

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1989

FOURTEENTH DAY

SAINT PAUL, MINNESOTA, MONDAY, FEBRUARY 20, 1989

The House of Representatives convened at 2:30 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by the Reverend Scott Larsen from the Gustavus Adolphus Church, Foley, Minnesota and Gethsemane Lutheran Church of Oak Park, Minnesota.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

The roll was called and the following members were present:

Abrams	Frerichs	Krueger	Onnen	Seaberg
Anderson, G.	Girard	Lasley	Orenstein	Segal
Anderson, R.	Greenfield	Lieder	Osthoff	Simoneau
Battaglia	Gruenes	Limmer	Ostrom	Skoglund
Bauerly	Gutknecht	Long	Otis	Sparby
Beard	Hartle	Lynch	Ozment	Stanius
Begich	Hasskamp	Macklin	Pappas	Steensma
Bennett	Haukoos	Marsh	Pauly	Sviggum
Bertram	Heap	McDonald	Pellow	Swenson
Bishop	Henry	McEachern	Pelowski	Tjornhom
Blatz	Himle	McGuire	Peterson	Tompkins
Boo	Hugoson	McLaughlin	Poppenhagen	Trimble
Brown	Jacobs	McPherson	Price	Tunheim
Burger	Janezich	Milbert	Pugh	Uphus
Carlson, D.	Jaros	Miller	Quinn	Valento
Carlson, L.	Jefferson	Morrison	Redalen	Vellenga
Carruthers	Jennings	Munger	Reding	Wagenius
Clark	Johnson, A.	Murphy	Rest	Waltman
Conway	Johnson, R.	Nelson, C.	Rice	Weaver
Cooper	Johnson, V.	Nelson, K.	Richter	Welle
Dauner	Kahn	Neuenschwander	Rodosovich	Wenzel
Dawkins	Kalis	O'Connor	Rukavina	Williams
Dempsey	Kelly	Ogren	Runbeck	Winter
Dille	Kelso	Olsen, S.	Sarna	Wynia
Dorn	Kinkel	Olson, E.	Schafer	Spk. Vanasek
Forsythe	Knickerbocker	Olson, K.	Scheid	
Frederick	Kostohryz	Omann	Schreiber	

A quorum was present.

Solberg was excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Price 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. 264, 279, 175, 210 and 370 and S. F. No. 28 have been placed in the members' files.

REPORTS OF STANDING COMMITTEES

Otis from the Committee on Economic Development to which was referred:

H. F. No. 65, A bill for an act relating to economic development; authorizing local jurisdictions involved in economic development to participate in secondary markets; proposing coding for new law in Minnesota Statutes, chapter 465.

Reported the same back with the following amendments:

Page 1, line 9, before "A" insert "Notwithstanding any home rule charter provision, charter law, or any other law, general or specific, and without regard to any requirements, restrictions, procedures, limitations, or other provisions contained in any such home rule charter, charter law, or any other law, general or specific,"

Page 1, after line 17, insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day after final enactment."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Local Government and Metropolitan Affairs.

The report was adopted.

Otis from the Committee on Economic Development to which was referred:

H. F. No. 104, A bill for an act relating to local government; creating the Kandiyohi county rural development finance authority;

authorizing the establishment of a development and redevelopment program and the authorization of powers for it.

Reported the same back with the following amendments:

Page 1, line 14, delete "chapter 462,"

Page 1, line 15, delete "and"

Page 2, after line 4, insert:

"Subd. 2. [COUNTY AUTHORITY.] For purposes of applying the powers granted in subdivision 1 to the Kandiyohi county rural development finance authority to Kandiyohi county, the county may exercise the powers of a city relating to a municipal housing and redevelopment authority granted by Minnesota Statutes, sections 469.001 to 469.047, or other law, and the powers relating to an economic development authority granted to a city by Minnesota Statutes, sections 469.090 to 469.108, or other law."

Page 2, line 5, delete "2" and insert "3"

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

The report was adopted.

Battaglia from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 148, A bill for an act relating to Washington county; permitting the county board to establish certain payment procedures.

Reported the same back with the following amendments:

Page 1, after line 11, insert:

"Sec. 2. [ANOKA COUNTY; PAYMENTS.]

The Anoka county board may provide procedures for the payment of all or any class of county obligations by the county auditor without presentation to the board. The procedures shall include regular and frequent review of the auditor's action by the board. This section supersedes any inconsistent provision of other law.

Sec. 3. [DAKOTA COUNTY; PAYMENTS.]

The Dakota county board may provide procedures for the payment

of all or any class of county obligations by the county administrator without presentation to the board. The procedures shall include regular and frequent review of the administrator's actions by the board. This section supersedes any inconsistent provision of other law."

Page 1, line 13, delete "This act" and insert "Section 1"

Page 1, line 15, after the period insert "Section 2 is in effect the day after the Anoka county board complies with Minnesota Statutes, section 645.021, subdivision 3. Section 3 is in effect the day after the Dakota county board complies with Minnesota Statutes, section 645.021, subdivision 3."

Renumber the remaining section

Amend the title as follows:

Page 1, line 2, delete "Washington county" and insert "local government"

Page 1, lines 2 and 3, delete "county board" and insert "counties of Washington, Anoka, and Dakota"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 166, A bill for an act relating to transportation; providing that certain information submitted to department of transportation is public data; defining terms; providing for limousine registration; exempting certain special transportation service providers holding current certificate of compliance from motor carrier regulations; delineating requirements of carriers to display certain information; providing for permits of special passenger carriers and household goods carriers; providing for operation under motor carrier permit on death of holder; providing for amount of insurance, bond, or other security required of motor carriers; giving commissioner of transportation subpoena power for certain enforcement purposes; amending Minnesota Statutes 1988, sections 13.72, by adding a subdivision; 168.011, subdivision 35; 168.128, subdivision 2; 174.30, subdivision 6; 221.011, subdivisions 16, 20, and by adding a subdivision; 221.031, subdivision 6; 221.111; 221.121, subdivision 6a; 221.141, subdivision 1b; and 221.221, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 221.

Reported the same back with the following amendments:

Pages 1 and 2, delete section 1 and insert:

“Section 1. Minnesota Statutes 1988, section 13.72, is amended by adding a subdivision to read:

Subd. 6. [COMPLAINT DATA.] Names of complainants, complaint letters, and other unsolicited data furnished to the department of transportation by a person other than the data subject or department employee, which provides information that a person who is subject to chapter 221 or rules adopted under that chapter may not be in compliance with those requirements, is classified as confidential data or protected nonpublic data.

Sec. 2. Minnesota Statutes 1988, section 13.72, is amended by adding a subdivision to read:

Subd. 7. [PUBLIC INVESTIGATIVE DATA.] The following data created, collected, or maintained about persons subject to chapter 221 and rules adopted under that chapter are public: data contained in inspection and compliance forms and data contained in audit reports that are not prepared under contract to the federal highway administration.

Sec. 3. [65B.135] [LIMOUSINE INSURANCE.]

An insurer who provides insurance for limousines, defined in section 168.011, subdivision 35, shall provide insurance in a minimum aggregate amount of \$300,000 per accident for each limousine covered.”

Page 2, line 5, strike “van” and insert “passenger-carrying van-type vehicle”

Page 2, line 18, before the period insert “, and certification by the owner that an insurance policy in an aggregate amount of \$300,000 per accident is in effect for the entire period of the registration under section 3”

Page 3, line 22, after the second “driver” insert “under the terms of the motor vehicle lease”

Page 4, line 7, after “airport,” insert “and”

Page 4, line 9, delete everything after “basis” and insert a new period

Page 4, delete lines 10 and 11

Page 5, line 4, delete everything after the period

Page 5, delete lines 5 and 6

Page 5, line 7, delete "transportation."

Page 6, delete lines 12 to 31 and insert:

"This section governs the transfer of a permit in the event of the death of the permit holder. Within one year after the transfer of a permit of a deceased permit holder by the deceased permit holder's personal representative, or within one year after the date of a decree or order issued by the probate court transferring the permit of a deceased permit holder, the distributee, as defined in section 524.1-201, who received the permit shall apply to the board to have the permit transferred under the provisions of section 221.151, subdivision 2.

If an application to transfer the permit is not filed within the time prescribed above, the permit is revoked and the commissioner shall so notify the person who had received the permit."

Page 7, delete lines 15 to 26 and insert:

"Sec. 15. Minnesota Statutes 1988, section 221.141, is amended by adding a subdivision to read:

Subd. 4. [IRREGULAR ROUTE CARRIERS OF HOUSEHOLD GOODS.] An irregular route common carrier of household goods shall maintain in effect cargo insurance or cargo bond in the amount of \$50,000 and shall file with the commissioner a cargo certificate of insurance or cargo bond. A cargo certificate of insurance must conform to Form H, Uniform Motor Cargo Certificate of Insurance, described in Code of Federal Regulations, title 49, part 1023. A cargo bond must conform to Form J, described in Code of Federal Regulations, title 49, part 1023. Both Form H and Form J are incorporated by reference. The cargo certificate of insurance or cargo bond must be issued in the full and correct name of the person, corporation, or partnership to whom the irregular route common carrier of households goods permit was issued and whose operations are being insured. A carrier that was issued a permit as an irregular route common carrier of household goods before the effective date of this section shall obtain and file a cargo certificate of insurance or bond within 90 days of the effective date of this section.

Sec. 16. Minnesota Statutes 1988, section 221.60, is amended by adding a subdivision to read:

Subd. 3a. [FAILURE TO MAINTAIN INSURANCE.] If a carrier fails to maintain and file with the commissioner the insurance or

bond required by section 221.141 and the rules of the commissioner, the commissioner shall suspend and cancel the carrier's interstate registration according to the procedure in section 221.185, subdivisions 2, paragraph (a) and paragraph (b), clause (I); and 3. If the carrier fails to comply with section 221.141 within 45 days of the date of suspension, the commissioner shall cancel the carrier's interstate registration until the carrier files and maintains insurance as required by section 221.141 and rules of the commissioner. The commissioner shall notify the carrier of the cancellation."

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 15, after the semicolon insert "providing for suspension of registration of interstate authority for failure to maintain insurance;"

Page 1, line 17, delete "a subdivision" and insert "subdivisions"

Page 1, line 21, after "1b" insert ", and by adding a subdivision" and delete "221.221" and insert "221.60"

Page 1, line 23, delete "chapter" and insert "chapters 65B and"

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

The report was adopted.

Long from the Committee on Taxes to which was referred:

H. F. No. 214, A bill for an act relating to taxation; making technical corrections and clarifications to individual income and corporate franchise taxes; updating references to the Internal Revenue Code; imposing a tax and providing for withholding of certain payments to nonresidents; requiring surety payment by out-of-state contractors; amending Minnesota Statutes 1988, sections 290.01, subdivisions 4, 7, 19, 19a, 19b, 19c, 19d, 19e, and 19f; 290.06, subdivision 22; 290.067, subdivision 1; 290.0802, subdivision 2; 290.095, subdivision 9; 290.17, subdivision 1; 290.92, by adding subdivisions; and 291.005, subdivision 1; proposing coding for new law in chapter 290; repealing Minnesota Statutes 1988, section 290.01, subdivision 6a.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1988, section 290.01, subdivision 4, is amended to read:

Subd. 4. [CORPORATION.] The term “corporation” shall include every entity which is a corporation under section 7701(a)(3) or is treated as a corporation under section 851~~(g)~~ 851(h) or 7704 of the Internal Revenue Code of 1986, as amended through December 31, 1987 1988, and financial institutions. A corporation’s franchise is its authorization to exist and conduct business, whether created by legislation, by executive order, by a governmental agency, by contract or other private action, or by some combination thereof. Every corporation is deemed to have a corporate franchise. An entity described in section 646(b) of the Tax Reform Act of 1986, Public Law Number 99-514, as amended by section 1006(k) of the Technical and Miscellaneous Revenue Act of 1988, Public Law Number 100-647, shall be classified in the same manner for purposes of this chapter as it is for federal income tax purposes.

Sec. 2. Minnesota Statutes 1988, section 290.01, subdivision 7, is amended to read:

Subd. 7. [RESIDENT.] The term “resident” means (1) any individual domiciled in Minnesota, except that an individual is not a “resident” for the period of time that the individual is a “qualified individual” as defined in section 911(d)(1) of the Internal Revenue Code of 1986, as amended through December 31, 1987, unless, during that period, a Minnesota homestead application is filed for property in which the individual has an interest; and (2) any individual domiciled outside the state who maintains a place of abode in the state and spends in the aggregate more than one-half of the tax year in Minnesota, unless the individual or the spouse of the individual is in the armed forces of the United States, or the individual is covered under the reciprocity provisions in section 290.081.

