages of cigarettes;" "

Page 1, after line 10, insert:

"Page 1, line 18, after the semicolon insert "imposing penalties;" "

Page 1, after line 11, insert:

"Page 1, line 25, before "298.02;" insert "297.03, by adding a subdivision;" "

Page 1, line 29, delete "chapter" and insert "chapters" and after "273" insert "and 609" "

The question was taken on the Skoglund et al., amendment to the Dempsey amendment and the roll was called. There were 70 yeas and 48 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Erickson	Kvam	Ozment	Simoneau
Battaglia	Fjoslien	Lieder	Pappas	Skoglund
Becklin	Greenfield	Long	Pauly	Sparby
Begich	Gruenes	Marsh	Peterson	Stanis
Boo	Gutknecht	McLaughlin	Piper	Staten
Brandl	Halberg	Minne	Price	Sviggum
Brown	Hartinger	Murphy	Quist	Thorson
Carlson, L.	Hartle	Nelson, D.	Rees	Tomlinson
Clark	Himle	Neuenschwander	Rest	Vellenga
Cohen	Jaros	Norton	Richter	Voss
Dimler	Johnson	Olsen, S.	Riveness	Waltman
Dyke	Kiffmeyer	Olson, E.	Scheid	Welle
Elioff	Knickerbocker	Onnen	Schoenfeld	Wynia
Ellingson	Knuth	Otis	Segal	Zaffke

Those who voted in the negative were:

Backlund	Brinkman	Frederickson	Kostohryz	Metzen
Beard	Burger	Frerichs	Krueger	Miller
Bennett	Carlson, J.	Haukoos	Levi	Munger
Bishop	Clausnitzer	Jacobs	McEachern	O'Connor
Blatz	Dempsey	Jennings, L.	McKasy	Ogren
Boerboom	Frederick	Kalis	McPherson	Omann

Osthoff	Rose	Seaberg	Tunheim	Valento
Piepho	Sarna	Shaver	Uphus	Wenzel
Poppenhagen	Schafer	Thiede	Valan	Spk. Jennings, D.
Rice	Schreiber	Tompkins		

The motion prevailed and the amendment to the amendment was adopted.

Dempsey withdrew his amendment, as amended by the Skoglund et al., amendment, to S. F. No. 472.

Rees and Tjornhom moved to amend S. F. No. 472, the first engrossment, as amended, as follows:

Page 1, line 37, delete "90" and insert "75"

The question was taken on the Rees and Tjornhom amendment and the roll was called. There were 90 yeas and 13 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dimler	Johnson	Omann	Seaberg
Backlund	Elioff	Kalis	Onnen	Sherman
Battaglia	Erickson	Kiffmeyer	Otis	Simoneau
Becklin	Forsythe	Knickerbocker	Ozment	Skoglund
Begich	Frederick	Kostohryz	Pauly	Sparby
Bennett	Frederickson	Kvam	Peterson	Stanisus
Boerboom	Frerichs	Levi	Piepho	Sviggunn
Boo	Greenfield	Lieder	Poppenhagen	Thiede
Brinkman	Gruenes	Marsh	Quinn	Tjornhom
Brown	Gutknecht	McDonald	Quist	Uphus
Burger	Halberg	McPherson	Rest	Valan
Carlson, D.	Hartinger	Minne	Rice	Valento
Carlson, J.	Hartle	Munger	Richter	Vanasek
Carlson, L.	Haukoos	Murphy	Riveness	Waltman
Clausnitzer	Heap	Nelson, D.	Rose	Welle
Cohen	Himle	Neuenschwander	Schafer	Wenzel
Dempsey	Jacobs	Olsen, S.	Scheid	Zaffke
DenOuden	Jaros	Olson, E.	Schoenfeld	Spk. Jennings, D.

Those who voted in the negative were:

Brandl	Long	Osthoff	Segal	Vellenga
Kahn	Metzen	Pappas	Solberg	Wynia
Krueger	O'Connor	Piper		

The motion prevailed and the amendment was adopted.

