

STATE OF MINNESOTA

SEVENTY-FOURTH SESSION - 1986

SEVENTY-FOURTH DAY

SAINT PAUL, MINNESOTA, MONDAY, FEBRUARY 24, 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 Reverend John Kemp, St. Anthony Park United Church of Christ, St. Paul, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Neuenschwander was excused.

Ellingson was excused until 3:00 p.m.

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

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 2011, 2017, 1781, 1835, 1980, 1989, 2009, 2012, 2032 and 1892 have been placed in the members' files.

REPORTS OF STANDING COMMITTEES

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

H. F. No. 325, A bill for an act relating to elections; regulating lobbyist and candidate activities and contributions; proposing coding for new law in Minnesota Statutes, chapter 10A.

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

The report was adopted.

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

H. F. No. 1345, A bill for an act relating to state lands; authorizing the sale of certain state lands in Lake of the Woods county.

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. 1727, A bill for an act relating to agriculture; moving Wadena county from area one to area four for purposes of potato industry promotion; amending Minnesota Statutes 1984, section 17.54, subdivision 9.

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

The report was adopted.

Halberg from the Committee on Judiciary to which was referred:

H. F. No. 1764, A bill for an act relating to commerce; regulating medical malpractice insurance to health care providers who are unable to obtain the coverage in the voluntary market; regulating malpractice actions against health care providers; providing certification of expert review and the waiver of privilege by health care providers; requiring disclosure of experts; revising the statute of limitations for minors; removing punitive damages; limiting noneconomic losses; changing the collateral source rule; and providing periodic payments of damages exceeding a threshold limitation; amending Minnesota Statutes 1984, sections 62F.04, by adding a subdivision; 62F.06, subdivision 1; 541.15; 549.09, subdivision 1; 549.20, subdivision 1, and by adding a subdivision; and 595.02, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 145.

Reported the same back with the following amendments:

Page 4, line 19, delete "120" and insert "180"

Page 4, after line 20, insert:

"The parties by agreement, or the court for good cause shown, may provide for extensions of the time limits specified in this subdivision."

Page 4, line 26, delete "will" and insert "could"

Page 4, line 28, delete "each defendant" and insert "one or more defendants"

Page 4, line 28, delete "for"

Page 4, line 29, delete "that defendant"

Page 5, line 12, delete "120" and insert "180"

Page 5, after line 13, insert:

"The parties or the court for good cause shown, may by agreement, provide for extensions of the time limits specified in this subdivision. Nothing in this subdivision may be construed to prevent either party from calling additional witnesses or substituting other witnesses."

Page 5, line 20, delete "subdivisions 1 to 4 results" and insert "subdivision 1, clause (1), within 60 days after demand for the affidavit results"

Page 5, after line 22, insert:

"Failure to comply with subdivision 1, clause (2), and subdivision 3 results, upon motion, in mandatory dismissal with prejudice of each course of action as to which expert testimony is necessary to establish a prima facie case."

Page 5, line 29, delete "If" and "is"

Page 5, lines 30 and 31, delete "*, the violation constitutes unprofessional conduct and is grounds for discipline against the attorney, and*"

Page 5, line 32, after "plaintiff" insert "*responsible for such conduct*"

Pages 5 and 6, delete sections 5 and 6

Page 13, line 13, before "Any" insert "*(a) Except as provided in paragraph (b),*"

Page 13, lines 17 to 20, delete the new language

Page 13, after line 32, insert:

"(b) In actions alleging malpractice, error, mistake, or failure to cure, whether based on contract or tort, against a health care provider, the grounds of disability specified in paragraph (a), clauses (1) to (5), suspend the period of limitation until the disability is removed; but in no case may the disability be extended more than six years or more than one year after the disability ceases.

If two or more disabilities coexist, the suspension continues until all are removed."

Page 13, line 33, delete "section" and insert "paragraph"

Page 16, delete lines 4 to 11 and insert:

"Subd. 4. In an action alleging malpractice, error, mistake, or failure to cure, whether based on contract or tort, against a health care provider, no original complaint, crossclaim, counterclaim, or third party claim that seeks unliquidated damages may assert a claim for punitive or exemplary damages. A complaint or claim may be amended to include a claim for punitive or exemplary damages by leave of the court only after discovery is completed. The court shall grant leave to amend the complaint or claim if the parties agree or if the moving party presents evidence supporting the claim for punitive or exemplary damages, and that evidence, in relation to the requirements of this section,

is sufficient to withstand a motion for a directed verdict against the moving party on the claim for punitive or exemplary damages.

Any amendment made pursuant to this subdivision relates back to the date of the commencement of the original action for the purposes of any applicable statute of limitations."

Page 16, line 25, delete "*ex parte*"

Page 16, line 27, after the period, insert "*Prior to an informal discussion with a health care provider, either party must mail written notice to the other party at least 15 days before the discussion. Each party or each party's representative must have the opportunity to be present at any such informal discussion.*"

Page 16, lines 30 and 31, delete "*ex parte*"

Page 17, line 5, delete "*3 to 13*" and insert "*4 and 7*"

Page 17, line 6, after the period insert "*All other sections apply to actions pending on or commenced on or after the effective date of those sections.*"

Page 17, line 8, delete "*Section 9 is*" and insert "*Sections 4 and 7 are*"

Page 17, line 8, after the period, insert "*Section 10 is effective the day following final enactment.*"

Renumber the remaining sections

Correct internal references

Amend the title as follows:

Page 1, line 10, delete everything before "*changing*"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1776, A bill for an act relating to commerce; providing immunity to municipalities for certain claims; regulating certain self-insurance pools; 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; eliminating joint liability in tort; amending Minnesota Statutes 1984, sections 466.01, subdivision 1; 466.03, subdivisions 4 and 6b, and by adding subdivisions; 471.982, subdivision 3; 549.09, subdivision 1; 549.20, subdivision 1; and 604.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 466, 481, 548, and 549; repealing Minnesota Statutes 1984, section 549.20, subdivisions 2 and 3.

Reported the same back with the following amendments:

Page 1, after line 19, insert:

"Section 1. Minnesota Statutes 1985 Supplement, section 3.-736, subdivision 3, is amended to read:

Subd. 3. [EXCLUSIONS.] Without intent to preclude the courts from finding additional cases where the state and its employees should not, in equity and good conscience, pay compensation for personal injuries or property losses, the legislature declares that the state and its employees are not liable for the following losses:

(a) Any loss caused by an act or omission of a state employee exercising due care in the execution of a valid or invalid statute or regulation;

(b) Any loss caused by the performance or failure to perform a discretionary duty, whether or not the discretion is abused;

(c) Any loss in connection with the assessment and collection of taxes;

(d) Any loss caused by snow or ice conditions on any highway, *public sidewalk that does not abut publicly owned buildings and parking lots*, or other public place, except when the condition is affirmatively caused by the negligent acts of a state employee;

(e) Any loss caused by wild animals in their natural state;

(f) Any loss other than injury to or loss of property or personal injury or death;

(g) Any loss caused by the condition of unimproved real property owned by the state, which means land that the state has not improved, and appurtenances, fixtures and attachments to land that the state has neither affixed nor improved;

(h) Any loss incurred by a user within the boundaries of the outdoor recreation system and arising from the construction, operation, or maintenance of the system, as defined in section 86A.04, or from the clearing of land, removal of refuse, and creation of trails or paths without artificial surfaces, or from the construction, operation, or maintenance of a water access site created by the iron range resources and rehabilitation board, except that the state is liable for conduct that would entitle a trespasser to damages against a private person.

(i) Any loss of benefits or compensation due under a program of public assistance or public welfare, except where state compensation for loss is expressly required by federal law in order for the state to receive federal grants-in-aid;

(j) Any loss based on the failure of any person to meet the standards needed for a license, permit, or other authorization issued by the state or its agents;

(k) Any loss based on the usual care and treatment, or lack of care and treatment, of any person at a state hospital or state corrections facility where reasonable use of available appropriations has been made to provide care;

(l) Any loss, damage, or destruction of property of a patient or inmate of a state institution;

(m) Any loss for which recovery is prohibited by section 169.121, subdivision 9.

The state will not pay punitive damages."

Page 2, line 3, after "sidewalk" insert "*that does not abut publicly owned buildings and parking lots*"

Page 2, line 26, before the period, insert "*or for claims based on negligent construction, operation, or maintenance of physical improvements including, but not limited to, play equipment, bridges, and equipment related to operation of downhill skiing facilities*"

Page 2, lines 27 to 31, delete section 5

Page 3, after line 19, insert:

"Sec. 10. Minnesota Statutes 1984, section 541.051, is amended to read:

541.051 [LIMITATION OF ACTION FOR DAMAGES BASED ON SERVICES OR CONSTRUCTION TO IMPROVE REAL PROPERTY.]

Subdivision 1. Except where fraud is involved, no action by any person in contract, tort, or otherwise to recover damages for any injury to property, real or personal, or for bodily injury or wrongful death, arising out of the defective and unsafe condition of an improvement to real property, nor any action for contribution or indemnity for damages sustained on account of the injury, shall be brought against any person performing or furnishing the design, planning, supervision, materials, or observation of construction or construction of the improvement to real property or against the owner of the real property more than two years after discovery thereof, nor, in any event shall such a cause of action accrue more than (15) *seven* years after substantial completion of the construction. Date of substantial completion shall be determined by the date when construction is sufficiently completed so that the owner or his representative can occupy or use the improvement for the intended purpose.

Nothing in this section shall apply to actions for damages resulting from negligence in the maintenance, operation or inspection of the real property improvement against the owner or other person in possession.

Subd. 2. Notwithstanding the provisions of subdivision 1, in the case of an action which accrues during the (14TH) *sixth* or (15TH) *seventh* year after substantial completion of the construction, an action to recover damages may be brought within two years after the date on which the action accrued, but in no event may an action be brought more than (17) *nine* years after substantial completion of the construction.

Subd. 3. Nothing in this section shall be construed as extending the period prescribed by the laws of this state for the bringing of any action.

Subd. 4. This section shall not apply to actions based on breach of the statutory warranties set forth in section 327A.02, or to actions based on breach of an express written warranty, provided such actions shall be brought within two years of the discovery of the breach."

Page 3, line 22, after "*payments*" insert "*, related to the injury or disability in question,*"

Page 4, line 4, before the period, insert "*except benefits received from a private disability insurance policy where the premiums were wholly paid for by the plaintiff*"

Page 5, after line 1, insert:

"Subd. 2. [DEPENDENT.] "*Dependent*" means a child of a plaintiff under age 21, or any other person over age 21 who is dependent on the plaintiff for monetary support and who is physically or mentally incapacitated."

Renumber the remaining subdivisions.

Page 8, delete lines 25 to 28 and insert:

"All periodic payments for future damages made to the plaintiff cease when the plaintiff dies except when the plaintiff is survived by a spouse or dependent. Under those circumstances, the portion of the periodic payments representing future loss of earnings or earnings capacity awarded pursuant to section 14, clause (2) (ii) will continue and is governed by the original payment schedule. Payments will cease on completion of the original payment schedule, the death of the spouse, the attainment of age 21 by the last dependent child, or the death of the last remaining incapacitated dependent, whichever occurs later."

Page 12, line 17, after the period, insert:

"For the purposes of clause (3), the amount of the settlement offer must be allocated between past and future damages in the same proportion as determined by the trier of fact."

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 2, after the second "to" insert "the state and"

Page 1, line 4, after the semicolon, insert "modifying the limitation on actions for damages based on services of construction to improve real property;"

Page 1, line 13, after the first semicolon insert "541.051;"

Page 1, line 14, after the second "subdivision 1;" insert "Minnesota Statutes 1985 Supplement, section 3.736, subdivision 3;"

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

The report was adopted.

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

H. F. No. 1782, A bill for an act relating to lakes; permitting the creation of the Pelican Lake conservation district in Otter Tail county with certain powers; providing penalties.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [378.401] [CITATION.]

Sections 2, 7, and 378.41 to 378.57 may be cited as the lake improvement district act.

Sec. 2. [378.405] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 2, 7, and 378.41 to 378.57.

Subd. 2. [BOARD.] "Board" means county board.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of natural resources.

Subd. 4. [DISTRICT.] "District" means a lake improvement district.

Subd. 5. [JOINT COUNTY AUTHORITY.] "Joint county authority" means a joint county authority formed by county boards under section 378.44.

Subd. 6. [PROPERTY OWNER.] "Property owner" means the owner of real property within the district or the buyer under contract for deed of property in the district.

Sec. 3. Minnesota Statutes 1984, section 378.41, is amended to read:

378.41 [(ESTABLISHMENT OF LAKE IMPROVEMENT DISTRICTS) ADMINISTRATION BY COMMISSIONER.]

Subdivision 1. [PURPOSE.] (a) In furtherance of the policy declared in section 378.31, the commissioner (OF NATURAL RESOURCES) shall coordinate and supervise a local-state program for the establishment of lake improvement districts by counties (AND CITIES) for lakes located within their boundaries based on state guidelines and regulations and compatible with all state, regional, and local plans where (SUCH) the plans exist.

(b) In administration of this program the commissioner of natural resources shall consult with and obtain advice from other state agencies on those aspects of the program for which the agencies have specific legislative authority including but not limited to the department of health and the pollution control agency.

Subd. 2. [RULES.] The commissioner (OF NATURAL RESOURCES, BEFORE APRIL 1, 1979,) shall (PROMULGATE) *adopt permanent and emergency rules (PURSUANT TO CHAPTER 15 WHICH) to provide guidelines, criteria and standards for establishment of lake improvement districts by counties (AND CITIES).*

Sec. 4. Minnesota Statutes 1984, section 378.42, is amended to read:

378.42 [(CREATION) INITIATION AND ESTABLISHMENT BY COUNTY BOARD.]

Subdivision 1. [RESOLUTION OF INTENT.] The county board may (ESTABLISH) *initiate the establishment of a lake improvement district in a portion of the county (BY ADOPTION OF AN APPROPRIATE RESOLUTION) under this section. The board must adopt a resolution declaring the intent of the board to establish a lake improvement district. The resolution (SHALL) must:*

(1) *specify the (TERRITORIAL) boundaries of the (AREA) district, which shall be encouraged to be as consistent as (POSSIBLE) practical with natural hydrologic boundaries (,);*

(2) *prescribe the (TYPE OR TYPES OF) water and related land resource management programs to be undertaken in the (AREA, A STATEMENT OF THE MEANS BY WHICH) district;*

(3) *state how the programs will be financed (, AND A DESIGNATION OF);*

(4) *designate the county officer or agency (WHO) that will be responsible for supervising the programs; and*

(5) *set a date for a hearing on the resolution.*

Subd. 2. [HEARING.] (BEFORE THE ADOPTION OF SUCH A RESOLUTION,) The county board (SHALL) *must* hold a public hearing on (THE QUESTION OF) whether (OR NOT) a lake improvement district (SHALL) *should be established. Before the date set for the hearing, any interested person may file (HIS) objections to the formation of (SUCH) the district with the county auditor. At the hearing, any interested person may offer objections, criticisms, or suggestions (AS TO) about the necessity of the proposed district (AS OUTLINED) and (TO THE QUESTION OF WHETHER HIS) how the person's property will be benefited or affected by the establishment of the district.*

Subd. 3. [ESTABLISHMENT.] (FOLLOWING THE HEARING,) (a) *The county board may establish a lake improvement district, by order, after making findings, if (IT APPEARS TO) the board (, AFTER CONSIDERATION OF ALL TESTIMONY,) determines that the:*

(1) proposed district is necessary or that the public welfare will be promoted by the establishment of the district (, THAT THE);

(2) property to be included in the district will be benefited by (THE ESTABLISHMENT THEREOF, AND THAT THE) *establishing the district; and*

(3) formation of the (PROPOSED) district will not cause or contribute to long range environmental pollution (, THE COUNTY BOARD, BY FORMAL ORDER, SHALL DECLARE ITS FINDINGS, SHALL ESTABLISH THE BOUNDARIES OF THE DISTRICT AND SHALL DECLARE THE DISTRICT ORGANIZED AND GIVE IT A CORPORATE NAME BY WHICH IT SHALL BE KNOWN).

(b) *The order establishing the district must state the board's findings and specify or prescribe those matters contained in subdivision 1, paragraphs (1) to (4).*

Sec. 5. Minnesota Statutes 1984, section 378.43, is amended to read:

378.43. [INITIATION BY PETITION (FOR CREATION) AND ESTABLISHMENT BY COUNTY BOARD.]

Subdivision 1. [PETITION.] (A PETITION SIGNED BY 51 PERCENT OF THE RESIDENT OWNERS AS DEFINED IN SECTION 112.35, SUBDIVISION 21, WITHIN THE PROPOSED LAKE IMPROVEMENT DISTRICT AS SPECIFIED IN THE PETITION SHALL BE FILED WITH THE COUNTY CLERK AND ADDRESSED TO THE BOARD REQUESTING THE ESTABLISHMENT OF A LAKE IMPROVEMENT DISTRICT TO DEVELOP AND PROVIDE A PROGRAM OF WATER AND RELATED LAND RESOURCES MANAGEMENT. GOVERNMENTAL SUBDIVISIONS, OTHER THAN THE STATE OR FEDERAL GOVERNMENTS, OWNING LANDS WITHIN THE PROPOSED DISTRICT ARE ELIGIBLE TO SIGN THE PETITION.)

(THE PETITION SHALL SET FORTH THE FOLLOWING:)

((1) THE NAME OF THE PROPOSED DISTRICT;)

((2) THE NECESSITY FOR THE PROPOSED DISTRICT SO THAT THE PUBLIC HEALTH OR PUBLIC WELFARE WILL BE PROMOTED BY THE ESTABLISHMENT OF THE DISTRICT AND THAT THE LANDS TO BE INCLUDED THEREIN WILL BE BENEFITED BY THE ESTABLISHMENT OR ACCOMPLISH ANY OF THE PURPOSES OF A LAKE IMPROVEMENT DISTRICT;)

((3) THE BOUNDARIES OF THE TERRITORY, WHICH SHALL BE AS CONSISTENT AS POSSIBLE WITH NATURAL HYDROLOGIC BOUNDARIES, TO BE INCLUDED IN THE PROPOSED DISTRICT;)

((4) A MAP OF THE PROPOSED DISTRICT;)

((5) THE NUMBER OF MANAGERS PROPOSED FOR THE DISTRICT. THE MANAGERS SHALL NOT BE LESS THAN THREE NOR MORE THAN FIVE AND BE SELECTED FROM A LIST OF TEN NOMINEES; AND)

((6) A REQUEST FOR THE ORGANIZATION OF THE DISTRICT AS PROPOSED.) *(a) A lake improvement district may be initiated by a petition to the county board. The petition must state:*

(1) the name of the proposed lake improvement district;

(2) the necessity of the proposed district to promote public health or public welfare;

(3) the benefits to property from the establishment of the lake improvement district;

(4) the boundaries of the proposed district which shall be encouraged to be as consistent as possible with natural hydrologic boundaries;

(5) a map of the proposed district;

(6) the number, from five to nine, of directors proposed for the district; and

(7) a request for establishing the district as proposed.

(b) A petition must be signed by 51 percent of the property owners within the proposed lake improvement district described in the petition. Governmental subdivisions, other than the state or federal governments, owning lands within the proposed district are eligible to sign the petition.

(c) No petition for the creation of a district may be filed with the county auditor under paragraph (d) unless there is attached

to the petition a resolution in favor of the creation of the district, approved by the town board of the town in which the lake is located. If the natural hydrologic boundaries of a proposed district extend into more than one town, the petition may not be filed without a resolution in favor of the creation of the district by the town boards of each of the affected towns. The town board of an affected town shall act by resolution to approve or disapprove the creation of a district, within 30 days of a request for approval made by the petitioners.

(d) The petition must be filed with the county auditor and addressed to the board requesting the board to establish a lake improvement district to develop and provide a program of water and related land resources management.

Subd. 2. [HEARING.] (UPON RECEIPT OF THE PETITION, AND VERIFICATION OF THE SIGNATURES THEREON BY THE COUNTY AUDITOR, THE COUNTY BOARD SHALL, WITHIN 30 DAYS FOLLOWING VERIFICATION, HOLD A PUBLIC HEARING ON THE QUESTION OF WHETHER OR NOT THE REQUESTED LAKE IMPROVEMENT DISTRICT SHALL BE ESTABLISHED.) *After receiving the petition, the county auditor must verify the signatures and notify the county board. Within 30 days after being notified of the petition, the county board must hold a public hearing on whether the requested lake improvement district should be established.*

Subd. 3. [ESTABLISHMENT.] (WITHIN 30 DAYS FOLLOWING THE HOLDING OF A PUBLIC HEARING THE COUNTY BOARD BY RESOLUTION SHALL APPROVE OR DISAPPROVE THE ESTABLISHMENT OF THE REQUESTED LAKE IMPROVEMENT DISTRICT AND GIVE IT A CORPORATE NAME BY WHICH IT SHALL BE KNOWN. A RESOLUTION APPROVING THE CREATION OF THE LAKE IMPROVEMENT DISTRICT MAY CONTAIN MODIFICATIONS OF THE AREA'S BOUNDARIES, FUNCTIONS, FINANCING, OR ORGANIZATION FROM WHAT WAS SET FORTH IN THE PETITION.) *Within 30 days after holding the public hearing, the county board shall, by order, establish or deny the establishment of the petitioned lake improvement district. An order establishing a district must conform to section 7 and may modify the petition relating to the district's boundaries, functions, financing, or organization.*

Sec. 6. Minnesota Statutes 1984, section 378.44, is amended to read:

378.44 [(JOINT ACTION) ESTABLISHMENT OF A DISTRICT IN MORE THAN ONE COUNTY.] Where the natural hydrologic boundaries of (AN AREA) *a proposed district* extend into more than one county, the county boards of the counties

affected may form a joint county authority and establish and maintain a lake improvement district jointly or cooperatively as provided in section 471.59 (, EITHER ON THEIR OWN MOTION OR PURSUANT TO PETITION). *The district may be initiated by the joint county authority in the same manner as a county board under section 378.42 or by petition to the affected county boards.*

Sec. 7. [378.455] [ORDER ESTABLISHING DISTRICT.]

An order by the county board or joint county authority establishing a district must state the:

- (1) name of the district;*
- (2) boundaries of the district, which must be as consistent as practical with natural hydrologic boundaries;*
- (3) water and related land resources management programs and services to be undertaken;*
- (4) manner of financing programs and services; and*
- (5) number, qualifications, terms of office, removal, and filling of vacancies of the board of directors.*

Sec. 8. Minnesota Statutes 1984, section 378.46, is amended to read:

378.46 [PUBLICATION AND EFFECTIVE DATE.]

(UPON PASSAGE OF A COUNTY BOARD RESOLUTION AUTHORIZING THE CREATION OF A LAKE IMPROVEMENT DISTRICT, THE COUNTY BOARD OR BOARDS SHALL CAUSE THE RESOLUTION TO BE PUBLISHED ONCE IN THE OFFICIAL NEWSPAPERS AND FILED WITH THE SECRETARY OF STATE, THE POLLUTION CONTROL AGENCY AND THE COMMISSIONER OF NATURAL RESOURCES. THE LAKE IMPROVEMENT DISTRICT SHALL BE DEEMED ESTABLISHED 30 DAYS AFTER PUBLICATION OR AT SUCH LATER DATE AS MAY BE SPECIFIED IN THE RESOLUTION.)

Subdivision 1. [PUBLICATION OF ESTABLISHMENT ORDER.] If a lake improvement district is established, the county board, or joint county authority issuing the order establishing the district, shall publish the order once in the official newspapers of counties where the district is located and file the order with the secretary of state, the pollution control agency, and the commissioner of natural resources.

Subd. 2. [EFFECTIVE DATE.] Establishment of the lake improvement district is effective 30 days after publication or at a later date, if specified in the establishment order.

Sec. 9. Minnesota Statutes 1984, section 378.47, is amended to read:

378.47 [REFERENDUM ON ESTABLISHMENT.]

Subdivision 1. [PETITION.] (UPON RECEIPT OF A PETITION SIGNED BY TWENTY-FIVE PERCENT OF THE RESIDENT OWNERS WITHIN THE TERRITORY OF THE LAKE IMPROVEMENT DISTRICT SPECIFIED IN THE RESOLUTION ADOPTED PURSUANT TO SECTION 378.42 PRIOR TO THE EFFECTIVE DATE OF ITS CREATION AS SPECIFIED IN SECTION 378.46, THE COUNTY BOARD OR BOARDS SHALL HOLD THE CREATION IN ABEYANCE PENDING REFERENDUM VOTE OF ALL QUALIFIED VOTERS AND RESIDENT OWNERS RESIDING WITHIN THE BOUNDARIES OF THE PROPOSED LAKE IMPROVEMENT DISTRICT.) *Twenty-five percent of the property owners within the lake improvement district established by the board or a joint county authority on its own initiative under section 378.42 may petition for a referendum on establishing the district before the effective date of its establishment. After receiving the petition, the county board or joint county authority must issue an order staying the establishment until a referendum vote is taken of all qualified voters and property owners within the proposed lake improvement district.*

Subd. 2. [ELECTION.] The county board or (BOARDS) *joint county authority* shall (MAKE ARRANGEMENTS FOR THE HOLDING OF) *conduct* a special election (NOT LESS THAN 30 NOR MORE THAN 90 DAYS) *in July or August after (RECEIPT OF SUCH) receiving the referendum petition. The special election must be held within (THE BOUNDARIES OF) the proposed lake improvement district (SPECIFIED IN THE RESOLUTION ADOPTED PURSUANT TO SECTION 378.42). (IF A GENERAL ELECTION WILL BE HELD WITHIN THE TIME SPECIFIED, THE VOTE ON CREATION MAY BE HELD AS PART OF THE GENERAL ELECTION.)* The county auditor shall administer the *special* election.

Subd. 3. [QUESTION SUBMITTED TO VOTERS.] The question to be submitted and voted upon by the qualified voters and (RESIDENT) *property* owners within (THE TERRITORY OF) the proposed lake improvement district (SHALL) *must be (PHRASED) stated* substantially as follows:

“(SHALL) Should a lake improvement district be established (IN ORDER) to provide (description of intended water and related land resources improvements) and financed by (description of revenue sources) ?”

Subd. 4. [CERTIFICATION OF VOTE AND ESTABLISHMENT.] (UPON CERTIFICATION OF THE VOTE BY) The county auditor (,) must certify the vote on the question submitted. If a majority of those voting on the question favor (CREATION OF) establishing the proposed lake improvement district, the (LAKE IMPROVEMENT) stay on establishing the district (SHALL BE DEEMED CREATED) is lifted. If a majority of those voting on the question do not favor establishing the proposed lake improvement district, the establishment is denied.

