

STATE OF MINNESOTA

SEVENTY-FOURTH SESSION - 1986

SIXTY-NINTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, FEBRUARY 12, 1986

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 John Clay, St. Stanislaus Church, St. Paul, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Long, Schoenfeld and Sherman were excused.

Rodosovich was excused until 2:15 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Gruenes moved that further reading of the Journal be dis-

pensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1224, 1826, 1871, 1897, 1035, 1806, 1841 and 1773 have been placed in the members' files.

REPORTS OF STANDING COMMITTEES

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

H. F. No. 124, A bill for an act proposing an amendment to the Minnesota Constitution, adding a section to article VIII; providing for the recall of elected officials.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [LEGISLATIVE PURPOSE.]

The legislature finds that our government was formed as a republic because a government with limited power is preferred over a government with unlimited power, and that our state and federal constitutions are designed to give the balance of power to the people. The people, as a sovereign entity, have not delegated their authority away and therefore possess recall authority at the present time, and the people desire assurance that their elected officials recognize the people's power to remove them from office when the people determine that they have violated the oath of office. The legislature finds that the Minnesota Constitution is a directive from the people to their elected officials delegating to them only specific powers and duties. The legislature proposes to the people the constitutional amendment in sections 2 and 3 because it will clarify and further define the flow of power from the people of Minnesota to their government.

Sec. 2. [CONSTITUTIONAL AMENDMENT.]

An amendment to the Minnesota Constitution, adding a section to article VIII, is proposed to the people. If the amendment is adopted, the new section will read:

Sec. 6. An elective officer may be recalled by the eligible voters of the state, in the case of statewide offices, or of the electoral district from which the person was elected.

For statewide offices, recall may be initiated by a petition signed by eligible voters equal in number to at least 25 percent

of the vote cast in each congressional district in the last election for the office from which the person is to be recalled.

For offices which are filled by voters in more than one county, recall may be initiated by a petition signed by eligible voters equal in number to at least 25 percent of the vote cast in each of the counties in the most recent election for the office from which the person is to be recalled.

For offices which are filled by voters in only one county or in a portion of a county, recall may be initiated by a petition signed by eligible voters equal in number to at least 25 percent of the vote cast in each of the various geographical areas of the electoral district in the most recent election for the office from which the person is to be recalled. The legislature shall provide by law for a comparable geographical distribution of petitioners to that in statewide or multi-county offices.

A special election shall be held for the office of a person against whom a petition has been filed, and that person shall be a candidate in the special election unless he chooses to resign. After one petition for recall and special election, no further recall petition shall be filed against the same person during the term for which he was elected.

The legislature shall provide by law for administration and enforcement of this section. This section expires January 1, 1991.

Sec. 3. [QUESTION.]

The proposed amendment shall be submitted at the 1986 general election. The question submitted shall be:

"Shall the Minnesota Constitution be amended to allow for the recall of elective officers by petition and special election?"

Yes

No " "

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

The report was adopted.

Redalen from the Committee on Regulated Industries and Energy to which was referred:

H. F. No. 1185, A bill for an act relating to transportation; advertising devices; authorizing advertising on certain telephone

booths; amending Minnesota Statutes 1984, section 160.27, subdivision 3.

Reported the same back with the following amendments:

Page 1, line 19, after "*city*" delete the new language up to the period

With the recommendation that when so amended the bill pass.

The report was adopted.

Redalen from the Committee on Regulated Industries and Energy to which was referred:

H. F. No. 1664, A bill for an act relating to local government; regulating contracts for the purchase of fuel by a municipality required for generation of municipal power; amending Minnesota Statutes 1984, section 471.345, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 14, delete "*municipal*" and after "*power*" insert "*from municipal power plants*"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1847, A bill for an act relating to unemployment compensation; altering the public policy statement; changing the taxable wage base; defining credit week; providing for employer charging; increasing the eligibility requirement; eliminating certain tax rate limitations; changing the weekly benefit amount; setting the maximum weekly benefit; providing for the duration of benefits; increasing the duration of benefits for claimants in counties with high unemployment; providing for seasonal employees; making the waiting week nonreimbursable; amending the benefit offset for severance pay; increasing the period of time and earnings necessary for requalification after disqualification; changing the definition of suitable work; transferring duties to the office of administrative hearings; amending Minnesota Statutes 1984, sections 14.03, subdivision 2; 14.53; 43A.18, subdivision 4; 179A.10, subdivision 1; 268.03; 268.04, subdivisions 25 and 29; 268.06, subdivisions 5, 8, 18, 19, and 20; 268.07, subdivisions 2 and 2a; 268.08, subdivision 3; 268.09, subdivisions 1 and 2; 268.10, subdivisions 2, 3, 4, 5, 6,

and 9; 268.12, subdivisions 8, 9, 10, and 13; and 268.18, subdivisions 1 and 2; Minnesota Statutes 1985 Supplement, sections 14.48; 14.51; 268.08, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1984, section 268.04, subdivision 30.

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. 1869, A bill for an act relating to local government units; authorizing the privatization of facilities for the treatment of wastewater and the furnishing of water; amending Minnesota Statutes 1984, section 474.02, by adding a subdivision; Minnesota Statutes 1985 Supplement, section 297A.25, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 471A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1985 Supplement, section 297A.25, subdivision 1, is amended to read:

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

(a) the gross receipts from the sale of food products including but not limited to cereal and cereal products, butter, cheese, milk and milk products, oleomargarine, meat and meat products, fish and fish products, eggs and egg products, vegetables and vegetable products, fruit and fruit products, spices and salt, sugar and sugar products, coffee and coffee substitutes, tea, cocoa and cocoa products, and food products which are not taxable pursuant to section 297A.01, subdivision 3, clause (c). This exemption does not include the following:

(i) candy and candy products, except when sold for fundraising purposes by a nonprofit organization that provides educational and social activities for young people primarily aged 18 and under;

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

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

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

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

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

(f) the gross receipts from the sale of and storage, use or consumption of petroleum products (i) upon which a tax has been imposed under the provisions of chapter 296, whether or not any

part of said tax may be subsequently refunded, or (ii) which are used in the improvement of agricultural land by constructing, maintaining, and repairing drainage ditches, tile drainage systems, grass waterways, water impoundment, and other erosion control structures;

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

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

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

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

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

(h) the gross receipts from the sale of and the storage, use, or consumption of all materials, including chemicals, fuels, petroleum products, lubricants, packaging materials, including returnable containers used in packaging food and beverage products, feeds, seeds, fertilizers, electricity, gas and steam, used or consumed in agricultural or industrial production of personal property intended to be sold ultimately at retail, whether or not the item so used becomes an ingredient or constituent part of the property produced. Chemicals used for cleaning food processing machinery and equipment are included in this exemption. Such production shall include, but is not limited to, research, development, design or production of any tangible personal property, manufacturing, processing (other than by restaurants and consumers) of agricultural products whether vegetable or animal, commercial fishing, refining, smelting, reducing, brewing, distilling, printing, mining, quarrying, lumbering, generating electricity and the production of road building materials. Such production shall not include painting, cleaning, repairing or sim-

ilar processing of property except as part of the original manufacturing process. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures, used in such production and fuel, electricity, gas or steam used for space heating or lighting, are not included within this exemption; however, accessory tools, equipment and other short lived items, which are separate detachable units used in producing a direct effect upon the product, where such items have an ordinary useful life of less than 12 months, are included within the exemption provided herein. Electricity used to make snow for outdoor use for ski hills, ski slopes, or ski trails is included in this exemption;

(i) the gross receipts from the sale of and storage, use or other consumption in Minnesota of tangible personal property (except as provided in section 297A.14) which is used or consumed in producing any publication regularly issued at average intervals not exceeding three months, and any such publication. For purposes of this subsection, "publication" as used herein shall include, without limiting the foregoing, a legal newspaper as defined by Minnesota Statutes 1965, section 331.02, and any supplements or enclosures with or part of said newspaper; and the gross receipts of any advertising contained therein or therewith shall be exempt. For this purpose, advertising in any such publication shall be deemed to be a service and not tangible personal property, and persons or their agents who publish or sell such newspapers shall be deemed to be engaging in a service with respect to gross receipts realized from such newsgathering or publishing activities by them, including the sale of advertising. The term "publication" shall not include magazines and periodicals sold over the counter. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures used in such publication and fuel, electricity, gas or steam used for space heating or lighting, are not exempt;

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

(k) the gross receipts from the isolated or occasional sale of tangible personal property in Minnesota not made in the normal course of business of selling that kind of property, and the storage, use, or consumption of property acquired as a result of such a sale. For purposes of this clause, sales by a nonprofit organization shall be deemed to be "isolated or occasional" if they occur at sale events that have a duration of three or fewer consecutive days. The granting of the privilege of admission to places of amusement and the privilege of use of amusement devices by a nonprofit organization at an isolated or occasional event conducted on property owned or leased for a continuous period of more than 30 days by the nonprofit organization are also exempt. The exemption provided for isolated sales of tangible personal property and of the granting of admissions or the privilege of use of amusement devices by nonprofit organizations pursuant to this clause shall be available only if the sum of the days on which the organization and any subsidiary nonprofit organization sponsored by it that does not have a separate sales tax exemption permit conduct sales of tangible personal property, plus the days with respect to which the organization charges for the use of amusement devices or admission to places of amusement, does not exceed eight days in a calendar year. For purposes of this clause, a "nonprofit organization" means any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes, no part of the net earnings of which inures to the benefit of a private individual;

