

## STATE OF MINNESOTA

## SEVENTY-FOURTH SESSION - 1986

## SEVENTY-SECOND DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, FEBRUARY 19, 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 Pastor Dale Erickson, New Brighton Christian Church, New Brighton, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Solberg was excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Vanasek 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. 1757, 1772, 1800, 1815, 1885, 1928, 1016, 1568, 1807, 1824, 1851, 1926, 1962, 1991, 2014 and 1185 and S. F. No. 1636 have been placed in the members' files.

#### REPORTS OF STANDING COMMITTEES

Halberg from the Committee on Judiciary to which was referred:

H. F. No. 1635, A bill for an act relating to real property; providing a restriction on the duration of conditions affecting certain real property; providing an exemption for the city of North Oaks; amending Minnesota Statutes 1984, section 500.20, by adding a subdivision.

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

The report was adopted.

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

H. F. No. 1730, A bill for an act relating to crime; correcting certain erroneous, omitted and obsolete references in and to the criminal sexual conduct statutes; amending Minnesota Statutes 1984, sections 253B.02, subdivision 4a; 260.015, subdivision 24; 494.03; 518B.01, subdivision 2; 609.11, subdivision 9; 609.341, subdivision 3; 609.347, subdivision 3; 609.348; 609.349; 609.35; 611A.03, subdivision 3; and 628.26; and Minnesota Statutes 1985 Supplement, sections 609.341, subdivision 11; 609.344, subdivision 1; 609.345, subdivision 1; 609.346, subdivisions 2 and 3; 609.3471; 609.531, subdivision 1; 626.556, subdivision 2; and 631.045.

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

The report was adopted.

Erickson from the Committee on Education to which was referred:

H. F. No. 1762, A resolution relating to education; memorializing the President and Congress of the United States to take

action to officially commend those who have assisted the educational process of this country by operating the country's school buses.

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

The report was adopted.

McDonald from the Committee on Agriculture to which was referred:

H. F. No. 1796, A bill for an act relating to agriculture; providing a method for the division of crops on land subject to foreclosure or execution; proposing coding for new law in Minnesota Statutes, chapter 561.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [557.10] [OWNERSHIP OF CROPS.]

*Planted and growing crops are personal property of the person or entity that has the property right to plant the crops.*

Sec. 2. [557.11] [DEFINITIONS.]

*Subdivision 1. [APPLICABILITY.] The definitions in this section apply to this section and section 3.*

*Subd. 2. [PLANTING CROP OWNER.] "Planting crop owner" means the person or entity that has a property right to plant crops, including a leasehold interest, the interest of a contract for deed vendee, and the redemption interest of a foreclosed mortgagor.*

*Subd. 3. [CROP VALUE.] "Crop value" means the value of the crop and crop inputs, including the real property fair market rental value, up to the time the planting crop owner's property right to harvest the crop is terminated.*

Sec. 3. [557.12] [HARVESTING CROPS AFTER TERMINATION OF PROPERTY INTERESTS.]

*Subdivision 1. [TERMINATION OF PROPERTY INTEREST AFTER CROPS ARE PLANTED.] If the planting crop owner's property right to harvest crops is involuntarily terminated before the crops are harvested, the person or entity with the property right to harvest the crops is liable to the planting crop owner for the crop value.*

*Subd. 2. [PLANTING CROP OWNER'S LIEN.] A planting crop owner has a lien for the crop value that attaches to the crop, crop products, and if the lien is not satisfied under subdivision 3 a lien for the crop value that attaches to the real property where the crop was planted.*

*Subd. 3. [SATISFACTION OF CROP OWNER'S LIEN.] (a) A person with the right to harvest a crop that is subject to a planting crop owner's lien may satisfy the lien by:*

*(1) compensating the planting crop owner for the crop value; or*

*(2) allowing the planting crop owner to enter the property to grow and harvest the crops, and charging the planting crop owner the fair market rental value of the property where the crop was grown for the period when the planting crop owner's right to harvest the crops was terminated until the crops are harvested.*

*(b) If the person with the right to harvest the crop does not notify the planting crop owner within 30 days after termination of the planting crop owner's right to harvest the crops that the lien will be satisfied under paragraph (a), clause (2), the person with the right to harvest the crop must satisfy the lien under clause (1) unless otherwise agreed by the planting crop owner.*

*Subd. 4. [LIEN ON CROPS HARVESTED BY PLANTING CROP OWNER; PRIORITY.] If the person with the right to harvest the crop satisfies the planting crop owner's lien by allowing the planting crop owner to harvest the crops, the person with the right to harvest the crops has a lien for the fair market rental value of the property where the crop was grown that attaches to the crops and crop products. The perfected lien has priority over all other liens and security interests in the crop and crop products.*

*Subd. 5. [FILING AND ENFORCEMENT OF LIENS.] (a) A planting crop owner's lien under subdivision 2 and a lien for the fair market rental value where the crop was grown under subdivision 4 are perfected against the crop and crop products by attaching and filing a financing statement covering the crop and crop products as provided under sections 336.9-401 to 336.9-410 by 90 days after the planting crop owner's right to harvest the crop is terminated. The financing statement must include a statement indicating whether it is a planting crop owner's lien or a lien for a crop harvested by a planting crop owner. A perfected lien may be enforced in the same manner as a security interest under sections 336.9-501 to 336.9-508.*

*(b) A lien against the real property under subdivision 2 must be recorded and foreclosed in the same manner as a mechanics' lien under sections 514.08 to 514.15 if the planting crop owner*

*was a contractor. For purposes of this paragraph, the lien statement must be filed and served under section 514.08, subdivision 1, by 120 days after the crop was harvested, or if the crop was not harvested, by 12 months after the crop was planted.*

**Sec. 4. [REPEALER.]**

*Minnesota Statutes 1984, sections 561.11; 561.12; 561.13; 561.14; 561.15; and 561.16, are repealed.*

**Sec. 5. [EFFECTIVE DATE.]**

*This act is effective the day after final enactment."*

Delete the title and insert:

**"A bill for an act relating to agriculture; declaring crop ownership; prescribing a procedure for planting crop owners to recover crop values; providing liens on crops and property; prescribing satisfaction and enforcement of liens; proposing coding for new law in Minnesota Statutes, chapter 557; repealing Minnesota Statutes 1984, sections 561.11; 561.12; 561.13; 561.14; 561.15; and 561.16."**

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

The report was adopted.

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

H. F. No. 1810, A bill for an act relating to the city of Red Wing; directing the department of energy and economic development to refund a certain bond deposit; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

**"Section 1. [GOVERNMENTAL SUBDIVISIONS; BOND DEPOSIT REFUNDS.]**

*The department of energy and economic development shall refund to the following named governmental subdivisions the unrefunded application deposits received in calendar years 1984 and 1985 from those governmental subdivisions under Minnesota Statutes, section 474.19. \$186,233.33 is appropriated from the general fund to the department of energy and economic development to refund the industrial development bond allocation de-*

*posit to the governmental subdivisions in the amount specified for each governmental subdivision.*

<i>Anoka county</i>	<i>\$62,900.00</i>
<i>City of Pipestone</i>	<i>\$ 3,333.33</i>
<i>City of Red Wing</i>	<i>\$60,000.00</i>
<i>City of Hastings</i>	<i>\$60,000.00</i>

Sec. 2. [CERTIFICATION.]

*Before a refund of a deposit may be made to a governmental subdivision as provided in section 1, the governmental subdivision must certify by letter to the department of energy and economic development that the deposit was paid or reimbursed for payment with the respective governmental subdivision's money.*

Sec. 3. [EFFECTIVE DATE.]

*This act is effective the day following final enactment."*

Amend the title as follows:

Page 1, line 2, delete "the city of Red Wing" and insert "local government"

Page 1, line 4, delete "a" and delete "deposit" and insert "deposits"

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

The report was adopted.

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

H. F. No. 1819, A bill for an act relating to counties; making optional a county building commission law; amending Minnesota Statutes 1984, section 394.01.

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

The report was adopted.

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

H. F. No. 1820, A bill for an act relating to local improvements; permitting counties to make certain improvements anywhere within their territory; amending Minnesota Statutes 1984, section 429.011, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 429.011, subdivision 5, is amended to read:

Subd. 5. "Improvement" means any type of improvement made under authority granted by section 429.021, and in the case of a county is limited to the construction, reconstruction, or improvement of a county state-aid highway or county highway including curbs and gutters and storm sewers (OUTSIDE OF THE BOUNDARIES OF ANY CITY).

Sec. 2. Minnesota Statutes 1985 Supplement, section 429.061, subdivision 1, is amended to read:

Subdivision 1. [CALCULATION, NOTICE.] At any time after the expense incurred or to be incurred in making an improvement shall be calculated under the direction of the council, the council shall determine by resolution the amount of the total expense the municipality will pay, other than the amount, if any, which it will pay as a property owner, and the amount to be assessed. If a county proposes to assess within the boundaries of a city for a county state-aid highway or county highway, *including curbs, gutters, and storm sewers*, the resolution must include the portion of the cost proposed to be assessed within the city. The county shall forward the resolution to the city and it may not proceed with the assessment procedure under this section for property within the city unless the city council adopts a resolution approving the assessment. Thereupon the clerk, with the assistance of the engineer or other qualified person selected by the council, shall calculate the proper amount to be specially assessed for the improvement against every assessable lot, piece or parcel of land, without regard to cash valuation, in accordance with the provisions of section 429.051. The proposed assessment roll shall be filed with the clerk and be open to public inspection. The clerk shall thereupon, under the council's direction, publish notice that the council will meet to consider the proposed assessment. Such notice shall be published in the newspaper at least once and shall be mailed to the owner of each parcel described in the assessment roll. For the purpose of giving mailed notice under this subdivision, owners shall be those shown to be such on the records of the county auditor or, in any county where

tax statements are mailed by the county treasurer, on the records of the county treasurer; but other appropriate records may be used for this purpose. Such publication and mailing shall be no less than two weeks prior to such meeting of the council. Except as to the owners of tax exempt property or property taxes on a gross earnings basis, every property owner whose name does not appear on the records of the county auditor or the county treasurer shall be deemed to have waived such mailed notice unless he has requested in writing that the county auditor or county treasurer, as the case may be, include his name on the records for such purpose. Such notice shall state the date, time, and place of such meeting, the general nature of the improvement, the area proposed to be assessed, the amount to be specially assessed against that particular lot, piece, or parcel of land, that the proposed assessment roll is on the file with the clerk, and that written or oral objections thereto by any property owner will be considered. No appeal may be taken as to the amount of any assessment adopted pursuant to subdivision 2, unless a written objection signed by the affected property owner is filed with the municipal clerk prior to the assessment hearing or presented to the presiding officer at the hearing. The notice shall also state that an owner may appeal an assessment to district court pursuant to section 429.081 by serving notice of the appeal upon the mayor or clerk of the municipality within 30 days after the adoption of the assessment and filing such notice with the district court within ten days after service upon the mayor or clerk. The notice shall also inform property owners of the provisions of sections 435.193 to 435.195 and the existence of any deferment procedure established pursuant thereto in the municipality."

Delete the title and insert:

"A bill for an act relating to local improvements; permitting counties to make certain improvements anywhere within their territory; amending Minnesota Statutes 1984, section 429.011, subdivision 5; Minnesota Statutes 1985 Supplement, section 429.061, subdivision 1."

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

The report was adopted.

McDonald from the Committee on Agriculture to which was referred:

H. F. No. 1846, A bill for an act relating to agriculture; establishing filing requirements, enforcement, and priority of veterinarian's lien; amending Minnesota Statutes 1984, section 514.92.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 514.92, is amended to read:

**514.92 [VETERINARIAN'S LIEN (; STATEMENT OF CLAIM; FORECLOSURE).]**

Subdivision 1. [ATTACHMENT.] (EVERY DULY) A licensed (AND REGISTERED) veterinarian (SHALL HAVE A LIEN FOR ALL) *who performs emergency veterinary services (OVER) that cost more than \$25 (RENDERED UPON ANY ANIMAL OR) for animals at the request of the owner or (LAWFUL POSSESSOR OF SAME, INCLUDING BUT NOT LIMITED TO) a person in possession of the animals has a lien on the animals for the value of the services. Veterinary services include emergency surgical procedures, administering vaccines, antisera, (VIRUS,) and antibiotics, (OR) and other veterinary (TREATMENT, FROM THE DATE OF FILING THE LIEN. WITHIN 180 DAYS FROM THE DAY ON WHICH THE TREATMENT WAS COMPLETED, THE CLAIMANT OF THE LIEN SHALL FILE IN THE APPROPRIATE FILING OFFICE UNDER THE UNIFORM COMMERCIAL CODE, MINNESOTA STATUTES, SECTION 336.9-401, A VERIFIED LIEN STATEMENT SETTING FORTH THE KIND AND NUMBER OF ANIMALS TREATED, THE REASONABLE VALUE FOR THE TREATMENT OR SERVICES RENDERED, OR THE PRICE CONTRACTED BETWEEN THE PARTIES, THE NAME OF THE PERSON FOR WHOM THE TREATMENT WAS DONE, THE REASONABLE IDENTIFICATION OF THE ANIMAL OR GROUP OF ANIMALS TREATED, DATES WHEN THE TREATMENT WAS COMMENCED AND WAS COMPLETED, THE NAME OF THE OWNER, OR REPUTED OWNER, OF THE ANIMALS, THE NAME AND ADDRESS OF THE VETERINARIAN CLAIMING THE LIEN. WITHIN ONE YEAR AFTER THE DATE THE LAST SERVICE WAS RENDERED, BUT NOT THEREAFTER, THE LIEN CLAIMANT MAY FORECLOSE HIS LIEN IN THE MANNER PRESCRIBED FOR SECURITY INTERESTS UNDER ARTICLE 9 OF THE UNIFORM COMMERCIAL CODE) medicines and treatments. Veterinary services also include services performed primarily to protect human health, prevent the spread of animal diseases, or to preserve the immediate health of an animal.*

Subd. 1a. [FILING AND PERFECTING LIEN.] *The veterinarian must file a lien statement in the appropriate filing office for a financing statement covering the animals to be filed under section 336.9-401 by 180 days after the veterinary services are performed. The lien is perfected by properly filing the lien statement.*

Subd. 2. [LIEN STATEMENT.] (MINNESOTA STATUTES, SECTION 514.74 SHALL APPLY TO ALL LIENS

CREATED UNDER SUBDIVISION 1.) (a) A lien statement must be verified and state:

- (1) the name of the owner, or reputed owner, of the animals;
- (2) the name of the person for whom the veterinary services were performed;
- (3) the kind, number, and reasonable identification of animals treated;
- (4) the dates when the veterinary services were begun and finished;
- (5) the fraction of veterinary services performed which were primarily for the purpose of protecting human health, preventing the spread of animal diseases, or preserving the health of the animal or animals treated;
- (6) the reasonable value of the veterinary services rendered, or the price contracted between the parties; and
- (7) the name and address of the veterinarian claiming the lien.

(b) The provisions of section 514.74 relating to inaccuracies in lien statements apply to lien statements under this subdivision.

**Subd. 3. [ENFORCEMENT OF LIEN.]** An action to enforce a perfected lien under this section must be started by one year after the date the last veterinary service was performed. A perfected lien may be enforced in the manner prescribed for security interests under section 336.9-501 to 336.9-508.

**Subd. 4. [PRIORITY OF LIEN.]** A perfected veterinarian's lien under this section has priority over other liens and security interests on the same animals to the extent the veterinary services were performed primarily for the purpose of protecting human health, preventing the spread of animal diseases, or preserving the health of the animal or animals treated. The priority of a perfected veterinarian lien under this section is only prior to a security interest perfected on or after the effective date of this act. The priority among veterinarian's liens filed under this section is according to the first lien filed.

**Subd. 5. [TERMINATION.]** (a) A veterinarian's lien under this section terminates after:

- (1) 180 days after the last veterinarian's services was performed if a proper lien statement is not filed; or

(2) *one year after the lien is filed if an action to enforce the lien has not been started.*

(b) *A filing officer may remove and destroy terminated lien statements in the same manner as provided for a financing statement under section 336.9-410.*

Sec. 2. Minnesota Statutes 1985 Supplement, section 514.952, subdivision 4, is amended to read:

Subd. 4. [EFFECT OF RESPONSE OR FAILURE TO RESPOND.] (a) If a lender responds with a letter of commitment for part or all of the amount in the lien-notification statement, the supplier may not obtain a lien for the amount stated in the letter of commitment.

(b) If a lender responds with a refusal to provide a letter of commitment (THE RIGHTS OF THE LENDER AND THE SUPPLIER ARE NOT AFFECTED) *or fails to respond, the supplier has an agricultural production input lien on the crops or livestock for which the agricultural production input was purchased, and the lien has priority over all other liens except (1) liens filed more than 12 months prior to the date of the statement; (2) a perfected veterinary lien filed under the provisions of section 1; and (3) those of the state of Minnesota. No agreement to waive the lien's priority is valid.*

Sec. 3. [REPEALER.]

*Minnesota Statutes 1984, section 514.952, subdivision 6; and Minnesota Statutes 1985 Supplement, section 514.952, subdivision 5, are repealed.*

Sec. 4. [EFFECTIVE DATE.]

*This act is effective the day following final enactment."*

Delete the title and insert:

*"A bill for an act relating to agriculture; establishing filing requirements, enforcement, and priority of veterinarian's lien; giving agricultural production input liens priority; amending Minnesota Statutes 1984, section 514.92; Minnesota Statutes 1985 Supplement, section 514.952, subdivision 4; repealing Minnesota Statutes 1984, section 514.952, subdivision 6; and Minnesota Statutes 1985 Supplement, section 514.952, subdivision 5."*

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

The report was adopted.

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

H. F. No. 1850, A bill for an act relating to intoxicating liquor; authorizing the city of Rochester to issue an on-sale license to a concessionaire at the Mayo civic auditorium.

Reported the same back with the following amendments:

Page 1, line 7, delete "AUDITORIUM" and insert "CENTER"

Page 1, line 11, delete "auditorium" and insert "center"

Page 1, line 13, delete "auditorium" and insert "center"

Page 1, after line 18, insert:

"Sec. 2. [REPEALER.]

*Laws 1978, chapter 677, is repealed."*

Page 1, line 20, delete "Section 1 is" and insert "Sections 1 and 2 are"

Renumber the remaining section

Amend the title as follows:

Page 1, line 4, delete "auditorium" and insert "center"

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. 1853, A bill for an act relating to public indebtedness; permitting home rule charter and statutory cities to incur debt for warning systems; amending Minnesota Statutes 1984, section 475.52, subdivision 1.

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

The report was adopted.

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

H. F. No. 1860, A bill for an act relating to metropolitan government; permitting the metropolitan mosquito control commission to issue certificates of indebtedness; amending Minnesota Statutes 1984, section 473.711, by adding a subdivision.

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

The report was adopted.

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

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:

Page 11, line 10, after "*furnishing of*" insert "*potable*"

Page 12, line 10, after "*pollution*" insert "*through wastewater treatment facilities as defined by section 115.71, subdivision 8,*"

Page 12, line 10, after "*furnishing of*" insert "*potable*"

Page 12, line 13, after "*facilities*" insert "*, but does not include the furnishing of heating or cooling energy*"

Amend the title as follows:

Page 1, line 4, after "*furnishing of*" insert "*potable*"

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

The report was adopted.

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

H. F. No. 1874, A bill for an act relating to energy; providing renewable residential energy grants; appropriating money.

Reported the same back with the following amendments:

Page 1, line 15, delete "*energy and*" and insert "*revenue.*"

Page 1, delete line 16

Page 3, line 15, delete "*energy*" and insert "*revenue*"

Page 3, line 16, delete "*and economic development*"

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

The report was adopted.

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

H. F. No. 1886, A bill for an act relating to local government; changing the notice requirements for proposed special assessments; amending Minnesota Statutes 1984, section 429.061, subdivision 2; Minnesota Statutes 1985 Supplement, section 429.061, subdivision 1.

Reported the same back with the following amendments:

Page 2, line 26, after "(LAND)" insert "*, the total amount of the proposed assessment*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Rose from the Committee on Environment and Natural Resources 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, subdivision 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 3, delete "*department of sanitary engineers*" and insert "*division of environmental engineering*"

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

The report was adopted.

Onnen from the Committee on Health and Human Services to which was referred:

H. F. No. 1940, A bill for an act relating to health; providing for county registrars of vital statistics; amending Minnesota Statutes 1984, section 144.214, subdivision 1.

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

The report was adopted.

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

H. F. No. 1969, A bill for an act relating to mediation; providing for mediation between debtors and creditors; authorizing mediator training grants to nonprofit regional alternative dispute resolution centers; amending Minnesota Statutes 1984, sections 480.24, by adding a subdivision; and 480.242, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 572.

Reported the same back with the following amendments:

Page 4, line 27, delete "*court administrator*" and insert "*bureau of mediation services*"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1978, A bill for an act relating to crimes; limiting when felony charges brought for depriving another of custodial or parental rights may be dismissed; amending Minnesota Statutes 1984, section 609.26, subdivision 5.

Reported the same back with the following amendments:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1985 Supplement, section 609.26, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED ACTS.] Whoever intentionally does any of the following acts may be charged with a felony and, upon conviction, may be sentenced as provided in subdivision 6:

(1) conceals a minor child from the child's parent where the action manifests an intent substantially to deprive that parent of parental rights or conceals a minor child from another person having the right to visitation or custody where the action manifests an intent to substantially deprive that person of rights to visitation or custody;

(2) takes, obtains, retains, or fails to return a minor child in violation of a court order which has transferred legal custody under chapter 260 to the commissioner of human services, a child placing agency, or the county welfare board;

(3) takes, obtains, retains, or fails to return a minor child from or to the parent *contrary to a court order*, where the action manifests an intent substantially to deprive that parent of rights to visitation or custody; or

(4) takes, obtains, retains, or fails to return a minor child from or to a parent after commencement of an action relating to child visitation or custody but prior to the issuance of an order determining custody or visitation rights, where the action manifests an intent substantially to deprive that parent of parental rights."

Renumber the remaining section

Page 1, line 12, strike "14" and insert "3"

Page 1, line 16, strike "14" and insert "3"

Amend the title as follows:

Page 1, line 5, before the period insert "; and Minnesota Statutes 1985 Supplement, section 609.26, subdivision 1"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1984, A bill for an act relating to commerce; regulating securities; regulating the assignment of certain real property loans and the administration of certain escrow accounts; providing certain exemptions; regulating real estate brokers and salespersons; modifying re-examination requirements; providing trust account requirements for licensees acting as principals; granting certain enforcement powers to the commissioner; providing certain remedies; amending Minnesota Statutes 1984, sections 47.20, subdivision 9; 80A.14, subdivision 18; 80A.15, sub-

division 1; 82.17, subdivision 4; 82.22, subdivisions 3, 6, and 13; 82.24, subdivision 2; 82.26; 82.27, subdivision 1; 82.33, subdivision 2; and Minnesota Statutes 1985 Supplement, section 80A.15, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 47.

Reported the same back with the following amendments:

Page 2, line 16, delete "*permitted under the mortgage contract,*"

Page 2, line 18, delete "*may be*" and insert "*is*"

Page 2, line 19, delete "*if the following conditions are satisfied*"

Page 2, line 20, delete "*notifies*" and insert "*shall notify*"

Page 2, line 24, before the semicolon insert "*and the notification shall also include a detailed written financial breakdown, including but not limited to, interest rate, monthly payment amount, and current escrow balance*"

Page 2, line 25, delete "*issues*" and insert "*shall issue*"

Page 2, line 26, delete "*provides*" and insert "*shall provide*"

Page 2, line 30, delete "*. The purchasing*" and insert "*, and*"

Page 2, line 31, delete "*lender*" and delete "*also provide information to*" and insert "*inform*"

Page 2, line 32, after "*regarding*" insert "*the mortgage*"

Page 2, line 33, before the semicolon insert "*including, but not limited to, interest rate, monthly payment amount, and current escrow balance*"

Page 2, line 34, delete "*agrees to*" and insert "*shall*" and delete "*ten*" and insert "*15*"

Page 2, line 35, after "*to a*" insert "*written*"

Page 2, line 36, delete "*name and*"

Page 3, line 1, delete "*in*" and insert a period

Page 3, delete lines 2 to 4

Page 4, lines 9 to 11, reinstate the stricken language and delete the new language

Page 21, after line 25, insert:

"Sec. 14. Minnesota Statutes 1984, section 386.375, is amended to read:

386.375 [(ABSTRACT OF TITLE;) STORAGE (WITHIN MINNESOTA) OF ABSTRACTS.]

*Subdivision 1. [DEFINITIONS.] For the purposes of this section, "lender" means all state banks and trust companies, national banking associations, state and federally chartered savings and loan associations, mortgage banks, mutual savings banks, insurance companies, credit unions making a loan, or any person making a conventional loan as defined under section 47.20, subdivision 2, clause (3) or cooperative apartment loan as defined under section 47.20, subdivision 2, clause (4). A "selling lender" is a lender who sells, assigns, or transfers a loan and/or the servicing of a loan to a "purchasing lender" or "servicing agent."*

*Subd. 2. [RESPONSIBILITY FOR STORAGE.] Any title company, lender or anyone other than the mortgagor or fee simple owner holding an abstract of title to Minnesota real estate shall (BE STORED WITHIN THE STATE OF MINNESOTA) transfer the abstract of title to the mortgagor or fee simple owner of the real estate to which the abstract pertains before August 1, 1986. After August 1, 1986, the abstract of title shall be provided to the mortgagor or fee simple owner at the time of closing. This section does not apply if the holder of the abstract of title is the mortgagor or fee simple owner of the real estate to which the abstract pertains.*

*Subd. 3. [PENALTIES.] If a title company or lender fails to comply with the requirements of subdivision 2, the mortgagor or fee simple owner has the right to have an abstract made at the expense of the lender or title company holding the abstract."*

Amend the title as follows:

Page 1, line 10, after the second semicolon insert "requiring storage of abstracts of title within Minnesota;"

Page 1, line 15, after the semicolon insert "386.375;"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2035, A bill for an act relating to retirement; police and firefighters' relief associations; standardizing audit-

ing 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.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 3.85, subdivision 6, is amended to read:

Subd. 6. [ASSISTANCE OF OTHER AGENCIES.] The commission may request information from any state officer or agency or any public pension fund or plan as defined in section 356.61, including any volunteer firefighters' relief association to which sections 69.771 to 69.776 applies, in order to assist in carrying out the terms of this section and (SUCH) the officer (OR), agency, or public pension fund or plan, is authorized and directed to promptly furnish any data requested.