For purposes of this subdivision, presence within the state for any part of a calendar day constitutes a day spent in the state. Individuals shall keep adequate records to substantiate the days spent outside the state.

The term “abode” means a dwelling maintained by an individual, whether or not owned by the individual and whether or not occupied by the individual, and includes a dwelling place owned or leased by the individual’s spouse.

Sec. 3. Minnesota Statutes 1988, section 290.01, subdivision 19, is amended to read:

Subd. 19. [NET INCOME.] The term "net income" means the federal taxable income, as defined in section 63 of the Internal Revenue Code of 1986, as amended through the date named in this subdivision, incorporating any elections made by the taxpayer in accordance with the Internal Revenue Code in determining federal taxable income for federal income tax purposes, and with the modifications provided in subdivisions 19a to 19f.

In the case of a regulated investment company or a fund thereof, as defined in section 851(a) or ~~851(q)~~ 851(h) of the Internal Revenue Code, federal taxable income means investment company taxable income as defined in section 852(b)(2) of the Internal Revenue Code, except that:

(1) the exclusion of net capital gain provided in section 852(b)(2)(A) of the Internal Revenue Code does not apply; and

(2) the deduction for dividends paid under section 852(b)(2)(D) of the Internal Revenue Code must be applied by allowing a deduction for capital gain dividends and exempt-interest dividends as defined in sections 852(b)(3)(C) and 852(b)(5) of the Internal Revenue Code.

The Internal Revenue Code of 1986, as amended through December 31, 1986, shall be in effect for taxable years beginning after December 31, 1986. The provisions of sections 10104, 10202, 10203, 10204, 10206, 10212, 10221, 10222, 10223, 10226, 10227, 10228, 10611, 10631, 10632, and 10711 of the Omnibus Budget Reconciliation Act of 1987, Public Law Number 100-203, and the provisions of sections 1001, 1002, 1003, 1004, 1005, 1006, 1008, 1009, 1010, 1011, 1011A, 1011B, 1012, 1013, 1014, 1015, 1018, 2004, 3041, 4009, 6007, 6026, 6032, 6137, 6277, and 6282 of the Technical and Miscellaneous Revenue Act of 1988, Public Law Number 100-647, shall be effective at the time they become effective for federal income tax purposes.

The Internal Revenue Code of 1986, as amended through December 31, 1987, shall be in effect for taxable years beginning after December 31, 1987. The provisions of sections 4001, 4002, 4011, 5021, 5041, 5053, 5075, 6003, 6008, 6011, 6030, 6031, 6033, 6057, 6064, 6066, 6079, 6130, 6176, 6180, 6182, 6280, and 6281 of the Technical and Miscellaneous Revenue Act of 1988, Public Law Number 100-647, shall become effective at the time they become effective for federal tax purposes.

The Internal Revenue Code of 1986, as amended through December 31, 1988, shall be in effect for taxable years beginning after December 31, 1988.

Except as otherwise provided, references to the Internal Revenue Code in subdivisions 19a to ~~19f~~ 19g mean the code in effect for purposes of determining net income for the applicable year.

Sec. 4. Minnesota Statutes 1988, section 290.01, subdivision 19a, is amended to read:

Subd. 19a. [ADDITIONS TO FEDERAL TAXABLE INCOME.] For individuals, estates, and trusts, there shall be added to federal taxable income:

(1)(i) interest income on obligations of any state other than Minnesota or a political or governmental subdivision, municipality, or governmental agency or instrumentality of any state other than Minnesota exempt from federal income taxes under the Internal Revenue Code or any other federal statute, and

(ii) exempt-interest dividends as defined in section 852(b)(5) of the Internal Revenue Code of 1986, except the portion of the exempt-interest dividends derived from interest income on obligations of the state of Minnesota or its political or governmental subdivisions, municipalities, governmental agencies or instrumentalities, but only if the portion of the exempt-interest dividends from such Minnesota sources paid to all shareholders represents 95 percent or more of the exempt-interest dividends that are paid by the regulated investment company as defined in section 851(a) of the Internal Revenue Code of 1986, or the fund of the regulated investment company as defined in section 851(q) 851(h) of the Internal Revenue Code of 1986, making the payment; and

(2) the amount of income taxes paid or accrued within the taxable year under this chapter and income taxes paid to any other state or to any province or territory of Canada, to the extent allowed as a deduction under section 63(d) of the Internal Revenue Code, but the addition may not be more than the amount by which the itemized deductions as allowed under section 63(d) of the Internal Revenue Code exceeds the amount of the standard deduction as defined in section 63(c) of the Internal Revenue Code; and

(3) the capital gain amount of a lump sum distribution to which the special tax under section 1122(h)(3)(B)(ii) of the Tax Reform Act of 1986, Public Law Number 99-514, applies;

(4) expenses, interest, and taxes connected with or allocable against the production or receipt of income not included in the measure of the tax imposed by this chapter; and

(5) if an election is made under section 1(i)(7) of the Internal Revenue Code, the income of the parent included under section 1(i)(7)(B)(i) of the Internal Revenue Code shall be increased by the amount of the child's unearned income in excess of \$500, except that the amount of this increase shall not exceed \$500.

Sec. 5. Minnesota Statutes 1988, section 290.01, subdivision 19b, is amended to read:

Subd. 19b. [SUBTRACTIONS FROM FEDERAL TAXABLE INCOME.] For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

(1) interest income on obligations of any authority, commission, or instrumentality of the United States to the extent includable in taxable income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) if included in federal taxable income, the amount of any overpayment of income tax to Minnesota or to any other state, for any previous taxable year, whether the amount is received as a refund or as a credit to another taxable year's income tax liability;

(3) the amount paid to others not to exceed \$650 for each dependent in grades kindergarten to 6 and \$1,000 for each dependent in grades 7 to 12, for tuition, textbooks, and transportation of each dependent in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363. As used in this clause, "textbooks" includes books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. In order to qualify for the subtraction under this clause the taxpayer must elect to itemize deductions under section 63(e) of the Internal Revenue Code of 1986, as amended through December 31, 1987;

(4) to the extent included in federal taxable income, distributions from a qualified governmental pension plan, an individual retirement account, simplified employee pension, or qualified plan covering a self-employed person that represent a return of contributions that were included in Minnesota gross income in the taxable year for which the contributions were made but were deducted or were not included in the computation of federal adjusted gross income. The distribution shall be allocated first to return of contributions until the contributions included in Minnesota gross income have been exhausted. This subtraction applies only to contributions made in a taxable year prior to 1985;

(5) income as provided under section 290.0802; ~~and~~

(6) the amount of unrecovered accelerated cost recovery system deductions allowed under subdivision 19g; ~~and~~

(7) to the extent included in federal adjusted gross income, income realized on disposition of property exempt from tax under section 290.491.

Sec. 6. Minnesota Statutes 1988, section 290.01, subdivision 19c, is amended to read:

Subd. 19c. [CORPORATIONS; ADDITIONS TO FEDERAL TAXABLE INCOME.] For corporations, there shall be added to federal taxable income:

(1) the amount of any deduction taken for federal income tax purposes for income, excise, or franchise taxes based on net income or related minimum taxes paid by the corporation to Minnesota, another state, a political subdivision of another state, the District of Columbia, or any foreign country or possession of the United States;

(2) interest not subject to federal tax upon obligations of: the United States, its possessions, its agencies, or its instrumentalities; the state of Minnesota or any other state, any of its political or governmental subdivisions, any of its municipalities, or any of its governmental agencies or instrumentalities; or the District of Columbia;

(3) exempt-interest dividends received as defined in section 852(b)(5) of the Internal Revenue Code of 1986, as amended through December 31, 1987;

(4) the amount of any windfall profits tax deducted under section 164 or 471 of the Internal Revenue Code of 1986, as amended through December 31, 1987;

(5) the amount of any net operating loss deduction taken for federal income tax purposes under section 172 of the Internal Revenue Code of 1986, as amended through December 31, 1987;

(6) the amount of any special deductions taken for federal income tax purposes under sections 241 to 247 of the Internal Revenue Code of 1986, as amended through December 31, 1987;

(7) losses from the business of mining, as defined in section 290.05, subdivision 1, clause (a), that are not subject to Minnesota income tax;

(8) the amount of any capital losses deducted for federal income tax purposes under sections 1211 and 1212 of the Internal Revenue Code of 1986, as amended through December 31, 1987;

(9) the amount of any charitable contributions deducted for federal income tax purposes under section 170 of the Internal Revenue Code of 1986, as amended through December 31, 1987;

(10) the exempt foreign trade income of a foreign sales corporation under sections 921(a) and 291 of the Internal Revenue Code of 1986, as amended through December 31, 1987;

(11) the amount of percentage depletion deducted under sections 611 through 614 and 291 of the Internal Revenue Code of 1986, as amended through December 31, 1987;

(12) for certified pollution control facilities placed in service in a taxable year beginning before December 31, 1986, and for which amortization deductions were elected under section 169 of the Internal Revenue Code of 1954, as amended through December 31, 1985, the amount of the amortization deduction allowed in computing federal taxable income for those facilities; and

(13) the amount of any deemed dividend from a foreign operating corporation determined pursuant to section 290.17, subdivision 4, paragraph (g).

Sec. 7. Minnesota Statutes 1988, section 290.01, subdivision 19d, is amended to read:

Subd. 19d. [CORPORATIONS; MODIFICATIONS DECREASING FEDERAL TAXABLE INCOME.] For corporations, there shall be subtracted from federal taxable income after the increases provided in subdivision 19c:

(1) the amount of foreign dividend gross-up added to gross income for federal income tax purposes under section 78 of the Internal Revenue Code;

(2) the decrease in salary expense for federal income tax purposes due to claiming the federal jobs credit under section 51 of the Internal Revenue Code;

(3) any dividend (not including any distribution in liquidation) paid within the taxable year by a national or state bank to the United States, or to any instrumentality of the United States exempt from federal income taxes, on the preferred stock of the bank owned by the United States or the instrumentality;

(4) amounts disallowed for intangible drilling costs due to differ-

ences between this chapter and the Internal Revenue Code in taxable years beginning before January 1, 1987, as follows:

(i) to the extent the disallowed costs are represented by physical property, an amount equal to the allowance for depreciation under Minnesota Statutes 1986, section 290.09, subdivision 7, subject to the modifications contained in subdivision 19e; and

(ii) to the extent the disallowed costs are not represented by physical property, an amount equal to the allowance for cost depletion under Minnesota Statutes 1986, section 290.09, subdivision 8;

(5) the deduction for capital losses pursuant to sections 1211 and 1212 of the Internal Revenue Code of 1986, as amended through December 31, 1987, except that:

(i) for capital losses incurred in taxable years beginning after December 31, 1986, capital loss carrybacks shall not be allowed;

(ii) for capital losses incurred in taxable years beginning after December 31, 1986, a capital loss carryover to each of the 15 taxable years succeeding the loss year shall be allowed;

(iii) for capital losses incurred in taxable years beginning before January 1, 1987, a capital loss carryback to each of the three taxable years preceding the loss year, subject to the provisions of Minnesota Statutes 1986, section 290.16, shall be allowed; and

(iv) for capital losses incurred in taxable years beginning before January 1, 1987, a capital loss carryover to each of the five taxable years succeeding the loss year to the extent such loss was not used in a prior taxable year and subject to the provisions of Minnesota Statutes 1986, section 290.16, shall be allowed;

(6) an amount for interest and expenses relating to income not taxable for federal income tax purposes, if (i) the income is taxable under this chapter and (ii) the interest and expenses were disallowed as deductions under the provisions of section 171(a)(2), 265 or 291 of the Internal Revenue Code of 1986, as amended through December 31, 1987, in computing federal taxable income;

(7) in the case of mines, oil and gas wells, other natural deposits, and timber for which percentage depletion was disallowed pursuant to subdivision 19c, clause (11), a reasonable allowance for depletion based on actual cost. In the case of leases the deduction must be apportioned between the lessor and lessee in accordance with rules prescribed by the commissioner. In the case of property held in trust, the allowable deduction must be apportioned between the income beneficiaries and the trustee in accordance with the pertinent

provisions of the trust, or if there is no provision in the instrument, on the basis of the trust's income allocable to each;

(8) for certified pollution control facilities placed in service in a taxable year beginning before December 31, 1986, and for which amortization deductions were elected under section 169 of the Internal Revenue Code of 1954, as amended through December 31, 1985, an amount equal to the allowance for depreciation under Minnesota Statutes 1986, section 290.09, subdivision 7;

(9) the amount included in federal taxable income attributable to the credits provided in Minnesota Statutes 1986, section 273.1314, subdivision 9, or Minnesota Statutes, section 469.171, subdivision 6;

(10) amounts included in federal taxable income that are due to refunds of income, excise, or franchise taxes based on net income or related minimum taxes paid by the corporation to Minnesota, another state, a political subdivision of another state, the District of Columbia, or a foreign country or possession of the United States to the extent that the taxes were added to federal taxable income under section 290.01, subdivision 19c, clause (1), in a prior taxable year; and

(11) the following percentage of royalties, fees, or other like income accrued or received from a foreign operating corporation or a foreign corporation which is part of the same unitary business as the receiving corporation:

Taxable Year

Beginning After	Percentage
December 31, 1988	50 percent
December 31, 1990	80 percent.