Sec. 10. Minnesota Statutes 1984, section 378.51, is amended to read:

378.51 [BOARD OF DIRECTORS.]

Subdivision 1. [MEMBERSHIP.] After (CREATION OF) a lake improvement district is established, the county board or (BOARDS) joint county authority shall appoint persons to serve as (A) an initial board of directors for the (LAKE IMPROVEMENT) district. The number, qualifications, terms of office, removal, and filling of vacancies of directors shall be as provided in the (RESOLUTION) order creating the board of directors. The initial (BOARD) and all subsequent boards of directors (SHALL) must include persons owning property within the district, (AT LEAST ONE OF WHOM IS A RESIDENT) and a majority of the directors must be residents of the district.

Subd. 2. [COMPENSATION.] The directors shall serve (WITHOUT) with compensation (BUT) as determined by the property owners at the annual meeting and may be reimbursed for their actual expenses necessarily incurred in the performance of their duties in the manner provided for county employees.

Subd. 3. [POWERS.] County boards, joint county authorities, and statutory and home rule cities may, by order, delegate the powers in this section to the board of directors of a district to be exercised within the district. Programs and services undertaken must be consistent with the statewide water and related land resources plan prepared by the commissioner of natural resources, and with regional water and related resources plans. A body of water may not be improved by using authority granted under this section unless the public has access to some portion of the shoreline. County boards, joint county authorities, and statutory and home rule cities may delegate their authority to a district board of directors to:

(1) acquire by gift or purchase an existing dam or control works that affects the level of waters in the district;

(2) construct and operate water control structures that are approved by the commissioner of natural resources under section 105.42;

(3) undertake projects to change the course current or cross section of public waters that are approved by the commissioner of natural resources under section 105.42;

(4) acquire property, equipment, or other facilities, by gift or purchase to improve navigation;

(5) contract with a board of managers of a watershed district within the lake improvement district or the board of supervisors of a soil and water conservation district within the district for improvements under chapters 40 and 112;

(6) undertake research to determine the condition and development of the body of water and the water entering it and to transmit the studies to the pollution control agency and other interested authorities;

(7) develop and implement a comprehensive plan to eliminate water pollution;

(8) conduct a program of water improvement and conservation;

(9) construct a water, sewer, or water and sewer system in the manner provided by section 444.075 or other applicable laws;

(10) receive financial assistance from and participate in projects or enter into contracts with federal and state agencies for the study and treatment of pollution problems and related demonstration programs;

(11) make cooperative agreements with the United States or state government or other county or city to effectuate water and related land resource programs;

(12) maintain public beaches, public docks, and other public facilities for access to the body of water;

(13) provide and finance a government service of the county or statutory or home rule city that is not provided throughout the county or, if the government service is provided, the service is at an increased level within the district; and

(14) regulate water surface use as provided in section 378.32.

Sec. 11. Minnesota Statutes 1984, section 378.52, is amended to read:

378.52 [FINANCING.]

Subdivision 1. [REVENUE.] The county board or (BOARDS IN ORDER TO ACCOMPLISH THE PURPOSES

SPECIFIED IN THE RESOLUTION CREATING A LAKE IMPROVEMENT DISTRICT) *joint county authority* may undertake projects of improvement consistent with (THESE) purposes (AND) *of the district. To finance projects and services of the district, the county board or joint county authority may:*

(1) assess the costs of the projects upon benefited property within the district in the manner provided (IN) *under chapter 429 (, MAY);*

(2) impose service charges on the users of lake improvement district services within the (AREA, AND MAY) *district;*

(3) *issue obligations as provided in section 429.091;*

(4) levy an ad valorem tax solely on property (SITUATED) within the lake improvement district, to be appropriated and expended solely on projects of special benefit to the (AREA,) *district; or*

(5) *may impose or issue any combination of service charges, special assessments, obligations, and taxes.*

Subd. 2. [TAX EXCLUDED FROM OTHER LIMITATIONS.] The tax (PROVIDED FOR BY) *under subdivision 1 (SHALL NOT BE SUBJECT TO ANY) is excluded from statutory (LIMITATION AS TO) limitations on the amount of taxes levied and (SHALL) does not affect the amount or rate of taxes that may be levied for other county purposes. (SUCH) A tax under subdivision 1 may be in addition to (ANY) amounts levied (UPON) on all taxable property in the county for the same or similar purposes.*

Subd. 3. [BUDGETING FOR OPERATIONS.] (UPON ADOPTION OF ITS ANNUAL BUDGET,) The county board or county boards *forming the joint county authority shall include appropriate provisions in its budget for the operation of (THE) a lake improvement district.*

Sec. 12. Minnesota Statutes 1984, section 378.55, is amended to read:

378.55 [EXPANSION OF THE BOUNDARIES OF A LAKE IMPROVEMENT DISTRICT.]

(A COUNTY BOARD, ON ITS OWN MOTION OR PURSUANT TO PETITION, MAY ENLARGE ANY EXISTING LAKE IMPROVEMENT DISTRICT PURSUANT TO THE PROCEDURES SPECIFIED IN) *The boundary of a district may be enlarged by complying with the procedures to establish a district under sections 378.41 to 378.46.*

Sec. 13. Minnesota Statutes 1984, section 378.56, is amended to read:

378.56 [TERMINATION.]

Subdivision 1. [PETITION.] (UPON RECEIPT OF A) *Termination of a district may be initiated by petition requesting the termination of the district. The petition must be signed by 51 percent of the (RESIDENT) property owners (WITHIN THE TERRITORY OF THE LAKE IMPROVEMENT DISTRICT REQUESTING THE TERMINATION OF THE LAKE IMPROVEMENT DISTRICT,) in a district within 30 days after receiving a petition. The county board or (BOARDS SHALL WITHIN 30 DAYS AFTER RECEIPT OF SUCH A PETITION, BY ITS ORDER FIX) joint county authority must set a time and place (,) for a hearing (THEREON) on terminating the district.*

Subd. 1a. [FINDINGS AND ORDER.] If the board or (BOARDS) *joint county authority* determine that the existence of the district is no longer in the public welfare or public interest and it is not needed to accomplish the purpose of sections 378.31 to 378.57 the board or (BOARDS) *joint county authority* shall (BY ITS) *make the findings and (ORDER) terminate the district by order.* Upon filing a certified copy of the findings and order with the secretary of state, pollution control agency, and commissioner of natural resources the district (SHALL CEASE) *is terminated and ceases to be a political subdivision of the state.*

Subd. 2. [TERMINATION OF FINANCING.] If a (LAKE IMPROVEMENT) district is terminated (PURSUANT TO) *under subdivision 1, (NO) additional water and related land resource management programs (SHALL) may not be undertaken with money raised by a special tax within the district, and (NO) additional special water and related land resource management taxes (SHALL) may not be levied within the district. (WHEN) If money raised by past special tax levies within the district has been exhausted, further operation and maintenance of existing programs may be financed by appropriations from the general revenue fund of (THE) an affected county.*

Sec. 14. Minnesota Statutes 1984, section 378.57, is amended to read:

378.57 [ANNUAL MEETING OF DISTRICT.]

Subdivision 1. [TIME.] (EVERY LAKE IMPROVEMENT) A district (SHALL) *must have an annual meeting. The first annual meeting shall be scheduled during the months of July or August, and (SHALL) be held annually (THEREAFTER) in that period unless changed by vote of the previous annual meeting.*

((1)) *Subd. 2.* [NOTICE.] The annual meeting shall be preceded by written notice mailed at least ten days in advance of the meeting to all (RESIDENT) *property* owners within the district and to the pollution control agency and commissioner of natural resources.

((2)) *Subd. 3.* [AGENDA.] At the annual meeting *the district property owners present* shall:

((A)) (1) elect one or more directors to fill vacancies in the (DISTRICT) board (.) *of directors*;

((B)) (2) approve a budget for the (COMING) *fiscal* year (.);

((C)) (3) approve or disapprove (ALL) proposed projects by the district having a cost to the district in excess of \$5,000 (, BY VOTE OF THE RESIDENT OWNERS WITHIN THE DISTRICT.); *and*

((D)) (4) take up and consider (SUCH) other business as comes before it.

Sec. 15. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall renumber section 378.57 as 378.545.

Sec. 16. [REPEALER.]

Minnesota Statutes 1984, sections 378.41, subdivision 3; 378.45; and 378.53 are repealed.

Sec. 17. [EFFECTIVE DATE.]

Sections 1 to 16 are effective the day after final enactment."

Delete the title and insert:

"A bill for an act relating to natural resources; enacting the lake improvement district act; providing for the creation, powers, and termination of lake improvement districts; amending Minnesota Statutes 1984, sections 378.41; 378.42; 378.43; 378.44; 378.46; 378.47; 378.51; 378.52; 378.55; 378.56; and 378.57; proposing coding for new law in Minnesota Statutes, chapter 378; repealing Minnesota Statutes 1984, sections 378.41, subdivision 3; 378.45; and 378.53."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1801, A bill for an act relating to cemeteries; providing for maintenance of certain cemeteries; amending Minnesota Statutes 1984, section 306.245.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 306.245, is amended to read:

306.245 [NEGLECTED CEMETERIES; DUTIES OF TOWN BOARD.]

The town board of supervisors (SHALL HAVE AUTHORITY TO) *may maintain in a proper and decent manner, and keep free of weeds, any cemetery which has been neglected or which has been voluntarily maintained by private individuals for (A PERIOD OF TEN) five years or more. The town may accept gifts of money and other assistance from individuals to maintain cemeteries.*

A town board may also accept gifts of money or property to establish a perpetual care program for a cemetery in the town. The money or property shall be held as a perpetual trust with the income from it, or as much of it as is needed from time to time, used to maintain and improve the cemetery. The trust and cemetery shall be administered by the town board. Consistent with other law, the town board may provide for the sale of burial plots and the supervision of burials in the cemetery. The town board may appoint a body to consist of from three to seven persons to serve staggered terms of three years and delegate all or part of the administration to it. Members of the body need not reside in the town. An annual report of the activities pertaining to the cemetery and the condition of any money or property in trust shall be made to the town electors."

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. 1817, A bill for an act relating to water; appropriating money to the commissioner of natural resources for dam reconstruction in Winona county.

Reported the same back with the following amendments:

Page 1, after line 14, insert:

"Sec. 2. [APPROPRIATION.]

\$100,000 is appropriated from the general fund to the commissioner of natural resources for the state's share of Fall Lake Dam reconstruction in Lake county."

Amend the title as follows:

Page 1, line 4, delete "in Winona county"

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. 1838, A bill for an act relating to agriculture; defining "milk," "skim milk," and "lowfat milk"; amending Minnesota Statutes 1984, section 32.391, subdivision 1, and by adding subdivisions.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 32.391, subdivision 1, is amended to read:

Subdivision 1. [MILK; SKIM MILK; LOWFAT MILK; FLUID MILK PRODUCTS; GOAT MILK.] Milk is defined as the whole, fresh, clean lacteal secretion, practically free from colostrum, obtained by the complete milking of one or more healthy cows. When prepared for market in (FLUID) *final package form for beverage use*, milk shall contain not less than (8.25) 8.7 percent milk solids-not-fat and not less than 3.25 percent of milk fat. The name "milk", unqualified, means cow's milk.

Skim milk is milk from which milk fat has been removed so that its milk fat content is less than .25 percent. Skim milk in final package form for beverage use must contain at least nine percent milk solids-not-fat, for a total of at least 9.25 percent milk solids. Skim milk may be homogenized.

Lowfat milk is milk from which milk fat has been removed so that its milk fat content is either one or two percent, within limits of good manufacturing practices. Lowfat milk in final package form for beverage use must contain at least ten percent milk solids-not-fat. Lowfat milk may be homogenized.

Milk solids-not-fat may be added to fluid milk products to meet the above standards from the following sources: partially-skimmed milk, skim milk, concentrated partially-skimmed milk, concentrated skim milk, and nonfat dry milk, used alone or in any combination.

"Milk solids-not-fat" is the portion of a milk product that is not water and is not fat as determined by procedures outlined in Standard Methods For The Examination Of Dairy Products (fifteenth edition).

Fluid milk products shall be taken to mean and include cream, sour cream, half and half, reconstituted half and half, concentrated milk, concentrated milk products, skim milk, nonfat milk, chocolate flavored milk, chocolate flavored drink, chocolate flavored reconstituted milk, chocolate flavored reconstituted drink, buttermilk, cultured buttermilk, cultured milk, vitamin D milk, reconstituted or recombined milk, reconstituted cream, reconstituted skim milk, homogenized milk, and any other fluid milk product made by the addition of any substance to milk or to any of the above enumerated fluid milk products, when the same is declared to be a fluid milk product by rule or regulation promulgated by the commissioner.

Goat milk is a whole, fresh, clean lacteal secretion free from colostrum, obtained by the complete milking of one or more healthy goats.

Sec. 2. [EFFECTIVE DATE.]

This act is effective on the first day of the third month after the governor certifies by executive order published in the State Register that all states in which processors licensed in Minnesota sell milk have in effect content requirements identical to those in section 1."

Delete the title and insert:

"A bill for an act relating to agriculture; defining certain kinds of milk; amending Minnesota Statutes 1984, section 32.391, subdivision 1."

With the recommendation that when so amended the bill pass.

The report was adopted.

McDonald from the Committee on Agriculture to which was referred:

H. F. No. 1842, A bill for an act relating to agriculture; removing the liability of persons who buy farm products; repealing the notification and registration system for security interests in farm products; amending Minnesota Statutes 1985 Supplement, section 336.9-307; repealing Laws 1985, chapter 233, sections 1 to 6.

Reported the same back with the following amendments:

Page 2, line 11, delete "*September 1, 1986*" and insert "*on the day following final enactment*"

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. 1865, A bill for an act relating to criminal procedure; providing for in camera hearings on certain evidentiary issues in criminal sexual conduct cases; amending Minnesota Statutes 1984, section 609.347, subdivision 4.

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

The report was adopted.

Schreiber from the Committee on Taxes to which was referred:

H. F. No. 1877, A bill for an act relating to taxation; authorizing the commissioner of revenue to make payments of police and fire aids directly to qualified recipients; clarifying the business license clearance requirements and removing the sunset; changing the dates for payments of property tax credits to the counties; clarifying the use of mortgage registration and deed tax receipts; clarifying the power of the counties to print deed tax stamps; and authorizing the commissioner of public safety to enter into reciprocal fuel tax compacts; amending Minnesota Statutes 1984, sections 69.021, subdivisions 4, 5, 7, and 9; 69.031, subdivision 3; 270.72, subdivisions 1, 2, and 3; 273.1391, subdivision 3; and 296.17, subdivision 6, and by adding a subdivision; and Minnesota Statutes 1985 Supplement, sections 69.031, subdivision 1; 273.136; 287.12; and 287.29, subdivision 1; and Laws 1985, first special session chapter 14, article 11, section 13; re-

pealing Minnesota Statutes 1984, sections 69.031, subdivision 4; and 270.72, subdivision 5.

Reported the same back with the following amendments:

Page 6, line 22, reinstate the stricken "to the"

Page 6, line 23, after the stricken language, insert "*commissioner of revenue*"

Page 7, line 27, after "*taxes*" insert "*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 for himself as a licensee*"

Page 8, after line 7, insert:

"Sec. 10. Minnesota Statutes 1984, section 273.072, subdivision 1, is amended to read:

Subdivision 1. Any county and any city or town lying wholly or partially within the county and constituting a separate assessment district may, by agreement entered into under section 471.59 and approved by the commissioner of revenue, provide for the assessment of property in the municipality or town by the county assessor. Any two or more cities or towns constituting separate assessment districts, whether their assessors are elective or appointive, may enter into an agreement under section 471.59 for the assessment of property in the contracting units by the assessor of one of the units or by an assessor who is jointly employed.

Sec. 11. Minnesota Statutes 1985 Supplement, section 273.124, subdivision 5, is amended to read:

Subd. 5. [CONTINUING CARE FACILITIES.] When a building containing several dwelling units is owned by an entity which is regulated under the provisions of chapter 80D and operating as a continuing care facility enters into residency agreements with persons who occupy a unit in the building and the residency agreement entitles the resident to occupancy in the building after personal assets are exhausted and regardless of ability to pay the monthly maintenance fee, homestead classification shall be given to each unit so occupied and the entire building shall be assessed in the manner provided in subdivision (1) 3 for cooperatives and charitable corporations.

Sec. 12. Minnesota Statutes 1985 Supplement, section 273.124, subdivision 6, is amended to read:

Subd. 6. [LEASEHOLD COOPERATIVES.] When one or more dwellings or one or more buildings which each contain several dwelling units is owned by a nonprofit corporation subject

to the provisions of chapter 317 or a limited partnership which corporation or partnership operates the property in conjunction with a cooperative association, homestead treatment may be claimed for each dwelling unit occupied by a member of the cooperative. To qualify for the treatment provided by this subdivision, the following conditions must be met: (a) the cooperative association must be organized under sections 308.05 to 308.18; (b) the cooperative association must have a lease for occupancy of the property for a term of at least 20 years; (c) the cooperative association must have a right under a written agreement with the owner to purchase the property if the owner proposes to sell it; if the cooperative association does not purchase the property when it is offered for sale, the owner may not subsequently sell the property to another purchaser at a price lower than the price at which it was offered for sale to the cooperative association unless the cooperative association approves the sale; and (d) if a limited partnership owns the property, it must include as the managing general partner either the cooperative association or a nonprofit organization operating under the provisions of chapter 317. Homestead treatment must be afforded to units occupied by members of the cooperative association and the units must be assessed as provided in subdivision (1) 3, provided that any unit not so occupied shall be classified and assessed pursuant to the appropriate class. No more than three acres of land may, for assessment purposes, be included with each dwelling unit that qualifies for homestead treatment under this subdivision.

Sec. 13. Minnesota Statutes 1985 Supplement, section 273.-124, subdivision 8, is amended to read :

Subd. 8. [HOMESTEAD OWNED BY FAMILY FARM CORPORATION OR PARTNERSHIP.] (a) Each family farm corporation and each partnership operating a family farm is entitled to class (1) *1b or class 2a* assessment for one homestead occupied by a shareholder or partner thereof who is residing on the land and actively engaged in farming of the land owned by the corporation or partnership. Homestead treatment applies even if legal title to the property is in the name of the corporation or partnership and not in the name of the person residing on it. "Family farm corporation" and "family farm" have the meanings given in section 500.24.

(b) In addition to property specified in paragraph (a), any other residences owned by corporations or partnerships described in paragraph (a) which are located on agricultural land and occupied as homesteads by shareholders or partners who are actively engaged in farming on behalf of the corporation or partnership must also be assessed as class (1) *1b or class 2a* property, but the property eligible is limited to the residence itself and as much of the land surrounding the homestead, not exceeding one acre, as is reasonably necessary for the use of the dwelling as a home, and does not include any other structures that may be located on it.

Sec. 14. Minnesota Statutes 1985 Supplement, section 273.124, subdivision 9, is amended to read:

Subd. 9. [HOMESTEAD ESTABLISHED AFTER ASSESSMENT DATE.] Any property that was not used for the purpose of a homestead on the assessment date, but which was used for the purpose of a homestead on June 1 of a year, constitutes class 1 *or class 2a* to the extent of one-half of the valuation that would have been includable in class 1 *or class 2a*.

Any taxpayer meeting the requirements of this subdivision must notify the county assessor, or the assessor who has the powers of the county assessor pursuant to section 273.063, in writing, prior to June 15 of the year of occupancy in order to qualify under this subdivision.

The county assessor and the county auditor may make the necessary changes on their assessment and tax records to provide for proper homestead classification as provided in this subdivision.

The owner of any property qualifying under this subdivision, which has not been accorded the benefits of this subdivision, regardless of whether or not the notification has been timely filed, may be entitled to receive homestead classification by proper application as provided in section 270.07 or 375.192.

The county assessor shall publish in a newspaper of general circulation within the county no later than June 1 of each year a notice informing the public of the requirement to file an application for homestead prior to June 15.

Sec. 15. Minnesota Statutes 1985 Supplement, section 273.124, subdivision 10, is amended to read:

Subd. 10. [REAL ESTATE PURCHASED FOR OCCUPANCY AS A HOMESTEAD.] Real estate purchased for occupancy as a homestead must be classified as class 1 *or class 2a* if the purchaser is prevented from obtaining possession on January 2 next following the purchase by reason of federal or state rent control laws or regulations.

Sec. 16. Minnesota Statutes 1985 Supplement, section 273.124, subdivision 11, is amended to read:

Subd. 11. [LIMITATION ON HOMESTEAD CLASSIFICATION.] If the assessor has classified a property as both homestead and nonhomestead, the greater of the value attributable to the portion of the property classified as class 1a, 1b, or 2a or the value of the first tier of assessment percentages provided under section 273.13, subdivision 22, paragraph (a) or (b) or subdivision 23, paragraph (a) is entitled to homestead treatment (,

EXCEPT AS PROVIDED IN SUBDIVISION 26 FOR). *The limitation in this subdivision does not apply to buildings containing fewer than four residential units (AND FOR) or to a single rented or leased dwelling unit located within or attached to a private garage or similar structure owned by the owner of a homestead and located on the premises of that homestead.*

If the assessor has classified a property as both homestead and nonhomestead, the homestead credit provided in section 273.13, subdivisions 22 and 23, and the reductions in tax provided under sections 273.135 and 273.1391 apply to the value of both the homestead and the nonhomestead portions of the property."

Page 11, line 25, delete "16" and insert "23"

Page 11, line 26, delete "1987" and insert "1986"

Page 11, line 27, delete "16" and insert "23"

Page 11, line 28, delete "and 11" and insert "to 18"

Page 11, line 30, delete "12 to 15" and insert "19 to 22"

Page 11, line 31, delete "17 and 18" and insert "24 and 25"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 11, after "compacts;" insert "making technical changes; allowing agreements for joint assessment in certain cases;"

Page 1, line 14, before "273.1391," insert "273.072, subdivision 1;"

Page 1, line 17, before "273.136;" insert "273.124, subdivisions 5, 6, 8, 9, 10, and 11;"

With the recommendation that when so amended the bill pass.

The report was adopted.

McDonald from the Committee on Agriculture to which was referred:

H. F. No. 1883, A bill for an act relating to agriculture; clarifying the exceptions to prohibition against manufacture of food from adulterated milk or cream; amending Minnesota Statutes 1985 Supplement, section 32.21, subdivision 2.

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

The report was adopted.

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

H. F. No. 1912, A bill for an act relating to public administration; providing for various town powers; permitting certain sales of public property; providing conditions for contractor's bonds; amending Minnesota Statutes 1984, sections 366.01, subdivision 1; 367.05, subdivision 1; 367.31, subdivision 4; 471.64, subdivision 1; and 624.44; and Minnesota Statutes 1985 Supplement, sections 365.10; and 574.26.

Reported the same back with the following amendments:

Page 3, line 12, delete "*or otherwise regulate the disposal of sewage,*" and insert "*and disposal of household waste and other refuse, consistent with other law*"

Page 3, line 13, delete "*garbage, and other waste or refuse*"

Pages 3 and 4, delete section 3

Pages 6 and 7, delete section 7

Renumber the sections in order

Amend the title as follows:

Page 1, line 6, delete "367.05, subdivision 1;"

Page 1, line 7, after "subdivision 4;" insert "and"

Page 1, line 7, delete "and 624.44;"

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. 1915, A bill for an act relating to state government; clarifying the definition of "rule" in the administrative procedure act; assigning additional duties to the legislative commission to review administrative rules; amending Minnesota Statutes 1985 Supplement, sections 14.02, subdivision 4; and 14.40.

Reported the same back with the following amendments:

Page 2, after line 12, insert:

“Sec. 2. [14.121] [SUSPENSION OF PROCEDURES.]

When compliance with the rulemaking provisions of the administrative procedure act would result in a denial of funds or services from the United States government that would otherwise be available to the state, upon written request of an agency, the attorney general, by order, may suspend one or more of the rulemaking provisions of the administrative procedure act. The written request must contain a full explanation of the grounds for the request, and a copy of the request must be sent to persons who have requested to be notified of agency rulemaking actions under section 14.14, subdivision 1a, at the time the request is provided to the attorney general. An order must suspend the minimum number of portions of the administrative procedure act for the minimum time necessary to avoid a denial of federal funds or services. The attorney general must issue an order terminating the suspension as soon as the suspension is no longer necessary to prevent the loss of funds or services from the United States government. The issuance of an order under this section is not subject to chapter 14, except as specifically provided in this section.

Before issuing an order suspending provisions of the administrative procedure act, the attorney general must notify the legislative commission to review administrative rules. The notification must include any comments received from members of the public. If any of the rulemaking provisions of the administrative procedure act are suspended under this section, the attorney general shall promptly publish the order of suspension in the state register and report the suspension to the legislative commission to review administrative rules.

Any suspension issued under this section shall apply only to the agency requesting the suspension and only to the rules required to be adopted, amended, suspended, or repealed. An agency that receives a suspension order or an order terminating a suspension from the attorney general must immediately publish notice of the suspended or reinstated portions of the administrative procedure act in the state register and give immediate notice to all persons whose names are registered with the agency to receive rulemaking notices.”

Page 3, line 20, delete “publish” and insert “submit” and delete “in” and insert “to”

Page 3, line 26, delete “publish” and insert “submit”

Page 3, line 27, delete “in” and insert “to”

Renumber the sections accordingly

Amend the title as follows :

Page 1, line 7, after "14.40" insert " ; proposing coding for new law in Minnesota Statutes, chapter 14"

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. 1947, A bill for an act relating to solid waste; prohibiting the pollution control agency from issuing solid waste processing permits to certain facilities; amending Minnesota Statutes 1984, section 116.07, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, delete lines 10 to 13, and insert :

"Subd. 4j. [PERMITS; TRANSFER STATIONS.] The agency may not issue a permit for a new solid waste transfer station within one-quarter mile of a food warehousing or a major food processing facility, unless the owner of the warehousing or processing facility consents."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2023, A bill for an act relating to elections; changing certain procedures in absentee voting; increasing minimum number of election judges in certain precincts; changing certain official ballots for judicial candidates; requiring vendor bonds for certain voting systems; requiring public notice and demonstration for new voting equipment; authorizing standard ballot format; limiting number of ballots at single counting centers; amending Minnesota Statutes 1984, sections 203B.08, subdivisions 1a and 3a; 204B.22, by adding a subdivision; 204B.36, subdivision 4; 204D.14, subdivision 2; 206.56, by adding a subdivision; 206.57, by adding a subdivision; 206.58, subdivision 1; 206.82, by adding a subdivision; 206.84, subdivision 3; and 206.85, subdivision 2.