Sec. 2. [6.495] [EXAMINATION OF FIRE AND POLICE RELIEF ASSOCIATIONS.]

*Subdivision 1. [AUDIT AND EXAMINATIONS.] All powers and duties conferred and imposed upon the state auditor with respect to state, county, and first-class city officers, institutions, and property are hereby extended to the various fire and police relief associations in the state. The state auditor shall annually audit the special and general funds of the relief association or, at the request of the board of trustees or the municipality, the state auditor may contract for an annual audit by a certified public accountant. The state auditor may determine that an annual audit is not necessary, in which case the state auditor shall develop a plan for examination of unaudited relief associations, and shall prescribe suitable systems of accounts and budgeting, and forms, books, and instructions concerning the same.*

*Copies of the written report of the state auditor on the financial condition and accounts of the relief association shall be filed with the board of trustees of the relief association and the governing body of the municipality associated with the relief association. If the report discloses malfeasance, misfeasance, or nonfeasance with regard to relief association funds, copies thereof shall be filed with the city attorney or county attorney in the city or county in which the relief association is located,*

*and these officials of the law shall institute proceedings, civil or criminal, as the law and public interest require.*

*Subd. 2. [COSTS AND FEES.] The relief association receiving the audit or examination shall pay to the state auditor's revolving fund the total costs and expenses of the audit or examination, including the salaries paid to the auditors while actually engaged in making the audit or examination.*

*Subd. 3. [REPORT TO COMMISSIONER OF REVENUE.] The state auditor shall file with the commissioner of revenue a financial compliance report certifying for each relief association:*

*(1) the completion of the annual financial report required pursuant to section 69.051 and the auditing or certification of those financial reports pursuant to subdivision 1; and*

*(2) the receipt of any actuarial valuations required pursuant to section 69.77 or 69.773.*

**Sec. 3.** Minnesota Statutes 1984, section 6.72, subdivision 2, is amended to read:

**Subd. 2. [CONTENTS OF REPORT.]** The report shall include the aggregate totals for all volunteer firefighters' relief associations directly associated with the municipal fire departments and all volunteer firefighters' relief associations subsidiary to independent nonprofit firefighting corporations, the aggregate totals by the various benefit types and the individual results for each volunteer firefighters' relief association listed by various benefit types specified in subdivision 3. The following items shall be reported in each instance:

- (1) amount of accrued liability,
- (2) amount of assets,
- (3) amount of surplus or unfunded accrued liability,
- (4) funding ratio,
- (5) amount of annual accruing liability or normal cost,
- (6) amount of annual required contribution to amortize the unfunded accrued liability,
- (7) amount of total required contribution,
- (8) amount of fire state aid,

- (9) amount of any municipal contributions,
- (10) amount of administrative expenses,
- (11) amount of service pension disbursements,
- (12) amount of other retirement benefit disbursements,
- (13) number of active members,
- (14) number of retired members,
- (15) number of deferred members,
- (16) amount of fidelity bond of secretary and treasurer,
- (17) *amount of lump sum or monthly service pension accrued per year of service credit,*
- (18) minimum retirement age required for commencement of a service pension,
- (19) minimum years of active service credit required for commencement of service pension,
- (20) minimum years of active membership credit required for commencement of service pension,
- (21) type and amount of other retirement benefits.

Sec. 4. Minnesota Statutes 1985 Supplement, section 69.011, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] Unless the language or context clearly indicates that a different meaning is intended, the following words and terms shall for the purposes of this chapter and chapters 423, 423A, 424 and 424A have the meanings ascribed to them:

- (a) "Commissioner" means the commissioner of revenue.
- (b) "Municipality" means any home rule charter or statutory city, organized town or park district subject to chapter 398, and the University of Minnesota.
- (c) "Minnesota Firetown Premium Report" means a form prescribed by the commissioner containing space for reporting by insurers of fire, lightning, sprinkler leakage and extended coverage premiums received upon risks located or to be performed in this state less return premiums and dividends.

(d) "Firetown" means the area serviced by any municipality having a qualified fire department or a qualified incorporated fire department having a subsidiary volunteer firefighters relief association.

(e) "Assessed property valuation" means latest available assessed value of all property in a taxing jurisdiction, whether the property is subject to taxation, or exempt from ad valorem taxation obtained from information which appears on abstracts filed with the commissioner of revenue or equalized by the state board of equalization.

(f) "Minnesota Aid to Police Premium Report" means a form prescribed by the commissioner for reporting by each fire and casualty insurer of all premiums received upon direct business received by it in this state, or by its agents for it, in cash or otherwise, during the preceding calendar year, with reference to insurance written for insuring against the perils contained in auto liability-bodily injury, auto liability-property damage, and auto physical damage as reported in the Minnesota business schedule of the fire and casualty insurance companies annual financial statement which each insurer is required to file with the commissioner in accordance with the governing laws or regulations less return premiums and dividends.

(g) "Peace officer" means any person:

(1) whose primary source of income derived from wages is from direct employment by a municipality or county as a law enforcement officer on a full-time basis of not less than 30 hours per week;

(2) who has been employed for a minimum of six months prior to December 31 preceding the date of the current year's certification pursuant to subdivision 2, clause (b);

(3) who is sworn to enforce the general criminal laws of the state and local ordinances;

(4) who is licensed by the peace officers standards and training board and is authorized to arrest with a warrant; and

(5) who is a member of a local police relief association to which section 69.77 applies or the public employees police and fire fund.

(h) "Full-time equivalent number of peace officers providing contract service" means the integral or fractional number of peace officers which would be necessary to provide the contract service if all peace officers providing service were employed on a full-time basis as defined by the employing unit and the municipality receiving the contract service.

(i) "Retirement benefits other than a service pension" means any disbursement authorized pursuant to section (424.05) 424A.05, subdivision 3, clauses (2), (3) and (4).

(j) "Municipal clerk, municipal clerk-treasurer or county auditor" means the person who was elected or appointed to the specified position or, in the absence of the person, another person who is designated by the applicable governing body. In a park district the clerk is the secretary of the board of park district commissioners. In the case of the University of Minnesota, the clerk is that official designated by the board of regents.

Sec. 5. Minnesota Statutes 1984, section 69.011, subdivision 2, is amended to read:

Subd. 2. [QUALIFICATION FOR FIRE OR POLICE STATE AID.] (a) In order to qualify to receive fire state aid, on or before (JUNE) *July 1*, annually, in conjunction with the financial report required pursuant to section 69.051 (, SUBDIVISION 1 OR 3), the clerk of each municipality having a duly organized fire department as provided in subdivision 4, or the secretary of each independent nonprofit firefighting corporation having a subsidiary incorporated firefighter's relief association whichever is applicable, and the secretary and the treasurer of the firefighter's relief association, shall jointly certify the existence of the municipal fire department or of the independent nonprofit firefighting corporation, whichever is applicable, which meets the minimum qualification requirements set forth in this subdivision, and the fire personnel and equipment of the municipal fire department or the independent nonprofit firefighting corporation as of the preceding December 31. Certification shall be made to the commissioner on a form prescribed by the commissioner and shall include any other facts the commissioner may require. The certification shall be made to the commissioner in duplicate. Each copy of the certificate shall be duly executed and deemed an original. The commissioner shall forward one copy to the auditor of the county wherein the fire department is located and retain one copy.

(b) On or before (JUNE) *July 1* annually the clerk of each municipality having a duly organized police department and having a duly incorporated relief association shall certify that fact to the county auditor of the county where the police department is located and to the commissioner on a form prescribed by him together with the other facts the commissioner or auditor may require.

On or before (JUNE) *July 1* annually, the clerk of each municipality and the auditor of each county employing one or more peace officers as defined in subdivision 1, clause (h), shall certify the number of such peace officers to the commissioner on forms prescribed by him. Credit for officers employed less than a full year shall be apportioned. Each full month of employment of

a qualifying officer during the calendar year shall entitle the employing municipality or county to credit for one-twelfth of the payment for employment of a peace officer for the entire year. For purposes of sections 69.011 to 69.051, employment of a peace officer shall commence when the peace officer is entered on the payroll of the respective municipal police department or county sheriff's department. No peace officer shall be included in the certification of the number of peace officers by more than one municipality or county for the same month.

Sec. 6. Minnesota Statutes 1984, section 69.021, subdivision 4, is amended to read:

Subd. 4. [DETERMINATION OF QUALIFIED STATE AID RECIPIENTS; CERTIFICATION TO COMMISSIONER OF FINANCE.] The commissioner shall determine which municipalities and independent nonprofit firefighting corporations are qualified to receive fire state aid and which municipalities and counties are qualified to receive police state aid. (ANY MUNICIPALITY, INDEPENDENT NONPROFIT FIREFIGHTING CORPORATION OR COUNTY WHICH RECEIVED STATE AID FOR THE YEAR IMMEDIATELY PREVIOUS SHALL BE PRESUMED TO BE QUALIFIED TO RECEIVE STATE AID FOR THE YEAR IN QUESTION. IF SUBSEQUENT EXAMINATION REVEALS THAT THE STATE AID RECIPIENT WAS NOT IN FACT QUALIFIED TO RECEIVE STATE AID FOR ANY YEAR, THE COMMISSIONER SHALL RETROACTIVELY DISQUALIFY THE RECIPIENT AND SHALL TAKE ANY NECESSARY STEPS TO RECOVER THE STATE AID PAYMENTS WHICH HAD BEEN MADE FOR THE YEARS OF DISQUALIFICATION, PLUS INTEREST AT A RATE EQUAL TO THE MAXIMUM LAWFUL INTEREST RATE FOR A STATE BANK PURSUANT TO SECTION 48.195, AS OF THE DATE OF DISQUALIFICATION, COMPOUNDED ANNUALLY FROM THE DATE ON WHICH THE STATE AID PAYMENT WAS MADE UNTIL THE DATE ON WHICH THE PAYMENT IS RECOVERED.) The (DETERMINATION OF QUALIFICATION BY THE) commissioner shall (BE BASED ON INFORMATION CONTAINED IN) *determine qualification upon receipt of (1) the fire department (,) personnel and equipment certification or the police department and qualified peace officers certificate, whichever is applicable, required pursuant to section 69.011, (2) the (ANNUAL) financial compliance report required pursuant to section (69.051) 2, (ANY ACTUARIAL VALUATION OR EXPERIENCE STUDY REPORT REQUIRED PURSUANT TO SECTIONS 69.77 OR 69.773, ANY AUDITS CONDUCTED BY THE STATE AUDITOR OR AN INDEPENDENT AUDITOR,) and (3) any other relevant information which comes to the attention of the commissioner. Upon completion of the determination, on or before (JUNE) September 1, the commissioner shall calculate pursuant to subdivision 6 the amount of fire state aid and police state aid which each county is to receive for subsequent appor-*

tionment pursuant to subdivision 7 and shall certify to the commissioner of finance the name of each county in which are located one or more qualified state aid recipients and the amount of state aid which each county is to receive for subsequent apportionment. The commissioner shall also certify to each county auditor the name of each qualified state aid recipient located in the county and any other information deemed necessary for the county auditor to make the subsequent apportionment of state aid.

Sec. 7. Minnesota Statutes 1984, section 69.021, subdivision 7, is amended to read:

Subd. 7. [APPORTIONMENT OF AID TO MUNICIPALITIES AND (FIREFIGHTER'S) RELIEF ASSOCIATIONS BY COUNTY AUDITOR.] (1) The county auditor shall apportion the state aid received by him relative to the premiums reported on the Minnesota Firetown Premium Reports filed pursuant to this chapter to each municipality and/or firefighter's relief association certified to him by the commissioner in the same manner that state aid is apportioned to the counties, one-half in proportion to the population and one-half in proportion to the assessed property valuation of the fire towns in the county for which aid is proportioned. Necessary adjustments shall be made to subsequent apportionments.

In the case of municipalities or independent fire departments qualifying for the aid the county auditor shall calculate the state aid for the municipality or relief association on the basis of the population and the property valuation of the area furnished fire protection service by the fire department as evidenced by duly executed and valid fire service agreements filed with him. If one or more fire departments are furnishing contracted fire service to a city, town or township only the population and valuation of the area served by each fire department shall be considered in calculating the state aid and the fire departments furnishing service shall enter into an agreement apportioning among themselves the percent of the population and the assessed property valuation of each service area. Agreement shall be in writing and filed with the commissioner in duplicate. The commissioner shall forward one copy of the agreement to the county auditor of the county wherein the fire department is located and retain one copy.

(IN THE CASE OF CITIES OF THE FIRST AND SECOND CLASS THE STATE AID CALCULATED SHALL BE PAID DIRECTLY TO THE TREASURER OF THE RELIEF ASSOCIATION. IN THE CASE OF ALL OTHER MUNICIPALITIES AND INDEPENDENT FIRE DEPARTMENT RELIEF ASSOCIATIONS OR RETIREMENT PLANS) The aid shall be paid to the treasurer of the municipality where the fire department is located and the treasurer of the municipality shall within 30 days transmit the aid to the relief association if the relief

association has filed a financial report with the treasurer of the municipality and has met all other statutory provisions pertaining to the aid apportionment.

The county auditor and commissioner are hereby empowered to make rules and regulations to permit the administration of the provisions of this section.

(2) The county auditor shall apportion the state police aid received by him to each municipality and to the county in the following manner:

(a) For all municipalities maintaining police departments and the county, the state aid shall be distributed by the county auditor in proportion to the total number of peace officers, as determined pursuant to section 69.011, subdivision 1, clause (g), and subdivision 2, clause (b), employed by each municipality and by the county for 12 calendar months and the proportional or fractional number who were employed less than 12 months;

(b) For each municipality which contracts with the county for police service, a proportionate amount of the state aid distributed to the county based on the full time equivalent number of peace officers providing contract service shall be credited against the municipality's contract obligation;

(c) For each municipality which contracts with another municipality for police service, a proportionate amount of the state aid distributed to the municipality providing contract service based on the full time equivalent number of peace officers providing contract service on a full time equivalent basis shall be credited against the contract obligation of the municipality receiving contract service;

(d) No municipality entitled to receive police state aid shall be apportioned less police state aid for any year under Laws 1976, Chapter 315, than the amount which was apportioned to it for calendar year 1975 based on premiums reported to the commissioner for calendar year 1974; provided, the amount of police state aid to other municipalities within the county and to the county shall be adjusted in proportion to the total number of peace officers in the municipalities and the county, so that the amount of police state aid apportioned shall not exceed the amount of police state aid available for apportionment.

The county auditor and commissioner are hereby empowered to make rules and regulations to permit the administration of the provisions of this section.

Sec. 8. Minnesota Statutes 1985 Supplement, section 69.031, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER OF FINANCE'S WARRANT.] The commissioner of finance shall issue to the auditor of each county certified to him by the commissioner his warrant for an amount equal to the amount certified to by the commissioner pursuant to section 69.021. The amount due to a county and not paid by September 1 accrues interest at the rate of one percent for each month or part of a month the amount remains unpaid, beginning the preceding (JUNE) *July* 1.

Sec. 9. Minnesota Statutes 1984, section 69.051, is amended to read:

69.051 [FINANCIAL REPORT, BOND, EXAMINATION.]

Subdivision 1. [FINANCIAL REPORT (OF ASSOCIATION) AND AUDIT.] The (SECRETARY AND THE TREASURER) *board* of each *salaried* firefighters (RELIEF ASSOCIATION OR) *and* police relief association *and of each volunteer firefighters' relief association with assets of at least \$200,000 or liabilities of at least \$200,000, according to the most recent actuarial valuation or financial report if no valuation is required,* shall (, IN CONJUNCTION WITH THE FIRE DEPARTMENT PERSONNEL AND EQUIPMENT CERTIFICATE REQUIRED PURSUANT TO SECTION 69.011, SUBDIVISION 2, CLAUSE (A), OR THE POLICE DEPARTMENT AND QUALIFIED PEACE OFFICERS CERTIFICATE REQUIRED PURSUANT TO SECTION 69.011, SUBDIVISION 2, CLAUSE (B), WHICHEVER IS APPLICABLE, ANNUALLY):

(a) Prepare (AND SIGN JOINTLY) a (DETAILED) financial report (OF THE RECEIPTS OF, DISBURSEMENTS FROM AND BALANCES IN) *covering* the special and general funds of the relief association for the preceding (CALENDAR) *fiscal year (ENDING DECEMBER 31,) on a form prescribed by the (COMMISSIONER) state auditor.* The financial report shall contain (ANY INFORMATION) *financial statements and disclosures which (THE COMMISSIONER DEEMS NECESSARY TO REVEAL) present the true financial condition of the relief association and the results of relief association operations in conformity with generally accepted accounting principles and in compliance (OF THE RELIEF ASSOCIATION)* with the regulatory, financing and funding provisions of this chapter and any other applicable laws. The financial report shall be countersigned by the municipal clerk or clerk-treasurer of the municipality in which the relief association is located if the relief association is a firefighters relief association which is directly associated with a municipal fire department or is a police relief association, or countersigned by the secretary of the independent nonprofit firefighting corporation and by the municipal clerk or clerk-treasurer of the largest municipality in population which contracts with the independent nonprofit firefighting corporation if the relief association is a subsidiary of

an independent nonprofit firefighting corporation (. THE FINANCIAL REPORT SHALL BE FILED BY THE MUNICIPAL CLERK OR CLERK-TREASURER WITH THE COMMISSIONER ON OR BEFORE JUNE 1 ANNUALLY. THE COMMISSIONER SHALL FORWARD ONE COPY TO THE COUNTY AUDITOR OF THE COUNTY WHEREIN THE MUNICIPALITY IS LOCATED.)

(THE RELIEF ASSOCIATION FINANCIAL REPORT SHALL BE CERTIFIED BY AN INDEPENDENT PUBLIC ACCOUNTANT OR AUDITOR OR BY THE AUDITOR OR ACCOUNTANT WHO REGULARLY EXAMINES OR AUDITS THE FINANCIAL TRANSACTIONS OF THE MUNICIPALITY. IN ADDITION TO CERTIFYING THE FINANCIAL CONDITION OF THE SPECIAL AND GENERAL FUNDS OF THE RELIEF ASSOCIATION, THE ACCOUNTANT OR AUDITOR CONDUCTING THE AUDIT SHALL GIVE AN OPINION AS TO THE CONDITION OF THE SPECIAL AND GENERAL FUNDS OF THE RELIEF ASSOCIATION, AND SHALL COMMENT UPON ANY EXCEPTIONS TO THE REPORT. THE INDEPENDENT ACCOUNTANT OR AUDITOR SHALL HAVE AT LEAST FIVE YEARS OF PUBLIC ACCOUNTING, AUDITING OR SIMILAR EXPERIENCE, AND SHALL NOT BE AN ACTIVE, INACTIVE OR RETIRED MEMBER OF THE RELIEF ASSOCIATION OR THE FIRE OR POLICE DEPARTMENT);

*(b) File the financial report in its office for public inspection and present it to the city council after the close of the fiscal year. One copy of the financial report shall be furnished to the state auditor after the close of the fiscal year; and*

*(c) Submit to the state auditor audited financial statements which have been attested to by a certified public accountant, public accountant, or the state auditor within 180 days after the close of the fiscal year, except that the state auditor may upon request of a city and a showing of inability to conform, extend the deadline. The state auditor may accept this report in lieu of the report required in clause (b) above.*

*Subd. 1a. [FINANCIAL STATEMENT.] The board of each volunteer firefighters' relief association with assets of less than \$200,000 and liabilities less than \$200,000, according to the most recent financial report, shall:*

*(a) Prepare a detailed statement of the financial affairs of the relief association's special and general funds in the style and form prescribed by the state auditor, for the preceding fiscal year showing all money received, with the sources, and respective amounts thereof; all disbursements for which orders have been drawn upon the treasurer; all accounts payable; all accounts receivable; the amount of money remaining in the treasury; total assets including a listing of all investments; the accrued liabili-*

*ties; and all items necessary to show accurately the revenues and expenditures and financial position of the relief association;*

*(b) The detailed financial statement shall be certified by an independent public accountant or auditor or by the auditor or accountant who regularly examines or audits the financial transactions of the municipality. In addition to certifying the financial condition of the special and general funds of the relief association, the accountant or auditor conducting the examination shall give an opinion as to the condition of the special and general funds of the relief association, and shall comment upon any exceptions to the report. The independent accountant or auditor shall have at least five years of public accounting, auditing or similar experience, and shall not be an active, inactive, or retired member of the relief association or the fire or police department;*

*(c) File the statement in its office for public inspection and present it to the city council within 45 days after the close of the fiscal year; and*

*(d) Submit within 90 days after the close of the fiscal year a copy of the statement to the state auditor.*

**Subd. 1b. [QUALIFICATION.]** A municipality or police or firefighters relief association shall not qualify initially to receive, or be entitled subsequently to retain, state aid pursuant to this chapter if the financial reporting requirement or the applicable requirements of this chapter or any other statute or special law have not been complied with or are not fulfilled.

**Subd. 2. [TREASURERS BOND.]** No treasurer of a relief association governed by section 69.77 shall enter upon his duties until he has given the association a (GOOD AND SUFFICIENT) bond in (AN) a reasonable amount (SET BY THE ASSOCIATION) acceptable to the municipality for the faithful discharge of his duty according to law. No treasurer of a relief association governed by sections 69.771 to 69.776 shall enter upon the duties of the office until the treasurer has given the association a good and sufficient bond in an amount equal to at least ten percent of the assets of the relief association; however, the amount of the bond need not exceed \$500,000.

**Subd. 3. [REPORT BY CERTAIN MUNICIPALITIES.]** Each municipality which has an organized fire department but which does not have a firefighter's relief association shall annually prepare a detailed financial report of the receipts and disbursements by the municipality for fire protection service during the preceding calendar year, on a form prescribed by the (COMMISSIONER) state auditor. The financial report shall contain any information which the (COMMISSIONER) state auditor deems necessary to disclose the sources of receipts and the purpose of disbursements for fire protection service. The financial report shall be signed by the municipal clerk or clerk treasurer of

the municipality. The financial report shall be filed by the municipal clerk or clerk-treasurer with the (COMMISSIONER) *state auditor* on or before (JUNE) *July 1* annually. The (COMMISSIONER) *state auditor* shall forward one copy to the county auditor of the county wherein the municipality is located. The municipality shall not qualify initially to receive, or be entitled subsequently to retain, state aid pursuant to this chapter if the financial reporting requirement or the applicable requirements of this chapter or any other statute or special law have not been complied with or are not fulfilled.

Subd. 4. [(EXAMINATION) *NOTIFICATION BY COMMISSIONER AND STATE AUDITOR.*] The (DETAILED FINANCIAL REPORT OF RELIEF ASSOCIATIONS AND MUNICIPAL FINANCIAL REPORTS FOR FIRE PROTECTION MAY BE EXAMINED BY THE COMMISSIONER, AND WHEN HE FINDS THAT IT APPEARS THE MONEY, OR ANY PART THEREOF, PAID UNDER THE PROVISIONS OF THIS CHAPTER OR CHAPTER 424 HAS BEEN OR IS BEING EXPENDED FOR AN UNAUTHORIZED PURPOSE, HE) *state auditor in performing an audit or examination* shall notify the (STATE AUDITOR OF THE FACT. THE STATE AUDITOR MAY EXAMINE THE FINANCIAL REPORTS AND RECORDS OF THE FIREFIGHTER'S RELIEF ASSOCIATION AND MUNICIPALITY AND WHEN HE FINDS THAT THE MONEY, OR ANY PART THEREOF, PAID UNDER THE PROVISIONS OF THIS CHAPTER OR CHAPTER 424, HAS BEEN OR IS BEING EXPENDED FOR AN UNAUTHORIZED PURPOSE HE SHALL ORDER THE FUNDS RESTORED AND TAKE WHATEVER STEPS HE DEEMS NECESSARY TO ASSURE RESTORATION. NO FURTHER AID SHALL BE PAID TO THE MUNICIPALITY UNTIL THE FUNDS ARE RESTORED. THE RELIEF ASSOCIATION SHALL BE LIABLE TO THE STATE FOR THE TOTAL COST AND EXPENSES OF SUCH EXAMINATION) *legislative commission on pensions and retirement if the audit or examination reveals malfeasance, misfeasance, or nonfeasance in office.*

*The commissioner shall notify the legislative commission on pensions and retirement if the state auditor has not filed the required financial compliance reports by July 1.*

Sec. 10. Minnesota Statutes 1984, section 69.77, is amended to read:

**69.77 [POLICE AND FIREFIGHTERS' RELIEF ASSOCIATION GUIDELINES ACT.]**

Subdivision 1. [AUTHORIZED EMPLOYER SUPPORT FOR A RELIEF ASSOCIATION.] Notwithstanding any law to the contrary, a municipality may contribute public funds, including any applicable police or fire state aid, or levy property taxes

for the support of a police or firefighters' relief association, enumerated in subdivision 1a, however organized, which provides retirement coverage or pays a service pension to a retired police officer or firefighter or a retirement benefit to a surviving dependent of either an active or retired police officer or firefighter, for the operation and maintenance of the relief association only if the municipality and the relief association comply with the provisions of this section. The commissioner (OF COMMERCE) shall not include in the apportionment of police or fire state aid to the county auditor pursuant to section 69.021, subdivision 6, any municipality in which there exists a local police or salaried firefighters relief association as enumerated in subdivision 1a which does not comply with the provisions of this section or the provisions of any applicable special law relating to the funding or financing of the association and that municipality shall not qualify initially to receive, or be entitled subsequently to retain, state aid pursuant to sections 69.011 to 69.051 until the reason for disqualification is remedied, whereupon the municipality, if otherwise qualified, shall be entitled to again receive state aid for the year occurring immediately subsequent to the year in which the disqualification is remedied. The *state auditor and commissioner (OF COMMERCE)* shall determine if a municipality with a local police or salaried firefighters relief association fails to comply with the provisions of this section or the funding or financing provisions of any applicable special law.