Sec. 8. Minnesota Statutes 1988, section 290.01, subdivision 19e, is amended to read:

Subd. 19e. [DEPRECIATION MODIFICATIONS FOR CORPORATIONS.] In the case of corporations, a modification shall be made for the accelerated cost recovery system. The allowable deduction for the accelerated cost recovery system is the same amount as provided in section 168 of the Internal Revenue Code with the following modifications. The modifications apply to taxable years beginning after December 31, 1986, and to property for which deductions under the Tax Reform Act of 1986, Public Law Number 99-514, are elected or apply.

(a) For property placed in service after December 31, 1980, and

before January 1, 1987, 40 percent of the allowance pursuant to section 168 of the Internal Revenue Code of 1954, as amended through December 31, 1985, for 15-, 18-, or 19-year real property shall not be allowed and for all other property 20 percent shall not be allowed.

(b) For property placed in service after December 31, 1987, no modification shall be made.

(c) For property placed in service after July 31, 1986, and before January 1, 1987, for which the taxpayer elects the deduction pursuant to section 203 of the Tax Reform Act of 1986, Public Law Number 99-514, and for property placed in service after December 31, 1986, and before January 1, 1988, 15 percent of the allowance pursuant to section 168 of the Internal Revenue Code of 1986 shall not be allowed.

(d) For property placed in service after December 31, 1980, and before January 1, 1987, for which the taxpayer elects to use the straight line method provided in section 168(b)(3), (f)(12), or (j)(1) or a method provided in section 168(e)(2) of the Internal Revenue Code of 1986, as amended through December 31, 1986, but excluding property for which the taxpayer elects the deduction pursuant to section 203 of the Tax Reform Act of 1986, Public Law Number 99-514, the modifications provided in paragraph (a) do not apply.

(e) For property subject to the modifications contained in paragraphs (a) and (c) and Minnesota Statutes 1986, section 290.09, subdivision 7, clause (c), the following modification shall be made after the entire amount of the allowable deduction has been allowed for federal tax purposes for that property under the provisions of section 168 of the Internal Revenue Code of 1986, as amended through December 31, 1987. The remaining depreciable basis in those assets for Minnesota purposes, including the amount of any basis reduction to reflect the investment tax credit for federal purposes under sections 48(q) and 49(d) of the Internal Revenue Code of 1986, as amended through December 31, 1987, shall be a depreciation allowance computed using the straight line method over the following number of years:

- (1) three-year property, one year;
- (2) five-year and seven-year property, two years;
- (3) ten-year property, five years; and
- (4) all other property, seven years.

(f) For property placed in service after December 31, 1987, the remaining depreciable basis for Minnesota purposes that is attrib-

utable to the basis reduction for federal purposes to reflect the investment tax credit under sections 48(q) and 49(d) of the Internal Revenue Code of 1986, as amended through December 31, 1987, shall be allowed as a deduction in the first taxable year after the entire amount of the allowable deduction for that property under the provisions of section 168 of the Internal Revenue Code of 1986, has been allowed, except that where the straight line method provided in section 168(b)(3) is used, the deduction provided in this clause shall be allowed in the last taxable year in which an allowance for depreciation is allowed for that property.

(g) For qualified timber property for which the taxpayer made an election under section 194 of the Internal Revenue Code of 1986, the remaining depreciable basis for Minnesota purposes is allowed as a deduction in the first taxable year after the entire allowable deduction has been allowed for federal tax purposes.

(h) The basis of property to which section 168 of the Internal Revenue Code applies is its basis as provided in this chapter including the modifications provided in this subdivision and in Minnesota Statutes 1986, section 290.09, subdivision 7, paragraph (c). The recapture tax provisions provided in sections 1245 and 1250 of the Internal Revenue Code of 1986, as amended through December 31, 1987, apply but must be calculated using the basis provided in the preceding sentence.

(i) The basis of an asset acquired in an exchange of assets, including an involuntary conversion, is the same as its federal basis under the provisions of the Internal Revenue Code of 1986, except that the difference in basis due to the modifications in this subdivision and in Minnesota Statutes 1986, section 290.09, subdivision 7, paragraph (c), is a deduction as provided in paragraph (e).

Sec. 9. Minnesota Statutes 1988, section 290.01, subdivision 19f, is amended to read:

Subd. 19f. [BASIS MODIFICATIONS AFFECTING GAIN OR LOSS ON DISPOSITION OF PROPERTY.] (a) For individuals, estates, and trusts, the basis of property is its adjusted basis for federal income tax purposes except as set forth in paragraphs (f) and (g). For corporations, the basis of property is its adjusted basis for federal income tax purposes, without regard to the time when the property became subject to tax under this chapter or to whether out-of-state losses or items of tax preference with respect to the property were not deductible under this chapter, except that the modifications to the basis for federal income tax purposes set forth in paragraphs (b) to (j) are allowed to corporations, and the resulting modifications to federal taxable income must be made in the year in which gain or loss on the sale or other disposition of property is recognized.

(b) The basis of property shall not be reduced to reflect federal investment tax credit.

(c) The basis of property subject to the accelerated cost recovery system under section 168 of the Internal Revenue Code shall be modified to reflect the modifications in depreciation with respect to the property provided for in subdivision 19e. For certified pollution control facilities for which amortization deductions were elected under section 169 of the Internal Revenue Code of 1954, the basis of the property must be increased by the amount of the amortization deduction not previously allowed under this chapter.

(d) For property acquired before January 1, 1933, the basis for computing a gain is the fair market value of the property as of that date. The basis for determining a loss is the cost of the property to the taxpayer less any depreciation, amortization, or depletion, actually sustained before that date. If the adjusted cost exceeds the fair market value of the property, then the basis is the adjusted cost regardless of whether there is a gain or loss.

(e) The basis is reduced by the allowance for amortization of bond premium if an election to amortize was made pursuant to Minnesota Statutes 1986, section 290.09, subdivision 13, and the allowance could have been deducted by the taxpayer under this chapter during the period of the taxpayer's ownership of the property.

(f) For assets placed in service before January 1, 1987, corporations, partnerships, or individuals engaged in the business of mining ores other than iron ore or taconite concentrates subject to the occupation tax under chapter 298 must use the occupation tax basis of property used in that business.

(g) For assets placed in service before January 1, 1990, corporations, partnerships, or individuals engaged in the business of mining iron ore or taconite concentrates subject to the occupation tax under chapter 298 must use the occupation tax basis of property used in that business.

(h) In applying the provisions of sections 301(c)(3)(B), 312(f) and (g), and 316(a)(1) of the Internal Revenue Code of 1986, as amended through December 31, 1987, the dates December 31, 1932, and January 1, 1933, shall be substituted for February 28, 1913, and March 1, 1913, respectively.

(i) In applying the provisions of section 362(a) and (c) of the Internal Revenue Code of 1986, as amended through December 31, 1987, the date December 31, 1956, shall be substituted for June 22, 1954.

(j) The basis of property shall be increased by the amount of

intangible drilling costs not previously allowed due to differences between this chapter and the Internal Revenue Code.

(k) The adjusted basis of any corporate partner's interest in a partnership is the same as the adjusted basis for federal income tax purposes modified as required to reflect the basis modifications set forth in paragraphs (b) to (j). The adjusted basis of a partnership in which the partner is an individual, estate, or trust is the same as the adjusted basis for federal income tax purposes modified as required to reflect the basis modifications set forth in paragraphs (f) and (g).

(l) The modifications contained in paragraphs (b) to (j) also apply to the basis of property that is determined by reference to the basis of the same property in the hands of a different taxpayer or by reference to the basis of different property.

Sec. 10. Minnesota Statutes 1988, section 290.06, subdivision 22, is amended to read:

Subd. 22. [CREDIT FOR TAXES PAID TO ANOTHER STATE.] (a) A taxpayer who is liable for taxes on or measured by net income to another state or province or territory of Canada, as provided in paragraphs (b) through (f), upon income allocated or apportioned to Minnesota, is entitled to a credit for the tax paid to another state or province or territory of Canada if the tax is actually paid in the taxable year or a subsequent taxable year. A taxpayer who is a resident of this state pursuant to section 290.01, subdivision 7a 7, clause ~~(b)~~ (2), and who is subject to income tax as a resident in the state of the individual's domicile is not allowed this credit unless the state of domicile does not allow a similar credit.

(b) For an individual, estate, or trust, the credit is determined by multiplying the tax payable under this chapter by the ratio derived by dividing the income subject to tax in the other state or province or territory of Canada that is also subject to tax in Minnesota while a resident of Minnesota by the taxpayer's federal adjusted gross income, as defined in section 62 of the Internal Revenue Code of 1986, as amended through December 31, 1987 1988, modified by the addition required by section 290.01, subdivision 19a, clause (1) and the subtraction allowed by section 290.01, subdivision 19b, clause (1), to the extent the income is allocated or assigned to Minnesota under sections 290.081 and 290.17.

(c) If the taxpayer is an athletic team that apportions all of its income under section 290.17, subdivision 5, paragraph ~~(a)~~ (c), the credit is determined by multiplying the tax payable under this chapter by the ratio derived from dividing the total net income subject to tax in the other state or province or territory of Canada by the taxpayer's Minnesota taxable income.

(d) The credit determined under paragraph (b) or (c) shall not

exceed the amount of tax so paid to the other state or province or territory of Canada on the gross income earned within the other state or province or territory of Canada subject to tax under this chapter, nor shall the allowance of the credit reduce the taxes paid under this chapter to an amount less than what would be assessed if such income amount was excluded from taxable net income.

(e) In the case of the tax assessed on a lump sum distribution under section 290.032, the credit allowed under paragraph (a) is the tax assessed by the other state or province or territory of Canada on the lump sum distribution that is also subject to tax under section 290.032, and shall not exceed the tax assessed under section 290.032. To the extent the total lump sum distribution defined in section 290.032, subdivision 1, includes lump sum distributions received in prior years or is all or in part an annuity contract, the reduction to the tax on the lump sum distribution allowed under section 290.032, subdivision 2, includes tax paid to another state that is properly apportioned to that distribution.

(f) If a Minnesota resident reported an item of income to Minnesota and is assessed tax in such other state or province or territory of Canada on that same income after the Minnesota statute of limitations has expired, the taxpayer shall receive a credit for that year under paragraph (a), notwithstanding any statute of limitations to the contrary. The claim for the credit must be submitted within one year from the date the taxes were paid to the other state or province or territory of Canada. The taxpayer must submit sufficient proof to show entitlement to a credit.

Sec. 11. Minnesota Statutes 1988, section 290.067, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT OF CREDIT.] A taxpayer may take as a credit against the tax due from the taxpayer and a spouse, if any, under this chapter an amount equal to the dependent care credit for which the taxpayer is eligible pursuant to the provisions of section 21 of the Internal Revenue Code subject to the limitations provided in subdivision 2: except that in determining whether the child qualified as a dependent, income received as an aid to families with dependent children grant or allowance to or on behalf of the child must not be taken into account in determining whether the child received more than half of the child's support from the taxpayer.

If the taxpayer is not required and does not file a federal individual income tax return for the tax year, no credit is allowed for any amount paid to any person unless:

(1) the name, address, and taxpayer identification number of the person are included on the return claiming the credit; or

(2) if the person is an organization described in section 501(c)(3) of

the Internal Revenue Code and exempt from tax under section 501(a) of the Internal Revenue Code, the name and address of the person are included on the return claiming the credit.

In the case of a failure to provide the information required under the preceding sentence, the preceding sentence does not apply if it is shown that the taxpayer exercised due diligence in attempting to provide the information required.