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

The report was adopted.

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

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

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 202A.14, subdivision 1, is amended to read:

Subdivision 1. [TIME AND MANNER OF HOLDING; POSTPONEMENT.] At 8:00 p.m. on the third Tuesday in March in every state general election year there shall be held for every election precinct a party caucus in the manner provided in sections 202A.14 to 202A.19, *except that in the event of severe weather a major political party may request the secretary of state to postpone caucuses. After consultation with all major political parties and on the advice of the federal weather bureau and the department of transportation the secretary of state may declare precinct caucuses to be postponed for a week in counties where weather makes travel especially dangerous. The secretary of state shall submit a notice of the postponement to news media covering the affected counties by six o'clock p.m. on the scheduled day of the caucus. A postponed caucus may also be postponed pursuant to this subdivision.*

Sec. 2. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2075, A bill for an act relating to elections; recodifying and clarifying the laws on election contests; amending Minnesota Statutes 1984, sections 209.01; 209.02; 209.03; 209.-

05; 209.06; 209.07; 209.09; 209.10; and 209.12; proposing coding for new law in Minnesota Statutes, chapter 209; repealing Minnesota Statutes 1984, sections 209.02, subdivisions 2, 3, 4, 4a, 5, 6, 7, and 8; 209.04; and 209.11.

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

The report was adopted.

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

H. F. No. 2095. A bill for an act relating to economic development; rural development; establishing a mineral resources program; establishing a community development division in the department of energy and economic development; transferring the independent wastewater treatment grant program from the pollution control agency to the department of energy and economic development; establishing the rural development council; establishing the rural development revolving fund program; establishing the state supplemental education grant program; adding criteria for allocation of private activity bonds and available insurance authority; appropriating money; amending Minnesota Statutes 1984, sections 116.16, subdivision 5; 116J.61; 116J.873, subdivision 1; and 462.384, subdivision 7; Minnesota Statutes 1985 Supplement, sections 116.16, subdivision 2; 116M.06, subdivision 3; 474.19, subdivisions 3 and 4; proposing coding for new law in Minnesota Statutes, chapters 84, 116J, and 136A; and repealing Minnesota Statutes 1985 Supplement, sections 116.18, subdivision 3a; 116J.951; 116J.955; 116J.961; and 116J.965.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [84.95] [MINERAL RESOURCES PROGRAM.]

Subdivision 1. [FINDINGS.] The legislature finds that there has been a disinvestment in mineral and timber resources of the state. To provide a diversified economic base in the state, it is necessary to stimulate investment in the state's natural resources. Mineral exploration by the private sector must be encouraged and assisted. The long-term health of the state will be aided by a diverse state economy that includes productive natural resource industries. A forestry management plan is already mandated. The great benefits from the state's mineral resources will not be realized without state stimulation of investment, which can be achieved through a program coordinated by the department of natural resources to accelerate geologic mapping and mineral deposit evaluation and to provide analytical support

to the mineral and timber industries. This participation by the state will lead to active participation by private industry in healthy Minnesota timber and mineral resources industries.

Subd. 2. [PROGRAM.] The commissioner of natural resources shall coordinate a program, in cooperation with the Minnesota geological survey, the Minnesota Resources Research Center, the Natural Resources Research Institute, and other available facilities, to:

- (1) accelerate geological mapping of the state;*
- (2) accelerate evaluation of the state's mineral potential and other natural resources; and*
- (3) provide analytical support for participants in the mineral industry.*

Sec. 2. Minnesota Statutes 1985 Supplement, section 116.16, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] In this section and sections 116.17 and 116.18:

- (1) Agency means the Minnesota pollution control agency created by this chapter;**
- (2) Municipality means any county, city, and town, the metropolitan waste control commission established in chapter 473 and the metropolitan council when acting under the provisions of that chapter or an Indian tribe or an authorized Indian tribal organization, and any other governmental subdivision of the state responsible by law for the prevention, control, and abatement of water pollution in any area of the state;**
- (3) Pollution control fund means the Minnesota state water pollution control fund created by subdivision 1;**
- (4) Bond account means the Minnesota state water pollution control bond account created in the state bond fund by section 116.17, subdivision 4;**
- (5) Terms defined in section 115.01 have the meanings therein given them;**
- (6) The eligible cost of any municipal project, except as otherwise provided in clauses (7) and (8), includes (a) preliminary planning to determine the economic, engineering, and environmental feasibility of the project; (b) engineering, architectural, legal, fiscal, economic, sociological, project administrative costs of the agency and the municipality, and other investigations and studies; (c) surveys, designs, plans, working drawings,**

specifications, procedures, and other actions necessary to the planning, design, and construction of the project; (d) erection, building, acquisition, alteration, remodeling, improvement, and extension of disposal systems; (e) inspection and supervision of construction; and (f) all other expenses of the kinds enumerated in section 475.65.

(7) For state (INDEPENDENT GRANT AND) matching grant purposes hereunder, the eligible cost for grant applicants shall be the eligible cost as determined by the United States environmental protection agency under the Federal Water Pollution Control Act, as amended, United States Code, title 33, section 1314, et seq.

((8) NOTWITHSTANDING CLAUSE (7), FOR STATE GRANTS UNDER THE STATE INDEPENDENT GRANTS PROGRAM, THE ELIGIBLE COST INCLUDES THE ACQUISITION OF LAND FOR STABILIZATION PONDS, THE CONSTRUCTION OF COLLECTOR SEWERS FOR TOTALLY UNSEWERED STATUTORY AND HOME RULE CHARTER CITIES AND TOWNS DESCRIBED UNDER SECTION 368.01, SUBDIVISION 1 OR 1A, THAT ARE IN EXISTENCE ON JANUARY 1, 1985, AND THE PROVISION OF RESERVE CAPACITY SUFFICIENT TO SERVE THE REASONABLE NEEDS OF THE MUNICIPALITY FOR 20 YEARS IN THE CASE OF TREATMENT WORKS AND 40 YEARS IN THE CASE OF SEWER SYSTEMS. NOTWITHSTANDING CLAUSE (7), FOR STATE GRANTS UNDER THE STATE INDEPENDENT GRANTS PROGRAM, THE ELIGIBLE COST DOES NOT INCLUDE THE PROVISION OF SERVICE TO SEASONAL HOMES, OR COST INCREASES FROM CONTINGENCIES THAT EXCEED THREE PERCENT OF AS-BID COSTS OR COST INCREASES FROM UNANTICIPATED SITE CONDITIONS THAT EXCEED AN ADDITIONAL TWO PERCENT OF AS-BID COSTS.)

Sec. 3. Minnesota Statutes 1984, section 116.16, subdivision 5, is amended to read:

Subd. 5. [RULES.] ((A)) The agency shall promulgate permanent rules and may promulgate emergency rules for the administration of grants and loans authorized to be made from the fund or from federal funds under the Federal Water Pollution Control Act, as amended, which rules, however, shall not be applicable to the issuance of bonds by the commissioner of finance as provided in section 116.17. The rules shall contain as a minimum:

- (1) procedures for application by municipalities;
- (2) conditions for the administration of the grant or loan;
- (3) criteria for the ranking of projects in order of priority for grants or loans, based on factors including the extent and

nature of pollution, technological feasibility, assurance of proper operation, maintenance and replacement, and participation in multi-municipal systems; and

(4) such other matters as the agency and the director find necessary to the proper administration of the grant program.

((B) EXCEPT AS OTHERWISE PROVIDED IN SECTIONS 116.16 TO 116.18, THE RULES FOR THE ADMINISTRATION OF STATE INDEPENDENT GRANTS MUST COMPLY, TO THE EXTENT PRACTICABLE, WITH PROVISIONS RELATING DIRECTLY TO PROTECTION OF THE ENVIRONMENT CONTAINED IN THE FEDERAL WATER POLLUTION CONTROL ACT, AS AMENDED, AND REGULATIONS AND GUIDELINES OF THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY PROMULGATED UNDER THE ACT, EXCEPT PROVISIONS REGARDING ALLOCATION CONTAINED IN SECTION 205 OF THE ACT AND REGULATIONS AND GUIDELINES PROMULGATED UNDER SECTION 205 OF THE ACT. THIS PROVISION DOES NOT REQUIRE APPROVAL FROM FEDERAL AGENCIES FOR THE ISSUANCE OF GRANTS OR FOR THE CONSTRUCTION OF PROJECTS UNDER THE STATE INDEPENDENT GRANTS PROGRAM.)

Sec. 4. [116K.15] [INDEPENDENT WASTEWATER TREATMENT GRANTS.]

Subdivision 1. [AMOUNTS.] The state planning agency may award independent grants to municipalities for projects for 50 percent or, if the pollution control agency requires advanced treatment, 65 percent of the eligible cost of construction of wastewater treatment facilities. The agency may award independent grants for up to an additional 30 percent or, if the pollution control agency requires advanced treatment, up to an additional 25 percent of the eligible cost of construction to municipalities for which the construction would otherwise impose significant financial hardship. The amounts of the additional grants must be based on per connection capital cost, median household income, and per capita adjusted assessed valuation. For grants made under this section, the eligible cost is as determined by the United States Environmental Protection Agency under the Federal Water Pollution Control Act, as amended, United States Code, title 33, section 1314, et seq., except that eligible cost also includes the acquisition of land for stabilization ponds and the provision of reserve capacity sufficient to serve the reasonable needs of the municipality for 20 years in the case of treatment works and 40 years in the case of sewer systems. The eligible cost does not include the provision of collector sewers as defined in pollution control agency rules, the provision of service to seasonal homes, or cost increases from contingencies that exceed three percent of as-bid costs or cost increases from unanticipated site conditions that exceed an addi-

tional two percent of as-bid costs. These grants may be awarded in separate steps for planning and design in addition to actual construction. Until December 31, 1990, not more than 20 percent of the total amount of grants awarded under this subdivision in any single fiscal year may be awarded to a single grantee.

Subd. 2. [RULES.] The agency shall make rules for the administration of grants under this section. The rules must contain:

- (1) procedures for application by municipalities;
- (2) conditions for the administration of the grant; and

(3) criteria for the ranking of projects in order of priority for grants, based on factors including the impact on economic development, the extent and nature of pollution, technological feasibility, assurance of proper operation, maintenance and replacement, and participation in multimunicipal systems.

Except as otherwise provided, the rules for the administration of state independent grants must comply, to the extent practicable, with provisions relating directly to protection of the environment contained in the federal Water Pollution Control Act, as amended, and regulations and guidelines of the United States Environmental Protection Agency promulgated under the act, except provisions regarding allocation contained in section 205 of the act and regulations and guidelines promulgated under section 205 of the act. This provision does not require approval from federal agencies for the issuance of grants or for the construction of projects under the state independent grants program.

Subd. 3. [FURTHERANCE OF ECONOMIC DEVELOPMENT.] Up to ten percent of the money to be awarded as grants under this section in any single fiscal year must be set aside for municipalities having substantial economic development projects that cannot come to fruition without municipal wastewater treatment improvements.

Subd. 4. [REIMBURSEMENT GRANTS.] Grants may also be awarded under this subdivision to reimburse municipalities willing to proceed with projects and be reimbursed in a subsequent year conditioned upon appropriation of sufficient money under subdivision 1 for that year. The maximum amount of the reimbursement the agency may commit in any single fiscal year is equal to the amount newly appropriated to the state grants programs for that year.

Sec. 5. [116N.01] [CITATION.]

Sections 6 to 16 may be cited as the "greater Minnesota corporation act."

Sec. 6. [116N.02] [LEGISLATIVE FINDINGS AND PURPOSE.]

The legislature finds that an economic crisis exists in portions of Minnesota that is threatening the economic health of the entire state. Unemployment caused by the decline of major industries is inflicting great hardship on individuals, destroying communities, and straining the financial resources of the entire state.

The legislature further finds that the most appropriate means to confront the economic crisis is to establish a public corporation with a board of directors consisting of statewide leaders representing business, finance, government, education, and labor that has broad authority to promote economic recovery in distressed areas and to provide incentives for manufacturing and industrial enterprises to locate in these areas.

The legislature further finds that the establishment of a greater Minnesota fund for use by the corporation to accomplish its objectives is necessary to achieve economic recovery for all of Minnesota.

Sec. 7. [116N.03] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to chapter 116N.

Subd. 2. [BOARD.] "Board" means the board of directors of the greater Minnesota corporation.

Subd. 3. [CORPORATION.] "Corporation" means the greater Minnesota corporation established by section 8.

Subd. 4. [ECONOMIC ASSISTANCE AREA.] "Economic assistance area" means an area composed of each county or standard metropolitan statistical area which meets one of the following conditions:

(1) it has an average unemployment of 8.5 percent for the one-year period ending December 31, 1985, or ending on December 31 of the calendar year immediately preceding the year the designation is made; or

(2) 20 percent or more of its economy, as determined by the commissioner of agriculture, is dependent upon agriculture; or

(3) it contains an enterprise zone designated pursuant to section 273.1312, subdivision 4, paragraph (c), clause (3).

Subd. 5. [FUND.] "Fund" means the greater Minnesota fund established by section 13.

Subd. 6. [PROJECT.] *"Project" means any undertaking involving real or personal property connected with or a part of an industrial, distribution, manufacturing, or research facility that is to be acquired, constructed, improved, or equipped with assistance furnished under the authority of sections 6 to 16, or any combination of them.*

Sec. 8. [116N.04] [CORPORATION CREATED; BOARD OF DIRECTORS; PURPOSE AND DUTY.]

Subdivision 1. [CREATION; NAME.] *The greater Minnesota corporation, a public corporation and political subdivision of the state of Minnesota, is created. The corporation is not a state agency under chapters 14, 15, or for any other purpose. All business of the corporation must be conducted under its name.*

Subd. 2. [BOARD OF DIRECTORS.] *The corporation is governed by a board of 15 directors who shall be unanimously appointed by the governor, the speaker of the house of representatives, and the senate majority leader. Terms and removal of members of the board are as provided in section 15.059. One director must be appointed from each of the state's congressional districts. Directors shall serve without compensation but shall receive their necessary and actual expenses while engaged in the business of the corporation. Directors shall be considered public officials for the purposes of section 10A.07.*

Subd. 3. [PURPOSE AND DUTIES.] *It is the purpose and duty of the corporation to promote economic development in the economic assistance area to provide incentives for the expansion of existing and location of new manufacturing, research, distribution, and industrial facilities within the economic assistance area by the means provided under sections 6 to 16.*

Subd. 4. [ARTICLES AND BYLAWS.] *The board of directors shall adopt articles of incorporation and bylaws necessary for the conduct of the business of the corporation, consistent with the provisions of this chapter.*

Subd. 5. [PLACES OF BUSINESS.] *The board shall locate and maintain the corporation's places of business within the state.*

Subd. 6. [MEETINGS AND ACTIONS OF THE BOARD.] *The board shall meet at least twice a year and may hold additional meetings upon giving whatever notice the bylaws of the corporation might provide. Board meetings are not subject to the provisions of section 471.705.*

Sec. 9. [116N.05] [CORPORATE PERSONNEL.]

Subdivision 1. [GENERALLY.] *The board shall appoint and set the compensation for a president and may appoint sub-*

ordinate officers. The president's salary may not exceed 95 percent of the governor's salary. The board may designate the president as its general agent. Subject to the control of the board, the president shall employ employees and agents as the president deems necessary. The board shall define the duties and designate the titles of the employees and agents.

Subd. 2. [STATUS OF EMPLOYEES.] Employees, officers, and directors of the corporation are not state employees, but, at the option of the board, may participate in the state retirement plan for employees in the unclassified service.

Sec. 10. [116N.06] [CORPORATE POWERS.]

The corporation shall have all powers necessary to accomplish the purposes of sections 6 to 16 within the economic assistance area, including, but not limited to, the power:

(1) to incorporate as and exercise the powers of a nonprofit corporation pursuant to chapter 317 in a manner consistent with the provisions of sections 6 to 16;

(2) to make and alter bylaws for its organization and internal management and, subject to agreements with noteholders or bondholders, to make rules and regulations with respect to its projects, operations, properties, and facilities;

(3) to make and execute contracts with any private or public entity, including joint power agreements pursuant to section 471.59;

(4) to hire employees, prescribe their duties and qualifications, fix their compensation, and engage the services of legal, financial, technical, and other professionals;

(5) to acquire or contract to acquire from any person, firm, corporation, municipality, federal or state agency, by grant, purchase, condemnation or otherwise, leaseholds, or any interest in real, personal, or mixed property; to own, hold, clear, improve, and rehabilitate, and to sell, assign, exchange, transfer, convey, lease, mortgage, or otherwise dispose of or encumber the property;

(6) to acquire, construct, reconstruct, rehabilitate, improve, alter, repair, or provide for the construction, reconstruction, improvement, alteration, or repair of any project;

(7) to sell, lease, assign, transfer, convey, exchange, mortgage, or otherwise dispose of or encumber any project, and in the case of the sale of any project, to accept a purchase money mortgage in connection with it; and to lease, repurchase, or otherwise acquire and hold any project which the corporation

has before sold, leased, or otherwise conveyed, transferred, or disposed of;

(8) to grant options to purchase any project or to renew any leases entered into by it in connection with any of its projects, on the terms and conditions it may deem advisable;

(9) to lend money, whether secured or unsecured, make grants, purchase, sell, or pledge shares, bonds, or other obligations, or securities, and provide and commit to provide mortgage insurance on terms and conditions the corporation may deem advisable;

(10) to make mortgage loans, including temporary loans or advances, and to undertake commitments for them. Such a commitment or mortgage, or bonds or notes secured by them may contain terms and conditions consistent with sections 6 to 16 as the corporation deems necessary or desirable to secure repayment of its loan, the interest, if any, on it and other charges in connection with it;

(11) subject to the provisions of any contract with note-holders or bondholders, to consent to the modification, with respect to rate of interest, time of payment of any installment of principal or interest, security, or any other term of any mortgage, mortgage loan, mortgage loan commitment, contract, or agreement of any kind to which the corporation is a party;

(12) in connection with any property on which it has made a mortgage loan, to foreclose on the property or commence any action to protect or enforce any right conferred upon it by any law, mortgage, contract, or other agreement, and to bid for and purchase the property at any foreclosure or other sale, or acquire or take possession of the property; and then complete, administer, pay the principal of and interest on any obligations incurred in connection with the property, dispose of, and otherwise deal with the property, as desirable to protect the interests of the corporation in it;

(13) to borrow money, to issue its negotiable bonds and notes, and to provide for the rights of their holders pursuant to section 11;

(14) to contract for and to accept any gifts or grants or loans of funds or property or financial or other aid in any form from the federal government or any agency or instrumentality of it, or from the state or any agency or instrumentality of it, or from any other source, and to comply, subject to sections 6 to 16, with their terms and conditions;

(15) to provide advisory, consultative, training and educational services, technical assistance, and advice to any person,

firm, partnership, or corporation, either public or private, in order to carry out the purposes of sections 6 to 16;

(16) to pay directly to any municipality or to any political subdivision of the state or to the state any taxes, fees, or other charges of any nature that are related to the project and payable by the owner or lessor of the project;

(17) to do any and all things necessary or convenient to carry out its purposes and exercise the powers given and granted in sections 6 to 16.

Sec. 11. [116N.07] [BONDS OR NOTES OF THE CORPORATION.]

In anticipation of the receipt by the corporation of payments, appropriations, rents and profits, and of income from any source and for the purpose of securing funds as needed by the corporation for purposes authorized by sections 6 to 16, the corporation may issue its bonds or notes or bonds or notes on behalf of the state. The bonds or notes shall be in the amount and form and bear interest at the rate the board of directors shall prescribe. They shall be sold by the corporation to the highest bidder after notice of the time and the place for the receiving of the bids has been published once at least two weeks prior to the date of receiving bids, or at private sale. The bonds shall have dates, denominations, maturities, places of payment, forms, and details as determined by the board of directors. Neither the full faith and credit nor taxing power of the state shall be pledged to any bonds or notes issued under sections 6 to 16.

As security for the payment of the principal of and interest on any bonds issued and any agreements made in connection with them, the corporation shall have the power to mortgage and pledge any or all of its projects, whether owned then or acquired thereafter, and to pledge the revenues and receipts from them or from any of them, and to assign or pledge the lease or leases on any portion or all of the projects and to assign or pledge the income received by virtue of the lease or leases.

Sec. 12. [116N.08] [INTEREST REDUCTION ASSISTANCE.]

To accomplish the purposes of sections 6 to 16, the corporation may:

(1) pay in periodic payments or in a lump sum payment any or all of the interest on loans made pursuant to section 10, clauses (9) and (10);

(2) pay any or all of the interest on bonds issued pursuant to sections 10, clause (13), and 11, or chapter 474; or

(3) pay in periodic payments or in a lump sum payment any or all of the interest on loans made by private lenders.

Sec. 13. [116N.09] [GREATER MINNESOTA FUND.]

Subdivision 1. [CREATION OF FUND.] The greater Minnesota fund is created and shall be administered by the corporation. All money in the fund is appropriated to the corporation to accomplish the corporation's purposes. The corporation may use amounts on deposit in the fund or in separate accounts created therein in furtherance of its purpose and duty and in exercise of the powers granted to it pursuant to sections 6 to 16. The corporation may use the powers granted in sections 6 to 16 and up to 25 percent of any funds deposited in the fund to provide economic assistance pursuant to sections 6 to 16 in any county adjacent to a county contained in the economic assistance area, excluding metropolitan counties as defined in section 473.121, subdivision 4. No portion of the fund may be used for any project the objective of which is to increase tourism or construct recreation facilities. A disbursement from the greater Minnesota fund for a project may be made if the corporation finds that:

(a) the project is economically sound and will increase opportunities for employment and strengthen the economy of the county in which the project is to be located;

(b) the project will not result in encouraging or subsidizing a business already located in Minnesota to move its operations from its current Minnesota location to an economic assistance area;

(c) the proposed borrower or grantee is not likely to undertake the proposed project within the economic assistance area without assistance from the corporation;

(d) the amount to be made available by the corporation will not exceed 50 percent of the total amount of capital investment in the project, which total capital investment shall not be less than \$500,000.

Fees, charges, rates of interest, times of payment of interest and principal, security, and other terms, conditions, and provisions of the loans made by the corporation shall be as the corporation determines appropriate and in furtherance of the purpose for which the loans are made. The funds used in making loans shall be disbursed upon order of the board of directors. Proceeds of the corporation's bonds, notes, and other obligations; amounts granted or appropriated to the corporation; income from investment; money in the greater Minnesota fund; and all revenues from loans, fees, and charges of the corporation including rentals, royalties, dividends, or other proceeds are annually appropriated to the corporation for the accomplishment of its

corporate purposes and shall be expended, administered, and accounted for in accordance with the applicable provisions of all bond and note resolutions, indentures, and other instruments, contracts, and agreements of the corporation. Notwithstanding section 16A.28, these appropriations are available until expended.

Subd. 2. [REPEAL OF FUND.] *The greater Minnesota fund shall remain in existence until June 1, 1990, at which time all unencumbered assets of the fund shall be deposited in the general fund of the state.*

Sec. 14. [116N.10] [ACTIVITIES.]

Subdivision 1. [GRANTS.] *Pursuant to the powers granted to the corporation under section 10, the corporation may make matching grants for applied research and development to any campus of the University of Minnesota, a state university, a community college, a Minnesota private college or university, or an area vocational technical institute.*

Subd. 2. [LOANS.] *Pursuant to the powers granted to the corporation under section 10, the corporation may make loans to corporations, partnerships, sole proprietorships, or other business entities for the purpose of promoting development in the state of new products, or processes with potential commercial value.*

Sec. 15. [116N.11] [AUDITS.]

The board shall contract with a certified public accounting firm to audit the corporation and any subsidiary annually in accordance with generally accepted accounting standards.

Sec. 16. [116N.12] [REPORTS.]

The corporation shall report to the legislature and the governor on its activities by January 1 of each year. The report must include, at least, a description of projects supported by the fund, an account of all loans and grants made by the fund during the calendar year, the source and amount of all money collected and distributed by the fund, the fund's assets and liabilities, and an explanation of administrative expenses. Reports must be made to the legislature as required by section 3.195.

Sec. 17. [136A.125] [SUPPLEMENTAL GRANTS TO DISPLACED RURAL WORKERS.]

Subdivision 1. [PROGRAM; ELIGIBILITY.] *The higher education coordinating board with the assistance of the commissioner of jobs and training shall establish and administer the state supplemental education grant program to assist displaced workers in rural Minnesota areas in paying the costs of attending public post-secondary educational institutions. Only Minnesota*

residents who are enrolled in adult farm management programs or enrolled in a program designed to train people for employment are eligible to apply for grants under this section. Applicants shall demonstrate financial need in accordance with policies and procedures established by the board. In developing eligibility policies, the board shall consider criteria for participation in state and federal programs designed to serve economically dislocated workers. The board shall develop policies and procedures for the administration of grants, including the allocation of funds to eligible institutions in accordance with section 136A.101. The development of policies and procedures in accordance with this subdivision is not covered by chapter 14.

Subd. 2. [PART-TIME GRANTS.] Displaced workers in rural Minnesota areas are eligible to be considered for a part-time grant under section 136A.132. In awarding grants during the 1985-1987 biennium, participating post-secondary institutions shall consider the needs of displaced rural workers.

Subd. 3. [PUBLIC INFORMATION.] The board shall provide information to displaced workers in rural areas about post-secondary education opportunities and financial assistance to help them pay for their education, including existing state and federal programs and the state supplemental education grant program. The board shall develop and communicate the information in cooperation with the department of jobs and training, financial aid administrators, the agriculture extension service, and representatives of public and private post-secondary education institutions.

Sec. 18. [SUPPLEMENTAL EDUCATIONAL GRANT PROGRAM FUNDING.]

Up to \$250,000 is available for the state supplemental education grant program established in section 17 from the appropriation in Laws 1985, First Special Session chapter 11, section 3, subdivision 3, for the fiscal year ending June 30, 1987.

Sec. 19. [APPROPRIATION.]

Subdivision 1. [MINERAL RESOURCES PLAN.] \$..... is appropriated from the general fund to the commissioner of natural resources for implementation of section 1, to be available until June 30, 1987.