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

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

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

(o) the gross receipts from the sale of tangible personal property to, and the storage, use or other consumption of such

property by, any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious or educational purposes if the property purchased is to be used in the performance of charitable, religious or educational functions, or any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders. Sales exempted by this clause include sales pursuant to section 297A.01, subdivision 3, clauses (d) and (f). This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities;

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

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

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

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

(t) the gross receipts from the sale of textbooks which are prescribed for use in conjunction with a course of study in a public or private school, college, university and business or trade school to students who are regularly enrolled at such institutions. For purposes of this clause a "public school" is defined as one that furnishes course of study, enrollment and staff that meets

standards of the state board of education and a private school is one which under the standards of the state board of education, provides an education substantially equivalent to that furnished at a public school. Business and trade schools shall mean such schools licensed pursuant to section 141.25;

(u) the gross receipts from the sale of and the storage of material designed to advertise and promote the sale of merchandise or services, which material is purchased and stored for the purpose of subsequently shipping or otherwise transferring outside the state by the purchaser for use thereafter solely outside the state of Minnesota. Mailing and reply envelopes and cards used exclusively in connection with the advertising and promotional materials are included in this exemption;

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

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

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

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

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

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

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

(ii) the tangible personal property which is sold to or stored, used or consumed by the organization or auxiliary unit is for

charitable, civic, educational, or nonprofit uses and not for social, recreational, pleasure or profit uses;

(y) the gross receipts from the sale of sanitary napkins, tampons, or similar items used for feminine hygiene;

(z) the gross receipts from the sale of a manufactured home, as defined in section 327.31, subdivision 6, to be used by the purchaser for residential purposes, unless the sale is the first retail sale of the manufactured home in this state;

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

(bb) the gross receipts from the sale of repair and replacement parts, except tires, used for maintenance or repair of farm machinery, if the part replaces a farm machinery part assigned a specific or generic part number by the manufacturer of the farm machinery;

(cc) the gross receipts from sales of tickets or admissions to regular season school games, events, and activities. For purposes of this clause, "school" has the meaning given it in section 120.10, subdivision 2;

(dd) *the gross proceeds from the sale of tangible personal property to a private vendor for the purposes of constructing or maintaining related facilities, both as defined in section 3.*

Sec. 2. [471A.01] [PUBLIC PURPOSE FINDINGS.]

The legislature finds that the privatization of facilities for the prevention, control, and abatement of water pollution, and the furnishing of water provides municipalities an opportunity under appropriate circumstances to provide those capital intensive public services in a manner that will speed construction and is less costly and more efficient than the furnishing of those services through facilities exclusively owned and operated by municipalities. The legislature further finds that existing law creates unnecessary and costly obstacles to the privatization of those capital intensive public services and that a comprehensive act is required to permit municipalities to enter into appropriate contractual arrangements with private parties to facilitate the privatization of those capital intensive public services.

Sec. 3. [471A.02] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 2 to 13.

Subd. 2. [ADMINISTRATOR.] "*Administrator*" means the pollution control agency or any other agency, instrumentality, or political subdivision of the state responsible for administering the loan or grant program described in section 8.

Subd. 3. [CAPITAL COST COMPONENT.] "*Capital cost component*" means that part of the service fee that the municipality determines is intended to reimburse the private vendor for the capital cost, including debt service expense, of the related facilities.

Subd. 4. [CAPITAL COST COMPONENT GRANT.] "*Capital cost component grant*" means any grant made to the municipality by the pollution control agency over a term of at least ten years to pay or reimburse the municipality for the payment of all or part of the capital cost component of the service fee.

Subd. 5. [CAPITAL COST COMPONENT LOAN.] "*Capital cost component loan*" means any loan made to the municipality by the pollution control agency over a term of at least ten years to pay or reimburse the municipality for the payment of all or part of the capital cost component of the service fee.

Subd. 6. [CAPITAL INTENSIVE PUBLIC SERVICES.] "*Capital intensive public services*" means the prevention, control, and abatement of water pollution and the furnishing of water. Capital intensive public services may be limited to the acquisition, construction, and ownership by the private vendor of related facilities.

Subd. 7. [CONTROLLING INTEREST.] "*Controlling interest*" means either (1) the power, by ownership interest, contract, or otherwise, to direct the management of the private vendor or to designate or elect at least a majority of the private vendor's governing body or board, or (2) having more than a 50 percent ownership interest in the private vendor.

Subd. 8. [MUNICIPALITY.] "*Municipality*" means a home rule charter or statutory city, county, sanitary district, or other governmental subdivision or public corporation, including the metropolitan council and the metropolitan waste control commission.

Subd. 9. [PERMITTED OBLIGATION.] "*Permitted obligation*" means the obligation of the municipality under the service contract to pay a service fee or perform any other obligation under the service contract except an obligation to pay, in a future fiscal year of the municipality from a revenue source other than funds on hand, a stated amount of money for money borrowed or for related facilities purchased by the municipality under the service contract.

Subd. 10. [PRIVATE VENDOR.] "Private vendor" means one or more persons who are not a municipality and in which no governmental entity or group of governmental entities has a controlling interest.

Subd. 11. [RELATED FACILITIES.] "Related facilities" means all real and personal property used by the private vendor in furnishing capital intensive public services, excluding any product of the related facilities, such as drinking water, furnished under the service contract.

Subd. 12. [SERVICE CONTRACT.] "Service contract" means any agreement or agreements between a municipality and a private vendor under which:

(1) the private vendor agrees to furnish to the municipality or any other user capital intensive public services in accordance with performance standards set forth in the agreement or agreements and the municipality agrees to pay or cause to be paid to the private vendor a service fee for the services, and

(2) other covenants incident to clause (1) are made.

Subd. 13. [SERVICE FEE.] "Service fee" means the payments the municipality is required under the service contract to make, or cause to be made, to the private vendor, including payments made by third parties to the private vendor for products or services and credited against payments the municipality would otherwise have to make, or cause to be made, under the service contract.

Subd. 14. [USEFUL LIFE OF THE RELATED FACILITIES.] "Useful life of the related facilities" means the economic useful life of the related facilities as determined by the municipality.

Subd. 15. [UNRESTRICTED FUNDS.] "Unrestricted funds" means any funds other than funds granted to the state or administrator by the federal government or any agency of the federal government and unavailable under federal law for the purposes set forth in section 8.

Subd. 16. [USER.] "User" means the municipality and all other persons which use the capital intensive public services furnished by the private vendor.

Sec. 4. [471A.03] [BASIC AUTHORIZATION AND RELATED POWERS.]

Subdivision 1. [BASIC AUTHORIZATION.] A municipality may contract with a private vendor to furnish in accordance

with a service contract any capital intensive public services the municipality is authorized by law to furnish, and for that purpose a municipality may exercise any and all of the powers provided in this section.

Subd. 2. [SERVICE CONTRACT.] Subject to the provisions of section 10, a municipality may enter into a service contract for a term of not more than 30 years. However, the service contract may permit the municipality to either extend or renew the term of the service contract so long as the municipality is not bound under the service contract for an extended or renewal period of more than 30 years. Under the service contract the municipality may, under terms and conditions agreed to by the municipality and the private vendor:

(1) obligate itself to pay or cause to be paid a service fee for the availability and use of the capital intensive public services to be furnished under the service contract;

(2) enter into other obligations the municipality considers appropriate that are not otherwise contrary to law; and

(3) either pledge its full faith and credit or obligate a specific source of payment for the payment of the service fee and the performance of other obligations under the service contract and the payment of damages for failure to perform the obligations.

The obligation of the municipality to pay the service fee and perform any other permitted obligations under the service contract are not considered a debt within the meaning of any statutory or charter provision, and no election is required as a precondition to the municipality entering into any permitted obligation or undertaking a project under a service contract.

Subd. 3. [PROCUREMENT PROCEDURES.] The municipality may agree under the service contract that the private vendor will acquire and construct any and all related facilities without compliance with any competitive bidding requirements, provided (1) the municipality, or municipalities if the related facilities furnish capital intensive public services to more than one municipality, has in the aggregate either no or no more than a 50 percent ownership interest in the related facilities, and (2) the municipality enters into the service contract only after requesting from two or more private vendors proposals for the furnishing of the capital intensive public services, under terms and conditions the municipality determines to be fair and reasonable. After making the request and receiving any proposals in response to the request, the municipality may negotiate the service contract with any private vendor.

Subd. 4. [SOURCES OF PAYMENT.] For the payment of a service fee or other monetary obligation under an existing service contract or in anticipation of need under a future service contract, the municipality may:

(1) levy property taxes, impose rates and charges, levy special assessments, and exercise any other revenue producing authority granted to it and apply public funds for the payment of the service fee and any other monetary obligations under the service contract in the same manner, and subject to the same conditions and limitations, except as provided in section 5, that would apply if the related facilities were acquired, constructed, owned, and operated exclusively by the municipality; and

(2) establish by ordinance, revise when considered advisable, and collect just and reasonable rates and charges for the capital intensive public services provided under the service contract. The ordinance may obligate the owners, lessees, or occupants of property, or any or all of them, to pay charges for the capital intensive public services available for their properties and may obligate the user of a related facility to pay a reasonable charge for the use of the related facility. Rates and charges may take into account the character, kind, and quality of the capital intensive public service and all other factors that enter into the cost of the capital intensive public service, including but not limited to the service fee payable with respect to it, depreciation, and payment of principal and interest on money borrowed for the acquisition or betterment of related facilities. The rates and charges may be billed and collected in a manner the municipality shall determine. On or before October 15 in each year, the municipality shall certify to the county auditor all unpaid outstanding charges for services provided under the service contract and a statement of the description of the lands against which the charges arose. It is the duty of the county auditor, upon order of the governing body of the municipality, to extend the rates and charges with interest as provided for by ordinance upon the tax rolls of the county for the taxes of the year in which the rate or charge is filed. For each year ending October 15 the rates and charges with interest shall be carried into the tax becoming due and payable in January of the following year, and shall be enforced and collected in the manner provided for the enforcement and collection of real property taxes in accordance with the provisions of the laws of the state. The rates and charges, if not paid, shall become delinquent and be subject to the same penalties and the same rate of interest as the taxes under the general laws of the state. All rates and charges shall be uniform in their application to use and service of the same character or quantity. A public hearing on the proposed ordinance shall be held prior to the meeting at which it is to be considered by the governing body of the municipality and after notice of the hearing has been published in the official newspaper of the municipality not less than ten days prior to the hearing. The notice shall state the subject matter and the general purpose of the proposed ordinance.