Skoglund, Quist, Zaffke, Kahn, Long and Nelson, D., moved to amend S. F. No. 472, as amended, as follows:

Page 17, line 20, after "PACKAGES" insert "*PROHIBITED*"

Page 17, lines 21 to 35, delete the new language and strike the old language

Page 17, line 36, strike everything before the period and insert *"distribution of free sample packages of cigarettes and other tobacco products through any means is prohibited when conducted as part of a trade or business by a manufacturer or distributor of cigarettes and other tobacco products. Each violation of this subdivision is a misdemeanor"*

Page 23, after line 25, insert:

"Sec. 26. [609.6851] [DISTRIBUTION OF FREE SAMPLE PACKAGES PROHIBITED.]

The distribution of free sample packages of cigarettes and other tobacco products through any means is prohibited when conducted by any person as part of a trade or business for purposes of promotion. Each violation of this section is a misdemeanor."

Page 23, line 26, delete "26" and insert "27"

Page 23, line 30, delete "27" and insert "28"

Page 23, line 31, delete "26" and insert "27"

Page 23, line 33, before "25" insert "18, 20 to"

Page 23, line 33, delete "26" and insert "27"

Page 23, line 34, after the period, insert *"Sections 19 and 26 are effective August 1, 1985."*

Amend the title as follows:

Page 1, delete line 8

Page 1, line 9, delete "containing 25 cigarettes" and insert "prohibiting distribution of free sample packages of cigarettes and other tobacco products"

Page 1, line 18, after "provisions;" insert "imposing a penalty;"

Page 1, line 29, delete "chapter" and insert "chapters"

Page 1, line 29, after "273" insert "and 609"

The question was taken on the Skoglund et al., amendment and the roll was called. There were 63 yeas and 54 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Elioff	Lieder	Pauly	Sparby
Battaglia	Erickson	Long	Peterson	Stanius
Beard	Fjoslien	McLaughlin	Piper	Staten
Begich	Greenfield	Minne	Price	Sviggum
Bennett	Gruenes	Murphy	Quist	Tjornhom
Brandl	Gutknecht	Nelson, D.	Rees	Tomlinson
Brown	Hartinger	Neuenschwander	Rest	Vanasek
Carlson, D.	Jaros	Norton	Riveness	Vellenga
Carlson, L.	Kahn	Olsen, S.	Scheid	Voss
Clark	Kelly	Olson, E.	Schoenfeld	Welle
Cohen	Kiffmeyer	Onnen	Segal	Wynia
Dimler	Knuth	Otis	Simoneau	
Dyke	Krueger	Pappas	Skoglund	

Those who voted in the negative were:

Anderson, R.	Frerichs	McEachern	Poppenhagen	Thorson
Backlund	Hartle	McKasy	Rice	Tompkins
Becklin	Haukoos	McPherson	Richter	Tunheim
Blatz	Heap	Metzen	Rose	Uphus
Boerboom	Himle	Miller	Sarna	Valan
Brinkman	Jacobs	Munger	Schafer	Valento
Burger	Jennings, L.	O'Connor	Schreiber	Waltman
Carlson, J.	Johnson	Ogren	Seaberg	Wenzel
Dempsey	Kalis	Omann	Shaver	Zaffke
Frederick	Kostohryz	Osthoff	Solberg	Spk. Jennings, D.
Frederickson	Levi	Piepho	Thiede	

The motion prevailed and the amendment was adopted.

Rice moved to amend H. F. No. 755, the first engrossment, as amended, as follows:

Page 1, line 18, after the period insert: "*A rule which allows the use of pulmonary hemostatic agents or nonsteroided anti-inflammatory drugs must require that the class B licensee post or publish on each racing day, in such a manner as to make the information readily available to wagerers at the track, the name of each horse which has been treated with either of these substances within 48 hours of the race in which that horse is entered.*"

The question was taken on the Rice amendment and the roll was called. There were 24 yeas and 79 nays as follows:

Those who voted in the affirmative were:

Clark	Kostohryz	Norton	Simoneau	Vellenga
Cohen	Long	Pappas	Skoglund	Voss
Gutknecht	McLaughlin	Peterson	Staten	Wenzel
Kelly	Minne	Rice	Tomlinson	Wynia
Knuth	Munger	Sarna	Vanasek	

Those who voted in the negative were:

Anderson, G.	Beard	Bennett	Boo	Burger
Backlund	Becklin	Blatz	Brinkman	Carlson, D.
Battaglia	Begich	Boerboom	Brown	Carlson, J.