Subd. 2. [FORESTRY MANAGEMENT.] \$..... is appropriated from the general fund to the commissioner of natural resources for implementation of the forestry management plan required in Minnesota Statutes, section 89.011, and for contracts with counties or groups of counties for county forestry assistance programs, to be available until June 30, 1987.

Sec. 20. [APPROPRIATION.]

\$ is appropriated from the rural rehabilitation revolving fund to the higher education coordinating board for the state supplemental education grant program established in section 17, to be available until expended.

Sec. 21. [APPROPRIATION.]

\$ is appropriated from the rural rehabilitation revolving fund to the greater Minnesota corporation created under section 8. An amount not to exceed \$ may be used in any fiscal year for operating and other expenses of the corporation that are not directly chargeable to any project.

Sec. 22. [REPEALER.]

Minnesota Statutes 1985 Supplement, section 116.18, subdivision 3a, is repealed.

Sec. 23. [EFFECTIVE DATE.]

Sections 1 to 16 are effective the day after final enactment."

Delete the title and insert:

"A bill for an act relating to economic development; rural development; establishing a mineral resources program; providing for time of lease payments for lease of department of natural resources lands; creating a public corporation to promote economic development; providing bonding and other powers to the corporation; establishing the greater Minnesota fund program; establishing the state supplemental education grant program; transferring the independent wastewater treatment grants program to the state planning agency; appropriating money; amending Minnesota Statutes 1984, section 116.16, subdivision 5; Minnesota Statutes 1985 Supplement, section 116.16, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 84; 116K; and 136A; proposing coding for new law as Minnesota Statutes, chapter 116N; repealing Minnesota Statutes 1985 Supplement, section 116.18, subdivision 3a."

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

The report was adopted.

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

H. F. No. 2100, A bill for an act relating to agriculture; state agricultural society; removing the time and geographical restric-

tions on the society's ability to impose certain restrictions on performers at the state fairgrounds; amending Minnesota Statutes 1985 Supplement, section 37.17, subdivision 1.

Reported the same back with the following amendments:

Page 1, after line 22, insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

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. 2123, A bill for an act relating to the city of Bloomington; authorizing the city to impose certain taxes; exempting certain assessed valuation within the city from metropolitan revenue distribution; permitting the city to establish a special taxing district; authorizing the port authority of the city to pledge certain tax revenues to pay certain bonds and permitting it to develop leased land; authorizing development in accordance with the Generic EIS and Generic Indirect Source Permit.

Reported the same back with the following amendments:

Page 1, line 16, delete "*and operation*"

Page 2, line 26, after the comma insert "*but not including direct subsidies to private interests,*"

Page 5, line 13, delete "*and operation*"

Page 5, line 16, after the second "*services*" insert "*, so long as they directly fulfill the requirements of a public purpose as declared in section 1,*"

Page 7, line 24, after the first "*and*" insert "*public*"

Page 7, line 36, after the comma insert "*to directly carry out only the public purpose as declared in section 1,*"

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

The report was adopted.

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

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.

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

The report was adopted.

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

H. F. No. 1766, A bill for an act relating to government in this state; providing for its financing, structure, and components; making and reducing appropriations for the general legislative, judicial, and administrative expenses of state government with certain conditions; providing for the transfer of certain money in the state treasury; creating, modifying, transferring, and abolishing agencies, boards, and functions; adjusting complements; creating certain funds and changing others; providing for farm relief; making cash flow changes and budget adjustments; setting and adjusting certain aid and mill rate amounts; providing for community emergency response hazardous substance protection; amending Minnesota Statutes 1984, sections 15.01; 15.057; 16A.72; 16B.20, subdivision 1; 16B.50; 17.717, subdivision 6; 25.39, subdivision 4; 41.57, by adding a subdivision; 41A.02, subdivision 15; 41A.05, subdivision 4; 41A.06, subdivision 2; 46.041, subdivision 1; 46.131, subdivision 10; 47.54, subdivision 1; 51A.51, subdivisions 1, 2, 3, and 3a; 52.06, subdivision 1; 53.03, subdivision 6; 56.02; 60A.03, subdivision 6; 60A.14, subdivision 1; 60A.23, subdivision 7; 62E.52, subdivisions 2 and 3; 62E.53, subdivisions 1 and 2; 62E.531, subdivision 2; 79.251, subdivision 1; 84.01, subdivision 3; 84.028, subdivision 3; 84.082; 84.086; 84.54; 85.016; 97.41, subdivision 2; 104.35, subdivisions 2 and 3; 105.40, subdivisions 1 and 2; 112.36, by adding a subdivision; 115A.15, subdivision 5; 115A.912, subdivision 2, and by adding a subdivision; 115B.20, subdivisions 5 and 6; 116.07, by adding a subdivision; 116C.24, subdivision 2a; 116C.25; 116J.01, subdivision 3; 116J.16, subdivisions 1, 2, 4, 5, 6, 7, and 8; 116J.29; 116J.36, subdivision 10; 116J.37, subdivision 6; 116J.401; 116J.402; 116J.403; 116J.404; 116J.405; 116J.406, subdivisions 2, 3, 4, and 5; 116J.58, subdivisions 2 and 3; 116J.60; 116J.63; 116J.66; 116J.68, subdivision 2; 116J.74, subdivision 5; 116J.80, subdivision 6; 116J.873, subdivision 4; 116M.03, subdivision 2, and by adding a subdivision; 116M.05, subdivision 1; 116M.06, subdivisions 4, 7, 8, and 10; 116M.07, subdivision 12; 116M.08, subdivisions 2, 3, 4, 5, 6, 7, 8, 9, 10, 17, 19, 20, and 21; 116M.12, subdivision 6; 121.901, subdivision 2;

124.32, subdivision 1c; 124A.02, subdivision 15; 129B.02, as amended; 129B.04, subdivisions 1a and 2; 129B.041, subdivisions 1 and 4; 129B.05, subdivision 2; 129B.43; 136.14; 136C.07, by adding a subdivision; 136C.13, by adding a subdivision; 136C.35; 138.65; 144.68; 144.69; 160.265, subdivision 1; 161.1419, subdivision 8; 168.67; 169.871, subdivision 5; 176.183, subdivisions 1 and 1a; 176.603; 176.611, subdivision 2; 197.23, subdivision 2; 197.481, by adding subdivisions; 216B.243, subdivision 6; 216B.62, subdivisions 2 and 3; 237.295, subdivisions 1 and 2; 239.10; 240.16, subdivision 5; 256B.042, subdivisions 2 and 3, and by adding subdivisions; 256B.37, by adding a subdivision; 270.067, subdivision 5; 271.01, subdivision 1, and by adding a subdivision; 273.1312, subdivision 1; 273.1314, subdivisions 1 and 16; 273.74, subdivision 5; 290.069, subdivision 1; 296.13; 299D.03, subdivision 5; 301A.07, subdivision 1; 325F.19, subdivision 3; 325F.24, subdivision 3; 326.334, subdivision 7; 349.52, subdivisions 2 and 3; 362A.06; 364.09; 462.384, subdivision 7; 462A.04, subdivisions 1 and 4; 462A.05, subdivisions 15B, 21, and 23; 465.74, subdivisions 1, 4, and 6; 471.992; 471.996; 471.997; 471.9975; 473.448; 480.242, by adding a subdivision; Minnesota Statutes 1985 Supplement, sections 15A.081, subdivision 8; 41A.03, subdivision 2; 41A.04, subdivision 4; 41A.05, subdivisions 1, 2, 3, and 5; 41A.06, subdivision 5; 53.03, subdivision 1; 92.35; 92.36; 110B.02, by adding a subdivision; 110B.08, subdivision 5; 110B.10, subdivision 1; 116J.58, subdivision 4; 116J.951, subdivision 2; 116J.961, subdivisions 1 and 8; 116M.03, subdivision 17; 116M.04, subdivision 8a; 116M.06, subdivision 2; 116M.08, subdivisions 1, 14, and 15; 116M.11, subdivision 1; 116M.12, subdivisions 3 and 4; 124.225, subdivision 7b; 124.245, subdivision 1; 124A.02, subdivision 9; 124A.03, subdivision 1a; 129C.10, subdivision 5; 136C.06; 144.8093, by adding a subdivision; 173.085, subdivision 1; 256.01, subdivisions 2 and 4; 256.74, subdivision 1; 256B.06, subdivision 1; 256B.48, subdivision 6; 256C.26; 256D.03, subdivision 4; 256D.05, subdivision 1; 256D.051, subdivisions 4, 5, 6, and by adding a subdivision; 256D.101, subdivisions 1, 2, and by adding a subdivision; 256D.37, subdivision 1; 268.0122, subdivisions 2, 3, and by adding a subdivision; 268.36; 268.673, subdivision 5; 268.6751, subdivisions 1 and 2; 268.871, subdivision 1; 270A.07, subdivision 1; 273.1314, subdivision 9; 273.74, subdivision 2; 297A.257, subdivisions 1 and 3; 298.28, subdivision 1; 326.241, subdivision 3; 326.244, subdivision 2; 340A.904, subdivision 2; 472.03, subdivision 9, and by adding a subdivision; 472.11, subdivisions 3 and 9; and 472.13; Laws 1979, chapter 280, section 2, as amended; Laws 1985, chapter 19, section 2, subdivisions 1, 2, and by adding a subdivision; chapter 19, section 6, subdivision 6; First Special Session chapter 9, article 1, section 2, subdivision 5; First Special Session chapter 10, section 125; First Special Session chapter 11, section 4, subdivision 3; First Special Session chapter 12, article 1, section 36, subdivision 3; article 2, section 15, subdivision 2; article 3, section 28, subdivision 10; article 4, section 11, subdivision 6; article 5, section 8; article 5, section 10, subdivisions 2 and 4; article 6, section 28, subdivisions 11, 17, and 20; article 8, section 62, subdivisions 2, 3, 4, 6, 8, 9, 13, 14, 15, and 17; article 8, section 63, subdivisions 2 and 3; article 8,

section 64, subdivision 2; article 9, section 3, subdivisions 2 and 3; First Special Session chapter 15, section 23, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 16A; 17; 45; 84; 115A; 116J; 116K; 129B; 135A; 144; 216A; 256; 299F; 340A; 462; and 480; repealing Minnesota Statutes 1984, sections 3.351, subdivisions 1, 2, 4, and 5; 3.865; 16B.21, subdivision 2; 17.101, subdivision 2; 17.104; 17.105; 41A.02, subdivisions 2, 3, 9, and 10; 41A.03, subdivision 2; 41A.04, subdivision 2; 41A.07; 84.081; 84.083; 86A.09, subdivisions 1, 2, 3, and 4; 86A.10; 89.014, subdivision 2; 105.40, subdivision 7; 105.71, subdivisions 1, 1a, and 3; 105.72; 105.73; 105.75; 105.76; 105.77; 105.78; 105.79; 112.36, subdivision 4; 115A.07, subdivision 1; 115A.08, subdivisions 1, 2, and 3; 115A.162; 115A.90, subdivision 4; 116J.01, subdivisions 1 and 2; 116J.03; 116J.035; 116J.04; 116J.05; 116J.06, subdivisions 4, 5, 6, 7, 8, 10, 11, 12, and 13; 116J.07; 116J.08; 116J.09; 116J.10; 116J.11; 116J.12; 116J.13; 116J.14; 116J.15; 116J.17; 116J.18; 116J.19, subdivisions 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, and 14; 116J.20; 116J.21; 116J.22; 116J.23; 116J.24; 116J.26; 116J.261; 116J.262; 116J.27; 116J.30, subdivision 5; 116J.31; 116J.315; 116J.32; 116J.33; 116J.34; 116J.35; 116J.36, subdivisions 1, 2, 3, 3a, 3b, 3c, 4, 4a, 5, 7, 8, 8a, 9, and 11; 116J.37, subdivisions 2, 3, 4, 5, and 7; 116J.373; 116J.38; 116J.381; 116J.58, subdivision 1; 116J.59; 116J.61; 116J.873, subdivisions 1, 2, and 3; 116L.01; 116L.02; 116L.03; 116L.04; 116L.05; 116M.01; 116M.02; 116M.03, subdivisions 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 18, 19, 20, 21, 22, 23, 24, 25, and 26; 116M.04, subdivisions 1, 1a, 2, 3, 4, 5, 7, 8, 10, and 11; 116M.05, subdivision 6; 116M.06, subdivisions 1, 6, 11, 12, and 13; 116M.07, subdivisions 1, 3, 5, 6, 7, and 10; 116M.08, subdivisions 13, 16, and 18; 116M.09; 116M.10; 116M.12, subdivisions 1, 2, and 5; 116M.13, subdivisions 1, 2, and 3; 129B.01; 129B.05, subdivision 1; 136.063; 144.66; 144.67; 144A.071, subdivision 5; 161.1419; 174.03, subdivision 7; 177.41; 177.42; 177.43; 177.44; 216B.165, subdivision 2; 270.067, subdivisions 1, 2, 3, and 4; 301A.01, subdivision 1; 402.045; 402.062, subdivision 1; 402.095; 451.09, subdivision 2; 462.375; 462.421, subdivision 21; 462.445, subdivision 8; 462.595; 462A.072; 472.03, subdivision 2; Minnesota Statutes 1985 Supplement, sections 3.303, subdivision 5; 3.351, subdivision 3; 3.875; 13.76; 41A.01; 41A.02, subdivision 7; 41A.03, subdivisions 1 and 3; 41A.04, subdivisions 1 and 3; 41A.08; 86.33, subdivisions 2 and 3; 105.74; 110B.02, subdivision 2; 116J.035, subdivision 3; 116J.19, subdivision 13; 116J.36, subdivision 6; 116J.37, subdivision 1; 116J.94; 116M.03, subdivision 27; 116M.04, subdivisions 6 and 9; 116M.05, subdivision 8; 116M.06, subdivisions 3 and 5; 116M.07, subdivisions 2, 4, 7a, 7b, 7c, 8, 9, 11, and 13; 116M.08, subdivisions 11 and 12; 116M.105; 116M.11, subdivisions 2, 3, and 4; 136.63, subdivision 1b; 178.03, subdivision 5; 267.01; 267.02; 267.03; 267.04; 267.05; 267.06; 268.0111, subdivision 3; 268.66, subdivision 2; 268.89, subdivision 2; 474.17, subdivision 3; Laws 1984, chapter 654, article 2, section 146.

Reported the same back with the following amendments:

Page 16, line 29, strike "COUNCIL ON QUALITY EDUCATION;"

Page 16, line 30, strike "council on quality education"

Page 16, line 31, strike "129B.01" and insert "129B.02"

Page 23, line 34, after "section," insert "section 39, and article 2, section 45"

Page 24, line 4, delete "PRIORITY FOR" and insert "ALLOCATIONS OF"

Page 24, delete line 10 and insert "*purposes identified in section 39 of this article and article 2, section 45, subject to the terms and conditions of those sections, as follows:*

(a) *one-fourth of the excess money for contingency expenditure shall be allocated under the provisions of section 39 of this article.*

(b) *three-fourths of the excess money for contingency expenditure shall be allocated under the provisions of article 2, section 45.*

However, when all of the allocations authorized in section 39 of this article have been made under the terms and conditions of that section, any remaining excess money for contingency expenditure shall be allocated under the provisions of article 2, section 45. Any excess money for contingency expenditure remaining after the full allocations have been made under section 39 of this article and article 2, section 45, subject to the terms and conditions of those sections, shall be allocated in accordance with Minnesota Statutes, section 16A.1541.

Subd. 3. [DETERMINATION BY MAY 30, 1986.] By May 30, 1986, the commissioner of finance shall determine whether sufficient excess money is available to allocate for aid to school districts for 1986 summer programs in accordance with subdivision 2 and section 39.

Sec. 39. [PRIORITIES FOR EXCESS REVENUES.]

Excess money for contingency expenditure allocated pursuant to section 38 for distribution under this section shall be allocated to the following purposes in the following order of priority:"

Page 24, line 15, delete "for nonhandicapped"

Page 24, line 16, delete "pupils"

Page 24, line 28, delete "*council on*"

Page 24, line 29, delete "*quality education*"

Page 24, line 30, delete "*129B.01*" and insert "*129B.02*"

Page 25, delete lines 29 to 36

Page 26, line 5, delete "*38, subdivision 2*" and insert "*39*"

Page 27, line 19, delete "*and 39*" and insert "*39, and 40*"

Page 28, line 15, delete "*position*" and insert "*complement*"

Page 28, line 44, after "*study*" delete the period and insert:

"for students in economically depressed areas of the state. The allocation of these funds during the biennium shall not be subject to the rulemaking provisions of chapter 14."

Page 29, delete section 10

Page 30, after line 5, insert:

"Sec. 11. Minnesota Statutes 1984, section 121.495, is amended to read:

121.495 [BASIC SKILLS PROGRAM.]

Subdivision 1. [PURPOSE.] The legislature finds that (1) all children have the right to achieve their full educational potential, and (2) children from all socio-economic backgrounds deserve the opportunity to receive instruction in the basic skills of listening, speaking, reading, writing and computation in order to be able to function politically, economically and socially in a democratic society. Therefore, the purpose of this section is to establish a program providing leadership, technical assistance, and training in basic skills instruction on a regional basis to school districts and nonpublic schools.

Subd. 2. [DEFINITION.] For purposes of this section, "basic skills" means the abilities to listen, speak, read, write and compute.

Subd. 3. [PARTICIPATION.] Any district or nonpublic school may participate in the state basic skills program, *if established under subdivision 4*, if its governing board adopts a resolution affirming basic skills as a priority, designating a local basic skills director, allowing the designated local basic skills director to attend a program of training in the development and maintenance of a high quality basic skills program, and agreeing

to develop a comprehensive basic skills program in accordance with this training. If more districts or nonpublic schools apply than can be served in a particular year, the commissioner shall select participating districts and nonpublic schools. A school district or nonpublic school which participates in the state basic skills program may establish a basic skills advisory committee to assist it in establishing and maintaining a basic skills program. A school district may designate the curriculum advisory committee established pursuant to section 123.741, subdivision 3, as the basic skills advisory committee.

Subd. 4. [REGIONAL DIRECTORS.] The commissioner (SHALL) *may* establish a basic skills section in the department which shall employ a state basic skills director and regional basic skills directors assigned to serve the various educational cooperative service units or portions of those units. The basic skills section shall provide technical assistance to those school districts and nonpublic schools which choose to participate in the state basic skills program. The regional directors, in cooperation with the educational cooperative service units, shall provide training to each local basic skills director in the development and maintenance of high quality basic skills programs according to predetermined criteria of excellence. This technical assistance and training shall cover at least the following: assessment of local basic skills programs, planning a comprehensive basic skills program, alternative methods of implementing a local basic skills program, in-service training of staff in basic skills instruction, assessment of the basic skills needs of pupils, selection of instructional materials, and evaluation of pupils' progress in acquiring basic skills. The department (SHALL) *may* reimburse local basic skills directors for any expenses incurred for travel, lodging and meals in order to participate in basic skills training and (SHALL) *may* reimburse school districts for 50 percent of any wages paid to substitute teachers employed to replace local basic skills directors while they attend basic skills training.

Subd. 5. [IN-SERVICE TRAINING.] Each participating district or nonpublic school shall provide a minimum of 20 hours of in-service training in the instructional process for the basic skills to all teachers who volunteer to participate in the training."

Page 30, after line 11, insert:

"Sec. 13. Minnesota Statutes 1984, section 121.934, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] An advisory council to the state board consisting of 11 members appointed by the governor is hereby established. Membership terms, (COMPENSATION OF MEMBERS), removal of members, and the filling of membership vacancies shall be as provided in section 15.059. The governor is encouraged to solicit the suggestions of the state board,

the governing boards of regional management information centers, and school boards in selecting members of the council."

Page 51, after line 8, insert:

"Sec. 45. [PRIORITY FOR ADDITIONAL REVENUES.]

Pursuant to article 1, section 38, if the commissioner of finance determines that there is excess money for contingency expenditure, the commissioner shall allocate that portion of the excess money intended for post-secondary education as follows:

Allocate up to \$32,224,600 for fiscal year 1987 in the following maximum amounts:

- (a) to the higher education coordinating board . . . \$ 2,090,100;*
- (b) to the state university board \$ 5,700,300;*
- (c) to the state board for community colleges . . . \$ 2,857,700;*
- (d) to the state board of vocational technical
education \$ 5,945,400;*
- (e) to the board of regents of the
University of Minnesota \$15,631,100.*

If less than \$32,224,600 of excess money for contingency expenditure is available for the boards named in this clause, the amount available shall be prorated among the boards named in proportion to the maximum amount to be allocated to each board. These amounts are to replace appropriations rescinded pursuant to sections 3, 4, 5, 6, and 7."

Page 51, delete lines 10 and 11 and insert:

"Subdivision 1. Minnesota Statutes 1984, sections 129B.01 and 129B.05 are repealed.

Subd. 2. Minnesota Statutes 1984, section 136.063 is repealed.

Sec. 47. [EFFECTIVE DATE.]

All sections in this article are effective the day following their final enactment unless a different time is stated in this section. Sections 12, 14, 15, 16, 17, 18, 19, 20, 21, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, and 46, subdivision 1 are effective July 1, 1986."

Page 51, delete lines 29 to 36

Page 52, delete line 1 and insert:

	1986	1987	TOTAL
	\$	\$	\$
General	8,562,700	(3,157,700)	5,405,000
Special Revenue		354,400	354,400
M.S.A.S	(3,554,700)	(3,617,700)	(7,172,400)
C.S.A.H.	(11,453,600)	(11,657,100)	(23,110,700)
Tr. Hwy.	47,692,000	(24,217,200)	23,474,800
Transit Assistance ..	(12,700,309)	(14,000,700)	(26,701,009)
Motor Vehicle Transfer	(561,200)	(868,800)	(1,430,000)
TOTAL	27,984,891	(57,164,800)	(29,179,909)"

Page 52, line 8, delete "\$3,720,800" and insert "\$29,046,391" and delete "(\$52,206,500)" and insert "(\$53,075,300)"

Page 52, line 20, delete "\$23,205,200" and insert "\$46,000,000"

Page 52, line 21, delete "(\$12,563,409)" and insert "(\$12,700,-309)"

Page 52, line 23, delete "(\$1,430,000) 0" and insert "(\$561,200) (\$868,800)"

Page 52, line 27, delete "5,074,900 (29,521,200)" and insert "30,430,500 (30,390,000)"

Page 52, line 31, delete "\$21,513,200" and insert "\$46,000,000"

Page 52, line 33, delete "(\$1,430,000) 0" and insert "(\$561,200) (\$868,800)"

Page 52, line 36, delete "\$20,083,200 (\$14,246,400)" and insert "\$45,438,800 (\$15,115,200)"

Page 52, line 38, delete "\$21,513,200" and insert "\$46,000,000"

Page 53, line 2, delete "(\$1,430,000)" and insert "(\$561,200)" and delete "0" and insert "(\$868,800)"

Page 53, line 12, delete "(\$24,486,800)" and insert "0"

Page 53, line 18, after the period insert "The reduction in the first year will be covered by reserves on hand."

Page 53, line 41, delete "(1,217,209)" and insert "(1,354,109)"

Page 53, line 44, delete "(\$12,563,409)" and insert "(\$12,700,-309)"

Page 54, line 27, delete "(\$989,700)" and insert "(\$1,126,600)"

Page 54, line 30, delete "(\$10,023,100)" and insert "(\$10,160,-000)"

Page 55, after line 54, insert :

"Subd. 9. Transfers

Transfers may be made only once each quarter."

Page 56, after line 12, insert :

"The reduction amount in the general fund in either year may include reductions to the liquor control division and the private detective and protective agency licensing board."

Page 56, after line 37, insert :

"Subd. 3. Reimbursements

A total of \$24,300 for the first year is appropriated from the trunk highway fund for transfer by the commissioner of finance to the general fund on January 1, 1986."

Page 56, after line 39, insert :

"The reduction amount in either year may include reductions to the agricultural protection service."

Page 57, after line 44, insert :

"The reduction in the second year is from the S.R.D.A. fund."

Page 57, after line 45, insert :

“This appropriation is from the special revenue direct appropriation fund.”

\$448,800

Page 57, delete lines 46 and 47

Page 57, line 53, delete “general” and insert “special revenue direct appropriation”

Page 58, delete lines 2 and 3 and insert :

“The appropriation in the second year is from the special revenue direct appropriation fund.”

Page 60, delete lines 20 to 36

Page 61, delete line 1

Page 61, line 3, after “*commissioner*” insert “*that are not deposited in the special revenue fund*”

Page 61, line 5, after “*revenue*” insert “*direct appropriation*”

Page 62, line 4, after “*revenue*” insert “*direct appropriation*”

Page 64, after line 34, insert :

“Sec. 31. Minnesota Statutes 1984, section 51A.51, subdivision 5, is amended to read :

Subd. 5. [MERGER FEE.] At the time of filing with the commissioner of any proposed merger or consolidation plan, the associations proposing so to merge or consolidate shall submit therewith a fee of \$250 (PAYABLE TO THE BANKING DEPARTMENT), which fee shall be paid in equal parts by the associations parties to the proposal.”

Page 66, lines 12 and 18, after “*revenue*” insert “*direct appropriation*”

Page 69, line 15, delete “*SPECIAL*”

Page 69, line 16, delete “*REVENUE*”

Page 69, line 18, after “*revenue*” insert “*direct appropriation*”

Page 73, line 10, after “*revenue*” insert “*direct appropriation*”

Page 73, line 31, delete "and" and insert ". Admission income from the other state-owned sites"

Page 75, lines 9 and 11, after "revenue" insert "direct appropriation"

Page 76, delete lines 20 to 36

Delete page 77

Page 78, delete lines 1 to 14, and insert:

"Sec. 44. Minnesota Statutes 1985 Supplement, section 214.-06, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding any law to the contrary, the commissioner of health as authorized by section 214.13, all health related licensing boards and all nonhealth related licensing boards shall by rule, with the approval of the commissioner of finance, adjust any fee which the commissioner of health or the board is empowered to assess a sufficient amount so that the total fees collected by each board will as closely as possible equal anticipated expenditures during the fiscal biennium, as provided in section 16A.128. For members of an occupation registered after July 1, 1984 by the commissioner of health under the provisions of section 214.13, the fee established must include an amount necessary to recover, over a five-year period, the commissioner's direct expenditures for adoption of the rules providing for registration of members of the occupation. All fees received shall be deposited in the state treasury. Fees received by health related licensing boards must be credited to the special revenue fund. *Except for fees received by the board of assessors, board of teaching, and peace officer standards and training board, fees received by other nonhealth-related licensing boards must be credited to the special revenue direct appropriation fund.*"

Page 78, line 32, after "revenue" insert "direct appropriation"

Page 79, line 17, after "revenue" insert "direct appropriation"

Page 80, line 13, after "revenue" insert "direct appropriation"

Page 81, lines 7 and 32, after "revenue" insert "direct appropriation"

Page 82, after line 4, insert:

"Sec. 50. Minnesota Statutes 1984, section 237.30, is amended to read:

237.30 [TELEPHONE INVESTIGATION REVOLVING FUND.]