Subd. 1a. The provisions of this section shall apply to the following retirement funds:

(1) Any police pension fund or relief association which is established pursuant to chapter 423;

(2) Any salaried firefighters pension fund or relief association which is established pursuant to chapter 424;

(3) Any pension fund or relief association which is established pursuant to this chapter which has five or more members who receive compensation for services rendered in the employment covered by the pension fund or relief association and which provides for retirement coverage or a service pension based on the compensation paid to members for that service;

(4) Any pension fund or relief association which is established and operates in whole or in part pursuant to special legislation and which provides for retirement coverage or a service pension based on the compensation paid to members for service as police officers or firefighters or which provides for retirement coverage or a service pension to volunteer firefighters based on the compensation paid to or the service pension provided by a pension fund or relief association located in the same municipality for police officers employed by the municipality but not covered by clauses (1), (2) or (3); and

(5) Any governmental subdivision retirement fund established pursuant to any law providing for retirement coverage to police officers or salaried firefighters or a retirement benefit to their dependents and not otherwise described in this subdivision.

Subd. 2. The penalty provided for in subdivision 1 shall not apply to a relief association enumerated in subdivision 1a if the (FOLLOWING) requirements of subdivisions 2a to 2h are met (:).

((1)) Subd. 2a. Each member of the relief association (PAYS) shall pay into the special fund of the association during a year of covered service, a contribution for retirement coverage including survivorship benefits of not less than eight percent of the maximum rate of salary upon which retirement coverage is credited and service pension and retirement benefit amounts are determined. The member contributions shall be made by payroll deduction from the salary of the member by the municipality, and shall be transmitted by the municipality to the relief association as soon as practical. The relief association shall deposit the member contribution to the credit of the special fund of the relief association. The member contribution requirement specified in this clause shall not apply to any members who are volunteer firefighters.

((2)) Subd. 2b. The officers of the relief association shall determine the financial requirements of the relief association and minimum obligation of the municipality for the following calendar year in accordance with the requirements of this clause. The financial requirements of the relief association and the minimum obligation of the municipality shall be determined on or before the submission date established by the municipality pursuant to (CLAUSE (3)) subdivision 2c.

The financial requirements of the relief association for the following calendar year shall be based on the most recent actuarial valuation or survey prepared in accordance with sections 356.215, subdivision 4 and 356.216, as required pursuant to (CLAUSE (8)) subdivision 2h. In the event that an actuarial estimate is prepared by the actuary of the relief association as part of obtaining a modification of the benefit plan of the relief association and the modification is implemented, the actuarial estimate shall be used in calculating the financial requirements of the relief association.

If the relief association has an unfunded accrued liability as reported in the most recent actuarial valuation or survey, the total of the amounts calculated pursuant to clauses (a) and (b) shall constitute the financial requirements of the relief association for the following year. If the relief association does not have an unfunded accrued liability as reported in the most recent actuarial valuation or survey the amount calculated pursuant to sub-

clause (a) shall constitute the financial requirements of the relief association for the following year.

(a) The normal level cost requirement for the following year, expressed as a dollar amount, which shall be determined by applying the normal level cost of the relief association as reported in the actuarial valuation or survey and expressed as a percentage of covered payroll to the estimated covered payroll of the active membership of the relief association, including any projected increase in the active membership, for the following year.

(b) To the dollar amount of normal cost thus determined shall be added an amount equal to the level annual dollar amount which is sufficient to amortize the unfunded accrued liability by December 31, 2010, as determined from the actuarial valuation or survey of the fund, using an interest assumption set at the rate specified in section 356.215, subdivision (4, CLAUSE (4)) 4d. The amortization date specified in this subclause shall apply to all local police or salaried firefighters relief associations and shall supersede any amortization date specified in any applicable special law.

The minimum obligation of the municipality shall be an amount equal to the financial requirements of the relief association reduced by the estimated amount of member contributions from covered salary anticipated for the following calendar year and the estimated amounts from the applicable state aid program established pursuant to sections 69.011 to 69.051 anticipated as receivable by the relief association after any allocation pursuant to section 69.031, subdivision 5, clause (2), subclause (c) or 423A.01, subdivision 2, clause (6), and from the local police and salaried firefighters' relief association amortization aid program established pursuant to section 423A.02 anticipated for the following calendar year.

((3)) *Subd. 2c.* The officers of the relief association shall submit determination of the financial requirements of the relief association and of the minimum obligation of the municipality to the governing body on or before the date established by the municipality which shall not be earlier than August 1 and shall not be later than September 1 of each year. The governing body of the municipality shall ascertain whether or not the determinations were prepared in accordance with law.

((4)) *Subd. 2d.* The municipality shall provide for and shall pay each year at least the amount of the minimum obligation of the municipality to the relief association. If there is any deficiency in the municipal payment to meet the minimum obligation of the municipality as of the end of any calendar year, the amount of the deficiency shall be added to the minimum obligation of the municipality for the following year calculated pursuant to (CLAUSE (2)) *subdivision 2b* and shall include interest at the rate of six percent per annum compounded from the date

that the municipality was required to make payment pursuant to this clause until the date that the municipality actually makes the required payment.

((5)) *Subd. 2e.* The municipality shall provide in the annual municipal budget for at least the minimum obligation of the municipality calculated pursuant to (CLAUSE (2)) *subdivision 2b.* The municipality may levy taxes for the payment of the minimum obligation of the municipality without any limitation as to rate or amount and irrespective of limitations imposed by other provisions of law upon the rate or amount of taxation when the balance of the special fund or any fund of the relief association has attained a specified minimum asset level. In addition, any taxes levied pursuant to this section shall not cause the amount or rate of other taxes levied in that year or to be levied in a subsequent year by the municipality which are subject to a limitation as to rate or amount to be reduced. If the municipality does not include the full amount of the minimum obligation of the municipality in the levy that the municipality certified to the county auditor in any year, the officers of the relief association shall certify the amount of any deficiency to the county auditor. Upon verifying the existence of any deficiency in the levy certified by the municipality, the county auditor shall spread a levy over the taxable property of the municipality in the amount of the deficiency certified to by the officers of the relief association.

((6)) *Subd. 2f.* Any sums of money paid by the municipality to the relief association in excess of the minimum obligation of the municipality in any year shall be used to amortize any unfunded liabilities of the relief association.

((7)) *Subd. 2g.* The funds of the association shall be invested in securities which are proper investments pursuant to section 11A.24 (, EXCEPT THAT UP TO \$10,000 MAY BE INVESTED IN THE STOCK OF ANY ONE CORPORATION IN ANY ACCOUNT OF SUCH SMALL SIZE THAT THE FIVE PERCENT STOCK LIMITATION SPECIFIED IN SECTION 11A.24, SUBDIVISION 5 WOULD NECESSITATE A LESSER INVESTMENT). Notwithstanding the foregoing, up to 75 percent of the market value of the assets of the fund may be invested in open-end investment companies registered under the federal Investment Company Act of 1940, if the portfolio investments of the investment companies comply with the type of securities authorized for investment by section 11A.24, subdivisions 2 to 5. (THE ASSOCIATION MAY ALSO INVEST FUNDS IN MINNESOTA SITUS NONFARM REAL ESTATE OWNERSHIP INTERESTS OR LOANS SECURED BY MORTGAGES OR DEEDS OF TRUST, PROVIDED THAT THE AMOUNT OF ALL INVESTMENTS IN REAL PROPERTY SHALL NOT EXCEED TEN PERCENT OF THE MARKET VALUE OF THE ASSOCIATION'S FUND.) Securities held by the association before (JULY 1, 1971) *the effective date of this act*, which do not meet the requirements of this paragraph may be retained

after that date if they were proper investments for the association on (APRIL 28, 1969) *that date*.

The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify funds for investment by the state board under the provisions of section 11A.17, provided that there be no limit to the amount which may be invested in the income share account, in the bond account, or in the fixed-return account, and that up to 20 percent of that portion of the assets of the association invested in the Minnesota supplemental investment fund may be invested in the growth share account. *The governing board of the association may select and appoint a qualified private firm to measure management performance and return on investment, and the firm shall use the formula or formulas developed by the state board pursuant to section 11A.04, clause (11).*

((8)) *Subd. 2h.* The association shall procure an actuarial valuation showing the condition of the special fund of the relief association pursuant to sections 356.215 and 356.216 as of December 31 of every year. A copy of the actuarial survey shall be filed with the director of the legislative reference library, the governing body of the municipality in which the association is organized, the executive (SECRETARY) *director* of the legislative commission on pensions and retirement, and the (COMMISSIONER OF COMMERCE) *state auditor*, not later than (JUNE) *July* 1 of the following year.

*Subd. (2A) 2i.* Any amendment to the bylaws or articles of incorporation of a relief association which increases or otherwise affects the retirement coverage provided by or the service pensions or retirement benefits payable from any police or fire-fighters relief association enumerated in subdivision 1a shall not be effective until it is ratified by the municipality in which the relief association is located. The officers of the relief association shall not seek municipal ratification prior to obtaining either an updated actuarial valuation including the proposed amendment or an estimate of the expected actuarial impact of the proposed amendment prepared by the actuary of the relief association and submitting that actuarial valuation or estimate to the clerk of the municipality.

*Subd. 3.* This section may be cited as "The Police and Fire-fighters' Relief Associations Guidelines Act of 1969."

Sec. 11. Minnesota Statutes 1984, section 69.773, subdivision 2, is amended to read:

*Subd. 2.* [DETERMINATION OF ACTUARIAL CONDITION AND FUNDING COSTS.] Each relief association to which this section applies shall procure an actuarial valuation showing the condition of the special fund of the relief association as of December 31, 1978 and at least as of December 31

every four years thereafter. The valuation shall be prepared in accordance with the provisions of section 356.216, except that the figure for normal cost shall be expressed as a level dollar amount, and the amortization contribution shall be the level dollar amount calculated to amortize any current unfunded accrued liability by at least the date of full funding specified in subdivision 4, clause (b). Each valuation shall be filed with the governing body of the municipality in which the relief association is located and with the (COMMISSIONER OF COMMERCE) *state auditor*, not later than (JUNE) *July 1* of the year next following the date as of which the actuarial valuation is prepared. Any relief association which is operating under a special law which requires that actuarial valuations be procured at least every four years and be prepared in accordance with applicable actuarial standards set forth in statute may continue to have actuarial valuations made according to the time schedule set forth in the special legislation subject to the provisions of subdivision 3. (THE RELIEF ASSOCIATION SHALL ALSO PROCURE A QUADRENNIAL EXPERIENCE STUDY PURSUANT TO SECTION 356.216 TO ACCOMPANY THE ACTUARIAL VALUATION EVERY FOUR YEARS. WITH THE PERMISSION OF THE COMMISSIONER OF COMMERCE, A RELIEF ASSOCIATION MAY HAVE THEIR QUADRENNIAL EXPERIENCE STUDY PREPARED BY A QUALIFIED ACTUARY JOINTLY WITH THE EXPERIENCE STUDIES OF OTHER RELIEF ASSOCIATIONS AND REPORTED TO THE COMMISSIONER AS PART OF A JOINT REPORT BY THE QUALIFIED ACTUARY NOT LATER THAN DECEMBER 1 OF THE YEAR NEXT FOLLOWING THE DATE AS OF WHICH THE ACTUARIAL VALUATION IS PREPARED.)

Sec. 12. Minnesota Statutes 1984, section 69.775, is amended to read:

69.775 [INVESTMENTS.]

The special fund assets of the relief associations governed by sections 69.771 to 69.776 shall be invested in securities which are proper investments pursuant to section 11A.24 (, EXCEPT THAT UP TO FIVE PERCENT OF THE SPECIAL FUND ASSETS, OR A MINIMUM OF \$10,000, MAY BE INVESTED IN THE STOCK OF ANY ONE CORPORATION). Notwithstanding the foregoing, up to 75 percent of the market value of the assets of the fund may be invested in open-end investment companies registered under the federal Investment Company Act of 1940, if the portfolio investments of the investment companies comply with the type of securities authorized for investment by section 11A.24, subdivisions 2 to 5. Securities held by the associations before (JANUARY 1, 1972) *the effective date of this act*, which do not meet the requirements of this section may be retained after that date if they were proper investments for the association on (MAY 14, 1971) *that date*. The governing board

of the association may select and appoint investment agencies to act for and in its behalf or may certify funds for investment by the state board under the provisions of section 11A.17, provided that there be no limit to the amount which may be invested in the income share account, in the bond account, or in the fixed-return account, and that up to 20 percent of that portion of the assets of the association invested in the Minnesota supplemental investment fund may be invested in the growth share account.

Sec. 13. Minnesota Statutes 1984, section 69.80, is amended to read:

69.80 [AUTHORIZED ADMINISTRATIVE EXPENSES.]

Notwithstanding any provision of law to the contrary, the payment of the following necessary, reasonable and direct expenses of maintaining, protecting and administering the special fund, when provided for in the bylaws of the association and approved by the board of trustees, shall constitute authorized administrative expenses of a police, salaried firefighters or volunteer firefighters relief association organized under any law of this state:

(a) Office expense including but not limited to rent, utilities, equipment, supplies, postage, periodical subscriptions, furniture, fixtures and salaries of administrative personnel;

(b) Salaries and itemized expenses of the president, secretary and treasurer of the association, or their designees, incurred as a result of fulfilling their responsibilities as administrators of the special fund;

(c) Tuition, registration fees, organizational dues and other authorized expenses of the officers or members of the board of trustees incurred in attending educational conferences, seminars or classes relating to the administration of the relief association;

(d) Audit, actuarial, medical, legal and investment *and performance evaluation* expenses;

(e) Reimbursement to the officers and members of the board of trustees, or their designees, for reasonable and necessary expenses actually paid and incurred in the performance of their duties as officers or members of the board; and

(f) Premiums on fiduciary liability insurance and official bonds for the officers, members of the board of trustees and employees of the relief association.

Any other expenses of the relief association shall be paid from the general fund of the association, if one exists. If a relief association has only one fund, that fund shall be deemed to be the special fund for purposes of this section. If a relief association

has a special fund and a general fund, and any expense of the relief association is directly related to the purposes for which both funds were established, the payment of that expense shall be apportioned between the two funds on the basis of the benefits derived by each fund.

Sec. 14. Minnesota Statutes 1985 Supplement, section 356.216, is amended to read:

**356.216 [CONTENTS OF ACTUARIAL VALUATIONS FOR LOCAL POLICE AND FIRE FUNDS.]**

The provisions of section 356.215 (,) governing the contents of actuarial valuations (AND EXPERIENCE STUDIES) shall apply to any local police or fire pension fund or relief association required to make an actuarial report under this section except as follows:

(1) in calculating normal cost and other requirements expressed as a level percentage of covered payroll, the salaries used in computing covered payroll shall be the maximum rate of salary from which retirement and survivorship credits and amounts of benefits are determined and from which member contributions are calculated and deducted;

(2) in lieu of the amortization date specified in section 356.215, subdivision 4, clause (7), the appropriate amortization target date specified in section 69.77, subdivision (2, CLAUSE (2)) 2b, or 69.773, subdivision 4, clause (b), shall be used in calculating the required amortization contribution;

(3) in addition to the tabulation of active members and annuitants provided for in section 356.215, subdivision 4, clause (10), the member contributions for active members for the calendar year and the prospective annual retirement annuities under the benefit plan for active members shall be reported;

(4) actuarial valuations required pursuant to section 69.773, subdivision 2 shall be made at least every four years and actuarial valuations required pursuant to section 69.77 shall be made annually; and

(5) the actuarial balance sheet showing accrued assets, accrued liabilities, and the deficit from full funding of liabilities (unfunded accrued liability) shall include the following required reserves:

(a) For active members

1. Retirement benefits
2. Disability benefits

3. Refund liability due to death or withdrawal
4. Survivors' benefits
  - (b) For deferred annuitants' benefits
  - (c) For former members without vested rights
  - (d) For annuitants
1. Retirement annuities
2. Disability annuities
3. Surviving spouses' annuities
4. Surviving children's annuities

*(6) actuarial valuations shall be due not later than the first day of the seventh month after the end of the fiscal year which the valuation covers.*

In addition to the above required reserves, separate items shall be shown for additional benefits, if any, which may not be appropriately included in the reserves listed above.

**Sec. 15. [423A.001] [RECORDS; BOARD REPRESENTATION; FIDUCIARY RESPONSIBILITY.]**

*Subdivision 1. [RECORDS.] A local relief association is subject to the provisions of chapter 6 relating to audits by the state auditor, the provisions of chapter 13, and the provisions of sections 15.17, 138.163, and 138.17 relating to the creation and retention of official and public records. The records of the special fund and the bylaws of the relief association shall be public and shall be open for inspection by any member of the relief association, any officer or employee of the state or the municipality, or any member of the public, at reasonable times and places.*

*Subd. 2. [MUNICIPAL REPRESENTATION.] Notwithstanding any other law, the membership of the board of trustees shall include at least two members appointed by the municipality. The members appointed by the municipality shall have all the rights and privileges of board membership including full voting powers. No relief association shall reduce the number of municipal representatives on its board by reason of this subdivision.*

*Notwithstanding any law which designates certain officials as ex officio members of a board of trustees, the municipality may appoint the same number of members as it is authorized to have on the board in the laws governing the relief association as of*

*the effective date of this act, but the municipality may appoint to those positions any individuals it so chooses.*

*Whenever the board of trustees appoints an investment subcommittee at least one of the municipal representatives must be a member of that investment subcommittee.*

*Subd. 3. [PUBLIC OFFICERS.] The officers and trustees of a local relief association are public officers for purposes of sections 471.87 and 609.43.*

*Subd. 4. [FIDUCIARY RESPONSIBILITY.] In the discharge of their respective duties, the officers and trustees shall be held to the standard of care enumerated in section 11A.09.*

*Each member of the board is a fiduciary. No fiduciary of a relief association shall cause a relief association to engage in a transaction if the fiduciary knows or should know that a transaction constitutes one of the following direct or indirect transactions:*

*(1) sale or exchange or leasing of any real property between the relief association and a board member;*

*(2) lending of money or other extension of credit between the relief association and a board member or member of the relief association;*

*(3) furnishing of goods, services, or facilities between the relief association and a board member; or*

*(4) transfer to a board member, or use by or for the benefit of a board member, of any assets of the relief association. Transfer of assets does not mean the payment of relief association benefits or administrative expenses permitted by law.*

**Sec. 16. [423A.002] [REPORTS; FINANCIAL TRANSACTIONS.]**

*Subdivision 1. [REPORTS.] The board shall report to the municipality at least annually regarding each of the following:*

*(1) the required municipal support for the relief association required pursuant to section 69.77;*

*(2) the financial condition of the relief association according to the audited financial statements required pursuant to section 69.051;*

*(3) investment objectives and performance;*

(4) *surety bond amounts for its secretary and treasurer required pursuant to section 69.051, subdivision 4; and*

(5) *the annual administrative budget for relief associations.*

**Subd. 2. [RELIEF ASSOCIATION RECEIPTS AND DISBURSEMENTS.]** *An official designated by the municipality shall receive and deposit all money received for the special fund of the relief association and may countersign all disbursements from the accounts of the special fund of the relief association, but must countersign all disbursements of at least \$5,000. If an institution with trustee powers is hired to administer the financial affairs of the relief association, an official designated by the municipality must approve the trustee agreement and shall countersign authorizations for disbursements of at least \$5,000.*

**Sec. 17.** Minnesota Statutes 1984, section 424A.001, subdivision 4, is amended to read:

**Subd. 4. [RELIEF ASSOCIATION.]** "Relief association" means (a) a volunteer firefighters' relief association or volunteer firefighters' division or account of a partially salaried and partially volunteer firefighters' relief association organized and incorporated under chapter 317 and any laws of the state, governed by chapters 69 and 424A, and directly associated with a fire department established by municipal ordinance; or (b) any separate incorporated volunteer firefighters' relief association subsidiary to and providing service pension and retirement benefit coverage for members of an independent nonprofit firefighting corporation organized under the provisions of chapter 317, governed by chapter 424A, and operating exclusively for firefighting purposes. *A relief association is a governmental entity that receives and manages public money to provide retirement benefits for individuals providing the governmental services of firefighting and emergency first response.*

**Sec. 18.** Minnesota Statutes 1984, section 424A.001, is amended by adding a subdivision to read:

**Subd. 7. [FIDUCIARY RESPONSIBILITY.]** *In the discharge of their respective duties, the officers and trustees shall be held to the standard of care enumerated in section 11A.09.*

*Each member of the board is a fiduciary. No fiduciary of a relief association shall cause a relief association to engage in a transaction if the fiduciary knows or should know that a transaction constitutes one of the following direct or indirect transactions:*

(1) *sale or exchange or leasing of any real property between the relief association and a board member;*

(2) *lending of money or other extension of credit between the relief association and a board member;*

(3) *furnishing of goods, services, or facilities between the relief association and a board member or member of the relief association; or*

(4) *transfer to a board member, or use by or for the benefit of a board member, of any assets of the relief association. Transfer of assets does not mean the payment of relief association benefits or administrative expenses permitted by law.*

#### Sec. 19. [AUTHORIZATION TO INCREASE BOARD SIZE.]

*Any relief association that has a board with fewer than two municipal members as of the effective date of this act is authorized to increase the size of its board up to two positions to include municipal representatives. No municipal approval of an amendment of the bylaws to increase the size of the board is required.*

*Any relief association that increases the size of its board pursuant to this section should send a copy of the bylaws amendment to the executive director of the legislative commission on pensions and retirement.*

#### Sec. 20. [INSTRUCTIONS TO REVISOR.]

*The revisor of statutes is directed to change the words "executive secretary of the legislative commission on pensions and retirement" wherever they appear in Minnesota Statutes to "executive director of the legislative commission on pensions and retirement" in Minnesota Statutes 1986 and subsequent editions of the statutes.*

*The revisor of statutes is directed to change the reference to "section 69.77, subdivision 2, clause (2)" in section 423A.01, subdivision 2, clause (4) to "section 69.77, subdivision 2b."*

#### Sec. 21. [EFFECTIVE DATE.]

*Sections 1 to 20 are effective the day following final enactment."*

Amend the title as follows:

Page 1, line 10, after the comma insert "subdivision 4, and"

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. 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.

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

The report was adopted.

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

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.

Reported the same back with the following amendments:

Pages 2 and 3, delete section 3

Page 4, line 10, delete "*University Avenue*"

Page 4, line 11, delete "*at the northerly limits of*" and insert "*Route No. 394 in*"

Page 4, delete section 7

Page 6, line 15, delete "*10*" and insert "*8*"

Page 6, line 27, delete "*the*" and insert "*its intersection with*"

Page 6, line 28, delete "*interchange on*" and insert "*near*"

Page 7, delete lines 2 to 5

Page 7, line 6, delete "*(6)*" and insert "*(5)*"

Page 7, line 6, delete "*52*" and insert "*12*"

Page 7, line 10, delete "*(7)*" and insert "*(6)*"

Page 7, line 14, delete "(8)" and insert "(7)"

Page 7, line 18, delete "(9)" and insert "(8)"

Page 7, after line 20, insert:

*"(9) New Brighton Boulevard from its intersection with marked Interstate Highway No. 35-W to its intersection with Broadway Street Northeast, in the city of Minneapolis;"*

Page 7, line 32, delete "Interstate" and insert "Trunk"

Page 7, line 32, delete "94" and insert "No. 101"

Page 8, lines 9, 11, 15, and 30, delete "14" and insert "12"

Page 8, delete lines 19 to 26

Page 8, line 33, delete "a" and insert "the"

Page 8, line 33, delete "sections 1 to 14" and insert "section 9, subdivision 2, clause (10),"

Page 9, line 1, delete "14" and insert "12"

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

Page 9, line 12, delete "14" and insert "12, or by reason of route description revisions required by the transfer"

Page 9, line 13, delete "11, subdivision 2 is" and insert "9, subdivisions 1 and 2, are"

Page 9, line 14, delete "13" and insert "11" and delete "11" and insert "9"

Page 9, line 15, delete "subdivisions 1, 3, and 4" and insert "subdivision 3"

Page 9, line 15, delete "10, 12, and 13" and insert "8, 10, and 11"

Renumber the sections accordingly

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

The report was adopted.

McDonald from the Committee on Agriculture to which was referred:

H. F. No. 2080, A bill for an act relating to agriculture; declaring state policy relating to paddy-grown rice; regulating paddy-grown rice; providing land to be sold for wild rice production; licensing wild rice producers; authorizing rules; amending Minnesota Statutes 1985 Supplement, section 92.501, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 30; repealing Minnesota Statutes 1984, section 30.49.

Reported the same back with the following amendments:

Page 1, delete lines 22 to 25

Page 2, line 10, delete "*shall*" and insert "*may*"

Page 2, delete lines 21 to 32

Page 3, delete lines 22 and 23

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete everything after the semicolon

Page 1, delete lines 4 and 5

Page 1, line 6, delete "rules;"

Page 1, line 8, delete the semicolon

Page 1, line 9, delete everything before the period

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.

Onnen from the Committee on Health and Human Services to which was referred:

H. F. No. 2081, A bill for an act relating to human services; directing the commissioner of human services to create a mental health service system; setting forth requirements for a mental health service system; amending Minnesota Statutes 1984, section 245.69, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 11, after "1a." insert "[MENTAL HEALTH MISSION STATEMENT.]"

Page 1, line 21, after "(1)" insert "*increase the level of functioning of people with mental illness or*" and delete "*people with mental illness*" and insert "*them*"

Page 2, line 12, delete "*toward*" and insert "*and recommendations for*" and after "*subdivision*" insert "*and on additional resources needed to further implement this subdivision*"

Page 2, after line 12, insert:

"Sec. 2. [STUDY TRANSFER OF RESPONSIBILITIES.]