Subd. 5. [SALE OR LEASE OF EXISTING FACILITIES.] *For purposes of carrying out the service contract, the municipality may, without compliance with any competitive bidding requirement, sell or lease to the private vendor or any other municipality on terms and conditions as the municipality considers appropriate any existing related facilities, including land, owned by the municipality. If the facilities are sold to a private vendor, the municipality may provide that title to the facilities reverts to the municipality if the private vendor defaults under any specified provisions in the service contract. The municipality may reacquire any existing facilities it leases or sells to the private vendor and terminate the service contract in accordance with its terms notwithstanding that the service contract may constitute an equitable mortgage. No lease of existing facilities by the municipality to the private vendor is subject to the provisions of section 504.02, unless expressly so provided in the service contract.*

Subd. 6. [INTEREST IN THE RELATED FACILITIES.] *The municipality may retain or acquire, on terms and conditions it considers appropriate, a present or future interest in all or part of the related facilities and grant a mortgage or security interest in its interest in the related facilities.*

Subd. 7. [INTEREST IN THE PRIVATE VENDOR.] *The municipality may, on terms and conditions it considers appropriate, acquire an interest in the private vendor, whether as a joint venturer, stockholder, partner, or otherwise and grant a security interest in its interest in the private vendor. However, no municipality or group of municipalities may have a controlling interest in the private vendor.*

Subd. 8. [USE OF BOND PROCEEDS.] *The municipality may issue bonds and other obligations and apply their proceeds toward the payment of the costs of the related facilities in the same manner and subject to the same conditions and limitations that would apply if the related facilities were acquired, constructed, owned, and operated exclusively by the municipality and for these purposes, related facilities shall be considered to be a project within the meaning of section 474.02, subdivision 1a.*

Subd. 9. [REQUIRED PUBLIC USE.] *The municipality may agree, subject to any applicable state statutory requirements as to designated use of the related facilities, that the sole and exclusive right to provide the capital intensive public services within its jurisdiction be assumed by the private vendor under the service contract and may require that any and all members of the public within its jurisdiction use the services provided under the service contract in the same manner and subject to the same limitations and conditions that would apply if the related facilities were acquired, constructed, owned, and operated exclusively by the municipality.*

Subd. 10. [CONDEMNATION POWERS.] The municipality may exercise the right of eminent domain in the manner provided by chapter 117, for the purpose of acquiring for itself or the private vendor any and all related facilities. If the related facilities are acquired for the private vendor, the service contract shall be for a term of at least five years.

Subd. 11. [CONTRACTOR'S BOND AND MECHANICS' LIENS.] The municipality may waive or require the furnishing of a contractor's payment and performance bond of the kind described in section 574.26 in connection with the installation and construction of any related facilities. If the bond is required, the provisions of chapter 514 relating to liens for labor and materials are not applicable with respect to work done or labor or materials supplied for the related facilities. If the bond is waived, the provisions of chapter 514 apply with respect to work done or labor or materials supplied for the related facilities.

Sec. 5. [471A.04] [LEVY LIMITS.]

For purposes of applying sections 275.50 to 275.56, any property taxes levied for the payment of the service fee shall be treated as a special levy under the provisions of section 275.50, to the same extent and subject to the same limitations that would apply if the capital cost component of the service fee represented principal and interest payments on bonded indebtedness of the municipality within the meaning of section 275.50, subdivision 5, clause (e), and if the balance of the service fee represented operation and maintenance expenses for related facilities owned and operated exclusively by the municipality. The provisions of section 275.11 and any levy limits imposed by home rule charter do not apply to taxes levied to pay the service fee.

Sec. 6. [471A.05] [EXEMPTION FROM PROPERTY TAXES AND SALES TAXES.]

If the service contract provides that property taxes or sales taxes imposed with respect to the related facilities are to be included in the service fee as pass-through costs, the municipality may cause the related facilities to be exempt from either or both property or sales taxes. The municipality may exempt related facilities from property taxes by filing a certificate of exemption with the commissioner of revenue and any local government agency responsible for collecting property taxes. The municipality may exempt related facilities from sales taxes by issuing a certificate to the private vendor in substantially the same form as a certificate issued to a political subdivision of the state under sections 297A.09 to 297A.121. The certificates shall specify the tax the facility is exempt from, the facilities that are to be exempt from the tax, and the period during which the exemption is to be effective. The exemption shall only be effective during the term of the service contract from and after the date of filing the certificate in the case of property

taxes and from and after the date of issuance of the certificate in the case of sales taxes. The exemption is not effective with respect to any property taxes levied or imposed but not collected prior to the date of filing the certificate.

Sec. 7. [471A.06] [JOINT POWERS AGREEMENT.]

Two or more municipalities may enter into joint powers agreements they consider appropriate under the provisions of section 471.59 for purposes of exercising the powers granted in sections 2 to 13.

Sec. 8. [471A.07] [STATE GRANTS AND LOANS.]

On or before January 1, 1987, the pollution control agency shall submit to the legislature proposed legislation and draft implementing regulations providing for (1) the use by the administrator of unrestricted funds to provide grants and loans for related facilities that constitute wastewater treatment facilities as defined by section 115.71, subdivision 8, and (2) the use of such funding as a means of speeding construction of wastewater treatment facilities and better targeting scarce unrestricted funds to help finance wastewater treatment facilities (including reimbursement of municipalities for a portion of the capital cost component in service contracts under capital cost component loans and capital cost component grants).

Sec. 9. [471A.08] [HEARING.]

Subdivision 1. [PUBLIC HEARING REQUIRED.] Except as provided in subdivision 2, a municipality shall, before entering into a service contract under sections 2 to 13, conduct a public hearing on the proposal to provide specified capital intensive public services under sections 2 to 13. The hearing may be conducted either before or after the date on which any request for proposals is made under section 4, subdivision 3, clause (2). A notice of the hearing shall be published in the local official newspaper of the municipality no less than 15 and no more than 45 days prior to the date set for hearing and shall describe the general nature of the proposal. Any written information developed for the proposal prior to the hearing shall be available to the public for inspection prior to the hearing. The hearing on the proposal shall be sufficient even though the site of the related facilities, the name of the private vendor, and the specific structure of the contractual arrangements with the private vendor are not known at the time of the hearing.

Subd. 2. [EXISTING CONTRACTS.] A municipality that entered into a service contract prior to the effective date of sections 2 to 13 may exercise any of the powers authorized by those sections without complying with subdivision 1.

Sec. 10. [471A.09] [INVESTMENT OF FUNDS.]

Any sums paid to the private vendor under the service contract are not considered public funds and may be invested in any securities in which the private vendor is authorized by law to invest.

Sec. 11. [471A.10] [PUBLIC EMPLOYEE LAWS.]

Unless expressly provided therein, no state law, charter provision, or ordinance of a municipality relating to public employees shall apply to a person solely by reason of that person's employment by a private vendor in connection with services rendered under a service contract.

Sec. 12. [471A.11] [REGULATION OF RATES AND CHARGES AND PUBLIC UTILITY LAWS.]

A municipality may regulate by ordinance, contract, or otherwise the rates and charges imposed by the private vendor with respect to any capital intensive public services provided to the public under the service contract. Whether or not the imposition of such rates and charges is so regulated, no capital intensive public services provided under the service contract are subject to regulation under the provisions of chapter 216B, unless the municipality elects to subject the services to regulation under that chapter. An election for regulation may be affected by resolution of the governing body of the municipality requesting regulation and filing the resolution with the state public utilities commission.

Sec. 13. [471A.12] [POWERS; ADDITIONAL AND SUPPLEMENTAL.]

The powers conferred by sections 2 to 13 shall be liberally construed in order to accomplish their purposes and shall be in addition and supplemental to the powers conferred by any other law or charter. If any other law or charter is inconsistent with sections 2 to 13, those sections are controlling as to service contracts entered into under those sections. However, nothing in sections 2 to 13 limits or qualifies (1) any other law that a municipality must comply with to obtain any permit in connection with related facilities or (2) any performance standard or effluent limitations applicable to related facilities.

Sec. 14. Minnesota Statutes 1984, section 474.02, is amended by adding a subdivision to read:

Subd. 1h. The term "project" shall also include related facilities as defined by section 3, subdivision 11.

Sec. 15. [EFFECTIVE DATE.]

Sections 1 to 14 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to local government units; authorizing the privatization of facilities for the treatment of wastewater and the furnishing of water; amending Minnesota Statutes 1984, section 474.02, by adding a subdivision; Minnesota Statutes 1985 Supplement, section 297A.25, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 471A."

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

The report was adopted.

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

H. F. No. 1892, A bill for an act relating to energy; changing the administration of the state energy code from the commissioner of energy and economic development to the commissioner of administration; amending certain provisions of the state energy code; amending Minnesota Statutes 1984, sections 16B.64, subdivision 4; and 116J.19, subdivision 8.