The sum of \$25,000 is hereby appropriated out of any moneys in the state treasury not otherwise appropriated, to establish and provide a revolving fund to be known as the Minnesota Telephone Investigation Fund for the use of the department of public service and of the Attorney General in investigations, valuations, and revaluations under section 237.295. All sums paid by the telephone companies *for investigations, valuations, and revaluations financed from the revolving fund* pursuant to section 237.295 shall be credited to the revolving fund and shall be deposited in a separate bank account and not commingled with any other state funds or moneys, but any balance in excess of \$25,000 in the revolving fund at the end of each fiscal year shall be paid into the state treasury and credited to the general fund. The sum of \$25,000 herein appropriated and all subsequent credits to said revolving fund shall be paid upon the warrant of the commissioner of finance upon application of the department or of the attorney general to an aggregate amount of not more than one-half of such sums to each of them, which proportion shall be constantly maintained in all credits and withdrawals from the revolving fund."

Page 82, line 23, after "*revenue*" insert "*direct appropriation*"

Page 82, delete lines 24 to 31

Page 83, line 12, after "*revenue*" insert "*direct appropriation*"

Page 83, after line 16, insert:

"Sec. 53. Minnesota Statutes 1984, section 299D.03, subdivision 5, is amended to read:

Subd. 5. [FINES AND FORFEITED BAIL MONEY.] (a) All fines and forfeited bail money, from traffic and motor vehicle law violations, *occurring on road, street, or highway rights-of-way that are not a part of the interstate highway system in Minnesota* and collected from persons apprehended or arrested by officers of the state patrol, shall be paid by the person or officer collecting the fines, forfeited bail money or installments thereof, on or before the tenth day after the last day of the month in which these moneys were collected, to the county treasurer of the county where the violation occurred. Three-eighths of these receipts shall be credited to the general revenue fund of the county. The other five-eighths of these receipts shall be transmitted by that officer to the state treasurer and shall be credited to the trunk highway fund. If, however, the violation occurs within a municipality and the city attorney prosecutes the offense, and a plea of not guilty is entered, one-third of the receipts shall be credited to the general revenue fund of the county, one-third of the receipts shall be paid to the municipality prosecuting the offense, and one-third shall be transmitted to the state treasurer as provided in this subdivision. All costs of participation

in a nation-wide police communication system chargeable to the state of Minnesota shall be paid from appropriations for that purpose.

(b) *Subject to section 169.871, subdivision 5, but notwithstanding any other provisions of law, all fines and forfeited bail money from violations of statutes governing the maximum weight of motor vehicles, occurring on road, street, or highway rights-of-way that are not a part of the interstate highway system in Minnesota and collected from persons apprehended or arrested by employees of the state of Minnesota, by means of stationary or portable scales operated by these employees, shall be paid by the person or officer collecting the fines or forfeited bail money, on or before the tenth day after the last day of the month in which the collections were made, to the county treasurer of the county where the violation occurred. Five-eighths of these receipts shall be transmitted by that officer to the state treasurer and shall be credited to the highway user tax distribution fund. Three-eighths of these receipts shall be credited to the general revenue fund of the county.*

(c) *Subject to section 169.871, subdivision 5, all fines and forfeited bail money from traffic and motor vehicle law violations, occurring on roads, streets, or highways that are part of the interstate highway system in Minnesota, including safety violations and violations governing the maximum weight of motor vehicles, and collected from persons apprehended or arrested by officers of the state patrol, shall be paid by the person or officer collecting the fines, forfeited bail money or installments thereof, on or before the tenth day after the last day of the month in which these moneys were collected, to the county treasurer of the county where the violation occurred. One-fourth of these receipts shall be credited to the general revenue fund of the county. The other three-fourths of these receipts shall be transmitted by that officer to the state treasurer and shall be credited to the trunk highway fund. If a violation occurs in a county and the county attorney prosecutes the offense, and a plea of not guilty is entered, three-eighths of the receipts shall be credited to the general revenue fund of the county. If, however, the violation occurs within a municipality and the city attorney prosecutes the offense, and a plea of not guilty is entered, one-fourth of the receipts shall be credited to the general revenue fund of the county, one-third of the receipts shall be paid to the municipality prosecuting the offense, and the remainder shall be transmitted to the state treasurer as provided in this subdivision."*

Page 83, line 19, delete "FEES AND FINANCES; DISPOSITION" and insert "EXPENSES"

Page 83, line 19, strike "All license"

Page 83, line 21, delete "special revenue"

Page 83, strike lines 20 and 21

Page 84, line 10, before "fund" insert "*direct appropriation*"

Page 84, lines 13 and 16, after "*revenue*" insert "*direct appropriation*"

Page 85, lines 17 and 24, after "*revenue*" insert "*direct appropriation*"

Page 86, lines 2 and 27, after "*revenue*" insert "*direct appropriation*"

Page 87, line 3, after "17.104" add a semicolon

Page 87, line 4, delete "and" and before the comma insert "19.64, subdivision 5; and 42.06, subdivision 4"

Page 87, line 12, delete "*section 61, subdivision 1, is*" and insert "*sections 19; 20; 21; 23; 24; 25; 26; 27; 28; 29; 30; 31; 32; 33; 34; 35; 36; 37; 38; 39; 42; 44; 45; 46; 47; 48; 49; 51; 52; 54; 55; 56; 57; 58; 59; 60; and 62, subdivision 1, are*"

Page 87, after line 13, insert:

"ARTICLE 3A

SPECIAL REVENUE DIRECT APPROPRIATION FUND

Section 1. Laws 1985, First Special Session chapter 10, section 1, is amended to read:

Section 1. [TRANSPORTATION AND OTHER AGENCIES; APPROPRIATIONS.] The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another fund named, to the agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures "1985", "1986", and "1987", where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1985, June 30, 1986, or June 30, 1987, respectively.

SUMMARY BY FUND

	1985	1986	1987	TOTAL
	\$	\$	\$	\$
General	4,000,000	76,800,700	(76,955,700)	157,756,400
				57,513,200

74th Day] MONDAY, FEBRUARY 24, 1986 5925

Special	420,000	434,700	854,700
S.R.D.A.		19,442,500	
Airports	11,175,100	10,445,900	21,621,000
M.S.A.S.	59,500,000	61,900,000	121,400,000
C.S.A.H.	182,500,000	189,300,000	371,800,000
Tr. Hwy.	627,240,300	625,344,700	1,252,585,000
Hwy. User ...	12,793,700	10,651,200	23,444,900
Transit Assistance ..	17,700,300	19,000,700	36,701,000
Motor Vehicle Transfer	860,300	868,800	1,729,100
TOTAL	4,000,000	988,990,400	994,901,700 1,987,892,100

Minnesota Statutes, section 16A.15, subdivision 1, clause (b), does not apply to appropriations made from the special revenue direct appropriation fund in sections 1 to 28.

Sec. 2. Laws 1985, First Special Session chapter 10, section 4, subdivision 1, is amended to read:

Sec. 4. PUBLIC SAFETY

Subdivision 1. Total
Appropriation 78,723,900 75,672,200

	1986	1987
Approved Complement—	1,666.4	1,666.4
General—	354.2	(354.2)
		334.2
Special—	1.0	1.0

*Special Revenue Direct
Appropriation— 0 20*

Trunk		
Highway—	1,059.3	1,059.3
Highway User—	177.6	177.6
Federal—	40.3	40.3
Internal Service—	34.0	34.0

The above approved complement includes 511 for state-funded, unclassified patrol officers and supervisors of the state patrol. Nothing in this provision is intended to limit the authority of the commissioner of public safety to transfer personnel, with the approval of the commissioner of finance, among the various units and divisions within this section, provided that the above complement must be reduced accordingly.

No new state patrol supervisory positions may be established, with the exception of special duty assigned ranks for the length of assignment only.

Summary by Fund

General

\$17,513,400 (\$17,693,000)

\$16,993,400

Special Revenue Direct Appropriation

0 \$ 699,600

Trunk Highway

\$48,766,800 \$47,578,000

Highway User

\$12,443,700 \$10,401,200

The amounts that may be spent from this appropriation for each program

are specified in the following subdivisions.

Sec. 3. Laws 1985, First Special Session Chapter 10, section 4, subdivision 9, is amended to read:

Subd. 9. Liquor Control

\$ 644,200 \$ 638,500

During the biennium ending June 30, 1987, the liquor control program must concentrate its activities along the border areas of Minnesota.

The appropriation the second year is from the special revenue direct appropriation fund.

Sec. 4. Laws 1985, First Special Session chapter 10, section 4, subdivision 10, is amended to read:

Subd. 10. Ancillary Services

(\$ 789,400) (\$ 855,900)

Summary by Fund

General

\$ 789,400 \$ 794,800

Special Revenue

Direct Appropriation

0 \$ 61,100

\$729,400 the first year and \$794,800 the second year is for the crime victims reparations board. Any unencumbered balance remaining the first year does not cancel but is available for the second year of the biennium.

\$60,000 the first year and \$61,100 the second year is for the expenses of the Private Detective and Protective Agency Licensing Board. *The appropriation the second year is from the special revenue direct appropriation fund.*

The commissioner may enter into agreements to lease-purchase equipment only after presenting a report detailing all the equipment and the terms of the agreements to the chairs of the house appropriations committee and the senate finance committee. The commissioner may not spend any money unless the chairs have made their recommendations. Recommendations are advisory only.

Sec. 5. Laws 1985, First Special Session chapter 10, section 4, subdivision 11, is amended to read:

Subd. 11. Transfers

The commissioner of public safety with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs within a fund. *The commissioner with the approval of the commissioner of finance may transfer unencumbered balances from the special revenue direct appropriation fund among the programs. The commissioner with the approval of the commissioner of finance may transfer unencumbered balances from the general fund to the liquor control division or the private detective and protective agency licensing board.* Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 6. Laws 1985, First Special Session chapter 10, section 5, subdivision 1, is amended to read:

Sec. 5. AGRICULTURE

Subdivision 1. Total			
Appropriation	16,233,200	16,537,300
		1986	1987
Approved			
Complement—		487.8	487.8

General—	255.3	134.90
Special/Revolving—	216.5	216.50
<i>Special Revenue Direct</i> <i>Appropriation</i>	0	120.40
Federal—	16	16

Summary by Fund

General

\$16,040,800 (\$16,338,700)

\$12,295,200

Special

\$ 192,400 \$ 198,600

Special Revenue Direct
Appropriation

0 \$ 4,043,500

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Sec. 7. Laws 1985, First Special Session chapter 10, section 5, subdivision 2, is amended to read:

Subd. 2. Agricultural Protection Service

\$ 4,056,700 \$4,043,500

The appropriation the second year is from the special revenue direct appropriation fund.

\$1,843,300 the second year is appropriated from the general fund for transfer by the commissioner of finance to the special revenue direct appropriation fund to support appropriations from the special revenue direct appropriation fund that are not fully supported by income from fees.

\$20,000 the first year is for the establishment of an apiary inspection program to locate and eradicate tracheal mite infestations. The commissioner is authorized to employ seasonal apiary inspectors for this purpose. Any unencumbered balance remaining the first year does not cancel but is available for the second year of the biennium.

Sec. 8. Laws 1985, First Special Session chapter 10, section 5, subdivision 6, is amended to read:

Subd. 6. Transfers

The commissioner of agriculture with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs. *The commissioner with the approval of the commissioner of finance may transfer unencumbered balances from the special revenue direct appropriation fund among the programs. The commissioner with the approval of the commissioner of finance may transfer unencumbered balances from the general fund to the agricultural protection service.* Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 9. Laws 1985, First Special Session chapter 10, section 7, is amended to read:

Sec. 7. COMMERCE

Subdivision 1. Total			
Appropriation		8,311,700	8,335,900
	1986	1987	
Approved			
Complement—	225	225	
General—	222	0	
<i>Special Revenue Direct</i>			
<i>Appropriation—</i>	0	222	
Special	3	3	

Summary by Fund

General

\$ 8,084,100 (\$ 8,099,800)

0

*Special Revenue Direct
Appropriation*

0 \$ 8,099,800

Special

\$ 227,600 \$ 236,100

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Financial Examinations

\$ 2,730,000 \$ 2,733,000

The appropriation the second year is from the special revenue direct appropriation fund.

Subd. 3. Registration and Licensing

\$ 1,417,600 \$ 1,429,100

Summary by Fund

General

\$ 1,190,000 (\$ 1,193,000)

0

*Special Revenue Direct
Appropriation*

0 \$ 1,193,000

Special

\$ 227,600 \$ 236,100

\$227,600 the first year and \$236,100 the second year is from the real estate education, research and recovery account in the special revenue fund for the purpose of Minnesota Statutes, section 82.34, subdivision 6. If the appropriation from the special revenue fund for either year is insufficient, the appropriation for the other year is available for it.

Subd. 4. Policy Analysis and Insurance

\$ 1,666,500 \$ 1,668,000

The appropriation the second year is from the special revenue direct appropriation fund.

This appropriation includes \$31,200 the first year and \$32,800 the second year for costs associated with the assigned risk plan review board.

Subd. 5. Administrative Services

\$ 1,433,600 \$ 1,440,700

The appropriation the second year is from the special revenue direct appropriation fund.

Subd. 6. Enforcement

\$ 1,064,000 \$ 1,065,100

The appropriation the second year is from the special revenue direct appropriation fund.

Subd. 7. Transfers

The commissioner with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 10. Laws 1985, First Special Session chapter 10, section 8, is amended to read:

Sec. 8. NON-HEALTH-RELATED BOARDS

Subdivision 1. Total for this section (2,860,900) (2,911,900)

Summary by Fund

1986	1987
------	------

General

\$ 2,860,900	\$ 1,476,300
--------------	--------------

Special Revenue Direct Appropriation

0	\$ 1,435,600
---	--------------

Subd. 2. Board of Abstractors	3,800	3,900
-------------------------------------	-------	-------

The appropriation the second year is from the special revenue direct appropriation fund.

Subd. 3. Board of Accountancy ..	250,300	248,800
----------------------------------	---------	---------

The appropriation the second year is from the special revenue direct appropriation fund.

Approved Complement—4

Subd. 4. Board of Architecture, Engineering and Land Surveying	274,100	279,400
-------------------------------------------------------------------------	---------	---------

The appropriation the second year is from the special revenue direct appropriation fund.

\$152,000 the second year is appropriated from the general fund for transfer by the commissioner of finance to the special revenue direct appropriation fund to support appropriations from the special revenue direct appro-

priation fund that are not fully supported by income from fees.

Approved Complement—5

Subd. 5. Board of Barber Examiners	119,100	120,300
---------------------------------------------	---------	---------

The appropriation the second year is from the special revenue direct appropriation fund.

Approved Complement—3

Subd. 6. Board of Boxing	48,800	49,200
--------------------------------	--------	--------

The appropriation the second year is from the special revenue direct appropriation fund.

\$37,800 the second year is appropriated from the general fund for transfer by the commissioner of finance to the special revenue direct appropriation fund to support appropriations from the special revenue direct appropriation fund that are not fully supported by income from fees.

Approved Complement—1.5

Subd. 7. Board of Electricity	734,200	734,000
-------------------------------------	---------	---------

The appropriation the second year is from the special revenue direct appropriation fund.

\$204,900 the second year is appropriated from the general fund for transfer by the commissioner of finance to the special revenue direct appropriation fund to support appropriations from the special revenue direct appropriation fund that are not fully supported by income from fees.

Approved Complement—18

Subd. 8. Board of Peace Officer Standards and Training General Operations and Management	1,430,600	1,476,300
------------------------------------------------------------------------------------------------------	-----------	-----------

Approved Complement—9

\$1,035,000 the first year and \$1,076,400 the second year is for peace officers training under Minnesota Statutes, section 626.86.

Sec. 11. Laws 1985, First Special Session chapter 10, section 9, is amended to read:

Sec. 9. PUBLIC UTILITIES

COMMISSION	1,321,200	1,325,200
------------------	-----------	-----------

Approved Complement—29

The appropriation the second year is from the special revenue direct appropriation fund.

The management analysis unit of the department of administration in cooperation with the public utilities commission shall conduct a study of the purposes, statutory obligations, procedures, and the utilization of staff that affect the efficiency of the commission's operation. The study should determine the effect of statutory requirements, continued deregulation of telephone service, and alternative ways of organizing commission and staff activities including the roles of the chair and the executive director on the workload and efficient operation of the commission. A report on these issues must be completed by January 1, 1986, and submitted to the chairs of the regulated industries committees; the agriculture, transportation, and semi-state division of the house appropriations committee, and the agriculture, transportation, and semi-states subcommittee of the senate finance committee.

Sec. 12. Laws 1985, First Special Session chapter 10, section 10, subdivision 1, is amended to read:

Sec. 10. PUBLIC SERVICE

Subdivision 1. Total		
Appropriation	3,796,400	3,838,800

The appropriation the second year is from the special revenue direct appropriation fund.

\$91,800 the second year is appropriated from the general fund for transfer by the commissioner of finance to the special revenue direct appropriation fund to support appropriations from the special revenue direct appropriation fund that are not fully supported by income from fees.

Approved Complement—87

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Sec. 13. [EFFECTIVE DATE.]

This article is effective the day following final enactment."

Page 89, line 1, delete "and identity"

Page 107, line 5, delete "to contract for legal assistance to farmers" and insert "for the purposes of sections 29 to 33"

Page 109, line 17, delete "\$14,216,700)" and insert "\$14,269,913)", delete "\$89,699,800)" and insert "\$89,940,460)" and delete "\$103,916,500)" and insert "\$104,210,373)"

Page 109, line 18, delete "(2,567,500)" and insert "(2,587,000)" and delete "(2,567,500)" and insert "(2,587,000)"

Page 109, line 26, delete the second "(2,000,000)" and insert "(2,675,200)" and delete "(4,000,000)" and insert "(4,675,200)"

Page 109, line 27, delete "(16,173,000)" and insert "(16,226,213)", delete "(91,179,700)" and insert "(94,172,560)" and delete "(107,352,700)" and insert "(110,398,773)"

Page 109, line 33, delete "(501,500)" and insert "(500,500)" and delete "(1,964,160)" and insert "(1,964,560)"

Page 109, after line 34, insert:

“Summary by Fund

General

(500,500) (1,945,060)

Trunk highway

0 (19,500)”

Page 110, line 2, delete “(501,500)” and insert “(414,600)” and delete “(1,037,700)” and insert “(885,900)”

Page 112, line 51, delete “\$10,000 the first year and”

Page 113, line 7, after “needs” insert “not to exceed a total of \$220,000”

Page 113, after line 42, insert:

“\$200,000 in the first year of the appropriation in Laws 1985, First Special Session chapter 15, section 3, subdivision 4, paragraph (d), for relocation of the pollution control agency and waste management board is canceled. Of the \$200,000 all money allotted for moving the waste management board is canceled and the remainder of the \$200,000 shall be taken from the amount allotted for the move of the pollution control agency.”

Page 113, line 46, delete “approve” and insert “give final approval to implement”

Page 113, line 47, delete “for” and insert “which” and delete “changing” and insert “change”

Page 113, delete line 48

Page 113, line 49, delete “or buildings” and insert “landscape of the mall”

Page 114, lines 11 and 12, delete “Income, Sales, and Use Tax Management” and insert “Compliance Initiatives”

Page 114, line 18, delete “this” and insert “the general fund”

Page 115, after line 23, insert:

"\$20,000 of the appropriation in Laws 1985, First Special Session chapter 13, section 23, subdivision 13, is available until June 30, 1987, for a feasibility study for a region 7E historical center. This appropriation shall be matched dollar for dollar with contributions from nonstate sources. The department of natural resources, the Minnesota historical society, and the county historical societies in region 7E shall cooperate in the study. The study shall address such themes as the history of travel, hydroelectric power, energy use and conservation, sandstone quarries, historic military roads, and outdoor preservation and survival. The study shall include land on both sides of the Kettle River about one mile south of Sandstone and the old United States government road. The planning team shall report the results of the feasibility study to the legislature by January 15, 1987."

Page 115, line 25, delete "(125,200)" and insert "(95,200)"

Page 115, delete line 26

Page 115, line 27, delete "year,"

Page 115, line 40, delete "(20)" and insert "(30)"

Page 115, line 42, delete "(20)" and insert "(30)"

Page 115, line 49, before "The" insert "Notwithstanding any law to the contrary,"

Page 115, delete line 53

Page 116, delete lines 1 to 5

Page 116, delete lines 15 to 21

Page 116, line 23, delete "(23,411,200)" and insert "(21,206,200)"

Page 116, line 25, delete "(161.5)" and insert "(161)"

Page 116, line 26, delete "(137)" and insert "(126.5)"

Page 116, line 28, delete "(23)" and insert "(33)"

Page 116, line 30, delete "(22,678,500)" and insert "(20,473,500)"

Page 116, delete lines 34 to 54

Page 117, delete lines 1 to 14 and 26 to 67

Page 118, delete lines 1 to 31 and insert:

"The commissioner of finance shall transfer \$2,205,000 and 63 full-time equivalency positions to the agencies that under articles 5 and 6 are assigned duties that were formerly assigned to the department of energy and economic development."

Page 118, line 52, delete "(41,600)" and insert "(91,800)" and delete "100,400" and insert "150,600"

Page 118, line 55, delete the first "(24)" and insert "0"

Page 118, line 56, before "Special" insert "Workers' Compensation State Employee"

Page 118, line 56, delete the first "31" and insert "7"

Page 118, line 58, delete "(101,900)" and insert "(152,100)" and delete "(781,500)" and insert "(731,300)"

Page 119, line 1, before "Special" insert "Workers' Compensation State Employee"

Page 119, line 10, delete "\$10,000 the"

Page 119, line 11, delete "first year and"

Page 119, line 22, before "balance" insert "unobligated"

Page 119, delete lines 27 to 32 and insert:

"\$12,115,000 for fiscal year 1986 is transferred from the housing finance agency fund to the agency's general fund account."

Page 121, delete lines 35 to 37

Page 135, line 10, strike "board" and insert "agency"

Page 135, line 28, delete "112.36" and insert "112.35"

Page 136, line 7, delete "OF DEVELOPER" and insert "FOR INTEGRATED FACILITIES"

Page 136, line 8, delete "AND HAULER"

Page 136, delete lines 10 to 13 and insert: "*Notwithstanding any other provision of law, a person owning or operating an integrated facility under sections 115A.18 to 115A.30 shall be indemnified under this section for hazardous waste accepted from any other generator of hazardous wastes. The indemnification shall apply without subrogation for any damages, loss, expense,*"

Page 136, line 31, after the comma, insert "*without cost to the state*"

Page 137, delete section 72

Page 142, line 24, delete "*As cash flow permits*" and insert "*As unallotted balances permit*"

Page 145, line 11, delete "*the tax court or*"

Page 145, after line 32, insert:

"Sec. 91. Minnesota Statutes 1984, section 462A.03, subdivision 10, is amended to read:

Subd. 10. "Persons and families of low and moderate income" means persons and families, irrespective of race, creed, national origin or sex, determined by the agency to require such assistance as is made available by sections 462A.01 to 462A.24 on account of personal or family income not sufficient to afford adequate housing. In making such determination the agency shall: (1) take into account the following: (a) The amount of the total income of such persons and families available for housing needs, (b) the size of the family, (c) the cost and condition of housing facilities available, (d) the eligibility of such persons and families to compete successfully in the normal housing market and to pay the amounts at which private enterprise is providing sanitary, decent and safe housing; and (2) not adopt any rule establishing a minimum income limit for purposes of state assistance that is less than the minimum income limit for similar federal assistance established by the United States Department of Housing and Urban Development or other federal agency having jurisdiction thereover. In the case of federally subsidized mortgages with respect to which income limits have been established by any agency of the federal government having jurisdiction thereover for the purpose of defining eligibility of low and moderate income families, the limits so established shall govern under the provi-

sion of sections 462A.01 to 462A.24. In all other cases income limits for the purpose of defining low or moderate income persons shall be established by the agency by emergency or permanent rules."

Page 145, line 33, delete "91" and insert "92"

Page 146, line 9, delete "92" and insert "93"

Page 146, line 21, delete "93" and insert "94"

Page 146, line 30, delete "94" and insert "95"

Page 146, line 36, delete "95" and insert "96"

Page 148, line 7, delete "96" and insert "97"

Page 148, line 23, before "when" insert "or "board" "

Page 148, line 25, before "in" insert "or "agency" "

Page 148, line 27, delete "97" and insert "98"

Page 148, line 34, delete ", subdivisions 1, 1a, and 3"

Page 148, line 34, after the last semicolon insert "105.751;"

Page 148, line 35, delete "112.36" and insert "112.35"

Page 148, line 35, before "and" insert "176.611, subdivisions 3 and 4,"

Page 149, line 4, delete "98" and insert "99"

Page 149, line 8, delete "96" and insert "97"

Page 149, line 9, delete "97" and insert "98"

Page 149, line 10, delete "97" and insert "98"

Page 150, delete lines 13 to 36 and insert:

"The commissioner of finance is the legal successor in all respects of the small business finance agency, the Minnesota energy and economic development authority, the agricultural resource loan guaranty board, and the certified state development company as originally named and constituted, and all bonds, resolutions, contracts, and liabilities of those agencies are the bonds, resolutions, contracts, and liabilities of the commissioner of finance. The commissioner is bound by and shall administer or amend if necessary all contracts entered into by the commissioner

of energy and economic development, authority, board, or certified state development company unless the authority for contract administration has been transferred to another state agency. The commissioner shall fulfill the terms of all pledges made by the authority, board, or company to their bondholders, trustees, or other persons. The commissioner shall administer all loans made by these agencies. The commissioner shall not issue any new bonds under chapters 41A or 116M or provide any form of financial assistance under chapters 41A, 116M, or 472 unless this action is required by article 1, section 11, of the Minnesota Constitution or article 1, section 10, of the United States Constitution.