*The director of the state planning agency, in consultation with the commissioners of health and human services, shall study and make recommendations for the orderly transfer of licensing and quality assurance activities related to mental health programs and the treatment of mental illness from the commissioner of human services to the commissioner of health. The director shall report to the legislature before December 15, 1986."*

Amend the title as follows:

Page 1, line 5, after the semicolon insert "requiring a study;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Onnen from the Committee on Health and Human Services to which was referred:

H. F. No. 2082, A bill for an act relating to mental health; extending the patients' bill of rights to cover people receiving outpatient mental health treatment; defining a minimum grievance procedure for health care facilities; including in the patients' bill of rights the right of access to protection and advocacy services; amending Minnesota Statutes 1984, section 144.651, subdivisions 2, 4, 20, and by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 21, after "*basis*" insert "*or in a community support program or other community-based program*"

Page 2, line 4, after "treatment" insert "*and maintenance in the community*"

Page 2, line 7, strike "arrangements" and insert "*accommodations*"

Page 2, line 14, after "person" insert "*, consistent with chapter 13, the data practices act, and section 626.557, relating to vulnerable adults*"

Page 2, line 25, strike "facility's" and after "procedure" insert "*of the facility or program*"

Page 3, line 11, delete "access" and insert "*reasonable access at reasonable times*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Schreiber from the Committee on Taxes to which was referred:

H. F. No. 2096, A bill for an act relating to taxation; property; changing payment dates for certain property tax reimbursements; amending Minnesota Statutes 1985 Supplement, section 273.13, subdivision 15a.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

## "ARTICLE 1

### PROPERTY TAXES

Section 1. Minnesota Statutes 1984, section 124.195, subdivision 5, is amended to read:

Subd. 5. [COMMISSIONER'S ASSUMPTIONS.] For purposes of determining the amount of state general fund cash to be paid to school districts pursuant to subdivision 3, the commissioner of education shall:

(a) assume that the payments to school districts by the county treasurer of revenues accruing to the fiscal year of receipt pursuant to section 276.10 are made in the following manner:

(1) 50 percent within seven business days of each due date; and

- (2) 100 percent within 14 business days of each due date;

*(b) assume that the payments to school districts by the county treasurer of revenues accruing to the fiscal year of receipt pursuant to section 8 are made in the following manner:*

*(1) 50 percent within seven business days from the October 15 distribution;*

*(2) 100 percent within 14 business days from the October 15 distribution; and*

*(3) 100 percent within ten business days from the November 15 distribution.*

*(c) assume that the payments to school districts by county auditors pursuant to section 124.10, subdivision 2 are made at the end of the months indicated in that subdivision.*

Sec. 2. Minnesota Statutes 1984, section 270.12, subdivision 2, is amended to read:

Subd. 2. The board shall meet annually on August 15 at the office of the commissioner of revenue and examine and compare the returns of the assessment of the property in the several counties, and equalize the same so that all the taxable property in the state shall be assessed at its market value, subject to the following rules:

(1) The board shall add to the aggregate valuation of the real property of every county, which the board believes to be valued below its market value in money, such percent as will bring the same to its market value in money;

(2) The board shall deduct from the aggregate valuation of the real property of every county, which the board believes to be valued above its market value in money, such percent as will reduce the same to its market value in money;

(3) If the board believes the valuation of the real property of any town or district in any county, or the valuation of the real property of any county not in towns or cities, should be raised or reduced, without raising or reducing the other real property of such county, or without raising or reducing it in the same ratio, the board may add to, or take from, the valuation of any one or more of such towns or cities, or of the property not in towns or cities, such percent as the board believes will raise or reduce the same to its market value in money;

(4) The board shall add to the aggregate valuation of any class of personal property of any county, town, or city, which

the board believes to be valued below the market value thereof, such percent as will raise the same to its market value in money;

(5) The board shall take from the aggregate valuation of any class of personal property in any county, town or city, which the board believes to be valued above the market value thereof, such percent as will reduce the same to its market value in money;

(6) The board shall not reduce the aggregate valuation of all the property of the state, as returned by the several county auditors, more than one percent on the whole valuation thereof; (AND)

(7) When it would be of assistance in equalizing values the board may require any county auditor to furnish statements showing assessments of real and personal property of any individuals, firms, or corporations within the county. The board shall consider and equalize such assessments and may increase the assessment of individuals, firms, or corporations above the amount returned by the county board of equalization when it shall appear to be undervalued, first giving notice to such persons of the intention of the board so to do, which notice shall fix a time and place of hearing. The board shall not decrease any such assessment below the valuation placed by the county board of equalization; and

*(8) Effective with the 1986 assessment and subsequent years, in equalizing values pursuant to this section, the board shall utilize a 12-month assessment/sales ratio study conducted by the department of revenue containing only sales which occurred between October 1 of the year immediately preceding the previous year to September 30 of the previous year. The sales prices used in the study must be discounted for terms of financing. The board shall use the median ratio as the statistical measure of the level of assessment for any particular category of property.*

Sec. 3. Minnesota Statutes 1985 Supplement, section 273.13, subdivision 15a, is amended to read:

Subd. 15a. [GENERAL FUND, REPLACEMENT OF REVENUE.] (1) Payment from the general fund shall be made, as provided herein, for the purpose of replacing revenue lost as a result of the reduction of property taxes provided in subdivisions 22 and 23.

(2) Each county auditor shall certify, not later than May 1 of each year to the commissioner of revenue the amount of reduction resulting from subdivisions 22 and 23 in his county. This certification shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under the provisions of section

275.29. Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner of revenue shall review such certifications to determine their accuracy. He may make such changes in the certification as he may deem necessary or return a certification to the county auditor for corrections.

(3) Based on current year tax data reported in the abstracts of tax lists, the commissioner of revenue shall annually determine the taxing district distribution of the amounts certified under clause (2). The commissioner of revenue shall pay to each taxing district, other than school districts, its total payment for the year in equal installments on or before July 15 (, AUGUST 15, SEPTEMBER 15, OCTOBER 15, NOVEMBER 15,) and December 15 of each year.

Sec. 4. Minnesota Statutes 1985 Supplement, section 273.13, subdivision 22, is amended to read:

Subd. 22. [CLASS 1.] (a) Except as provided in subdivision 23, real estate which is residential and used for homestead purposes is class 1. The market value of class 1a property must be determined based upon the value of the house, garage, and land.

The first \$64,000 of market value of class 1a property must be assessed at 18 percent of its market value. The homestead value of class 1a property that exceeds \$64,000 must be assessed at 28 percent of its value.

(b) Class 1b property includes real estate or manufactured homes used for the purposes of a homestead by

(1) any blind person, if the blind person is the owner thereof or if the blind person and his or her spouse are the sole owners thereof; or

(2) any person, hereinafter referred to as "veteran," who:

(i) served in the active military or naval service of the United States; and

(ii) is entitled to compensation under the laws and regulations of the United States for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude motion without the aid of braces, crutches, canes, or a wheelchair; and

(iii) with assistance by the administration of veterans affairs has acquired a special housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, or the surviving spouse of the deceased

veteran for as long as the surviving spouse retains the special housing unit as his or her homestead; or

(3) any person who:

(i) is permanently and totally disabled and

(ii) *whose household income as defined in section 290A.03, subdivision 5, is less than \$18,000 and receives (90) at least 80 percent (OR MORE) of his or her total income from*

(A) aid from any state as a result of that disability; or

(B) supplemental security income for the disabled; or

(C) workers' compensation based on a finding of total and permanent disability; or

(D) social security disability, including the amount of a disability insurance benefit which is converted to an old age insurance benefit and any subsequent cost of living increases; or

(E) aid under the Federal Railroad Retirement Act of 1937, United States Code Annotated, title 45, section 228b(a)5; or

(F) a pension from any local government retirement fund located in the state of Minnesota as a result of that disability.

Property is classified and assessed pursuant to clause (1) only if the commissioner of human services certifies to the assessor that the owner of the property satisfies the requirements of this subdivision. The commissioner of human services shall provide a copy of the certification to the commissioner of revenue.

Class 1b property is valued and assessed as follows: in the case of agricultural land, including a manufactured home, used for a homestead, the first \$32,000 of market value shall be valued and assessed at five percent, the next \$32,000 of market value shall be valued and assessed at 14 percent, and the remaining market value shall be valued and assessed at 18 percent; and in the case of all other real estate and manufactured homes, the first \$32,000 of market value shall be valued and assessed at five percent, the next \$32,000 of market value shall be valued and assessed at 18 percent, and the remaining market value shall be valued and assessed at 28 percent. In the case of agricultural land including a manufactured home used for purposes of a homestead, the commissioner of revenue shall adjust, as provided in section 273.1311, the maximum amount of the market value of the homestead brackets subject

to the five percent and 18 percent rates; and for all other real estate and manufactured homes, the commissioner of revenue shall adjust, as provided in section 273.1311, the maximum amount of the market value of the homestead brackets subject to the five percent and 18 percent rates. Permanently and totally disabled for the purpose of this subdivision means a condition which is permanent in nature and totally incapacitates the person from working at an occupation which brings him an income.

(c) Class 1c property is commercial use real property that abuts a lakeshore line and is devoted to temporary and seasonal residential occupancy for recreational purposes but not devoted to commercial purposes for more than 200 days in the year preceding the year of assessment, and that includes a portion used as a homestead by the owner. It must be assessed at 12 percent of market value with the following limitation: the area of the property must not exceed 100 feet of lakeshore footage for each cabin or campsite located on the property up to a total of 800 feet and 500 feet in depth, measured away from the lakeshore.

(d) The tax to be paid on class 1a or class 1b property, less any reduction received pursuant to sections 273.123 and 473H.10, shall be reduced by 54 percent of the tax imposed on the first \$68,000 of market value. The amount of the reduction shall not exceed \$700.

Sec. 5. Minnesota Statutes 1984, section 276.09, is amended to read:

276.09 [SETTLEMENT BETWEEN AUDITOR AND TREASURER.]

On the fifth day of March and the 20th day of May (, AND OCTOBER) of each year, the county treasurer shall make full settlement with the county auditor of all receipts collected by him for all purposes, from the date of the last settlement up to and including each day mentioned. The county auditor shall, within 30 days after each settlement, send an abstract of same to the state auditor in the form prescribed by the state auditor. At each settlement the treasurer shall make complete returns of the receipts on the current tax list, showing the amount collected on account of the several funds included in the list.

*Settlement of receipts from May 20 to December 31 of each year shall be made as provided in section 8.*

For purposes of this section, "receipts" shall include all tax payments received by the county treasurer on or before the settlement date.

Sec. 6. Minnesota Statutes 1984, section 276.10, is amended to read:

**276.10 [APPORTIONMENT AND DISTRIBUTION OF FUNDS.]**

On the settlement day in March (,) and May (, AND OCTOBER) of each year, the county auditor and county treasurer shall distribute all undistributed funds in the treasury, apportioning them, as provided by law, and placing them to the credit of the state, town, city, school district, special district and each county fund. Within 20 days after the distribution is completed, the county auditor shall make a report of it to the state auditor in the form prescribed by the state auditor. The county auditor shall issue his warrant for the payment of moneys in the county treasury to the credit of the state, town, city, school district, or special districts on application of the persons entitled to receive them. The county auditor may apply the mill rate from the year previous to the year of distribution when apportioning and distributing delinquent tax proceeds, provided that the composition of the previous year's mill rate between taxing districts is not significantly different than that which existed for the year of the delinquency.

Sec. 7. Minnesota Statutes 1984, section 276.11, is amended to read:

**276.11 [WHEN TREASURER SHALL PAY FUNDS FROM MARCH AND MAY SETTLEMENT.]**

As soon as practical after (EACH) *the March and the May* settlement the county treasurer shall pay over to the state treasurer or the treasurer of any town, city, school district, or special district, on the warrant of the county auditor, all receipts arising from taxes levied by and belonging to the state, or to such municipal corporation, or other body, and deliver up all orders and other evidences of indebtedness of such municipal corporation or other body, taking triplicate receipts therefor. The treasurer shall file one of the receipts with the county auditor, and shall return one by mail on the day of its reception to the clerk of the town, city, school district, or special district to which payment was made. The clerk shall preserve the receipt in the clerk's office. Upon written request of the state, a municipal corporation or other public body, the county treasurer shall, to the extent practicable, make partial payments of amounts collected periodically in advance of the next settlement and distribution. Accompanying each payment shall be a statement prepared by the county treasurer designating the years for which taxes included in the payment were collected and, for each year, the amount of the taxes and any penalties thereon. The county treasurer shall pay, upon written request of the state, a municipal corporation or other public body except school districts, at least 70 percent of the estimated

collection within 30 days after the *March and the May* settlement (DATE) *dates*. Within seven business days after the due date, the county treasurer shall pay to the treasurer of the school districts 50 percent of the estimated collections arising from taxes levied by and belonging to the school district and the remaining 50 percent of the estimated collections shall be paid to the treasurer of the school district within the next seven business days. The treasurer shall pay the balance of the amounts collected to the state or to a municipal corporation or other body within 60 days after the *March and the May* settlement (DATE) *dates*, provided, however, that after 45 days interest shall accrue at a rate of eight percent per annum to the credit of and shall be paid to the state, municipal corporation or other body. Interest shall be payable upon appropriation from the general revenue fund of the county and, if not paid, may be recovered by the state, municipal corporation, or other body, in a civil action.

**Sec. 8. [276.111] [DISTRIBUTIONS AND FINAL YEAR  
END SETTLEMENT.]**

*Within seven business days after October 15 the county treasurer shall pay to the school districts 50 percent of the estimated collections arising from taxes levied by and belonging to the school district from May 20 to October 20 and the remaining 50 percent of the estimated tax collections must be paid to the school district within the next seven business days. Within ten business days after November 15 the county treasurer shall pay to the school district 100 percent of the estimated collections arising from taxes levied by and belonging to the school districts from October 20 to November 20.*

*Not later than November 15, the county treasurer shall pay to each taxing district, except any school district, 70 percent of the estimated tax collections from May 20 to October 20. Not later than December 15, the county treasurer shall pay to each taxing district, except school districts, 90 percent of the estimated tax collections through November 30 which have not previously been distributed to the taxing district.*

*On the fifth day of January the county treasurer shall make full settlement with the county auditor of all receipts collected from the 20th day of May to December 31 of the preceding year. After subtracting any tax distributions which have been made to the taxing districts in October, November, and December, the treasurer shall pay to each of the taxing districts on or before January 25, the balance of the tax amounts collected on behalf of each taxing district. Interest shall accrue at a rate of eight percent per annum to the credit of and shall be paid to the taxing district if this final settlement amount is not paid by January 25. Interest shall be payable upon appropriation from the general revenue fund of the county and, if not*

*paid may be recovered by the state, municipal corporation, or other body, in a civil action.*

Sec. 9. Minnesota Statutes 1984, section 278.03, is amended to read:

278.03 [PAYMENT OF TAX.]

If the proceedings instituted by the filing of the petition have not been completed before the 16th day of May next following the filing, the petitioner shall pay to the county treasurer 50 percent of the tax levied for such year against the property involved, unless permission to continue prosecution of the petition without such payment is obtained as herein provided. If the proceedings instituted by the filing of the petition have not been completed by the next October 16, *or, in the case of class 3cc agricultural homestead, class 3b agricultural homestead, and class 3 agricultural nonhomestead property, November 16*, the petitioner shall pay to the county treasurer 50 percent of the unpaid balance of the taxes levied for the year against the property involved if the unpaid balance is \$2,000 or less and 80 percent of the unpaid balance if the unpaid balance is over \$2,000, unless permission to continue prosecution of the petition without payment is obtained as herein provided. The petitioner, upon ten days notice to the county attorney and to the county auditor, given at least ten days prior to the 16th day of May or the 16th day of October, *or, in the case of class 3cc agricultural homestead, class 3b agricultural homestead, and class 3 agricultural nonhomestead property, the 16th day of November*, may apply to the court for permission to continue prosecution of the petition without payment; and, if it is made to appear

- (1) That the proposed review is to be taken in good faith;
- (2) That there is probable cause to believe that the property may be held exempt from the tax levied or that the tax may be determined to be less than 50 percent of the amount levied; and
- (3) That it would work a hardship upon petitioner to pay the taxes due,

the court may permit the petitioner to continue prosecution of the petition without payment, or may fix a lesser amount to be paid as a condition of continuing the prosecution of the petition.

Failure to make payment of the amount required when due shall operate automatically to dismiss the petition and all proceedings thereunder unless the payment is waived by an order of the court permitting the petitioner to continue prose-

cution of the petition without payment. The county treasurer shall, upon request of the petitioner, issue duplicate receipts for the tax payment, one of which shall be filed by the petitioner in the proceeding.

Sec. 10. Minnesota Statutes 1985 Supplement, section 278.05, subdivision 5, is amended to read:

Subd. 5. Any time after the filing of the petition and before the trial of the issues raised thereby, when the defense or claim presented is that the property has been partially, unfairly, or unequally assessed, or that the parcel has been assessed at a valuation greater than its real or actual value, or that a parcel which is classified as homestead under the provisions of section 273.13, subdivision 22 or 23, has been assessed at a valuation which exceeds by ten percent or more the valuation which the parcel would have if it were valued at the average assessment/sales ratio for real property in the same class in that portion of the county in which the parcel is located, for which the commissioner is able to establish and publish a sales ratio study, the attorney representing the state, county, city or town in the proceedings may serve on the petitioner, or his attorney, and file with the clerk of the district court, an offer to reduce the valuation of any tract or tracts to a valuation set forth in the offer. If, within ten days thereafter, the petitioner, or his attorney, gives notice in writing to the county attorney, or the attorney for the city or town, that the offer is accepted, he may file the offer with proof of notice, and the clerk shall enter judgment accordingly. Otherwise, the offer shall be deemed withdrawn and evidence thereof shall not be given; and, unless a lower valuation than specified in the offer is found by the court, no costs or disbursements shall be allowed to the petitioner, but the costs and disbursements of the state, county, city or town, including interest at six percent on the tax based on the amount of the offer from and after the 16th day of October, *or, in the case of class 3cc agricultural homestead, class 3b agricultural homestead, and class 3 agricultural nonhomestead property, the 16th day of November*, of the year the taxes are payable, shall be taxed in its favor and included in the judgment and when collected shall be credited to the county revenue fund, unless the taxes were paid in full before the 16th day of October, *or, in the case of class 3cc agricultural homestead, class 3b agricultural homestead, and class 3 agricultural nonhomestead property, the 16th day of November*, of the year in which the taxes were payable, in which event interest shall not be taxable.

Sec. 11. Minnesota Statutes 1984, section 279.01, as amended by Laws 1985, chapter 300, section 12, is amended to read:

279.01 [DUE DATE; PENALTIES, INTEREST.]

Subdivision 1. *Except as provided in subdivision 3*, on May 16, of each year, with respect to property actually occupied and

used as a homestead by the owner of the property, a penalty of three percent shall accrue and thereafter be charged upon all unpaid taxes on real estate on the current lists in the hands of the county treasurer, and a penalty of seven percent on nonhomestead property, except that this penalty shall not accrue until June 1 of each year on commercial use real property used for seasonal residential recreational purposes and classified as class 1c, 2c, or 6a, and on other commercial use real property classified as class 3a, provided that over 60 percent of the gross income earned by the enterprise on the class 3a property is earned during the months of May, June, July, and August. Any property owner of such class 3a property who pays the first half of the tax due on the property after May 15 and before June 1 shall attach an affidavit to his payment attesting to compliance with the income provision of this subdivision. Thereafter, for both homestead and nonhomestead property, on the 16th day of each month, up to and including October 16 following, an additional penalty of one percent for each month shall accrue and be charged on all such unpaid taxes. When the taxes against any tract or lot exceed \$50, one-half thereof may be paid prior to May 16; and, if so paid, no penalty shall attach; the remaining one-half shall be paid at any time prior to October 16 following, without penalty; but, if not so paid, then a penalty of four percent shall accrue thereon for homestead property and a penalty of four percent on nonhomestead property. Thereafter, for homestead property, on the 16th day of each month up to and including December 16 following, an additional penalty of two percent for each month shall accrue and be charged on all such unpaid taxes. Thereafter, for nonhomestead property, on the 16th day of each month up to and including December 16 following, an additional penalty of four percent for each month shall accrue and be charged on all such unpaid taxes. If one-half of such taxes shall not be paid prior to May 16, the same may be paid at any time prior to October 16, with accrued penalties to the date of payment added, and thereupon no penalty shall attach to the remaining one-half until October 16 following; provided, also, that the same may be paid in installments as follows: One-fourth prior to March 16; one-fourth prior to May 16; one-fourth prior to August 16; and the remaining one-fourth prior to October 16, subject to the aforesaid penalties. Where the taxes delinquent after October 16 against any tract or parcel exceed \$100, upon resolution of the county board, they may be paid in installments of not less than 25 percent thereof, together with all accrued penalties and costs, up to the next tax judgment sale, and after such payment, penalties, interest, and costs shall accrue only on the sum remaining unpaid. Any county treasurer who shall make out and deliver or countersign any receipt for any such taxes without including all of the foregoing penalties therein, shall be liable to the county for the amount of such penalties.

Subd. 2. In the case of any tax on *class 3cc, 3b and 3c* homestead property paid within 30 days after the due date specified in this section or after the 30-day extension as specified in *subdivision 3*, the county board may, with the concurrence of the

county treasurer, delegate to the county treasurer the power to abate the penalty provided for late payment. Notwithstanding section 270.07, if any county board so elects, the county treasurer may abate the penalty if in his judgment the imposition of the penalty would be unjust and unreasonable.

*Subd. 3. In the case of class 3cc agricultural homestead and class 3b agricultural homestead property and class 3 agricultural nonhomestead property, no penalties shall attach to the second one-half property tax payment as provided in this section if paid by November 15. Thereafter for class 3cc agricultural homestead and class 3b homestead property, on November 16 following, a penalty of six percent shall accrue and be charged on all such unpaid taxes and on December 16 following, an additional two percent shall be charged on all such unpaid taxes. Thereafter for class 3 agricultural nonhomestead property, on November 16 following, a penalty of eight percent shall accrue and be charged on all such unpaid taxes and on December 16 following, an additional four percent shall be charged on all such unpaid taxes.*

*If the owner of class 3cc agricultural homestead, class 3b, or class 3 agricultural property receives a consolidated property tax statement that shows only an aggregate of the taxes and special assessments due on that property and on other property not classified as class 3cc agricultural homestead, class 3b, or class 3 agricultural property, the aggregate tax and special assessments shown due on the property by the consolidated statement will be due on November 15 provided that at least 50 percent of the property's market value is classified class 3cc agricultural, class 3b, or class 3 agricultural.*

#### Sec. 12. [1986 ASSESSMENT ONLY.]

*For the 1986 assessment only, in the case of property which qualifies for the 1b classification as a result of the provisions in section 4, the March 1 certification deadline of 1b property with the commissioner of revenue as provided in Minnesota Statutes, section 273.1315, shall be extended to July 1, 1986. The commissioner shall provide to the assessor on or before August 1, 1986, a listing of the parcels of property qualifying for the 1b classification pursuant to the changes made in section 4.*

#### Sec. 13. [INSTRUCTION TO THE REVISOR.]

*In the next edition of Minnesota Statutes, the revisor shall change class 3cc to class 1b, class 3b to class 2a, class 3 to class 2c, and class 3c to class 1a, wherever they appear in sections 278.03, 278.05, subdivision 5, and 279.01.*

#### Sec. 14. [EFFECTIVE DATE.]

*Sections 1, and 5 to 11 are effective for property taxes payable in 1986 and thereafter. Sections 2, 4, and 12 are effective for*

*taxes assessed in 1986 and subsequent years. Section 3 is effective July 1, 1986.*

## ARTICLE 2

### INCOME TAX

Section 1. Minnesota Statutes 1985 Supplement, section 290.491, is amended to read:

#### 290.491 [TAX ON GAIN; DISCHARGE IN BANKRUPTCY.]

(a) Any tax due under this chapter on a gain realized on a forced sale pursuant to foreclosure of a mortgage or other security interest in agricultural production property, other real property, or equipment, used in a farm business that was owned and operated by the taxpayer shall be a dischargeable debt in a bankruptcy proceeding under United States Code, title 11, section 727.

(A GAIN) (b) *Income realized on a sale or exchange of agricultural production property, other real property, or equipment, used in a farm business that was owned and operated by the taxpayer shall be exempt from taxation under this chapter, if the taxpayer was insolvent at the time of the sale and the proceeds of the sale were used solely to discharge indebtedness secured by a mortgage, lien or other security interest on the property sold. For purposes of this section, "insolvent" means insolvent as defined in section 108(d)(3) of the Internal Revenue Code of 1954, as amended through December 31, 1984. This paragraph applies only to the extent that the gain is includable in federal adjusted gross income or in the computation of the alternative minimum taxable income under section 290.091 for purposes of the alternative minimum tax. The amount of the exemption is limited to the excess of the taxpayer's (1) liabilities over (2) the total assets and any exclusion claimed under section 108 of the Internal Revenue Code of 1954, as amended through December 31, 1985, determined immediately before application of this paragraph.*

(c) *For purposes of this section, any tax due under this chapter specifically includes, but is not limited to, tax imposed under sections 290.02 and 290.03 on income derived from a sale or exchange, whether constituting gain, discharge of indebtedness or recapture of depreciation deductions, or the alternative minimum tax imposed under section 290.091.*

#### Sec. 2. [REPEALER.]

*Minnesota Statutes 1985 Supplement, section 290.06, subdivision 2f, is repealed.*

## Sec. 3. [EFFECTIVE DATE.]

*Section 1 is effective for taxable years beginning after December 31, 1985. Section 2 is effective January 1, 1986.*

## ARTICLE 3

## LOCAL GOVERNMENT AIDS

Section 1. Minnesota Statutes 1985 Supplement, section 477A.-011, subdivision 10, is amended to read:

Subd. 10. [MAXIMUM AID AMOUNT.] For any calendar year aid distribution, a city's maximum aid amount shall be (106) 103 percent of its previous year aid amount, provided that its previous year aid amount exceeded \$150 per capita. If its previous year aid amount was less than \$150 per capita, its maximum aid amount shall be the lesser of: (a) (112) 105 percent of its previous year aid amount, or (b) (\$159) \$154.50 multiplied by the population figure used in determining its previous year aid.

Sec. 2. Minnesota Statutes 1985 Supplement, section 477A.-011, subdivision 12, is amended to read:

Subd. 12. [PREVIOUS YEAR AID AMOUNT.] For any calendar year aid distribution, a (MUNICIPALITY'S) *governmental unit's* previous year aid amount means the amount that it was certified to receive for the previous calendar year pursuant to sections 477A.011 to 477A.03.

Sec. 3. Minnesota Statutes 1985 Supplement, section 477A.-012, is amended to read:

## 477A.012 [COUNTY GOVERNMENT DISTRIBUTIONS.]

In calendar year (1986) 1987, each county government shall receive a distribution equal to (60) 103 percent of (THE) *its previous year* aid amount (CERTIFIED FOR 1983 PURSUANT TO SECTIONS 477A.011 TO 477A.03).