Carlson, L.	Hartinger	Marsh	Poppenhagen	Thiede
Clausnitzer	Hartle	McDonald	Quist	Thorson
Dempsey	Haukoos	McEachern	Redalen	Tjornhom
Dyke	Heap	McKasy	Rees	Tompkins
Elioff	Himle	McPherson	Richter	Tunheim
Erickson	Jacobs	Metzen	Riveness	Uphus
Fjoslien	Johnson	Olsen, S.	Rose	Valan
Frederick	Kahn	Olsen, E.	Schafer	Valento
Frederickson	Kalis	Omann	Schreiber	Waltman
Frerichs	Kiffmeyer	Onnen	Seaberg	Welle
Greenfield	Krueger	Ozment	Sparby	Zaffke
Gruenes	Kvam	Pauly	Stanisus	Spk. Jennings, D.
Halberg	Lieder	Piepho	Sviggunn	

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

The question was taken on the motion to recommend passage of H. F. No. 755, the first engrossment, as amended, and the roll was called. There were 101 yeas and 20 nays as follows :

Those who voted in the affirmative were :

Anderson, G.	Frederick	Lieder	Peterson	Sparby
Backlund	Frederickson	Marsh	Piepho	Stanisus
Beard	Frerichs	McDonald	Poppenhagen	Staten
Becklin	Greenfield	McEachern	Price	Sviggunn
Begich	Gruenes	McKasy	Quinn	Thiede
Bennett	Gutknecht	McLaughlin	Quist	Thorson
Bishop	Halberg	McPherson	Redalen	Tjornhom
Blatz	Hartinger	Metzen	Rees	Tompkins
Boerboom	Hartle	Miller	Rest	Tunheim
Boo	Haukoos	Minne	Richter	Uphus
Brinkman	Heap	Murphy	Riveness	Valan
Burger	Himle	Neuenschwander	Rose	Valento
Carlson, D.	Jacobs	Norton	Sarna	Vanasek
Carlson, J.	Johnson	O'Connor	Schafer	Waltman
Carlson, L.	Kahn	Olsen, S.	Scheid	Wenzel
Clausnitzer	Kalis	Olsen, E.	Schoenfeld	Zaffke
Dempsey	Kiffmeyer	Omann	Schreiber	Spk. Jennings, D.
Dyke	Knuth	Osthoff	Seaberg	
Elioff	Krueger	Otis	Shaver	
Erickson	Kvam	Ozment	Sherman	
Fjoslien	Levi	Pauly	Simoneau	

Those who voted in the negative were :

Anderson, R.	Cohen	Jaros	Long	Tomlinson
Battaglia	DenOuden	Jennings, L.	Nelson, D.	Voss
Brandl	Dimler	Kelty	Rice	Welle
Clark	Forsythe	Kostohryz	Skoglund	Wynia

The motion prevailed.

Brinkman moved to amend H. F. No. 255, as follows :

Page 1, line 10, before "Every" insert "*Subdivision 1.* [ACTION.]"

Page 2, after line 4, insert :

"Subd. 2. [RECOVERY OF COSTS AND FEES.] If a person who brings an action under subdivision 1 is not the prevailing party, the court shall award the prevailing party costs, disbursements, reasonable attorney fees, and witness fees."

The question was taken on the Brinkman amendment and the roll was called. There were 84 yeas and 31 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Fjoslien	Kvam	Piepho	Stanius
Anderson, R.	Frederick	Levi	Piper	Sviggum
Backlund	Frederickson	Marsh	Poppenhagen	Thiede
Battaglia	Frerichs	McDonald	Quist	Thorson
Beard	Gutknecht	McEachern	Redalen	Tjornhom
Blatz	Hartinger	Metzen	Rees	Tompkins
Boo	Hartle	Miller	Rest	Tunheim
Brinkman	Haukoos	Minne	Richter	Uphus
Brown	Himle	Murphy	Riveness	Valan
Burger	Jacobs	Neuenschwander	Sarna	Valento
Carlson, J.	Jaros	O'Connor	Schafer	Voss
Carlson, L.	Jennings, L.	Olson, E.	Schoenfeld	Waltman
Clausnitzer	Johnson	Omann	Shaver	Welle
DenOuden	Kalis	Osthoff	Sherman	Wenzel
Dimler	Kiffmeyer	Ozment	Simoneau	Zaffke
Dyke	Kostohryz	Pappas	Solberg	Spk. Jennings, D.
Elioff	Krueger	Peterson	Sparby	