The commissioner shall satisfy all obligations of the authority, board, or company in accordance with their terms. The commissioner shall deposit in the general fund any money in the funds that is not legally bound to guarantee any outstanding loan, bond, or note, or that is not pledged or obligated in any contract entered into by the board or its successor."

Page 151, delete line 1

Pages 151 to 155, delete sections 5 to 13

Page 175, line 14, after "contracts" insert "entered into"

Page 175, line 15, before the period insert "and under section 116M.07, subdivisions 7a, 7b, and 7c"

Page 176, line 25, delete everything before the period and insert "pursuant to section 3"

Page 176, after line 30, insert:

"Sec. 61. Minnesota Statutes 1985 Supplement, section 116M.-07, subdivision 7a, is amended to read:

Subd. 7a. [HEALTH CARE EQUIPMENT LOANS; AUTHORITY.] The (AUTHORITY) commissioner may make or participate in making health care equipment loans in any amount and may enter into commitments therefor. The loans may be made only from the proceeds of bonds or notes issued pursuant to subdivision 7b. Before making a commitment for a loan, the (AUTHORITY) commissioner shall forward the application to the commissioner of health for review under subdivision 7c. The (AUTHORITY) commissioner must not approve or enter into a commitment for a loan unless the application has been approved by the commissioner of health.

Sec. 62. Minnesota Statutes 1985 Supplement, section 116M.-07, subdivision 7b, is amended to read:

Subd. 7b. [HEALTH CARE EQUIPMENT LOANS; BONDS AND NOTES.] The (AUTHORITY) *commissioner* may issue its bonds and notes to provide money for the purposes specified in subdivision 7a. (FOR THIS PURPOSE, THE AUTHORITY MAY EXERCISE ALL OF THE POWERS CONFERRED ON IT BY SECTIONS 116M.03 AND 116M.06 TO 116M.08 WITH RESPECT TO BUSINESS LOANS, EXCEPT AS LIMITED BY SUBDIVISIONS 7A TO 7C.) The principal amount of bonds and notes issued and outstanding under this subdivision at any time, computed as specified in *Minnesota Statutes 1985 Supplement*, section 116M.08, subdivision 11, may not exceed \$95,000,000. (THIS AUTHORIZATION IS IN ADDITION TO THE AUTHORIZATION CONTAINED IN SECTION 116M.08, SUBDIVISION 11.) The bonds and notes issued to make the loans may not be insured by the (AUTHORITY) *commissioner* but shall be insured by a letter of credit or bond insurance issued by a private insurer.

Sec. 63. Minnesota Statutes 1985 Supplement, section 116M.07, subdivision 7c, is amended to read:

Subd. 7c. [HEALTH CARE EQUIPMENT LOANS; ADMINISTRATION.] (a) The commissioner of health shall review each loan application received from the (AUTHORITY) *commissioner* to determine whether the application is an approvable application. An application is approvable if the following criteria are satisfied:

(1) the hospital is owned and operated by a county, district, municipality or nonprofit corporation;

(2) the loan would not be used to refinance existing debt;

(3) the hospital was unable to obtain suitable financing from other sources;

(4) the loan is necessary to establish or maintain patient access to an essential health care service that would not otherwise be available within a reasonable distance from that facility; and

(5) the project to be financed by the loan is cost-effective and efficient.

(b) The commissioner shall determine whether the allocation available for the health care equipment loan program for a period of time specified in a rule is sufficient for all approvable applications received during the period of time. If the allocations are sufficient, the commissioner shall approve all approvable applications. If the allocations are not sufficient, the commissioner shall compare the relative merits of the approvable applications in relation to the criteria in clauses (4) and (5), rank the applications in order of priority, and approve the applications in order of priority to the extent possible within the available allocation.

(c) The commissioner (OF ENERGY AND ECONOMIC DEVELOPMENT) may charge a reasonable fee under section 16A.128 to an applicant for the costs of the departments of health and (ENERGY AND ECONOMIC DEVELOPMENT) *finance* in the review of the application. The commissioner (OF ENERGY AND ECONOMIC DEVELOPMENT) shall transfer to the commissioner of health from the fees collected an amount sufficient to pay the costs of the commissioner of health in the review of applications effective July 1, 1985. The commissioner of health may adopt permanent rules to implement subdivisions 7a to 7c. The commissioner (OF ENERGY AND ECONOMIC DEVELOPMENT) may adopt permanent rules to implement subdivisions 7a to 7c."

Page 181, line 16, delete "subdivision 1,"

Page 181, delete lines 17 to 22, and insert:

"116M.11 [ENERGY LOAN INSURANCE PROGRAM.]

Subdivision 1. [ENERGY LOAN INSURANCE ACCOUNT.] An energy loan insurance account is created in the energy fund. The account shall be used by the (AUTHORITY) *commissioner* as a revolving account, and all money in the account is appropriated to the (AUTHORITY) *commissioner*, for carrying out the provisions of this section with respect to loans insured under subdivision 2.

Subd. 2. [INSURANCE OF LOANS.] (a) [AUTHORIZATION.] The (AUTHORITY) *commissioner* is authorized, upon application by a financial institution, to insure loans for cost-effective qualified energy projects as provided in this section; and under terms as the (AUTHORITY) *commissioner* may prescribe by rule, to make commitments for the insuring of loans prior to the date of their execution or disbursement. In the event the (AUTHORITY) *commissioner* shall determine that the energy loan insurance account is or will be depleted in connection with the use of the account as authorized by the act which has been approved or given preliminary approval by the (AUTHORITY) *commissioner*, then the (AUTHORITY) *commissioner* may by resolution transfer money from the energy development account created pursuant to section 116M.12.

(b) ([ELIGIBILITY REQUIREMENTS.] THE AUTHORITY MAY BY RULE ESTABLISH REQUIREMENTS FOR ENERGY LOANS TO BE ELIGIBLE FOR INSURANCE UNDER THIS SECTION, RELATING TO:)

((1) MAXIMUM PRINCIPAL AMOUNT, AMORTIZATION SCHEDULE, INTEREST RATE, DELINQUENCY CHARGES, AND OTHER TERMS;)

- ((2) THE PORTION OF THE LOAN TO BE INSURED;)
- ((3) ACCELERATION AND OTHER REMEDIES;)
- ((4) COVENANTS REGARDING INSURANCE, REPAIRS, AND MAINTENANCE OF THE PROJECT;)
- ((5) CONDITIONS REGARDING SUBORDINATION OF THE LOAN SECURITY, IF ANY, OF THE PROJECT TO OTHER LIENS AGAINST THE PROPERTY;)
- ((6) THE AGGREGATE PRINCIPAL AMOUNT OF LOANS TO BE INSURED IN RELATION TO THE RESERVES FROM TIME TO TIME ON HAND IN THE INSURANCE ACCOUNT, AND PRIORITIES AS TO THE LOANS TO BE INSURED; AND)
- ((7) ANY OTHER MATTERS DETERMINED BY THE AUTHORITY.)

(THE AUTHORITY SHALL BY RULE ESTABLISH CRITERIA FOR ANALYZING THE COST EFFECTIVENESS OF PROJECTS.)

((C)) [CONCLUSIVE EVIDENCE OF INSURABILITY.] Any contract of insurance executed by the (AUTHORITY) *commissioner* under this section shall be conclusive evidence of the eligibility of the loan for insurance, and the validity of any contract of insurance properly executed and in the hands of any approved lender shall not be contestable, except for fraud or misrepresentation on the part of the financial institution.

((D)) (c) [PREMIUMS.] The (AUTHORITY) *commissioner* is authorized to fix premium charges for the insurance of loans under this section at levels which in its judgment, taking into consideration other amounts available in the account, will be sufficient to cover and maintain a reserve for loan losses.

((E)) (d) [PROCEDURES UPON DEFAULT.] The (AUTHORITY) *commissioner* may establish procedures to be followed by financial institutions and to be taken by the authority in the event of default upon an energy loan, including:

- (1) time for filing claims;
- (2) rights and interests to be assigned and documents to be furnished by the financial institution;
- (3) principal and interest to be included in the claim; and
- (4) conditions, if any, upon which the (AUTHORITY) *commissioner* will pay the entire principal amount in default, after foreclosure and receipt of marketable title to the property.

Subd. 3. [INVESTMENT INTEREST.] All interest and profits accruing from investment of the account's money shall be credited to and be a part of the account, and any loss incurred in the principal of the investments of the account shall be borne by the account.

(SUBD. 4. [MAXIMUM AUTHORIZED INSURANCE.] THE AUTHORITY MAY NOT AT ANY TIME ISSUE INSURANCE UNDER THIS SECTION AGGREGATING IN EXCESS OF AN AMOUNT EQUAL TO THE CURRENT BALANCE CONTAINED IN THE ACCOUNT MULTIPLIED BY TEN.)"

Page 193, line 6, delete "commerce" and insert "administration"

Pages 197 to 199, delete sections 106 to 110

Page 199, after line 34, insert:

"Sec. 111. [FEDERAL FUNDS.]

The federal share of payments for loans made under Minnesota Statutes 1984, chapter 472, by the Minnesota energy and economic authority or any of its predecessors shall be deposited into the rural development fund created in section 33 for economic development assistance to cities, counties, and towns."

Page 200, line 28, after "subdivisions" insert "1," and after "3," insert "4, 6," and delete "and" and after "10" insert "12, 13, 14, and 15" and after the last "2" insert "and 4"

Page 200, line 29, after "2," insert "41A.05, subdivision 4; 41A.06, subdivisions 2, 3, and 4,"

Page 201, line 11, delete "subdivision" and insert "subdivisions 1, 2, 3, 4, 5," and after the first "6" insert ", and 7"

Page 201, line 20, delete "and" and insert "472.01; 472.02;"

Page 201, line 21, after "subdivision" insert "1," and before the semicolon insert ", 3, 4, 5, 6, 7, 8, 10, 11, 12, and 13"

Page 201, line 21, before "Minnesota" insert "472.04; 472.05; 472.06; 472.07; 472.08, subdivision 2; 472.09; 472.10; 472.11, subdivisions 1, 2, 4, 5, 6, 7 and 8; 472.12,"

Page 201, line 22, delete "3.875" and delete "subdivision" and insert "subdivisions 5," and after "7" insert ", 7a, 8, and 11"

Page 201, line 23, delete the first "and" and insert a comma, and after the first "3" insert ", and 5"

Page 201, line 23, delete the second "and" and insert a comma, and after the second "3" insert ", and 4"

Page 201, line 23, before "41A.08;" insert "41A.05, subdivisions 1, 2, 3, and 5; 41A.06, subdivisions 1 and 5; and"

Page 201, line 27, delete "7a, 7b, 7c,"

Page 201, line 29, delete "116M.11, subdivisions 2, 3, and 4;"

Page 201, line 29, before "and" insert "472.03, subdivision 9; 472.08, subdivision 1; 472.11, subdivisions 3 and 9; 472.125; 472.-13; 472.14; 472.15; 472.16"

Page 202, line 13, delete "\$81,589,100)" and insert "(\$80,-626,600)" and delete "(\$102,324,300)" and insert "(\$101,361,-800)"

Page 202, line 15, delete "(\$8,512,100)" and insert "(\$80,-549,600)" and delete "(\$102,224,300)" and insert "(\$101,261,800)"

Page 202, line 22, delete "(24,109,900)" and insert "(24,-184,900)"

Page 202, line 32, after "percent" insert:

"for physician services, dental care, vision care, podiatric services, chiropractic care, physical therapy, occupational therapy, speech pathologists, audiologists, mental health centers, psychologists, public health clinics and independent laboratory and x-ray services"

Page 203, after line 42, insert:

"Subd. 2. Increases—

Medical Assistance	0	320,000
--------------------	---	---------

The following amounts are appropriated from the general fund for the biennium ending June 30, 1987, and are added to the amounts in Laws 1985, First Special Session chapter 9, article 1, section 2, subdivision 5, paragraph (b)

(a) \$20,000 in the second year for the purpose of the medical assistance study required in section 58.

(b) \$300,000 in the second year for the purpose of developing and operating a medical assistance eligibility verification system. Availability of this money is contingent upon receipt of federal participation funds. If federal funds are reduced or withdrawn for this purpose they shall not be replaced with state money. Federal funds received during the biennium for this system are appropriated to the commissioner. The state cost shall not exceed this appropriation. This system shall not result in any cost to providers of medical services."

Page 203, line 43, delete "2" and insert "3"

Page 203, line 51, after "services" insert ", except inpatient hospital care and any hospital care provided in response to a primary diagnosis of chemical dependency or mental illness,"

Page 204, line 1, delete "3" and insert "4"

Page 204, line 2, delete "(60,175,700)" and insert "(58,458,-200)"

Page 205, line 22, delete "4" and insert "5"

Page 205, line 22, after "Increases" insert " — All Other Human Services" delete "\$10,896,800" and insert "\$9,896,800"

Page 205, line 48, delete "\$5,000,000" and insert "\$4,000,000"

Page 205, delete line 59

Page 206, delete lines 1 and 2

Page 206, line 28, delete "reduced from the general" and insert "a general reduction of the department's"

Page 206, line 29, delete "assistance job placement"

Page 206, line 32, delete the second "3" and insert "1"

Page 207, line 49, delete "specified reductions" and insert "purposes of this article"

Page 219, after line 18, insert:

"(e) electronic transfer to counties of materials contained in instructional bulletins, manuals, and other informational changes

necessary for the efficient operation of county human services departments."

Page 220, after line 8, insert:

"Subd. 6. [REPORT.] The commissioner of human services shall make a report to the chair of the house appropriations committee and the chair of the senate committee on finance by March 1, 1987, detailing how the system will facilitate the recoupment of payments of erroneous amounts of food stamp recipients, progress on system development, county involvement, projections of additional amounts to be recouped, and other significant matters affecting the operation of the automated system.

Sec. 28. [256.015] [TRAINING OF WELFARE FRAUD PROSECUTORS.]

The commissioner of human services shall contract with the county attorney's council or other public or private entity experienced in providing training for prosecutors to conduct quarterly workshops and seminars focusing on current AFDC program issues, other income maintenance program changes, recovery issues, alternative sentencing methods, use of technical aids for interviews and interrogations, and other matters affecting prosecution of welfare fraud cases.

Sec. 29. [256.016] [TRAINING OF WELFARE FRAUD INVESTIGATORS.]

The commissioner of human services shall establish a pilot project for further education and training of welfare fraud investigators. The commissioner may enter into contractual agreements with other state, federal, or county agencies as part of cooperative projects employing experienced investigators to provide on-the-job training to county investigators."

Page 220, line 16, reinstate the stricken " , when added to all other income and support available"

Page 220, line 17, reinstate the stricken "to the child,"

Page 223, after line 29, insert:

"Sec. 32. Minnesota Statutes 1984, section 256.98, is amended to read:

256.98 [WRONGFULLY OBTAINING ASSISTANCE; THEFT.]

A person who obtains, or attempts to obtain, or aids or abets any person to obtain by means of a wilfully false statement or representation, by intentional concealment of a material

fact, or by impersonation or other fraudulent device, assistance to which he is not entitled or assistance greater than that to which he is entitled, or who knowingly aids or abets in buying or in any way disposing of the property of a recipient or applicant of assistance without the consent of the local agency with intent to defeat the purposes of sections 256.12, 256.72 to 256.872, chapter 256B, is guilty of theft and shall be sentenced pursuant to section 609.52, subdivision 3, clauses (1), (2) and (5). The amount of the assistance incorrectly paid shall be the difference between the amount of assistance actually received and the amount to which the recipient would have been entitled under state and federal law had the welfare agency been informed of all material facts. The amount of any assistance determined to have been incorrectly paid shall be recoverable from the recipient or his estate by the county or the state as a debt due the county or the state or both in proportion to the contribution of each. (ANY AMOUNTS RECOVERED SHALL BE PAID TO THE APPROPRIATE UNITS OF GOVERNMENT IN THE SAME MANNER AS PROVIDED IN SECTION 256.863.) To prosecute or to recover assistance wrongfully obtained under this section, the attorney general or the appropriate county attorney, acting independently or at the direction of the attorney general, may institute a criminal or civil action. *If the state is responsible for the recovery, the amounts recovered shall be paid to the appropriate units of government as provided under section 256.863. If the recovery is directly attributable to a county, the county may retain one-half of the nonfederal share of any recovery from a recipient or the recipient's estate. This provision shall not apply to recoveries from medical providers or to recoveries involving the department of human services, surveillance and utilization review division, state hospital collections unit, and the benefit recoveries division.*"

Page 227, line 31, strike everything after the first "the"

Page 227, line 32, strike everything before the comma and insert "*medical assistance income standard*"

Page 227, line 33, strike "these maxima" and insert "*the medical assistance income standard*"

Page 228, line 1, after the period insert "*The medical assistance income standard for one person is \$4,164 or, for a family of two or more, is equal to the standard of need in the aid to families with dependent children program. The medical assistance income standard is subject to limitations set forth in Code of Federal Regulations, title 42, section 435.1007, and shall be adjusted in accordance with the annual appropriations bill.*"

Page 228, line 32, before the period insert "*to the provider or agency seeking reimbursement under that coverage*"

Page 229, after line 2, insert:

"Sec. 38. Minnesota Statutes 1985 Supplement, section 256B.07, is amended to read:

256B.07 [EXCEPTIONS IN DETERMINING RESOURCES.]

A local agency may (, WITHIN THE SCOPE OF REGULATIONS SET BY THE COMMISSIONER OF HUMAN SERVICES,) *not* waive the requirement of liquidation of excess assets (WHEN THE LIQUIDATION WOULD CAUSE UNDUE HARDSHIP). When an undue hardship waiver is granted due to excess assets created through a transfer of property under section 256B.17, subdivision 1, a cause of action exists against the person to whom the assets were transferred for that portion of medical assistance granted within 24 months of the transfer, or the amount of the uncompensated transfer, whichever is less, together with the costs incurred due to the action. The action may be brought by the state or county agency responsible for providing medical assistance under section 256B.02, subdivision 3. Household goods and furniture in use in the home, wearing apparel, and personal property used as a regular abode by the applicant or recipient and a lot in a burial plot shall not be considered as resources available to meet medical needs."

Page 229, line 4, delete "by adding a subdivision"

Page 229, after line 4, insert:

"256B.37 [PRIVATE INSURANCE POLICIES.]

Subdivision 1. [PRIVATE PLANS PRIMARY.] *Private health care and automobile accident coverage for medical services shall be primary coverage and must be exhausted before payment will be made by the medical assistance program or general assistance medical care program on behalf of any person eligible under section 256B.06 or 256D.03, subdivision 3. If an otherwise eligible person has private health care coverage or a prepaid health plan, the private health benefits must be used first and to the fullest extent. For purposes of this section, assignment of benefits held under 256B.06, subdivision 1, clause (16), must be honored by the private health care coverage, prepaid health plan, or automobile coverage. Supplementation may be made by the medical assistance or general assistance medical care program, but the combined total paid shall not exceed the amount payable under the program in the absence of other coverage. The medical assistance or general assistance medical care program will not supplement covered services rendered by a practitioner participating or contracting with a private health coverage plan if the private plan calls for the practitioner to accept the plan's payment as payment in full.*

Subd. 2. [SUBROGATION.] Upon furnishing medical assistance to any person having private health care coverage, the state agency shall be subrogated, to the extent of the cost of medical care furnished, to any rights the person may have under the terms of any private health care coverage. The right of subrogation does not attach to benefits paid or provided under private health care coverage prior to the receipt of written notice of the exercise of subrogation rights by the carrier issuing the health care coverage.

Subd. (2) 3. [CIVIL ACTION.] To recover under this section, the attorney general, or the appropriate county attorney, acting upon direction from the attorney general, may institute or join a civil action against the carrier of the private health care coverage."

Page 229, line 5, delete "3" and insert "4"

Page 236, after line 16, insert:

"Sec. 41. Minnesota Statutes 1984, section 256D.05, is amended by adding a subdivision to read:

Subd. 5. [TRANSFERS OF PROPERTY.] The following provisions govern all transfers of resources relative to the general assistance program:

(a) Transfers for less than market value. In determining the resources of an assistance unit, there shall be included a resource or an interest in a resource that was given away, sold, or disposed of for less than fair market value within 12 months preceding application for general assistance or during the period of eligibility.

(b) Presumption of purpose. Any transaction described in this subdivision shall be presumed to have been for the purpose of establishing eligibility for assistance under chapter 256D, unless the individual involved or other member of the assistance unit offers convincing evidence to show that the transaction was for another purpose only.

(c) Resource value. For purposes of this subdivision, the value of the resource shall be the fair market value at the time it was given away, sold, or disposed of, less the amount of compensation received.

(d) Period of ineligibility. For any insufficiently compensated transfer, the period of ineligibility shall be calculated by dividing the resource value by the state standard of assistance for an assistance unit of the size involved. The assistance unit shall remain ineligible until either this fixed period of ineligibility or 12 calendar months has expired, whichever occurs first."

Page 253, line 48, delete "Section 34 is" and insert "Sections 34 and 38 are"

Page 253, after line 49, insert:

"ARTICLE 8

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 prosecution 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 pay-

ment 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 9

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 10

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 11

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 commis-

sioner 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 ob-*

tain 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 development, 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. [WHOLESALERS 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 of 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 WHOLESALERS.]

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 prescribed 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, manu-

facturer, 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 list 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 12

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 13

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."

Renumber the sections in sequence in all the articles as necessary

Renumber the cross-references in all the articles as necessary

Amend the title as follows:

Page 1, line 7, after the semicolon insert "providing for contingency expenditures;"

Page 1, line 14, after "protection;" insert "clarifying the income tax exclusion of income on the sale of certain agricultural property; repealing the suspension of inflation adjustments; proposing tax compliance measures; 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; setting local government aids for 1987; changing certain reimbursement payment dates; prescribing sales ratio study requirements; 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;”

Page 1, line 18, delete everything after the first semicolon

Page 1, line 19, delete everything through the second semicolon

Page 1, line 21, delete “and” and after “3a” insert “, and 5”

Page 1, line 23, after “subdivision 1;” insert “60A.17, by adding a subdivision;”

Page 1, line 25, delete “subdivisions” and insert “subdivision” and delete “and 2”

Page 1, line 26, after “subdivision 1;” insert “82.22, subdivision 3; 82.27, by adding a subdivision;”

Page 1, line 29, delete “112.36” and insert “112.35”

Page 1, line 45, after the first semicolon insert “121.495;” and after the second semicolon insert “121.934, subdivision 1; 124.195, subdivision 5;”

Page 2, line 5, after “144.69;” insert “148.10, by adding a subdivision; 150A.08, by adding a subdivision;”

Page 2, line 10, after the second semicolon insert “237.30;”

Page 2, line 11, after “239.10;” delete “240.16, subdivision 5;” and after the second semicolon insert “256.98;”

Page 2, line 12, after the first semicolon insert “256B.07;”

Page 2, line 13, after the first semicolon insert “256D.05, by adding a subdivision;” and after “subdivision 5;” insert “270.12, subdivision 2; 270.69, by adding a subdivision; 270.72, subdivisions 1, 2, and 3;”

Page 2, line 16, after “subdivision 5;” insert “276.09; 276.10; 276.11; 278.03; 279.01, as amended;”

Page 2, line 16, after “subdivision 1;” insert “290.53, subdivision 2; 290.61;”

Page 2, line 16, after “296.13;” insert “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, subdivision 2;”

Page 2, line 18, after the second “subdivision 3;” insert “326.20, by adding a subdivision;”

Page 2, line 20, after "7;" insert "462A.03, subdivision 10;"

Page 2, line 23, after "473.448;" insert "477A.015;"

Page 2, line 25, after "subdivision 8;" insert "40A.03, subdivision 2;" and delete "41A.03,"

Page 2, delete lines 26 and 27

Page 2, line 28, after "subdivision 1;" insert "60A.17, subdivision 1a;"

Page 2, line 33, after "2;" insert "116M.07, subdivisions 7a, 7b, and 7c;"

Page 2, line 34, delete " , subdivision 1"

Page 2, line 38, before "173.085," insert "147.021, by adding a subdivision;" and after the second semicolon insert "214.06, subdivision 1;"

Page 2, line 47, before "270A.07," insert "270.063; 270.69, subdivisions 2, 3, and 4; 270.76;"

Page 2, line 48, after "subdivision 1;" insert "273.124, by adding a subdivision; 273.13, subdivisions 15a and 22;"

Page 2, line 49, after "subdivision 2;" insert "278.05, subdivision 5; 290.491;"

Page 2, line 51, delete "472.03,"

Page 2, delete line 52

Page 2, line 53, delete everything before "Laws" and insert "477A.011, subdivisions 10 and 12; 477A.012; 477A.013;"

Page 2, line 55, delete "section" and insert "sections"

Page 2, line 56, delete "chapter 19, section" and insert "and"

Page 2, line 59, delete the first "section" and insert "sections 1; 4, subdivisions 1, 9, 10, and 11; 5, subdivisions 1, 2, and 6; 7; 8; 9; 10, subdivision 1; and"

Page 3, line 2, after "256;" insert "276; 297A;"

Page 3, line 6, after the first semicolon insert "19.64, subdivision 5;"

Page 3, line 6, after "subdivisions" insert "1," and after "3," insert "4, 6," and delete "and" and after "10" insert " , 12, 13, 14, and 15"

Page 3, line 7, delete "subdivision" and insert "subdivisions" and before the first semicolon insert "and 4"

Page 3, line 7, after the second semicolon insert "41A.05, subdivision 4; 41A.06, subdivisions 1, 2, 3, and 4;"

Page 3, line 7, after the third semicolon insert "42.06, subdivision 4;"

Page 3, line 9, delete the last comma

Page 3, line 10, delete "subdivisions 1, 1a, and 3"

Page 3, line 10, after the last semicolon insert "105.751;"

Page 3, line 11, delete "112.36" and insert "112.35"

Page 3, line 14, after "116J.035" insert ", as amended"

Page 3, line 27, after "116L.03" insert ", as amended" and after "116L.04" insert ", as amended"

Page 3, line 31, delete "subdivision" and insert "subdivisions 1, 2, 3, 4, 5," and after "6" insert ", and 7"

Page 3, line 34, after "116M.10" insert ", as amended"

Page 3, line 37, after "161.1419" insert ", as amended" before "177.41" insert "176.611, subdivisions 3 and 4;"

Page 3, line 39, after "4;" insert "270.72, subdivision 5; 297A.02, subdivision 3;"

Page 3, line 43, after the first semicolon insert "472.01; 472.02;" and delete "subdivision" and insert "subdivisions 1," and after "2" insert ", 3, 4, 5, 6, 7, 8, 10, 11, 12, and 13"

Page 3, line 43, before "Minnesota" insert "472.04; 472.05; 472.06; 472.07; 472.08, subdivision 2; 472.09; 472.10; 472.11, subdivisions 1, 2, 4, 5, 6, 7, and 8; 472.12;"

Page 3, line 46, delete "subdivision" and insert "subdivisions 5," and before the first semicolon insert ", 7a, 8, and 11"

Page 3, line 46, delete "and" and insert a comma and after "3" insert ", and 5"

Page 3, line 47, delete "and" and insert a comma, and after "3" insert ", and 4"

Page 3, line 47, after the first semicolon insert "41A.05, subdivisions 1, 2, 3, and 5; 41A.06, subdivisions 1 and 5;"

Page 3, line 53, delete "7a, 7b, 7c,"

Page 3, line 55, delete everything up through the first semi-colon

Page 3, line 58, before "474.17," insert "290.06, subdivision 2f; 472.03, subdivision 9; 472.08, subdivision 1; 472.11, subdivisions 3 and 9; 472.125; 472.13; 472.14; 472.15; 472.16;"

With the recommendation that when so amended the bill pass.