In the case of a nonresident or, part-year resident, or person whose tax is computed under section 290.06, subdivision 2c, paragraph (f), the credit determined under section 21 of the Internal Revenue Code must be allocated based on the ratio by which the earned income of the claimant and the claimant's spouse from Minnesota sources bears to the total earned income of the claimant and the claimant's spouse.

Sec. 12. Minnesota Statutes 1988, section 290.0802, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given.

(a) "Adjusted gross income" means federal adjusted gross income as used in section 22(d) of the Internal Revenue Code for the taxable year plus the ordinary income portion of a lump sum distribution as defined in section 407(e) 402(e) of the Internal Revenue Code.

(b) "Disability income" means disability income as defined in section 22(c)(2)(B)(iii) of the Internal Revenue Code.

(c) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 31, 1987.

(d) "Nontaxable retirement and disability benefits" means the amount of pension, annuity, or disability benefits that would be included in the reduction under section 22(c)(3) of the Internal Revenue Code, but excluding tier one railroad retirement benefits.

(e) "Qualified individual" means a qualified individual as defined in section 22(b) of the Internal Revenue Code.

Sec. 13. Minnesota Statutes 1988, section 290.0802, subdivision 2, is amended to read:

Subd. 2. [SUBTRACTION.] (a) A qualified individual is allowed a subtraction from federal taxable income equal to the lesser of federal taxable income or for the individual's subtraction base amount. The excess of the subtraction base amount over federal the taxable net income computed without regard to the subtraction for the elderly or

disabled under section 290.01, subdivision 19b, clause (5), may be used to reduce the amount of a lump sum distribution subject to tax under section 290.032.

(b)(1) The initial subtraction base amount equals

(i) \$10,000 for a married taxpayer filing a joint return if a spouse is a qualified individual,

(ii) \$8,000 for a single taxpayer, and

(iii) \$5,000 for a married taxpayer filing a separate federal return.

(2) The qualified individual's initial subtraction base amount, then, must be reduced by the sum of nontaxable retirement and disability benefits and one-half of the amount of adjusted gross income in excess of the following thresholds:

(i) \$15,000 for a married taxpayer filing a joint return if both spouses are qualified individuals,

(ii) \$12,000 for a single taxpayer or for a married couple filing a joint return if only one spouse is a qualified individual, and

(iii) \$7,500 for a married taxpayer filing a separate federal return.

(3) In the case of a qualified individual who is under the age of 65, the maximum amount of the subtraction base may not exceed the taxpayer's disability income.

(4) The resulting amount is the subtraction base amount.

Sec. 14. Minnesota Statutes 1988, section 290.095, subdivision 9, is amended to read:

Subd. 9. [SPECIAL PERIOD OF LIMITATION WITH RESPECT TO NET OPERATING LOSS CARRYBACKS.] For the purposes of sections 290.46 and 290.50 if the claim for refund relates to an overpayment attributable to a net operating loss carryback under this section, in lieu of the period of limitation prescribed in sections 290.46 and 290.50, the period shall be that period which ends with the expiration of the 15th day of the 46th month following the end of the taxable year of the net operating loss which results in such carryback, plus any extension of time granted for filing the return, but only if the return was filed within the extended time. ~~During this extended period, for taxable years beginning before January 1, 1985, married individuals who elected to file separate returns or a combined return may change their election and file a joint return.~~

Sec. 15. Minnesota Statutes 1988, section 290.17, subdivision 1, is amended to read:

Subdivision 1. [SCOPE OF ALLOCATION RULES.] (a) The income of resident individuals is not subject to allocation outside this state. The allocation rules apply to nonresident individuals, estates, trusts, nonresident partners of partnerships, nonresident shareholders of corporations having a valid election in effect under section 1362 of the Internal Revenue Code of 1986, as amended through December 31, 1987, and all corporations not having such an election in effect. If a partnership or corporation would not otherwise be subject to the allocation rules, but conducts a trade or business that is part of a unitary business involving another legal entity that is subject to the allocation rules, the partnership or corporation is subject to the allocation rules.

(b) Expenses, losses, and other deductions (referred to collectively in this paragraph as "deductions") must be allocated along with the item or class of gross income to which they are definitely related for purposes of assignment under this section or apportionment under section 290.191, 290.20, 290.35, or 290.36. Deductions not definitely related to any item or class of gross income are assigned to the taxpayer's domicile.

(c) The application of the allocation rules as they apply to income, gains, losses, deductions, or credits of (1) a partner's distributable share from a partnership under section 290.31, subdivision 4; (2) a shareholder's distributable share from an S corporation provided in section 1366 of the Internal Revenue Code of 1986, as amended through December 31, 1988; (3) a beneficiary's distributable share from an estate or trust as provided in section 290.23, subdivision 9; or (4) the shareholders of regulated investment companies, real estate investment trusts, and real estate mortgage investment conduits as provided in subchapter M of the Internal Revenue Code of 1988, as amended through December 31, 1988, shall be determined by the resident status of the partner, beneficiary, or shareholder at the end of the taxable year of the partnership, estate or trust, or corporation.

Sec. 16. Minnesota Statutes 1988, section 290.17, subdivision 2, is amended to read:

Subd. 2. [INCOME NOT DERIVED FROM CONDUCT OF A TRADE OR BUSINESS.] The income of a taxpayer subject to the allocation rules that is not derived from the conduct of a trade or business must be assigned in accordance with paragraphs (a) to (f):

(a)(1) Subject to paragraphs (a)(2) and (a)(3), income from labor or personal or professional services is assigned to this state if, and to the extent that, the labor or services are performed within it; all

other income from such sources is treated as income from sources without this state.

Severance pay shall be considered income from labor or personal or professional services.

(2) In the case of an individual who is a nonresident of Minnesota and who is an athlete or entertainer, income from compensation for labor or personal services performed within this state shall be determined in the following manner:

(i) The amount of income to be assigned to Minnesota for an individual who is a nonresident salaried athletic team employee shall be determined by using a fraction in which the denominator contains the total number of days in which the individual is under a duty to perform for the employer, and the numerator is the total number of those days spent in Minnesota; and

(ii) The amount of income to be assigned to Minnesota for an individual who is a nonresident, and who is an athlete or entertainer not listed in clause (i), for that person's athletic or entertainment performance in Minnesota shall be determined by assigning to this state all income from performances or athletic contests in this state.

(3) For purposes of this section, amounts received by a nonresident from the United States, its agencies or instrumentalities, the Federal Reserve Bank, the state of Minnesota or any of its political or governmental subdivisions, or a Minnesota volunteer firefighters' relief association, by way of payment as a pension, public employee retirement benefit, or any combination of these, or as a retirement or survivor's benefit made from a plan qualifying under section 401, 403, 408, or 409, or as defined in section 403(b) or 457 of the Internal Revenue Code of 1986, as amended through December 31, 1987, are not considered income derived from carrying on a trade or business or from performing personal or professional services in Minnesota, and are not taxable under this chapter.

(b) Income or gains from tangible property located in this state that is not employed in the business of the recipient of the income or gains must be assigned to this state.

(c) Except upon the sale of a partnership interest or the sale of stock of an S corporation, income or gains from intangible personal property not employed in the business of the recipient of the income or gains must be assigned to this state if the recipient of the income or gains is a resident of this state or is a resident trust or estate.

Gain on the sale of a partnership interest is allocable to this state in the ratio of the original cost of partnership tangible property in

this state to the original cost of partnership tangible property everywhere, determined at the time of the sale. If more than 50 percent of the value of the partnership's assets consists of intangibles, gain or loss from the sale of the partnership interest is allocated to this state in accordance with the sales factor of the partnership for its first full tax period immediately preceding the tax period of the partnership during which the partnership interest was sold.

Gain on the sale of stock held in an S corporation is allocable to this state in the ratio of the original cost of tangible property of the S corporation within this state to the original cost of tangible property of the S corporation everywhere.

Gain on the sale of goodwill or income from a covenant not to compete that is connected with a business operating all or partially in Minnesota is allocated to this state to the extent that the income from the business in the year preceding the year of sale was assignable to Minnesota under subdivision 3.

(d) Income from the operation of a farm shall be assigned to this state if the farm is located within this state and to other states only if the farm is not located in this state.

(e) Income from winnings on Minnesota pari-mutuel betting tickets and lawful gambling as defined in section 349.12, subdivision 2, conducted within the boundaries of the state of Minnesota shall be assigned to this state.

(f) All items of gross income not covered in paragraphs (a) to (e) and not part of the taxpayer's income from a trade or business shall be assigned to the taxpayer's domicile.

Sec. 17. Minnesota Statutes 1988, section 290.311, subdivision 1, is amended to read:

Subdivision 1. [PARTNERS.] (a) Partner's modifications. In determining gross income and Minnesota taxable income of a partner, any modification described in section 290.01, subdivisions ~~20~~ 19 to ~~20f~~ 19f, which relates to an item of partnership income, gain, loss or deduction shall be made in accordance with the partner's distributive share, for federal income tax purposes, of the item to which the modification relates.

(b) Character of items. Each item of partnership income, gain, loss, or deduction shall have the same character for a partner under this section which it has for federal income tax purposes. Where an item is not characterized for federal income tax purposes, it shall have the same character for a partner as if realized directly from the

source from which realized by the partnership, or incurred in the same manner as incurred by the partnership.

(c) Minnesota tax avoidance or evasion. Where a partner's distributive share of an item of partnership income, gain, loss or deduction is determined for federal income tax purposes by special provision in the partnership agreement with respect to such item, and where the effect of such provision is the avoidance or evasion of tax under this section, the partner's distributive share of such item, and any modifications required with respect thereto shall be determined as if the partnership agreement made no special provision with respect to such item.

Sec. 18. Minnesota Statutes 1988, section 290.92, is amended by adding a subdivision to read:

Subd. 4b. [WITHHOLDING BY PARTNERSHIPS.] (a) A partnership shall deduct and withhold a tax as provided in paragraph (b) when the partnership pays or credits amounts to any of its nonresident individual partners on account of their distributive shares of partnership income for a taxable year of the partnership.

(b) The amount of tax withheld is determined by multiplying the partner's distributive share allocable to Minnesota under section 290.17, paid or credited during the taxable year by the highest rate used to determine the income tax liability for an individual under section 290.06, subdivision 2c, except that the amount of tax withheld may be determined based on tables provided by the commissioner if the partner submits a withholding exemption certificate under subdivision 5.

(c) A partnership required to deduct and withhold tax under this subdivision shall file a return with the commissioner. The tax required to be deducted and withheld during that year must be paid with the return. The return and payment is due on or before the due date specified for filing the partnership return under section 290.42.

(d) A partnership required to withhold and remit tax under this subdivision is liable for payment of the tax to the commissioner, and a person having control of or responsibility for the withholding of the tax or the filing of returns due under this subdivision is personally liable for the tax due. The commissioner may reduce or abate the tax if the partnership had reasonable cause to believe that no tax was due under this section.

(e) Notwithstanding paragraph (a), a partnership is not required to deduct and withhold tax for a nonresident partner if:

(1) the partner elects to have the tax due paid as part of the partnership's composite return under section 290.39, subdivision 5;

(2) the partner has Minnesota assignable federal adjusted gross income from the partnership of less than \$1,000; or

(3) the partnership is liquidated or terminated, the income was generated by a transaction related to the termination or liquidation, and no cash or other property was distributed in the current or prior taxable year.

(f) For purposes of subdivisions 6, paragraph (1)(c), 6a, 7, 11, and 15, a partnership is considered an employer.

Sec. 19. Minnesota Statutes 1988, section 290.92, is amended by adding a subdivision to read:

Subd. 4c. [WITHHOLDING BY SMALL BUSINESS CORPORATIONS.] (a) A corporation having a valid election in effect under section 290.9725 shall deduct and withhold a tax as provided in paragraph (b) when it pays or credits amounts to any of its nonresident individual shareholders as dividends or as their share of the corporations' undistributed taxable income for the taxable year.

(b) The amount of tax withheld is determined by multiplying the amount of dividends or undistributed income allocable to Minnesota under section 290.17, paid or credited to a nonresident shareholder during the taxable year by the highest rate used to determine the income tax liability of an individual under section 290.06, subdivision 2c, except that the amount of tax withheld may be determined based on tables provided by the commissioner if the shareholder submits a withholding exemption certificate under subdivision 5.

(c) A corporation required to deduct and withhold tax under this subdivision shall file a return with the commissioner. The tax required to be deducted and withheld during that year must be paid with the return. The return and payment is due on or before the due date specified for filing the corporate income tax return under section 290.42.