Those who voted in the negative were:

Becklin	Forsythe	McKasy	Quinn	Tomlinson
Begich	Greenfield	McLaughlin	Rice	Vellenga
Bennett	Gruenes	McPherson	Schreiber	Wynia
Clark	Halberg	Nelson, D.	Seaberg	
Cohen	Kahn	Norton	Segal	
Dempsey	Kelly	Onnen	Skoglund	
Erickson	Long	Otis	Staten	

The motion prevailed and the amendment was adopted.

The question was taken on the motion to recommend passage of H. F. No. 255, as amended, and the roll was called. There were 96 yeas and 28 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Carlson, J.	Gutknecht	Levi	Osthoff
Anderson, R.	Carlson, L.	Hartinger	Marsh	Ozment
Backlund	Clausnitzer	Hartle	McDonald	Pappas
Battaglia	Dempsey	Haukoos	McEachern	Pauly
Beard	DenOuden	Himle	McKasy	Peterson
Becklin	Dimler	Jacobs	McPherson	Piepho
Begich	Dyke	Jennings, L.	Metzen	Poppenhagen
Bennett	Elioff	Johnson	Miller	Quist
Boerboom	Fjoslien	Kalis	Minne	Redalen
Boo	Forsythe	Kiffmeyer	Murphy	Rees
Brinkman	Frederick	Knuth	Neuenschwander	Rest
Brown	Frederickson	Kostohryz	O'Connor	Richter
Burger	Frerichs	Krueger	Olson, E.	Riveness
Carlson, D.	Gruenes	Kvam	Omann	Rose

Sarna	Shaver	Stanis	Tunheim	Waltman
Schafer	Sherman	Sviggum	Uphus	Welle
Scheid	Simoneau	Thiede	Valan	Wenzel
Schoenfeld	Solberg	Thorson	Valento	Zaffke
Schreiber	Sparby	Tompkins	Vanasek	Spk. Jennings, D.
Seaberg				

Those who voted in the negative were:

Bishop	Greenfield	McLaughlin	Quinn	Tomlinson
Blatz	Halberg	Nelson, D.	Rice	Vellenga
Brandl	Jaros	Norton	Segal	Voss
Clark	Kahn	Onnen	Skoglund	Wynia
Cohen	Kelly	Otis	Staten	
Erickson	Long	Piper	Tjornhom	

The motion prevailed.

MOTIONS AND RESOLUTIONS

Jacobs moved that the name of Uphus be added as an author on H. F. No. 342. The motion prevailed.

Halberg moved that the name of Schoenfeld be added as chief author on H. F. No. 568. The motion prevailed.

Olson, E., moved that the name of Fjoslien be added as an author on H. F. No. 967. The motion prevailed.

Krueger moved that the names of Uphus and Anderson, R., be added as authors on H. F. No. 1368. The motion prevailed.

Brandl moved that the names of Clark and Wynia be added as authors on H. F. No. 1517. The motion prevailed.

Jacobs moved that the name of Quinn be added as an author on H. F. No. 1525. The motion prevailed.

Riveness moved that the name of Clark be added as an author on H. F. No. 1541. The motion prevailed.

Fjoslien moved that H. F. No. 840 be recalled from the Committee on Health and Human Services and be re-referred to the Committee on Environment and Natural Resources. The motion prevailed.

Rose moved that H. F. No. 1005 be recalled from the Committee on Appropriations and be re-referred to the Committee on Environment and Natural Resources. The motion prevailed.

Rose moved that H. F. No. 1056 be recalled from the Committee on Transportation and be re-referred to the Committee on Environment and Natural Resources. The motion prevailed.

Dempsey moved that H. F. No. 1296 be recalled from the Committee on Governmental Operations and be re-referred to the Committee on Judiciary. The motion prevailed.

Solberg moved that H. F. No. 1551 be recalled from the Committee on Education and be re-referred to the Committee on Appropriations. The motion prevailed.