CALL OF THE HOUSE

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

Anderson, R.	Dimler	Knickerbocker	Otis	Solberg
Backlund	Dyke	Knuth	Ozment	Sparby
Battaglia	Elioff	Krueger	Pappas	Stanisus
Beard	Erickson	Kvam	Pauly	Staten
Becklin	Fjoslien	Levi	Peterson	Sviggum
Begich	Forsythe	Lieder	Piepho	Thiede
Bennett	Frederick	Long	Piper	Thorson
Bishop	Frederickson	McEachern	Poppenhagen	Tjornhom
Blatz	Greenfield	McLaughlin	Redalen	Tomlinson
Boerboom	Gruenes	McPherson	Rees	Tompkins
Boo	Gutknecht	Metzen	Richter	Uphus
Brandl	Halberg	Miller	Rodosovich	Valan
Brown	Hartle	Minne	Rose	Valento
Burger	Haukoos	Munger	Scheid	Vanasek
Carlson, D.	Heap	Murphy	Schoenfeld	Vellenga
Carlson, J.	Himle	Nelson, D.	Seaberg	Voss
Carlson, L.	Jacobs	Nelson, K.	Segal	Waltman
Clark	Jaros	Ogren	Shaver	Wenzel
Clausnitzer	Johnson	Olsen, S.	Sherman	Wynia
Cohen	Kalis	Onnen	Simoneau	Zaffke
Dempsey	Kiffmeyer	Osthoff	Skoglund	Spk. Jennings, D.

Levi moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

Norton moved that the committee report on H. F. No. 1766 be rejected.

A roll call was requested and properly seconded.

The question was taken on the Norton motion and the roll was called.

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

There were 61 yeas and 69 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

The motion did not prevail.

POINT OF ORDER

Voss raised a point of order pursuant to rule 6.9 relating to the substitution of bills. The Speaker ruled the point of order not well taken.

The question recurred on the adoption of the report on H. F. No. 1766, as amended by the Committee on Rules and Legislative Administration. The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 325, 1345, 1727, 1764, 1782, 1801, 1838, 1842, 1865, 1877, 1883, 1912, 1915, 1947, 2023, 2064, 2075, 2100, 2230 and 1766 were read for the second time.

INTRODUCTION AND FIRST READING
OF HOUSE BILLS

The following House Files were introduced:

Carlson, D.; Boerboom; Pauly; Anderson, G., and Valan introduced:

H. F. No. 2333, A bill for an act relating to transportation; providing for use of county state-aid highway funds on highways providing access to outdoor recreation areas; providing that motor vehicles do not exceed length restrictions, whether unladen or with load; defining tandem axles; providing for weight restrictions on highways including market arteries; increasing tax on gasoline and special fuel; reducing complement of department of transportation; creating legislative transportation commission; appropriating money; amending Minnesota Statutes 1984, sections 162.06, subdivision 5; 169.81, subdivision 2; 169.825, subdivisions 8, 10, and by adding a subdivision; 169.832, subdivision 11, and by adding a subdivision; and 296.02, subdivision 1b.

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

Shaver introduced:

H. F. No. 2334, A bill for an act relating to local government; providing for city capital improvement reserve funds; amending Minnesota Statutes 1984, section 471.57.

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

Carlson, D.; Solberg; Schoenfeld; Greenfield and Erickson introduced:

H. F. No. 2335, A bill for an act relating to the University of Minnesota; appropriating money for agricultural extension service and experiment station projects.

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

Olson, E.; Schafer; Redalen; Dempsey and Sparby introduced:

H. F. No. 2336, A bill for an act relating to local government; permitting counties to establish public works reserve funds; amending Minnesota Statutes 1984, section 471.57.

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

Rose introduced:

H. F. No. 2337, A bill for an act relating to the environment; amending Minnesota Statutes 1985 Supplement, sections 116.46, by adding a subdivision; and 116.48, subdivision 4.

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

Sviggum and Heap introduced:

H. F. No. 2338, A bill for an act relating to employment; providing training opportunities for technically qualified individuals who may be exposed to hazardous substances, harmful physical agents, or infectious agents; amending Minnesota Statutes 1985 Supplement, section 182.653, subdivisions 4b, 4c, and 4f.

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

Rest and Segal introduced:

H. F. No. 2339, A bill for an act relating to public safety; creating the crimes of aggravated unlicensed operation of a motor vehicle in the first, second, third, and fourth degrees; providing for the seizure, impoundment, and forfeiture of a motor vehicle operated by a driver whose license or operating privilege is suspended or revoked; prescribing penalties for persons who operate unregistered motor vehicles on streets or highways; requiring mandatory imprisonment and other sanctions for persons convicted of driving while under the influence of alcohol or a controlled substance for a third time; amending Minnesota Statutes 1984, sections 168.09, subdivision 1; 168.10, subdivision 4; 169.121, by adding a subdivision; and 171.241; proposing coding for new law in Minnesota Statutes, chapter 171; repealing Minnesota Statutes 1984, section 171.24; Minnesota Statutes 1985 Supplement, section 169.129.

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

Clausnitzer introduced:

H. F. No. 2340, A bill for an act relating to insurance; health and accident; requiring health maintenance organizations to provide chiropractic care equivalent to that provided by health insurance; amending Minnesota Statutes 1984, sections 62A.15; and 62D.02, subdivision 7.

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

Sherman, Simoneau, Gutknecht, Dempsey and Sviggum introduced:

H. F. No. 2341, A bill for an act relating to retirement; Winona police relief association audit, reports, financing.

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

Sparby introduced:

H. F. No. 2342, A bill for an act relating to game and fish; establishing a program to compensate landowners and lessees for damages done by wild animals; appropriating money.

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

Begich introduced:

H. F. No. 2343, A bill for an act relating to transportation; providing for the terms of regional railroad authority commissioners; amending Minnesota Statutes 1984, section 398A.03, subdivision 5.

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

Boo, Begich and Minne introduced:

H. F. No. 2344, A bill for an act relating to counties; setting conditions for St. Louis county to appoint a county administrator; amending Minnesota Statutes 1984, section 375A.06, subdivision 5.

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

Rees introduced:

H. F. No. 2345, A bill for an act relating to retirement; payment of combined service annuities by last fund; amending Minnesota Statutes 1984, section 356.30, subdivision 1.

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

Sparby introduced:

H. F. No. 2346, A bill for an act relating to the environment; disapproving a nuclear waste repository in Minnesota; making findings on economics of nuclear power; requiring a report from nuclear power generators on the economic feasibility of nuclear power; requiring nuclear power plants to be decommissioned by December 31, 1990; proposing coding for new law in Minnesota Statutes, chapters 116C and 216B.

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

Wynia introduced:

H. F. No. 2347, A bill for an act relating to commerce; regulating licensing of installers of certain low-voltage electrical systems; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 326.

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

Fjoslien introduced:

H. F. No. 2348, A bill for an act relating to retirement; making public employees retirement association membership optional for employees of county historical societies; amending Minnesota Statutes 1985 Supplement, section 353.01, subdivision 2a.

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

Thiede introduced:

H. F. No. 2349, A resolution memorializing Congress to propose an amendment to the United States Constitution allowing the states or Congress to override decisions of the United States Supreme Court and federal regulatory bodies in certain cases, or, alternately, applying to Congress for a constitutional convention to propose such an amendment.

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

Frerichs and Jennings, L., introduced:

H. F. No. 2350, A bill for an act relating to health; providing exemptions for certain air ambulance services; allowing certified first responders to drive certain basic life support transportation service vehicles; amending Minnesota Statutes 1984, sections 144.802, subdivision 5, and by adding a subdivision; and 144.804, subdivisions 1 and 3.

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

Dimler introduced:

H. F. No. 2351, A bill for an act relating to state real estate; permitting the sale of the old Shakopee correctional facility to the local government units.

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

Johnson introduced:

H. F. No. 2352, A bill for an act relating to small businesses; expanding limitations on eligibility for the set-aside and preference programs for small businesses owned and operated by socially or economically disadvantaged persons; defining "bona fide permanent place of business"; expanding the definition of a "socially or economically disadvantaged person"; imposing new conditions for participation in the set-aside and preference programs for small businesses owned and operated by socially or economically disadvantaged persons; amending Minnesota Statutes 1984, section 116J.68, subdivision 2; and Minnesota Statutes 1985 Supplement, sections 16B.19, subdivisions 5 and 6; 16B.22, subdivision 1; and 645.445, subdivision 5.

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

Rees introduced:

H. F. No. 2353, A bill for an act relating to environment; creating the waste management agency; transferring the duties of the waste management board and certain duties of the pollution control agency to the waste management agency; amending Minnesota Statutes 1984, sections 115A.03, by adding subdivisions; 115A.42; 115A.44; 115A.45; 115A.46, subdivision 1; 115A.51; 115A.53; 115A.917; amending Minnesota Statutes 1985 Supplement, sections 115A.49 and 115A.52; proposing coding for new law in Minnesota Statutes, chapter 115A; repealing Minnesota Statutes 1984, sections 115A.03, subdivision 3; 115A.04; 115A.05; 115A.13; 115A.14, subdivision 6; 115A.201; 115A.22, subdivision 4; and 115A.34.

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

Rees introduced:

H. F. No. 2354, A bill for an act relating to taxation; reducing the general sales and use tax rate; extending the sales and use tax to clothing; authorizing cities and towns to impose a local sales tax; providing for distribution of local sales tax revenues within the metropolitan area; amending Minnesota Statutes 1984, sections 115A.908, subdivision 1; 270.89; 297A.01, subdivisions 3 and 13; 297A.02, subdivision 1; 297A.255, subdivision 1; and 462.39, subdivision 1; and Minnesota Statutes 1985 Supplement, sections 297A.041; 297A.14; 297A.25, subdivision 1; 297A.256; 297B.03; proposing coding for new law in Minnesota Statutes, chapter 477A.

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

Wynia, McEachern, Vellenga, Greenfield and Segal introduced :

H. F. No. 2355, A bill for an act relating to health; requiring the licensure and regulation of home health care agencies and persons; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 144B.

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

Uphus, by request, introduced :

H. F. No. 2356, A bill for an act relating to agricultural finance; renaming the agricultural resource loan guaranty board; providing powers; authorizing the board to participate in loans; appropriating money; amending Minnesota Statutes 1984, section 41A.02, subdivisions 3 and 6; Minnesota Statutes 1985 Supplement, sections 41A.01; 41A.02, subdivision 11; and 41A.05, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 41A; repealing Minnesota Statutes 1984, section 41A.06, subdivision 2.

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

Jennings, L., introduced :

H. F. No. 2357, A bill for an act relating to natural resources; changing eligibility requirements for waterbank agreements; providing requirements for the director of the division of waters; requiring the director to maintain current wetland values; amending drainage law definitions; prescribing payment of attorney fees on certain drainage issues appealed by the commissioner; prescribing general provisions for petitions; amending petition requirements; allowing drainage proceedings to be delayed; prescribing conditions for assessments against property within a municipality; prescribing extent of benefits and damages; requiring a benefits and damages statement and a property owners' report; authorizing easement to access drainage system; providing drainage liens to be recorded against tracts of property; changing rates of interest to be paid during drainage proceedings; amending definition of repair; authorizing conditions for repair if design depth is different than original construction depth; declaring right to have drainage systems maintained; providing easement for drainage authority to inspect drainage system; requiring permanent grass strips; apportioning repair costs; renumbering sections; amending Minnesota Statutes 1984, sections 105.392; and 105.40; Minnesota Statutes 1985 Supplement, sections 40.072, subdivisions 3 and 6; 106A.005, subdivisions 2, 3, 4, 9, 10, 12, 13, 14, and 19, and by

adding subdivisions; 106A.011, subdivisions 3 and 4; 106A.015; 106A.031; 106A.051; 106A.055; 106A.081, subdivisions 2 and 3; 106A.091, subdivisions 2 and 4; 106A.095, subdivisions 1, 3, and 4; 106A.101, subdivisions 2 and 4; 106A.215, subdivisions 4 and 5; 106A.221; 106A.225; 106A.231; 106A.235, subdivisions 1 and 2; 106A.241, subdivisions 1, 2, and 5; 106A.245; 106A.251; 106A.261, subdivisions 1, 3, 4, 5, 6, and 7; 106A.265, subdivision 1; 106A.271, subdivision 1; 106A.275; 106A.281; 106A.285, subdivisions 2, 4, 5, 6, 9, and 10; 106A.295; 106A.301; 106A.305, subdivision 1; 106A.311; 106A.315, subdivisions 1, 2, 5, and 6, and by adding a subdivision; 106A.321, subdivision 1, and by adding a subdivision; 106A.325, subdivisions 2 and 3; 106A.335, subdivisions 1 and 3; 106A.341; 106A.345; 106A.351; 106A.401, subdivisions 2 and 6, and by adding a subdivision; 106A.405; 106A.411, subdivisions 3 and 4; 106A.501, subdivisions 4, 6, and 7; 106A.505, subdivisions 1, 2, 3, 7, and 8; 106A.511, subdivisions 1, 2, 3, and 5; 106A.515; 106A.525, subdivisions 2, 3, and 4; 106A.541; 106A.555, subdivision 2; 106A.601; 106A.605; 106A.611, subdivisions 2, 3, 6, and 7; 106A.615, subdivisions 4 and 7; 106A.635, subdivisions 1 and 10; 106A.645, subdivision 7; 106A.651, subdivision 1; 106A.655, subdivision 1; 106A.701, subdivision 1, and by adding subdivisions; 106A.705, subdivision 1; 106A.715, subdivision 6; 106A.731, subdivision 1; 106A.741, subdivision 5; 106A.811, subdivisions 2, 4, and 5; 112.431, subdivision 2; 112.48, subdivision 1; 112.59; 112.60; and 112.65, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 106A; repealing Minnesota Statutes 1984, sections 111.01; 111.02; 111.03; 111.04; 111.05; 111.06; 111.07; 111.08; 111.10; 111.12; 111.14; 111.15; 111.16; 111.17; 111.18; 111.19; 111.20; 111.21; 111.22; 111.23; 111.24; 111.25; 111.26; 111.27; 111.28; 111.29; 111.32; 111.33; 111.34; 111.35; 111.37; 111.38; 111.39; 111.40; 111.41; 111.42; 111.421; Minnesota Statutes 1985 Supplement, sections 106A.005, subdivision 25; 106A.201; 106A.205; 106A.211; 111.09; 111.11; 111.13; 111.30; 111.31; and 111.36.

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

Tjornhom, Ogren, Clausnitzer and Shaver introduced:

H. F. No. 2358, A bill for an act relating to occupations and professions; providing for the regulation of the practice of chiropractic; providing grounds for license revocation; prescribing penalties; appropriating money; amending Minnesota Statutes 1984, sections 148.01, subdivision 1; 148.06, subdivision 1; 148.07, subdivision 2; 148.08, subdivision 3; 148.10; and 319A.02, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 148; repealing Minnesota Statutes 1984, section 148.101.

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

Jennings, L.; Carlson, J.; Clausnitzer; Stanius and Lieder introduced:

H. F. No. 2359, A bill for an act relating to human services; establishing computerized information systems; authorizing an electronic transfer system; providing for training of welfare fraud prosecutors and investigators; providing for disposition of incorrect assistance amounts recovered; regulating certain property transfers by general assistance applicants or recipients; appropriating money; amending Minnesota Statutes 1984, sections 256.98; and 256D.05, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 256.

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

Dimler and Uphus introduced:

H. F. No. 2360, A bill for an act relating to agriculture; providing a penalty for failure to issue grain warehouse receipts; amending Minnesota Statutes 1984, section 232.23, subdivision 5.

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

Nelson, D., and Price introduced:

H. F. No. 2361, A bill for an act relating to education; requiring the higher education representative on the board of teaching to be a teaching faculty member; allowing a counselor to serve on the board of teaching; amending Minnesota Statutes 1984, section 125.183, subdivision 3.

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

Welle, Osthoff, Minne, Elioff and Pappas introduced:

H. F. No. 2362, A bill for an act relating to energy; clarifying the method by which schedules for the repayment of district heating loans are established; amending Minnesota Statutes 1985 Supplement, section 116J.36, subdivision 6.

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

Piepho and Frederick introduced:

H. F. No. 2363, A bill for an act relating to local government; permitting the establishment of special service districts in the city of Mankato; providing taxing and other financial authority.

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

Johnson and Valan introduced:

H. F. No. 2364, A bill for an act relating to transportation; railroads; permitting transportation regulation board to approve certain rate changes and applications for track abandonment or discontinuance of service in certain cases without a public hearing; amending Minnesota Statutes 1984, section 221.041, subdivision 1; Minnesota Statutes 1985 Supplement, sections 219.741; and 219.85.

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

Johnson and Valan introduced:

H. F. No. 2365, A bill for an act relating to transportation; clarifying procedures in certain contested matters brought before the transportation regulation board; amending Minnesota Statutes 1984, sections 174A.02, subdivision 4; and 216A.05, subdivision 5.

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

Sviggum and Uphus introduced:

H. F. No. 2366, A bill for an act relating to juvenile court; defining escape from a state juvenile correctional facility as a delinquent act; providing that committing a felony as part of, or subsequent to, escape from a juvenile correctional facility is a prima facie case for reference for adult prosecution; providing penalties; amending Minnesota Statutes 1984, sections 260.015, subdivision 5; 260.125, subdivision 3; and 260.185, subdivision 1.

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

DenOuden, Haukoos, Johnson and Kvam introduced:

H. F. No. 2367, 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.

Miller; Carlson, D.; Neuenschwander; Boerboom and Stanius introduced:

H. F. No. 2368, A bill for an act relating to natural resources; creating a legislative commission on water policy and providing for the powers and duties of the commission; appropriating money.

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

Miller, Heap, Frerichs, Schafer and Dempsey introduced:

H. F. No. 2369, A bill for an act relating to employment; repealing provisions requiring payment of certain wages on state projects; repealing Minnesota Statutes 1984, sections 177.41; 177.42; 177.43; and 177.44.

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

Johnson and Valan introduced:

H. F. No. 2370, A bill for an act relating to transportation; railroads; permitting the transportation regulation board to grant clearance variances without evidentiary hearings in certain cases; amending Minnesota Statutes 1985 Supplement, section 219.47, subdivision 1.

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

McPherson, Heap and Levi introduced :

H. F. No. 2371, A bill for an act relating to commerce; providing for the repeal of statutory law regulating entertainment agencies; repealing Minnesota Statutes 1984, sections 184A.01 to 184A.20.

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

Valan, McDonald, Redalen and Rees introduced :

H. F. No. 2372, A bill for an act relating to agriculture; creating a rural economy adjustment board; providing for the issuance of bonds or other obligations by the board and the loan of proceeds to counties for grants or loans to farmers to repay or refinance existing indebtedness; authorizing the levy and collection of taxes for the repayment of loans by counties; permitting the acquisition of conservation easements in agricultural property; proposing coding for new law in Minnesota Statutes, chapter 41A.

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

Hartinger introduced :

H. F. No. 2373, A bill for an act relating to retirement; Andover firefighters relief association; authority to amend bylaws.

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

Valan and Lieder introduced :

H. F. No. 2374, A bill for an act relating to traffic regulations; increasing area of state in which weight limitations on highways may be seasonally increased; providing that weight limitations are increased seasonally for transporting sugar beets and potatoes under certain conditions; increasing weight limitations under which special permits may be issued; imposing fees; amending Minnesota Statutes 1984, sections 169.825, subdivision 11; and 169.86, subdivision 5.

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

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

H. F. No. 1826, A resolution memorializing the governments of the United States and the Socialist Republic of Vietnam to take all possible actions to determine the fate of persons missing in action in Southeast Asia; joining with the families of those who are missing in the hope that their long wait will soon be over.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. Nos. 1587, 1597 and 1612.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. Nos. 641, 1319, 1531 and 1645.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. No. 1575.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1587, A bill for an act relating to public indebtedness; permitting home rule charter and statutory cities and towns to incur debt for warning systems; amending Minnesota Statutes 1984, section 475.52, subdivision 1; and Minnesota Statutes 1985 Supplement, section 366.095.

The bill was read for the first time.

McPherson moved that S. F. No. 1587 and H. F. No. 1853, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1597, A bill for an act relating to agriculture; removing the liability of persons who buy farm products; repealing the notification and registration system for security interests in farm products; amending Minnesota Statutes 1985 Supplement, sections 17A.04, subdivisions 2 and 5; and 336.9-307; repealing Minnesota Statutes 1985 Supplement, sections 17A.04, subdivision 1a; 27.03, subdivision 2; 223.17, subdivision 1a; 223A.01; and 386.42.

The bill was read for the first time.

Dimler moved that S. F. No. 1597 and H. F. No. 1842, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1612, A bill for an act relating to insurance; changing certain incorporation requirements for domestic insurance corporations; changing certain investment requirements for life insurance companies; amending Minnesota Statutes 1984, sections 60A.07, subdivision 1; and 61A.282, subdivision 1.

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

S. F. No. 641, 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, sections 276.09; 276.10; and 278.03; Minnesota Statutes 1985 Supplement, sections 278.05, subdivision 5; and 279.01, subdivision 1.

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

S. F. No. 1319, A bill for an act relating to motor vehicles; removing liability of motor vehicle lessors for unpaid citations for traffic violations committed by operators of leased or rented motor vehicles; proposing coding for new law in Minnesota Statutes, chapter 168.

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

S. F. No. 1531, A bill for an act relating to agriculture; ratifying the Interstate Compact on Agricultural Grain Marketing; proposing coding for new law as Minnesota Statutes, chapter 236A.

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

S. F. No. 1645, A bill for an act relating to crime; using force or threat of force against revenue department employees; amending Minnesota Statutes 1984, section 609.50.

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

S. F. No. 1575, 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.

The bill was read for the first time.

McPherson moved that S. F. No. 1575 and H. F. No. 1820, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR

S. F. No. 1574, A bill for an act relating to counties; making optional a county building commission law; amending Minnesota Statutes 1984, section 394.01.

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.

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

There were 123 yeas and 4 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Minne	Osthoff	Scheid	Solberg
-------	---------	--------	---------

The bill was passed and its title agreed to.

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.

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.

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

There were 121 yeas and 3 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Olsen, S. Osthoff Scheid

The bill was passed and its title agreed to.

CALL OF THE HOUSE LIFTED

McEachern moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

H. F. No. 1980, A bill for an act relating to state government; authorizing the Indian affairs council to enter contracts and to accept grants and gifts; amending Minnesota Statutes 1984, section 3.922, subdivision 5.

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

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

Those who voted in the affirmative were:

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

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

The bill was passed and its title agreed to.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Levi, from the Committee on Rules and Legislative Administration, pursuant to Rule 1.9, designated the following bills as Special Orders to be acted upon immediately preceding General Orders pending for today, Monday, February 24, 1986:

H. F. No. 1930; S. F. No. 1600; H. F. Nos. 1772, 1807, 1824, 1926, 1928, 1991, 2014, 1730 and 1962.

SPECIAL ORDERS

H. F. No. 1930, A bill for an act relating to public safety; barring traffic citation quotas; proposing coding for new law in Minnesota Statutes, chapter 299D.

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 116 yeas and 3 nays as follows:

Those who voted in the affirmative were:

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

Jaros	McLaughlin	Pauly	Scheid	Uphus
Jennings, L.	McPherson	Peterson	Schoenfeld	Valan
Johnson	Metzen	Piepho	Segal	Valento
Kalis	Miller	Piper	Shaver	Vanasek
Kiffmeyer	Minne	Poppenhagen	Sherman	Vellenga
Knickerbocker	Munger	Price	Simoneau	Voss
Knuth	Murphy	Quinn	Skoglund	Waltman
Kostohryz	Norton	Redalen	Solberg	Welle
Krueger	O'Connor	Rees	Sparby	Wenzel
Kvam	Ogren	Rest	Stanis	Wynia
Levi	Olsen, S.	Rice	Sviggum	Zaffke
Lieder	Olson, E.	Richter	Thiede	Spk. Jennings, D.
Long	Omann	Rodosovich	Thorson	
Marsh	Onnen	Rose	Tjornhom	
McDonald	Osthoff	Sarna	Tompkins	
McEachern	Otis	Schafer	Tunheim	

Those who voted in the negative were:

Nelson, D. Pappas Quist

The bill was passed and its title agreed to.

S. F. No. 1600 was reported to the House.

Dempsey moved that S. F. No. 1600 be returned to General Orders. The motion prevailed.

H. F. No. 1772 was reported to the House.

Dempsey moved to amend H. F. No. 1772, as follows:

Page 3, line 26, after "matter" and before the period insert:
"but in no case shall the fee that is taxed exceed the fine that is imposed"

Page 4, after line 7, insert: *"The fees set forth in this subdivision shall not apply to parking violations for which complaints and warrants have not been issued."*

The motion prevailed and the amendment was adopted.

Kelly moved to amend H. F. No. 1772, as amended, as follows:

Page 6, after line 1, insert:

"Sec. 10. Minnesota Statutes 1985 Supplement, section 609.101, is amended to read:

609.101 [SURCHARGE ON FINES, ASSESSMENTS.]