Sec. 4. Minnesota Statutes 1985 Supplement, section 477A.-013, is amended to read:

## 477A.013 [MUNICIPAL GOVERNMENT DISTRIBUTIONS.]

Subdivision 1. [TOWNS.] In calendar year (1986) 1987, each town which had levied for taxes payable in the previous year at least one mill on the dollar of the assessed value of the town shall receive a distribution equal to (THE GREATER OF:

(A) 60 PERCENT OF THE AMOUNT RECEIVED IN 1983 PURSUANT TO MINNESOTA STATUTES 1982, SECTIONS 273.138, 273.139, AND 477A.011 TO 477A.03; OR (B) 106) 103 percent of (THE AMOUNT RECEIVED IN 1985 1986 PURSUANT TO MINNESOTA STATUTES 1984, SECTIONS 477A.-011 TO 477A.03) *its previous year aid.*

Subd. 2. [CITIES.] In calendar year (1986) 1987, each city shall receive a local government aid distribution as determined by the following steps.

(1) A preliminary aid amount shall be computed for each city equal to the amount obtained by subtracting its local effort mill rate multiplied by its equalized assessed value from its fiscal need factor, except that its preliminary aid amount may not be less than its previous year aid amount.

For any city which received more than \$70 per capita in attached machinery aids in 1983 pursuant to Minnesota Statutes 1982, section 273.138, an amount equal to the amount of attached machinery aids received in 1983 shall be added to the preliminary aid amount.

(2) For each city, an aid increase amount equal to the amount by which its preliminary aid amount exceeds its previous year aid amount shall be determined. Each city's aid increase amount shall be reduced by a uniform percentage as determined by the commissioner of revenue, to make the sum of the final aid distributions for all cities equal the aid limitation imposed by subdivision 3.

(3) Each city's final aid amount shall be equal to the sum of its aid increase amount, as adjusted, and its previous year aid amount; provided, however, that no city's aid shall exceed its maximum aid amount (, AND FURTHER PROVIDED THAT NO CITY WHICH IS A CITY OF THE FIRST CLASS SHALL HAVE A FINAL AID AMOUNT WHICH IS LESS THAN 102 PERCENT OF ITS PREVIOUS YEAR AID).

Subd. 3. [AID LIMITATION.] The total amount available for distribution to cities pursuant to subdivision 2 shall be (\$286,000,000) \$294,600,000 for calendar year (1986) 1987.

Sec. 5. Minnesota Statutes 1984, section 477A.015, is amended to read:

477A.015 [PAYMENT DATES.]

The commissioner of revenue shall make the payments of local government aid to affected taxing authorities in (SIX) two equal installments on July 15 (, AUGUST 15, SEPTEMBER 15, OCTOBER 15, NOVEMBER 15,) and December 15 annually.

(FOR CALENDAR YEAR 1981 ONLY, THE COMMISSIONER SHALL MAKE THE PAYMENTS IN SEVEN INSTALLMENTS COMPUTED AS FOLLOWS: ONE-FOURTH OF THE CALENDAR YEAR 1981 AIDS SHALL BE PAID ON MARCH 15; THE REMAINING AMOUNTS SHALL BE DIVIDED INTO SIX EQUAL PAYMENTS TO BE MADE ON JULY 15, AUGUST 15, SEPTEMBER 15, OCTOBER 15, NOVEMBER 15, AND DECEMBER 15.)

**Sec. 6. [EFFECTIVE DATE.]**

*Sections 1 to 4 are effective for local government aid payments beginning in 1987. Section 5 is effective July 1, 1986.*

**ARTICLE 4**

**TAX COMPLIANCE**

**Section 1.** Minnesota Statutes 1985 Supplement, section 60A.-17, subdivision 1a, is amended to read:

**Subd. 1a. [LICENSE APPLICATION.] (a) [PROCEDURE.]** An application for a license to act as an insurance agent shall be made to the commissioner by the person who seeks to be licensed. The application for license shall be accompanied by a written appointment from an admitted insurer authorizing the applicant to act as its agent under one or both classes of license. The insurer must also submit its check payable to the state treasurer for the amount of the appointment fee prescribed by section 60A.14, subdivision 1, paragraph (c), clause (9) at the time the agent becomes licensed. The application and appointment shall be on forms prescribed by the commissioner.

If the applicant is a natural person, no license shall be issued until that natural person has become qualified.

If the applicant is a partnership or corporation, no license shall be issued until at least one natural person who is a partner, director, officer, stockholder, or employee shall be licensed as an insurance agent.

**(b) [RESIDENT AGENT.]** The commissioner shall issue a resident insurance agent's license to a qualified resident of this state as follows:

**(1)** a person may qualify as a resident of this state if that person resides in this state or the principal place of business of that person is maintained in this state. Application for a license claiming residency in this state for licensing purposes, shall constitute an election of residency in this state. Any license issued upon an application claiming residency in this state shall be void if the licensee, while holding a resident license in this state, also

holds, or makes application for, a resident license in, or thereafter claims to be a resident of, any other state or jurisdiction or if the licensee ceases to be a resident of this state; provided, however, if the applicant is a resident of a community or trade area, the border of which is contiguous with the state line of this state, the applicant may qualify for a resident license in this state and at the same time hold a resident license from the contiguous state;

(2) the commissioner shall subject each applicant who is a natural person to a written examination as to the applicant's competence to act as an insurance agent. The examination shall be held at a reasonable time and place designated by the commissioner;

(3) the examination shall be approved for use by the commissioner and shall test the applicant's knowledge of the lines of insurance, policies, and transactions to be handled under the class of license applied for, of the duties and responsibilities of the licensee, and pertinent insurance laws of this state;

(4) the examination shall be given only after the applicant has completed a program of classroom studies in a school, which shall include a school conducted by an admitted insurer. The course of study shall consist of 30 hours of classroom study devoted to the basic fundamentals of insurance for those seeking a Minnesota license for the first time, 15 hours devoted to specific life and health topics for those seeking a life and health license, and 15 hours devoted to specific property and casualty topics for those seeking a property and casualty license. The program of studies or study course shall have been approved by the commissioner in order to qualify under this clause. If the applicant has been previously licensed for the particular line of insurance in the state of Minnesota, the requirement of a program of studies or a study course shall be waived. A certification of compliance by the organization offering the course shall accompany the applicant's license application. This program of studies in a school or a study course shall not apply to farm property perils and farm liability applicants, or to agents writing such other lines of insurance as the commissioner may exempt from examination by order;

(5) the applicant must pass the examination with a grade determined by the commissioner to indicate satisfactory knowledge and understanding of the class or classes of insurance for which the applicant seeks qualification. The commissioner shall inform the applicant as to whether or not the applicant has passed;

(6) an applicant who has failed to pass an examination may take subsequent examinations. Examination fees for subsequent examinations shall not be waived; and

(7) any applicant for a license covering the same class or classes of insurance for which the applicant was licensed under a similar license in this state, other than a temporary license, within the three years preceding the date of the application shall be exempt from the requirement of a written examination, unless the previous license was revoked or suspended by the commissioner. *An applicant whose license is not renewed under subdivision 20 is exempt from the requirement of a written examination.*

(c) [NONRESIDENT AGENT.] The commissioner shall issue a nonresident insurance agent's license to a qualified person who is a resident of another state or country as follows:

(1) A person may qualify for a license under this section as a nonresident only if that person holds a license in another state, province of Canada, or other foreign country which, in the opinion of the commissioner, qualifies that person for the same activity as that for which a license is sought;

(2) The commissioner shall not issue a license to any nonresident applicant until that person files with the commissioner a designation of the commissioner and the commissioner's successors in office as the applicant's true and lawful attorney upon whom may be served all lawful process in any action, suit, or proceeding instituted by or on behalf of any interested person arising out of the applicant's insurance business in this state. This designation shall constitute an agreement that this service of process is of the same legal force and validity as personal service of process in this state upon that applicant.

Service of process upon any licensee in any action or proceeding commenced in any court of competent jurisdiction of this state may be made by serving the commissioner with appropriate copies of the process along with payment of the fee pursuant to section 60A.14, subdivision 1, paragraph (c), clause (4). The commissioner shall forward a copy of the process by registered or certified mail to the licensee at the last known address of record or principal place of business of the licensee; and

(3) A nonresident license shall terminate automatically when the resident license for that class of license in the state, province, or foreign country in which the licensee is a resident is terminated for any reason.

(d) [DENIAL.] (1) If the commissioner finds that an applicant for a resident or nonresident license has not fully met the requirements for licensing, the commissioner shall refuse to issue the license and shall promptly give written notice to both the applicant and the appointing insurer of the denial, stating the grounds for the denial. All fees which accompanied the application and appointment shall be deemed earned and shall not be refundable.

(2) The commissioner may also deny issuance of a license for any cause that would subject the license of a licensee to suspension or revocation. If a license is denied pursuant to this clause, the provisions of subdivision 6c, paragraph (c) apply.

(3) The applicant may make a written demand upon the commissioner for a hearing within 30 days of the denial of a license to determine whether the reasons stated for the denial were lawful. The hearing shall be held pursuant to chapter 14.

(e) [TERM.] All licenses issued pursuant to this section shall remain in force until voluntarily terminated by the licensee, not renewed as prescribed in subdivision 1d, or until suspended or revoked by the commissioner. A voluntary termination shall occur when the license is surrendered to the commissioner with the request that it be terminated or when the licensee dies, or when the licensee is dissolved or its existence is terminated. In the case of a nonresident license, a voluntary termination shall also occur upon the happening of the event described in paragraph (c), clause (3).

Every licensed agent shall notify the commissioner within 30 days of any change of name, address, or information contained in the application.

(f) [SUBSEQUENT APPOINTMENTS.] A person who holds a valid agent's license from this state may solicit applications for insurance on behalf of an admitted insurer with which the licensee does not have a valid appointment on file with the commissioner; provided, that the licensee has permission from the insurer to solicit insurance on its behalf and, provided further, that the insurer upon receipt of the application for insurance submits a written notice of appointment to the commissioner accompanied by its check payable to the state treasurer in the amount of the appointment fee prescribed by section 60A.14, subdivision 1, paragraph (c), clause (9). The notice of appointment shall be on a form prescribed by the commissioner.

(g) [AMENDMENT OF LICENSE.] An application to the commissioner to amend a license to reflect a change of name, or to include an additional class of license, or for any other reason, shall be on forms provided by the commissioner and shall be accompanied by the applicant's surrendered license and a check payable to the state treasurer for the amount of fee specified in section 60A.14, subdivision 1, paragraph (c).

An applicant who surrenders an insurance license pursuant to this clause retains licensed status until an amended license is received.

(h) [EXCEPTIONS.] The following are exempt from the general licensing requirements prescribed by this section:

(1) agents of township mutuals who are exempted pursuant to subdivision 1b;

(2) fraternal beneficiary association representatives exempted pursuant to subdivision 1c;

(3) any regular salaried officer or employee of a licensed insurer, without license or other qualification, may act on behalf of that licensed insurer in the negotiation of insurance for that insurer; provided that a licensed agent must participate in the sale of any such insurance;

(4) employers and their officers or employees, and the trustees or employees of any trust plan, to the extent that the employers, officers, employees, or trustees are engaged in the administration or operation of any program of employee benefits for the employees of the employers or employees of their subsidiaries or affiliates involving the use of insurance issued by a licensed insurance company; provided, that the activities of the officers, employees and trustees are incidental to clerical or administrative duties and their compensation does not vary with the volume of insurance or applications therefor;

(5) employees of a creditor who enroll debtors for life or accident and health insurance; provided the employees receive no commission or fee therefor; and

(6) clerical or administrative employees of an insurance agent who take insurance applications or receive premiums in the office of their employer, if the activities are incidental to clerical or administrative duties and the employee's compensation does not vary with the volume of the applications or premiums.

Sec. 2. Minnesota Statutes 1984, section 60A.17, is amended by adding a subdivision to read:

*Subd. 20. [TAX CLEARANCE CERTIFICATE.] (a) The commissioner may not issue or renew a license under this section if the commissioner of revenue notifies the commissioner and the licensee or applicant for a license that the licensee or applicant owes the state delinquent taxes in the amount of \$500 or more. The commissioner may issue or renew the license only if (1) the commissioner of revenue issues a tax clearance certificate and (2) the commissioner of revenue or the licensee or applicant forwards a copy of the clearance to the commissioner. The commissioner of revenue may issue a clearance certificate only if the licensee or applicant does not owe the state any uncontested delinquent taxes.*

*(b) For purposes of this subdivision, the following terms have the meanings given.*

(1) *"Taxes" are all taxes payable to the commissioner of revenue, including penalties and interest due on those taxes.*

(2) *"Delinquent taxes" do not include a tax liability if (i) an administrative or court action that contests the amount or validity of the liability has been filed or served, (ii) the appeal period to contest the tax liability has not expired, or (iii) the licensee or applicant has entered into a payment agreement to pay the liability and is current with the payments.*

(c) *In lieu of the notice and hearing requirements of subdivisions 6c and 6d, when a licensee or applicant is required to obtain a clearance certificate under this subdivision, a contested case hearing must be held if the licensee or applicant requests a hearing in writing to the commissioner of revenue within 30 days of the date of the notice provided in paragraph (a). The hearing must be held within 45 days of the date the commissioner of revenue refers the case to the office of administrative hearings. Notwithstanding any law to the contrary, the licensee or applicant must be served with 20 days' notice in writing specifying the time and place of the hearing and the allegations against the licensee or applicant. The notice may be served personally or by mail.*

(d) *The commissioner shall require all licensees or applicants to provide their social security number and Minnesota business identification number on all license applications. Upon request of the commissioner of revenue, the commissioner must provide to the commissioner of revenue a list of all licensees and applicants, including the name and address, social security number, and business identification number. The commissioner of revenue may request a list of the licensees and applicants no more than once each calendar year. Notwithstanding sections 290.61 and 297A.43, the commissioner of revenue may release information necessary to accomplish the purpose of this subdivision.*

Sec. 3. Minnesota Statutes 1984, section 82.22, subdivision 3, is amended to read:

Subd. 3. [RE-EXAMINATIONS.] An examination may be required before the renewal of any license which has been suspended, or before the issuance of a license to any person whose license has been ineffective for a period of one year, except no re-examination shall be required of any individual who has failed to cause renewal of an existing license because of absence from the state while on active duty with the armed services of the United States of America, and no re-examination shall be required of an individual whose license has not been renewed under section 82.27, subdivision 7.

Sec. 4. Minnesota Statutes 1984, section 82.27, is amended by adding a subdivision to read:

*Subd. 7. [TAX CLEARANCE CERTIFICATE.] (a) In addition to the provisions of subdivision 1, the commissioner may not issue or renew a license if the commissioner of revenue notifies the commissioner and the licensee or applicant for a license that the licensee or applicant owes the state delinquent taxes in the amount of \$500 or more. The commissioner may issue or renew the license only if (1) the commissioner of revenue issues a tax clearance certificate and (2) the commissioner of revenue or the licensee or applicant forwards a copy of the clearance to the commissioner. The commissioner of revenue may issue a clearance certificate only if the licensee or applicant does not owe the state any uncontested delinquent taxes.*

*(b) For purposes of this subdivision, the following terms have the meanings given.*

*(1) "Taxes" are all taxes payable to the commissioner of revenue, including penalties and interest due on those taxes.*

*(2) "Delinquent taxes" do not include a tax liability if (i) an administrative or court action that contests the amount or validity of the liability has been filed or served, (ii) the appeal period to contest the tax liability has not expired, or (iii) the licensee or applicant has entered into a payment agreement to pay the liability and is current with the payments.*

*(c) In lieu of the notice and hearing requirements of subdivisions 3, 4, 5, and 6, when a licensee or applicant is required to obtain a clearance certificate under this subdivision, a contested case hearing must be held if the licensee or applicant requests a hearing in writing to the commissioner of revenue within 30 days of the date of the notice provided in paragraph (a). The hearing must be held within 45 days of the date the commissioner of revenue refers the case to the office of administrative hearings. Notwithstanding any law to the contrary, the licensee or applicant must be served with 20 days' notice in writing specifying the time and place of the hearing and the allegations against the licensee or applicant. The notice may be served personally or by mail.*

*(d) The commissioner shall require all licensees or applicants to provide their social security number and Minnesota business identification number on all license applications. Upon request of the commissioner of revenue, the commissioner must provide to the commissioner of revenue a list of all licensees and applicants, including the name and address, social security number and business identification number. The commissioner of revenue may request a list of the licensees and applicants no more than once each calendar year. Notwithstanding sections 290.61 and 297A.43, the commissioner of revenue may release information necessary to accomplish the purpose of this subdivision.*

Sec. 5. Minnesota Statutes 1985 Supplement, section 147.021, is amended by adding a subdivision to read:

*Subd. 7. [TAX CLEARANCE CERTIFICATE.] (a) In addition to the provisions of subdivision 1, the board may not issue or renew a license if the commissioner of revenue notifies the board and the licensee or applicant for a license that the licensee or applicant owes the state delinquent taxes in the amount of \$500 or more. The board may issue or renew the license only if (1) the commissioner of revenue issues a tax clearance certificate and (2) the commissioner of revenue or the licensee or applicant forwards a copy of the clearance to the board. The commissioner of revenue may issue a clearance certificate only if the licensee or applicant does not owe the state any uncontested delinquent taxes.*

*(b) For purposes of this subdivision, the following terms have the meanings given.*

*(1) "Taxes" are all taxes payable to the commissioner of revenue, including penalties and interest due on those taxes.*

*(2) "Delinquent taxes" do not include a tax liability if (i) an administrative or court action that contests the amount or validity of the liability has been filed or served, (ii) the appeal period to contest the tax liability has not expired, or (iii) the licensee or applicant has entered into a payment agreement to pay the liability and is current with the payments.*

*(c) In lieu of the notice and hearing requirements of subdivision 1, when a licensee or applicant is required to obtain a clearance certificate under this subdivision, a contested case hearing must be held if the licensee or applicant requests a hearing in writing to the commissioner of revenue within 30 days of the date of the notice provided in paragraph (a). The hearing must be held within 45 days of the date the commissioner of revenue refers the case to the office of administrative hearings. Notwithstanding any law to the contrary, the licensee or applicant must be served with 20 days' notice in writing specifying the time and place of the hearing and the allegations against the licensee or applicant. The notice may be served personally or by mail.*

*(d) The board shall require all licensees or applicants to provide their social security number and Minnesota business identification number on all license applications. Upon request of the commissioner of revenue, the board must provide to the commissioner of revenue a list of all licensees and applicants, including the name and address, social security number, and business identification number. The commissioner of revenue may request a list of the licensees and applicants no more than once each calendar year. Notwithstanding sections 290.61 and 297A.43, the commissioner of revenue may release information necessary to accomplish the purpose of this subdivision.*

Sec. 6. Minnesota Statutes 1984, section 148.10, is amended by adding a subdivision to read:

*Subd. 5. [TAX CLEARANCE CERTIFICATE.] (a) In addition to the grounds provided in subdivision 1, the board may not issue or renew a license to practice chiropractic if the commissioner of revenue notifies the board and the licensee or applicant for a license that the licensee or applicant owes the state delinquent taxes in the amount of \$500 or more. The board may issue or renew the license only if (1) the commissioner of revenue issues a tax clearance certificate and (2) the commissioner of revenue or the licensee or applicant forwards a copy of the clearance to the board. The commissioner of revenue may issue a clearance certificate only if the licensee or applicant does not owe the state any uncontested delinquent taxes.*

*(b) For purposes of this subdivision, the following terms have the meanings given.*

*(1) "Taxes" are all taxes payable to the commissioner of revenue, including penalties and interest due on those taxes.*

*(2) "Delinquent taxes" do not include a tax liability if (i) an administrative or court action that contests the amount or validity of the liability has been filed or served, (ii) the appeal period to contest the tax liability has not expired, or (iii) the licensee or applicant has entered into a payment agreement to pay the liability and is current with the payments.*

*(c) In lieu of the notice and hearing requirements of subdivisions 3 and 4, when a licensee or applicant is required to obtain a clearance certificate under this subdivision, a contested case hearing must be held if the licensee or applicant requests a hearing in writing to the commissioner of revenue within 30 days of the date of the notice provided in paragraph (a). The hearing must be held within 45 days of the date the commissioner of revenue refers the case to the office of administrative hearings. Notwithstanding any law to the contrary, the licensee or applicant must be served with 20 days' notice in writing specifying the time and place of the hearing and the allegations against the licensee or applicant. The notice may be served personally or by mail.*

*(d) The board shall require all licensees or applicants of a license to practice chiropractic to provide their social security number and Minnesota business identification number on all license applications. Upon request of the commissioner of revenue, the board must provide to the commissioner of revenue a list of all licensees and applicants for a license to practice chiropractic, including the name and address, social security number, and business identification number. The commissioner of revenue may request a list of the licensees and applicants no more than once each calendar year. Notwithstanding sections*

290.61 and 297A.43, the commissioner of revenue may release information necessary to accomplish the purpose of this subdivision.

Sec. 7. Minnesota Statutes 1984, section 150A.08, is amended by adding a subdivision to read:

Subd. 9. [TAX CLEARANCE CERTIFICATE.] (a) In addition to the grounds provided in subdivision 1 and notwithstanding subdivision 3, the board may not issue or renew a license to practice dentistry if the commissioner of revenue notifies the board and the licensee or applicant for a license that the licensee or applicant owes the state delinquent taxes in the amount of \$500 or more. The board may issue or renew the license only if (1) the commissioner of revenue issues a tax clearance certificate and (2) the commissioner of revenue or the licensee or applicant forwards a copy of the clearance to the board. The commissioner of revenue may issue a clearance certificate only if the licensee or applicant does not owe the state any uncontested delinquent taxes.

(b) For purposes of this subdivision, the following terms have the meanings given.

(1) "Taxes" are all taxes payable to the commissioner of revenue, including penalties and interest due on those taxes.

(2) "Delinquent taxes" do not include a tax liability if (i) an administrative or court action that contests the amount or validity of the liability has been filed or served, (ii) the appeal period to contest the tax liability has not expired, or (iii) the licensee or applicant has entered into a payment agreement to pay the liability and is current with the payments.

(c) In lieu of the notice and hearing requirements of subdivision 8, when a licensee or applicant is required to obtain a clearance certificate under this subdivision, a contested case hearing must be held if the licensee or applicant requests a hearing in writing to the commissioner of revenue within 30 days of the date of the notice provided in paragraph (a). The hearing must be held within 45 days of the date the commissioner of revenue refers the case to the office of administrative hearings. Notwithstanding any law to the contrary, the licensee or applicant must be served with 20 days' notice in writing specifying the time and place of the hearing and the allegations against the licensee or applicant. The notice may be served personally or by mail.

(d) The board shall require all licensees or applicants for a license to practice dentistry to provide their social security number and Minnesota business identification number on all license applications. Upon request of the commissioner of revenue, the board must provide to the commissioner of revenue

*a list of all licensees and applicants for a license to practice dentistry including the name and address, social security number, and business identification number. The commissioner of revenue may request a list of the licensees and applicants no more than once each calendar year. Notwithstanding sections 290.61 and 297A.43, the commissioner of revenue may release information necessary to accomplish the purpose of this subdivision.*

Sec. 8. Minnesota Statutes 1985 Supplement, section 270.063, is amended to read:

**270.063 [COLLECTION OF DELINQUENT TAXES.]**

For the purpose of collecting delinquent state tax liabilities (FROM TAXPAYERS WHO DO NOT RESIDE OR ARE NOT LOCATED IN MINNESOTA), there is appropriated to the commissioner of revenue an amount representing the cost of collection, not to exceed one-third of the amount collected by contract with collection agencies, revenue departments of other states, or attorneys to enable the commissioner to reimburse these agencies, departments, or attorneys for this service. The commissioner shall report quarterly on the status of this program to the chairmen of the house tax and appropriation committees and senate tax and finance committees.

Notwithstanding section 16A.15, subdivision 3, the commissioner of revenue may authorize the prepayment of sheriff's fees, attorney fees, fees charged by revenue departments of other states, or court costs to be incurred in connection with the collection (OUT OF STATE) of delinquent tax liabilities owed to the commissioner of revenue.

Sec. 9. Minnesota Statutes 1985 Supplement, section 270.69, subdivision 2, is amended to read:

Subd. 2. [FILING OF LIENS NECESSARY FOR ENFORCEABILITY AGAINST CERTAIN PERSONS.] The lien imposed by subdivision 1 is not enforceable against any purchaser, mortgagee, pledgee, holder of a uniform commercial code security interest, mechanic's lienor, or judgment lien creditor, until a notice of lien has been filed by the commissioner of revenue in the office of the county recorder of the county in which the property is situated, or in the case of personal property belonging to an individual who is not a resident of this state, or which is a corporation, partnership, or other organization, in the office of the secretary of state. (THE INDEXING OF LIENS FILED PURSUANT TO THIS SUBDIVISION AND, NOTWITHSTANDING SECTION 386.77, THE FEES CHARGED FOR SUCH FILING AND INDEXING, SHALL BE AS PRESCRIBED IN SECTIONS 272.483 AND 272.484.) *Notwithstanding any other law to the contrary, the department of revenue is exempt from the payment of fees at*

*the time the lien is offered for filing or recording. The fee for filing or recording the lien must be paid at the time the release of lien is offered for filing or recording. Notwithstanding any law to the contrary, the fee for filing or recording the lien or the release of lien is \$15.*

Sec. 10. Minnesota Statutes 1985 Supplement, section 270.69, subdivision 3, is amended to read:

Subd. 3. [EXEMPT PROPERTY.] The lien imposed on personal property by this section, even though properly filed, is not enforceable against a purchaser with respect to tangible personal property purchased at retail, or against the personal property listed as exempt in sections 550.37, 550.38, and 550.39 (, OR AGAINST THE HOMESTEAD OF THE TAXPAYER AS DEFINED IN CHAPTER 510).