(d) A corporation required to withhold and remit tax under this section is liable for payment of the tax to the commissioner, and a person having control of or responsibility for the withholding of the tax or the filing of returns due under this subdivision is personally liable for the tax due.

(e) Notwithstanding paragraph (a), a corporation is not required to deduct and withhold tax for a nonresident shareholder, if:

(1) the shareholder elects to have the tax due paid as part of the corporation's composite return under section 290.39, subdivision 5;

(2) the shareholder has Minnesota assignable federal adjusted gross income from the corporation of less than \$1,000; or

(3) the corporation is liquidated or terminated, the income was generated by a transaction related to the termination or liquidation, and no cash or other property was distributed in the current or prior taxable year.

(f) For purposes of subdivisions 6, paragraph (1)(c), 6a, 7, 11, and 15, a corporation is considered an employer.

Sec. 20. [290.9201] [TAX ON NONRESIDENT ENTERTAINERS.]

Subdivision 1. [DEFINITIONS.] (a) "Entertainer" means an individual who is not a resident of Minnesota or a state with which Minnesota has a reciprocal agreement under section 290.081 who performs acts in Minnesota that amuse, entertain, or inform. For purposes of this section, "entertainer" includes, but is not limited to, a musician, singer, dancer, comedian, thespian, athlete, and public speaker.

(b) Entertainment entity means either: (1) an entertainer who is paid compensation for providing entertainment as an independent contractor; (2) a partnership that is paid compensation for entertainment provided by entertainers who are partners, or (3) a corporation that is paid compensation for entertainment provided by entertainers who are shareholders of the corporation.

Subd. 2. [TAX ON ENTERTAINMENT.] Entertainment entities are subject to a tax in the amount of two percent of the total compensation received by them during the calendar year for entertainment performed in Minnesota.

Subd. 3. [CREDIT AGAINST TAX.] Each calendar year an entertainment entity may take a nonrefundable credit of \$100 against the tax imposed by this section.

Subd. 4. [FILING DATE OF ANNUAL RETURN.] (a) An entertainment entity subject to the tax imposed by this section shall file with the commissioner an annual return for the calendar year on or before April 15 following the close of the calendar year.

(b) The return must be in the form prescribed by the commissioner.

Subd. 5. [PAYMENT OF TAX AND LIABILITY.] The tax imposed by this section is payable to the commissioner on the filing date and is the joint and several liability of the entertainer and the entertainment entity.

Subd. 6. [EXEMPTION FROM INCOME TAX.] Compensation subject to the tax imposed under this section is not assignable to Minnesota under section 290.17.

Subd. 7. [WITHHOLDING ON COMPENSATION OF ENTERTAINERS.] The tax on compensation of an entertainer must be withheld at a rate of two percent of all compensation paid to the entertainment entity by the person or corporation having legal control of the payment of the compensation. The payor is liable to the state for the payment of the tax required to be deducted and withheld, and is not liable to a person for the amount of the payment. The compensation subject to withholding under this section is not subject to the withholding provisions of section 290.92, subdivision 2a or 3, except the provisions of section 290.92, subdivisions 6a, 7, 14, 15, and 18 shall apply to withholding under this section as if the withholding were upon wages.

Subd. 8. [DEPOSIT OF ENTERTAINER WITHHOLDING.] (a) The person or corporation having legal control of the payment of compensation taxable under this section shall deposit the earnings tax with the commissioner, and shall file an entertainer withholding tax return with the commissioner, within 30 days of each performance.

(b) The withholding tax return must be in the form prescribed by the commissioner.

Subd. 9. [REFUNDS.] If there is an overpayment of the tax imposed by this section, refund of the overpayment or credit shall be made to the payor under rules prescribed by the commissioner, but only to the extent that the amount of the overpayment was not deducted and withheld under subdivision 7 by the payor. An overpayment that is refunded bears interest at the rate specified in section 270.76, computed from the date of payment until the date the refund is paid to the payor.

Subd. 10. [REFUNDS.] If the tax withheld at the source under subdivision 7 exceeds by \$1 or more the taxes, penalties, and interest reported in the return of the entertainment entity or imposed by this section, the excess must be refunded to the entertainment entity. If the excess is less than \$1, the commissioner need not refund that amount. If the excess to be refunded exceeds \$10, the amount on the original return bears interest at the rate specified in section 270.76, computed from 90 days after (1) the due date of the return of the employee taxpayer or (2) the date on which the return is filed, whichever is later, to the date the refund is paid to the taxpayer.

Sec. 21. [290.9705] [SURETY DEPOSITS REQUIRED FOR CONSTRUCTION CONTRACTS.]

Subdivision 1. [WITHHOLDING OF PAYMENTS TO OUT-OF-STATE CONTRACTORS.] (a) In this section, "person" means a person, corporation, or cooperative, the state of Minnesota and its political subdivisions, and a city, county, and school district in Minnesota.

(b) A person who in the regular course of business is hiring, contracting, or having a contract with a nonresident person or foreign corporation, as defined in Minnesota Statutes 1986, section 290.01, subdivision 5, to perform construction work in Minnesota, shall deduct and withhold eight percent of every payment to the contractor if the contract exceeds or can reasonably be expected to exceed \$100,000.

Subd. 2. [REQUIREMENT TO DEPOSIT WITHHOLDINGS WITH COMMISSIONER.] A person required to withhold an amount under subdivision 1 shall deposit the amount withheld and file a return prescribed by the commissioner within 30 days of the payment to the contractor. The payor is liable to the state for the amount required to be deducted and is not liable to a person for the amount of the payment.

Subd. 3. [WAIVER OF WITHHOLDING.] The conditions in subdivisions 1 and 2 may be waived by the commissioner if (1) the contractor gives the commissioner a cash surety or a bond, secured by an insurance company licensed by Minnesota, conditioned that the contractor will comply with all applicable provisions of chapters 290 and 297A, or (2) the contractor has done construction work in Minnesota in the three calendar years prior to entering the contract and has fully complied with all the provisions of chapters 290 and 297A for the three prior years.

Subd. 4. [DEPOSITS USED AS SURETY FOR COMPLIANCE WITH INCOME AND SALES TAX PROVISIONS.] The amounts deposited with the commissioner under subdivisions 2 and 3 are considered a surety to guarantee payment of income, franchise, withholding, and sales and use taxes of the contractor. The commissioner shall retain the money deposited until the commissioner determines the contractor's liability for state income, franchise, sales and use taxes, and taxes withheld under section 290.92. If the deposit exceeds the liability, the commissioner shall refund the difference to the contractor with interest at the rate specified in section 270.76 computed from the dates the amounts were deposited with the commissioner.

Sec. 22. Minnesota Statutes 1988, section 291.005, subdivision 1, is amended to read:

Subdivision 1. Unless the context otherwise clearly requires, the following terms used in this chapter shall have the following meanings:

(1) "Federal gross estate" means the gross estate of a decedent as valued and otherwise determined for federal estate tax purposes by federal taxing authorities pursuant to the provisions of the Internal Revenue Code.

(2) "Minnesota gross estate" means the federal gross estate of a decedent after (a) excluding therefrom any property included therein which has its situs outside Minnesota and (b) including therein any property omitted from the federal gross estate which is includable therein, has its situs in Minnesota, and was not disclosed to federal taxing authorities.

(3) "Personal representative" means the executor, administrator or other person appointed by the court to administer and dispose of the property of the decedent. If there is no executor, administrator or other person appointed, qualified, and acting within this state, then any person in actual or constructive possession of any property having a situs in this state which is included in the federal gross estate of the decedent shall be deemed to be a personal representative to the extent of the property and the Minnesota estate tax due with respect to the property.

(4) "Resident decedent" means an individual whose domicile at the time of death was in Minnesota.

(5) "Nonresident decedent" means an individual whose domicile at the time of death was not in Minnesota.

(6) "Situs of property" means, with respect to real property, the state or country in which it is located; with respect to tangible personal property, the state or country in which it was normally kept or located at the time of the decedent's death; and with respect to intangible personal property, the state or country in which the decedent was domiciled at death.

(7) "Commissioner" means the commissioner of revenue or any person to whom the commissioner has delegated functions under this chapter.

(8) "Internal Revenue Code" means the United States Internal Revenue Code of 1954 1986 as amended through December 31, 1984 1988.

Sec. 23. [FEDERAL CHANGES.]

The changes made by sections 1002, 1004, 1006, 1008, 1009, 1011, 1014, 1018, 3041, 6002, 6026, and 6286 of the Technical and Miscellaneous Revenue Act of 1988, Public Law Number 100-647, which affect the computation of Minnesota gross income as defined in Minnesota Statutes, section 290.01, subdivision 20; lump sum

distributions as allowed by Minnesota Statutes, section 290.032; accounting provision applied under Minnesota Statutes, section 290.07; contribution deduction allowed by Minnesota Statutes, sections 290.089 and 290.21; depreciation, amortization, and expensing provisions allowed under Minnesota Statutes, section 290.09; the recognition rules for distributions and reorganization rules provided by Minnesota Statutes, sections 290.13 to 290.139; and the grantor trust and reversionary interest rule exceptions and limitations under Minnesota Statutes, sections 290.23 and 290.25, for years beginning before January 1, 1987, shall be in effect at the same time they become effective for federal income tax purposes.

The additional statute of limitations to file amended returns allowing contributions to institutions of higher education and allowing an election to claim losses on deposits in certain insolvent financial institutions under provisions of sections 6001 and 1009 of the Technical and Miscellaneous Revenue Act of 1988, shall apply to Minnesota for the same period as the federal period applies plus an additional six months.

The waiver of the estimated tax penalties provided by section 1019 of the Technical and Miscellaneous Revenue Act of 1988, shall also apply to Minnesota to the extent the underpayment was created or increased by any provisions of the changes due to applying the federal law changes.

Sec. 24. [INSTRUCTION TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall substitute the phrase "Internal Revenue Code of 1986, as amended through December 31, 1988" for the words "Internal Revenue Code of 1986, as amended through December 31, 1987" wherever it occurs in chapters 290, except in section 290.01, subdivision 19, and 290A.

Sec. 25. [REPEALER.]

Minnesota Statutes 1988, section 290.01, subdivision 6a, is repealed.

Sec. 26. [EFFECTIVE DATE.]

Section 5 is effective for taxable years beginning after December 31, 1987. Sections 2, 3, 4, and 10 to 17 are effective for taxable years beginning after December 31, 1988. Sections 18 to 20 are effective after December 31, 1989. Section 21 is effective for contracts entered into after December 31, 1989. Section 22 is effective for dates of death after December 31, 1988. Section 1 and sections 6 to 9 are effective for taxable years beginning after December 31, 1986. The part of section 16 pertaining to goodwill and covenants not to

compete are only in effect on contracts entered into after the day of final enactment.”

Delete the title and insert:

“A bill for an act relating to taxation; making technical corrections and clarifications to individual income and corporate franchise taxes; updating references to the Internal Revenue Code; imposing a tax and providing for withholding of certain payments to nonresidents; requiring surety payment by out-of-state contractors; amending Minnesota Statutes 1988, sections 290.01, subdivisions 4, 7, 19, 19a, 19b, 19c, 19d, 19e, and 19f; 290.06, subdivision 22; 290.067, subdivision 1; 290.0802, subdivisions 1 and 2; 290.095, subdivision 9; 290.17, subdivisions 1 and 2; 290.311, subdivision 1; 290.92, by adding subdivisions; and 291.005, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 290; repealing Minnesota Statutes 1988, section 290.01, subdivision 6a.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Long from the Committee on Taxes to which was referred:

H. F. No. 243, A bill for an act relating to the department of revenue; recodifying information and disclosure provisions to increase uniformity of treatment and comply with the data privacy act; amending Minnesota Statutes 1988, sections 60A.17, subdivision 20; 82.27, subdivision 7; 147.091, subdivision 7; 148.10, subdivision 5; 148B.06, subdivision 3; 150A.08, subdivision 9; 171.31; 176.186; 176.231, subdivision 9; 256.978; 270.052; 270.064; 270.66, subdivision 3; 270.72, subdivision 4; 270.73, subdivision 1; 270A.11; 290.081; 290.174; 290.371, subdivision 5; 290.50, subdivision 6; 290.523, subdivision 1; 290.91; 290.92, subdivisions 5a, 17, and 26; 290A.112, subdivision 1; 297A.07; 326.20, subdivision 4; and 469.173, subdivision 5; proposing coding for new law as Minnesota Statutes, chapter 270B; repealing Minnesota Statutes 1988, sections 290.05, subdivision 7; 290.61; 290A.17; 291.48; and 297A.43.