Reported the same back with the following amendments:

Page 2, line 3, after "*administration*" insert "*in cooperation with the commissioner of energy and economic development*"

Page 2, line 14, reinstate the stricken "amortized over the"

Page 2, line 14, before the period insert "*useful life of the energy saving product, device or procedure*"

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

The report was adopted.

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

H. F. No. 1894, A bill for an act relating to environment; providing terms and conditions for the administration of wastewater treatment plant construction grants and loans; appropriating money; amending Minnesota Statutes 1984, sections 115.07, sub-

division 1; 115A.14, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 115 and 116.

Reported the same back with the following amendments:

Page 2, line 10, after "*rule*" insert "*or technical requirements*"

Page 2, line 14, after "*municipality*," insert "*in order for the agency*"

Page 3, line 16, after the period insert "*The planning time may be extended automatically by the amount of time the agency exceeds its 90-day review under subdivision 1.*"

Page 3, line 27, delete "*117.41*" and insert "*177.41*"

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

The report was adopted.

Redalen from the Committee on Regulated Industries and Energy to which was referred:

H. F. No. 1910, A bill for an act relating to horse racing; prohibiting certain betting practices; prescribing penalties; amending Minnesota Statutes 1984, sections 240.25, subdivision 2; and 240.26, subdivisions 1 and 2.

Reported the same back with the following amendments:

Page 1, line 24, after "*racers*" insert "*in violation of clause (1)*"

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. 1990, A bill for an act relating to local government; authorizing home rule charter or statutory cities to establish economic development districts; granting powers to authorities; amending Minnesota Statutes 1984, sections 116D.04, subdivision 1a; 117.521, subdivision 3; 272.01, subdivision 2; 273.72; 273.73, subdivisions 2 and 8; 273.86, subdivision 1; 355.11, subdivision 5; 462C.02, subdivisions 6 and 9; 465.74, subdivision 7; 471.88, subdivisions 1, 9, and 11; 474.02, subdivision 3; and 474.16, subdivi-

sion 2; Minnesota Statutes 1985 Supplement, sections 273.75, subdivision 4; 353.01, subdivision 2a; 462C.12, subdivision 2; and 472B.04; proposing coding for new law as Minnesota Statutes, chapter 458C.

Reported the same back with the following amendments:

Page 14, line 22, before "An" insert "*Except as provided in subdivision 2, clause (d),*"

Page 15, after line 12, insert:

"(d) The enabling resolution may provide that the members of the city council shall serve as the commissioners.

(e) The enabling resolution may provide for the appointment of members of the city council in excess of the number required in clauses (a), (b) and (c)."

Page 15, line 13, delete "(d)" and insert "(f)"

Page 15, line 17, after the period insert "*The city council may set the term of the commissioners who are members of the city council to coincide with their term of office as members of the city council.*"

Page 15, line 19, after "three" delete "or" and insert "*to five or seven members, or from*"

Page 40, after line 26, insert:

"Sec. 44. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Amend the title as follows:

Page 1, line 4, after "to" insert "cities and"

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

The report was adopted.

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

S. F. No. 363, A bill for an act relating to state government; proposing an amendment to the Minnesota Constitution, article IV, section 23; article V, sections 1, 3, and 4; article VII, section 8; article VIII, section 2; article XI, sections 6, 7, 8, and 10; and article XIII, section 11; combining the offices of state trea-

suror, state auditor, and secretary of state into the office of state comptroller; providing that the first comptroller would be elected in 1990; transferring the powers, responsibilities, and duties of the state auditor, the secretary of state, and the state treasurer to the state comptroller.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [CONSTITUTIONAL AMENDMENT.]

An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, article V, section 1, will read:

Section 1. The executive department consists of a governor, lieutenant governor, secretary of state, auditor, (TREASURER) and attorney general, who shall be chosen by the electors of the state. The governor and lieutenant governor shall be chosen jointly by a single vote applying to both offices in a manner prescribed by law.

Article V, section 3, will read:

Sec. 3. The governor shall communicate by message to each session of the legislature information touching the state and country. He is commander-in-chief of the military and naval forces and may call them out to execute the laws, suppress insurrection and repel invasion. He may require the opinion in writing of the principal officer in each of the executive departments upon any subject relating to his duties. With the advice and consent of the senate he may appoint notaries public and other officers provided by law. He may appoint commissioners to take the acknowledgment of deeds or other instruments in writing to be used in the state. He shall take care that the laws be faithfully executed. He shall fill any vacancy that may occur in the offices of secretary of state, (TREASURER,) auditor, attorney general and the other state and district offices hereafter created by law until the end of the term for which the person who had vacated the office was elected or the first Monday in January following the next general election, whichever is sooner, and until a successor is chosen and qualified.

Article V, section 4, will read:

Sec. 4. The term of office of the secretary of state, (TREASURER,) attorney general and state auditor is four years and until a successor is chosen and qualified. The duties and salaries of the executive officers shall be prescribed by law.

Article VIII, section 2, will read:

Sec. 2. The governor, secretary of state, (TREASURER,) auditor, attorney general and the judges of the supreme court, court of appeals and district courts may be impeached for corrupt conduct in office or for crimes and misdemeanors; but judgment shall not extend further than to removal from office and disqualification to hold and enjoy any office of honor, trust or profit in this state. The party convicted shall also be subject to indictment, trial, judgment and punishment according to law.

Article XI, section 7, will read:

Sec. 7. Public debt other than certificates of indebtedness authorized in section 6 shall be evidenced by the issuance of bonds of the state. All bonds issued under the provisions of this section shall mature not more than 20 years from their respective dates of issue and each law authorizing the issuance of bonds shall distinctly specify the purposes thereof and the maximum amount of the proceeds authorized to be expended for each purpose. (THE STATE TREASURER SHALL MAINTAIN) A separate and special state bond fund *shall be maintained* on (HIS) the official books and records. When the full faith and credit of the state has been pledged for the payment of bonds, the state auditor shall levy each year on all taxable property within the state a tax sufficient with the balance then on hand in the fund to pay all principal and interest on bonds issued under this section due and to become due within the ensuing year and to and including July 1 in the second ensuing year. The legislature by law may appropriate funds from any source to the state bond fund. The amount of money actually received and on hand pursuant to appropriations prior to the levy of the tax in any year shall be used to reduce the amount of tax otherwise required to be levied.

Article XI, section 8, will read:

Sec. 8. The permanent school fund of the state consists of (a) the proceeds of lands granted by the United States for the use of schools within each township, (b) the proceeds derived from swamp lands granted to the state, (c) all cash and investments credited to the permanent school fund and to the swamp land fund, and (d) all cash and investments credited to the internal improvement land fund and the lands therein. No portion of these lands shall be sold otherwise than at public sale, and in the manner provided by law. All funds arising from the sale or other disposition of the lands, or income accruing in any way before the sale or disposition thereof, shall be credited to the permanent school fund. Within limitations prescribed by law, the fund shall be invested to secure the maximum return consistent with the maintenance of the perpetuity of the fund. The principal of the permanent school fund shall be perpetual and inviolate forever. This does not prevent the sale of investments at less than the cost to the fund; however, all losses not offset by gains shall be repaid to the fund from the interest and dividends earned thereafter. The net interest and dividends arising

from the fund shall be distributed to the different school districts of the state in a manner prescribed by law.

A board of investment consisting of the governor, the state auditor, (THE STATE TREASURER,) the secretary of state, the lieutenant governor, and the attorney general is (HEREBY) constituted for the purpose of administering and directing the investment of all state funds. The board shall not permit state funds to be used for the underwriting or direct purchase of municipal securities from the issuer or the issuer's agent.

Sec. 2. [TRANSITION.]

If the proposed amendment is adopted, the office of treasurer will be abolished at the conclusion of the term of the person elected at the 1986 general election.

Sec. 3. [SCHEDULE AND QUESTION.]

The proposed amendment shall be submitted at the 1986 general election. If approved, the office of treasurer will be abolished at the conclusion of the term of the person elected at the 1986 general election. The question proposed shall be:

"Shall the Minnesota Constitution be amended to abolish the office of state treasurer?"

Yes

No"

Sec. 4. [POWERS AND DUTIES TRANSFERRED.]

All the powers, duties, and responsibilities assigned by statute to the state treasurer are transferred as provided in sections 5 to 8.

Sec. 5. Minnesota Statutes 1984, section 9.011, subdivision 1, is amended to read:

Subdivision 1. The executive council consists of the governor, lieutenant governor, secretary of state, state auditor, (STATE TREASURER,) and attorney general. The governor is chairman.

Sec. 6. Minnesota Statutes 1984, section 11A.03, is amended to read:

11A.03 [STATE BOARD; MEMBERSHIP; ORGANIZATION.]

Pursuant to article XI, section 8, of the constitution of the state of Minnesota, the state board shall be composed of the governor, *lieutenant governor*, state auditor, (STATE TREASURER,) secretary of state and attorney general. The governor shall serve as ex officio chairman of the state board.

Sec. 7. Minnesota Statutes 1984, section 16A.27, subdivision 1, is amended to read:

Subdivision 1. [TREASURER TO COMPLY.] The commissioner shall, in the public interest, control the amount and manner of deposit of state funds in depositories (BY THE TREASURER. THE TREASURER SHALL COMPLY WITH THE CONTROLS).

Sec. 8. Minnesota Statutes 1984, section 16A.27, subdivision 2, is amended to read:

Subd. 2. [DAILY REPORT.] By 9:00 a.m. every business day, a depository holding a total of over \$100,000 in noninterest-bearing state deposits shall report the balances as of the close of the last business day to (THE TREASURER AND) the commissioner. The commissioner shall record the balances, send a copy of them to the legislative reference library, and report them monthly to the legislative audit commission.