Sec. 11. Minnesota Statutes 1985 Supplement, section 270.69, subdivision 4, is amended to read:

Subd. 4. [PERIOD OF LIMITATIONS.] The lien imposed by this section shall, notwithstanding any other provision of law to the contrary, be enforceable from the time the lien arises and for ten years from the date of filing the notice of lien, which must be filed by the commissioner within five years after the date of assessment of the tax. A notice of lien filed in one county may be transcribed to any other county within ten years after the date of its filing, but the transcription shall not extend the period during which the lien is enforceable. *A notice of lien may be renewed by the commissioner before the expiration of the ten-year period for an additional ten years. The taxpayer must be mailed a copy of the renewal.*

Sec. 12. Minnesota Statutes 1984, section 270.69, is amended by adding a subdivision to read:

Subd. 10. [LIMITATION FOR HOMESTEAD PROPERTY.] *A lien imposed under this section upon property defined as homestead property in chapter 510 may not be enforced against homestead property by levy under section 270.70, or by judgment lien under chapter 550.*

Sec. 13. Minnesota Statutes 1984, section 270.72, subdivision 1, is amended to read:

Subdivision 1. [TAX CLEARANCE REQUIRED.] The state or a political subdivision of the state may not issue, transfer, or renew a license for the conduct of a profession, trade, or business, if the commissioner notifies the licensing authority that the applicant owes the state delinquent taxes, penalties, or interest. The commissioner may not notify the licensing authority unless the applicant taxpayer owes (\$1,000)

\$500 or more in delinquent taxes. A licensing authority that has received a notice from the commissioner may issue, *transfer*, or renew the applicant's license only if (a) the commissioner issues a tax clearance certificate and (b) the commissioner or the applicant forwards a copy of the clearance to the authority. The commissioner may issue a clearance certificate only if the applicant does not owe the state any uncontested delinquent taxes, penalties, or interest.

Sec. 14. Minnesota Statutes 1984, section 270.72, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given.

(a) "Taxes" are limited to withholding tax as provided in section 290.92, sales and use tax as provided in chapter 297A, and motor vehicle excise tax as provided in chapter 297B. Penalties and interest are limited to penalties and interest due on taxes included in this definition.

(b) "Delinquent taxes" do not include a tax liability if (i) an administrative or court action which contests the amount or validity of the liability has been filed or served, (ii) the appeal period to contest the tax liability has not expired, or (iii) the applicant has entered into a payment agreement and is current with the payments.

(c) "Applicant" means an individual if the license is issued to or in the name of an individual or the corporation or partnership if the license is issued to or in the name of a corporation or partnership. *"Applicant" also means an officer of a corporation or a member of a partnership who is liable for the delinquent taxes pursuant to section 270.10, subdivision 4, either for the entity for which the license is at issue or for another entity for which the liability was incurred, or personally as a licensee.*

Sec. 15. Minnesota Statutes 1984, section 270.72, subdivision 3, is amended to read:

Subd. 3. [NOTICE AND HEARING.] If the commissioner notifies a licensing authority pursuant to subdivision 1, he must send a copy of the notice to the applicant. (IN THE CASE OF THE RENEWAL OF A LICENSE) If the applicant requests, in writing, within 30 days of the (RECEIPT) *date* of the notice a hearing, a contested case hearing must be held. The hearing must be held within 45 days of the date the commissioner refers the case to the office of administrative hearings. (THE HEARING MUST BE HELD UNDER THE PROCEDURES PROVIDED BY SECTION 270A.09 AND THE ADMINISTRATIVE RULES PROMULGATED UNDER

CHAPTER 270A.) *Notwithstanding any law to the contrary, the applicant must be served with 20 days' notice in writing specifying the time and place of the hearing and the allegations against the applicant. The notice may be served personally or by mail.*

Sec. 16. Minnesota Statutes 1985 Supplement, section 270.76, is amended to read:

**270.76 [INTEREST ON REFUNDS.]**

When any tax payable to the commissioner of revenue or to the department of revenue is overpaid and an amount is due the taxpayer as a refund of the overpayment, the overpayment shall bear interest from the date of payment of the tax until the date the refund is paid or credit is made, unless another period for computing interest is provided by law. The interest rate per annum on overpayments shall be (80 PERCENT OF) the interest rate contained in section 270.75, subdivision 5; the rate shall be adjusted annually and become effective as provided in section 270.75, subdivision 5 (; AND THE RESULT OF THE ADJUSTMENT IN THE RATE SHALL BE ROUNDED TO THE NEAREST FULL PERCENT). The determination of the commissioner pursuant to this subdivision is not a "rule" and is not subject to the administrative procedure act contained in chapter 14.

Sec. 17. Minnesota Statutes 1985 Supplement, section 273.124, is amended by adding a subdivision to read:

*Subd. 13. [SOCIAL SECURITY NUMBER REQUIRED FOR HOMESTEAD APPLICATION.] Beginning with the January 2, 1987 assessment, every property owner applying for homestead classification must furnish to the county assessor that owner's social security number. If the social security number is not provided, the county assessor shall classify the property as nonhomestead. The social security numbers of the property owners are private data on individuals as defined by section 13.02, subdivision 12, but, notwithstanding that section, the private data may be disclosed to the commissioner of revenue.*

*At the request of the commissioner, each county must give the commissioner a listing that includes the name and social security number of each property owner applying for homestead classification.*

*If, in comparing the lists supplied by the counties, the commissioner finds that a property owner is claiming more than one homestead, the commissioner shall notify the appropriate counties. Within 90 days of the notification, the county assessor shall investigate to determine if the homestead*

*classification was properly claimed. If the property owner does not qualify, the county assessor shall notify the county auditor who will determine the amount of homestead credit that had been improperly allowed. A penalty equal to 25 percent of the homestead credit is imposed on a property owner who claims a homestead credit on property which is not a homestead. The county auditor shall send a notice to the owners of the affected property, demanding reimbursement of the homestead credit plus a penalty equal to 25 percent of the homestead credit. The property owners may appeal the county's determination by filing a notice of appeal with the Minnesota tax court within 60 days of the date of the notice from the county.*

*If the amount of homestead credit and penalty is not paid within 60 days, and if no appeal has been filed, the county auditor shall certify the amount to the succeeding year's tax list to be collected as part of the property taxes.*

*Any amount of homestead credit recovered from the property owner must be transmitted to the commissioner by the end of each month. The amount of penalty collected must be deposited in the county general fund.*

*The commissioner will provide suggested homestead applications to each county. If a property owner has applied for more than one homestead and the county assessors cannot determine which property should be classified as homestead, the county assessors will refer the information to the commissioner. The commissioner shall make the determination and notify the counties within 60 days.*

*In addition to lists of homestead properties, the commissioner may ask the counties to furnish lists of all properties and the record owners.*

**Sec. 18. Minnesota Statutes 1984, section 290.53, subdivision 2, is amended to read:**

**Subd. 2. [FAILURE TO MAKE AND FILE RETURN.]** In case of any failure to make and file a return as required by this chapter within the time prescribed by law or prescribed by the commissioner in pursuance of law, there shall be added to the tax or subtracted from the refund in lieu of the penalty provided in subdivision 1: ten percent of the amount of tax unpaid if the failure is for not more than 30 days with an additional five percent for each additional 30 days or fraction thereof during which such failure continues, not exceeding 25 percent in the aggregate; or ten percent of the amount of the refund claimed if the failure is for more than 60 but less than 90 days, with an additional five percent for each additional 30 days or fraction thereof during which such failure continues, not exceeding 25 percent in the aggregate.

*In addition to the penalty imposed above, in the case of a failure to file a return of tax imposed by this chapter within 60 days of the date prescribed for filing of the return (determined with regard to any extensions of time for filing), (WHERE THE RETURN HAS BEEN DEMANDED BY THE COMMISSIONER UNDER THE PROVISIONS OF SECTION 290.47, THE AMOUNT) there shall be added to the tax (UNDER THIS SUBDIVISION SHALL NOT BE LESS THAN) or subtracted from the refund the lesser of (\$50) (i) \$100 or (ii) 100 percent of either the amount (REQUIRED TO BE SHOWN AS THE AMOUNT) of tax which is due (WITH THE RETURN) or the amount of the refund.*

The amount so added to any tax shall be collected at the same time and in the same manner and as a part of the tax, and the amount of said tax together with the amount so added shall bear interest at the rate specified in section 270.75 from the time such tax should have been paid until paid unless the tax has been paid before the discovery of the neglect, in which case the amount so added shall be collected in the same manner as the tax.

For the purposes of this subdivision the amount of any taxes required to be shown on the return shall be reduced by the amount of any part of the tax which is paid on or before the date prescribed for payment of the tax and by the amount of any credit against the tax which may be claimed upon the return.

Sec. 19. Minnesota Statutes 1984, section 290.61, is amended to read:

**290.61 [PUBLICITY OF RETURNS, INFORMATION.]**

It shall be unlawful for the commissioner or any other public official or employee to divulge or otherwise make known in any manner any particulars set forth or disclosed in any report or return required by this chapter, or any information concerning, the taxpayer's affairs acquired from his or its records, officers, or employees while examining or auditing any taxpayer's liability for taxes imposed hereunder, except in connection with a proceeding involving taxes due under this chapter from the taxpayer making such return or to comply with the provisions of sections 256.978, 268.12, subdivision 12, 270A.11, 273.1314, subdivision 16, 290.612 and 302A.821. The commissioner may furnish a copy of any taxpayer's return, including audit documents and information, to any official of the United States or of any state having duties to perform in respect to the assessment or collection of any tax imposed upon or measured by income, if such taxpayer is required by the laws of the United States or of such state to make a return therein. Prior to the release of any information to any official of the United States or any other state under the provisions of this section, the person to whom the information is to be released shall sign an agreement which provides that he

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

Any person violating the provisions of this section shall be guilty of a gross misdemeanor.

In order to locate the named payee on state warrants issued pursuant to this chapter or chapter 290A and undeliverable by the United States postal service, the commissioner may publish in any newspaper of general circulation in this state or make available to radio or television stations a list of the name and last known address of the payee as shown on the reports or returns filed with the commissioner. The commissioner may exclude the names of payees whose refunds are in an amount which is less than a minimal amount to be determined by the commissioner. The list shall not contain any particulars set forth on any report or return. The publication or announcement shall include instructions on claiming the warrants.

An employee of the department of revenue may, in connection with his official duties relating to any audit, collection activity, or civil or criminal tax investigation or any other offense under this chapter, disclose return information to the extent that such disclosure is necessary in obtaining information, which is not otherwise reasonably available, with respect to the correct determination of tax, liability for tax, or the amount to be collected or with respect to the enforcement of any other provision of this chapter.

In order to facilitate processing of returns and payments of taxes required by this chapter, or to facilitate the develop-

ment, implementation, and use of computer programs and automated procedures for purposes of administering this chapter or chapter 290A, the commissioner may contract with outside vendors and may disclose private and nonpublic data to the vendor. The data disclosed will be administered by the vendor consistent with this section, and the vendor must agree to subject himself and his employees to the civil and criminal penalties provided by law for unlawful disclosure.

Information from a tax return required under this chapter on a holder of a license issued by the Minnesota racing commission or an owner of a horse may be provided by the commissioner to the Minnesota racing commission.

*The commissioner may provide to the Minnesota supreme court and the board of professional responsibility information regarding the amount of any uncontested delinquent taxes due under this chapter or a failure to file a return due under this chapter by an attorney admitted to practice law in this state under chapter 481.*

Sec. 20. Minnesota Statutes 1984, section 297A.01, subdivision 9, is amended to read:

Subd. 9. "Gross receipts" means the total amount received, in money or otherwise, for all sales at retail and all sales by wholesalers of intoxicating liquor, as defined in section 340A.101, subdivision 28, as measured by the sales price. Gross receipts from sales may, at the option of the taxpayer, be reported on the cash basis as the consideration is received or on the accrual basis as sales are made.

Sec. 21. Minnesota Statutes 1984, section 297A.02, is amended by adding a subdivision to read:

*Subd. 5. [WHOLESALE OF INTOXICATING LIQUOR.] Notwithstanding the provisions of subdivision 1, a tax is imposed in the amount of 14.6 percent on the gross receipts from the sales of intoxicating liquor, as defined in section 340A.101, subdivision 14, by any wholesaler, as defined in section 340A.101, subdivision 28, to any on-sale or off-sale municipal liquor store or other establishment licensed to sell any type of intoxicating liquor. Notwithstanding the provisions of this section, the tax for the month of July, 1986, shall be computed using the average gross receipts of the wholesaler from the sale of intoxicating liquor during the months of May, June, and July, 1986.*

Sec. 22. Minnesota Statutes 1984, section 297A.03, subdivision 2, is amended to read:

Subd. 2. It shall be unlawful for any retailer or any wholesaler of intoxicating liquor to advertise or hold out or state to the public or any customer, directly or indirectly, that the

tax or any part thereof will be assumed or absorbed by the retailer or any wholesaler of intoxicating liquor, or that it will not be added to the sales price or that, if added, it or any part thereof will be refunded except that in computing the tax to be collected as the result of any transaction amounts of tax less than one-half of one cent may be disregarded and amounts of tax if one-half cent or more may be considered an additional cent. If the sales price of any sale at retail is eight cents or less, no tax shall be collected. Any person violating this provision shall be guilty of a misdemeanor.

**Sec. 23. [297A.031] [INTOXICATING LIQUOR WHOLE-SALERS.]**

*Subdivision 1. Every wholesaler of intoxicating liquor subject to the provisions of section 297A.02, subdivision 5, shall file with the commissioner an application for a permit as provided in section 297A.04.*

*Subd. 2. Every wholesaler required to collect the tax imposed by section 297A.02, subdivision 5, shall keep records of every charge and all amounts paid, charged, or due thereon and the tax payable thereon, in such form as the commissioner may require. Records must include a true copy of each invoice, receipt, statement, or memorandum upon which a tax was required to be collected.*

*Subd. 3. The tax imposed by section 297A.02, subdivision 5, which is to be reported and paid to the commissioner, is subject to all penalty, interest, and enforcement provisions of this chapter.*

**Sec. 24. Minnesota Statutes 1984, section 297A.04, is amended to read:**

**297A.04 [APPLICATIONS; MEMBER; VENDING MACHINES; FORM.]**

Every person desiring to engage in the business of making retail sales or acting as a wholesaler of intoxicating liquor within Minnesota shall file with the commissioner an application for a permit and if such person has more than one place of business, an application for each place of business must be filed. A vending machine operator who has more than one vending machine location shall nevertheless be considered to have only one place of business for purposes of this section. An applicant who has no regular place of doing business and who moves from place to place shall be considered to have only one place of business and shall attach such permit to his cart, stand, truck or other merchandising device. The commissioner may require any person or class of persons obligated to file a use tax return under section 297A.27, subdivision 2, to file application for a permit. Every application for a permit shall be made upon a form pre-

scribed by the commissioner and shall set forth the name under which the applicant intends to transact business, the location of his place or places of business, and such other information as the commissioner may require. The application shall be filed by the owner, if a natural person; by a member or partner, if the owner be an association or partnership; by a person authorized to sign the application, if the owner be a corporation.

Sec. 25. Minnesota Statutes 1984, section 297A.08, is amended to read:

**297A.08 [SALES WITHOUT PERMITS, VIOLATIONS.]**

A person who engages in the business of making retail sales *or acts as a wholesaler of intoxicating liquor* in Minnesota without the required permit or permits, and each officer of any corporation which so engages in business, is guilty of a gross misdemeanor.

Any person who engages in the business of making retail sales *or acts as a wholesaler of intoxicating liquor* in Minnesota after revocation of the permit under section 297A.07, *and each officer of any corporation which so engages in business*, when the commissioner has not issued a new permit, is guilty of a felony.

Sec. 26. Minnesota Statutes 1984, section 297A.18, is amended to read:

**297A.18 [ADVERTISING NO TAX; MINIMUM TAX.]**

It shall be unlawful for any retailer *or wholesaler of intoxicating liquor* to advertise or hold out or state to the public or to any customer, directly or indirectly, that the use tax or any part thereof will be assumed or absorbed by the retailer, or that it will not be added to the sales price or that, if added, it or any part thereof will be refunded except that in computing the tax to be collected as the result of any transaction amounts of tax less than one-half of one cent may be disregarded and amounts of tax of one-half cent or more may be considered an additional cent.

Sec. 27. [297A.258] [EXEMPTION FOR INTOXICATING LIQUOR.]

*Notwithstanding the provisions of this chapter, all sales at retail of intoxicating liquor, as defined in section 340A.101, subdivision 14, are exempt from the tax imposed in section 297A.02, subdivision 1.*

Sec. 28. Minnesota Statutes 1984, section 297A.27, subdivision 1, is amended to read:

Subdivision 1. Except as provided in section 297A.275, on or before the 25th day of each month in which taxes imposed by sections 297A.01 to 297A.44 are payable, a return for the preceding reporting period shall be filed with the commissioner in such form as the commissioner may prescribe, verified by a written declaration that it is made under the criminal penalties for wilfully making a false return, and in addition shall contain a confession of judgment for the amount of the tax shown due thereon to the extent not timely paid. Any person making sales at retail or *acting as a wholesaler of intoxicating liquor* at two or more places of business may file a consolidated return subject to such regulations as the commissioner may prescribe.

Sec. 29. Minnesota Statutes 1984, section 297A.275, is amended to read:

**297A.275 [ACCELERATED PAYMENT OF JUNE LIABILITY.]**

Every vendor, *except a wholesaler of intoxicating liquor*, having a liability of \$1,500 or more in May 1982 or in May of each subsequent year, shall remit the June liability in the manner required by this section.

On or before June 25, 1982, or June 25 of each subsequent year, the vendor shall remit the actual May liability and one-half of the estimated June liability to the commissioner and file the return on a form prescribed by the commissioner.

On or before August 25, 1982, or August 25 of each subsequent year, the vendor shall submit a return showing the actual June liability and paying any additional amount of tax not remitted in June. A penalty is hereby imposed equal to ten percent of the amount of June liability required to be paid in June less the amount remitted in June. However, the penalty shall not be imposed if the amount remitted in June equals the lesser of (a) 45 percent of the actual June liability, or (b) 50 percent of the preceding May's liability.

Sec. 30. Minnesota Statutes 1984, section 297A.28, is amended to read:

**297A.28 [SECURITY.]**

Whenever he deems it necessary to insure compliance with sections 297A.01 to 297A.44 the commissioner may require a retailer or a *wholesaler of intoxicating liquor* subject thereto to deposit with him security in such form and in such amount as he may determine but not more than twice the estimated average liability for the period for which the returns are required to be filed, or \$10,000, whichever amount is the lesser. The amount of security may be increased or decreased by the commissioner,

subject to the limitations herein provided. The commissioner may sell property deposited as security at public auction if necessary in order to recover any tax or any amount required to be collected, including interest and penalties, if any. Notice of the sale must be served upon the person who deposited the security personally, or by mail in the manner hereinafter prescribed for the service of a notice of a deficiency. After any sale any surplus above the amount due not required as security under this section shall be returned to the person who deposited the security. In lieu of security, the commissioner may require a retailer or a *wholesaler of intoxicating liquor* to file a bond, issued by a surety company authorized to transact business in this state and approved by the commissioner of commerce as to solvency and responsibility.

Sec. 31. Minnesota Statutes 1984, section 297A.43, is amended to read:

**297A.43 [CONFIDENTIAL NATURE OF INFORMATION.]**

It shall be unlawful for the commissioner or any other public official or employee to divulge or otherwise make known in any manner any particulars disclosed in any report or return required by sections 297A.01 to 297A.44, or any information concerning the affairs of the person making the return acquired from his records, officers, or employees while examining or auditing under the authority of sections 297A.01 to 297A.44, except in connection with a proceeding involving taxes due under this chapter from the taxpayer making such report or return or to comply with the provisions of section 297A.431 or where a question arises as to the proper tax applicable, that is, sales or use tax. In the latter instance, the commissioner may furnish information to a buyer and a seller with respect to the specific transaction in question. Nothing herein contained shall be construed to prohibit the commissioner from publishing statistics so classified as not to disclose the identity of particular returns or reports and the contents thereof. Any person violating the provisions of this section shall be guilty of a gross misdemeanor.

The commissioner may enter into an agreement with the commissioner or other taxing officials of another state for the interpretation and administration of the acts of their several states providing for the collection of a sales and/or use tax for the purpose of promoting fair and equitable administration of such acts and to eliminate double taxation.

Notwithstanding the above provisions of this section, the commissioner, at his discretion, in order to implement the purposes of this chapter, may furnish information on a reciprocal basis to the taxing officials of another state, or to the taxing officials of any municipality of the state of Minnesota which has a local sales and/or use tax.

*The commissioner may furnish to the Minnesota supreme court and the board of professional responsibility information regarding the amount of any uncontested delinquent taxes due under this chapter or a failure to file a return due under this chapter by an attorney admitted to practice law in this state under chapter 481.*

In order to facilitate processing of returns and payments of taxes required by this chapter, the commissioner may contract with outside vendors and may disclose private and nonpublic data to the vendor. The data disclosed will be administered by the vendor consistent with this section.

Sec. 32. Minnesota Statutes 1984, section 326.20, is amended by adding a subdivision to read:

*Subd. 4. [TAX CLEARANCE CERTIFICATE.] (a) Notwithstanding subdivisions 1 and 2, the board may not issue or renew a license under sections 326.165 to 326.231 if the commissioner of revenue notifies the board and the licensee or applicant for a license that the licensee or applicant owes the state delinquent taxes in the amount of \$500 or more. The board may issue or renew the license only if (1) the commissioner of revenue issues a tax clearance certificate and (2) the commissioner of revenue or the licensee or applicant forwards a copy of the clearance to the board. The commissioner of revenue may issue a clearance certificate only if the licensee or applicant does not owe the state any uncontested delinquent taxes.*

*(b) For purposes of this subdivision, the following terms have the meanings given.*

*(1) "Taxes" are all taxes payable to the commissioner of revenue, including penalties and interest due on those taxes.*

*(2) "Delinquent taxes" do not include a tax liability if (i) an administrative or court action that contests the amount or validity of the liability has been filed or served, (ii) the appeal period to contest the tax liability has not expired, or (iii) the licensee or applicant has entered into a payment agreement to pay the liability and is current with the payments.*

*(c) When a licensee or applicant is required to obtain a clearance certificate under this subdivision, a contested case hearing must be held if the licensee or applicant requests a hearing in writing to the commissioner of revenue within 30 days of the date of the notice provided in paragraph (a). The hearing must be held within 45 days of the date the commissioner of revenue refers the case to the office of administrative hearings. Notwithstanding any law to the contrary, the licensee or applicant must be served with 20 days' notice in writing specifying the time and place of the hearing and the allegations against the licensee or applicant. The notice may be served personally or by mail.*

(d) *The board shall require all licensees or applicants to provide their social security number and Minnesota business identification number on all license applications. Upon request of the commissioner of revenue, the board must provide to the commissioner of revenue a list of all licensees and applicants, including the name and address, social security number, and business identification number. The commissioner of revenue may request a list of the licensees and applicants no more than once each calendar year. Notwithstanding sections 290.61 and 297A.43, the commissioner of revenue may release information necessary to accomplish the purpose of this subdivision.*

**Sec. 33. [340A.318] [CREDIT EXTENSIONS RESTRICTED.]**

*Subdivision 1. [RESTRICTION.] Except as provided in this section, no retail licensee may accept or receive credit, other than merchandising credit in the ordinary course of business for a period not to exceed 30 days, from a distiller, manufacturer, or wholesaler of distilled spirits or wine, or agent or employee thereof. No distiller, manufacturer or wholesaler may extend the prohibited credit to a retail licensee. No retail licensee delinquent beyond the 30 day period shall solicit, accept or receive credit or purchase or acquire distilled spirits or wine directly or indirectly, and no distiller, manufacturer or wholesaler shall knowingly grant or extend credit nor sell, furnish or supply distilled spirits or wine to a retail licensee who has been posted delinquent under subdivision 3. No right of action shall exist for the collection of any claim based upon credit extended contrary to the provisions of this section.*

*Subd. 2. [REPORTING.] Every distiller, manufacturer or wholesaler selling to retailers shall submit to the commissioner in triplicate not later than Thursday of each calendar week a verified list of the names and addresses of each retail licensee purchasing distilled spirits or wine from that distiller, manufacturer or wholesaler who, on the first day of that calendar week, was delinquent beyond the 30 day period, or a verified statement that no delinquencies exist which are required to be reported. If a retail licensee previously reported as delinquent cures the delinquency by payment, the name and address of that licensee shall be submitted in triplicate to the commissioner not later than the close of the second full business day following the day the delinquency was cured.*

*Subd. 3. [POSTING; NOTICE.] Verified lists or statements required by subdivision 2 shall be posted by the commissioner in offices of the department in places available for public inspection and mailed to each licensed wholesaler not later than the day following receipt. Documents so posted and mailed shall constitute notice to every distiller, manufacturer or wholesaler of the information posted. Actual notice, however received, also constitutes notice.*

*Subd. 4. [MISCELLANEOUS PROVISIONS.] The 30 day merchandising period allowed by this section shall commence with the day immediately following the date of invoice and shall include all successive days, including Sundays and holidays, to and including the 30th successive day. In addition to other legal methods, payment by check during the period for which merchandising credit may be extended shall be considered payment. All checks received in payment for distilled spirits or wine shall be deposited promptly for collection. A postdated check or a check dishonored on presentation for payment does not constitute payment. A retail licensee shall not be deemed delinquent for any alleged sale in any instance where there exists a bona fide dispute between the licensee and the distiller, manufacturer or wholesaler as to the amount owing as a result of the alleged sale. A delinquent retail licensee who engages in the retail liquor business at two or more locations shall be deemed to be delinquent with respect to each location.*

*Subd. 5. [LICENSE SUSPENSION OR REVOCATION.] The license of any retail licensee, distiller, manufacturer or wholesaler violating any provision of this section shall be subject to suspension or revocation in the manner provided by this chapter.*

#### **Sec. 34. [REPEALER.]**

*(a) Minnesota Statutes 1984, section 270.72, subdivision 5, is repealed. Notwithstanding Minnesota Statutes, section 645.36, section 270.72, subdivisions 1 to 4 remain in effect without interruption.*

*(b) Minnesota Statutes 1984, section 297A.02, subdivision 3, is repealed.*

#### **Sec. 35. [EFFECTIVE DATES.]**

*Sections 8 to 15 are effective July 1, 1986. Section 16 is effective for interest earned on overpayments after December 31, 1987. Section 18 is effective for taxable years beginning after December 31, 1985. Sections 1 to 7, 19, 31, 32, and 34, paragraph (a), are effective the day following final enactment. Sections 20 to 26 and 28 to 30 are effective for all sales on or after July 1, 1986. Sections 27 and 34, paragraph (b) are effective for all sales on or after August 1, 1986.*