Reported the same back with the following amendments:

Page 5, line 26, delete the period and insert a semicolon

Page 5, line 33, delete “and”

Page 6, line 2, before “if” insert “and”

(7)”

Page 7, line 12, delete "CRIMINAL"

Page 7, line 13, delete "criminal"

Page 7, line 15, after "revenue" insert "in order to prepare a case against a person, whether known or unknown, for the commission of a crime"

Page 7, line 16, after "inactive," insert "as defined in section 13.82, subdivision 5,"

Page 9, lines 9 and 10, delete "an employee of the department of revenue" and insert "the commissioner"

Page 9, lines 18 and 19, delete "An employee of the department of revenue" and insert "The commissioner"

Page 10, line 22, delete the second "commissioner" and insert "department"

Page 11, line 12, delete "commissioner of internal revenue" and insert "Internal Revenue Service"

Page 12, line 4, delete "COMMISSIONER" and insert "DEPARTMENT"

Page 12, line 5, delete "commissioner" and insert "department"

Page 12, after line 14, insert:

"Subd. 6. [DEPARTMENT OF REVENUE EMPLOYEES; ATTORNEY GENERAL.] Returns and return information may be open to inspection by or disclosure to an employee of the department of revenue and the attorney general for the purpose of and to the extent necessary to administer tax laws."

Page 13, line 15, delete "COMMISSIONER" and insert "DEPARTMENT"

Page 13, lines 18, 27, 31, and 36, delete "commissioner" and insert "department"

Page 14, line 26, delete "commissioner of the"

Page 14, line 30, delete "COMMISSIONERS" and insert "DEPARTMENTS"

Page 14, line 32, delete "commissioners" and insert "departments"

Page 15, line 25, delete everything after "who" and insert "intentionally and without authority attempts to or does penetrate"

Page 16, delete section 20

Renumber the sections in sequence

Correct internal references

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

The report was adopted.

Otis from the Committee on Economic Development to which was referred:

H. F. No. 353, A bill for an act relating to economic development; expanding the definition of economic development district; authorizing economic development authorities to construct and furnish buildings; providing for a referendum on an economic development authority's issuance of general obligation bonds; exempting economic development authority bonds from net debt limits; amending Minnesota Statutes 1988, sections 469.101, subdivision 1, and by adding a subdivision; and 469.102, subdivision 1, and by adding subdivisions.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Local Government and Metropolitan Affairs.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 371, A bill for an act relating to corrections; authorizing the commissioner of corrections to take photographs of juveniles committed to the commissioner for management and law enforcement purposes; amending Minnesota Statutes 1988, section 260.161, subdivision 3.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 148, 214 and 371 were read for the second time.

**INTRODUCTION AND FIRST READING
OF HOUSE BILLS**

The following House Files were introduced:

Rest; McGuire; Segal; Olsen, S., and Pellow introduced:

H. F. No. 698, A bill for an act relating to education; increasing the minimum allowance for school districts; amending Minnesota Statutes 1988, section 124A.22, subdivision 9.

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

Kelso; McGuire; Segal; Olsen, S., and Pellow introduced:

H. F. No. 699, A bill for an act relating to education; requiring tax increment authorities to pay to a school district all tax increment attributable to the school district's referendum levy; amending Minnesota Statutes 1988, section 469.177, subdivision 10.

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

Greenfield, Jefferson, Clark, Forsythe and Kelly introduced:

H. F. No. 700, A bill for an act relating to crimes; increasing penalties for certain crimes when committed because of the victim's race, color, religion, sex, sexual orientation, disability, or national origin; increasing penalties for using the mail or making telephone calls and falsely impersonating another for the purpose of harassing, abusing, or threatening another person; amending Minnesota Statutes 1988, sections 609.2231, by adding a subdivision; 609.595, subdivisions 2, 3, and by adding a subdivision; 609.605, by adding a subdivision; 609.746, by adding a subdivision; 609.79, by adding a subdivision; and 609.795.

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

Munger introduced:

H. F. No. 701, A bill for an act relating to environment; eliminating the PCB exemption program; repealing Minnesota Statutes 1988, sections 116.36; and 116.37.

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

Wagenius, Carruthers, Kelly, Vellenga and Swenson introduced:

H. F. No. 702, A bill for an act relating to crime; expanding the crime of failure to appear for a criminal court appearance; providing that the county attorney has jurisdiction to prosecute the crime; prescribing penalties; amending Minnesota Statutes 1988, sections 388.051, subdivision 2; and 609.49.

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

Wagenius, Carruthers, Jefferson, Otis and Swenson introduced:

H. F. No. 703, A bill for an act relating to crime; expanding the theft statute to include the unauthorized use of a motor vehicle; making the penalties for receiving stolen property and issuing a dishonored check similar to the penalties for theft; including forged endorsements within the elements of the crime of check forgery; making technical corrections to the theft statute; amending Minnesota Statutes 1988, sections 609.52; 609.53, subdivisions 1 and 4; 609.535, subdivision 2a; and 609.631, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1988, sections 609.53, subdivisions 1a, 3, and 3a; and 609.55.

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

Kelly; Carruthers; Osthoff; Anderson, G., and Bennett introduced:

H. F. No. 704, A bill for an act relating to peace officers; establishing reimbursement program for purchases of soft body armor by and for peace officers; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 299A.

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

Kelso, Greenfield, Boo, Dorn and Anderson, R., introduced:

H. F. No. 705, A bill for an act relating to human services; providing requirements for licensing under the human services licensing act; amending Minnesota Statutes 1988, sections 144A.01, subdivision 5; 245.73, subdivisions 1 and 2; 245A.02, subdivisions 3, 9, 10, 14, and by adding a subdivision; 245A.03, subdivisions 1, 2, and 3; 245A.04, subdivisions 1, 3, 5, 6, 7, and by adding subdivisions; 245A.06, subdivisions 1, 5, and by adding a subdivision; 245A.07, subdivision 2; 245A.08, subdivision 5; 245A.12; 245A.13; 245A.14, subdivision 3; and 245A.16, subdivision 1.

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

Ostrom; Rodosovich; Greenfield; Anderson, R., and Welle introduced:

H. F. No. 706, A bill for an act relating to human services; clarifying methods of determining the cost of care rendered at state facilities; allowing the commissioner of human services to charge on a fee for service basis; clarifying responsibility for collection of the cost of care at state-operated, community-based programs for persons with mental retardation or related conditions; clarifying legislative intent to allow the commissioner of human services to continue to collect for cost of care of persons treated for chemical dependency at state facilities; amending Minnesota Statutes 1988, section 246.50, subdivisions 3, 4, and 5, and by adding a subdivision; repealing Minnesota Statutes 1988, section 246.50, subdivisions 3a, 4a, and 9.

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

Kostohryz, Kelso, Boo, Quinn and Sviggum introduced:

H. F. No. 707, A bill for an act relating to horse racing; allowing a licensed racetrack to conduct pari-mutuel betting on televised races on days when races are not conducted at the licensed racetrack; allowing the licensed racetrack to commingle pari-mutuel pools with the sending racetrack; amending Minnesota Statutes 1988, sections 240.01, subdivision 10, and by adding a subdivision; 240.10; 240.13, subdivisions 1, 3, and by adding a subdivision; 240.14, by adding a subdivision; 240.16, by adding a subdivision; and 240.29.

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

Stanius introduced:

H. F. No. 708, A bill for an act relating to human services; defining persons with related conditions to include persons with prader-willi syndrome; amending Minnesota Statutes 1988, section 252.27, subdivision 1.

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

Simoneau, Vanasek, Dempsey and Bertram introduced:

H. F. No. 709, A bill for an act relating to the commission on uniform state laws; providing for its composition; amending Minnesota Statutes 1988, section 3.251.

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

Clark; Anderson, G., and Nelson, K., introduced:

H. F. No. 710, A bill for an act relating to education; providing elementary school students counseling on the dangers of inhalant abuse; providing grants for student volunteers to work with young inhalant abusers; developing curriculum on inhalants; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 123.

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

Trimble, Pelowski, Dorn and Jaros introduced:

H. F. No. 711, A bill for an act relating to education; clarifying aspects of the governance of the University of Minnesota system; requiring a president of each institution in the University of Minnesota system; proposing coding for new law in Minnesota Statutes, chapter 137.

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

McLaughlin introduced:

H. F. No. 712, A bill for an act relating to sentencing; replacing the current "good time" system with a "bad time" system; authorizing an increase in the duration of an inmate's sentence to the extent

"bad time" is earned; requiring the sentencing court to specify the length of time a felony offender will likely serve in prison and on supervised release; amending Minnesota Statutes 1988, sections 244.01, subdivisions 5 and 8; 244.02, subdivision 2; 244.04; 244.05, subdivision 1; 244.065; and 244.10, by adding a subdivision.

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

McLaughlin introduced:

H. F. No. 713, A resolution memorializing the President and Congress of the United States to enact laws providing for truth in sentencing of persons convicted of federal crimes.

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

O'Connor, Osthoff, Morrison, Dawkins and Tjornhom introduced:

H. F. No. 714, A bill for an act relating to housing; establishing a fair housing education and public information program; authorizing the establishment of affordable housing programs under the administration of the Minnesota housing finance agency; establishing a neighborhood preservation program; requiring housing impact statements; appropriating money; amending Minnesota Statutes 1988, sections 462A.05, subdivision 27, and by adding subdivisions; 462A.201, subdivision 5; 462A.21, subdivisions 4k, 12, and by adding subdivisions; and 469.012, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 256 and 471.

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

Ogren and Gutknecht introduced:

H. F. No. 715, A bill for an act relating to medical assistance; establishing a case management pilot project; requiring reports; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256B.

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

Kelly, Orenstein, Pugh and Hasskamp introduced:

H. F. No. 716, A bill for an act relating to notaries public;

eliminating the requirement that notaries be bonded; amending Minnesota Statutes 1988, sections 359.02 and 359.071.

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

Vellenga; Greenfield; Anderson, R., Otis and Wynia introduced:

H. F. No. 717, A bill for an act relating to human services; providing for the distribution of money for head start programs to expand services to additional children from low income families; proposing coding for new law in Minnesota Statutes, chapter 268.

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

Nelson, C.; Redalen; Otis and Sparby introduced:

H. F. No. 718, A bill for an act relating to agriculture; providing a linked deposit program to allow eligible agricultural businesses and small businesses to obtain operating loans at reduced interest rates; requiring linked deposit agreements for eligible lending institutions to receive linked deposits; authorizing the state investment board to purchase investments from eligible lending institutions; imposing a penalty; appropriating money.

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

Nelson, C.; Otis; Cooper; Anderson, R., and Battaglia introduced:

H. F. No. 719, A bill for an act relating to economic development; authorizing certain local jurisdictions to contribute to local or regional economic development organizations; proposing coding for new law in Minnesota Statutes, chapter 469.

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

McLaughlin and Jefferson introduced:

H. F. No. 720, A bill for an act relating to corrections; allowing chiropractors to practice in institutions under the control of the commissioner of corrections; amending Minnesota Statutes 1988, section 241.021, subdivision 4.

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

Trimble; Wenzel; Carlson, L.; Dorn and Omann introduced:

H. F. No. 721, A bill for an act relating to education; requiring a uniform procedure for assessing post-secondary students to determine remedial needs; appropriating money.

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

Pelowski, Otis, Kahn, Peterson and Abrams introduced:

H. F. No. 722, A bill for an act relating to economic development; providing for funding of grants to nonprofit economic development organizations; appropriating money.

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

Steensma, Kostohryz, Battaglia, Ogren and Anderson, R., introduced:

H. F. No. 723, A bill for an act relating to veterans; providing for establishment of a veterans home in Luverne; proposing coding for new law in Minnesota Statutes, chapter 198.

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

Kahn, Kostohryz, Seaberg and Johnson, A., introduced:

H. F. No. 724, A bill for an act relating to traffic regulations; providing for an alternative slow-moving vehicle emblem for persons with certain sincerely held religious beliefs; amending Minnesota Statutes 1988, section 169.522, subdivision 1.

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

Carlson, L.; Munger; Price; Poppenhagen and Trimble introduced:

H. F. No. 725, A bill for an act relating to education; expanding the definition of resident student for purposes of financial assistance;

amending Minnesota Statutes 1988, section 136A.101, subdivision 8.