Sec. 9. [EFFECTIVE DATE.]

Sections 4 to 8 are effective January 1, 1991, if by then the amendment proposed under section 3 has been adopted in accordance with the Minnesota Constitution, article IX, section 1."

Delete the title and insert:

"A bill for an act relating to state government; proposing an amendment to the Minnesota Constitution, article V, sections 1, 3, and 4; article VIII, section 2; article XI, sections 7 and 8; abolishing the office of state treasurer; transferring or repealing the powers, responsibilities, and duties of the state treasurer; amending Minnesota Statutes 1984, sections 9.011, subdivision 1; 11A.03; and 16A.27, subdivisions 1 and 2."

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

The report was adopted.

Fjoslien from the Committee on General Legislation and Veterans Affairs to which was referred the following appointment:

ETHICAL PRACTICES BOARD

A. J. Eckstein

Reported the same back with the recommendation that the appointment be confirmed.

Fjoslien moved that the report of the Committee on General Legislation and Veterans Affairs relating to the appointment of A. J. Eckstein to the Ethical Practices Board be adopted. The motion prevailed and the report was adopted.

CONFIRMATION

Fjoslien moved that the House, having advised, do now consent to and confirm the appointment of A. J. Eckstein, 411 South State, New Ulm, Brown County, effective January 6, 1986, for a term expiring on the first Monday in January, 1990. The motion prevailed and the appointment of A. J. Eckstein was confirmed by the House.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1185, 1664, 1847 and 1910 were read for the second time.

INTRODUCTION AND FIRST READING
OF HOUSE BILLS

The following House Files were introduced:

Carlson, L.; Wynia; Boo; Haukoos and Ellingson introduced:

H. F. No. 1994, A bill for an act relating to health insurance; increasing the maximum lifetime benefit; amending Minnesota Statutes 1984, section 62E.04, subdivision 4; and Minnesota Statutes 1985 Supplement, section 62E.06, subdivision 1.

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

Pappas introduced:

H. F. No. 1995, A bill for an act relating to crimes; prohibiting the sale of candy cigarettes and other simulated tobacco products; proposing coding for new law in Minnesota Statutes, chapter 609.

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

Dempsey, Quist, DenOuden, Rees and Ellingson introduced:

H. F. No. 1996, A bill for an act relating to the collection and dissemination of data; classifying data; proposing classifications of data as private, nonpublic, and protected nonpublic; clarifying issues relating to the administration of data; amending Minnesota Statutes 1984, sections 13.38, by adding a subdivision; 13.46, by adding a subdivision; 13.84, by adding subdivisions; and 13.85, by adding a subdivision; Minnesota Statutes 1985 Supplement, sections 13.03, subdivision 3; 13.04, subdivision 2; 13.39, subdivision 3; 13.46, subdivisions 1, 2, and 7; 13.76; and 13.82, subdivision 5; repealing Minnesota Statutes 1985 Supplement, section 13.89.

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

Gruenes, Quist and Sviggum introduced:

H. F. No. 1997, A bill for an act relating to human services; creating a single, unitary process for the determination of residence and financial responsibility for all human service programs; amending Minnesota Statutes 1984, section 253B.23, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 256G; repealing Minnesota Statutes 1984, sections 252A.20, subdivisions 2 and 3; 253B.20, subdivision 4; 256.045, subdivision 10; 256.263, subdivision 2; 256.73, subdivision 4; 256.76, subdivision 2; 256B.02, subdivision 1; 256D.18; 256E.08, subdivision 7; 259.40, subdivision 5; 260.251, subdivision 3; and 261.23; Minnesota Statutes 1985 Supplement, sections 246.50, subdivision 7; 246.54; 246.55; 256.79; and 256B.02, subdivisions 2 and 3.

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

Shaver, Onnen, Valento and Thiede introduced:

H. F. No. 1998, A bill for an act proposing an amendment to the Minnesota Constitution, changing article IV, sections 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 18, 19, 20, 21, 22, 23, 24, 25, and 26; article V, sections 3 and 5; article VIII, section 1; article IX, sections 1 and 2; and article XI, section 5; providing for a unicameral legislature; providing by law for a membership of 135 members; amending Minnesota Statutes 1984, sections 2.021; and 2.031, subdivision 1.

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

Clark, Gruenes and Segal introduced :

H. F. No. 1999, A bill for an act relating to health ; requiring a study of the special health care needs of older women.

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

Vellenga introduced :

H. F. No. 2000, A bill for an act relating to housing ; requiring notification of the use of pesticides ; amending Minnesota Statutes 1984, section 504.22.

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

Clausnitzer introduced :

H. F. No. 2001, A bill for an act relating to occupations and professions ; architects, engineers, land surveyors, and landscape architects ; making certain technical changes related to certain licensing exceptions ; amending Minnesota Statutes 1984, sections 326.03, subdivision 2 ; and 326.06.

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

Carlson, D. ; Valan ; Neuenschwander ; Krueger and Dempsey introduced.

H. F. No. 2002, A bill for an act relating to transportation ; railroads ; providing that railroads must first offer property to leaseholders before selling it ; proposing coding for new law in Minnesota Statutes, chapter 222.

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

Schafer, Kvam and DenOuden introduced:

H. F. No. 2003, A bill for an act relating to education; appropriating money to the department of education for grants to the Little Crow Regional Tele-Network.

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

Greenfield, Clark, Wynia, Staten and Jaros introduced:

H. F. No. 2004, A bill for an act relating to human services; giving counties authority to require functionally illiterate recipients of general assistance to attend adult literacy programs; amending Minnesota Statutes 1985 Supplement, section 256D.05, subdivision 1.

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

Boo and Munger introduced:

H. F. No. 2005, A bill for an act relating to labor; regulating grants to area labor-management committees; amending Minnesota Statutes 1985 Supplement, sections 179.81, subdivision 2, and by adding a subdivision; 179.84; and 179.85.

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

Erickson, Dyke, Thorson, Miller and McPherson introduced:

H. F. No. 2006, A bill for an act relating to unemployment compensation; altering the public policy statement; changing the taxable wage base; defining credit week; providing for employer charging; increasing the eligibility requirement; eliminating certain tax rate limitations; changing the weekly benefit amount; setting the maximum weekly benefit; providing for the duration of benefits; increasing the duration of benefits for claimants in counties with high unemployment; providing for seasonal employees; making the waiting week nonreimbursable; amending the benefit offset for severance pay; increasing the period of time and earnings necessary for requalification after

disqualification; changing the definition of suitable work; transferring duties to the office of administrative hearings; amending Minnesota Statutes 1984, sections 14.03, subdivision 2; 14.53; 43A.18, subdivision 4; 179A.10, subdivision 1; 268.03; 268.04, subdivisions 25 and 29; 268.06, subdivisions 5, 8, 18, 19, and 20; 268.07, subdivisions 2 and 2a; 268.08, subdivision 3; 268.09, subdivisions 1 and 2; 268.10, subdivisions 2, 3, 4, 5, 6, and 9; 268.12, subdivisions 8, 9, 10, and 13; and 268.18, subdivisions 1 and 2; Minnesota Statutes 1985 Supplement, sections 14.48; 14.51; 268.08, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1984, section 268.04, subdivision 30.

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

Blatz; Carlson, D., and Simoneau introduced:

H. F. No. 2007, A bill for an act relating to marriage dissolution; providing that a surviving spouse benefit may be awarded to certain former spouses; amending Minnesota Statutes 1984, sections 69.62; 352.15, subdivision 1; 352B.071; 353.15; 354.10; 354A.11; 422A.24; 423.39; 423.61; 423.813; 423A.16; 424.27; and Minnesota Statutes 1985 Supplement, section 424A.02, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 518.

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

Kalis and Erickson introduced:

H. F. No. 2008, A bill for an act relating to transportation; removing certain restrictions on road authorities to mow rights-of-way outside of cities; repealing Minnesota Statutes 1985 Supplement, section 160.232.

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

McKasy and Marsh introduced:

H. F. No. 2009, A bill for an act relating to economic development; defining the duties and terms of office of the members of the world trade center board; amending Minnesota Statutes

1984, sections 44A.01, subdivision 1; 44A.07, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 44A.

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

Shaver, Quinn and Levi introduced:

H. F. No. 2010, A bill for an act relating to the state high school league; providing for the appointment of certain board members; providing penalties for recruiting students; providing for student athletics and activity eligibility after certain transfers; providing standards for student participation in non-scholastic activities; providing administrative appeals from various decisions; amending Minnesota Statutes 1984, section 129.121, subdivision 1, and by adding subdivisions.

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

McKasy and Marsh introduced:

H. F. No. 2011, A bill for an act relating to state government; changing the name of the title of the chief staff person of the world trade center board; modifying the qualifications for that position; amending Minnesota Statutes 1984, section 44A.02.

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

Marsh, Kiffmeyer, Clausnitzer, Hartinger and Pappas introduced:

H. F. No. 2012, A bill for an act relating to crimes; increasing penalties for soliciting or inducing an individual under the age of 13 to practice prostitution; imposing criminal liability on persons who receive profit from prostitution if they have reason to believe it was derived from prostitution; imposing criminal penalties on persons who allow juvenile prostitutes to reside in their dwelling; amending Minnesota Statutes 1984, sections 609.322; 609.323; and 609.324, by adding a subdivision.

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

Kahn, Jaros, Blatz and Segal introduced :

H. F. No. 2013, A bill for an act relating to health; requiring a hospital administrator to request an organ or tissue donation for purposes of the uniform anatomical gift act; proposing coding for new law in Minnesota Statutes, chapter 525.