### **ARTICLE 5**

#### **PROPERTY TAX REFUND**

**Section 1. [1987 COMMERCIAL-INDUSTRIAL PROPERTY TAX REFUND.]**

*Subdivision 1. [DEFINITIONS.] For purposes of this section:*

*(1) "eligible property" means property with respect to which there are no delinquent taxes and which are classified in Minnesota Statutes, section 273.13, subdivisions 24 and 27 as follows:*

*(i) class 3a commercial and industrial property, excluding state assessed commercial and industrial property;*

*(ii) class 3b employment property; and*

*(iii) class 6a seasonal recreational commercial property;*

*(2) "net property taxes" means the gross tax exclusive of special assessments, penalties, and interest, less (i) any state paid credits; (ii) any tax attributable to improvements made to the property since the January 2, 1985, assessment; and (iii) in the case of property in which only a portion of the parcel is eligible property, any property taxes which are attributable to the portion of the parcel which is not eligible property or are "property taxes payable" under section 290A.03, subdivision 13;*

*(3) "effective tax rate" means the net property taxes payable by the claimant in 1987, divided by the assessor's estimated market value of the property on the January 2, 1986, assessment; and*

*(4) "claimant" means an owner of eligible property. In the case of eligible property leased to tenants under a "net" lease in which the lessee is responsible for payment of all or a portion of the property taxes payable on the leased property, the owner of the property must file the claim allowed under this section. Payment to the owner under this section must be apportioned by the owner among the lessees in the ratio that the lessee's portion of the rent under the lease bears to the rent payable on the entire parcel and must be paid to the lessee or deducted from any payments due to the lessor by the lessee before October 15, 1987 or within ten working days after receipt of the payment, whichever is later.*

*Subd. 2. [REFUND ALLOWED.] The commissioner of revenue shall pay a property tax refund for property taxes payable in 1987 on eligible property, if the following conditions are met:*

*(1) the net property taxes payable on the property in 1987 exceed 105 percent of the taxes payable on that property in 1986; and*

*(2) the effective tax rate on the property exceeds four percent.*

**Subd. 3. [AMOUNT OF REFUND.]** *The amount of the refund is equal to one-half of the amount by which the increase in net property taxes payable on the property in 1987 over those payable in 1986 exceeds five percent.*

**Subd. 4. [FILING AND PAYMENT DATES.]** (a) *Claims must be filed with the department of revenue on or before August 15, 1987, on forms prepared by the commissioner of revenue. The provisions of Minnesota Statutes, section 290A.06, relating to the extension of time to file, reduction of the claim for late filing, and other time limits, apply to claims filed under this section. The claim must include a property tax statement issued by the county treasurer showing the classification of the property, amount of property taxes payable, name and address of the owner, and an indication that there are no delinquent property taxes on the property.*

(b) *Claims must be paid by the commissioner of revenue prior to September 30, 1987. Interest must be added at the rate specified in section 270.76, from September 30, 1987, until the day the claim is paid.*

**Subd. 5. [APPLICABILITY.]** *The provisions of Minnesota Statutes, sections 290A.11 to 290A.18, including the penalties imposed on tax return preparers under section 290A.112, apply to claims for refund under this section.*

**Subd. 6. [APPROPRIATION.]** *There is appropriated to the commissioner of revenue the amount necessary to make the payments required by this section in fiscal years 1988 and 1989.*

**Sec. 2. [EFFECTIVE DATE.]** *Section 1 is effective for claims based on property taxes payable in 1987 only.*

## ARTICLE 6

### FUND TRANSFERS

**Section 1.** *Minnesota Statutes 1984, section 297B.09, subdivision 2, is amended to read:*

**Subd. 2. [HIGHWAY USER TAX DISTRIBUTION FUND AND TRANSIT ASSISTANCE FUND SHARE.]** *The proceeds collected under this chapter must be deposited in the highway user tax distribution fund and the transit assistance fund for apportionment in the following manner:*

(a) *None of the proceeds collected before July 1, 1984, or between July 1, 1985, and June 30, 1987, may be credited to either fund.*

(b) 18.75 percent of the proceeds collected after June 30, 1984, and before July 1, (1987) 1985, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. The remaining 6.25 percent of the proceeds must be credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state.

(c) 37.5 percent of the proceeds collected after June 30, 1987, and before July 1, 1989, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. The remaining 12.5 percent of the proceeds must be credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state.

(d) 56.25 percent of the proceeds collected after June 30, 1989, and before July 1, 1991, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. The remaining 18.75 percent of the proceeds must be credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state.

(e) 75 percent of the proceeds collected after June 30, 1991, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. The remaining 25 percent of the proceeds must be credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state.

## Sec. 2. [MOTOR VEHICLE EXCISE TAX TRANSFER.]

*Notwithstanding any law to the contrary, tax proceeds under chapter 297B and the investment earnings on those proceeds credited to the highway user tax distribution fund and the transit assistance fund for the period after June 30, 1985, and before July 1, 1986, must be returned to the general fund on June 30, 1986.*

## Sec. 3. [EFFECTIVE DATE.]

*Section 1 is effective July 1, 1986. Section 2 is effective June 30, 1986."*

Delete the title and insert:

"A bill for an act relating to the financing of government in this state; clarifying the income tax exclusion of income on the sale of certain agricultural property; repealing the suspen-

sion of inflation adjustment; authorizing the commissioner of revenue to pay the cost of collection agencies; changing the payment of fees for recording certain liens; removing the homestead exemption from liens; increasing the filing fee for certain liens; authorizing the renewal of liens; limiting the enforcement of liens on homesteads; changing the interest rate paid on refunds; increasing penalties for failure to file income tax returns; requiring tax clearance certificates prior to issuing or renewing business or professional licenses and removing the sunset; requiring the furnishing of certain information to the supreme court or the board of professional responsibility; requiring social security numbers on homestead applications; providing a sales tax on intoxicating liquor at the wholesale level; providing a property tax refund for certain commercial industrial property taxes for 1987 only; providing for the deposit of certain motor vehicle excise tax proceeds in the general fund; transferring funds from the highway user tax distribution fund and the transit assistance fund to the general fund; regulating the extension of credit to retail liquor licensees; setting local government aids for 1987; changing the payment dates for homestead credit reimbursements and local government aids; prescribing requirements for the sales ratio study used by the state board of equalization; extending the property tax payment date by 30 days in the case of certain agricultural property; changing property tax distribution and settlement; changing the special homestead classification for certain disabled persons; providing penalties; appropriating money; amending Minnesota Statutes 1984, sections 60A.17, by adding a subdivision; 82.22, subdivision 3; 82.27, by adding a subdivision; 124.195, subdivision 5; 148.10, by adding a subdivision; 150A.08, by adding a subdivision; 270.12, subdivision 2; 270.69, by adding a subdivision; 270.72, subdivisions 1, 2, and 3; 276.09; 276.10; 276.11; 278.03; 279.01; 290.53, subdivision 2; 290.61; 297A.01, subdivision 9; 297A.02, by adding a subdivision; 297A.03, subdivision 2; 297A.04; 297A.08; 297A.18; 297A.27, subdivision 1; 297A.-275; 297A.28; 297A.43; 297B.09; 326.20, by adding a subdivision; and 477A.015; Minnesota Statutes 1985 Supplement, sections 60A.17, subdivision 1a; 147.021, by adding a subdivision; 270.063; 270.69, subdivisions 2, 3, and 4; 270.76; 273.124, by adding a subdivision; 273.13, subdivisions 15a, and 22; 278.05, subdivision 5; 290.491; 477A.011, subdivisions 10 and 12; 477A.-012; 477A.013; proposing coding for new law in Minnesota Statutes, chapters 276; 297A; and 340A; repealing Minnesota Statutes 1984, sections 270.72, subdivisions 1 and 5; 297A.02, subdivision 3; 645.36; and Minnesota Statutes 1985 Supplement, section 290.06, subdivision 2f."

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.

McDonald from the Committee on Agriculture to which was referred:

H. F. No. 2122, A bill for an act relating to agriculture; reactivating the agricultural data collection task force; declaring certain data of the task force to be "not public data"; appropriating money; amending Laws 1985, chapter 19, section 2, subdivisions 2 and 6, and by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 136C.13, is amended by adding a subdivision to read:

*Subd. 5. [RETRAINING EXEMPTION.] A qualifying displaced farmer who is a Minnesota resident is exempted from any or all tuition in designated vocational education programs. "Qualifying displaced farmer" for the purposes of this subdivision means a person who meets the criteria of a dislocated farmer or member of a dislocated farm family as established by the state board. Qualification criteria for waived tuition must be fully coordinated with the availability of grants through the higher education coordinating board and section 302(a) of the Jobs Training Partnership Act.*

Sec. 2. [REACTIVATION OF AGRICULTURAL DATA TASK FORCE.]

*The agricultural data collection task force created by Laws 1985, chapter 19, is reactivated.*

Sec. 3. Laws 1985, chapter 19, section 2, subdivision 2, is amended to read:

Subd. 2. [DUTIES.] The duties of the data collection task force are to:

(1) (DEVELOP A) *continue the uniform procedure for collecting data on the financial status of agriculture in Minnesota; and*

(2) (OVERSEE THE IMPLEMENTATION OF THE FARM CRISIS INTERVENTION ACT: AND)

((3)) report the results of the program to the legislature no later than December 31, (1985) 1986.

Sec. 4. Laws 1985, chapter 19, section 2, is amended by adding a subdivision to read:

*Subd. 3a. [INFORMATION HELD BY TASK FORCE "NOT PUBLIC DATA" UNTIL RELEASED.] All information*

gathered by or for the task force or processed by staff and provided to the task force is "not public data" as defined in section 13.02, subdivision 8a, until released by majority vote of the members of the task force.

Sec. 5. Laws 1985, chapter 19, section 2, subdivision 6, is amended to read:

Subd. 6. [EXPIRATION.] The data collection task force (SHALL CEASE TO EXIST WITHIN TEN DAYS OF SUBMITTING ITS REPORT) expires January 15, 1987, or 15 days after reporting to the legislature whichever date comes later, but in no circumstance later than March 1, 1987.

Sec. 6. [APPROPRIATION.]

Subdivision 1. [DATA COLLECTION TASK FORCE.] There is appropriated from the general fund to the legislative advisory committee \$25,000 for purposes of funding the activities of the agricultural data collection task force between the effective date of this act and March 15, 1987.

Subd. 2. [AVTI TUITION SUPPLEMENT.] There is appropriated from the general fund to the state board of vocational technical education \$1,520,000 for services as follows:

- |  |           |
|--|-----------|
| (1) Reduced tuition costs for existing farm business management and small business management programs ..... | \$600,000 |
| (2) Farm management programs .....   | \$270,000 |
| (3) Tuition grants for displaced farmers .....   | \$500,000 |
| (4) Economic crisis workshops in agricultural marketing, cost control, and financial planning .....          | \$150,000 |

Subd. 3. [AGRICULTURAL EXTENSION SERVICE PROJECTS.] \$1,485,000 is appropriated from the general fund to the board of regents of the University of Minnesota for the following agricultural extension service projects: voluntary mediation training, project support program, farm financial management program, family financial and stress management education, community economy development education, and forest products marketing.

Sec. 7. [EFFECTIVE DATE.]

This act is effective the day following final enactment, and appointments to the task force must be made within 30 days after the effective date."

Delete the title and insert:

"A bill for an act relating to agriculture; collecting agricultural economic data; reactivating the agricultural data collection task force; providing tuition supplements; declaring certain data of the task force to be not public data; appropriating money; amending Minnesota Statutes 1984, sections 136C.13, by adding a subdivision; Laws 1985, chapter 19, section 2, subdivisions 2, 6, and by adding a subdivision."

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

The report was adopted.

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

S. F. No. 31, A bill for an act relating to motorboat safety; requiring liability insurance on watercraft; strengthening prohibitions and penalties regarding operation of motorboat while under the influence of alcohol or a controlled substance; providing a penalty; amending Minnesota Statutes 1984, sections 361.02, subdivision 9; 361.03, by adding subdivisions; and 361.12; proposing coding for new law in Minnesota Statutes, chapter 361.

Reported the same back with the following amendments:

Page 1, line 17, delete "6" and insert "3"

Page 1, line 17, delete "and" and insert "or"

Page 1, lines 17 and 18, delete "*motorboat of 16 horsepower or more*" and insert "*watercraft*"

Page 1, line 19, after "*anchored,*" insert "or"

Page 1, line 19, delete everything after "*beached*"

Page 1, line 20, delete "*turned off*"

Pages 1 and 2, delete sections 2 to 4

Page 2, line 27, reinstate the stricken "*watercraft*"

Page 2, line 28, delete "*motorboat*"

Page 3, line 1, reinstate the stricken "*watercraft*" and delete "*motorboat*"

Page 3, line 4, after the stricken "such" insert "*the*" and reinstate the stricken "*watercraft*"

Page 3, lines 4 and 5, delete "*the motorboat*"

Page 3, line 7, reinstate the stricken "*watercraft*" and delete "*motorboat*"

Page 3, line 9, after the stricken "such" insert "*the*" and reinstate the stricken "*watercraft*"

Page 3, lines 9 and 10, delete "*the motorboat*"

Page 3, line 10, after the stricken "such" insert "*the*" and reinstate the stricken "*watercraft*"

Page 3, line 10, delete "*the motorboat*"

Page 3, line 19, after "*in*" insert "*death,*" and after "*injury*" insert a comma

Page 3, line 23, delete "*motorboat*" and insert "*watercraft*"

Page 3, line 24, delete "*motorboat*" and insert "*watercraft*"

Page 3, lines 32, 34, and 35, delete "6" and insert "3"

Page 4, lines 1 and 21, delete "6" and insert "3"

Page 4, line 6, delete "*motorboat*" and insert "*watercraft*"

Page 5, lines 1, 3, 23, and 32, delete "6" and insert "3"

Page 5, line 4, delete "*motorboat*" and insert "*watercraft*"

Page 5, line 6, delete "*motorboat*" and insert "*watercraft*"

Page 5, line 12, delete "*motorboat*" and insert "*watercraft*"

Page 5, line 26, delete "*motorboat*" and insert "*watercraft*"

Page 5, line 27, delete the second "6" and insert "3"

Page 5, line 30, delete "*motorboat*" and insert "*watercraft*"

Page 6, line 1, delete "*motorboat*" and insert "*watercraft*"

Page 6, line 6, delete "*motorboat*" and insert "*watercraft*"

Page 6, lines 12, 16, 19, and 23, delete "5" and insert "2"

Page 6, line 15, delete "motorboat" and insert "watercraft"

Page 6, line 20, delete "motorboat" and insert "watercraft"

Page 6, line 29, delete "motorboat" and insert "watercraft"

Page 6, line 31, delete "motorboat" and insert "watercraft"

Page 6, line 33, delete "motorboat" and insert "watercraft"

Page 7, line 6, delete "motorboat" and insert "watercraft"

Page 7, line 15, delete "5" and insert "2"

Page 8, line 13, delete "5" and insert "2"

Page 9, delete line 1 and insert:

*"Sections 1 to 3 are effective May 15, 1986, and apply to offenses committed on or after that date."*

Renumber the sections accordingly

Amend the title as follows:

Page 1, line 2, delete "motorboat" and insert "watercraft"

Page 1, lines 2 and 3, delete "requiring liability insurance on watercraft;"

Page 1, line 4, delete "motorboat" and insert "watercraft"

Page 1, lines 7 and 8, delete "361.03, by adding subdivisions;"

With the recommendation that when so amended the bill pass.

The report was adopted.

## SECOND READING OF HOUSE BILLS

H. F. Nos. 1635, 1730, 1762, 1819, 1820, 1850, 1853, 1860, 1886, 1940, 1969, 1978, 1984, 2035, 2044, 2081 and 2082 were read for the second time.

## SECOND READING OF SENATE BILLS

S. F. No. 31 was read for the second time.

## INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Clark and Greenfield introduced:

H. F. No. 2211, 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.

Shaver, McKasy, Osthoff, Schreiber and Neuenschwander introduced:

H. F. No. 2212, A bill for an act relating to taxation; imposing an occupation tax on persons mining metallic minerals in this state; proposing coding for new law in Minnesota Statutes, chapter 298.

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

Burger introduced:

H. F. No. 2213, A bill for an act relating to public employment labor relations; defining public employer, public employee, and charitable hospital; regulating the right to organize; defining appropriate units; restricting arbitration decisions to final offers; regulating the right to strike; amending Minnesota Statutes 1984, sections 179A.03, subdivisions 14, 15, and by adding a subdivision; 179A.06, subdivision 2; 179A.09, subdivision 1; 179A.18, subdivision 1; 179A.20, subdivision 4; Minnesota Statutes 1985 Supplement, sections 179A.16, subdivision 7, and 179A.18, subdivision 3; repealing Minnesota Statutes 1984, sections 179.35; 179.36; 179.37; 179.38; and 179.39.

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

Burger introduced:

H. F. No. 2214, A bill for an act relating to human services; authorizing county boards to set salaries and fringe benefits for its employees; amending Minnesota Statutes 1984, section 256.012.

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

Burger, Kiffmeyer and McDonald introduced:

H. F. No. 2215, A bill for an act relating to crimes; authorizing imposition of the death penalty for murder in certain circumstances; providing a statutory framework, including procedures and criteria, consistent with due process for determining when the imposition of the death penalty is appropriate; providing for election of the mode of execution by the person under sentence of death; providing an administrative framework for implementing the death penalty; appropriating money; amending Minnesota Statutes 1984, sections 243.05, subdivision 1; 609.10; 609.12, subdivision 1; 609.185; 609.19; and 609.195; Minnesota Statutes 1985 Supplement, section 609.135, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 609A.

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

Johnson introduced:

H. F. No. 2216, A bill for an act relating to land surveying; providing for the surveying of lands by a county board; providing for the establishment of an office of county auditor or the assignment of its duties; providing a penalty; amending Minnesota Statutes 1984, sections 381.01; 381.02; 381.03; 381.04; 381.05; 381.06; 381.07; 381.08; 381.09; 381.10; 381.12; 381.13; 389.011; 389.02; 389.03; 389.04; 389.08; Minnesota Statutes 1985 Supplement, section 389.09, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 381; repealing Minnesota Statutes 1984, section 389.06.

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

Onnen introduced :

H. F. No. 2217, A bill for an act relating to crimes; allowing forfeiture of a motor vehicle when used in the offense of aggravated driving while under the influence of alcohol; amending Minnesota Statutes 1985 Supplement, sections 169.129; and 609.531, subdivisions 1 and 6.

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

Marsh introduced :

H. F. No. 2218, A bill for an act relating to retirement; authorizing inclusion of certain state employees in the correctional officers plan and the purchase of prior service credit; amending Minnesota Statutes 1984, section 352.91, by adding a subdivision.

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

Hartinger introduced :

H. F. No. 2219, A bill for an act relating to children; providing for grandparents' support of children of their minor dependent children; providing a penalty; amending Minnesota Statutes 1984, sections 256B.14; 256D.15; 609.375; and Minnesota Statutes 1985 Supplement, section 256.87, subdivisions 1, 1a, and 3; proposing coding for new law in Minnesota Statutes, chapter 257.

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

Frederick and Jacobs introduced :

H. F. No. 2220, A bill for an act relating to intoxicating liquor; allowing municipalities to issue wine licenses to clubs; amending Minnesota Statutes 1985 Supplement, section 340A.404, subdivision 5.

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

Redalen, Jacobs, Ogren, Waltman and Omann introduced:

H. F. No. 2221, A bill for an act relating to utilities; changing the powers and responsibilities of the chair of the public utilities commission; requiring commissioners to file certain financial information before taking office; prohibiting commissioners and certain employees from engaging in certain activity after leaving the commission; requiring the commission to adopt a code of conduct; amending Minnesota Statutes 1984, sections 216A.035; and 216A.04; proposing coding for new law in Minnesota Statutes, chapter 216A.

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

Uphus, Omann and Waltman introduced:

H. F. No. 2222, A bill for an act relating to taxation; changing the date by which the second installment of property taxes on agricultural property must be paid; amending Minnesota Statutes 1984, section 279.01, subdivision 1, and by adding a subdivision.

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

Uphus and Omann introduced:

H. F. No. 2223, A bill for an act relating to agriculture; prohibiting deficiency judgments against property used in agricultural production; amending Minnesota Statutes 1984, sections 336.9-502; 580.23, subdivision 1; and 581.09; proposing coding for new law in Minnesota Statutes, chapters 580 and 582.

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

McDonald, Dimler, Erickson, Sviggum and Dempsey introduced:

H. F. No. 2224, A bill for an act relating to taxation; property; removing the school district basic maintenance levy from agricultural land and buildings; reducing the agricultural school tax credit on certain property; providing a separate calculation of adjusted assessed value for the basic maintenance levy; changing

the assessment ratio on certain agricultural homestead property; amending Minnesota Statutes 1984, sections 124.2131, subdivisions 1 and 2; 124A.02, subdivision 5, and by adding a subdivision; 124A.03, subdivision 1; 275.07, by adding a subdivision; and 275.28, subdivision 1; Minnesota Statutes 1985 Supplement, sections 124.2137, subdivision 1; 124A.02, subdivisions 7 and 8; 124A.03, subdivision 1a; 273.13, subdivision 23; repealing Minnesota Statutes 1984, section 124.2131, subdivision 4.

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

Schafer, Quist, Waltman and Schreiber introduced:

H. F. No. 2225, A bill for an act relating to taxation; property; removing the school district basic maintenance levy from agricultural land and buildings; reducing the agricultural school tax credit on certain property; providing a separate calculation of adjusted assessed value for the basic maintenance levy; changing the assessment ratio on certain agricultural homestead property; amending Minnesota Statutes 1984, sections 124.2131, subdivisions 1 and 2; 124A.02, subdivision 5, and by adding a subdivision; 124A.03, subdivision 1; 275.07, by adding a subdivision; and 275.28, subdivision 1; Minnesota Statutes 1985 Supplement, sections 124.2137, subdivision 1; 124A.02, subdivisions 7 and 8; 124A.03, subdivision 1a; 273.13, subdivision 23; repealing Minnesota Statutes 1984, section 124.2131, subdivision 4.

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

Pappas, Rest, Vanasek and McLaughlin introduced:

H. F. No. 2226, A bill for an act relating to probate; enacting the succession without administration provisions of the uniform probate code; proposing coding for new law in Minnesota Statutes, chapter 524.

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

Pappas, Rest, Vanasek and McLaughlin introduced:

H. F. No. 2227, A bill for an act relating to probate; enacting statutory will provisions that a testator may adopt by reference; enacting the uniform statutory will act; proposing coding for new law as Minnesota Statutes, chapter 525A.

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

Wenzel, McEachern, Ellingson, Scheid and Brown introduced:

H. F. No. 2228, A bill for an act relating to education; reimbursing school districts for aid lost under the post-secondary enrollment options act; appropriating money; amending Minnesota Statutes 1985 Supplement, section 123.3514, by adding a subdivision.

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

Stanisus and Bennett introduced:

H. F. No. 2229, A bill for an act relating to intoxicating liquor; authorizing the city of Vadnais Heights to issue up to five additional on-sale licenses.

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

Thorson and Kiffmeyer introduced:

H. F. No. 2230, A bill for an act relating to highway traffic regulations; clarifying the evidentiary use of partial alcohol concentration breath tests; amending Minnesota Statutes 1984, section 169.121, subdivision 2.

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

Nelson, D.; Kalis; McEachern; Voss and Welle introduced:

H. F. No. 2231, 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.

Peterson; Tunheim; Lieder; Jennings, L., and Krueger introduced:

H. F. No. 2232, 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.

Dyke and Bennett introduced:

H. F. No. 2233, A bill for an act relating to commerce; regulating electricians; amending Minnesota Statutes 1984, sections 326.01, by adding a subdivision; 326.245; 326.248; Minnesota Statutes 1985 Supplement, sections 326.01, subdivision 5; 326.242, subdivisions 1, 2, 6, and 12; 326.244, subdivisions 2 and 5; and 326.246.

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

Ozment and Rodosovich introduced:

H. F. No. 2234, A bill for an act relating to motor vehicles; limiting appointment of corporation as deputy motor vehicle registrar to a four-year period; providing for reappointment; amending Minnesota Statutes 1984, section 168.33, by adding a subdivision.

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

Tjornhom introduced:

H. F. No. 2235, A bill for an act relating to driver licensing; defining bus; amending Minnesota Statutes 1984, section 171.01, subdivision 19.

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

Solberg introduced:

H. F. No. 2236, A bill for an act relating to the city of Grand Rapids; permitting the creation of the Central School commission.

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

Solberg and Begich introduced:

H. F. No. 2237, A bill for an act relating to labor; requiring political subdivisions to hire labor negotiators under the municipal contracting law; requiring negotiators' fees to be reported; amending Minnesota Statutes 1985 Supplement, section 179A.05, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 471.

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

Solberg and Eliooff introduced:

H. F. No. 2238, A bill for an act relating to game and fish; opening date for season on certain game fish; amending Minnesota Statutes 1984, section 101.41, subdivision 2.

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

Dempsey; Becklin; Jennings, L.; Frederickson and Lieder introduced:

H. F. No. 2239, A bill for an act relating to county courts; specifying the prosecuting attorney for certain offenses; amending Minnesota Statutes 1984, section 487.25, subdivision 10.

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

Svigum introduced:

H. F. No. 2240, A bill for an act relating to unemployment compensation; requiring employees to notify an employer of change of address; regulating right to benefits; amending Minnesota Statutes 1984, section 268.09, subdivision 1; Minnesota Statutes 1985 Supplement, section 268.08, subdivision 1.

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

Svigum introduced:

H. F. No. 2241, A bill for an act relating to unemployment compensation; regulating suitable work for certain temporary employees; amending Minnesota Statutes 1984, section 268.09, subdivision 2.

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

Clausnitzer; Jennings, L., and Hartinger introduced:

H. F. No. 2242, A bill for an act relating to human services; providing for charges against persons wrongfully obtaining public assistance or food stamps; suspending a rule of criminal procedure under certain circumstances; providing penalties; amending Minnesota Statutes 1984, sections 256.98 and 393.07, subdivision 10.

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

Clausnitzer introduced:

H. F. No. 2243, A bill for an act relating to marriage dissolution and legal separation; requiring appointment of guardians ad litem in certain child custody proceedings; amending Minnesota Statutes 1984, section 518.165.