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

Carruthers, Seaberg, Wagenius, Dempsey and Greenfield introduced:

H. F. No. 726, A bill for an act relating to sentencing; requiring the sentencing guidelines commission to modify the way in which prior juvenile offenses are counted in the offender's criminal history score; proposing coding for new law in Minnesota Statutes, chapter 244.

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

Sparby, O'Connor, Frerichs, Bertram and Morrison introduced:

H. F. No. 727, A bill for an act relating to housing; reducing property taxes on certain types of residential rental property; authorizing a tax levy for public housing; amending Minnesota Statutes 1988, section 273.13, subdivision 25; proposing coding for new law in Minnesota Statutes, chapter 462C.

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

Segal, Greenfield, Clark, Ogren and Gruenes introduced:

H. F. No. 728, A bill for an act relating to occupations and professions; regulating nursing; proposing the Minnesota nurse practice act; providing penalties; amending Minnesota Statutes 1988, sections 144A.43, subdivision 3; 145A.02, subdivision 18; 148.171; 148.181; 148.191; 148.211; 148.231; 148.241; 148.251; 148.261; 148.271; 148.281; and 148.283; proposing coding for new law in Minnesota Statutes, chapter 148; repealing Minnesota Statutes 1988, sections 145A.06, subdivision 3; 148.191, subdivision 3; 148.221; 148.251, subdivision 2; 148.261, subdivision 3; 148.272; 148.281, subdivision 1a; 148.286; 148.29; 148.291; 148.292; 148.293; 148.294; 148.295; 148.296; 148.297; 148.298; and 148.299.

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

Pappas, Wagenius, Janezich and Seaberg introduced:

H. F. No. 729, A bill for an act relating to marriage dissolution; including the primary caretaker standard as a factor to be considered in custody decisions; providing that the court may not use one factor as controlling in determining custody; requiring courts to consider the existence of domestic abuse in determining whether to award joint custody; providing for the appointment of visitation expeditors to resolve on-going visitation disputes; providing for visitation by persons who have resided with a child; amending Minnesota Statutes 1988, sections 257.022, by adding a subdivision; 518.17, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 518.

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

Greenfield, Segal, Pugh, Cooper and Anderson, R., introduced:

H. F. No. 730, A bill for an act relating to human services; clarifying eligibility requirements for AFDC; revising the Minnesota supplemental aid program; appropriating money; amending Minnesota Statutes 1988, sections 13.46, subdivision 2; 237.70, subdivision 7; 237.701, subdivision 1; 256.014, subdivision 1; 256.12, subdivision 14; 256.73, subdivision 3a; 256.736, subdivision 3; 256.74, subdivisions 1 and 1a; 256D.01, subdivision 1b; 256D.35, subdivisions 1, 7, and by adding subdivisions; 256D.36, subdivision 1, and by adding a subdivision; and 256D.37, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 256D; proposing coding for new law as Minnesota Statutes, chapter 256I; repealing Minnesota Statutes 1988, sections 256D.01, subdivision 1c; 256D.06, subdivisions 3, 4, and 6; 256D.35, subdivisions 2, 3, 4, and 8; 256D.36, subdivision 2; 256D.37, subdivisions 2, 4, 6, 7, 8, 9, 10, 11, 12, 13, and 14; 256D.38; 256D.39; 256D.41; 256D.42; and 256D.43.

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

Blatz, Vellenga, Carruthers, Runbeck and Kelly introduced:

H. F. No. 731, A bill for an act relating to data practices; providing for classification of law enforcement data on child abuse; amending Minnesota Statutes 1988, sections 13.82, by adding a subdivision; and 626.556, subdivisions 11 and 11c.

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

Blatz introduced:

H. F. No. 732, A bill for an act relating to taxation; property; clarifying the agricultural classification of certain property; amending Minnesota Statutes 1988, sections 273.111; and 273.13, subdivision 23.

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

Frederick introduced:

H. F. No. 733, A bill for an act relating to human rights; requiring a certificate of compliance for public contracts with a person with 20 or more employees; amending Minnesota Statutes 1988, section 363.073, subdivision 1.

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

Seaberg and Morrison introduced:

H. F. No. 734, A bill for an act relating to motor vehicles; defining physically handicapped person for purposes of obtaining special license plates; amending Minnesota Statutes 1988, section 169.345, subdivision 2.

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

Olson, E.; Neuenschwander; Lieder; Carlson, D., and Johnson, R., introduced:

H. F. No. 735, A bill for an act relating to traffic regulations; providing for special permit for special vehicle; setting a fee; amending Minnesota Statutes 1988, sections 169.825, by adding a subdivision; and 169.86, subdivision 5.

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

Ostrom, Scheid, Steensma, Sviggum and Abrams introduced:

H. F. No. 736, A bill for an act relating to elections; eliminating a penalty for issuing certain election certificates; amending Minnesota Statutes 1988, section 211A.05, subdivision 1.

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

Jefferson, O'Connor, Morrison, Clark and Osthoff introduced:

H. F. No. 737, A bill for an act relating to housing; changing notice and redemption provisions for certain types of properties; revising certain tenant damage provisions in landlord-tenant actions; regulating tenant screening services; revising certain housing receiver-ship provisions; establishing housing courts, rent escrow systems, and building repair fines as demonstration projects in Hennepin and Ramsey counties; imposing penalties; amending Minnesota Statutes 1988, sections 463.21; 504.255; 504.26; 566.175, subdivision 1; 566.29, subdivisions 1, 4, and by adding subdivisions; 580.031; 580.23, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 504 and 566.

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

Reding, Kahn, Frerichs and Otis introduced:

H. F. No. 738, A bill for an act relating to economic development; establishing a small business innovation research bridge grant program; appropriating money.

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

Uphus; Brown; Waltman; Olson, E., and Carlson, D., introduced:

H. F. No. 739, A bill for an act relating to retirement; allowing an optional annuity based upon statewide average salaries for members of the teachers retirement association; amending Minnesota Statutes 1988, section 354.44, subdivision 6.

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

Carlson, L.; Price; Heap; Dorn and Jaros introduced:

H. F. No. 740, A bill for an act relating to education; changing the name of technical institutes to technical colleges; amending Minnesota Statutes 1988, section 136C.02, subdivision 2.

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

Pappas, Kahn and Segal introduced:

H. F. No. 741, A bill for an act relating to state government; providing for gender balance in multimember agencies; amending Minnesota Statutes 1988, section 15.0597, by adding a subdivision.

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

McPherson, Henry, Haukoos, Hugoson and Omann introduced:

H. F. No. 742, A bill for an act relating to education; restoring earlier levels of salary aid for special education teachers; appropriating money; amending Minnesota Statutes 1988, section 124.32, subdivision 1b.

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

Quinn, Kostohryz, McEachern, Bennett and Gutknecht introduced:

H. F. No. 743, A bill for an act relating to charitable gambling; authorizing and regulating the use of video pull-tab devices at certain locations; regulating manufacturers and distributors of these devices; providing a tax; appropriating money; amending Minnesota Statutes 1988, sections 349.12, subdivision 15, and by adding subdivisions; 349.161, subdivisions 1, 2, 3, 5, and by adding subdivisions; 349.162, subdivision 2, and by adding subdivisions; 349.163, by adding a subdivision; 349.212, subdivision 4; 349.2121, subdivisions 1 and 10; 349.2122; and 349.30, subdivision 2; proposing coding for new law in chapter 349.

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

Beard, Price, Jacobs, Segal and Quinn introduced:

H. F. No. 744, A bill for an act relating to taxation; providing a property tax refund if property taxes increase over ten percent from the previous year; amending Minnesota Statutes 1988, section 290A.04, subdivision 2h.

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

Beard, Lasley and Ogren introduced:

H. F. No. 745, A bill for an act relating to health; requiring that health care providers timely furnish patient health records and reports; amending Minnesota Statutes 1988, section 144.335, subdivisions 2 and 3.

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

Milbert and Rest introduced:

H. F. No. 746, A bill for an act relating to tax increment financing; excluding certain levies in the computation of tax increment revenues; amending Minnesota Statutes 1988, section 469.177, subdivisions 1a, as amended, and 9.

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

Beard, Ogren and Lasley introduced:

H. F. No. 747, A bill for an act relating to human services; increasing the personal needs allowance for persons in skilled nursing homes; amending Minnesota Statutes 1988, section 256B.35, subdivision 1.

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

Frerichs introduced:

H. F. No. 748, A bill for an act relating to education; requiring planning by post-secondary systems; appropriating money.

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

Quinn, Bertram, Marsh, Gruenes and Steensma introduced:

H. F. No. 749, A bill for an act relating to veterans; providing for establishment of a veterans home in St. Cloud; proposing coding for new law in Minnesota Statutes, chapter 198.

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

McPherson, Valento, Hugoson, Kostohryz and Ozment introduced:

H. F. No. 750, A bill for an act relating to motor vehicles; providing for special license plates for veterans wounded in combat; amending Minnesota Statutes 1988, section 168.123, subdivision 2.

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

Sviggum, Bauerly, McEachern, Macklin and Gutknecht introduced:

H. F. No. 751, A bill for an act relating to taxation; property tax; modifying the formula for computing transition aid; repealing disparity reduction aid; amending Minnesota Statutes 1988, sections 124.155, subdivision 2; 124.2139; 273.1398, subdivisions 1, 5, and 6; 275.07, subdivision 1; and 276.04, subdivision 2; repealing Minnesota Statutes 1988, sections 273.1398, subdivision 3; and 275.08, subdivision 1c.

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

Sparby; Jaros; Lieder; Anderson, G., and Johnson, V., introduced:

H. F. No. 752, A bill for an act relating to agriculture; appropriating money to discharge mandated grain inspection costs at Duluth; proposing coding for new law in Minnesota Statutes, chapter 17B.

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

Richter, Swenson, Schafer and McDonald introduced:

H. F. No. 753, A bill for an act relating to taxation; property; extending the homestead and agricultural credit to taxes payable after 1989; abolishing transition aid; repealing increases in income maintenance payments; amending Minnesota Statutes 1988, sections 124.155, subdivision 2; 124.2131, subdivision 3; 124.2139; 124A.02, subdivision 3a; 256.01, subdivision 2; 256.72; 256.81; 256.82, subdivision 1; 256.863; 256.871, subdivision 6; 256.935, subdivision 1; 256.991; 256B.041, subdivisions 5 and 7; 256B.05, subdivision 1; 256B.091, subdivision 8; 256B.15; 256B.19, subdivisions 1 and 2; 256D.03, subdivisions 2 and 6; 256D.04; 256D.36, subdivision 1; 256G.01, subdivision 3; 256G.02, subdivision 4; 256G.04, subdivision 1; 256G.05; 256G.07; 256G.10; 256G.11; 273.123, subdivisions 4 and 5; 273.124, subdivisions 11 and 13;

273.13, subdivisions 22 and 23; 273.132, subdivisions 1, 2, and 5; 273.135, subdivision 2; 273.1391, subdivision 2; 273.1392; 273.1398, subdivisions 1, 3, and 6; 273.165, subdivision 2; 275.065, subdivision 2; 275.07, subdivision 1; 275.08, subdivisions 1a and 1b; 275.50, subdivision 5; 275.51, subdivisions 3f and 3h; 276.04, subdivision 2; 290A.04, subdivision 2; 393.07, subdivisions 2 and 10; 473.446, subdivision 1; 473F.02, subdivision 23; 473F.05; 473F.06; 473F.07, subdivisions 1, 4, and 5; 473F.08, subdivisions 1, 2, 3a, 4, 5, 6, and 10; 473F.10; 477A.011, subdivisions 15 and 20; and 477A.013, subdivision 3; Laws 1988, chapter 719, article 5, sections 81 and 84; repealing Minnesota Statutes 1988, sections 256.017; 256.018; 256.019; 273.13, subdivision 21a; 273.135, subdivision 2a; 273.1391, subdivision 2a; 273.1398, subdivisions 2 and 5; 275.07, subdivision 3; 275.08, subdivision 1c; 290A.04, subdivision 2b; and Laws 1988, chapter 719, article 8, sections 32, 33, 34, 35, and 36.

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

Brown; Nelson, C.; Uphus; Trimble and Wenzel introduced:

H. F. No. 754, A bill for an act relating to agriculture; prohibiting bovine growth hormone; proposing coding for new law in Minnesota Statutes, chapter 32.

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

Tompkins, Pugh, Ozment, Battaglia and Milbert introduced:

H. F. No. 755, A bill for an act relating to the Vermillion River watershed district; changing certain approval procedures.