Johnson moved that S. F. No. 19 be recalled from the Committee on Transportation and together with H. F. No. 1180, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

Halberg moved that S. F. No. 374 be recalled from the Committee on Judiciary and together with H. F. No. 737, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

Halberg moved that H. F. No. 1382, now on General Orders be placed on the Consent Calendar. The motion prevailed.

House Resolution No. 20 was reported to the House.

HOUSE RESOLUTION NO. 20

A house resolution congratulating the Lakers boys basketball team from Glenwood High School for winning the consolation championship at the 1985 Class A Boys State High School Basketball Championship.

Whereas, high school athletic competition contributes to good citizenship by teaching high school students the principles of cooperation and fair play; and

Whereas, high school sports promote vigorous good health of the participants and lift the spirits of fans; and

Whereas, the Lakers from Glenwood High School participated in the Class A Boys State High School Basketball Tournament as one of just 16 teams from among the 486 teams that originally participated in the tournament; and

Whereas, every member of the Lakers contributed to an impressive effort to win the tournament; and

Whereas, the Lakers won the 1985 Region 3A Championship and the Class A State Consolation Championship; and

Whereas, the Lakers finished the year with an outstanding 26 and 1 win-loss record that is the best Class A record in Minnesota; and

Whereas, Glenwood High School's players and fans have exhibited outstanding sportsmanship, skill, and desire throughout the season; *Now, Therefore*,

Be It Resolved by the House of Representatives of the State of Minnesota that congratulations are extended to the Lakers of Glenwood High School on the accomplishments, talents, and determination of their boys basketball team and to the team's coach, and to the team's fans.

Be It Further Resolved that the Chief Clerk of the House of Representatives is directed to enroll a copy of this resolution, to be authenticated by his signature and that of the Speaker, and that it be presented to the principal of Glenwood High School.

Uphus moved that House Resolution No. 20 be now adopted. The motion prevailed and House Resolution No. 20 was adopted.

McEachern, Kahn and Rice introduced:

House Resolution No. 21, A house resolution congratulating the DeLaSalle boys basketball team upon its 1985 state championship.

The resolution was referred to the Committee on Education.

Carlson, L., and Rest introduced:

House Resolution No. 22, A house resolution congratulating Sgt. Arthur Hogenson of the New Hope Police Department for being selected 1984 Police Officer of the Year.

SUSPENSION OF RULES

Carlson, L., moved that the rules be so far suspended that House Resolution No. 22 be now considered and be placed upon its adoption. The motion prevailed.

HOUSE RESOLUTION NO. 22

A house resolution congratulating Sgt. Arthur Hogenson of the New Hope Police Department for being selected 1984 Police Officer of the Year.

Whereas, Sgt. Arthur Hogenson was appointed to the New Hope Police Department on August 31, 1970; and

Whereas, while serving as a patrol officer he initiated the Community Services Officer Program, the Crime Prevention Program, the Community Relations Program, the Crime Prevention Fund, and the Neighborhood Watch Program; and

Whereas, he assisted in the development of a foreign exchange program by which local and European police officers receive training in each others countries; and

Whereas, he has served as president or chairman of a large number of professional, community, and service organizations; and

Whereas, he helped to develop the Battered Women's Shelter and the Homeward Bound Shelter; and

Whereas, he has been selected by the Minnesota Chiefs of Police Association as the 1984 Police Officer of the Year; *Now, Therefore,*

Be It Resolved by the House of Representatives of the State of Minnesota that it congratulates Sgt. Arthur Hogenson not only for being selected Police Officer of the Year but for the accomplishments represented by that award.

Be It Further Resolved that the Chief Clerk of the House of Representatives is directed to prepare an enrolled copy of this resolution, to be authenticated by his signature and that of the Speaker, and present it to Sgt. Arthur Hogenson.

Carlson, L., moved that House Resolution No. 22 be now adopted. The motion prevailed and House Resolution No. 22 was adopted.

Redalen, Valan, Johnson, Sparby and Kalis introduced:

House Resolution No. 23, A house resolution stating the sense of the House of Representatives that adequate funding for the Soil Conservation Service and the Agricultural Stabilization and Conservation Service should be restored.

The resolution was referred to the Committee on Agriculture.

POINT OF ORDER

Osthoff raised a point of order pursuant to rule 1.7 relating to progressing bills on General Orders. The Speaker ruled the point of order not well taken.