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

Backlund, Osthoff, Shaver, Fjoslien and Minne introduced :

H. F. No. 2014, A bill for an act relating to elections; making changes in registration, caucuses, ballots, affidavits of candidacy and withdrawal, nominations, election certificates, and election judge qualifications; amending Minnesota Statutes 1984, sections 201.018, subdivision 2; 201.095; 201.12, subdivision 2; 201.15, subdivision 1; 202A.11, subdivision 2; 202A.16, subdivision 1; 204B.03; 204B.06, subdivision 1; 204B.07, subdivision 4; 204B.09, subdivision 1; 204B.10, by adding a subdivision; 204B.12, subdivision 3; 204B.35, subdivision 2; 204C.40, subdivision 1; 204D.11, subdivisions 3, 5, and 6; 206.71, by adding a subdivision; and 208.03.

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

Backlund and Long introduced :

H. F. No. 2015, A bill for an act relating to metropolitan government; changing the treatment of current value credits and modifying the cost allocation system of the metropolitan waste control commission; providing for a reserve fund for the commission; authorizing appointment of advisory committees by the commission; authorizing an implementation period for transition to a new cost allocation system; amending Minnesota Statutes 1984, sections 473.511, subdivision 4; and 473.517, subdivisions 1, 2, 3, and 9; repealing Minnesota Statutes 1984, section 473.517, subdivisions 4, 5, and 7.

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

Stanisus, Ozment, Kiffmeyer, Knuth and Olsen, S., introduced:

H. F. No. 2016, A bill for an act relating to health; establishing a statewide cancer surveillance system; providing for rule authority to administer the system and collect and distribute data; appropriating money; amending Minnesota Statutes 1984, sections 144.68; and 144.69; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 1984, sections 144.66 and 144.67.

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

Nelson, K.; Bishop and Blatz introduced:

H. F. No. 2017, A bill for an act relating to crimes; making certain videotaped statements admissible in proceedings involving physical or sexual abuse against a child; amending Minnesota Statutes 1984, section 595.02, by adding a subdivision; Minnesota Statutes 1985 Supplement, sections 260.156; and 595.02, subdivision 3.

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

Nelson, K., introduced:

H. F. No. 2018, A bill for an act relating to education; authorizing revenue for certain full-day kindergarten programs; requiring program approval by the commissioner of education; amending Minnesota Statutes 1985 Supplement, section 124.17, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 120.

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

Quinn, Brown, Omann, Uphus and Jacobs introduced:

H. F. No. 2019, A bill for an act relating to crimes; making it a felony to cause the death of or injure an unborn child; prescribing penalties; amending Minnesota Statutes 1984, section 609.035; proposing coding for new law in Minnesota Statutes, chapter 609.

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

Gutknecht, Wenzel, Erickson and Knickerbocker introduced:

H. F. No. 2020, A bill for an act relating to the state board of investment; prohibiting investment decisions made for noneconomic reasons; amending Minnesota Statutes 1984, section 11A.04.

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

Kalis, Rose, Haukoos, Dempsey and Schoenfeld introduced:

H. F. No. 2021, A bill for an act relating to game and fish; affording protection to crows and authorizing a season on crows; amending Minnesota Statutes 1984, sections 100.26, subdivision 2; and 100.27, by adding a subdivision.

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

Ogren and Beard introduced:

H. F. No. 2022, A bill for an act relating to taxation; property; expanding the special homestead classification for certain disabled persons; amending Minnesota Statutes 1985 Supplement, section 273.13, subdivision 22.

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

Backlund, Osthoff, Scheid, Fjoslien and Shaver introduced:

H. F. No. 2023, A bill for an act relating to elections; changing certain procedures in absentee voting; increasing minimum number of election judges in certain precincts; changing certain official ballots for judicial candidates; requiring vendor bonds for certain voting systems; requiring public notice and demonstration for new voting equipment; authorizing standard ballot format; limiting number of ballots at single counting centers; amending Minnesota Statutes 1984, sections 203B.08, subdivisions 1a and 3a; 204B.22, by adding a subdivision; 204B.36,

subdivision 4; 204D.14, subdivision 2; 206.56, by adding a subdivision; 206.57, by adding a subdivision; 206.58, subdivision 1; 206.82, by adding a subdivision; 206.84, subdivision 3; and 206.85, subdivision 2.

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

Kalis, Brown, Lieder, Krueger and Battaglia introduced:

H. F. No. 2024, A bill for an act relating to education; providing for state advances to school districts with extraordinary tax delinquency, requiring a reduction in education aids for repayment of state advances; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124.

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

Boerboom, Knuth and Johnson introduced:

H. F. No. 2025, A bill for an act relating to transportation; creating legislative transportation commission; appropriating money.

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

Hartinger and Marsh introduced:

H. F. No. 2026, A bill for an act relating to crime; defining the justifiable use of force by certain crime victims; expanding the rights of crime victims to be notified of and involved in criminal proceedings; protecting victims and witnesses from employer retaliation; expanding victim's rights to restitution; amending Minnesota Statutes 1984, sections 609.065; 609.10; 609.115, subdivisions 1 and 1c; 609.125; 609.135, subdivision 6; 611A.01; 611A.03, subdivision 1; 611A.06; 611A.68, subdivisions 2 and 5; and Minnesota Statutes 1985 Supplement, section 609.135, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 611A; repealing Minnesota Statutes 1984, sections 611A.03, subdivision 3; and 611A.04, subdivisions 1 and 2; and Minnesota Statutes 1985 Supplement, sections 611A.04, subdivision 3; and 611A.045.

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

Kalis and Jennings, D., introduced:

H. F. No. 2027, A bill for an act relating to transportation; authorizing commissioner of transportation to reimburse local road authorities for unofficial detour routes; amending Minnesota Statutes 1984, section 161.24, subdivision 3.

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

Waltman and Sviggum introduced:

H. F. No. 2028, A bill for an act relating to crimes; making it a felony to cause the death of or injure an unborn child; prescribing penalties; amending Minnesota Statutes 1984, section 609.035; proposing coding for new law in Minnesota Statutes, chapter 609.

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

DenOuden introduced:

H. F. No. 2029, A bill for an act relating to state government; classifying certain financial information submitted to the energy and economic development authority as public; amending Minnesota Statutes 1984, section 116M.08, subdivision 17.

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

Fjoslien, Wenzel, Omann, Krueger and Uphus introduced:

H. F. No. 2030, A bill for an act relating to veterans; establishing a veterans' cemetery; proposing coding for new law in Minnesota Statutes, chapter 197.

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

DenOuden, McDonald, Rees, Valento and Piepho introduced:

H. F. No. 2031, A bill for an act relating to crimes; making it a felony to cause the death of or injure an unborn child; prescribing penalties; amending Minnesota Statutes 1984, section 609.035; proposing coding for new law in Minnesota Statutes, chapter 609.

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

Valan; Carlson, J., and Lieder introduced:

H. F. No. 2032, A bill for an act relating to the city of Hendrum; authorizing the establishment of a detached banking facility in the city of Moorhead by a state bank located in the city of Hendrum.

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

Voss, Minne and Rees introduced:

H. F. No. 2033, A bill for an act relating to taxation; property; changing the payment date for taxes on certain manufactured homes; amending Minnesota Statutes 1984, section 274.19, subdivision 5; Minnesota Statutes 1985 Supplement, section 274.19, subdivisions 3 and 4.

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

Piepho, Bennett and Frerichs introduced:

H. F. No. 2034, A bill for an act relating to state government; applying geographical limitations to the set-aside and preference programs; providing penalties; amending Minnesota Statutes 1984, sections 16B.19, subdivision 1; Minnesota Statutes 1985 Supplement, section 16B.19, subdivision 5, and by adding subdivisions.

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

Gutknecht, Knickerbocker, Simoneau, Sviggum and Dempsey introduced:

H. F. No. 2035, A bill for an act relating to retirement; police and firefighters' relief associations; standardizing auditing requirements; clarifying various duties and responsibilities in the management of local associations; amending Minnesota Statutes 1984, sections 3.85, subdivision 6; 6.72, subdivision 2; 69.011, subdivision 2; 69.021, subdivisions 4 and 7; 69.051; 69.77; 69.773, subdivision 2; 69.775; 69.80; and 424A.001, by adding a subdivision; Minnesota Statutes 1985 Supplement, sections 69.011, subdivision 1; 69.031, subdivision 1; and 356.216; proposing coding for new law in Minnesota Statutes, chapters 6 and 423A.

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

Boo and Munger introduced:

H. F. No. 2036, A bill for an act relating to retirement; membership of firefighters employed by the department of military affairs in the public employees police and fire fund; amending Minnesota Statutes 1984, section 353.64, by adding a subdivision.

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

Kvam, Backlund, Heap, Simoneau and Tjornhom introduced:

H. F. No. 2037, A bill for an act relating to unemployment compensation; providing that benefits resulting from acts of God are nonchargeable to an employer's account; amending Minnesota Statutes 1984, section 268.06, subdivisions 5 and 24.

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

Bennett introduced:

H. F. No. 2038, A bill for an act relating to commerce; requiring disclosures in used motor vehicle transactions; proposing coding for new law in Minnesota Statutes, chapter 168.

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

Tompkins, Ozment, Quinn, Solberg and Backlund introduced:

H. F. No. 2039, A bill for an act relating to housing; extending the interest reduction program; amending Minnesota Statutes 1985 Supplement, section 462.445, subdivision 13.

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

DenOuden, Rees and McDonald introduced:

H. F. No. 2040, A bill for an act relating to environment; abolishing the waste management board and transferring certain board functions to the pollution control agency effective June 30, 1986; amending Minnesota Statutes 1984, sections 115A.13; and 115A.81, by adding a subdivision.