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

Rukavina, Quinn and Steensma introduced:

H. F. No. 756, A bill for an act relating to veterans; changing qualifications for veterans service officers; amending Minnesota Statutes 1988, section 197.601.

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

Schreiber; Valento; Olsen, S.; Jacobs and Jennings introduced:

H. F. No. 757, A bill for an act proposing an amendment to the Minnesota Constitution, article IV, sections 2 and 3; providing for a legislature with a total of 120 to 168 members.

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

Vellenga, Scheid, Kelso, Trimble and Hugoson introduced:

H. F. No. 758, A bill for an act relating to education; proposing department of education lifelong learning initiatives; appropriating money; amending Minnesota Statutes 1988, sections 124.26, subdivision 1c; 124.26, subdivision 7; and 275.125, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 124.

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

Welle, Morrison, Kostohryz, Steensma and Ogren introduced:

H. F. No. 759, A bill for an act relating to veterans; requiring a presentence investigation report on a convicted veteran to include information on whether the veteran is suffering from a posttraumatic stress disorder; requiring the chief executive officers of correctional facilities to provide veteran inmates suffering from posttraumatic stress disorders with appropriate medical care; amending Minnesota Statutes 1988, sections 241.06; and 609.115, by adding a subdivision.

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

Dille, Cooper, Burger, Girard and Hugoson introduced:

H. F. No. 760, A bill for an act relating to the legislature; requiring the legislature to conform to the standards of the open meeting law; proposing coding for new law in Minnesota Statutes, chapter 3.

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

Simoneau and Heap introduced:

H. F. No. 761, A bill for an act relating to judgments; providing a

reasonable exemption for employee benefits; amending Minnesota Statutes 1988, section 550.37, subdivision 24.

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

Dempsey, Valento, Dorn, Jacobs and Stanius introduced:

H. F. No. 762, A resolution memorializing Congress of ratification of a proposed amendment to the Constitution of the United States to provide for a delay in an increase in compensation to members of Congress until an intervening election of representatives has occurred.

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

Jefferson, O'Connor, Otis and Tjornhom introduced:

H. F. No. 763, A bill for an act relating to eminent domain; providing for relocation benefits for displaced persons; amending Minnesota Statutes 1988, section 117.52, subdivision 1.

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

Kahn and Sarna introduced:

H. F. No. 764, A bill for an act relating to medical assistance for needy persons; proposing changes to the method for calculating a nursing home's property-related payment rate upon refinancing; amending Minnesota Statutes 1988, section 256B.431, subdivisions 3f and 3g.

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

Murphy, Boo and Jaros introduced:

H. F. No. 765, A bill for an act relating to the Western Lake Superior Sanitary District; authorizing the district to issue refunding obligations without redemption of outstanding obligations prior to maturity; amending Laws 1971, chapter 478, section 9a, subdivision 4, as added; and section 13, subdivision 4.

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

Rest; Olsen, S.; Brown; Schreiber and Long introduced:

H. F. No. 766, A bill for an act relating to taxation; property; classifying certain utility personal property; amending Minnesota Statutes 1988, section 273.13, subdivision 24.

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

Ostrom, Frederick, Dorn, Dempsey and Conway introduced:

H. F. No. 767, A bill for an act relating to veterans; providing for establishment of a veterans home in St. Peter; proposing coding for new law in Minnesota Statutes, chapter 198.

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

Dempsey introduced:

H. F. No. 768, A bill for an act relating to motor carriers; deregulating irregular route common carriers; amending Minnesota Statutes 1988, section 221.111; proposing coding for new law in Minnesota Statutes, chapter 221; repealing Minnesota Statutes 1988, section 221.121, subdivision 6a.

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

Valento and McGuire introduced:

H. F. No. 769, A bill for an act relating to economic development; appropriating money to plan a sports and recreation facility.

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

Tunheim introduced:

H. F. No. 770, A bill for an act relating to state lands; directing conveyance of a certain tract in Beltrami county.

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

Dille; Jennings; Price; Johnson, R., and Carlson, D., introduced:

H. F. No. 771, A bill for an act relating to water; recodifying, clarifying, and relocating provisions relating to water law; amending Minnesota Statutes 1988, sections 9.071; 16B.62, subdivision 1; 18.191; 18B.07, subdivision 6; 40A.13, subdivision 1; 41B.039, subdivision 3; 84.083, by adding subdivisions; 84.91, subdivision 4; 84.911, subdivisions 5 and 6; 84.95, subdivision 2; 85.33, subdivision 3; 86A.05, subdivision 10; 88.43, subdivision 2; 93.335, subdivision 1; 94.343, subdivision 4; 97A.015, subdivision 41; 97A.071, subdivision 4; 97A.101, subdivision 2; 115.097, subdivision 2; 144.95, subdivision 4; 156A.10, subdivision 2; 161.28, subdivision 1; 163.17; 272.02, subdivisions 1 and 6; 273.19, subdivision 5; 295.44, subdivision 1; 357.021, subdivision 2; 375.471; 383A.602, subdivision 5; 383A.604, subdivision 1; 394.25, subdivision 2; 459.20; 462.357, subdivision 1; 465.20; 469.141, subdivision 4; 469.174, subdivision 19; 471.345, subdivision 3; 471.591, subdivision 1; 471.98, subdivision 2; 473.191, subdivision 2; 609.68; and 645.44, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 83A; 156A; and 375; proposing coding for new law as Minnesota Statutes, chapters 86B; 103A; 103B; 103C; 103D; 103E; 103F; and 103G; repealing Minnesota Statutes 1988, sections 40.01 to 40.45; 84.031; 84.032; and 84.158; 104.01 to 104.50; 105.37 to 105.81; 106A.005 to 106A.811; 110.13 to 110.72; 110B.01 to 110B.35; 112.34 to 112.89; 114.12 and 114.13; 114B.01 to 114B.07; 116C.41; 361.01 to 361.29; 378.01 to 378.57; 465.18; and 473.875 to 473.883.

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

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

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

S. F. Nos. 171 and 300:

PATRICK E. FLAHAVER, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 171, A bill for an act relating to law libraries; permitting

fees to be set annually; amending Minnesota Statutes 1988, section 140.422, subdivision 4.

The bill was read for the first time.

Swenson moved that S. F. No. 171 and H. F. No. 370, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 300, A bill for an act relating to crimes; repealing law regulating dance halls; repealing Minnesota Statutes 1988, sections 624.42 to 624.54.

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

CONSENT CALENDAR

H. F. No. 264 was reported to the House.

Olsen, S., moved that H. F. No. 264 be continued on the Consent Calendar for one day. The motion prevailed.

CALENDAR

H. F. No. 326, A bill for an act relating to human services; requiring nursing homes to fully participate in Medicare for medical assistance participation; defining full participation; providing residents with the right to refuse a transfer; amending Minnesota Statutes 1988, section 256B.48, subdivision 6.

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

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

Those who voted in the affirmative were:

Abrams	Bishop	Conway	Frerichs	Henry
Anderson, G.	Blatz	Cooper	Girard	Himle
Anderson, R.	Boo	Dauner	Greenfield	Hugoson
Battaglia	Brown	Dawkins	Gruenes	Jacobs
Bauerly	Burger	Dempsey	Gutknecht	Janezich
Beard	Carlson, D.	Dille	Hartle	Jaros
Begich	Carlson, L.	Dorn	Hasskamp	Jefferson
Bennett	Carruthers	Forsythe	Haukoos	Jennings
Bertram	Clark	Frederick	Heap	Johnson, A.

Johnson, R.	McEachern	Orenstein	Richter	Tjornhom
Johnson, V.	McGuire	Osthoff	Rodosovich	Tompkins
Kalis	McPherson	Ostrom	Rukavina	Trimble
Kelly	Miller	Otis	Runbeck	Tunheim
Kelso	Morrison	Ozment	Sarna	Uphus
Kinkel	Munger	Pappas	Schafer	Valento
Knickerbocker	Murphy	Pauly	Scheid	Vellenga
Kostohryz	Nelson, C.	Pellow	Schreiber	Wagenius
Krueger	Nelson, K.	Pelowski	Seaberg	Waltman
Lasley	Neuenschwander	Peterson	Segal	Weaver
Lieder	O'Connor	Poppenhagen	Simoneau	Welle
Limmer	Ogren	Price	Skoglund	Wenzel
Long	Olsen, S.	Pugh	Sparby	Williams
Lynch	Olsen, E.	Redalen	Stanius	Winter
Macklin	Olsen, K.	Reding	Steenasma	Wynia
Marsh	Omann	Rest	Sviggum	Spk. Vanasek
McDonald	Onnen	Rice	Swenson	

The bill was passed and its title agreed to.

S. F. No. 28, A bill for an act relating to probate; providing for adult health care decisions; imposing penalties; proposing coding for new law as Minnesota Statutes, chapter 145B.

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 102 yeas and 31 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kostohryz	Orenstein	Segal
Anderson, G.	Frerichs	Krueger	Osthoff	Simoneau
Anderson, R.	Greenfield	Lasley	Ostrom	Skoglund
Beard	Gutknecht	Lieder	Otis	Sparby
Bennett	Hartle	Limmer	Ozment	Stanius
Bishop	Haukoos	Long	Pappas	Sviggum
Blatz	Heap	Macklin	Pauly	Swenson
Boo	Henry	McDonald	Pellow	Trimble
Brown	Himle	McGuire	Pelowski	Tunheim
Burger	Hugoson	McLaughlin	Peterson	Valento
Carlson, D.	Janezich	Miller	Poppenhagen	Vellenga
Carlson, L.	Jaros	Morrison	Price	Wagenius
Carruthers	Jefferson	Munger	Redalen	Waltman
Clark	Jennings	Nelson, C.	Reding	Weaver
Conway	Johnson, A.	Nelson, K.	Rest	Welle
Cooper	Johnson, R.	Neuenschwander	Rukavina	Williams
Dauner	Johnson, V.	O'Connor	Runbeck	Wynia
Dawkins	Kahn	Ogren	Schafer	Spk. Vanasek
Dille	Kelly	Olsen, S.	Scheid	
Dorn	Kinkel	Olsen, E.	Schreiber	
Forsythe	Knickerbocker	Olson, K.	Seaberg	

Those who voted in the negative were:

Battaglia	Dempsey	Jacobs	Marsh	Murphy
Bauerly	Girard	Kalis	McEachern	Omann
Begich	Gruenes	Kelso	McPherson	Onnen
Bertram	Hasskamp	Lynch	Milbert	Pugh

Quinn
Rice
Richter

Rodesovich
Sarna
Steenma

Tjornhom
Tompkins
Uphus

Wenzel
Winter

The bill was passed and its title agreed to.

GENERAL ORDERS

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

REPORT OF THE COMMITTEE OF THE WHOLE

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

H. F. Nos. 268, 175 and 279 were recommended to pass.

H. F. No. 210, the first engrossment, which it recommended to pass with the following amendment offered by Price:

Page 2, line 26, delete "sale," and delete "or conveyance"

On the motion of Wynia the report of the Committee of the Whole was adopted.

MOTIONS AND RESOLUTIONS

Olsen, S., moved that the names of Carruthers and Runbeck be added as authors on H. F. No. 20. The motion prevailed.

Clark moved that the name of Trimble be added as an author on H. F. No. 300. The motion prevailed.

Nelson, C., moved that the name of Sparby be stricken and the name of Dille be added as an author on H. F. No. 521. The motion prevailed.

Reding moved that the name of Dauner be added as an author on H. F. No. 557. The motion prevailed.

Pappas moved that the name of Dawkins be added as an author on H. F. No. 574. The motion prevailed.

Rukavina moved that the name of Clark be added as an author on H. F. No. 644. The motion prevailed.

Tunheim moved that the name of Sparby be added as an author on H. F. No. 683. The motion prevailed.

Carlson, D., moved that the name of Johnson, V., be added as an author on H. F. No. 693. The motion prevailed.

Vellenga moved that H. F. No. 717 be recalled from the Committee on Education and be re-referred to the Committee on Health and Human Services. The motion prevailed.

Price moved that the names of Swenson, McPherson and Johnson, V., be added as authors on H. F. No. 210. The motion prevailed.

Frederick moved that H. F. No. 204 be returned to its author. The motion prevailed.

ADJOURNMENT

Wynia moved that when the House adjourns today it adjourn until 2:30 p.m., Thursday, February 23, 1989. The motion prevailed.

Wynia moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:30 p.m., Thursday, February 23, 1989.

EDWARD A. BURDICK, Chief Clerk, House of Representatives