When a court sentences a person convicted of a felony, gross misdemeanor, or misdemeanor, other than a petty misdemeanor

such as a traffic or parking violation, and if the sentence does not include payment of a fine, the court shall impose an assessment of not less than (\$20) \$25 nor more than (\$40) \$50. If the sentence for the felony, gross misdemeanor, or misdemeanor includes payment of a fine of any amount, including a fine of less than \$100, the court shall impose a surcharge on the fine of ten percent of the fine. This section applies whether or not the person is sentenced to imprisonment and when the sentence is suspended. The court may, upon a showing of indigency or undue hardship upon the convicted person or his immediate family, waive payment or authorize payment of the assessment or surcharge in installments; *however, if the court waives payment or authorizes payment in installments, it shall state in writing on the record the reasons for its action.*

The court shall collect and forward to the commissioner of finance the total amount of the assessment or surcharge and the commissioner shall credit all money so forwarded to the general fund for the purposes of providing services, assistance, or reparations or a combination, to victims of crimes through *services and* programs established under sections (611A.21 TO 611A.36, UNDER CHAPTERS 256D AND 299B) *611A.51 to 611A.67 and 611A.70 to 611A.75.* If the convicted person is sentenced to imprisonment, the chief executive officer of the correctional facility in which the convicted person is incarcerated may collect the assessment or surcharge from any earnings the inmate accrues for work performed in the correctional facility and forward the amount to the commissioner of finance."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "increasing the penalty assessment imposed on persons convicted of crimes; clarifying the purposes for which it may be used;"

Page 1, line 6, delete "section" and insert "sections"

Page 1, line 7, before the period insert " ; and 609.101"

The motion prevailed and the amendment was adopted.

H. F. No. 1772, A bill for an act relating to courts; increasing fees to be collected; clarifying existing fee statutes; increasing the penalty assessment imposed on persons convicted of crimes; clarifying the purposes for which it may be used; amending Minnesota Statutes 1984, section 176.451, subdivision 3; 487.31, subdivisions 1 and 4; 487.33; 514.70; 525.031; and 525.033; Minnesota Statutes 1985 Supplement, sections 357.021, subdivision 2; and 609.101.

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

The question was taken on the passage of the bill and the roll was called. There were 110 yeas and 4 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Staten	Voss	Welle	Wenzel
--------	------	-------	--------

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

H. F. No. 1807 was reported to the House.

Carlson, J., moved that H. F. No. 1807 be returned to General Orders. The motion prevailed.

H. F. No. 1824 was reported to the House.

The Speaker called Halberg to the Chair.

Rees and Fjoslien moved to amend H. F. No. 1824, the first engrossment, as follows:

Page 3, after line 18, insert:

"Sec. 7. [REVISOR'S INSTRUCTION.]

The revisor shall restore the term "airman" wherever it appeared in Minnesota Statutes before the gender revision of 1986 was prepared and shall delete whatever was substituted for it in the gender revision."

A roll call was requested and properly seconded.

The question was taken on the Rees and Fjoslien amendment and the roll was called. There were 72 yeas and 50 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	DenOuden	Heap	Onnen	Stanisus
Backlund	Dimler	Himle	Osthoff	Sviggun
Battaglia	Dyke	Johnson	Piepho	Thiede
Beard	Elioff	Kalis	Poppenhagen	Thorson
Becklin	Erickson	Kiffmeyer	Quist	Tjornhom
Begich	Fjoslien	Krueger	Rees	Tompkins
Bennett	Forsythe	Kvam	Richter	Uphus
Boerboom	Frederick	Marsh	Sarna	Valan
Boo	Frederickson	McDonald	Schafer	Valento
Brown	Frerichs	McEachern	Schoenfeld	Waltman
Burger	Gruenes	McPherson	Schreiber	Wenzel
Carlson, D.	Gutknecht	Miller	Seaberg	Zaffke
Carlson, J.	Hartinger	Olsen, S.	Shaver	
Clausnitzer	Hartle	Olson, E.	Sherman	
Dempsey	Haukoos	Omann	Sparby	

Those who voted in the negative were:

Bishop	Jennings, L.	Minne	Piper	Simoneau
Blatz	Kahn	Munger	Price	Skoglund
Brandl	Knickerbocker	Murphy	Quinn	Solberg
Carlson, L.	Knuth	Nelson, D.	Rest	Staten
Clark	Kostohryz	Nelson, K.	Rice	Tomlinson
Cohen	Levi	Norton	Riveness	Tunheim
Greenfield	Lieder	Otis	Rodosovich	Vellenga
Halberg	Long	Pappas	Rose	Voss
Jacobs	McLaughlin	Pauly	Scheid	Welle
Jaros	Metzen	Peterson	Segal	Wynia

The motion prevailed and the amendment was adopted.

Tomlinson, Ellingson and Voss were excused for the remainder of today's session.

Quist moved to amend H. F. No. 1824, the first engrossment, as amended, as follows:

Page 3, after line 18, insert:

"Sec. [REVISOR'S INSTRUCTION.]

The revisor shall restore the term "sportsman's license" wherever it appeared in Minnesota Statutes before the gender revision of 1986 was prepared and shall delete whatever was substituted for it in the gender revision."

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

Quist moved to amend H. F. No. 1824, the first engrossment, as amended, as follows:

Page 1, after line 24, insert:

"Sec. 4. [645.081] [COMMON USAGE.]

The language and style contained in Minnesota Statutes have been chosen on the basis of clarity and common usage, not ideology or politics. Accordingly, the language in these statutes is to be interpreted in a manner consistent with the common usage of the people of Minnesota."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, before the period insert "proposing coding for new law in Minnesota Statutes, chapter 645"

A roll call was requested and properly seconded.

The question was taken on the Quist amendment and the roll was called. There were 49 yeas and 60 nays as follows:

Those who voted in the affirmative were:

Becklin	DenOuden	Halberg	Omann	Thiede
Begich	Dimler	Hartinger	Onnen	Thorson
Bennett	Dyke	Haukoos	Piepho	Tjornhom
Blatz	Elioff	Heap	Poppenhagen	Tompkins
Boerboom	Erickson	Johnson	Quist	Uphus
Boo	Fjoslien	Kiffmeyer	Rees	Valento
Burger	Frederick	Marsh	Richter	Waltman
Carlson, D.	Frederickson	McDonald	Schafer	Wenzel
Clausnitzer	Frerichs	McPherson	Stanisus	Zaffke
Dempsey	Gutknecht	Miller	Sviggun	

Those who voted in the negative were:

Anderson, R.	Jacobs	Metzen	Pappas	Scheid
Backlund	Jaros	Minne	Pauly	Schoenfeld
Battaglia	Jennings, L.	Munger	Peterson	Schreiber
Bishop	Kahn	Murphy	Piper	Segal
Brandl	Kalis	Nelson, D.	Price	Simoneau
Brinkman	Kelly	Nelson, K.	Quinn	Skoglund
Brown	Knuth	Norton	Rest	Sparby
Carlson, L.	Kostohryz	O'Connor	Rice	Staten
Cohen	Krueger	Ogren	Riveness	Tunheim
Forsythe	Lieder	Olsen, S.	Rodosovich	Vanasek
Greenfield	Long	Olson, E.	Rose	Vellenga
Hartle	McLaughlin	Otis	Sarna	Wynia

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

Quist moved to amend H. F. No. 1824, the first engrossment, as amended, as follows:

Page 1, after line 24, insert:

"Sec. 4. [645.082] [GENDER NEUTRAL TERMS.]

Terms such as "bachelor's degree," "freshman," "husbandry," "journeyman," "manslaughter," "marksmanship," "ombudsman," "workmanship," "busboy," "congressman," "draftsman," "fisherman," "chairman," "repairman," "sportsman's license," and "tradesman," when used in a generic sense in Minnesota Statutes, are gender neutral."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, before the period insert "proposing coding for new law in Minnesota Statutes, chapter 645"

A roll call was requested and properly seconded.

The question was taken on the Quist amendment and the roll was called. There were 61 yeas and 55 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dimler	Haukoos	Ozment	Thiede
Backlund	Dyke	Heap	Piepho	Thorson
Battaglia	Elioff	Himle	Poppenhagen	Tjornhom
Becklin	Erickson	Johnson	Quist	Tompkins
Begich	Fjoslien	Kiffmeyer	Rees	Uphus
Bennett	Forsythe	Knickerbocker	Richter	Valento
Boerboom	Frederick	Marsh	Schafer	Waltman
Brandl	Frederickson	McDonald	Schreiber	Wenzel
Burger	Frerichs	McPherson	Seaberg	Zaffke
Carlson, D.	Gruenes	Miller	Sherman	
Clausnitzer	Gutknecht	Olsen, S.	Sparby	
Dempsey	Halberg	Omann	Stanius	
DenOuden	Hartinger	Onnen	Sviggum	

Those who voted in the negative were:

Beard	Jaros	Minne	Pauly	Scheid
Bishop	Jennings, L.	Munger	Peterson	Schoenfeld
Blatz	Kahn	Murphy	Piper	Segal
Brinkman	Kalis	Nelson, D.	Price	Simoneau
Brown	Kelly	Nelson, K.	Quinn	Skoglund
Carlson, L.	Knuth	Norton	Rest	Staten
Clark	Kostohryz	O'Connor	Rice	Tunheim
Cohen	Krueger	Ogren	Riveness	Vanasek
Greenfield	Long	Olson, E.	Rodosovich	Vellenga
Hartle	McLaughlin	Otis	Rose	Welle
Jacobs	Metzen	Pappas	Sarna	Wynia

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

Quist moved to amend H. F. No. 1824, the first engrossment, as amended, as follows:

Page 3, after line 18, insert:

"Sec. 9. [REVISOR'S INSTRUCTION.]

The revisor shall restore the term "sportsmen's club" wherever it appeared in Minnesota Statutes before the gender revision of 1986 was prepared and shall delete whatever was substituted for it in the gender revision."

A roll call was requested and properly seconded.

The question was taken on the Quist amendment and the roll was called. There were 70 yeas and 47 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dempsey	Himle	Onnen	Svigum
Anderson, R.	DenOuden	Johnson	Piepho	Thiede
Backlund	Dimler	Kalis	Poppenhagen	Thorson
Becklin	Dyke	Kiffmeyer	Quist	Tjornhom
Begich	Elioff	Krueger	Redalen	Tompkins
Bennett	Erickson	Kvam	Rees	Tunheim
Blatz	Fjoslien	Marsh	Richter	Uphus
Boerboom	Frederick	McDonald	Rose	Valan
Boo	Frederickson	McEachern	Schafer	Valento
Brinkman	Frerichs	McKasy	Schoenfeld	Vanasek
Burger	Gutknecht	McPherson	Schreiber	Vellenga
Carlson, D.	Hartinger	Miller	Seaberg	Waltman
Carlson, J.	Haukoos	Olsen, S.	Sparby	Wenzel
Clausnitzer	Heap	Omann	Stanius	Zaffke

Those who voted in the negative were:

Battaglia	Jacobs	Minne	Pauly	Scheid
Bishop	Jaros	Munger	Peterson	Segal
Brandl	Kahn	Nelson, D.	Piper	Simoneau
Brown	Kelly	Nelson, K.	Price	Skoglund
Carlson, L.	Knuth	Norton	Quinn	Staten
Clark	Kostohryz	O'Connor	Rest	Welle
Cohen	Lieder	Ogren	Rice	Wynia
Forsythe	Long	Olson, E.	Riveness	
Greenfield	McLaughlin	Otis	Rodosovich	
Hartle	Metzen	Pappas	Sarna	

The motion prevailed and the amendment was adopted.

Quist moved to amend H. F. No. 1824, the first engrossment, as amended, as follows:

Page 3, after line 18, insert:

"Sec. 10. [REVISOR'S INSTRUCTION.]

The revisor shall restore the terms "father" and "mother" wherever they appeared in Minnesota Statutes before the gender

revision of 1986 was prepared and shall delete whatever was substituted for them in the gender revision."

A roll call was requested and properly seconded.

Kiffmeyer moved that H. F. No. 1824, the first engrossment, as amended, be re-referred to the Committee on General Legislation and Veterans Affairs.

A roll call was requested and properly seconded.

The question was taken on the Kiffmeyer motion and the roll was called. There were 52 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dyke	Lieder	Osthoff	Swiggum
Backlund	Elioff	Marsh	Poppenhagen	Thiede
Beard	Fjoslien	McDonald	Price	Tjornhom
Begich	Frederick	McEachern	Quist	Tompkins
Boo	Gruenes	McPherson	Redalen	Tunheim
Brinkman	Gutknecht	Miller	Rees	Waltman
Burger	Hartinger	Norton	Richter	Wenzel
Carlson, D.	Johnson	O'Connor	Sarna	Zaffke
Clausnitzer	Kalis	Ogren	Schafer	
DenOuden	Kiffmeyer	Omman	Schoenfeld	
Dimler	Kvam	Onnen	Seaberg	

Those who voted in the negative were:

Anderson, G.	Greenfield	McKasy	Piper	Stanius
Battaglia	Halberg	McLaughlin	Quinn	Staten
Becklin	Hartle	Metzen	Rest	Thorson
Bishop	Haukoos	Minne	Rice	Uphus
Blatz	Jacobs	Munger	Riveness	Valan
Boerboom	Jaros	Murphy	Rodosovich	Valento
Brandl	Jennings, L.	Nelson, D.	Rose	Vanasek
Brown	Kahn	Nelson, K.	Scheid	Vellenga
Carlson, L.	Kelly	Olsen, S.	Schreiber	Welle
Clark	Knickerbocker	Olson, E.	Segal	Wynia
Cohen	Knuth	Otis	Sherman	Spk. Jennings, D.
Dempsey	Kostohryz	Pappas	Simoneau	
Erickson	Krueger	Pauly	Skoglund	
Frederickson	Levi	Peterson	Solberg	
Frerichs	Long	Piepho	Sparby	

The motion did not prevail.

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

The question recurred on the Quist amendment and the roll was called. There were 70 yeas and 46 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Begich	Boerboom	Carlson, D.	Dempsey
Backlund	Bennett	Brinkman	Carlson, J.	DenOuden
Becklin	Blatz	Burger	Clausnitzer	Dimler

Dyke	Haukoos	Miller	Richter	Thiede
Elioff	Hcap	O'Connor	Sarna	Thorson
Erickson	Jacobs	Ogren	Schafer	Tjornhom
Frederick	Johnson	Omann	Schoenfeld	Tunheim
Frederickson	Kalis	Ozment	Schreiber	Uphus
Frerichs	Kiffmeyer	Poppenhagen	Seaberg	Valan
Gruenes	Knickerbocker	Quinn	Sherman	Valento
Gutknecht	Marsh	Quist	Solberg	Waltman
Halberg	McDonald	Redalen	Sparby	Wenzel
Hartinger	McEachern	Rees	Stanius	Zaffke
Hartle	McKasy	Rest	Sviggum	Spk. Jennings, D.

Those who voted in the negative were:

Anderson, G.	Jaros	Metzen	Pauly	Skoglund
Battaglia	Jennings, L.	Minne	Peterson	Staten
Beard	Kahn	Munger	Piper	Vanasek
Bishop	Kelly	Murphy	Price	Vellenga
Brandl	Knuth	Nelson, D.	Riveness	Welle
Brown	Kostohryz	Nelson, K.	Rodosovich	Wynia
Carlson, L.	Krueger	Norton	Rose	
Cohen	Lieder	Olson, E.	Scheid	
Forsythe	Long	Otis	Segal	
Greenfield	McLaughlin	Pappas	Simoneau	

The motion prevailed and the amendment was adopted.

Quist moved to amend H. F. No. 1824, the first engrossment, as amended, as follows:

Page 3, after line 18, insert:

"Sec. [REVISOR'S INSTRUCTION.]

The revisor shall restore the terms "husband" and "wife" wherever they appeared in Minnesota Statutes before the gender revision of 1986 was prepared and shall delete whatever was substituted for them in the gender revision."

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

Quist moved to amend H. F. No. 1824, the first engrossment, as amended, as follows:

Page 3, after line 18, insert:

"Sec. 11. [REVISOR'S INSTRUCTION.]

The revisor shall restore the term "manhood" wherever it appeared in Minnesota Statutes before the gender revision of 1986 was prepared and shall delete whatever was substituted for it in the gender revision."

The motion prevailed and the amendment was adopted.

Quist moved to amend H. F. No. 1824, the first engrossment, as amended, as follows:

Page 3, after line 18, insert :

"Sec. . . . [REVISOR'S INSTRUCTION.]

The revisor shall restore the term "fisherman" wherever it appeared in Minnesota Statutes before the gender revision of 1986 was prepared and shall delete whatever was substituted for it in the gender revision."

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

Quist moved to amend H. F. No. 1824, the first engrossment, as amended, as follows :

Page 3, after line 18, insert :

"Sec. . . . [REVISOR'S INSTRUCTION.]

The revisor shall restore the term "repairman" wherever it appeared in Minnesota Statutes before the gender revision of 1986 was prepared and shall delete whatever was substituted for it in the gender revision."

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

Quist moved to amend H. F. No. 1824, the first engrossment, as amended, as follows :

Page 3, after line 18, insert :

"Sec. . . . [REVISOR'S INSTRUCTION.]

The revisor shall restore the terms "chairman," "office of chairman," "congressman," "foreman," "draftsman," "he," "his," and "tradesman" wherever they appeared in Minnesota Statutes before the gender revision of 1986 was prepared and shall delete whatever was substituted for them in the gender revision."

A roll call was requested and properly seconded.

Kiffmeyer moved that H. F. No. 1824, the first engrossment, as amended, be re-referred to the Committee on General Legislation and Veterans Affairs.

A roll call was requested and properly seconded.

The question was taken on the Kiffmeyer motion and the roll was called. There were 39 yeas and 71 nays as follows :

Those who voted in the affirmative were:

Anderson, R.	Dimler	McDonald	Quist	Thiede
Backlund	Dyke	McEachern	Richter	Tjornhom
Battaglia	Elioff	McPherson	Rose	Tompkins
Begich	Frederick	O'Connor	Sarna	Uphus
Burger	Gutknecht	Omann	Schafer	Waltman
Carlson, D.	Hartinger	Onnen	Seaberg	Wenzel
Clausnitzer	Kiffmeyer	Osthoff	Sherman	Zaffke
DenOuden	Marsh	Poppenhagen	Svigum	

Those who voted in the negative were:

Anderson, G.	Greenfield	Levi	Peterson	Solberg
Beard	Gruenes	Lieder	Piper	Sparby
Bishop	Halberg	Long	Price	Stanis
Blatz	Hartle	McLaughlin	Quinn	Staten
Boerboom	Heap	Metzen	Rest	Tunheim
Brandl	Himle	Minne	Rice	Valento
Brinkman	Jacobs	Murphy	Riveness	Vanasek
Brown	Jaros	Nelson, D.	Rodosovich	Vellenga
Carlson, L.	Jennings, L.	Nelson, K.	Scheid	Welle
Clark	Kahn	Ogren	Schoenfeld	Wynia
Cohen	Kelly	Olsen, S.	Schreiber	Spk. Jennings, D.
Dempsey	Knickerbocker	Olson, E.	Segal	
Erickson	Knuth	Otis	Shaver	
Frederickson	Kostohryz	Pappas	Simoneau	
Frerichs	Krueger	Pauly	Skoglund	

The motion did not prevail.

Halberg moved to amend the Quist amendment, as follows:

After "*tradesman*," insert the following:

"*airman*," "*alderman*," "*boatman*," "*bondsman*," "*brakeman*," "*businessman*," "*chainman*," "*clergyman*," "*committeeman*," "*councilman*," "*craftsman*," "*dairyman*," "*doorman*," "*draftsman*," "*drayman*," "*enlisted man*," "*ferryman*," "*fieldman*," "*fireman*," "*fisherman*," "*flagman*," "*guardsman*," "*layman*," "*maiden name*," "*man*," "*materialman*," "*militiaman*," "*motorman*," "*nurseryman*," "*nursemaid*," "*parts man*," "*patrolman*," "*policeman*," "*remainderman*," "*salesman*," "*serviceman*," "*signal man*," "*spokesman*," "*storageman*," "*talesman*," "*thresherman*," "*tillerman*," "*trainman*," "*vestryman*," "*warehouseman*," "*watchman*," "*workman*," and "*yardman*"

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Quist amendment, as amended by the Halberg amendment, and the roll was called. There were 44 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Begich	Dimler	Johnson	Piepho	Thorson
Bennett	Dyke	Kiffmeyer	Poppenhagen	Tjornhom
Boerboom	Elioff	Marsh	Quist	Tompkins
Boo	Erickson	McDonald	Redalen	Uphus
Burger	Fjoslien	McPherson	Rees	Valento
Carlson, J.	Frederick	Miller	Richter	Waltman
Clausnitzer	Frederickson	O'Connor	Schafer	Wenzel
Dempsey	Gutknecht	Omann	Seaberg	Zaffke
DenOuden	Hartinger	Onnen	Thiede	

Those who voted in the negative were:

Anderson, G.	Grucnes	Lieder	Pauly	Simoneau
Battaglia	Halberg	Long	Peterson	Skoglund
Beard	Hartle	McLaughlin	Piper	Solberg
Becklin	Himle	Metzen	Price	Sparby
Bishop	Jacobs	Minne	Quinn	Stanius
Blatz	Jaros	Munger	Rest	Staten
Brandl	Jennings, L.	Murphy	Rice	Sviggum
Brinkman	Kahn	Nelson, D.	Riveness	Vanasek
Brown	Kalis	Nelson, K.	Rodosovich	Vellenga
Carlson, L.	Kelly	Norton	Rose	Welle
Clark	Knickerbocker	Ogren	Scheid	Wynia
Cohen	Knuth	Olsen, S.	Schoenfeld	Spk. Jennings, D.
Forsythe	Kostohryz	Olson, E.	Schreiber	
Frerichs	Krueger	Otis	Segal	
Greenfield	Levi	Pappas	Sherman	

The motion did not prevail and the amendment, as amended, was not adopted.

Quist moved to amend H. F. No. 1824, the first engrossment, as amended, as follows:

Pages 1 and 2, delete section 4

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "sections 3C.10, subdivision" and insert "section"

Page 1, line 7, delete "1; and"

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

DenOuden moved to amend H. F. No. 1824, the first engrossment, as amended, as follows:

Page 3, after line 18, insert:

"Sec. 12. [REVISOR'S INSTRUCTION.]

The revisor shall insert the term "combination license" whenever "sportsman's license" appeared in Minnesota Statutes before the gender revision of 1986 was prepared and shall delete whatever was substituted for it in the gender revision."

The motion prevailed and the amendment was adopted.

H. F. No. 1824, the first engrossment, as amended, was read for the third time.

Solberg moved to delete the DenOuden amendment adopted earlier today to H. F. No. 1824, the first engrossment, as amended. The motion prevailed and the DenOuden amendment to H. F. No. 1824, the first engrossment, as amended, was deleted.

H. F. No. 1824, A bill for an act relating to statutes; adopting as amended a gender neutral revision of Minnesota Statutes; providing for no substantive change; granting certain editorial authority to the revisor of statutes; amending Minnesota Statutes 1984, sections 3C.10, subdivision 1; and 645.44, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 645.

The bill, as amended, was placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 102 yeas and 19 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Erickson	Kostohryz	Pappas	Skoglund
Anderson, R.	Fjoslien	Krueger	Pauly	Solberg
Backlund	Forsythe	Levi	Peterson	Sparby
Battaglia	Frederickson	Lieder	Piepho	Stanius
Beard	Frerichs	Long	Piper	Staten
Becklin	Greenfield	McLaughlin	Price	Sviggum
Begich	Gruenes	Metzen	Quinn	Thorson
Bennett	Halberg	Minne	Rest	Tunheim
Bishop	Hartinger	Munger	Rice	Uphus
Blatz	Hartle	Murphy	Riveness	Valan
Brandl	Heap	Nelson, D.	Rodosovich	Valento
Brinkman	Himle	Nelson, K.	Rose	Vanasek
Brown	Jacobs	Norton	Sarna	Vellenga
Burger	Jaros	O'Connor	Scheid	Waltman
Carlson, J.	Jennings, L.	Ogren	Schoenfeld	Welle
Carlson, L.	Johnson	Olsen, S.	Schreiber	Wenzel
Clark	Kahn	Olson, E.	Seaberg	Wynia
Cohen	Kalis	Onnen	Segal	Spk. Jennings, D.
Dempsey	Kelly	Osthoff	Shaver	
Dimler	Knickerbocker	Otis	Sherman	
Elioff	Knuth	Ozment	Simoneau	

Those who voted in the negative were:

Clausnitzer	Frederick	Kiffmeyer	McDonald	Miller
DenOuden	Gutknecht	Marsh	McPherson	Omman

Poppenhagen
QuistRedalen
RichterSchafer
ThiedeTjornhom
Tompkins

Zaffke

The bill was passed, as amended, 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

Kostohryz moved that his name be stricken as an author on H. F. No. 1766. The motion prevailed.

Olsen, S., moved that the name of Levi be added as chief author and the name of Olsen, S., be shown as second author on H. F. No. 1766. The motion prevailed.

Carlson, D., moved that the name of Pauly be shown as chief author and the name of Carlson, D., be shown as second author on H. F. No. 2062. The motion prevailed.

Bennett moved that the name of Tjornhom be added as an author on H. F. No. 2136. The motion prevailed.

Beard moved that the name of Shaver be added as an author on H. F. No. 2301. The motion prevailed.

Waltman moved that the names of McDonald and Rees be added as authors on H. F. No. 2319. The motion prevailed.

Gruenes moved that the name of Clark be added as an author on H. F. No. 2320. The motion prevailed.

Valan moved that the name of Johnson be added as an author on H. F. No. 2372. The motion prevailed.

McDonald moved that H. F. No. 2296 be recalled from the Committee on Local and Urban Affairs and be re-referred to the Committee on Environment and Natural Resources. The motion prevailed.

McPherson moved that H. F. No. 2371 be recalled from the Committee on Commerce and Economic Development and be re-referred to the Committee on Labor-Management Relations. The motion prevailed.

Sviggunn moved that H. F. No. 2338 be recalled from the Committee on Commerce and Economic Development and be re-

referred to the Committee on Labor-Management Relations. The motion prevailed.

Piepho and Frederick introduced:

House Resolution No. 40, A house resolution congratulating Mankato West High School for winning the 1986 Minnesota State Academic Decathlon.

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

Quist moved that H. F. No. 218 be returned to its author. The motion prevailed.

ADJOURNMENT

Levi moved that when the House adjourns today it adjourn until 2:00 p.m., Wednesday, February 26, 1986. The motion prevailed.

Levi moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Wednesday, February 26, 1986.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