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

Price, Welle, Beard, Sarna and Carlson, L., introduced:

H. F. No. 2041, A bill for an act relating to retirement; application of the rule of 85 to teachers; amending Minnesota Statutes 1985 Supplement, section 356.70, subdivision 1.

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

Price, Beard, Segal, Tunheim and Wynia introduced:

H. F. No. 2042, A bill for an act relating to health; requiring the commissioner of health to develop a system of monitoring the costs and outcomes of organ transplant procedures; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Poppenhagen, McKasy and Simoneau introduced :

H. F. No. 2043, A bill for an act relating to credit unions; permitting certain groups to join existing credit unions; amending Minnesota Statutes 1984, section 52.05.

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

Knickerbocker, Simoneau, Sviggum, Halberg and Long introduced :

H. F. No. 2044, A bill for an act relating to courts; altering the responsibility for establishing the salary of the state court administrator and district court administrator; amending Minnesota Statutes 1984, sections 15A.083, subdivision 4; 480.13; and 484.68, subdivision 6.

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

Pappas, Waltman, Bishop, McDonald and Ogren introduced :

H. F. No. 2045, A bill for an act relating to utilities; prohibiting certain employment by a public utilities commissioner; amending Minnesota Statutes 1984, section 216A.035.

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

Bishop, Gruenes, Halberg, Long and Pappas introduced :

H. F. No. 2046, A bill for an act relating to probate; providing for an increased sum payable to a surviving spouse by affidavit; increasing the value of a probate estate allowed for purposes of collection by affidavit; amending Minnesota Statutes 1984, sections 181.58; and 524.3-1201.

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

Segal, Clark, Munger, Long and Olsen, S., introduced:

H. F. No. 2047, A bill for an act relating to health; establishing a statewide cancer surveillance system; providing for rule authority to administer the system and collect and distribute data; appropriating money; amending Minnesota Statutes 1984, sections 144.68; and 144.69; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 1984, sections 144.66 and 144.67.

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

Voss, Osthoff and Clausnitzer introduced:

H. F. No. 2048, A bill for an act relating to state government; modifying requirements of the set-aside program; amending Minnesota Statutes 1985 Supplement, section 16B.19, subdivision 6.

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

Boo, Thorson and Carlson, J., introduced:

H. F. No. 2049, A bill for an act relating to education; vocational; establishing area vocational technical districts; providing for the appointment of area boards and directors; transferring personnel and property to area districts; specifying powers and duties of area boards; amending Minnesota Statutes 1984, sections 136C.02, by adding subdivisions: 136C.04, subdivisions 5, 13, 14, and by adding a subdivision; 136C.041; 136C.07, subdivisions 5 and 6; 136C.075; 136C.08, subdivisions 1 and 3; 136C.15; 136C.221; 136C.223; 136C.29, subdivisions 2 and 3; 136C.35; 136C.41, by adding a subdivision; and 136C.42, subdivisions 3 and 4; amending Minnesota Statutes 1985 Supplement, sections 15.0597, subdivision 1; 136C.04, subdivision 12; 136C.07, subdivision 5a; 136C.08, subdivision 2; 136C.26, subdivision 5; 136C.28, subdivision 1; 136C.29, subdivision 5; 136C.31, subdivision 1; 136C.36; 136C.44; and 275.125, subdivision 14a; proposing coding for new law in Minnesota Statutes, chapter 136C; repealing Minnesota Statutes 1984, sections 136C.05; 136C.07, subdivisions 1, 2, 3, and 4; 136C.26, subdivision 3; and 136C.27, subdivision 2; and repealing Minnesota Statutes 1985 Supplement, sections 136C.02, subdivisions 6, 8, and 9; 136C.41, subdivision 1a; 136C.60; 136C.61; 136C.62; 136C.63; 136C.64; 136C.65; 136C.66; 136C.67; 136C.68; and 136C.69.

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

Bennett; Seaberg; Nelson, K.; Neuenschwander and Thorson introduced:

H. F. No. 2050, A bill for an act relating to theft; modifying circumstances justifying detention of suspects in business establishments; modifying immunity from liability for detention; amending Minnesota Statutes 1985 Supplement, section 629.366, subdivisions 1 and 3.

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

Vellenga and Cohen introduced:

H. F. No. 2051, A bill for an act relating to the city of St. Paul; permitting the establishment of special service districts in the city and providing taxing and other authority.

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

Clausnitzer, Sviggum, Boo and Jennings, L., introduced:

H. F. No. 2052, A bill for an act relating to human services; establishing principles for serving persons with mental retardation and related conditions; providing for comprehensive review of regulations and state and county relations; governing reimbursement to intermediate care facilities for persons with mental retardation and related conditions; providing for alternative correction plans for state hospitals; changing the funding formula for semi-independent living services; providing for an exception to the moratorium on construction of intermediate care facilities for persons with mental retardation and related conditions; appropriating money; amending Minnesota Statutes 1984, sections 252.025, by adding a subdivision; 252.275, subdivision 4; and 299F.011, by adding a subdivision; Minnesota Statutes 1985 Supplement, sections 252.291, subdivision 2; and 256B.092, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 252; repealing Minnesota Statutes 1985 Supplement, section 256B.501, subdivision 3.

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

Cohen introduced:

H. F. No. 2053, A bill for an act relating to real estate; limiting the cost of continuing education for retired real estate salespersons and brokers; amending Minnesota Statutes 1984, section 82.22, subdivision 13.

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

Vanasek, Quinn, Piper, Pappas and Segal introduced:

H. F. No. 2054, A bill for an act relating to taxation; individual income; permitting certain unmarried individuals to file joint returns; amending Minnesota Statutes 1985 Supplement, section 290.06, subdivision 2c.

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

Minne, Solberg, Battaglia, Begich and Eliooff introduced:

H. F. No. 2055, A bill for an act relating to taxation; individual income; eliminating the age restrictions on the pension income exclusion; modifying the income offset; amending Minnesota Statutes 1985 Supplement, section 290.08, subdivision 26.

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

Rest; Skoglund; Nelson, D.; Murphy and Price introduced:

H. F. No. 2056, A bill for an act relating to taxation; property; providing a state paid small business property tax credit; amending Minnesota Statutes 1985 Supplement, sections 273.13, subdivision 15a; 273.1392; and 276.04; proposing coding for new law in Minnesota Statutes, chapter 273.

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

Redalen introduced:

H. F. No. 2057, A bill for an act relating to natural resources; requiring the commissioner of natural resources to accept rental payments for certain agricultural land until March 1 of each year; requiring the commissioner to make certain interest payments; amending Minnesota Statutes 1984, section 89.17; Minnesota Statutes 1985 Supplement, section 92.50.

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

Vanasek; Schoenfeld; Piper; Anderson, G., and Peterson introduced:

H. F. No. 2058, A bill for an act relating to individual income taxation; providing a subtraction for interest on seller sponsored family farm security loans; amending Minnesota Statutes 1985 Supplement, section 290.01, subdivision 20b.

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

Skoglund; Nelson, D.; Clark; Rodosovich and Nelson, K., introduced:

H. F. No. 2059, A bill for an act relating to taxation; individual income; eliminating the age restrictions on the pension income exclusion; modifying the income offset; amending Minnesota Statutes 1985 Supplement, section 290.08, subdivision 26.

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

Brinkman; Wenzel; Metzen; Carlson, L., and Jacobs introduced:

H. F. No. 2060, A bill for an act relating to taxation; individual income; eliminating the age restrictions on the pension income exclusion; modifying the income offset; amending Minnesota Statutes 1985 Supplement, section 290.08, subdivision 26.

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

Richter introduced:

H. F. No. 2061, A bill for an act relating to independent school district No. 820, Sebeka; allowing a fund transfer and a waiver of debt service limits.

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

Carlson, D.; McLaughlin; Ozment; Pauly and Clausnitzer introduced:

H. F. No. 2062, A bill for an act relating to highways; providing for transfers of ownership of certain highways between the commissioner of transportation and Hennepin county; adding new routes to the trunk highway system in substitution of existing routes; deleting routes from the trunk highway system; authorizing the commissioner of transportation to add certain routes to the trunk highway system; amending Minnesota Statutes 1984, section 161.117.

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

Begich, Heap, Levi, Erickson and Battaglia introduced:

H. F. No. 2063, A bill for an act relating to education; providing options for swimming classes in junior high schools; 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.

Ozment, Fjoslien and Scheid introduced:

H. F. No. 2064, A bill for an act relating to elections; providing for postponement of precinct caucuses in case of inclement weather; amending Minnesota Statutes 1984, section 202A.14, subdivision 1.

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

McEachern introduced:

H. F. No. 2065, A bill for an act relating to local government; exempting other departments or agencies of the same county from having to be billed by county recorder for certain recording transactions; amending Minnesota Statutes 1985 Supplement, section 386.77.

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

Nelson, D.; Price; Segal; Clark and Neuenschwander introduced:

H. F. No. 2066, A bill for an act relating to taxation; delaying the effective date of the repeal of the residential energy credit; amending Laws 1985, First Special Session chapter 14, article 1, section 61.

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

Simoneau, Knickerbocker, Sviggum, Gutknecht and Dempsey introduced:

H. F. No. 2067, A bill for an act relating to retirement; regulating workers' compensation offsets to public employee retirement association benefits; amending Minnesota Statutes 1984, sections 353.29, subdivision 2; 353.33, subdivision 5; 353.651, subdivision 2; 353.656, subdivision 2; Minnesota Statutes 1985 Supplement, section 176.021, subdivision 7.