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

Blatz introduced:

H. F. No. 2244, A bill for an act relating to insurance; life; providing a limitation on investments of insurance companies; amending Minnesota Statutes 1984, section 61A.28, subdivision 12.

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

Clausnitzer and Sviggum introduced:

H. F. No. 2245, A bill for an act relating to unemployment compensation; changing the time requirement for employers to respond to claims; amending Minnesota Statutes 1984, section 268.10, subdivision 1.

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

Stanisus introduced:

H. F. No. 2246, A bill for an act relating to public improvements; appropriating money for a public capital improvement in the city of White Bear Lake; providing authority for its financing and maintenance.

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

Rees, Frederick, Richter, Stanisus and Frederickson introduced:

H. F. No. 2247, A bill for an act relating to civil actions; setting conditions of local government and state liability in certain actions; providing exclusions from liability; setting procedural and regulatory requirements; limiting indemnification; defining other conditions of liability; amending Minnesota Statutes 1984, sections 466.01, subdivision 1; 466.03, subdivision 4, and by adding subdivisions; 466.05; 466.07, by adding a subdivision; and 471.982, subdivision 3; amending Minnesota Statutes 1985 Supplement, section 3.736, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 466.

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

Kelly, Osthoff, Tomlinson, Vellenga and Pappas introduced:

H. F. No. 2248, A bill for an act relating to the city of St. Paul; permitting the imposition of an additional tax on transient lodging.

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

Valan, Boo and Frederick introduced:

H. F. No. 2249, A bill for an act relating to insurance; providing certain automobile assigned risk coverage for school districts and transportation contractors; amending Minnesota Statutes 1984, section 65B.06, subdivision 3.

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

Hartinger and Kiffmeyer introduced:

H. F. No. 2250, A bill for an act relating to crimes; providing that violations involving theft of services may be aggregated for purposes of criminal prosecution; amending Minnesota Statutes 1984, section 609.52, subdivision 3.

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

Hartle, Boerboom, Uphus, Waltman and Clausnitzer introduced:

H. F. No. 2251, 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.

Shaver introduced:

H. F. No. 2252, A bill for an act relating to alcoholic beverages; authorizing issuance of on-sale and bottle club licenses for watercraft by the Lake Minnetonka conservation district.

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

Clark introduced:

H. F. No. 2253, A bill for an act relating to energy; clarifying the authority of a municipality to enforce certain energy efficiency standards; amending Minnesota Statutes 1984, section 116J.27, subdivisions 4 and 4a.

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

Shaver, Kostohryz, Rose, Metzen and Dempsey introduced:

H. F. No. 2254, A bill for an act relating to taxation; providing for certain exemptions from charitable gambling licensure and taxation; amending Minnesota Statutes 1984, section 349.214, subdivision 2, and by adding a subdivision.

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

Rose introduced:

H. F. No. 2255, A bill for an act relating to traffic regulations; authorizing commissioner of transportation to issue special permit for three-vehicle combination exceeding length and weight restrictions to travel on certain interstate highways; prescribing fees; amending Minnesota Statutes 1984, sections 169.81, subdivision 2; and 169.86, subdivision 5, and by adding a subdivision.

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

Halberg and Dempsey introduced:

H. F. No. 2256, A bill for an act relating to partnerships; revising the Uniform Limited Partnership Act; stating duties and powers of limited partners and partnerships; amending Minnesota Statutes 1984, sections 322A.01; 322A.02; 322A.05; 322A.11; 322A.12; 322A.14; 322A.15; 322A.18; 322A.24; 322A.26; 322A.27; 322A.31; 322A.32; 322A.39; 322A.40; 322A.41; 322A.45; 322A.47; 322A.49; 322A.52; 322A.58; 322A.63; and 322A.70.

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

Redalen, Kostohryz, Osthoff and Schreiber introduced:

H. F. No. 2257, A bill for an act relating to horse racing; modifying certain set-asides for purses; modifying certain tax provisions; amending Minnesota Statutes 1984, section 240.15, subdivisions 1 and 2; Minnesota Statutes 1985 Supplement, section 240.13, subdivision 5.

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

O'Connor, Schoenfeld, Kalis, Kiffmeyer and Tjornhom introduced:

H. F. No. 2258, 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.

Ozment, Greenfield, Sviggum, Gruenes and Segal introduced:

H. F. No. 2259, A bill for an act relating to the office of ombudsman; expanding the authority of the ombudsman for the department of corrections to include the department of human services; amending Minnesota Statutes 1984, sections 241.41; 241.42, subdivision 2; and 241.44.

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

Dyke, Gruenes, Marsh, Erickson and Welle introduced:

H. F. No. 2260, A bill for an act relating to capital improvements; removing conditions for the construction of certain highway rest areas; amending Laws 1985, First Special Session chapter 15, section 9, subdivision 5.

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

Pauly introduced:

H. F. No. 2261, A bill for an act relating to political subdivisions; stating tort liability for certain property and services; amending Minnesota Statutes 1984, section 466.03, by adding a subdivision.

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

Segal and Olsen, S., introduced:

H. F. No. 2262, A bill for an act relating to occupations and professions; modifying the membership of the board of architecture, engineering, land surveying, and landscape architecture; amending Minnesota Statutes 1984, section 326.04.

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

Heap and Bennett introduced :

H. F. No. 2263, A bill for an act relating to corporations; conforming to federal law; changing applicability of shareholder voting on control share acquisitions; amending Minnesota Statutes 1985 Supplement, sections 302A.449, subdivision 7; and 302A.671, subdivisions 1 and 3; repealing Laws 1985, First Special Session chapter 5, section 21.

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

Begich introduced :

H. F. No. 2264, A bill for an act relating to tax-forfeited lands; requiring a conveyance of tax-forfeited land in St. Louis county.

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

Levi, Knickerbocker, Greenfield, McPherson and Hartinger introduced :

H. F. No. 2265, A bill for an act relating to juvenile justice; providing for membership terms, removal, and filling of vacancies on the juvenile justice advisory committee; amending Minnesota Statutes 1984, section 116J.404.

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

Redalen introduced :

H. F. No. 2266, A bill for an act relating to financial institutions; removing loans made by the energy and economic development authority from a bank's lending limitations; amending Minnesota Statutes 1984, section 48.24, subdivision 5.

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

Knickerbocker, Levi, Sparby, Rodosovich and Hartinger introduced:

H. F. No. 2267, A bill for an act relating to administrative procedures; providing regulatory oversight; defining a rule; creating a legislative regulatory oversight commission; amending Minnesota Statutes 1984, section 14.39; Minnesota Statutes 1985 Supplement, sections 14.02, subdivision 4; 14.40; proposing coding for new law in Minnesota Statutes, chapter 14.

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

Rees, McKasy, Forsythe and Brinkman introduced:

H. F. No. 2268, A bill for an act relating to insurance; authorizing and regulating the use of nonprofit risk indemnification trusts; prescribing the powers and duties of the commissioner; proposing coding for new law in Minnesota Statutes, chapter 60A.

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

Price, Beard, Sarna, Ogren and Vanasek introduced:

H. F. No. 2269, A bill for an act relating to employment; requiring an employer to notify employees and job applicants of bankruptcy proceedings; proposing coding for new law in Minnesota Statutes, chapter 181.

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

Piepho, Thorson, Marsh, Seaberg and Carlson, J., introduced:

H. F. No. 2270, A bill for an act relating to education; establishing archeological centers; creating an advisory board to the state archeologist; amending Minnesota Statutes 1984, section 138.35, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 135A.

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

Wenzel, McDonald, Richter, McEachern and Erickson introduced:

H. F. No. 2271, A bill for an act relating to agriculture; establishing a program to encourage milk consumption in schools; creating a special account in the treasury; appropriating money; proposing new law coded in Minnesota Statutes, chapter 120.

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

Ogren, Beard and Olson, E., introduced:

H. F. No. 2272, A bill for an act relating to utilities; increasing salary and duties of chair of public utilities commission; prohibiting certain activities by utilities and public utility commissioners; directing commission to adopt rules of conduct; allowing rate increase settlements without a contested case hearing under certain circumstances; authorizing commission to assign mandatory filing dates for rate increases; allowing commission to suspend rate schedules for 12 or 14 months; imposing a penalty; amending Minnesota Statutes 1984, sections 216A.03, subdivisions 3, 3a, and by adding subdivisions; 216B.16, subdivisions 1a, 2, and by adding a subdivision; and 237.075, subdivisions 1a, 2, and by adding a subdivision.

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

Marsh and Miller introduced:

H. F. No. 2273, A bill for an act relating to civil actions; providing a sliding fee scale for contingent legal fees; abolishing the collateral source rule; requiring judgments to be paid in periodic installments rather than a lump sum upon request of either party; abolishing punitive damages in civil actions; placing a monetary maximum on the amount recoverable as intangible damages; abolishing the principle of joint and several liability in tort actions; amending Minnesota Statutes 1984, sections 549.09, subdivision 1; 549.20, subdivision 1; 604.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 481, 548, and 549; repealing Minnesota Statutes 1984, sections 549.20, subdivisions 2 and 3; and 604.02, subdivisions 2 and 3.

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

Frerichs, Haukoos, Thorson, Wenzel and Olsen, S., introduced:

H. F. No. 2274, A bill for an act relating to education; restoring former provisions on the appointment of the commissioner; amending Minnesota Statutes 1984, section 121.16, subdivision 1.

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

McKasy and Halberg introduced:

H. F. No. 2275, A bill for an act relating to commerce; revising the Uniform Trade Secret Act; clarifying remedies; amending Minnesota Statutes 1984, sections 325C.02; 325C.03; and 325C.07; Minnesota Statutes 1985 Supplement, section 325C.01, subdivision 5.

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

Onnen, Quist and Rodosovich introduced:

H. F. No. 2276, A bill for an act relating to health; authorizing use of swing beds by patients transferred from hospitals located outside of the patient's community; amending Minnesota Statutes 1985 Supplement, section 144.562, subdivision 3.

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

Olsen, S.; Backlund; Neuenschwander and Fjoslien introduced:

H. F. No. 2277, A bill for an act relating to charitable gambling; changing the reporting requirements for organizations; requiring distributors to collect certain taxes; amending Minnesota Statutes 1984, sections 349.19, subdivisions 1 and 5; and 349.212, subdivision 2; Minnesota Statutes 1985 Supplement, section 349.212, subdivision 1.

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

Miller introduced:

H. F. No. 2278, A bill for an act relating to the city of Redwood Falls; authorizing the city to exercise development and redevelopment powers.

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

Boo introduced:

H. F. No. 2279, A bill for an act relating to taxation; income; expanding eligibility for the technology transfer credit; amending Minnesota Statutes 1985 Supplement, section 290.069, subdivisions 2 and 2a.

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

Metzen and Fjoslien introduced:

H. F. No. 2280, A bill for an act relating to veterans; requiring the commissioner of veterans affairs to provide certain grave markers; appropriating money; amending Minnesota Statutes 1984, section 197.23.

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

Rose, Stanius, Neuenschwander and Piepho introduced:

H. F. No. 2281, A bill for an act relating to game and fish; establishing a special elk season; prescribing application for licenses, and application and license fees; appropriating money to reimburse nongame wildlife fund for elk removal; dedicating license and application fees for elk depredation; amending Minnesota Statutes 1985 Supplement, section 98.46, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 100; repealing Laws 1985, chapter 272, section 2.

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

Quist, Erickson and Nelson, K., introduced:

H. F. No. 2282, A bill for an act relating to education; making technical changes to the definition of a school; establishing a task force to make recommendations about compulsory attendance laws; amending Minnesota Statutes 1984, section 120.10, subdivision 2.

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

Redalen, Jacobs, Ogren, Waltman and Omann introduced:

H. F. No. 2283, A bill for an act relating to utilities; determining membership on public utilities commission; prescribing terms of chair; delineating and prohibiting conflict of interest by public utility commissioners and certain employees of the commission and department of public service; imposing a penalty; requiring commission to adopt a code of conduct; amending Minnesota Statutes 1984, sections 216A.03, subdivisions 1 and 3; and 216A.035; proposing coding for new law in Minnesota Statutes, chapter 216A.

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

#### HOUSE ADVISORIES

The following House Advisory was introduced:

Kelly, Blatz, Seaberg, Marsh and Bishop introduced:

H. A. No. 72, A proposal to study crime victim services, programs and rights.

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

#### MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

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

S. F. No. 1600.

PATRICK E. FLAHAVEN, Secretary of the Senate

## FIRST READING OF SENATE BILLS

S. F. No. 1600, A bill for an act relating to courts; altering the responsibility for the procedure to be followed when filing a change of name with the county recorder; eliminating the limits on the amount of bond to be posted by the clerk of court; prohibiting employees of the clerk's office from practicing law in the court in which they are employed; amending Minnesota Statutes 1984, section 259.11; and Minnesota Statutes 1985 Supplement, section 485.01.

The bill was read for the first time.

Dempsey moved that S. F. No. 1600 and H. F. No. 1757, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

## CONSENT CALENDAR

H. F. No. 1815, A bill for an act relating to taxation; real property; prescribing requirements of the sales ratio study used by the state board of equalization; amending Minnesota Statutes 1984, section 270.12, subdivision 2.

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

The question was taken on the passage of the bill and the roll was called. There were 101 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Backlund	Frederick	Lieder	Peterson	Sparby
Battaglia	Frederickson	Long	Piepho	Stanias
Becklin	Frerichs	McDonald	Piper	Sviggum
Begich	Greenfield	McEachern	Poppenhagen	Thiede
Bennett	Gruenes	McPherson	Quinn	Thorson
Bishop	Gutknecht	Metzen	Quist	Tjornhom
Boerboom	Halberg	Miller	Redalen	Tomlinson
Brinkman	Hartle	Minne	Rees	Tunheim
Brown	Heap	Murphy	Rice	Uphus
Burger	Himle	Nelson, D.	Richter	Valento
Carlson, J.	Jacobs	Neuenschwander	Riveness	Vanasek
Carlson, L.	Jaros	Norton	Rose	Voss
Clark	Johnson	O'Connor	Sarna	Waltman
Cohen	Kahn	Ogren	Schafer	Welle
Dempsey	Kalis	Olsen, S.	Scheid	Wenzel
Dimler	Kelly	Onnen	Schoenfeld	Zaffke
Dyke	Kiffmeyer	Osthoff	Seaberg	Spk. Jennings, D.
Elioff	Knickerbocker	Otis	Shaver	
Ellingson	Kostohryz	Ozment	Sherman	
Fjoslien	Krueger	Pappas	Simoneau	
Forsythe	Levi	Pauly	Skoglund	

The bill was passed and its title agreed to.

## CALENDAR

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.

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 107 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Backlund	Gruenes	McEachern	Piper	Sparby
Battaglia	Gutknecht	McPherson	Poppenhagen	Stanius
Becklin	Halberg	Metzen	Price	Staten
Begich	Hartle	Miller	Quinn	Sviggum
Bennett	Heap	Minne	Quist	Thiede
Brinkman	Himle	Munger	Redalen	Thorson
Brown	Jacobs	Murphy	Rees	Tjornhom
Burger	Jaros	Nelson, D.	Rest	Tomlinson
Carlson, J.	Jennings, L.	Nelson, K.	Rice	Tunheim
Carlson, L.	Johnson	Neuenschwander	Richter	Uphus
Cohen	Kahn	Norton	Riveness	Valento
Dempsey	Kalis	O'Connor	Rose	Vanasek
DenOuden	Kelly	Ogren	Sarna	Voss
Dimler	Kiffmeyer	Olsen, S.	Schafer	Waltman
Dyke	Knickerbocker	Onnen	Scheid	Welle
Elioff	Knuth	Osthott	Schoenfeld	Wenzel
Ellingson	Kostohryz	Otis	Seaberg	Wynia
Fjoslien	Krueger	Ozment	Segal	Zaffke
Frederick	Levi	Pappas	Shaver	Spk. Jennings, D.
Frederickson	Lieder	Pauly	Sherman	
Frerichs	Long	Peterson	Simoneau	
Greenfield	McDonald	Piepho	Skoglund	

The bill was passed and its title agreed to.

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.

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 107 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Backlund	Begich	Brown	Cohen	Dyke
Battaglia	Bennett	Burger	Dempsey	Elioff
Beard	Bishop	Carlson, J.	DenOuden	Ellingson
Becklin	Brinkman	Carlson, L.	Dimler	Fjoslien

Forsythe	Kiffmeyer	Neuenschwander	Rees	Sviggum
Frederick	Knickerbocker	Norton	Rest	Thiede
Frederickson	Knuth	O'Connor	Rice	Thorson
Frerichs	Kostohryz	Ogren	Richter	Tjornhom
Greenfield	Krueger	Olsen, S.	Riveness	Tunheim
Gruenes	Levi	Onnen	Sarna	Uphus
Gutknecht	Lieder	Otis	Schafer	Valento
Halberg	Long	Ozment	Scheid	Vanasek
Hartle	McDonald	Pappas	Schoenfeld	Voss
Haukoos	McEachern	Pauly	Seaberg	Waltman
Heap	McPherson	Peterson	Segal	Welle
Himle	Metzen	Piepho	Shaver	Wenzel
Jacobs	Miller	Piper	Sherman	Wynia
Jaros	Minne	Poppenhagen	Simoneau	Zaffke
Jennings, L.	Munger	Price	Skoglund	Spk. Jennings, D.
Johnson	Murphy	Quinn	Sparby	
Kahn	Nelson, D.	Quist	Stanis	
Kalis	Nelson, K.	Redalen	Staten	

Those who voted in the negative were:

Osthoff

The bill was passed and its title agreed to.

H. F. No. 1844, A bill for an act relating to crimes; creating certain crimes against an unborn child; prohibiting acts which cause the death of or injury to an unborn child; imposing penalties; amending Minnesota Statutes 1984, sections 609.035; 609.18; and 609.21, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 609.

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 106 yeas and 16 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	DenOuden	Kalis	Nelson, K.	Rees
Backlund	Dimler	Kelly	Neuenschwander	Rest
Battaglia	Dyke	Kiffmeyer	O'Connor	Rice
Beard	Elioff	Knickerbocker	Ogren	Richter
Becklin	Ellingson	Knuth	Olsen, S.	Rodosovich
Begich	Fjoslien	Kostohryz	Olson, E.	Sarna
Bennett	Forsythe	Krueger	Omann	Schafer
Bishop	Frederick	Kvam	Onnen	Scheid
Blatz	Frederickson	Levi	Osthoff	Schoenfeld
Boerboom	Frerichs	Lieder	Otis	Schreiber
Brandl	Gruenes	Marsh	Ozment	Seaberg
Brinkman	Gutknecht	McDonald	Pauly	Shaver
Brown	Halberg	McEachern	Peterson	Sherman
Burger	Hartinger	McKasy	Piepho	Sparby
Carlson, D.	Hartle	McPherson	Poppenhagen	Stanis
Carlson, J.	Himle	Metzen	Price	Sviggum
Carlson, L.	Jacobs	Miller	Quinn	Thiede
Clausnitzer	Jennings, L.	Minne	Quist	Thorson
Dempsey	Johnson	Murphy	Redalen	Tjornhom

Uphus  
Valan  
Valento

Vanasek  
Vellenga

Voss  
Waltman

Welle  
Wenzel

Zaffke  
Spk. Jennings, D.

Those who voted in the negative were:

Cohen  
Greenfield  
Jaros  
Kahn

Long  
McLaughlin  
Munger

Norton  
Pappas  
Piper

Segal  
Simoneau  
Skoglund

Staten  
Tompkins  
Wynia

The bill was passed and its title agreed to.

## GENERAL ORDERS

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

## MOTIONS AND RESOLUTIONS

### MOTION TO TAKE FROM THE TABLE

Forsythe moved that S. F. No. 40 be taken from the table and be placed upon its final passage.

A roll call was requested and properly seconded.

The question was taken on the Forsythe motion and the roll was called. There were 82 yeas and 33 nays as follows:

Those who voted in the affirmative were:

Anderson, G.  
Backlund  
Battaglia  
Beard  
Bennett  
Bishop  
Blatz  
Brandl  
Brown  
Burger  
Carlson, J.  
Clark  
Cohen  
Dyke  
Elioff  
Ellingson  
Erickson

Forsythe  
Frederickson  
Greenfield  
Gruenes  
Gutknecht  
Halberg  
Hartle  
Haukoos  
Heap  
Jaros  
Johnson  
Kahn  
Kelly  
Kiffmeyer  
Knickerbocker  
Knuth  
Levi

Long  
McDonald  
McKasy  
McLaughlin  
McPherson  
Metzen  
Minne  
Murphy  
Nelson, K.  
Neuenschwander  
Norton  
Olsen, S.  
Onnen  
Osthoff  
Otis  
Pauly  
Piepho

Price  
Quist  
Redalen  
Rees  
Rice  
Riveness  
Rodosovich  
Rose  
Sarna  
Schafer  
Scheid  
Schreiber  
Seaberg  
Segal  
Sherman  
Simoneau  
Skoglund

Staten  
Sviggum  
Thorson  
Tjornhom  
Tomlinson  
Tompkins  
Uphus  
Valan  
Vanasek  
Vellenga  
Waltman  
Welle  
Wenzel  
Spk. Jennings, D.

Those who voted in the negative were:

Begich  
Boerboom  
Brinkman

Carlson, L.  
Clausnitzer  
Dempsey

DenOuden  
Fjoslien  
Frederick

Frerichs  
Jennings, L.  
Kostohryz

Krueger  
Kvam  
Lieder

Marsh	Ogren	Poppenhagen	Schoenfeld	Tunheim
McEachern	Olson, E.	Quinn	Sparby	Voss
Miller	Peterson	Rest	Thiede	Zaffke
O'Connor	Piper	Richter		

The motion prevailed and S. F. No. 40 was taken from the table.

S. F. No. 40 was reported to the House.

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

S. F. No. 40, A bill for an act relating to transportation; traffic regulations; defining "passenger vehicle"; requiring use of seat belts by passenger vehicle drivers and passengers; amending Minnesota Statutes 1984, sections 169.01, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 169.

The bill was placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 74 yeas and 52 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Greenfield	McLaughlin	Peterson	Seaberg
Backlund	Halberg	McPherson	Piepho	Segal
Battaglia	Hartle	Metzen	Piper	Shaver
Beard	Heap	Minne	Price	Skoglund
Bennett	Himle	Munger	Quist	Stanisus
Bishop	Jaros	Murphy	Redalen	Staten
Boo	Kahn	Nelson, D.	Rees	Sviggum
Brandl	Kalis	Nelson, K.	Rice	Thorson
Burger	Kelly	Neuenschwander	Riveness	Tomlinson
Carlson, J.	Kiffmeyer	Norton	Rodosovich	Valento
Clark	Knickerbocker	Olsen, S.	Rose	Vellenga
Cohen	Knuth	Osthoff	Sarna	Waltman
Ellingson	Long	Otis	Scheid	Welle
Forsythe	McDonald	Pappas	Schoenfeld	Wynia
Frederickson	McKasy	Pauly	Schreiber	

Those who voted in the negative were:

Anderson, R.	DenOuden	Jennings, L.	Olson, E.	Tjornhom
Becklin	Dyke	Johnson	Omann	Tompkins
Begich	Elioff	Krueger	Onnen	Tunheim
Blatz	Fjoslien	Kvam	Ozment	Valan
Boerboom	Frederick	Levi	Poppenhagen	Voss
Brinkman	Frerichs	Lieder	Rest	Wenzel
Brown	Gruenes	Marsh	Richter	Zaffke
Carlson, D.	Gutknecht	McEachern	Schafer	Spk. Jennings, D.
Carlson, L.	Hartinger	Miller	Sherman	
Clausnitzer	Haukoos	O'Connor	Sparby	
Dempsey	Jacobs	Ogren	Thiede	

The bill was passed and its title agreed to.

Blatz moved that H. F. No. 2007 be recalled from the Committee on Crime and Family Law and be re-referred to the Committee on Governmental Operations. The motion prevailed.

Kelly moved that H. F. No. 1875 be recalled from the Committee on Health and Human Services and be re-referred to the Committee on Local and Urban Affairs. The motion prevailed.

Nelson, K., moved that H. F. No. 901 be recalled from the Committee on General Legislation and Veterans Affairs and be re-referred to the Committee on Local and Urban Affairs. The motion prevailed.

McPherson moved that S. F. No. 1574 be recalled from the Committee on Local and Urban Affairs and together with H. F. No. 1819, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

Kelly moved that H. F. No. 2248 be recalled from the Committee on Local and Urban Affairs and be re-referred to the Committee on Taxes. The motion prevailed.

Blatz moved that the names of Pappas, Hartinger, Kiffmeyer and Tjornhom be added as authors on H. F. No. 1730. The motion prevailed.

Dempsey moved that the name of Redalen be added as an author on H. F. No. 1815. The motion prevailed.

Poppenhagen moved that the name of Solberg be added as an author on H. F. No. 2043. The motion prevailed.

Solberg moved that the name of Boo be added as an author on H. F. No. 2071. The motion prevailed.

Clausnitzer moved that the name of Frederick be added as an author on H. F. No. 2089. The motion prevailed.

Wenzel moved that the name of Krueger be added as an author on H. F. No. 2090. The motion prevailed.

Boo moved that the name of Clark be added as an author on H. F. No. 2134. The motion prevailed.

Bennett moved that the names of Thorson, Backlund and Carlson, L., be added as authors on H. F. No. 2136. The motion prevailed.

Rose moved that the name of Dempsey be added as an author on H. F. No. 2138. The motion prevailed.

Ogren moved that the name of Jacobs be added as an author on H. F. No. 2147. The motion prevailed.

Boo moved that the name of Segal be added as an author on H. F. No. 2153. The motion prevailed.

Kahn moved that the name of Vellenga be added as an author on H. F. No. 2156. The motion prevailed.

Clausnitzer moved that the name of Segal be added as an author on H. F. No. 2158. The motion prevailed.

Valan moved that the name of Schafer be added as an author on H. F. No. 2173. The motion prevailed.

Heap moved that the name of Begich be added as an author on H. F. No. 2183. The motion prevailed.

Sviggum moved that the names of Burger and Cohen be added as authors on H. F. No. 2185. 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 20, 1986.

EDWARD A. BURDICK, Chief Clerk, House of Representatives