PROTEST AND DISSENT

Pursuant to Article IV, Section 11 of the Minnesota Constitution, we herewith register our formal protest and dissent on behalf of the members of the House of Representatives, our constituents, and the people of Minnesota, all of whom are affected by

the actions which took place in the House Tax Committee on Thursday, April 11, 1985.

H. F. No. 450 was brought up in the Tax Committee in violation of the intent of House Rule 6.3 which states that "the chairman of each committee or subcommittee shall, as far as practicable, give three days' notice of any meeting." The rule further states that the notice *shall include* the agenda for the meeting.

The Chairman of the Tax Committee did willfully ignore the spirit and intent of the Rules of the House by placing on the committee agenda H. F. No. 450 without providing notice to the general public.

We further protest that, in the conduct of the Tax Committee meeting on April 11, 1985, there were several violations of provisions of "Mason's Manual of Legislative Procedure" "whose purpose is to ensure that every deliberative body be governed by rules of procedure in order that the will of a majority of its members may be determined and revealed in an orderly manner." Just as important, "Mason's Manual of Legislative Procedure" exists and is used to protect minorities from unfair treatment on the part of the majority.

Attempts were made in the course of the Tax Committee meeting by the majority to deny several fundamental rights of the members of the minority, including the following:

Section 120 of "Mason's Manual of Legislative Procedure." Equality of members in debate. "The rights and duties of members of a legislative body are derived from and founded upon the absolute equality of the members. Every member has the same right as any other member to present questions for consideration and has the same right to be heard." The Chairman and the majority members of the Tax Committee attempted to deny this basic right of equality to minority members of the committee.

Section 60 of "Mason's Manual of Legislative Procedure." The right to debate. "Before the members of any group can reach informed decisions it is necessary that they understand the subject upon which they are making a decision and the effect of any decisions they are making. To accomplish these purposes, *an opportunity is given for debate* on all questions of business to be decided. As an essential part of this free discussion, *every person must have a right to present his own views for the consideration of other members of the group*, to have the opportunity to persuade them to his way of thinking and to be able to listen to the arguments of others."

The majority attempted to deny this fundamental right of individual members in the Tax Committee on April 11, 1985, from

which breach of the honored and orderly legislative process we most vigorously protest and dissent.

Section 90 of "Mason's Manual of Legislative Procedure." The right to debate questions states that "it is a fundamental right of parliamentary practice given to all deliberative assemblies, that the opportunity to deliberate and, if possible, to convince their fellows in *the right of the minority*, which right they cannot be deprived of by the arbitrary will of the majority."

Section 80 of "Mason's Manual of Legislative Procedure." In talking about the purpose of debate states that "debate is one of the most fundamental characteristics of a legislative body." The majority also attempted to stifle debate, in violation of Section 130 and 132 of "Mason's Manual of Legislative Procedure", which states that "the right of members to debate and make motions cannot be cut off by the presiding officer by bringing a question up for a vote while there are still members wishing to speak."

What went on in the Tax Committee this morning was a travesty of the legislative process. What was the purpose of these actions by the majority? The chief author stated that one objective of her bill was to generate greater public awareness of child abuse. Why were members not informed that H. F. No. 450 was going to be taken up? Why was the public not notified of the hearing so that they could testify on the bill? Even the people most concerned about child abuse were not notified, and were not there to discuss how they felt about the method of funding in H. F. No. 450.

How can we, as members of the House, how can those in the news media, how can the general public have any confidence in committee schedules?

When we tried to represent those people who were not notified and could not be heard, when we tried to have discussion and debate on some of the points in contention, when we tried to better understand the ramifications of the bill, when we tried to offer amendments, the majority attempted to cut us off.

No member of this House can be proud of what took place in the Tax Committee on April 11, 1985.

Robert Vanasek
Fred Norton
Joe Begich
Gordon O. Voss
C. Thomas Osthoff
John Tomlinson
John E. Brandl

B. J. Brinkman
Wesley J. Skoglund
Joel Jacobs
Bob Neuenschwander
Linda Scheid
Lona Minne

ADJOURNMENT

Levi moved that when the House adjourns today it adjourn until 2:00 p.m., Monday, April 15, 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., Monday, April 15, 1985.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