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

Kvam introduced:

H. F. No. 2068, A bill for an act relating to the city of Litchfield; permitting certain investments of municipal power agency funds.

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

Olsen, S., introduced:

H. F. No. 2069, A bill for an act relating to the city of Hopkins; granting the city the powers of a port authority; permitting the city to choose the name of the port authority.

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

Elioff introduced:

H. F. No. 2070, A bill for an act relating to insurance; accident and health; extending group benefits for ambulatory mental health services to cover services of licensed psychologists; amending Minnesota Statutes 1985 Supplement, section 62A.152, subdivision 2.

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

Solberg, Elioff and Neuenschwander introduced:

H. F. No. 2071, A bill for an act relating to local government; regulating payment of severance pay; amending Minnesota Statutes 1984, section 465.72.

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

Gruenes introduced:

H. F. No. 2072, A bill for an act relating to human services; providing for computer services to comply with long-term sheltered employment program evaluation criteria and for training and employment of persons with disabilities; appropriating money.

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

Minne introduced :

H. F. No. 2073, A bill for an act relating to natural resources ; allocating a portion of cross country license fees issued by political subdivisions to be used for maintenance of cross country ski trails ; amending Minnesota Statutes 1984, section 85.41, subdivision 5.

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

Anderson, R., introduced :

H. F. No. 2074, A bill for an act relating to appropriations ; requiring the commissioner to study relative responsibility in the medical assistance program ; appropriating money.

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

Shaver, Osthoff, Backlund, Scheid and Fjoslien introduced :

H. F. No. 2075, A bill for an act relating to elections ; recodifying and clarifying the laws on election contests ; amending Minnesota Statutes 1984, sections 209.01 ; 209.02 ; 209.03 ; 209.05 ; 209.06 ; 209.07 ; 209.09 ; 209.10 ; and 209.12 ; proposing coding for new law in Minnesota Statutes, chapter 209 ; repealing Minnesota Statutes 1984, sections 209.02, subdivisions 2, 3, 4, 4a, 5, 6, 7, and 8 ; 209.04 ; and 209.11.

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

CALENDAR

H. F. No. 1699, A bill for an act relating to licenses ; requiring operators of campgrounds and manufactured home parks to procure a license ; amending Minnesota Statutes 1984, section 157.03.

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

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

Those who voted in the affirmative were :

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

The bill was passed and its title agreed to.

H. F. No. 1773, A bill for an act relating to consumer protection; regulating the distribution of tobacco products; providing remedies; clarifying a definition; amending Minnesota Statutes 1984, section 609.685, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 325F.

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

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

Those who voted in the affirmative were :

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

Riveness	Segal	Staten	Tunheim	Welle
Rose	Shaver	Sviggum	Uphus	Wenzel
Sarna	Simoneau	Thiede	Valan	Wynia
Schafer	Skoglund	Thorson	Vanasek	Zaffke
Scheid	Solberg	Tjornhom	Vellenga	Spk. Jennings, D.
Schreiber	Sparby	Tomlinson	Voss	
Seaberg	Stanis	Tompkins	Waltman	

The bill was passed and its title agreed to.

GENERAL ORDERS

Pursuant to rules of the House, the House resolved itself into the Committee of the Whole with Jennings 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. 1725, 1035, 1806, 1826, 1871 and 1897 were recommended to pass.

H. F. Nos. 1224 and 1841 were recommended for progress.

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 call was taken in the Committee of the Whole:

The question was taken on the motion to recommend passage of H. F. No. 1725 and the roll was called. There were 112 yeas and 18 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Brown	Erickson	Himle	Marsh
Backlund	Burger	Fjoslien	Jacobs	McDonald
Battaglia	Carlson, D.	Forsythe	Jennings, L.	McEachern
Beard	Carlson, J.	Frederick	Johnson	McKasy
Becklin	Carlson, L.	Frederickson	Kalis	McPherson
Begich	Clausnitzer	Frerichs	Kelly	Metzen
Bennett	Cohen	Gruenes	Kiffmeyer	Miller
Bishop	Dempsey	Gutknecht	Knickerbocker	Minne
Blatz	DenOuden	Halberg	Knuth	Murphy
Boerboom	Dimler	Hartinger	Kostohryz	Nelson, K.
Boo	Dyke	Hartle	Krueger	Neuenschwander
Brandl	Elioff	Haukoos	Kvam	Norton
Brinkman	Ellingson	Heap	Levi	O'Connor

Olsen, S.	Poppenhagen	Sarna	Sviggum	Vellenga
Olson, E.	Price	Schafer	Thiede	Waltman
Omann	Quist	Scheid	Thorson	Welle
Onnen	Redalen	Schreiber	Tjornhom	Wenzel
Ozment	Rees	Seaberg	Tomlinson	Wynia
Pappas	Rest	Segal	Tompkins	Zaffke
Pauly	Richter	Shaver	Tunheim	Spk. Jennings, D.
Peterson	Riveness	Solberg	Uphus	
Piepho	Rodosovich	Sparby	Valan	
Piper	Rose	Stanis	Valento	

Those who voted in the negative were:

Anderson, G.	Kahn	Ogren	Rice	Staten
Clark	Lieder	Osthoff	Simoneau	Vanasek
Greenfield	McLaughlin	Otis	Skoglund	Voss
Jaros	Munger	Quinn		

The motion prevailed.

MOTIONS AND RESOLUTIONS

Clausnitzer moved that his name be stricken as chief author and that the name of Forsythe be added as chief author on H. F. No. 702. The motion prevailed.

Dempsey moved that the name of Bennett be added as an author on H. F. No. 1454. The motion prevailed.

Carlson, D., moved that the name of Ozment be added as chief author and Carlson, D., be shown as second author and the name of Haukoos be added as an author on H. F. No. 1546. The motion prevailed.

Ogren moved that the name of Lieder be added as an author on H. F. No. 1694. The motion prevailed.

O'Connor moved that the names of Sarna and Rice be added as authors on H. F. No. 1740. The motion prevailed.

Greenfield moved that the names of Long, Schreiber, McLaughlin and Knickerbocker be added as authors on H. F. No. 1755. The motion prevailed.

Dempsey moved that his name be stricken as chief author and that the name of Uphus be added as chief author on H. F. No. 1781. The motion prevailed.

Dempsey moved that his name be stricken as chief author and that the name of Frederickson be added as chief author on H. F. No. 1796. The motion prevailed.

Rees moved that the names of Ozment and Osthoff be added as authors on H. F. No. 1806. The motion prevailed.

Gutknecht moved that the names of Heap, Sviggum, Levi and Carlson, J., be added as authors on H. F. No. 1847. The motion prevailed.

Dyke moved that the name of Wenzel be added as an author on H. F. No. 1864. The motion prevailed.

Sviggum moved that the name of Simoneau be added as an author on H. F. No. 1873. The motion prevailed.

Sviggum moved that the names of Frederick, Richter, Sparby and Riveness be added as authors on H. F. No. 1882. The motion prevailed.

Bennett moved that the name of Jacobs be added as an author on H. F. No. 1892. The motion prevailed.

Rees moved that the name of Dyke be added as an author on H. F. No. 1899. The motion prevailed.

Nelson, D., moved that the name of Segal be added as an author on H. F. No. 1918. The motion prevailed.

Pappas moved that the names of Clark and Jaros be added as authors on H. F. No. 1921. The motion prevailed.

McLaughlin moved that the name of Clark be added as an author on H. F. No. 1934. The motion prevailed.

McLaughlin moved that the name of Segal be added as an author on H. F. No. 1935. The motion prevailed.

Segal moved that the name of Clark be added as an author on H. F. No. 1936. The motion prevailed.

Waltman moved that the name of Haukoos be added as an author on H. F. No. 1937. The motion prevailed.

Kelly moved that the names of Blatz and Bishop be added as authors on H. F. No. 1958. The motion prevailed.

Dempsey moved that the names of Tjornhom, Rees and Haukoos be added as authors on H. F. No. 1960. The motion prevailed.

Kiffmeyer moved that the name of Segal be added as an author on H. F. No. 1978. The motion prevailed.

McDonald moved that the name of Clark be added as an author on H. F. No. 1980. The motion prevailed.

Johnson moved that the names of Redalen and Waltman be added as authors on H. F. No. 1983. The motion prevailed.

McDonald moved that the name of Wenzel be added as an author on H. F. No. 1988. The motion prevailed.

Valento moved that the name of Haukoos be added as an author on H. F. No. 1990. The motion prevailed.

Thiede moved that the name of Wenzel be added as an author on H. F. No. 1992. The motion prevailed.

Clausnitzer moved that H. F. No. 1881 be recalled from the Committee on Governmental Operations and be re-referred to the Committee on General Legislation and Veterans Affairs. The motion prevailed.

Heap moved that H. F. No. 1945 be recalled from the Committee on Governmental Operations and be re-referred to the Committee on Labor-Management Relations. The motion prevailed.

Halberg moved that H. F. No. 1950 be recalled from the Committee on Local and Urban Affairs and be re-referred to the Committee on Judiciary. The motion prevailed.

Haukoos moved that H. F. No. 1952 be recalled from the Committee on Education and be re-referred to the Committee on Appropriations. The motion prevailed.

Solberg moved that H. F. No. 2071 be recalled from the Committee on Local and Urban Affairs and be re-referred to the Committee on Governmental Operations. The motion prevailed.

Thiede moved that H. F. No. 113 be returned to its author. The motion prevailed.

Richter moved that H. F. No. 1904 be returned to its author. The motion prevailed.

ADJOURNMENT

Levi moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Thursday, February 13, 1986.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

